

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

**Findings in the Matter of a Contribution to the DFL House Caucus Committee from
Leonard, Street and Deinard, PA**

Summary of the Facts

The routine reconciliation by the Campaign Finance and Public Disclosure Board (the Board) of contributions reported made and received on the 2010 Report of Receipts and Expenditures showed that the DFL House Caucus Committee reported receiving five separate contributions totaling \$4,850 from the Leonard, Street and Deinard PAC. However, the Leonard, Street and Deinard PAC Report of Receipts and Expenditures disclosed only four contributions totaling \$4,250 to the DFL House Caucus; a \$600 difference.

In response to a Board inquiry into the difference, Representative Steve Simon, treasurer of the DFL House Caucus, states, "In August 2010, two members of the Leonard, Street and Deinard lobbying practice attended our annual golf tournament fundraising event. The contribution for that event was \$300 per person. One of the dozens of checks that we received on the date of the event was a check for \$600 from Leonard, Street and Deinard. The name on the top of the check was "Leonard, Street, and Deinard," and had the same address as the address registered with the Campaign Finance Board for the Leonard, Street and Deinard PAC. We recently learned that the check was from the Leonard, Street and Deinard corporate registry and not from the PAC account."

Representative Simon further states "In the case of the 2010 golf tournament, we sent out three email invitations to lobbyists and PACs, all of which used the phrase 'corporate contributions prohibited.' We sent out a hard copy invitation as well, which used the same language. We also posted a sign at the event about the rules for contributions, including the notation 'corporate contributions prohibited.'"

In a letter dated June 16, 2011, Suzanna Kennedy, legislative coordinator for Leonard, Street and Deinard, states "Our office had a misunderstanding about whether the check was to cover the costs of golfing, or if it was a political contribution...This was simply a clerical error on our part and there was no intention to try to make a political contribution from an unregistered entity."

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. For the purposes of Minnesota Statutes Chapter 10A, Leonard, Street and Deinard PA is an unregistered association subject to the provisions of Minnesota Statute, Section 10A.27, subdivision 13.

The DFL House Caucus refunded \$600 to Leonard, Street and Deinard PA on May 26, 2011. A copy of the check was provided to the Board. The penalty applied to the DFL House Caucus in these Findings takes into account the DFL House Caucus' assumption that a

contribution received in response to a solicitation sent to registered political committees, and bearing a similar name and the same address as previous contributions received from a registered political committee, was also from the registered political committee.

This matter was considered by the Board in executive session on June 30, 2011. The Board's decision was based on correspondence from Representative Steve Simon, Ms. Kennedy, 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 DFL House Caucus inadvertently violated Minnesota Statutes, section 10A.27, subdivision 13(a), when it accepted a contribution from an unregistered association in excess of \$100 without receiving the required financial disclosure.
2. There is probable cause that the DFL House Caucus returned the \$600 contribution to the Leonard, Street, and Deinard PA. There is no probable cause to believe that the contribution was returned within 60 days as permitted in Minnesota Statutes, section 10A.15, subdivision 3.
3. There is probable cause to believe that the Leonard, Street, and Deinard PA made a contribution of more than \$100 from the association's general account without the disclosure required in Minnesota Statutes, section 10A.27, subdivision 13(b),
4. There is no probable cause to believe that the violations by the DFL House Caucus and the Leonard, Street, and Deinard PA were 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 DFL House Caucus Committee.
2. The Board imposes a civil penalty of \$500, on Leonard, Street and Deinard PA for making a contribution in excess of \$100 to a party unit committee without the disclosure required by Minnesota Statutes, section 10A.27, subdivision 13 (b). This penalty reflects the amount by which the contribution exceeded the \$100 threshold for disclosure.
3. Leonard, Street and Deinard PA is directed to forward to the Board payment of the civil penalty by check or money order payable to the State of Minnesota within thirty days of receipt of this order.

