

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

**FINDINGS IN THE MATTER OF A COMPLAINT REGARDING MAYOR RANDY KELLY,
THE MINNESOTA WILD, GOPHER STATE ETHANOL, AND GLEN NELSON**

Procedural Background

On May 28, 2003, Daniel D. Dobson, and David Schultz (“Complainants”) filed a complaint with the Campaign Finance and Public Disclosure Board (“Board”) against Mayor Randy Kelly, The Minnesota Wild, Gopher State Ethanol (“GSE”) and Glen Nelson (“the Respondents”).

The complaint alleged that on April 22, 2003, Mayor Kelly accepted roundtrip ground and air transportation to and tickets for a Minnesota Wild hockey game in Colorado. The Complainants stated that the airplane used to travel to this hockey game is owned by Glen Nelson and/or Marilyn Nelson. The Complainants stated that Glen Nelson is a partner in both Gopher State Ethanol and The Minnesota Wild. Gopher State Ethanol, #5439, and the Minnesota Wild (Minnesota Hockey Ventures Group, #4661, and Rose-Wild, #5143) are lobbyist principals.

The Complainants alleged that because Mayor Kelly accepted the tickets for and roundtrip ground and air transportation to the April 22, 2003, hockey game, the Respondents violated Minn. Stat. §10A.071, which prohibits a lobbyist principal from giving a gift to a public official, and prohibits a public official from accepting a gift from a lobbyist principal.

On June 2, 2003, the Respondents were notified of the complaint and afforded an opportunity to respond.

On June 4, 2003, Vic Moore, responded as a lobbyist for GSE. Mr. Moore stated that that he “had no knowledge whatsoever about the Mayor’s trip to Denver or his attendance at the Wild hockey game.”

On June 6, 2003, Kristen Amundson, Christopher Georgacas, Robert Goff, and Jeffrey Peterson responded as lobbyists for Rose-Wild. Ms. Amundson, Mr. Georgacas, Mr. Goff and Mr. Peterson all stated that they did not ask or suggest that transportation or a game ticket be provided to Mayor Kelly and stated that they did not accompany Mayor Kelly on his trip to Denver.

On June 13, 2003, Timothy Welch responded as a lobbyist for Minnesota Hockey Ventures Group. Mr. Welch stated that he did not ask or suggest that transportation or a game ticket be provided to Mayor Kelly, nor did he accompany him to the hockey game.

On June 13, 2003, Dr. Glen Nelson responded. Dr. Nelson stated that on April 21, 2002, he informed Jac Sperling, CEO of the Minnesota Wild Hockey Club, LP, and the Minnesota Hockey Ventures Group, LP, and agent of Rose Wild, LLC, that he would be taking a private airplane to Colorado on April 22, 2003. Dr. Nelson stated that he issued an invitation to Mr. Sperling to choose ten Wild staff or supporters to accompany Dr. Nelson on the flight to Colorado.

Dr. Nelson explained that the airplane did not belong to him but that his use of the airplane was made possible through an interchange agreement with the owner of the airplane, North American Financial Corporation. Dr. Nelson stated that the indirect and direct cost of the flight and ground transportation was \$12,754. Dr. Nelson provided the names of the six individuals on the flight to Colorado and the names

of eight individuals on the return flight. Dr. Nelson stated that the airplane used to fly to Colorado was not available for the return flight, so arrangements were made for Mayor Kelly and others to return to Minnesota on an airplane belonging to a friend of Dr. Nelson's.

Dr. Nelson stated that the Minnesota Wild provided his ticket to the hockey game and access to a private suite. Dr. Nelson stated that he was unaware how Mayor Kelly's obtained his admission to the game and suite. On June 24, 2003, David Lillehaug responded on behalf of Dr. Nelson and provided a copy of Dr. Nelson's flight manifest which indicated that Mayor Kelly and the other passengers on the plane were provided with food on the flight to Colorado.

On June 13, 2003, Deputy City Attorney, Gerald T. Hendrickson, responded on behalf of Mayor Randy Kelly. Mr. Hendrickson stated that on April 21, 2003, Jac Sperling and Bob Neagle of the Minnesota Wild contacted Deputy Mayor Dennis Flaherty to extend an invitation to Mayor Kelly to accompany Mr. Sperling and Mr. Neagle on a flight to the hockey game in Denver. Mr. Hendrickson stated that Mayor Kelly had no personal knowledge of the arrangements for the flight. Mr. Hendrickson stated that Mayor Kelly also had no knowledge of how his admission to the game was handled. Mr. Hendrickson gave no indication that any contemporaneous payment for the transportation or ticket costs was made by Mayor Kelly.

The matter was considered by the Board in executive session at its meeting on June 25, 2003. The Board's decision was based upon the complaint, the responses, information obtained from the Minnesota Wild's website, information obtained from the Secretary of State's Office, and Board records.

Based on the record before it, the Board issues the following:

EVIDENTIARY FINDINGS

1. Minn. Stat. §10A.071, subd. 1, (b) defines a "gift" as money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.
2. Minn. Stat. §10A.071, subd. 1, (c) defines an "official" as a public official, an employee of the legislature, or a local official of a metropolitan governmental unit. As mayor of the City of St. Paul, Mayor Kelly is a local official of a metropolitan governmental unit and therefore an official.
3. Minn. Stat. §10A.01, subd. 33, defines a "principal" as an individual or association that: spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist" or "spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subd. 6." Gopher State Ethanol, Minnesota Hockey Ventures Group, LP, and Rose Wild, LLC, are lobbyist principals.
4. Minn. Stat. §10A.071, subd. 2, prohibits a principal from giving a gift to an official. Minn. Stat. §10A.071, subd. 2, prohibits an official from accepting a gift from a principal.

Based on the above Statement of the Evidence, the Board makes the following:

FINDINGS CONCERNING PROBABLE CAUSE

1. There is probable cause to believe that Mayor Kelly violated Minn. Stat. §10A.071, subd. 2, when he accepted an invitation from Jac Sperling, CEO of the Minnesota Wild and Minnesota Hockey Ventures Group, to fly with Dr. Nelson to the hockey game, and when he accepted admission to the hockey game and the private suite.
2. There is probable cause to believe that the Minnesota Hockey Ventures Group, LP (Minnesota Wild) violated Minn. Stat. §10A.071, subd. 2, when its CEO and agent, Jac Sperling, extended an invitation to Mayor Kelly to fly to and attend the hockey game in Colorado.
3. There is no probable cause to believe that Dr. Nelson or Ms. Nelson violated Minnesota Statutes, Chapter 10A.
4. There is no probable cause to believe that Gopher State Ethanol violated Minnesota Statutes, Chapter 10A.

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

ORDER

1. The Board directs Mayor Kelly to reimburse the Minnesota Wild for the cost of the air and ground transportation to and from the game in Colorado. Mayor Kelly is also directed to reimburse the Minnesota Wild for the cost of his game ticket and for any food or beverages he was provided on the trip. The amount reimbursed for the air transportation should be the equivalent of a first-class round trip ticket from Minneapolis-St. Paul, Minnesota, to Denver, Colorado. The amount reimbursed for the ground transportation should be the equivalent of transportation in a comparable vehicle.
2. The Board directs the Minnesota Wild to recover the costs of Mayor Kelly's roundtrip transportation, and any food or beverages provided to Mayor Kelly, and Mayor Kelly's ticket for the April 22, 2003, hockey game.
3. The Board directs Mayor Kelly to provide the Board with a copy of the checks and accompanying letters used to reimburse the Minnesota Wild for the cost of the air and ground transportation, any food or beverages he received, and his ticket to the April 22, 2003, hockey game. Copies of the checks and accompanying letters should be sent to the Board's office within thirty days.
4. Minnesota Rule 4512.0100, subp. 3, (c), prohibits giving an official preferential treatment for purchases. Because private suites are not available for purchase to members of the general public, Mayor Kelly cannot reimburse the Minnesota Wild for the cost of admission to the private suite and both Mayor Kelly and the Minnesota Wild continue to be in violation of this statute.
5. Minnesota Statutes Chapter 10A provides no penalty for a violation of Minn. Stat. §10A.071, subd. 2.

6. The record in this matter and all correspondence is hereby entered into public record in accordance with Minn. Stat. §10A.02, subd. 11. Board staff shall provide copies of these findings to Mr. Dobson, Mayor Kelly, Dr. Nelson, Mr. Schultz, Gopher State Ethanol and the Minnesota Wild.

Dated: June 25, 2003

Clyde Miller, Chair
Campaign Finance and Public Disclosure Board