

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

**FINDINGS AND ORDER REGARDING
LINCOLN COUNTY REPUBLICAN PARTY**

Facts Used In These Findings

Campaign Finance and Public Disclosure Board (the Board) staff's review of the 7th Congressional District Republican Party's 2004 year end Report of Receipts and Expenditures disclosed a \$900 contribution made to the Lincoln County Republican Party that was not reported as received by the Lincoln County Republican Party. Political party units are not limited in the number or amount of contributions made to or received from other registered political party units; but all such contributions must be disclosed on the appropriate Report of Receipts and Expenditures as provided in Minnesota Statutes, section 10A.20, subdivision 3.

In response to the Board's inquiry into the discrepancy Norma Klingler, treasurer for Lincoln County Republican Party, stated by letter dated June 20, 2005, "Just to let you know that the Lincoln County RPM DID NOT RECEIVE a \$900 contribution from the 7th Congressional District RPM in 2004".

In response to the Board's inquiry into the discrepancy David Sturrock, current treasurer for 7th Congressional District RPM, stated in a letter dated August 30, 2005, "We issued a check to Lincoln County (#4067, \$900, 8/27/2004) which cleared our bank on 10/8/2004. The check was accompanied by a request that Lincoln County use those funds in support of Republican candidates in their area. The Lincoln County Chairman, who was new to his position and had not received any formal training in campaign finance matters, honored this request by making a contribution to a federal campaign which was active in the region. However, he deposited the 7th District check in his personal account and wrote the check for the federal donation from the same account. The Lincoln County Treasurer did not report receipt of the 7th District check ...because it was never deposited in Lincoln County's account".

Based on the correspondence from Mr. Sturrock, the Board voted at its meeting of November 22, 2005, to begin a formal investigation into the \$900 contribution made by the 7th Congressional District Republican Party to the Lincoln County Republican Party. The investigation concerned possible violations of Minnesota Statutes, section 10A.11, subdivision 5, and Minnesota Statutes, section 10A.15, subdivision 3. These statutes provide that an officer of a political party unit may not commingle party funds with personal funds and that all contributions received by or on behalf of a party unit must be deposited into the political party unit account. Violation of each of these provisions is subject to a civil penalty of up to \$1,000.

By letter dated November 30, 2005, the Board contacted Edward Gatfield, treasurer of the 7th Congressional District Republican Party at the time the contribution was made to the Lincoln County Republican Party. Mr. Gatfield was asked whether any conditions were attached to the contribution provided to the Lincoln County Republican Party. By letter dated December 12, 2005, Mr. Gatfield stated, "The procedures that were in use at that time, the check would have been made out to the Lincoln County Republican Party to be deposited into their County checking account. I am unaware that was not done....At no time would I ask any county Chairman or board member to contribute funds to a specific candidate from county accounts".

By letter dated November 30, 2005, the Board informed David Sturrock of the investigation and asked for clarification on which campaign received the contribution, and any other information related to the deposit of the check. By letter dated December 8, 2005, Mr. Sturrock responded, "The federal campaign to which Mr. Widmark's check was sent was Sturrock for Congress, which was filed with the Federal Election Commission until it was terminated last December. I know this because I was a candidate for the United States House of Representatives, and this was my campaign committee. Neither I nor any officials or volunteers of my campaign had any knowledge of or involvement with the actions of the 7th District or Lincoln County Republican organizations with respect to the transaction you are investigating....At the time of the events in question I was not involved with the operations of the 7th District Republican Party, having resigned from the position of treasurer when I began my congressional campaign".

By letter dated December 8, 2005, the Board notified Alan Widmark, chair of the Lincoln County Republican Party, of the investigation and information on the \$900 that had been submitted to the Board. By letter dated January 11, 2006, Mr. Widmark stated, "After doing the paper work by myself to receive the \$900 for the county with the suggestion of the 7th district to give the money to the Sturrock Campaign...With check in hand I called the Sturrock Campaign headquarters to find out how to get the \$900 to the right place. It was suggested I deposit the check in my personal account and issue as check for more than the \$900 to the Sturrock campaign because Sturrock couldn't receive any more money from the County...I gained nothing financially by trying to help David Sturrock".

The Federal Election Commission records for the Sturrock for Congress campaign show a \$900 contribution received from Alan Widmark on October 12, 2004.

By letter dated January 13, 2006, the Board notified Mr. Widmark that he appeared to be in violation of Minnesota Statutes, section 10A.11, subdivision 5 and Minnesota Statutes, section 10A.15, subdivision 3, and afforded him the opportunity to provide more information or appear before the Board at the February 24, 2006, meeting.

The Board considered this matter in executive session at its meeting on November 22, 2005, December 15, 2005, January 11, 2006, and February 24, 2006. The Board's decision was based on correspondence received and Board records.

Relevant Statutes

1. Minnesota Statutes, section 10A.11, subdivision 5. **Commingling prohibited.** A political committee, principal campaign committee, or party unit may not commingle its funds with personal funds of officers, members, or associates of the committee.
2. Minnesota Statutes, section 10A.11, subdivision 7. **Penalty.** A person who knowingly violates this section is subject to a civil penalty imposed by the board of up to \$1,000.
3. Minnesota Statutes, section 10A.15, subdivision 3. **Deposit.** All contributions received by or on behalf of a candidate, principal campaign committee, political committee, political fund, or party unit must be deposited in an account designated "Campaign Fund of...(name of ...party unit)." All contributions must be deposited promptly upon receipt and, except for contributions received during the last three days of a reporting period as described in section 10A.20, must be deposited during the reporting period in which they were received. A contribution received during the last three days of a reporting period

must be deposited within 72 hours after receipt and must be reported as received during the reporting period whether or not deposited within that period. A candidate, principal campaign committee, political committee, political fund, or party unit may refuse to accept a contribution. A contribution deposited and not returned within 60 days after that deposit must be reported as accepted.

4. Minnesota Statutes, section 10A.15, subdivision 4. **Penalty.** An individual violating this section is subject to a civil penalty imposed by the board of up to \$1,000.
5. Minnesota Statutes, section 10A.20, subdivision 3, **Contents of Report.**

(e) The report must disclose each receipt over \$100 during the reporting period not otherwise listed under paragraphs (b) to (d).

(f) The report must disclose the sum of all receipts of the reporting entity during the reporting period.

(j) The report must disclose the name and address of each political committee, political fund, principal campaign committee, or party unit to which contributions have been made that aggregate in excess of \$100 within the year and the amount and date of each contribution.

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

Findings of Probable Cause

1. There is evidence that the 7th Congressional District Republican Party sent a \$900 contribution to the Lincoln County Republican Party in 2004. The Board finds that the 7th Congressional District Republican Party accurately disclosed the contribution on the 2004 Report of Receipts and Expenditures.
2. There is evidence that the Lincoln County Republican Party treasurer never received the \$900 contribution from the 7th Congressional District Republican Party, and the contribution was never deposited in the bank account of the Lincoln County Republican Party. The Board finds that the Lincoln County Republican Party accurately reported that it received no contribution from the 7th Congressional District Republican Party on the 2004 Report of Receipts and Expenditures.
3. There is evidence that Mr. Widmark deposited a contribution to the Lincoln County Republican Party into his personal bank account. The Board finds that Mr. Widmark violated Minnesota Statutes, section 10A.11, subdivision 5, and Minnesota Statutes, section 10A.15, subdivision 3.

Based on the above Findings, the Board issues the following:

Order

1. For commingling the funds of the Lincoln County Republican Party with his personal funds, the Board imposes a civil penalty on Alan Widmark of \$450. This penalty represents one half the amount of the 7th Congressional District Republican Party contribution. The penalty must be paid within 30 days.
2. For failing to deposit a contribution into the Lincoln County Republican Party bank account, the Board imposes a civil penalty on Alan Widmark of \$450. This penalty represents one half the amount of the 7th Congressional District Republican Party contribution. The penalty must be paid within 30 days.
3. The Board directs the Executive Director to forward a copy of these findings, and the relevant supporting documents, to the Federal Election Commission.
4. The Board's 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. Board staff is directed to forward copies of these Findings to Alan Widmark, David Sturrock, and Norma Klingler.

Dated: February 24, 2006



Bob Milbert, Chair
Campaign Finance and Public Disclosure Board