

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

**PROBABLE CAUSE  
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF ROBERT DOAR REGARDING VETERANS PARTY OF MINNESOTA

On May 27, 2021, the Campaign Finance and Public Disclosure Board received a complaint submitted by Robert Doar regarding the Veterans Party of Minnesota. The Veterans Party of Minnesota is a political committee that registered with the Board on June 6, 2017. The complaint alleged that the Veterans Party of Minnesota failed to disclose several expenditures on its reports. Failure to disclose all expenditures is a violation of the reporting requirements in Minnesota Statutes section 10A.20. The complaint alleged that the committee failed to disclose expenditures for the cost of maintaining its website, UPS mailbox service, and paid letters to the editor. The complaint also stated that in 2019 the committee listed a total of \$350 in direct contributions to candidate committees, but did not disclose the recipients of the direct contributions.

The complaint stated that the committee also failed to disclose independent expenditures in its reports of receipts and expenditures. The complaint provided as evidence copies of the two letters to the editor supporting local candidates and a third letter endorsing a congressional candidate. The letters do not contain the disclaimer required for independent expenditures under Minnesota Statutes section 10A.17, subdivision 4.

The complaint alleged that the Veterans Party of Minnesota knowingly filed false reports of receipts and expenditures by failing to include all of its expenditures on its reports. Minnesota Statutes section 10A.025, subdivision 2, paragraph (b), states that “[a]n individual shall not sign and certify to be true a report or statement knowing it contains false information or knowing it omits required information.”

The complaint stated that the committee has never disclosed any in-kind contributions. The complaint also alleged that the Veterans Party of Minnesota’s failure to disclose all of its expenditures and contributions is an attempt to circumvent the reporting requirements of Chapter 10A. Minnesota Statutes section 10A.29 prohibits an individual or association from circumventing the requirements of Chapter 10A “by redirecting a contribution through, or making a contribution on behalf of, another individual or association.”

Lastly, the complaint alleged violations of Minnesota Statutes section 211B.04, which regulates the use of disclaimers on campaign material. The complaint stated that the committee’s Facebook page(s), Twitter page, and website do not include a disclaimer. The complaint also claimed that the three letters referenced above did not include a disclaimer as required by Minnesota Statutes section 211B.04.

On June 11, 2021, a Board member dismissed allegations that the committee failed to disclose expenditures related to the letters endorsing the congressional and local candidates, failed to

disclose the recipients of \$350 in direct contributions to candidates, circumvented the reporting requirements, knowingly filed false reports with the Board, and failed to include the required disclaimer on its website, Facebook page, and Twitter page, and on an letter endorsing the congressional candidate. The Board member determined that the complaint did state prima facie violations of the reporting requirements in Minnesota Statutes section 10A.20 with respect to costs incurred for Facebook advertisements, a website, and UPS mailbox service, and the disclaimer requirement in Minnesota Statutes section 211B.04 with respect to “Paid Election Letters” supporting the local candidates that were published in a newspaper.

On June 18, 2021, the Veterans Party of Minnesota responded to the complaint, and by June 24, 2021, had filed amended year-end reports of receipts and expenditures for 2017, 2018, 2019, and 2020. In the response the Veterans Party of Minnesota’s treasurer, John Gruenfelder, admits that the committee did not fully understand the reporting requirements, specifically that chair Antonio Nerios’ purchases on behalf of the committee needed to be reported as in-kind contributions and expenditures. The amended reports from the Veterans Party of Minnesota include the in-kind contributions and expenditures from Mr. Nerios and other non-itemized in-kind contributions and expenditures. The response admits that the “Paid Election Letters” should have contained the required disclaimer, but that the requirement was overlooked. The Veterans Party of Minnesota stated that the cost of the two “Paid Election Letters” was \$60 per letter. The response also states that “these incidences are not intentional and we are learning as we go.”

## **Analysis**

When a Board member makes a finding that a complaint raises a prima facie violation, the full Board then must determine whether probable cause exists to believe an alleged violation that warrants an investigation has occurred. Minn. Stat. § 10A.022, subd. 3 (d). A probable cause determination is not a complete examination of the evidence on both sides of the issue. Rather, it is a determination of whether a complaint raises sufficient questions of fact which, if true, would result in the finding of a violation. Minnesota Statutes section 10A.022, subdivision 3, paragraph (d), directs the Board to make the probable cause determination within 45 days of the prima facie determination. However, the Board did not have a quorum from April 23, 2021, through July 19, 2021.<sup>1</sup> Notice of the Board meeting then had to be given under the open meeting requirements in Minnesota Statutes section 13D.04. Consequently, the Board could not act on the probable cause determination until the July 28, 2021, meeting.

Minnesota Statutes section 10A.20 requires political committees to file reports of receipts and expenditures. Pursuant to Minnesota Statutes section 10A.20, subdivision 3, those reports must contain itemized and summary information on contributions and expenditures made during the reporting period, including in-kind transactions.

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<sup>1</sup> The Board did not have a quorum because the terms of three members ended on April 23, 2021, when the legislature did not confirm those members by the 45<sup>th</sup> legislative day after the effective date of their appointments. The Board had a quorum again on July 19, 2021.

The complaint provided evidence of \$936 in Facebook advertisements between May 7, 2018, and May 16, 2021, and included screenshots of the committee's website, which contained the address listed on the committee's registration and statement of organization filed with the Board. The committee's mailing address appears to be a UPS Store location. Mailbox services provided by UPS would be an expenditure incurred by the committee that should have been included in the committee's reports. Based on the complaint and the response, there is probable cause to believe that a violation of the reporting requirements has occurred. In its response, the Veterans Party of Minnesota admits that the chair and treasurer misunderstood the reporting requirements and did not know that they needed to report purchases made by Mr. Nerios on behalf of the committee as in-kind contributions and expenditures. The Veterans Party of Minnesota, however, filed amended reports within the timeline requested by Board staff that disclosed all of the committee's transactions from 2017 through 2020, including all of Mr. Nerios' in-kind contributions and expenditures. Because the reporting violation has been cured by timely amendments, it does not warrant further investigation.

Minnesota Statutes section 211B.04 requires all campaign material to include a disclaimer in the form specified in the statute. The Veterans Party of Minnesota admits that the two "Paid Election Letters" did not include the required disclaimers. Based on the complaint and the response, there is probable cause to believe that a violation of the disclaimer requirement has occurred. The Veterans Party of Minnesota registered with the Board in 2017 and has no prior violations of the disclaimer requirement. The cost of the campaign material in question was minimal. Because it is unlikely that additional inquiry into the matter will produce any other information regarding the letters, the Board concludes that a formal investigation is not warranted.

**Order:**

1. The allegation that the Veterans Party of Minnesota violated the reporting requirements in Minnesota Statutes section 10A.20, subdivision 3, is dismissed because although there is probable cause to believe that this violation occurred, no further investigation is warranted due to the committee's filing of amended reports.
2. Although there is probable cause to believe that a violation of the disclaimer requirement occurred, a formal investigation is not warranted. Instead, the Board's executive director is directed to initiate a staff review regarding the allegations of the failure to include a disclaimer on the letters to the editor contained in the complaint pursuant to Minnesota Rules 4525.0320, for the limited purpose of determining an appropriate civil penalty, if any, to resolve this matter.

/s/ Stephen Swanson  
Stephen Swanson, Board Chair  
Campaign Finance and Public Disclosure Board

Date: July 28, 2021