

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

.....  
**May 2, 2018**  
**St Croix Room**  
**Centennial Office Building**  
.....

**MINUTES**

The meeting was called to order by Chair Flynn.

Members present: Flynn, Haugen, Leppik, Moilanen, Rosen (arrived during executive director report)

Member absent: Swanson

Others present: Sigurdson, Engelhardt, Pope, Stevens, staff; Hartshorn, counsel

**MINUTES** (April 4, 2018)

After discussion, the following motion was made:

Member Leppik's motion: To approve the April 4, 2018, minutes as drafted.

Vote on motion: Motion failed (3 ayes, 1 abstention).

**CHAIR'S REPORT**

**A. Meeting schedule**

The next Board meeting is scheduled for 10 a.m. on Wednesday, June 6, 2018.

**EXECUTIVE DIRECTOR REPORT**

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 the bill containing the Board's legislative recommendations would be considered later that day on the house floor. Mr. Sigurdson also announced that staff would be offering campaign finance compliance training in Greater Minnesota in June. Mr. Sigurdson then introduced the new compliance officer, Melissa Stevens. Ms. Stevens described her past work experience, which primarily was in the commercial loan processing and refinancing sector. Members welcomed Ms. Stevens to the Board.

## **ENFORCEMENT REPORT**

### **A. Discussion items**

#### **1. Request to administratively terminate committee – Wade Fremling**

Ms. Pope told members that the Committee to Elect Wade Fremling House 3B was the principal campaign committee of candidate Wade Fremling. Ms. Pope said that the committee had filed its 2016 year-end report in June 2017. On the 2016 year-end report, Mr. Fremling had checked the box indicating that he was terminating his committee. Ms. Pope stated that staff could not process the termination, however, because the report showed that the committee had a balance of \$200, which was \$100 more than the maximum amount allowed under the statute for a terminating committee. In response to staff requests, Mr. Fremling submitted a bank statement showing that the committee actually had spent the \$200 in 2016 and had a zero balance, but he never amended the year-end report to show the additional \$200 in nonitemized expenditures. Ms. Pope said that Mr. Fremling had not responded to subsequent staff requests to file an amended 2016 report and had not filed a 2017 year-end report. Ms. Pope said that staff was asking the Board to administratively terminate the Fremling committee effective December 31, 2016. Ms. Pope told members that granting this request would eliminate the need for Mr. Fremling to file a 2017 year-end report and would allow staff to refer the matter to the Department of Revenue for collection of the \$1,000 in late fees and \$1,000 in civil penalties owed by the committee for the 2016 year-end report.

After discussion, the following motion was made:

Member Haugen's motion: To administratively terminate the Committee to Elect Wade Fremling effective December 31, 2016.

Vote on motion: Unanimously passed.

#### **2. Request to administratively terminate committee – Anne Nolan**

Ms. Pope told members that the Nolan (Anne) Campaign Committee was the principal campaign committee of candidate Anne Nolan. Ms. Pope said that Ms. Nolan had passed away in December 2012. Ms. Pope stated that from 2012 through 2016, the committee treasurer had filed no-change reports showing that the committee had a balance of \$253.60. The committee treasurer, however, had not filed a 2017 year-end report and had not responded to staff's attempts to contact him. Ms. Pope said that because the committee's last reported balance was only \$153.60 more than the \$100 allowed for a terminating committee, staff did not believe it would be an efficient use of the Board's resources to continue efforts to obtain the committee's 2017 year-end report. Ms. Pope said that staff therefore was asking the Board to administratively terminate the Nolan committee effective December 31, 2016. Ms. Pope told members that granting this request would eliminate the need for the committee to file a 2017 year-end report.

After discussion, the following motion was made:

Member Leppik's motion: To administratively terminate the Nolan (Anne) Campaign Committee effective December 31, 2016.

Vote on motion: Unanimously passed.

### **3. Request to refer matter to attorney general's office – Bryan Klabunde**

Ms. Pope told members that the Klabunde (Bryan) for MN House committee was the principal campaign committee of Bryan Klabunde. Ms. Pope stated that Mr. Klabunde was his own treasurer and had failed to file the committee's 2017 year-end report of receipts and expenditures. The committee last reported a cash balance of \$12,613.60 and received \$3,793.54 in public subsidy funds. Ms. Pope said that the committee had accrued \$1,000 in late fees for the year-end report and would reach the maximum civil penalty of \$1,000 on June 4, 2018. Ms. Pope stated that staff was asking the Board to refer the matter to the Attorney General's Office to seek an order compelling the filing of the report and a judgment for the accrued late filing fees and civil penalties.

After discussion, the following motion was made:

Member Rosen's motion: To refer the Klabunde (Bryan) for MN House committee to the Attorney General's Office to seek an order compelling the filing of the committee's 2017 report and a judgment for the accrued late filing fees and civil penalties.

Vote on motion: Unanimously passed.

### **4. Request to refer matter to attorney general's office – Sean White**

Ms. Pope told members that the Committee to Elect Sean White was the principal campaign committee of Sean White. Ms. Pope stated that Mr. White was his own treasurer and had failed to file the committee's 2017 year-end report of receipts and expenditures. The committee last reported a cash balance of \$3,949.89 and received \$4,187.11 in public subsidy funds. Ms. Pope said that the committee had accrued \$1,000 in late fees for the year-end report and would reach the maximum civil penalty of \$1,000 on June 4, 2018. Ms. Pope said that staff was asking the Board to refer the matter to the Attorney General's Office to seek an order compelling the filing of the report and a judgment for the accrued late filing fees and civil penalties.

Member Leppik's motion: To refer the Committee to Elect Sean White to the Attorney General's Office to seek an order compelling the filing of the committee's 2017 report and a judgment for the accrued late filing fees and civil penalties.

Vote on motion: Unanimously passed.

**B. Waiver requests**

<u>Name of Candidate or Committee</u>	<u>Late Fee &amp; 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>
Amy Filice, Designer Selection Board	\$100 LFF \$300 CP	2017 annual EIS	Official was out of town receiving medical treatment during filing period and was unable to file statement. Official filed statement as soon as she finished treatment and returned home.	Member Rosen	To waive the late filing fee	Passed unanimously
Rolf Hagen, Office of Administrative Hearings	\$100 LFF \$200 CP	2017 annual EIS	Official has been hospitalized since November with serious health condition and has been unable to complete statement. Board granted family's request to cease efforts to obtain statement and accrual of late fees and penalties while they obtained authority to act for official. Family filed statement immediately after obtaining authority to act.	Member Rosen	To waive the late filing fee	Passed unanimously
Justin Dagen, Kittson SWCD	\$20 LFF	2017 annual EIS	Official tried several times to file electronically but encountered problems. Official was able to file after he contacted staff for help.	Member Rosen	To waive the late filing fee	Passed unanimously
Shane Deal, Commerce	\$100 LFF	2017 annual EIS	Official did not receive notices because he left his public official position and the state in spring 2017. Official filed as soon as he learned of the requirement.	Member Rosen	To waive the late filing fee	Passed unanimously
SE MN DFL Senior Caucus	\$1,000 LFF \$200 CP	2017 year-end report	Chair assumed responsibility for report at the end of 2017. Chair's progressive illness then became worse and she passed away in March. Committee elected new treasurer who immediately filed report.	Member Rosen	To waive the late filing fee	Passed unanimously
Scott Sanders for Representative	\$600 LFF	Final report for special election cycle	Treasurer's mother entered hospital and then passed away shortly before report was due. Treasurer's daughter also had serious health issues during this time. Treasurer was busy caring for these family members and then resolving issues related to mother's death.	Member Rosen	To waive the late filing fee	Passed unanimously
Travis Silvers for MN House	\$275 LFF	2017 year-end report	Committee timely uploaded report but received error message, possibly due to internet connection issues. Candidate immediately tried to upload again and believed that he received message stating that report had already been uploaded. Candidate therefore believed that report had been filed. Candidate filed immediately after he received notice that report had not been received. Board records confirm that candidate attempted to upload report before deadline but show that file submitted was corrupted.	Member Rosen	To waive the late filing fee	Passed unanimously

Chris Hanson for 20A	\$900	2017 year-end report	Committee filed termination report in 2016 but could not terminate because reconciliation showed committee had received \$350 that was not reported. Staff worked with committee during 2017 but reconciliation issue remained unresolved. Because committee was on termination list, it was not sent a notice of the 2017 year-end report. Committee nonetheless completed report in December 2017 and candidate states that he mailed report during that month.	Member Rosen	To waive the late filing fee	Passed unanimously
Watsonwan County DFL	\$500 LFF	2017 year-end report	Party unit treasurer took office at the February county convention. She immediately contacted the state and received information necessary to file report.	Member Rosen	To reduce the late filing fee to \$300	Passed unanimously
Glendon Braun, Le Sueur SWCD	\$55 LFF	2017 annual EIS	Official believed that he did not have to file annual EIS because he had not been elected in 2017. When official received late fee notice, he brought it to the SWCD where staff cleared up his confusion.	Member Rosen	To waive the late filing fee	Passed unanimously
Edward Ehlinger, Health	\$100 LFF	2017 annual EIS	Official believed that he did not have to file annual EIS because he had left his public official position. Official filed shortly after he learned otherwise.	Member Moilanen	To reduce the late filing fee to \$50	Passed unanimously
Dolan Media	\$300 LFF	3/15/2018 principal report	Person named as principal's contact left employment in June 2017 and did not tell anyone about reporting requirement or update contact information. Also, in 2017, principal was sold to another company and moved offices. Therefore, no one knew about report requirement or received report notices. Principal filed report promptly after learning report was due.	Member Rosen	To waive the late filing fee	Passed unanimously
Noor (Mohamud) for House	\$1,000 LFF, \$25 LFF	2016 year-end report, 2015 year-end report	Mr. Noor appeared at the meeting to address the Board. Mr. Noor said that he believed that he had timely faxed the 2016 report. When he learned that he had not, he submitted the report with a request that the fax logs be reviewed. Mr. Noor said that when he did not hear anything from staff, he assumed that the matter had been resolved in his favor. Mr. Noor did not address the late fee for the 2015 year-end report.	Member Rosen	To reduce the \$1,000 late filing fee to \$100 and to keep the \$25 late filing fee.	Passed unanimously

**Informational Items**

**A. Payment of a late filing fee for 2017 year-end report of receipts and expenditures**

- Friends of Andrew Brown, \$25
- Tarryl Clark for Senate, \$25
- Tony Cornish for State Rep, \$200
- Matthew Crouse for House, \$50
- Kip Fontaine for Senate, \$300

Brad Gerten for House, \$750  
Randy Gilbert for Auditor, \$50  
Sarah Hamlin for House, \$225  
CJ Holl for Minn Representative, \$75  
Committee to Elect Tom Jones, \$50  
Meg Litts for House 9A, \$25  
Neighbors for Ilhan Omar, \$50  
Leah Solo for Senate, \$325  
Neighbors for Ruben Vazquez, \$400  
Tim Walz for Governor, \$25  
Metro Grassroots Outreach, \$25  
Minn Jobs Coalition Legislative Fund, \$200  
Minneapolis Downtown Council, \$25  
Goodhue County RPM, \$50

**B. Payment of a late filing fee for 2017 annual statement of economic interest**

Medaria Arrandondo Peace Officer Standards Training, \$70  
Tyler Ask, Martin SWCD, \$10  
Scott Balstad, Sand Hill River WD, Polk East SWCD, \$5  
Dan Barka, Meeker SWCD, \$100  
Wayne Calander, Isanti SWCD, \$5  
Michael Christensen, Wild Rice WD, \$25  
Laurie Dahley, Board of Social Work, \$100  
Dan Deboer, Shell Rock River WD, \$100  
Penelope Dupris, Prof Educator Licensing and Standards Board, \$55  
Roger Froemming, Otter Tail County, \$10  
Lauren Gilchrist, MNSure DHS, \$5  
Randy Larson, Grant SWCD, \$5  
Mitch Lentz, Fillmore County, \$5  
Lon Moen, Big Stone SWCD, \$5  
William Parham, Medical Practice Board, \$15  
Michael Potter, Wright County, \$5  
Ed Radermacher, Lac qui Parle SWCD, \$10  
Nathan Redland, Norman County, \$30  
James Robinson, Barbers Examiner Board, \$5  
Tom Ronning, Sunrise River and Upper Rum River WMO, \$25  
Saraswati Singh Attorney General \$5  
George Sutton Perpich Center for Arts Education, \$25  
Philip Swenson, Sand Hill River WD, \$5  
Antonio Tejada, Office of Admin Hearings, \$20  
Kristin Tuenge, Carnelian-Marine St Croix WD, \$20  
Franklin Turnock, Aitkin SWCD, \$5  
Lisa Weed, Rehabilitation Review Panel, \$5  
Dobson West, Arts Board, \$10  
Alan Wilensky, Accounting Board, \$5  
Donald Wohlers, Stevens County, \$10

**C. Payment of a late filing fee for failure to file 2016 pre-primary-election report of receipts and expenditures**

Lawrence Patwin (candidate did not register committee) \$83.87 from Revenue Recapture

**D. Payment of a late filing fee for 24-hour notice of 2016 large pre-election contribution**

Coalition of MN Business IEPC, \$250

**E. Payment of a late filing fee for January 16, 2018, lobbyist disbursement report**

David Anderson, All Parks Alliance for Change, \$25  
Mark Anfinson, MN Newspaper Assn, \$25  
John Berns, Allied Waste, Fresh Energy, MOJO MN, \$75  
Jenna Duwenhoegger, Nurse Family Partnership, \$100

**F. Payment of a late filing fee for June 15, 2017, lobbyist disbursement report**

Tom Hackbarth, BPAM, Tattesall Distilling, \$550  
Elwin Tinklenberg, City of Ramsey, \$275

**G. Payment of a late filing fee for March 15, 2018, annual report of lobbyist principal**

Art Space Projects Inc, \$25  
Copia Interactive, \$50  
Friends of American Ski Jumping, \$275  
International Union of Operating Engineers Local 49, \$50  
LeadMN \$25  
MN Council on Foundations, \$25  
National Waste & Recycling Association, \$50  
Pacer Center, \$25  
Protein Sources LLP, \$175  
Workforce Home Ownership, \$25

**H. Payment of a late filing fee for failure to timely register**

Friends of William Brownell, \$1000

**I. Payment of a civil penalty for false certification**

Branden Petersen, \$280

**J. Deposit to the General Fund**

Jamie Malmberg for House, \$40 anonymous  
Paul Thissen Volunteer Committee, \$91.65 (unknown source)

**ADVISORY OPINION 446**

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson stated that the opinion had been requested by a legislator who did not wish to make the request public. Mr. Sigurdson said that that the request asked whether a legislator could use committee funds to pay for home security and identity theft protection services. Mr. Sigurdson stated that the draft opinion concluded that committee funds could not be used for those services because the connection between serving in office and the requested security services was indirect and those services could provide a personal benefit to the office holder. Consequently, the services could not be paid for as a cost of serving in office.

After discussion, the following motion was made:

Member Haugen's motion: To adopt the advisory opinion as drafted.

Vote on motion: Unanimously passed.

**LEGAL COUNSEL'S REPORT**

Mr. Hartshorn presented members with a legal report that is attached to and made a part of these minutes. Mr. Hartshorn had nothing to add to the provided report.

**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 had the following to report into regular session:

Probable cause determination in complaint of Sorensen regarding Michael Northbird

Probable cause determination in complaint of Rosenow regarding Sandra Neren and St. Jude Medical Inc.

Findings of fact, conclusions of law, and order in the matter of the Vote Jerry Loud Committee

**MINUTES** (April 4, 2018)

After discussion, the following motion was made:

Member Leppik's motion: To approve the April 4, 2018, minutes as drafted.

Vote on motion: Motion passed (4 ayes, 1 abstention).



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

Respectfully submitted,



Jeff Sigurdson  
Executive Director

Attachments:

Memorandum regarding executive director report

Memorandum regarding advisory opinion request

Draft public advisory opinion

Legal report

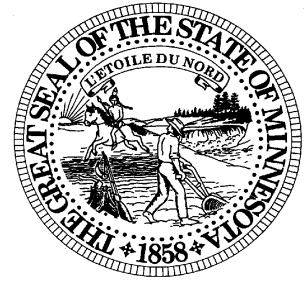
Probable cause determination in complaint of Sorensen regarding Michael Northbird

Probable cause determination in complaint of Rosenow regarding Sandra Neren and St. Jude Medical Inc.

Findings of fact, conclusions of law, and order in the matter of the Vote Jerry Loud Committee

Minnesota

# *Campaign Finance and Public Disclosure Board*



**Date:** April 25, 2018

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Executive Director's Report – Board Operations

## **Personnel**

The compliance officer position formerly held by Ms. Larson has been filled. Melissa Stevens started with Board on April 23<sup>rd</sup>. Ms. Stevens has over 17 years' experience in the commercial loan processing and refinance industry. During her career, she has ensured that filed documents complied with government and corporate policies, and used specialized software to record and track confidential data. As part of her corporate duties, Ms. Stevens was also responsible for resolving disputes with brokers, consultants, and attorneys.

Many of these work experiences have parallels with the tasks Ms. Stevens will need to complete as a member of the Board's staff. There will be a steep learning curve during an election year, but I am confident that Ms. Stevens has the experience needed for success in her new position.

## **Program Updates**

### **Campaign Finance Program -**

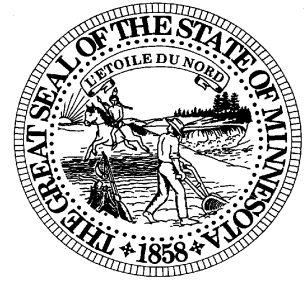
**Training in Greater Minnesota** Board staff conducts compliance training and Campaign Finance Reporter software training in St. Paul on a monthly basis. Attending training in St. Paul is a challenge for many treasurers and candidates in greater Minnesota. To provide more training opportunities outside of St. Paul, staff will be conducting compliance training at the following locations and dates:

Duluth – Friday, May 25<sup>th</sup>  
Rochester – Monday, June 4<sup>th</sup>  
Mankato – Thursday, June 7<sup>th</sup>  
Marshall – Monday, June 11<sup>th</sup>  
Bemidji – Monday, June 11<sup>th</sup>  
Fergus Fall – Tuesday, June 12<sup>th</sup>  
St. Cloud - Tuesday, June 12<sup>th</sup>

As of the date of this memo, specific times and locations are still to be determined. Once the training schedule is complete an announcement will be sent to greater Minnesota committees. In addition, staff will be conducting evening classes in St. Paul on May 14<sup>th</sup> and June 13<sup>th</sup> and a daytime class in St. Paul on June 5<sup>th</sup>.

Minnesota

*Campaign Finance and  
Public Disclosure Board*



**Date:** April 25, 2018

**To:** Board members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Advisory opinion 446 – Cost of Serving in Office

This advisory opinion was requested by a legislator who does not wish to make the request public. Therefore, both a public and non-public draft version of the opinion are provided for the Board's review. The request asks if campaign committee funds may be used to pay for home security costs and protection against identity theft.

The draft opinion discusses the Board's previous advisory opinions regarding the use of committee funds to pay for the costs of serving in office as a noncampaign disbursement. Those prior decisions have required a direct connection between the service in office and the requested expenditure. The draft opinion concludes that the connection between serving in office and the requested security services is indirect, and that those services could provide a personal benefit to the office holder. The draft opinion therefore determines that committee funds may not be used to pay for home security and identity theft protection services as a cost of serving in office.

Attachments:

Advisory opinion request

Nonpublic version of draft advisory opinion

Public version of draft advisory opinion

State of Minnesota  
**Campaign Finance & Public Disclosure Board**  
Suite 190, Centennial Building. 658 Cedar Street. St. Paul, MN 55155-1603

**THIS ADVISORY OPINION IS PUBLIC DATA**

**THE FOLLOWING PUBLICATION DOES NOT IDENTIFY  
THE REQUESTER OF THE ADVISORY OPINION, WHICH IS NON PUBLIC DATA  
under Minn. Stat. § 10A.02, subd. 12(c)**

**RE: Use of principal campaign committee funds to pay for the cost of home security systems and protection against identity theft.**

**ADVISORY OPINION 446**

**SUMMARY**

Principal campaign committee funds may not be used to pay for the cost of a home security system or for a subscription to an identity theft monitoring service.

**FACTS**

As a member of the Minnesota legislature, you ask the Campaign Finance and Public Disclosure Board for an advisory opinion. Your request is based on the following facts:

1. You state that in the present political climate candidates and elected officials face heightened risks to physical security. You note that there have been occasions when protests occurred outside of the homes of elected officials.
2. You also state that there is a heightened risk to digital security, and note that news stories on identity theft are common.

**Question**

May principal campaign committee funds be used to pay for equipment such as security cameras, monthly home security subscription fees, and identity theft monitoring subscription services?

**Opinion**

Minnesota Statutes section 211B.12 limits the use of money collected by a candidate's principal campaign committee to activities that are for "political purposes," which means to influence the voting at an election. An exception to this requirement is that principal campaign committee funds may also be used for the noncampaign disbursements defined in Minnesota Statutes section 10A.01, subdivision 26.

The Board does not believe that expenditures related to home and identity security as stated in the request would qualify as a political purpose. This opinion therefore will focus on whether the expenditures may be paid for as a noncampaign disbursement.

One of the defined noncampaign disbursements is Minnesota Statutes, section 10A.01, subdivision 26 (10), which provides that committee funds may be used for the following expense:

payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses.

On previous occasions when the Board has reviewed expenditures for approval as an expense of serving in public office, it has required a direct connection between serving in office and the requested expenditure. Advisory Opinion 255. The Board has also found that the disbursements must be for "...reasonable expenses of those activities that are expected or required of a public official or that enhance the official's ability to serve." Advisory Opinion 314. Service in office does not include activities or expenditures that are only indirectly related to holding office, and which provide a personal benefit to the office holder. Advisory Opinions 314, 411.

The widespread availability of commercial services for home security and identity theft monitoring shows that there is broad general demand for these services. Providing additional security for one's residence, or for one's own identity, clearly provides personal benefits to the purchaser. It is speculative to conclude that an elected official has a greater need for home security services and identity theft monitoring than the general population, or that the need is directly related to service in office. Further, the Board cannot determine that the need for the services would cease to exist if the requester were not in office.

The Board therefore concludes that principal campaign committee funds may not be used to pay for home security systems or identity theft monitoring as an expense of serving in office.

Dated: May 2, 2018

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Carolyn Flynn, Chair  
Campaign Finance and Public Disclosure Board

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD  
May, 2018**

**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
Chilah Brown Michele Berger	Brown (Chilah) for Senate	Unfiled 2016 Year- End Report of Receipts and Expenditures  Unpaid late filing fee on 10/31/16 Pre- General Election Report	\$1,000 LF \$1,000 CP  \$50 LF	3/6/18				
Roxana Bruins	Roxana Bruins for Senate	Unfiled 2016 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	7/28/17	9/6/17			Personal Service obtained. Drafting default documents
Brenden Ellingboe	Ellingboe (Brenden) for House	Unfiled 2015 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	11/29/16	5/26/17			Hold by Board
Katy Humphrey, Kelli Latuska	Duluth DFL	Unfiled 2016 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	3/6/18				
Kirsten Johnson		Unfiled Economic Interest Statement due June 14, 2016	\$100 LF \$1,000 CP	1/17/17	5/26/17			Hold by Board



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

**PROBABLE CAUSE  
DETERMINATION**

**IN THE MATTER OF THE COMPLAINT OF SOREN SORENSEN REGARDING MICHAEL NORTHBIRD, GARY FRAZER, AND THE COMMITTEE TO ELECT MICHAEL NORTHBIRD FOR DISTRICT 2A:**

On March 26, 2018, the Campaign Finance and Public Disclosure Board received a complaint submitted by Soren Sorensen regarding candidate Michael Northbird, committee treasurer Gary Frazer, and the Committee to Elect Michael Northbird for District 2A. The complaint states that the committee does not have the required disclaimer language on its campaign website and Facebook page.

On March 29, 2018, the Board chair concluded that the complaint was sufficient to state a prima facie violation of the disclaimer requirements. The prima facie determination was mailed to the complainant and the respondents on April 2, 2018.

On April 18, 2018, the Board received the committee's response to the complaint. The response describes and documents the candidate's work with a website developer in March 2018 to get a website and domain name set up for the campaign. On March 19, 2018, the domain name for the website was obtained and a page with the logo of the committee went live. By March 26, 2018, the candidate was in discussions with the developer to ensure that the disclaimer would be on the main page of the website and, by April 4, 2018, the website had the disclaimer on the main page and on the donate page. The candidate received the complaint from the Board on April 5, 2018, at which time he changed the Facebook page to include the disclaimer in the About section of his Facebook page. There is no evidence that the treasurer, Gary Frazer, was involved with the website or Facebook page.

On May 2, 2018, the complainant, Mr. Sorensen, appeared before the Board to explain the circumstances related to the complaint.

**Analysis**

The complaint alleges that the website and Facebook page for the candidate's committee do not include a disclaimer in the form required by Minnesota Statutes section 211B.04. Minnesota Statutes section 211B.04 requires candidates to include a disclaimer on all campaign materials that prominently states "Prepared and paid for by the . . . committee, . . . (address)." Campaign material is defined in Minnesota Statutes section 211B.01, subdivision 2, as "any literature, publication, or material that is disseminated for the purpose of influencing voting at a primary or other election, except for news items or editorial comments by the news media." If the campaign material is produced and disseminated without cost, the words "paid for" may be omitted from the disclaimer.

The committee's website is campaign material. The website's main page includes a logo that states "Michael Northbird for District 2A." This logo shows that the website is a publication disseminated for the purpose of influencing voters in District 2A. The committee's website did not have the disclaimer on the main page; however, the main page only consisted of a logo with the words "Michael Northbird for District 2A" and a donate button. After clicking on the donate button, a website viewer was taken to the donate



page where the appropriate disclaimer was provided. Before it received the complaint, the committee added a disclaimer to the website's main page.

The committee's Facebook page also is campaign material. The Facebook page has various political articles related to the political issues important to the candidate, requests for support at the DFL endorsing convention, articles about his subsequent DFL endorsement for District 2A, and quizzes related to the district, all of which are intended to influence voters in District 2A. Therefore, the committee's Facebook page is not just a personal page, and is instead a page intended to influence the nomination or election of candidate Northbird.

A Facebook page for a candidate that is specifically related to the candidate's campaign is campaign material produced and disseminated to the public and as such is required to have a disclaimer pursuant to Minnesota Statutes section 211B.04. Although a Facebook page is free to create, a committee must still identify that it is responsible for the content of the page by placing a disclaimer on either the cover page or in the About section of the Facebook page. At the time the complaint was filed with the Board, there was a link on the committee's Facebook page to committee's website, which had a disclaimer, but no disclaimer on the Facebook page itself.

On April 5, 2018, the committee added the disclaimer to the candidate's Facebook page in the About section after receiving the complaint. This disclaimer did not comply with the statutory requirement because it did not include the committee's address. After consulting with staff on the disclaimer requirements, the committee modified the disclaimer to include the committee's address. By April 24, 2018, the Facebook disclaimer was in compliance with Minnesota Statutes section 211B.04.

Minnesota Statutes section 10A.022, subdivision 3, paragraph (2), provides that when a member of the Board 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.

When the Board determines that there is probable cause that a violation has occurred, the Board also must determine whether the violation warrants a formal investigation. Minnesota Rules part 4525.0210, subpart 5, provides that the Board must consider the following factors when making this determination:

[T]he type of possible violation; the magnitude of the violation if it is a financial violation; the extent of knowledge or intent of the violator; the benefit of formal findings, conclusions, and orders compared to informal resolution of the matter; the availability of board resources; whether the violation has been remedied; and any other similar factor necessary to decide whether the alleged violation warrants a formal investigation.

Here, the Board concludes that no formal investigation of the disclaimer violation is warranted. Mr. Northbird's response shows that he directed the website designer to comply with the disclaimer requirement for the website, and that the website did in fact include the required disclaimer by the time the complaint was filed. The Facebook page did not include the required disclaimer at the time of the complaint, but now is in compliance with the requirements of Minnesota Statutes section 211B.04. Mr. Northbird's response also discusses that he is a new candidate and is working hard to comply with the requirements of the campaign finance statutes. There is no other evidence relevant to this violation

that could be discovered if the Board were to order a formal investigation. For these reasons, the disclaimer violation in this matter does not warrant a formal investigation.

### **Order**

1. The allegation that treasurer Gary Frazer violated the disclaimer requirements in Minnesota Statutes section 211B.04 is dismissed because there is no evidence that Mr. Frazer was involved with the committee's website or Facebook page.
2. The allegation that candidate Michael Northbird and the Northbird committee violated the disclaimer requirements in Minnesota Statutes section 211B.04, is dismissed because although there is probable cause to believe that this violation occurred, no further investigation is warranted.

/s/ Carolyn Flynn  
Carolyn Flynn, Chair  
Campaign Finance and Public Disclosure Board

Date: May 2, 2018

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

**PROBABLE CAUSE  
DETERMINATION**

**IN THE MATTER OF THE COMPLAINT OF MICHAEL ROSENOW REGARDING SANDRA NEREN AND ST. JUDE MEDICAL INC.**

On March 29, 2018, the Campaign Finance and Public Disclosure Board received a complaint submitted by Michael Rosenow regarding lobbyist Sandra Neren and St. Jude Medical Inc., a lobbyist principal. Ms. Neren was registered as the designated lobbyist for St. Jude Medical, Inc. from April 2004 to October 2017. The complaint states that the lobbyist disbursement reports filed by Ms. Neren for 2012 to 2017 are inaccurate. The reports identify Angela Craig as the vice president of corporate relations for St. Jude Medical Inc. The complaint contends that Ms. Craig had left that position in 2012.

On April 6, 2018, the chair made a determination that the complaint stated a prima facie allegation of a violation of Minnesota Statutes section 10A.04 and Minnesota Rules part 4511.0500, subpart 3.

The prima facie determination was mailed to the complainant and Ms. Neren and St. Jude Medical Inc. on April 6, 2018. The mailing to the respondents included a copy of the complaint. On April 16, 2018, Ms. Neren provided a written response to the complaint. Ms. Neren states that:

Most of our firm clients have been with our firm for many years, some for decades. During the years that we represent them, the officers or directors change quite often. When that occurs, our staff are instructed to change all firm reports and filings, contracts, billings, and client communications to indicate the company or association officer that signs our contracts on behalf of the client. Prior to 2012, our main contact at St. Jude Medical was Angela Craig, Vice President for Corporate Relations. In 2012, we began reporting to Ashli Douglas, Senior Director of Government Affairs. While Angela Craig was no longer our main contact person and was no longer the vice president for Corporate Relations, she did remain an officer of the company as Vice President for Global Human Resources until early 2015. The staff member responsible for making the requested change in 2012 for the St. Jude Medical report, who is no longer with our firm, apparently did not change my lobbyist disbursement report to substitute Ms. Douglas's name for Ms. Craig's name in 2012—and I failed to discover the error on that line of the report.

Before receiving the complaint, Ms. Neren was contacted by a reporter, who notified Ms. Neren of the inaccuracy on the lobbyist disbursement reports. Ms. Neren contacted the Board on March 30, 2018, to discuss amending the reports from the years 2012 to 2017. Ms. Neren was provided with forms on April 3, 2018, and signed the corrected reports on April 3, 2018. The corrected reports were e-mailed the Board on April 9, 2018. Ms. Neren's response to the complaint states that she received the complaint on April 10, 2018.

On May 2, 2018, Ms. Neren appeared before the Board to provide comments and answer questions from the Board.

### **Analysis**

Minnesota Statutes section 10A.022, subdivision 3, paragraph (2), provides that when a member of the Board 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.

Minnesota Statutes section 10A.03 provides that at the time of registration a lobbyist must identify the names and addresses of the officers and directors of the association that the lobbyist will represent. Minnesota Statutes section 10A.04 requires a lobbyist to file periodic disbursement reports with the Board. Minnesota Rules part 4511.0500, subpart 3, states that the lobbyist must report any changes to those names and addresses on each lobbyist disbursement report. Ms. Neren's lobbyist disbursement reports for the years 2012 to 2017 all list Ms. Craig as the vice president of corporate relations for St. Jude Medical Inc. The 2012 to 2017 lobbyist disbursement reports were incorrect because Ms. Craig actually was the vice president of global human resources from 2012 through 2015 and then was no longer with the company after 2015. Ms. Neren acknowledged that the lobbyist disbursement reports for the years 2012 to 2017 were incorrect and has now amended all the inaccurate reports.

When a reporting party becomes aware of an error or omission in a report previously filed with the Board, Minnesota Statutes section 10A.025, subdivision 4, requires the reporting party to file an amended report within ten days of becoming aware of the inaccuracy. Submission of an amended report that accurately corrects the error or omission resolves a violation of the reporting requirements in Minnesota Statutes section 10A.04. The amended reports submitted by Ms. Neren now accurately disclose Ms. Craig's positions with St. Jude Medical, Inc. and her departure from that company. Ms. Neren filed the amended reports within ten days of learning of the inaccuracies and before receiving the complaint.

The statement provided by Ms. Neren provides no reasonable basis to believe that she knowingly filed false reports with the Board. The record here therefore does not establish probable cause to believe that the lobbyist disbursement reports were falsely certified in violation of Minnesota Statutes section 10A.025, subdivision 2.

### **Order**

1. The allegation that Ms. Neren, on behalf of St. Jude Medical Inc., filed incomplete and inaccurate lobbyist disbursement reports for the years of 2012 to 2017 is dismissed because although there is probable cause to believe that this violation occurred, no further investigation is warranted due to the filing of amended reports.

2. The allegation that Ms. Neren knowingly certified an inaccurate or incomplete report in violation of Minnesota Statutes section 10A.025, subdivision 2, is dismissed for lack of probable cause.

/s/ Carolyn Flynn  
Carolyn Flynn, Chair  
Campaign Finance and Public Disclosure Board

Date: May 2, 2018

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

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW,  
AND ORDER**

In the Matter of Vote Jerry Loud (Registration No. 18017);

Minnesota Statutes section 10A.28, subdivision 3, provides that the Minnesota Campaign Finance and Public Disclosure Board must attempt to resolve a violation of the contribution limits “by informal methods of conference and conciliation and . . . enter into a conciliation agreement with the person involved.” If after a reasonable time, the Board is unable to resolve the matter by conciliation agreement, the Board must make findings in the matter.

At its March 7, 2018, meeting, the Board agreed to offer a conciliation agreement to candidate Jerry Loud and his principal campaign committee, Vote Jerry Loud. The Board offered the agreement to resolve the committee’s violation of the party unit contribution limit during the 2015-2016 election segment.

Board staff had discovered during the routine reconciliation audit of the 2016 year-end reports that the Loud committee had not reported two in-kind contributions from party units. These contributions were valued at \$450 and \$500. In discussions with Board staff, the committee explained that it had not reported these items because the committee did not realize that the provided web design services and voter file access were contributions.

The committee amended its 2016 year-end report to include the in-kind contributions, but incorrectly stated that the voter file access was a cash contribution. The report showed that the committee had accepted \$10,950 in contributions from political party units and terminating candidate committees. This amount exceeded the \$10,000 limit on contributions from these sources for the 2015-2016 election segment by \$950. The \$950 that exceeded the limit was not returned within 90 days and was therefore deemed accepted under Minnesota Statutes section 10A.15, subdivision 3.

The offered conciliation agreement imposed a civil penalty of \$950 on the committee. Of this penalty, \$250 was due within 30 days of the date that the agreement was signed by both parties. The remaining \$700 was stayed and then waived if the committee did not violate the party unit limit again before January 1, 2019. The offered agreement also required the committee to return \$950 to party unit contributors and to amend its 2016 report to correctly disclose the in-kind contributions and a related in-kind contribution from the candidate.

After the March meeting, Board staff sent the proposed conciliation agreement to candidate Loud and asked him to indicate his acceptance of the agreement by signing the document and returning it to the Board. As of May 2, 2018, candidate Loud had not returned the offered

conciliation agreement nor contacted Board staff to make another proposal to resolve the matter informally.

**Based on the above analysis, the Board makes the following:**

### **Findings of Fact**

1. The Vote Jerry Loud committee accepted \$10,950 in contributions from political party units and terminating candidate committees during the 2015-2016 election segment.
2. The Vote Jerry Loud committee did not return \$950 to political party units within 90 days of receipt.
3. The Board offered candidate Loud and the committee a conciliation agreement to resolve the contribution limit violation. Candidate Loud has not accepted the conciliation agreement offered by the Board to resolve this violation nor contacted Board staff to make another proposal to resolve the matter informally.

### **Conclusions of Law**

1. The Vote Jerry Loud committee violated Minnesota Statutes section 10A.27, subdivision 2, by accepting \$950 in excess contributions from party units and terminating candidate committees during the 2015-2016 election segment.
2. Because candidate Loud has not accepted the conciliation agreement offered by the Board to resolve the contribution limit violation nor made another proposal to resolve the matter informally, the Board is unable to resolve the contribution limits violation informally and must make findings in the matter.

**Based on the above Findings of Fact and Conclusions of Law, the Board issues the following:**

### **Order**

1. The Board's March 7, 2018, offer of a conciliation agreement to resolve the matter is revoked.
2. The Board orders the committee to do the following:
  - a. pay a civil penalty of \$950 by check or money order made payable to the State of Minnesota within 30 days of the date of this order;
  - b. return \$950 to party unit contributors and provide the Board with a copy of any checks used to return these funds;
  - c. amend its 2016 year-end report to show that the \$450 cash contribution from the Minnesota DFL State Central Committee actually was a \$450 in-kind contribution with the description "voter file access" and to show a corresponding \$450 in-kind expenditure to the Minnesota DFL State Central Committee for that access;

d. amend its 2016 year-end report to show a \$150 in-kind contribution from Jerry Loud with the description “voter file access” and to show a corresponding \$150 in-kind expenditure to Jerry Loud for that list to account for the portion of the voter access list that the candidate paid for and donated to the committee; and

e. amend its 2016 year-end report to show a \$500 in-kind expenditure to the Minnesota DFL House Caucus that corresponds to the \$500 in-kind contribution already on the report from that source.

3. If the committee does not comply with the provisions of this order, the Board’s executive director may request that the attorney general bring an action on behalf of the Board for the remedies available under Minnesota Statutes section 10A.34.

4. The Board investigation of this matter is concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.022, subdivision 5 (a).

Dated: May 2, 2018

s/ Carolyn Flynn  
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Carolyn Flynn, Chair  
Campaign Finance and Public Disclosure Board