

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

.....
**September 7, 2016
Nokomis Room
Centennial Office Building**
.....

MINUTES

The meeting was called to order by Chair Rosen.

Members present: Flynn, Greenman, Leppik, Oliver, Rosen

Others present: Sigurdson, Goldsmith (left after website demonstration), Fisher, Pope, staff; Hartshorn, counsel

MINUTES (August 2, 2016)

After discussion, the following motion was made:

Member Flynn's motion: To approve the August 2, 2016, minutes as drafted.

Vote on motion: Unanimously passed.

CHAIR'S REPORT

Meeting schedule

The next Board meeting is scheduled for 10 a.m. on Wednesday, October 5, 2016.

Report of nominating committee

Chair Rosen said that the nominating committee, consisting of himself and Member Leppik, had met and recommended that Member Oliver be named as vice chair of the Board for the remainder of Member Oliver's term.

After discussion, the following motion was made:

Member Rosen's motion: To approve the nominating committee's recommendation that Member Oliver be named as vice chair for the remainder of Member Oliver's term.

Vote on motion: Unanimously passed.

EXECUTIVE DIRECTOR TOPICS

Office operations

Members welcomed Mr. Sigurdson to his first meeting as executive director. Mr. Sigurdson then gave a brief update on staff activity since the last meeting.

Demonstration of website redevelopment

The demonstration of the new website was postponed to the next meeting due to internet connection issues in the Nokomis room.

Review of 2016 public subsidy payments

Mr. Sigurdson presented members with a memorandum on this topic that is attached to and made a part of these minutes. Mr. Sigurdson reviewed the public subsidy payments made in 2016 and commented generally on public subsidy payment trends since 2012. Mr. Sigurdson also said that to his knowledge this was the first year where no minor party candidates had qualified for public subsidy payments.

Audit authorization for public subsidy program

Mr. Sigurdson presented members with a memorandum on this topic that is attached to and made a part of these minutes. Mr. Sigurdson told members that the Board routinely has audited committees seeking public subsidy funds that reported less than a specified threshold of individual contributions to ensure that those committees had raised the threshold amount required to qualify for public subsidy funds. Mr. Sigurdson said that it was not clear whether a full Board motion was needed to commence these audits or to set the audit threshold. Mr. Sigurdson therefore asked the Board to give the executive director continuing authority for these audits at the audit threshold currently in use.

After discussion, the following motion was made:

Member Leppik's motion:

To adopt the following resolution:

Resolved,

That the Campaign Finance and Public Disclosure Board, while not determining that a resolution is necessary, hereby authorizes the executive director to audit the qualifying contributions claimed by committees that file an affidavit of contributions for an election and report no more than twice the amount of contributions from individuals required to qualify for public subsidy payments.

Vote on motion:

Unanimously passed.

2015 reconciliation

Mr. Sigurdson presented members with a memorandum on this matter that is attached to and made a part of these minutes. Mr. Sigurdson reviewed the history of the reconciliation initiative in general and the specifics of the 2015 reconciliation. Mr. Sigurdson told members that 99.97% of the itemized transfers between registered committees and funds reported on the 2015 year-end reports had been reconciled.

ENFORCEMENT REPORT

A. Discussion Items

Items 1 through 3 were considered together.

1. Request for balance adjustment – Benson (Michelle) for Senate - \$499.96 in excess funds in bank.

Mr. Fisher told members that the Benson (Michelle) for Senate committee was asking to adjust its 2015 ending cash balance from \$14,418.92 to \$14,918.88. Mr. Fisher said that although the committee had found and corrected several discrepancies dating back to 2013, it had not been able to discover the reason for the remaining discrepancy. The committee registered with the Board on February 16, 2010.

2. Request for balance adjustment – 4th Congressional District Green Party of Minnesota - \$557.06 in excess funds in bank.

Mr. Fisher told members that the 4th Congressional District GPM was asking to adjust its 2015 ending cash balance from \$1,846.60 to \$2,403.66. Mr. Fisher said that the party unit had a new treasurer who had spent a great deal of time looking for and resolving discrepancies in the party unit's records but had not been able to account for the remaining \$557.06. The new treasurer has taken CFR software training and was asking for the adjustment so that she could move forward with accurate numbers. The party unit registered with the Board on February 26, 1999.

3. Request for balance adjustment – Schoen (Lynn) for House - \$302.66 less in bank than reported.

Mr. Fisher told members that the Schoen for House committee was asking to adjust its 2015 beginning cash balance from \$648.76 to \$346.10. Mr. Fisher said that the candidate ran for office in 2014 for the first time. She was attempting to close down the account with records left to her by the previous treasurer. Mr. Fisher said that the discrepancy could not be located at this time but appeared to be from missing 2014 expenditures based on the bank balance at that time. The committee had filed the appropriate termination reports and the matter would be completed with a granted balance adjustment. The committee registered with the Board on June 26, 2014.

After discussion, the following motion was made:

Member Leppik's motion:

To grant the balance adjustment requests listed in items 1 through 3.

Vote on motion:

Unanimously passed.

4. Request to withdraw party unit registration – Kittson County RPM.

Mr. Fisher told members that the party unit had registered with the Board on 12/29/2015 and had reported a cash balance of \$324.67 as of 12/31/2015. Mr. Fisher said that this was apparently the balance of the account when it was provided to the new officers. The party unit therefore appeared to have not needed to register in the first place and was asking the Board to permit it to withdraw its registration.

After discussion, the following motion was made:

Member Flynn’s motion: To allow the Kittson County RPM to withdraw its registration.

Vote on motion: Unanimously passed.

5. Request to confirm administrative termination of lobbyist registration – Verretta Strickland, on behalf of the MN AFL-CIO.

Mr. Fisher told members that Ms. Strickland had registered on behalf of the MN AFL-CIO on 3/3/2015. The organization had been unable to obtain a termination form from Ms. Strickland since she left the MN AFL-CIO in October 2015. Mr. Fisher said that staff was recommending that the Board terminate Ms. Strickland’s registration as of 10/31/2015.

After discussion, the following motion was made:

Member Flynn’s motion: To administratively terminate Verretta Strickland’s lobbyist registration on behalf of the MN AFL-CIO.

Vote on motion: Unanimously passed.

B. Waiver requests

<u>Name of Candidate or Committee</u>	<u>Late Fee & Civil Penalty Amount</u>	<u>Reason for Fine</u>	<u>Factors for waiver</u>	<u>Board Member’s Motion</u>	<u>Motion</u>	<u>Vote on Motion</u>
Riley Horan for State Rep	\$50 LFF	7/25/2016 Pre-primary	User experienced software error from service pack installation failure.	Member Greenman	To waive the late filing fee.	Passed unanimously.
Mali Marvin for House	\$50 LFF	7/25/2016 Pre-primary	User experienced software error from service pack installation failure.	Member Greenman	To waive the late filing fee.	Passed unanimously.
Marvin (Robert) for Senate	\$50 LFF	7/25/2016 Pre-primary	User experienced software error from service pack installation failure.	Member Greenman	To waive the late filing fee.	Passed unanimously.
St. Louis County RPM	\$700 LFF	7/25/2016 Pre-primary	Report uploaded prior to filing deadline and appeared to be successful. Board logs indicate that an internet connection issue likely led to a partial file being received by the Board and not recognized as a report.	Member Greenman	To waive the late filing fee.	Passed unanimously.

Deb Calvert for State Senate	\$200 LFF	7/25/2016 Pre-primary	Treasurer was hospitalized with a medical issue.	Member Greenman	To waive the late filing fee.	Passed unanimously.
Christopher Seymore	\$100 LFF; \$100 CP	6/11/2016 EIS	Individual filed affidavit of candidacy on 5/27/2016. Economic interest statement was due within 14 days of that filing. Confusion over whether EIS and/or campaign finance report was necessary resulted because individual did not plan to raise funds in his run for office, and therefore would not be required to file campaign finance reports but would still be required to submit an EIS. If report had been filed on day individual came into Board's offices, no late filing fee or civil penalty would have accrued.	Member Greenman	To waive the late filing fee.	Passed unanimously.
Friends of Paul Alegi	\$150 LFF	2/1/2016 Year-end	Treasurer resigned on October 9, 2015. Candidate attempted to wrap up the committee's affairs and terminate. Committee terminated and filed final report on 8/17/2016.	Member Greenman	To waive the late filing fee.	Passed unanimously.
DFL Hunting and Fishing Caucus	\$200 LFF	7/25/2016 Pre-primary	Treasurer's employment status changed four days before report was due.	Member Flynn	To reduce the late filing fee to \$142.	Passed unanimously.
Sten (Hakanson) for MN Senate	\$400 LFF	7/25/2016 Pre-primary	Committee attempted to upload report on filing deadline but software did not recognize file. Board logs indicate user may have experienced firewall issue in attempting to upload report.	Member Rosen	To waive the late filing fee.	Passed unanimously.
Traverse County RPM	\$100 LFF	7/25/2016 Pre-primary	Treasurer was experiencing many difficulties in personal life.	No motion.		
15B House District DFL	\$350 LFF	7/25/2016 Pre-primary	Treasurer assured party unit members that report had been completed and filed and did not return calls and emails. After contacting Board and confirming report had not been filed, previous treasurer re-registered and filed report.	Member Leppik	To reduce the late filing fee to \$100.	Passed unanimously.
Kara Genia	\$25 LFF	6/15/2016 Lobbyist	Lobbyist has limited income and living expenses hinder ability to pay fee.	No motion.		
Meeker County RPM	\$50 LFF	7/25/2016 Pre-primary	Treasurer had certification issue while attempting to submit report prior to deadline. Name was entered differently for certification and therefore not recognized by software.	Member Flynn	To waive the late filing fee.	Motion passed (4 ayes, 1 nay).
Larkin Hoffman Political Fund	\$50 LFF	7/25/2016 Pre-primary	Treasurer experienced issues uploading report due to firewall issues at work. Treasurer thought report was due on 26th and filed report on that date.	No motion.		

Iron Workers Local 512	\$50 LFF	7/25/2016 Pre-primary	Individual believed report was filed prior to deadline. Upon uploading report on 7/26/2016, message regarding overriding file was received. Message regarding override was received due to report being uploaded twice on 7/26/2016.	No motion.		
Dodge County RPM	\$200 LFF	7/25/2016 Pre-primary	Treasurer worked in software on 7/19 but did not upload report and instead only downloaded information from Board. Email notice stating report not received sent to treasurer on 7/22.	No motion.		
Austin Chamber Business Leadership Committee	\$650 LFF	7/25/2016 Pre-primary	Treasurer stated that he did not receive notices for 2nd and 3rd reports this year. Notices were sent on 5/12/2016 and 7/1/2016 to registered address on file with Board where previous notices were sent.	No motion.		

Informational Items

A. Payment of a late filing fee for 2015 Report of Receipts and Expenditures:

Freeborn County DFL, \$200
 Committee to Elect Dan Bye for 9A, \$1,000

B. Payment of a civil penalty for 2015 Report of Receipts and Expenditures:

Committee to Elect Dan Bye for 9A, \$1,000

C. Payment of a late filing fee for 2012 candidate economic interest statement and pre-primary, pre-general, and year-end Reports of Receipts and Expenditures; late fee and civil penalty for failure to amend 2012 and 2013 year-end Reports of Receipts and Expenditures:

Minnesotans for Benjamin Kruse, \$2,974.30 late filing fees, \$1,000 civil penalty

D. Payment of a late filing fee for 2014 and 2015 year-end Reports of Receipts and Expenditures:

Grassroots for Michael Griffin, \$25 applied to 2014 and \$69.44 applied to 2015 (revenue recapture)

E. Payment of a late filing fee for April 14, 2016, Report of Receipts and Expenditures:

Patriot PAC, \$50

F. Payment of a late filing fee for June 14, 2016, Report of Receipts and Expenditures:

1st Judicial District Republican Committee, \$25
 Leech Lake PAC, \$50
 Pass the Minnesota Health Plan, \$25
 Police Officers Federation of Minneapolis Contingency Fund, \$25

G. Payment of a late filing fee for 2016 pre-primary Report of Receipts and Expenditures:

3rd Congressional District RPM, \$150
6th Congressional District IPMN, \$200
53rd Senate District DFL, \$200
Brian Abrahamson for Senate, \$25
Andrew Livingston for Minn House, \$50
Michelle MacDonald for Justice, \$450
Todd Podgorski for State Senate, \$50
America Votes Action Fund, \$200
IUPAT District Council 82 PAC, \$50
Minn Gun Owners PAC, \$200
Minn Thoroughbred Association PAC, \$50
MN/ND ABC PAC, \$150
Otter Tail Power PAC, \$700
SMART PAC, \$50

H. Payment of a late filing fee for a 24-hour notice of large pre-election contribution:

Allianz Minnesota Political Action Committee: \$100

I. Payment of a late filing fee for candidate economic interest statement:

Chilah Brown for Senate, \$35
Friends for Jim Carlson, \$5
Sten Hakanson for Minn Senate, \$5
Barb Lake for Senate District 23, \$15
Leon Lillie for House, \$10
Committee to Elect Sarah Udvig, \$5
Bob Zick for Senate, \$5

J. Payment of a late filing fee for June 15, 2016, lobbyist disbursement report:

Devin Foley, Intellectual Takeout, \$25
Steve Hunter, Coalition of MN Working Families, \$25
Scott Moen, Fish & Wildlife All, Intl Council of Shopping Ctr, Publ Empl Pension Serv Assn, \$300
William Parker, Minnesotans for a Better Minnesota, \$25
Mitch Pearlstein, Center of the American Experiment, \$25

K. Payment of a civil penalty for exceeding the special source aggregate limit:

Leon Lillie for House, \$750. Conciliation agreement approved November 3, 2015, revoked.

L. Deposit to the General Fund, State Elections Campaign Fund:

Ricky Englund for Senate, \$25 anonymous contribution
Volunteers for Mary T'Kach, \$50 anonymous contribution

A. Waiver requests related to 2015 annual economic interest statements

Ms. Pope presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Ms. Pope told members that the three waiver request were presented separately from the enforcement report because they all involved public officials who were late filing their annual statements of economic interest because they were out of the state around the due date and therefore did not receive notices and outreach from Board staff regarding this statement. Ms. Pope said that the law had changed in 2015 to make the annual statement mandatory and to move the due date from April to January.

After discussion, the following motion was made:

Member Greenman's motion: To grant the waiver requests from Robert Brekke, Neal Mensing, and Lawrence Vettleson.

Vote on motion: Unanimously passed.

PRIMA FACIE DETERMINATIONS FINDING NO VIOLATION

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that since the last meeting, Chair Rosen had dismissed two complaints on the grounds that they did not state prima facie violations.

LEGAL COUNSEL'S REPORT

Mr. Hartshorn told members that he had nothing to add to the report that is attached to and made a part of these minutes.

OTHER BUSINESS

There was no other business to report.

EXECUTIVE SESSION

The Chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the regular session of the meeting was called back to order and the Chair reported the following matters into regular session:

2016 audit of eligibility for public subsidy payments

There being no other business, the meeting was adjourned by the chair.



Jeff Sigurdson
Executive Director

Attachments:

Memorandum regarding review of 2016 public subsidy payments

Memorandum regarding audit authorization for public subsidy program

Memorandum regarding 2015 reconciliation

Memorandum regarding waiver request related to 2015 annual economic interest statements

Memorandum regarding prima facie determinations finding no violation

Legal report

2016 audit of eligibility for public subsidy payments

Campaign Finance and Public Disclosure Board

190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

DATE: August 31, 2016
TO: Board Members
FROM: Jeff Sigurdson
Executive Director
TELEPHONE: 651-539-1189
SUBJECT: Post Primary Public Subsidy Payments

On August 22, 2016, the Board issued public subsidy payments to 225 House and 114 Senate candidate committees. Total public subsidy payments to these candidates came to \$2,121,874.

The amount paid to a specific candidate is determined by two formulas. The party account payment is determined by a formula that tracks the number of individuals who check-off a \$5 donation to the political party of their choice on the state income and property tax form, and then allocates a share of those funds based on the votes cast within a county for candidates of that party. The amount of a party account payment will vary dramatically depending on the legislative district and the strength of a political party within that district.

Each qualified candidate running with a major party affiliation also receives a portion of the general account appropriation. A percentage of the general account appropriation is allocated to each office on the ballot. The amount available for a given office is divided by the number of candidates running for the office who qualified for a public subsidy payment. For example each qualified house candidate received a general account payment of \$2,539, and each senate candidate a general account payment of \$5,060. Party affiliation does not affect the amount paid from the general account appropriation.

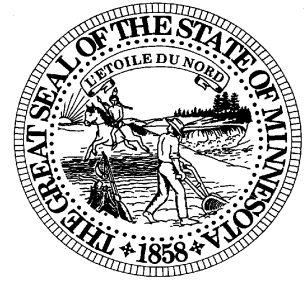
The attached press release lists the 2016 public subsidy payments distributed to each qualified candidate. A second public subsidy payment, typically for less than \$200, will be issued to qualified candidates in December.

Attachments:

Public Subsidy Press Release

Minnesota

Campaign Finance and Public Disclosure Board



Date: August 31, 2016

To: Board members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Authority to audit eligibility for public subsidy payments

Minnesota Statutes section 10A.022, subdivision 2, provides that the Board must make audits and investigations with respect to the requirements of Chapter 10A within the limits of its available resources.

One of the eligibility requirements for public subsidy payments is to raise a specified amount in qualifying contributions before the cut-off date for transactions disclosed on the pre-primary-election report of receipts and expenditures. Committees that raise the required amount must timely file with the Board a notarized affidavit of contributions documenting the fact that they have reached the specified threshold.

In 2014, the Board passed a resolution authorizing staff to audit the house and constitutional office committees seeking public subsidy funds that filed an affidavit of contributions for the 2014 election and reported no more than twice the amount of contributions required to qualify for public subsidy payments. The Board issued a final report at the conclusion of the audit.

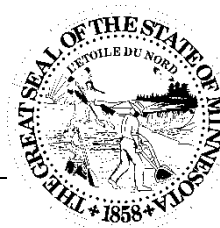
Committees must raise the required contributions and file the affidavit before every special or general election for which they seek public subsidy funds. In 2016, the deadline for raising the qualifying contributions was July 18, 2016, and the last day to file an affidavit of contributions was July 25, 2016.

It is not entirely clear whether a full Board motion is needed before the executive director may initiate an audit of the qualifying contributions claimed by committees seeking public subsidy. To ensure that timely audits of committees' eligibility for public subsidy payments can be conducted in 2016 and in the future, staff asks the Board to adopt a resolution giving the executive director continuing authority to audit the qualifying contributions claimed by committees that timely file affidavits of contributions and report no more than twice the amount of contributions required to qualify for public subsidy payments. The following resolution would accomplish this goal.

Resolved,

That the Campaign Finance and Public Disclosure Board hereby authorizes the executive director to audit the qualifying contributions claimed by committees that file an affidavit of contributions for an election and report no more than twice the amount of contributions from individuals required to qualify for public subsidy payments.

Campaign Finance and Public Disclosure Board



190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

DATE: August 30, 2016

TO: Board Members

FROM: Jeff Sigurdson
Executive Director

TELEPHONE: 651-539-1189

SUBJECT: Yearly Update on Reconciliation of Contributions between Registered Committees

Background

In the fall of 2013, the Star Tribune published an article describing problems found in the database of contributions to state candidates, political party units, and political committees and funds provided to the paper by the Campaign Finance and Public Disclosure Board. In particular the Star Tribune found that it could not reconcile over \$20 million dollars in contributions reported between registered committees during the years 2000 to 2012. Staff confirmed that the problems identified in the article existed, and during the remainder of 2013, all of 2014, and the first quarter of 2015, worked to reduce the number of contributions between registered entities that did not reconcile.

At the August 2015 Board meeting staff reported to the Board on the progress made in reconciling contributions, and reported on nine steps implemented by the executive director to minimize unreconciled contributions in future reporting years. The Board directed staff to stop the active reconciliation of contributions made prior to 2014, and to report annually to the Board regarding the reconciliation of contributions for the prior reporting year. This memo provides the status of the reconciliation of contributions between registered entities reported in 2015.

Reconciliation of 2015

The 2015 year-end Reports of Receipts and Expenditures was due on February 1, 2016. These reports were processed using procedures designed to limit the number of unreconciled contributions caused by data entry errors. . The procedures include double checking the data entry of paper reports and requiring treasurers to submit complete amended reports if warranted. In Table 1 the 2015 reconciliation numbers are highlighted in grey, the years 2010 – 2014 are provided for comparison.

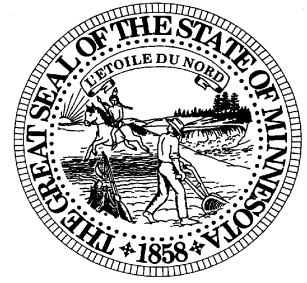
Table 1

Year	Total Itemized Transfers	Amount Initially Not Reconciled	Percentage Initially Reconciled	Current Amount Not Reconciled	Percentage Currently Reconciled
2010	\$25,459,972	\$4,791,084	81.18%	\$31,968	99.87%
2011	\$4,087,836	\$500,960	87.75%	\$5,870	99.86%
2012	\$32,772,360	\$4,326,600	86.80%	\$19,614	99.94%
2013	\$4,506,703	\$417,657	90.73%	\$8,167	99.82%
2014	\$24,647,813	\$1,955,927	92.06%	\$30,561	99.88%
2015	\$23,869,620	\$1,230,272	94.85%	\$7,359	99.97%
Totals	\$115,344,304	\$13,222,500	88.54%	\$103,539	99.91%

The number of committees that needed to be contacted to achieve the 99.97% resolution rate for 2015 was high. For the 2015 reporting year 264 candidate committees, political committees, political funds, and party units reported at least one contribution to or from another registered committee that initially failed to reconcile. All of these committees were contacted, and in almost all cases amendments were secured from the donor, the recipient, or both to resolve the discrepancy. Staff is still working with committees to resolve nine contributions made in 2015 that do not reconcile.

Minnesota

*Campaign Finance and
Public Disclosure Board*



Date: August 31, 2016

To: Board members

From: Jodi Pope
Legal/Management Analyst

Telephone: 651-539-1183

Re: Waiver of late fees and civil penalties for three annual economic interest statements

In 2015, the legislature amended the statutes governing economic interest statements to require all public officials to recertify their statements annually even if nothing on them had changed. The legislature also moved the due date for the annual recertification from April 15th to the last Monday in January.

Notice of the new requirements was sent to all public officials on December 29, 2015. In late February and March, follow-up letters were sent and telephone calls were made to officials who had not filed an annual statement by the due date. After a 10-day grace period, late fees accrue for annual statements at the rate of \$5 per day up to a maximum of \$100. After the maximum late fee has been reached and certified notice has been sent, a civil penalty of \$100 per week begins to accrue up to a maximum of \$1,000.

On May 27, 2016, the Board considered but did not grant a request from Robert Brekke to waive \$100 in late fees and \$200 in civil penalties for his annual EIS. Mr. Brekke served as a watershed district manager. He left to spend the winter in Texas before the December notice reached him. Mr. Brekke therefore did not know that the due date for the annual EIS had been moved from April to January or that the annual was now mandatory. Consequently, Mr. Brekke did not alert the relative monitoring his mail to watch for letters from the Board. Mr. Brekke filed his annual on March 31 after he returned to Minnesota.

Two other public officials have asked the Board to waive the late fees and civil penalties imposed for their annual economic interest statements for reasons similar to Mr. Brekke's. Neal Mensing and Lawrence Vettleson are both soil and water conservation district supervisors. Mr. Mensing mistakenly believed that he had complied with the annual requirement before he left Minnesota for a month during the winter. He therefore did not ask the relative monitoring his mail to watch for letters from the Board. When Mr. Mensing returned home and found the Board's warning letters, he promptly filed his annual statement. Mr. Mensing, however, had already accrued \$100 in late fees and \$100 in civil penalties.

Mr. Vettleson also left Minnesota for part of the winter and therefore did not know that he had misunderstood the new EIS requirements. When Mr. Vettleson returned to Minnesota and found the Board's warning letters, he asked for a paper form because he was unfamiliar with computers. Although Mr. Vettleson promptly filed his statement after receiving the paper form, he still accrued \$100 in late filing fees.

Public officials are responsible for complying with the annual EIS requirement regardless of their travel plans or changes to the filing deadline. Nonetheless, because of their extended absence from the state, these three individuals did not receive the same notice of the new filing requirement and deadline provided to other public officials. Staff notes that all three officials promptly filed their statements after learning of the requirement and receiving the necessary forms.

If the Board grants the waiver requests of Mr. Mensing and Mr. Vettleson, staff recommends that the Board also grant Mr. Brekke's waiver request due to his similar circumstances.

Attachments:

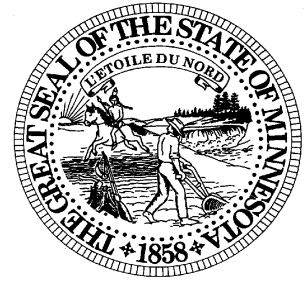
Mensing waiver request

Vettleson waiver request

Brekke waiver request

Minnesota

*Campaign Finance and
Public Disclosure Board*



Date: August 31, 2016

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Prima facie determinations finding no violation

Complaints filed with the Board are subject to a prima facie determination made by the Board chair in consultation with staff. If the Board chair determines that the complaint states a violation of Chapter 10A or the provisions of Chapter 211B under the Board's jurisdiction, the complaint moves forward to a probable cause determination by the full Board.

If, however, the chair determines that the complaint does not state a prima facie violation, the chair must dismiss the complaint without prejudice. When a complaint is dismissed, the complaint and the prima facie determination become public data. The following two complaints were dismissed by the chair and the prima facie determinations are provided here as an informational item to the other Board members. No further action of the Board is required.

Complaint regarding the Campaign to Elect Rashad Turner:

On August 5, 2016, the Board received a complaint from Laura Nevitt regarding the Campaign to Elect Rashad Turner. The complaint alleged that the campaign was distributing a flyer that did not include the required statutory disclaimer language, and that the flyer was enticing people to vote for Mr. Turner by offering the chance to win a car, in violation of Minnesota Statutes section 211B.13. The Board chair made a determination on August 12, 2016, that the complaint did not state a prima facie violation.

Complaint regarding the Jon Applebaum for Representative Committee:

On August 15, 2016, the Board received a complaint from James Schultz regarding the Jon Applebaum for Representative Committee. The complaint alleged that the committee violated the reporting requirements of Chapter 10A by listing the purpose of some campaign expenditures as "campaign services." The Board chair made a determination on August 18, 2016, that the complaint did not state a prima facie violation.

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
September, 2016

ACTIVE FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
Jeffrey Hoffman	Yellow Medicine River Water District	Unfiled Economic Interest Statement due January 25, 2016	\$100 LF \$1,000 CP	7/7/16				
Larry Stelmach	West Mississippi Watershed Mgmt Commission	Unfiled Economic Interest Statement due January 25, 2016	\$100 LF \$1,000 CP	7/7/16				
	West Mississippi Watershed Mgmt Commission	Late Filing of Economic Interest Statement due July 19, 2015	\$100 LF \$1,000 CP					
	Shingle Creek Watershed Mgmt Commission	Unfiled Economic Interest Statement due January 25, 2016	\$100 LF \$1,000 CP					
	Shingle Creek Watershed Mgmt Commission	Late Filing of Economic Interest Statement due July 19, 2015	\$100 LF \$1,000 CP					

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

FINAL AUDIT REPORT

2016 AUDIT OF ELIGIBILITY FOR PUBLIC SUBSIDY PAYMENTS:

A candidate must do the following to be eligible for public subsidy payments: (1) sign a public subsidy agreement in which the candidate agrees, among other requirements, to be bound by a spending limit; (2) raise a statutorily-specified amount in qualifying contributions, (3) file a notarized affidavit of contributions with the Board verifying that the candidate has raised the required amount in qualifying contributions, and (4) appear on the general election ballot.

To ensure eligibility for public subsidy payments, the Board audited the qualifying contributions of candidates seeking public subsidy payments whose total reported individual contributions were less than the audit threshold. The audit threshold was set at twice the amount a candidate was required to raise in qualifying contributions. For example, the required amount of qualifying contributions for a house candidate is \$1,500. This amount must be raised between January 1 of the previous odd-numbered year and the cutoff date for transactions included in the pre-primary-election report. Consequently, a candidate for house was subject to audit if the candidate was seeking public subsidy funds and reported receiving \$3,000 or less in individual contributions between January 1, 2015, and July 18, 2016. An audit threshold of \$6,000 was used for senate candidates.

Applying this threshold to candidates who had signed a public subsidy agreement and filed an affidavit of contributions resulted in an audit of 40 house candidates and 25 senate candidates. Attachment A lists the candidates who were subject to the audit.

Reporting individual contributions less than the audit threshold had no effect on a candidate's eligibility for public subsidy payments. It simply determined which candidates would be subject to an audit by the Board to ensure that their certified affidavits of contributions were, in fact, correct and that the candidates actually had raised the required amount in qualifying contributions.

The Board asked each candidate subject to the audit to provide a list of the individual contributions that had been included in the amount required to qualify for public subsidy along with each contributor's name and address. To be included in the qualifying amount, a contribution had to have been made by an individual eligible to vote in Minnesota. In addition, only the first \$50 from each contributor could be included in the qualifying amount and in-kind contributions could not be considered.

Board staff reviewed the lists of individual contributors provided by the candidates against the criteria for eligible qualifying contributions. Jeff Sigurdson, executive director to the Board, was the individual primarily responsible for the audit. Mr. Sigurdson was supported in evaluating the candidates' responses by Joyce Larson, compliance officer, and Jodi Pope, legal analyst.

Some candidates provided reports with updated contributions to the Board. These candidates were required to provide documentation for any contributions added to their original submissions.

Findings:

1. After reviewing the requirements for qualifying contributions with Board staff, four candidates determined that they had not raised the required amount in qualifying contributions and withdrew their affidavits of contributions. The two house candidates who withdrew their affidavits were Tom Heinks and Erwin Rud. The two senate candidates who withdrew their affidavits were Brian Abrahamson and Darryl Scarborough.
2. The remaining 61 committees subject to the audit all raised the required amount in qualifying contributions.

Responsible Staff Person:

/s/ Jeff Sigurdson
Jeff Sigurdson, Executive Director
Campaign Finance and Public Disclosure Board

Date: September 7, 2016

/s/ Daniel N. Rosen
Daniel N. Rosen, Chair
Campaign Finance and Public Disclosure Board

Date: September 7, 2016

Attachment A: Candidates who initially reported individual contributions under the required threshold

House Candidates (\$3,000 threshold)

Reg. No.	Committee Name	Party	2015 Contrib.	2016 Contrib.	Total Contrib.
18081	Kristin Bahner for State Representative	DFL	\$0.00	\$2,255.00	\$2,255.00
18108	Bass (George) For House Campaign Committee	DFL	\$0.00	\$2,451.50	\$2,451.50
18075	Committee to Elect Tim Brandon for House 3B	RPM	\$0.00	\$2,060.00	\$2,060.00
18098	Elect Bob Cardinal Campaign	RPM	\$0.00	\$1,890.00	\$1,890.00
18009	Jared Christiansen for MN House	DFL	\$0.00	\$2,763.22	\$2,763.22
18087	Connelly (Jim) for State Rep	DFL	\$0.00	\$2,815.00	\$2,815.00
18080	Dave Craig for MN House	DFL	\$0.00	\$2,559.16	\$2,559.16
17995	Crouse (Matthew) for MN	DFL	\$0.00	\$1,635.00	\$1,635.00
18091	Diesslin (Elise) for 21B	DFL	\$0.00	\$2,603.00	\$2,603.00
18047	Margaret (Fernandez) for House	DFL	\$0.00	\$2,560.00	\$2,560.00
17921	Fogarty (Kevin) for MN House	DFL	\$0.00	\$2,715.00	\$2,715.00
18064	Brad Gerten for MN House	RPM	\$0.00	\$1,641.00	\$1,641.00
18015	Austin Grossenburg	DFL	\$0.00	\$1,875.00	\$1,875.00
18037	Sarah (Hamlin) for House	DFL	\$0.00	\$1,909.00	\$1,909.00
18097	Pat Hammond for Minnesota House	RPM	\$0.00	\$1,780.00	\$1,780.00
18092	Tom Heinks for State House	RPM	\$0.00	\$1,703.50	\$1,703.50
17790	Heyer (Jon) 4 House	RPM	\$1,200.00	\$675.00	\$1,875.00
17434	Committee to Elect Andy Hillebregt for House of Rep 35A	DFL	\$0.00	\$2,290.00	\$2,290.00
17889	Holl (CJ) for MN Representative	DFL	\$220.00	\$2,040.00	\$2,260.00
18105	Jordan Idso for House 4A	RPM	\$0.00	\$2,526.94	\$2,526.94
17951	Vote Kirby Kruse Committee	DFL	\$0.00	\$2,365.60	\$2,365.60
18074	Kruse (Allen) for House	DFL	\$0.00	\$1,940.00	\$1,940.00
18059	Sue Larson for MN House DFL	DFL	\$0.00	\$1,625.00	\$1,625.00
17684	Richard Lieberman Campaign Committee	RPM	\$1,235.00	\$700.00	\$1,935.00
18073	Meg Litts for House 9A	DFL	\$0.00	\$2,990.00	\$2,990.00
18017	Vote Jerry Loud	DFL	\$0.00	\$2,166.00	\$2,166.00
17800	Margaret (Martin) for MN House 59B	RPM	\$100.00	\$2,381.00	\$2,481.00
17783	Mali Marvin for House	RPM	\$0.00	\$2,068.00	\$2,068.00
17809	Matasich (Matt) for House	RPM	\$0.00	\$2,335.00	\$2,335.00
18082	Darrel Mosel Volunteer Committee	DFL	\$0.00	\$2,497.50	\$2,497.50
17973	Friends of Nelson for House LLC (initial 2016 total was \$0 due to late report)	RPM	\$0.00	\$3,083.57	\$3,083.57
18024	Newville (Jessica) for MN House	RPM	\$0.00	\$2,060.00	\$2,060.00
18070	Committee to Elect Kevin Parker to House of Rep.	DFL	\$0.00	\$2,850.00	\$2,850.00
18008	Friends of Cortney (Phillips)	DFL	\$0.00	\$1,914.00	\$1,914.00
17985	Vote John Poston Volunteer Committee	RPM	\$0.00	\$2,665.00	\$2,665.00
17939	Erwin (Erv) Rud For 1B	DFL	\$0.00	\$2,700.00	\$2,700.00
18061	Lisa Thompson for MN House	RPM	\$0.00	\$2,872.00	\$2,872.00

17863	Wally 4 Rep (Linda Walbruch)	DFL	\$827.59	\$1,844.50	\$2,672.09
17758	Alma (Wetzker) for House	RPM	\$1,500.00	\$1,177.34	\$2,677.34
18072	Anthony Wilder for House	RPM	\$0.00	\$2,220.00	\$2,220.00

Senate Candidates (\$6,000 threshold)

Reg. No.	Committee Name	Party	2015 Contrib.	2016 Contrib.	Total Contrib.
18043	Brian Abrahamson for Senate	DFL	\$0.00	\$4,255.75	\$4,255.75
18099	Ali (Ali) for Minnesota	DFL	\$0.00	\$5,385.00	\$5,385.00
18010	Brown (Chilah) for Senate	DFL	\$0.00	\$2,445.00	\$2,445.00
18044	Roxana Bruins for Senate	RPM	\$0.00	\$3,805.00	\$3,805.00
17340	Voters Together for Term Limits (Jual Carlson)	DFL	\$4,315.00	\$120.00	\$4,435.00
17856	Davern (Patrick) Volunteer Committee	DFL	\$1,395.00	\$2,855.00	\$4,250.00
18083	Ricky's (Englund) Run for the Senate	DFL	\$0.00	\$4,485.00	\$4,485.00
13404	Friends of (Michelle) Fischbach	RPM	\$1,350.00	\$3,010.00	\$4,360.00
18060	Sten (Hakanson) for MN Senate	DFL	\$0.00	\$4,670.00	\$4,760.00
18019	Leilani Holmstadt for MN Senate	RPM	\$0.00	\$5,125.00	\$5,125.00
17894	Roger Johnson Campaign Committee	DFL	\$100.00	\$3,170.00	\$3,270.00
18022	Yes! We! Kanne! (James Kanne) Senate 16	DFL	\$0.00	\$5,909.99	\$5,909.99
18034	Janice Kittok for Senate	DFL	\$0.00	\$5,126.00	\$5,126.00
18089	Lillis (John) for MN Dist 23	DFL	\$0.00	\$3,406.00	\$3,406.00
13262	Limmer (Warren) for Senate Committee	RPM	\$1,750.00	\$4,115.00	\$5,865.00
18102	Marvin (Robert) for Senate	RPM	\$0.00	\$3,650.00	\$3,650.00
18084	Mark Misukanis for Senate	RPM	\$0.00	\$5,740.00	\$5,740.00
15123	Nienow (Sean) Volunteer Committee	RPM	\$500.00	\$5,135.00	\$5,635.00
18002	Pieper (Jon) for Senate	DFL	\$0.00	\$4,494.00	\$4,494.00
18055	Sherrie Pugh 4 senate	DFL	\$0.00	\$4,832.02	\$4,832.02
17987	Darryl Scarborough	DFL	\$0.00	\$2,937.50	\$2,937.50
18063	Skeeter (Tomczak) for Senate	RPM	\$0.00	\$4,834.00	\$4,834.00
17999	Weinerman (Jason) for Minnesota Senate	DFL	\$0.00	\$5,750.00	\$5,750.00
18021	Bonnie Westlin for MN Senate	DFL	\$0.00	\$5,925.00	\$5,925.00
17934	Dan Whitcomb for MN State Senate	RPM	\$0.00	\$4,973.50	\$4,973.50