## STATE OF MINNESOTA CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

## **CONCILIATION AGREEMENT**

In the matter of the Doug Wardlow for Attorney General committee (18133);

- 1. Doug Wardlow for Attorney General is the principal campaign committee of Doug Wardlow. On July 18, 2022, the Board received a complaint submitted by Kent Kaiser alleging that Rescue Minnesota, an independent expenditure political committee, made prohibited coordinated expenditures on behalf of the Wardlow committee related to advertisements. The complaint did not cite any specific statute or rule allegedly violated by the Wardlow committee. However, on December 15, 2022, after investigating alleged violations by Rescue Minnesota, the Board ordered an investigation to determine whether, as a result of coordinated expenditures made by Rescue Minnesota, the Wardlow committee exceeded the individual contribution limit under Minnesota Statutes section 10A.27, subdivision 1, and violated the reporting requirements within Minnesota Statutes section 10A.20, subdivision 3. The Board ordered that an investigation commence unless the respondents agree to enter into conciliation agreements to resolve the matter pursuant to Minnesota Statutes section 10A.28, subdivision 3.
- 2. Minnesota Statutes section 10A.176 applies to expenditures containing express advocacy. Minnesota Statutes section 10A.176, subdivision 3, provides that "[a]n expenditure is a coordinated expenditure if the expenditure is made on or after January 1 of the year the office will appear on the ballot by a spender that . . is an . . . independent expenditure political committee . . . in which the candidate was a . . . treasurer . . . on or after January 1 of" that same year. Minnesota Statutes section 10A.175 provides that for purposes of section 10A.176, the term candidate includes the candidate's agent and the term agent includes a candidate's treasurer, so the treasurer of a principal campaign committee is treated the same as the candidate. A coordinated expenditure is an approved expenditure, which is a contribution to the candidate on whose behalf it was made, under Minnesota Statutes sections 10A.175, subdivision 5, and 10A.01, subdivision 4.
- 3. Thomas Datwyler was the treasurer of the Wardlow committee from December 2021 until July 2022. Mr. Datwyler was the treasurer of Rescue Minnesota from when it registered with the Board in June 2022 until the end of that month. The office of attorney general was on the ballot in 2022. Rescue Minnesota made \$39,950 in expenditures for radio and Facebook advertisements expressly advocating for the election of Mr. Wardlow. The radio advertisements aired from July 5-18 and August 6-9, 2022, and the Facebook advertisements were disseminated from July 6-18, 2022.
- 4. Mr. Datwyler, through his legal counsel, stated that the only task he completed for Rescue Minnesota was filing its registration and statement of organization. Mr. Datwyler said that his understanding of Rescue Minnesota's purpose was to support Republican candidates in the general election. Mr. Datwyler stated that he became aware of the advertisements in question

when he received an invoice via email. Mr. Datwyler promptly thereafter resigned as the treasurer of each committee. Mr. Datwyler said that he provided no information to Rescue Minnesota about the Wardlow committee's plans, strategies, or needs. The Wardlow committee, through its legal counsel, stated that the Wardlow committee did not have advance knowledge of the advertisements purchased by Rescue Minnesota. Rescue Minnesota stated that Mr. Datwyler had no prior knowledge of Rescue Minnesota's expenditures supporting Mr. Wardlow and was not informed in advance of the committee's intent to make expenditures supporting Mr. Wardlow. However, because Mr. Datwyler served as treasurer of each committee in 2022, the \$39,950 in expenditures that Rescue Minnesota made supporting Mr. Wardlow's candidacy were coordinated expenditures made on behalf of the Wardlow committee.

- 5. "[A] candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27" is "subject to a civil penalty of up to four times the amount by which a contribution exceeds the applicable limits" under Minnesota Statutes section 10A.28, subdivision 2. The Board typically seeks to impose a civil penalty equal to one-times the amount of the violation for a first-time violation of the individual contribution limit. That amount would not be appropriate in this instance because this is a first-time violation and the amount of the violation is not directly correlated with the gravity of the violation. The evidence in the record indicates that Mr. Datwyler did not share nonpublic information about the Wardlow committee with any other personnel acting on behalf of Rescue Minnesota, and did not share nonpublic information about Rescue Minnesota with any other personnel acting on behalf of the Wardlow committee. Therefore, the Board concludes that it would be disproportionate to use the dollar amount of the violation as a basis for the penalty in this agreement.
- 6. The parties agree that without the prior knowledge of the Wardlow committee coordinated expenditures were made in excess of the \$2,500 individual contribution limit under Minnesota Statutes section 10A.27, subdivision 1. The Wardlow committee agrees to the imposition of a civil penalty of \$500. Payment is due within 30 days of the date the agreement is signed by both parties.
- 7. The Wardlow committee agrees to file, within 10 business days of the date the agreement signed by both parties, an amended 2022 year-end report that omits the \$39,950 in coordinated expenditures made by Rescue Minnesota.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Minnesota Statutes section 14.045, subdivision 3, lists factors that agencies must consider when setting the amount of a fine including the gravity, willfulness, and number of violations; the offender's past violations and economic benefit; and any other factor that justice requires.

<sup>&</sup>lt;sup>2</sup> Coordinated expenditures are contributions to the candidate on whose behalf they were made. However, in this instance, requiring that the \$39,950 in coordinated expenditures be classified as an inkind contribution from Rescue Minnesota could result in reports that are misleading. The coordination between the Wardlow committee and Rescue Minnesota was the result of a common treasurer, that treasurer provided no services to Rescue Minnesota other than submitting a registration form, and such a minimal level of coordination does not warrant compelling the Wardlow committee to classify the expenditures as a contribution within its 2022 year-end report.

	If the committee does not comply with the provisions of a pened by the Board and the Board may take such action	
Do	Doug Wardlow ug Wardlow ug Wardlow for Attorney General	Dated: March 3, 2023
Ge	George W. Soule orge W. Soule, Chair mpaign Finance and Public Disclosure Board	Dated: March 1, 2023