

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

**Findings and Order in the Matter of the Seventh Senate District DFL Political Party Unit  
and the Laurie Johnson for City Council Committee**

**Summary of the Facts**

On February 11, 2010, the Campaign Finance and Public Disclosure Board (the Board) received a complaint from Christian Sande in his capacity as legal counsel for the Seventh Senate District DFL political party unit (the Committee). The complaint involved the actions of Terri Griffiths, a former treasurer for the Seventh Senate District DFL, during 2005 through her resignation in 2009. (See Findings and Order in the Matter of the Complaint of the Seventh Senate District DFL Political Party Unit Regarding Terri Griffiths) As a corollary of that complaint the Committee had conducted an internal audit of its financial records during the time that Ms. Griffiths was treasurer.

During the internal audit the Committee discovered that on July 25, 2008 the Committee had received a \$300 contribution from the Laurie Johnson for City Council Committee. The contribution had not been reported to the Board on the Reports of Receipts and Expenditures filed by Ms. Griffiths. The Laurie Johnson for City Council Committee is not a registered committee with the Board. Pursuant to Minnesota Statutes, Section 10A.27, subdivision 13, political party units registered with 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.

Minnesota Statutes, Section 10A.27, subdivision 13(b), prohibits an association that is not registered with the Board from making a contribution in excess of \$100 to a registered political party unit 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 explanation of the circumstances under which the Committee became aware of the contribution Mr. Sande states, "Given all of the problems with the former treasurer, it is not surprising that the Committee is unable to find the disclosure information required by Minn. Stat. §10A.27 Subd. 13 (b). This mistake was just discovered by the Committee during its audit. The Laurie Johnson for City Council Committee no longer exists, so the Committee cannot return this contribution. Accordingly, the Committee is issuing a check to the State of Minnesota for \$200.00 so that it may disgorge the excess amount of this receipt..." The Board received the check from the Committee on February 12, 2010.

As a part of the Board's investigation of the complaint filed by the Committee, Ms. Griffiths provided a sworn statement on May 3, 2010. During the deposition Ms. Griffiths was asked if she had received the required disclosure with the contribution. Ms. Griffiths stated that she would need to check her records at her home. Ms. Griffiths did provide the Board with certain financial records related to the investigation of the complaint, but did not provide or indicate she had

possession of the disclosure needed when accepting a contribution from an unregistered association.

### **Board Analysis**

Ms. Griffiths should have been familiar with the additional disclosure requirements when accepting a contribution from an unregistered association as the Board had issued Findings to the Committee on April 15, 2008 for another violation of this statute. (See Findings in the Matter of the 7<sup>th</sup> Senate District DFL) Ms. Griffiths was treasurer of the Committee at that time, and issued the check paying a \$250 civil fine to resolve that violation. Nevertheless, Ms. Griffiths deposited the contribution into the Committee account without acquiring the necessary disclosure.

The Laurie Johnson for City Council Committee ceased to exist two years ago. The Board declines to fine or initiate action against a local committee that has terminated.

### **Board Concerns**

While the Board believes that the responsibility for accepting the contribution from the Laurie Johnson for City Council Committee rests with Terri Griffiths, it also has concerns over the financial procedures used by the Committee, and the Committee's understanding of the requirements of Chapter 10A.

During the investigation of the complaint filed by the Committee regarding Ms. Griffiths the Board examined many documents related to the conduct of fundraisers and the financial controls of the Committee. While no clear violations of statute by the Committee itself were disclosed, the informality of some procedures suggests that the Committee would benefit from a training session tailored to its operations and conducted by Board staff.

It is particularly important that at least the treasurer of the Committee receive formal training from Board staff on the records retention and reporting requirements of Chapter 10A. The current treasurer of the Committee has not yet attended Board training. The Board also believes that the executive officers of the Committee would benefit from a review of the requirements of Chapter 10A so that their expectations and directions to the treasurer are consistent with statute.

To address these concerns the Board will waive the Committee's penalty for acceptance of a contribution from an unregistered association if the Committee agrees to participate in a training session for its treasurer and executive officers. The Board will also requires that the Committee agree to Board staff reviewing procedures, records, and receipts, related to the operation of the Committee for a period of two years.

Legal counsel and the Chair of the Committee have informed staff that they will recommend that the Committee accept this offer at its next regularly scheduled meeting on November 9, 2010, and begin effectuating these terms as quickly as possible.

**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 Seventh Senate District DFL Committee violated Minnesota Statutes, section 10A.27, subdivision 13, when it accepted a contribution in excess of \$100 from the Laurie Johnson for City Council Committee, an association not registered with the Board, without receiving the required disclosure.
2. There is probable cause to believe that the Laurie Johnson for City Council Committee violated Minnesota Statutes, Section 10A.27, subdivision 13, when it made a contribution in excess of \$100 to the Seventh Senate District DFL Committee without providing the required disclosure.
3. There is no probable cause to believe that the violation by the Laurie Johnson for City Council Committee was intentional or done with the intent to circumvent the requirements of Minnesota Statutes, Chapter 10A.
4. There is probable cause to believe that the contribution was not returned within 60 days as permitted in Minnesota Statutes, section 10A.15, subdivision 3.

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

**Order**

1. In lieu of a civil penalty the Board directs staff to arrange a training session for the treasurer and executive officers of the Seventh Senate District DFL. The Seventh Senate District DFL is also directed to provide to the Board for review the procedures, records, and receipts from Committee operations during 2011 and 2012.
2. If the Seventh Senate District DFL Committee does not comply with the provisions of this order, the Board's Executive Director may return this matter to the Board for further action.
3. 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.02, subdivision 11.

Dated: November 1, 2010

\_\_\_\_\_/s/ Bob Milbert\_\_\_\_\_

Bob Milbert, 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.