

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

**Findings in the Matter of the Complaint filed by the Republican Party of
Minnesota against Mayor Christopher Coleman**

Evidence Used In These Findings

On September 28, 2009, the Campaign Finance and Public Disclosure Board (the Board) received a complaint from Tony Sutton, Republican Party of Minnesota Chairman, and Michael Brodkorb, Republican Party of Minnesota Deputy Chairman, (the Complainants) regarding St. Paul Mayor Christopher Coleman. The complaint alleges that Mayor Coleman is a candidate for of the office of Governor, and that as a candidate for that office Mayor Coleman had made expenditures which required the registration of a principal campaign committee with the Board.

A person becomes a candidate for state level office when they meet the definition provided in Minnesota Statutes, section 10A.01, subdivision 10. This definition provides in part that a candidate is, "...an individual who seeks nomination or election as a state constitutional officer, legislator, or judge. An individual is deemed to seek nomination or election if the individual has taken the action necessary under the law of this state to qualify for nomination or election, has received contributions or made expenditures in excess of \$100, or has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100, for the purpose of bringing about the individual's nomination or election."

In support of their allegation that Mayor Coleman is a candidate for the office of Governor the Complainants provided copies of news stories reporting on candidate forums for gubernatorial candidates in which Mayor Coleman participated, and news releases for political events in which Mayor Coleman is listed as attending with other candidates for the office of Governor.

A person who meets the definition of candidate may or may not required to register a principal campaign committee depending on the level of their campaign activity and the source of their campaign's funding. Registration with the Board is required no later than 14 days after a candidate has either received contributions of over \$100, or made expenditures with other than personal funds in excess of \$100. A candidate who self-funds all campaign expenditures is not required to register a committee with the Board. A self-funding candidate is obligated to file periodic reports with the Board that disclose the amount spent on the candidate's campaign. (Minnesota Statutes, sections 10A.105, 10A.14, and 10A.20)

In support of their allegation that Mayor Coleman had made expenditures in sufficient amounts to require registration of a principal campaign committee the Complainants provided two items. First was a news story in which a member of the Chris Coleman for

St. Paul Committee (Mayor Coleman's mayoral re-election campaign) is reported to have acknowledged that Mayor Coleman may have discussed running for Governor at events that occurred outside of the city of St. Paul. The Complainants point out that the Chris Coleman for St. Paul Committee reported expenditures for travel and lodging to attend the events at which these conversations may have occurred.

Second, the Complainants point out that the cost to drive to the gubernatorial candidate forums and other political events listed in the news stories would require Mayor Coleman to spend more than \$100. Contributions are defined in Minnesota Statutes, section 10A.01, subdivision 11. This definition includes the value of a donation in-kind. A donation in-kind is both a contribution to a campaign, and a type of expenditure by the campaign.

The use of an automobile for campaign purposes, including the candidate's personal car, is a donation in-kind to the campaign. Minnesota Rules, 4503.0500, subpart 8, provides that the use of an automobile shall be valued at the same rate used by the state to reimburse its employees. Currently the state is using the Internal Revenue Service mileage reimbursement rate of 55 cents per mile. The round trip mileage for attending the events listed in the complaint would exceed \$100.

On October 6, 2009, the Complainants supplemented their complaint with additional examples of news stories in which Mayor Coleman is reported to have attended gubernatorial candidate forums and other political events outside of St. Paul. An article posted on TwinCities.com on October 6, 2009, quotes Mayor Coleman as saying, "Labor does not control me, but labor is my partner in governing the city of St. Paul, and labor will continue to be my partner as governor of the state of Minnesota. ... Let's grow the pie. Leadership starts at the top. It's what we've done in the city of St. Paul. It's what I'll do as governor of the state of Minnesota."

The supplement also stated that any expenditures made by the Chris Coleman for St. Paul Committee in support of Mayor Coleman's campaign for Governor should be considered as contributions from an unregistered association.

Although registered with Ramsey County the Chris Coleman for St. Paul Committee is not registered with the Campaign Finance and Public Disclosure Board. Under the provisions of Minnesota Statutes, section 10A.27, subdivision 1, a political committee that is not registered with the Board is an unregistered association. An unregistered association may not contribute more than \$100 to a principal campaign committee unless the contribution is accompanied with a report that discloses the association's contributions and expenditures.

Although not referenced in the complaint, state level campaigns are not allowed to accept contributions from the political committees of municipal candidates. (Minnesota Statutes, section 10A.27, subdivision 9(d)).

On October 5, 2009, Mayor Coleman was notified of the complaint and provided an opportunity to respond. On October 7, 2009, notification of the supplement to the complaint was provided.

On October 22, 2009, the Board received a response to the complaint from John Knapp, legal representative for Mayor Coleman and the Chris Coleman for St. Paul Committee. In response to the allegation that Mayor Coleman is a candidate for the office of Governor Mr. Knapp points out that Mayor Coleman announced on October 8, 2009, that he would not be a candidate for Governor in 2010. Mr. Knapp documents this announcement by providing copies of press reports of the Mayor's decision.

In response to the allegation that Mayor Coleman was required to register a principal campaign committee for the office of Governor Mr. Knapp states that Mayor Coleman did not accept any contributions for a gubernatorial campaign and therefore did not pass any threshold that requires registration of a committee. Mr. Knapp further states, "If there were any expenditures incurred by Mayor Coleman personally in seeking nomination or election to the office of Governor, they will be reported to the extent they are required by law to be reported."

In response to the allegation that certain expenditures by the Chris Coleman for St. Paul Committee were to support Mayor Coleman gubernatorial campaign Mr. Knapp states, "Mayor Coleman and the Coleman Committee deny that there were any expenditures made by the Coleman for Saint Paul Committee to benefit a campaign by Mayor Coleman for Governor."

By letter dated October 23, 2009, Board staff asked Mr. Knapp to provide additional information on the expenditures made by the Chris Coleman for St. Paul Committee identified in the complaint as supporting a campaign for Governor by Mayor Coleman.

Mr. Knapp provided additional information on the expenditures of the Chris Coleman for St. Paul Committee on October 30, 2009. Mr. Knapp provided context for Mayor Coleman's travel outside of St. Paul by stating, "...as the Mayor of the second largest city in the state, Mayor Coleman speaks out regularly to a wide variety of audiences on key issues affecting not only the City of Saint Paul but the State of Minnesota as well." In regard to the specific expenditures of the Chris Coleman for St. Paul Committee Mr. Knapp states, "In regard the individual expenditures for travel, meals and other expenditures noted in your letter...please be advised that the purpose of these expenditures was for fundraising for his mayoral campaign, and/or for promoting the Mayor's statewide initiative, Thank LGA."

Board Analysis

The cornerstone for the Board's investigation of this complaint was to determine if Mayor Coleman was a candidate for Governor as defined in Minnesota Statutes Chapter 10A. If Mayor Coleman was not a candidate for Governor then the other allegations of the complaint could not be true and would need no further consideration.

The primary evidence provided by the Complainants was a series of news stories and press releases which reported on gubernatorial candidate forums and other political events around the state in which Mayor Coleman participated. Usually the Board is reluctant to rely on the news media as evidence when conducting an investigation into a complaint. Indeed, the fact that Mayor Coleman was labeled a “candidate” or an “all but declared candidate” for Governor by the news media or any other organization is viewed as speculation by the Board and was not used in determining if Mayor Coleman was a candidate under Chapter 10A. However, the news stories did serve as documentation of Mayor Coleman’s participation in gubernatorial candidate forums. Mayor Coleman was given an opportunity to deny participating in the events, and in specific to dispute a quote attributed to the Mayor in which Mayor Coleman states what actions he will take if elected Governor. The responses on behalf of Mayor Coleman did not dispute any of the information provided in the news stories that accompanied the complaint.

The Board considered possible reasons why Mayor Coleman would travel to locations throughout the state to participate in gubernatorial candidate forums and present information on what actions he would do if elected Governor. In the Board’s view the only reasonable explanation for those actions is that Mayor Coleman was seeking nomination or election to the office of Governor. Therefore, Mayor Coleman was a “candidate” as defined in Chapter 10A. The fact that Mayor Coleman has now announced that he is no longer interested in the office of Governor does not change that conclusion.

The second allegation of the Complainants is that Mayor Coleman violated Chapter 10A when he failed to register a principal campaign committee with the Board. To trigger the statutory registration requirement Mayor Coleman would have had to either: 1) Accept aggregate contributions of more than \$100 for his gubernatorial candidacy or; 2) Make expenditures of over \$100 in support of his candidacy with other than personal funds.

The Complainants do not claim that Mayor Coleman received cash contributions for his gubernatorial candidacy. Further, in his response on behalf of the Mayor, Mr. Knapp specifically states that “Mayor Coleman has not accepted contributions from a source triggering the requirement for registration of a principal campaign committee...” Having no reason to believe otherwise the Board concludes that Mayor Coleman did not receive cash contributions that would require registration.

The Complainants believe Mayor Coleman was required to register a principal campaign committee because the Chris Coleman for St. Paul Committee paid for travel related expenses that supported Mayor Coleman’s candidacy for Governor. If the expenditures were for the purpose of influencing the nomination or election of Mayor Coleman to the office of Governor, the expenditures would represent a type of in-kind donation from an association that is not registered with the Board. To support this allegation the Complainants identify twelve expenditures on the campaign report for the

Chris Coleman for St. Paul Committee as filed with the Ramsey County Elections Division.

When the Board reviewed the twelve expenditures none appear to be for travel to the gubernatorial candidate forums identified in the news releases filed with the complaint. Several of the expenditures were for Mayor Coleman to travel out of state to attend events. Without specific evidence to the contrary the Board assumes that out of state events will be attended primarily by individuals who are not eligible to vote in Minnesota, and will be for purposes which do not readily relate to running for state level office.

Four of the expenditures appear to be related to a conference held in Rochester, Minnesota. The Board has previously recognized that attending almost any event may have the collateral effect of raising an elected official's public profile. Further, it is certainly possible that Mayor Coleman had personal conversations at any of these events in which the topic of running for Governor was discussed. However, the collateral effect of attending an event and the occurrence of personal conversations between a candidate and others do not, without more, support a conclusion that the event itself was "for the purpose of influencing the nomination or election" of Mayor Coleman to the office of Governor.

The Board concludes that the reasons provided by Mr. Knapp for Mayor Coleman's attending the subject events are sufficient to demonstrate that the expenses for attending were not for the purpose of influencing the nomination or election of Mayor Coleman to the office of Governor.

Because the expenditures made by the Chris Coleman for St. Paul Committee were not contributions to Mayor Coleman's gubernatorial candidacy, the allegation that an unregistered association made a contribution to Mayor Coleman's gubernatorial candidacy is not supported.

The Board investigation did not find reason to believe that Mayor Coleman received contributions for his gubernatorial candidacy, or made expenditures for that candidacy with other than personal funds. Therefore, the requirement to register a principal campaign committee with the Board does not arise.

The Board believes that the Complainants are correct in their contention that the mileage and other travel related expenses to attend candidate forums would exceed \$100. In his response Mr. Knapp states that all expenditures to attend the candidate forums were paid with the personal funds of Mayor Coleman. Disclosure of the expenditures made by Mayor Coleman will occur under the provisions of Minnesota Statutes, section 10A.20, Subd. 6. This statute provides that a candidate that spends only his or her own funds on a campaign must report their expenditures at the same time and in the same manner as registered principal campaign committees. The next reporting period for principal campaign committees is the 2009 year-end Report of Receipts and Expenditures due on February 1, 2010.

Relevant Statutes and Administrative Rules

Minnesota Statutes 10A.01, Subd. 9. Campaign expenditure. "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

An expenditure is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services. An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause (1), "expenditure" includes the dollar value of a donation in-kind.

"Expenditure" does not include:

- (1) noncampaign disbursements as defined in subdivision 26;
- (2) services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, political fund, principal campaign committee, or party unit; or
- (3) the publishing or broadcasting of news items or editorial comments by the news media.

Minnesota Statutes 10A.01, Subd. 10. Candidate. "Candidate" means an individual who seeks nomination or election as a state constitutional officer, legislator, or judge. An individual is deemed to seek nomination or election if the individual has taken the action necessary under the law of this state to qualify for nomination or election, has received contributions or made expenditures in excess of \$100, or has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100, for the purpose of bringing about the individual's nomination or election. A candidate remains a candidate until the candidate's principal campaign committee is dissolved as provided in section 10A.24.

Minnesota Statutes 10A.105, Subd. 1, Principal Campaign Committee. A candidate must not accept contributions from a source, other than self, in aggregate in excess of \$100 or accept a public subsidy unless the candidate designates and causes to be formed a single principal campaign committee for each office sought. A candidate may not authorize, designate, or cause to be formed any other political committee bearing the candidate's name or title or otherwise operating under the direct or indirect control of the candidate. However, a candidate may be involved in the direct or indirect control of a party unit.

Minnesota Statutes 10A.14, Subd. 1, First registration. The treasurer of a political committee, political fund, principal campaign committee, or party unit must register with the board by filing a statement of organization no later than 14 days after the committee, fund, or party unit has made a contribution, received contributions, or made expenditures in excess of \$100, or by the end of the next business day after it has received a loan or contribution that must be reported under section 10A.20, subdivision 5, whichever is earlier.

Minnesota Statutes 10A.20, Subd. 6. Report when no committee. A candidate who does not designate and cause to be formed a principal campaign committee and an individual who makes independent expenditures or expenditures expressly advocating the approval or defeat of a ballot question in aggregate in excess of \$100 in a year must file with the board a report containing the information required by subdivision 3. Reports required by this subdivision must be filed on the dates on which reports by committees, funds, and party units are filed.

Minnesota Rules 4503.0500, Subp. 8. Value of contributions of automobile use. Automobile use provided to a committee by an individual may be valued at the lowest rate used by the state to reimburse its employees for automobile use. Alternatively, the value of the automobile may be calculated as the actual cost of fuel, maintenance, repairs, and insurance directly related to the use of the automobile. The use of an automobile that exceeds \$20 in value a day is either an expenditure that must be reimbursed or a donation in-kind from the individual who provided the use of the automobile. An automobile provided by an association must be valued at the fair market value for renting an equivalent automobile.