

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

**In the Matter of the Board Investigation of the Chaudhary for Senate Committee and
Satveer Chaudhary, Individually**

SETTLEMENT AGREEMENT

This settlement agreement is entered into between the Campaign Finance and Public Disclosure Board and the Chaudhary for Senate Committee and Satveer Chaudhary, individually (respondents).

Background

This matter arises from an investigation of the Committee that the Board initiated after discovering that expenses identified as paid on the Committee's 2010 pre-general-election report of receipts and expenditures actually had not been paid.

During the investigation Mr. Chaudhary provided the Committee's bank records. The Board also obtained additional records directly from the bank. Working together, Mr. Chaudhary and Board staff analyzed bank records, identified transactions that were erroneously reported or left off of reports, and developed a series of amendments to correct the Committee's reports from 2010 through 2014. As a result of this effort, both Board staff and Mr. Chaudhary were satisfied that the amended reports accurately reflected the Committee's operations for those years.

The investigation and work by Mr. Chaudhary and Board staff revealed that there was a significant discrepancy between the Committee's reported beginning cash balance in 2010 and the amount of money actually in the bank. Board staff reviewed bank records back to 2008 and concluded that the discrepancy existed prior to the period covered by those records.

The analysis of the bank records disclosed that the Committee received contributions that violated the limit on the amount that an individual could contribute or loan to the Committee and that the Committee did not have adequate records from which to identify the source of each contribution in excess of \$20.

Mr. Chaudhary signed the pre-primary-election and pre-general-election reports in 2010 and the year-end report in 2013. These reports all included inaccuracies and the 2010 pre-general-election report also omitted transactions that should have been on the report. These facts gave rise to the question of whether signing the inaccurate and/or incomplete reports resulted in a violation of Minnesota Statutes section 10A.025, subdivision 2, which requires that reports not be certified if the person signing knows that they are inaccurate or incomplete.

There are material legal and factual disputes as to whether the circumstances of the preparation and signing of the reports proves the requisite knowledge on Mr. Chaudhary's part of the inaccuracies and omissions. While it is undisputed that the subject reports were inaccurate, and in the case of the 2010 pre-general-election report, incomplete, the level of Mr. Chaudhary's knowledge and understanding of the omissions and inaccuracies is not clear.

It is not disputed that Mr. Chaudhary did not, himself, prepare the 2010 reports. Mr. Chaudhary asserts that he did not review the subject reports in any meaningful way and, therefore, did not know of their omissions or inaccuracies.

Mr. Chaudhary did prepare the 2013 year-end report. However, he accurately points out that the report was a "no-change" report, and was identical to the no-change reports that had been filed by the Committee's treasurer for the two previous years. In filing the no-change report, he copied the information from the previous year's report and checked the "no-change" box. The report was accurate in that there was no change in the Committee's finances from the prior year. However, it was inaccurate in that it copied from the prior year report the Committee's ending cash balance, which was, itself, inaccurate on the previous report.

The parties agree that to resolve this matter without the need for further investigation and possible litigation, the question of certification of the reports need not be settled at this time.

The Board also acknowledges Mr. Chaudhary's desire to pay the Committee's outstanding debt to the printing company and agrees to terms of settlement that will permit him to do so.

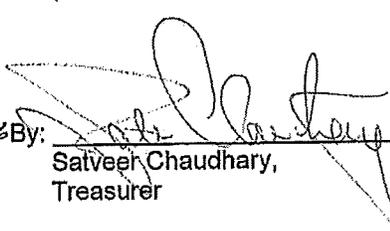
NOW, THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

1. Except as agreed in section 2 below, the Board may make such findings and conclusions as it deems appropriate and issue a corresponding order with respect to such Committee violations that the Board concludes exist.
2. The Board will not make a finding or conclusion, or issue an order, with respect to any violation of Minnesota Statutes section 10A.025, subdivision 3. The parties specifically agree that there are valid disputes of both fact and law with respect to the application of this provision.
3. Mr. Chaudhary agrees that he will, and through this agreement, he hereby does, assume personal liability for any civil penalties imposed against the Committee.
4. The Board agrees that any civil penalties imposed in excess of \$1,500 will be stayed on terms to be specified by the Board.
5. Mr. Chaudhary. agrees to pay civil penalties of up to \$1,500 on such terms as the Board orders.
6. Respondent Chaudhary agrees to, and hereby does forgive any outstanding loans owed to him by the Committee.
7. Respondent Chaudhary agrees to reimburse the Committee for \$278.13 in personal expenses that were inadvertently paid for with Committee funds and to make a contribution to the Committee in a sufficient amount to pay the 2010 principal balance to Tschida Printing. Both the reimbursement and the payment to Tschida on behalf of the Committee may be made by direct payment to the printing company rather than by transfer through the Committee's account, at Mr. Chaudhary's option. If direct payment is made, the payment must be reported on the Committee's 2016 termination report as an in-kind contribution to the Committee and a corresponding in-kind expenditure by the Committee.

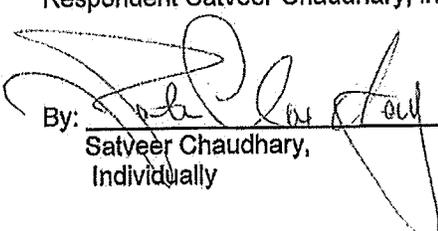
8. Respondents agree that the funds described in paragraph 7, along with any remaining funds in the Committee's bank account will be used to pay Tschida Printing according to terms to be specified by the Board.
9. In exchange for the promises in this Agreement, Respondents waive their right to resolve any excess contribution violations through the conciliation agreement process in Minnesota Statutes section 10A.28, subdivisions 3 and 4.
10. The Board will not issue any order that requires Respondent Chaudhary to return money to the Chaudhary for Senate Committee or to pay civil penalties other than as specified in this agreement.
11. In exchange for the promises contained in this agreement, Mr. Chaudhary waives forever any right he may have to challenge in court, through further administrative proceedings, or otherwise, the Board's findings, conclusions, and order made in this matter.
12. Respondents' waivers may be withdrawn in the event that this Agreement is breached by the Board.

Campaign Finance and Public Disclosure Board

Respondent Chaudhary for Senate Committee

By: 	4/5/2016	Date	By: 	2-6-16	Date
Christian Sande Chair			Satveer Chaudhary, Treasurer		

Respondent Satveer Chaudhary, individually

By: 	2-6-16	Date
Satveer Chaudhary, Individually		