

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

Findings and Order in the Matter of the Gaertner for County Attorney Volunteer Committee

Summary of the Facts

Minnesota Statutes, Section 10A.27, subdivision 13(b), prohibits an association that is not registered with the Campaign Finance and Public Disclosure Board (“the Board”) from making a contribution in excess of \$100 to a candidate, political party unit, or political committee that is registered with the Board unless, at the time the contribution was made, the unregistered association provides the recipient with disclosure of the unregistered association’s receipts and expenditures in the form specified by statute. An unregistered association that fails to provide the appropriate disclosure with the contribution is subject to a civil penalty of up to \$1,000.

In the 2007 year-end Report of Receipts and Expenditures filed with the Board the 4th Congressional District DFL committee disclosed receipt of a \$300 contribution from the Gaertner for County Attorney Volunteer Committee (“the Gaertner Committee”). Jo Matson, treasurer 4th Congressional District DFL, provided to the Board that the \$300 was payment for a table at the 2007 Bruce Vento Fundraiser Dinner (“the Dinner”). By purchasing a table at the Dinner the Gaertner Committee received tickets to the fundraiser that would have cost \$200 if purchased separately, and advertising at the event valued at \$100.

The Gaertner Committee files campaign reports with Ramsey County. However, the Gaertner Committee is not registered with the Board. The 4th Congressional District DFL did not receive appropriate disclosure at the time the Gaertner Committee made the contribution for tickets to attend the Dinner.

In a letter dated April 23, 2008, Esther Feldman, treasurer for the Gaertner Committee, responded to a Board inquiry into the matter. In explanation of the Gaertner Committee’s contribution Ms. Feldman states, “...the Gaertner for County Attorney Volunteer Committee received advertising in the form of printing in the approximately 800 programs, a sign on the table, and recognition from the podium as a table sponsor. This expenditure for political advertising was disclosed with the financial report filed with Ramsey County...” Ms. Feldman also acknowledged, “The Gaertner for County Attorney Committee did receive tickets to attend the Vento dinner and they were used to attend the dinner.”

Board Analysis

Many candidates, political party units, and political committees rely on the sale of tickets to fundraiser dinners or other similar events to raise money to finance political activity. Purchasing a ticket to a fundraiser is a contribution to the organization holding the event. This is stated in the simplest terms by Minnesota Rules 4503.0500, subpart 1, which provides in part that “All receipts are contributions”. Therefore, the purchase of tickets to attend the 2007 Vento Fundraising Dinner was a \$200 contribution to the 4th Congressional DFL.

Under the provisions of Minnesota Statutes, Section 10A.27, subdivision 13 (b), the Gaertner Committee was required to provide a written statement that met the disclosure and reporting standards of Chapter 10A with the committee’s contribution to the 4th Congressional DFL. An

unregistered association may provide a contribution of up to \$100 without disclosure. Therefore, the amount of the \$200 contribution that was made in violation of the statute is \$100.

The \$100 paid by the Gaertner Committee for advertisement space and promotional acknowledgement at the Dinner is considered a general expenditure and not a contribution to the 4th Congressional District DFL.

A statute that considers a political committee that files disclosure reports with Ramsey County to be an “unregistered association” may seem arbitrary. However, the registration and reporting requirements for candidates in Ramsey County are significantly different than the provisions of Chapter 10A that the Board administers. In fact, the registration and reporting requirements for City of St. Paul candidates are not the same as candidates for Ramsey County offices. Without statutory authority, the Board must treat the political committees of candidates for local government as unregistered associations even when the committee files campaign reports with a county or municipality.

This matter was considered by the Board in executive session at its meeting on May 16, 2008. The Board’s decision was based upon correspondence from Ms. Feldman, Ms. Matson, and Board records.

Based on the above Summary of the Facts and the Relevant Statute, the Board makes the following:

Findings Concerning Probable Cause

1. There is probable cause to believe that the Gaertner for County Attorney Volunteer Committee, an association that is not registered with the Board, violated Minnesota Statutes, section 10A.27, subdivision 13, when it made a contribution in excess of \$100 to the 4th Congressional District DFL without providing the required disclosure.
2. There is no probable cause to believe that this violation was intentional or done with the intent to circumvent the requirements of Minnesota Statutes, Chapter 10A.

Based on the above Findings, the Board issues the following:

Order

1. The Board imposes a civil penalty of \$100, one times the amount by which the contribution exceeded \$100, on the Gaertner for County Attorney Volunteer Committee for making a contribution in excess of \$100 to political party unit without the disclosure required by Minnesota Statutes, section 10A.27, subdivision 13.
2. The Gaertner for County Attorney Volunteer Committee is directed to forward to the Board payment of the civil penalty, by check or money order payable to the State of Minnesota, within 30 days of receipt of this order.

3. If the Gaertner for County Attorney Volunteer Committee does not comply with the provisions of this order, the Board's Executive Director may request that the Attorney General bring an action for the remedies available under Minnesota Statute, section 10A.34.
4. The Board investigation of this matter is hereby made a part of the public records of the Board pursuant to Minnesota Statutes, section 10A.02, subdivision 11, and upon payment by the civil penalty imposed herein, this matter is concluded.

Dated: May 16, 2008

A handwritten signature in black ink, appearing to read "Sven A. Wehrwein", written over a horizontal line.

Sven A. Wehrwein, Chair
Campaign Finance and Public Disclosure Board

Relevant Statute

Minnesota Statutes, section 10A.27, subdivision 13. Unregistered association limit; statement; penalty.

(a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than \$100 from an association not registered under this chapter unless the contribution is accompanied by a written statement that meets the disclosure and reporting period requirements imposed by section 10A.20. This statement must be certified as true and correct by an officer of the contributing association. The committee, fund, or party unit that accepts the contribution must include a copy of the statement with the report that discloses the contribution to the board. This subdivision does not apply when a national political party contributes money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three committees, funds, or party units in a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty imposed by the board of up to \$1,000, if the association or its officer:

(1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of \$100 from an unregistered association without the required written disclosure statement is subject to a civil penalty up to four times the amount in excess of \$100.