

**STATE OF MINNESOTA  
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

**Findings in the Matter of the International Union of Operating Engineers**

**Summary of the Facts**

Minnesota Statutes, section 10A.27, subdivision 13(b), prohibits an association that is not registered with the Campaign Finance and Public Disclosure Board (“the Board”) from making a contribution in excess of \$100 to a candidate, political party unit, or political committee that is registered with the Board unless, at the time the contribution was made, the unregistered association provides the recipient with disclosure of the unregistered associations receipts and expenditures in the form specified by statute. An unregistered association that fails to provide the appropriate disclosure with the contribution is subject to a civil penalty of up to \$1,000.

In response to the reconciliation audit of the 2008 Year-end Reports of Receipts and Expenditures filed with the Board by the Minnesota Outdoor Heritage Foundation Committee, Daniel Peterson, treasurer, notified the Board that the International Union of Operating Engineers made a \$500 contribution to his committee from the general fund of the union. No financial disclosure was provided with the contribution.

The Minnesota Outdoor Heritage Foundation Committee registered as a ballot question committee on May 7, 2008. The International Union of Operating Engineers has a political fund registered with the Board since October 1974.

In a letter dated July 13, 2009, Mr. Peterson stated “I have reviewed our records and contacted the Union to determine if MOHF reported the \$500 contribution correctly. Based on this review, I can verify that we did not do so. I have learned that the Union is not an incorporated entity as originally believed but in fact an unregistered association, and therefore, we did not obtain the contemporaneous disclosure required or return the contribution within the timeframe allowed. This was an inadvertent mistake. At no time was it our intention to do anything improper or to circumvent any of the reporting rules.” On February 3, 2009, Mr. Peterson filed the 2008 Year-end Report of Receipts and Expenditures disclosing a zero balance terminating the committee.

James Hansen, treasurer, International Union of Operating Engineers, responded on June 22, 2009. He states “The contribution of \$500 to Minn Outdoor Heritage Foundation was not reported because the contribution did not come from our political fund. It was given out of our general fund because there was a misunderstanding about the purpose of the contribution. Our executive board approved the action without knowing the contribution would be going to a political fund.”

Board records show that Findings were issued to the International Union of Operating Engineers in 2007 for another contribution from the general fund of the union to a political committee registered with the Board. This matter was considered by the Board in executive session on August 4, 2009. The Board’s decision was based upon correspondence from Mr. Peterson, Mr. Hansen, and Board records.

Based on the above Summary of the Facts and Relevant Statutes, the Board makes the following:

**Finding Concerning Probable Cause**

1. There is probable cause to believe that the International Union of Operating Engineers, an association not registered with the Campaign Finance and Public Disclosure Board, contributed to the Minnesota Outdoor Heritage Foundation Committee from the its general fund without providing the disclosure required by Minnesota Statutes, Section 10A.27, subdivision 13.
2. There is probable cause that the contribution was not returned within 60 days as permitted in Minnesota Statutes, section 10A.15, subdivision 3.
3. There is no probable cause to believe that this violation was intentional or done with the intent to circumvent the requirements of Minnesota Statutes, Chapter 10A.
4. Board records indicate that this is the association's second violation of this statute.

Based on the above Finding Concerning Probable Cause, the Board issues the following:

**ORDER**

1. The Board imposes a civil penalty of \$800, two times the amount of the contribution over \$100, on the International Union of Operating Engineers for making a contribution to a political committee without the disclosure required by Minnesota Statutes, section 10A.27, subdivision 13. The penalty is two times the amount of the excess contribution because this is the second time the association has violated this provision of Chapter 10A.
2. The International Union of Operating Engineers is directed to forward to the Board payment of the civil penalty, by check or money order payable to the State of Minnesota, within 30 days of receipt of this order.
3. If the International Union of Operating Engineers does not comply with the provisions of this order, the Board's Executive Director shall refer this matter to the Ramsey County Attorney for civil enforcement pursuant to Minnesota Statutes, section 10A.28, subdivision 4.
4. The Board investigation of this matter is hereby made a part of the public records of the Board pursuant to Minnesota Statutes, section 10A.02, subdivision 11, and upon payment by the civil penalty imposed herein, this matter is concluded.
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Dated: August 4, 2009

  
A. Hilda Bettermann, Chair  
Campaign Finance and Public Disclosure Board

### Relevant Statutes

**10A.27, subdivision 13. Unregistered association limit; statement; penalty.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than \$100 from an association not registered under this chapter unless the contribution is accompanied by a written statement that meets the disclosure and reporting period requirements imposed by section 10A.20. This statement must be certified as true and correct by an officer of the contributing association. The committee, fund, or party unit that accepts the contribution must include a copy of the statement with the report that discloses the contribution to the board. This subdivision does not apply when a national political party contributes money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three committees, funds, or party units in a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty imposed by the board of up to \$1,000, if the association or its officer:

(1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of \$100 from an unregistered association without the required written disclosure statement is subject to a civil penalty up to four times the amount in excess of \$100.