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REPLY TO MINNEAPOLIS

**CONFIDENTIAL (MINN. STAT. § 10A.02, SUBD. 11(C))**

February 10, 2010

**HAND-DELIVERED**

Gary Goldsmith, Executive Director  
Minnesota Campaign Finance & Public Disclosure Board  
190 Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155-1603

**Re: Seventh Senate District DFL Committee  
Registration No. 20050**

Dear Gary:

As you and I discussed yesterday, I represent the Seventh Senate District DFL Political Party Unit ("7<sup>th</sup> SD DFL Committee" or "Committee"). The Committee has authorized me to file this letter as a complaint with the Minnesota Campaign Finance and Public Disclosure Board ("Campaign Finance Board") against its former treasurer, Terri Griffiths, for violation of, *inter alia*, Minnesota Statutes § 10A.025, Subdivision 2. As set forth below and in the amended Reports of Receipts and Expenditures for 2005, 2006, 2007 and 2008 (filed separately today with your office), the Committee has reason to believe that Ms. Griffiths knowingly signed and certified to be true reports and statements to the Campaign Finance Board that contained false information, or knowingly omitted required information, when Ms. Griffiths was serving as the Committee's treasurer.

The Committee understands that this Complaint is confidential as set forth in Minnesota Statutes § 10A.02, Subdivision 11(c). At the conclusion of the Board's investigation of this matter, it may be appropriate to return this letter to the Committee or to designate this letter as a private record as set forth in Minnesota Statutes § 10A.02, Subdivision 11a (citing § 13.02, Subd. 12). Accordingly, the Committee requests a specific finding by the Campaign Finance Board with respect to the data privacy of this letter following the Board's investigation.

A. Background

In early 2009, the Committee discovered questionable transactions on its bank statements and its Chair questioned Ms. Griffiths. At that time, Ms. Griffiths admitted that she had misappropriated over \$9,000 of the Committee's funds in May 2008. Ms. Griffiths then resigned as treasurer. On February 12, 2009, Ms. Griffiths provided the Chair of the Committee with some financial records she had maintained as treasurer, but she has avoided all contact with the Committee since that time.

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The Committee then authorized an internal investigation of its 2008 financial records. Upon finding significant defalcations in addition to the \$9,000 originally discovered, the Committee directed the Chair to undertake a specific and painstaking investigation of all financial records for the years 2005 through 2008—essentially the entire time that Ms. Griffiths served as treasurer. After obtaining and examining all available records from the Committee alongside bank statements and canceled checks, the Committee determined to file amended reports for each year that Ms. Griffiths was treasurer. These amended reports reveal a significant number of unauthorized transactions by Ms. Griffiths that were not reported to the Campaign Finance Board on the reports signed by Ms. Griffiths.

In addition to commencing its internal investigation, the Committee reported Ms. Griffiths' activity to the Duluth Police Department. The Committee is unaware of the status of that complaint and investigation, although we believe that the Duluth Police Department referred the complaint to the Federal Bureau of Investigation.

**B. Alleged Violations of Minnesota Statutes Chapter 10A**

As noted above, the Committee believes that Ms. Griffiths violated Chapter 10A by knowingly certifying a report that contains false information or omits required information (Minn. Stat. § 10A.25, Subd. 2). The specific record-keeping and reporting violations of Chapter 10A are as follows:

- (i) issuing a loan for purposes not related to the conduct of a campaign (Minn. Stat. § 10A.17, Subd. 3a);
- (ii) obtaining petty cash in excess of \$100 a week for statewide elections and \$20 a week for legislative elections (Minn. Stat. § 10A.1, Subd. 3);
- (iii) failure to keep a written record of every expenditure and failure to obtain a receipted bill for every expenditure over \$100 (Minn. Stat. § 10A.13, Subds. 1(3), 1(4) and 2); and
- (iv) failure to keep a written record of the name and address of every contributor who donates more than \$20 in cash or in kind in a calendar year (Minn. Stat. § 10A.13, Subd. 1(2)).

The Committee has obtained all of its bank records dating back to late 2004, when Ms. Griffiths became treasurer. Because Ms. Griffiths has refused to communicate with the Committee, we are unable to determine whether documentation exists for certain expenditures. The Committee has determined that any expenditure or reimbursement to Ms. Griffiths or her husband was not authorized by the Committee and therefore in violation of Chapter 10A unless the Committee has specific documentation to the contrary. The Committee has uncovered a significant number of undocumented (and therefore unauthorized) expenditures and reimbursements to Ms. Griffiths and her husband.

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C. Summary of Unauthorized Transactions

Here is a list of each unauthorized transaction as reported on the amended reports and for which the Committee has been unable to find documentation. Many of these transactions appear to have been either misreported or not reported at all by Ms. Griffiths in the original reports:

<u>Date</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
11/15/2005	Terri Griffiths	\$ 300.00	Unauthorized cash expenditures
11/25/2005	Terri Griffiths	500.00	Unauthorized cash expenditures
01/01/2006	Joe Griffiths	400.00	Unauthorized reimbursement
01/01/2006	Terri Griffiths	600.00	Unauthorized cash expenditures
01/18/2006	Joe Griffiths	900.00	Unauthorized reimbursement
01/21/2006	Terri Griffiths	150.00	Unauthorized cash expenditures
03/20/2006	Joe Griffiths	900.00	Unauthorized reimbursement
05/01/2006	Terri Griffiths	500.00	Unauthorized cash expenditures
05/16/2006	Terri Griffiths	200.00	Unauthorized cash expenditures
07/06/2006	Terri Griffiths	1,000.00	Unauthorized cash expenditures
07/24/2006	Terri Griffiths	1,000.00	Unauthorized cash expenditures
07/31/2006	Terri Griffiths	600.00	Unauthorized cash expenditures
10/31/2006	Terri Griffiths	1,000.00	Unauthorized cash expenditures
01/16/2007	Terri Griffiths	1,934.37	Unauthorized cash transaction
05/05/2007	Joe Griffiths	700.00	Unauthorized expenditure
06/12/2007	Terri Griffiths	600.00	Unauthorized cash transaction
02/28/2008	Terri Griffiths	200.00	Unauthorized cash expenditures
02/29/2008	Terri Griffiths	300.00	Unauthorized cash expenditures
04/10/2008	Terri Griffiths	1,000.00	Unauthorized cash expenditures
04/25/2008	Terri Griffiths	200.00	Unauthorized cash expenditures
5/22/2008	Terri Griffiths	348.91	Unauthorized cash expenditures
10/27/2008	Terri Griffiths	500.00	Unauthorized cash expenditures
07/20/2008	J.H. Griffiths	9,000.00	Unauthorized reimbursement
12/09/2008	Joe Griffiths	(3,915.25)	Returned funds
12/09/2008	Terri Griffiths	(4,000.00)	Returned funds
Total:		\$14,918.03	

In the event that Ms. Griffiths is able to document valid use(s) of some or all of the above-transactions, perhaps the Committee would consider ratifying some of these expenses and again amending its reports. As it stands now, however, the Committee contends that all of the expenditures reported as "unauthorized" in the amended reports for 2005 through 2008 are violations by Ms. Griffiths of Chapter 10A and that Ms. Griffiths' certification of the original reports violates Chapter 10A as well.

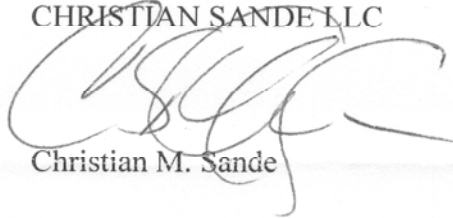
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Please feel free to contact me if you have any questions or would like additional information. Thank you.

Very truly yours,

CHRISTIAN SANDE LLC

A handwritten signature in black ink, appearing to read 'C. Sande', is written over the typed name 'CHRISTIAN SANDE LLC'.

Christian M. Sande

c: Seventh Senate District DFL Committee