

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

Findings in the Matter of the Minnesota DFL State Central Committee

Summary of the Facts

Pursuant to Minnesota Statutes, Section 10A.27, subdivision 13, candidates, political party units, and political committees registered with the Campaign Finance and Public Disclosure Board (the Board) may not accept a contribution in excess of \$100 from an association that is not registered with the Board unless the contribution is accompanied by financial disclosure of the donating association's receipts and expenditures in the form specified by statute.

In the 2009 Report of Receipts and Expenditures filed with the Board, the Minnesota DFL State Central Committee disclosed receipt of a contribution in the amount of \$1,250 from the Pipe Fitters Local 539 Political fund, a political fund registered with the Board. However, the Pipe Fitters Local 539 Political Fund's 2009 Report of Receipts and Expenditures did not disclose a corresponding contribution.

Andrew O'Leary, deputy treasurer of the Minnesota DFL State Central Committee, responded to a Board inquiry into discrepancy by letter dated July 7, 2010. In his letter Mr. O'Leary states "The committee has returned \$1,250.00...to Pipe Fitters Local 539. After discussions with the treasurer from the Pipe Fitters he acknowledged that he had mistakenly written a check to the Minnesota DFL Party from the wrong account. The DFL asked the Pipe Fitters to purchase a table at the annual HHH Day Dinner. When the party received the check it had no reason to believe it was not from their PAC." A copy of the check returning the contribution to the Pipe Fitter Local 539 was provided.

In a letter dated June 28, 2010, Russell Scherber, treasurer of the Pipe Fitters Local 539, states he received a sponsorship request from the Minnesota DFL State Central Committee for the Humphrey Day Dinner. The contribution was made from the general fund of the union, not from the political fund. Mr. Scherber believed the sponsorship for the event was not a political donation.

This matter was considered by the Board in executive session on September 7, 2010. The Board's decision was based upon correspondence from Mr. O'Leary, Mr. Scherber, and Board records.

Board Analysis

Purchasing a ticket to a fundraiser is a contribution to the organization holding the event. Tickets to fundraising events are classified and reported as contributions under Minnesota Statutes, Section 10A.20, subdivision 3(b). Therefore, the purchase of a table at the Humphrey Day Dinner fundraiser with funds from the Pipe Fitters Local 539 general account is considered a contribution from an unregistered association.

The Board takes into account the confusion the Minnesota DFL State Central Committee experienced when a check received in response to a solicitation sent to a registered political fund was mistakenly believed to be from the political fund.

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 Minnesota DFL State Central Committee inadvertently violated Minnesota Statutes, section 10A.27, subdivision 13(c), when they accepted a contribution from an unregistered association, believing the check to be from the association's registered political fund.
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.

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

ORDER

1. The Board imposes no civil penalty on the Minnesota DFL State Central Committee.
2. The Minnesota DFL State Central Committee has returned \$1,250 to the Pipe Fitters Local 539 and provided a copy of the check.
3. 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, this matter is concluded.

Dated: September 7, 2010

/s/ Bob Milbert
Bob Milbert, 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.