

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

**Findings in the Matter of the 4<sup>th</sup> Congressional District DFL Political Party Committee**

**Summary of the Facts**

Pursuant to Minnesota Statutes, Section 10A.27, subdivision 13, candidates, political party units, and political committees registered with the Campaign Finance and Public Disclosure Board (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.

In response to an inquiry from the Board regarding certain contributions disclosed on the 2007 year-end Report of Receipts and Expenditures, Jo Matson, treasurer, 4<sup>th</sup> Congressional District DFL Political Party Committee ("the Committee") confirmed that the Committee accepted \$300 each from the Chris Coleman for St. Paul Committee, the Thune Volunteer Committee, the Reinhart Volunteer Committee, and the Gaertner for County Attorney Volunteer Committee to purchase tables at the 2007 Bruce Vento Fundraiser Dinner ("the Dinner"). These four committees file campaign reports with Ramsey County. However, the committees are not registered with the Board; therefore for the purposes of Chapter 10A the committees are unregistered associations. The associations did not provide the required disclosure with the contributions to the Committee.

Ms. Matson responded to Board questions on the matter by letters dated February 28 and April 15, 2008. With her responses Ms. Matson provided copies of the form used to purchase tickets and tables for the Dinner. The order form states in three places that attending the Dinner is a contribution to the Committee, that corporate contributions may not be accepted, and provides a line marked "Board Registration #" for use by "lobbyists, political committees, parties, etc." The cost for the "Standard Sponsorship" of a table at the Dinner is \$300 for a table that seats eight. The price of "Adult Tickets" is listed at \$25 per ticket if bought in quantities of two or more. In addition to the eight tickets to the Dinner persons or associations that purchased a table to the Dinner received advertising space in the Dinner brochure and recognition as a table sponsor. In explaining the value of the items provided to table sponsors Ms. Matson states, "This would mean that the tickets purchased through a table sponsorship would be \$200 and the advertising in the brochure, the table sign, (and) the announcement from the podium would be \$100.00".

Ms. Matson also provides that the Committee returned \$200 to each of the unregistered associations listed above in paragraph two. The contributions were not returned within 60 days of deposit and therefore were accepted as provided in Minnesota Statutes, Section 10A.15, subdivision 3.

In response to inquires into this matter the Board received responses from the Chris Coleman for St. Paul Committee, the Thune Volunteer Committee, the Reinhart Volunteer Committee, and the Gaertner for County Attorney Committee. All four associations acknowledge the purchase of a table at the Dinner and the receipt of tickets to the Dinner. The responses point out that as political committees that file reports in Ramsey County there is public disclosure of each association's receipts and expenditures. All four responses indicate confusion over what portion of the cost of purchasing a table is considered a contribution to the 4<sup>th</sup> Congressional District DFL Political Party Committee.

## **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 states in part that "All receipts are contributions". Therefore, each purchase of eight tickets at \$25 per ticket to attend the 2007 Vento Fundraising Dinner was a \$200 contribution to the 4<sup>th</sup> Congressional DFL.

The \$100 paid by the purchaser in addition to the cost of the eight tickets to attend the Dinner was payment for advertisement space and promotional acknowledgement as a table sponsor and should be reported by the Committee as miscellaneous income rather than as a contribution.

Of the \$200 contribution paid for the eight tickets to the Dinner the 4<sup>th</sup> Congressional DFL may accept \$100 from an unregistered association without disclosure. This reduces the amount of the contribution that should not have been accepted from an unregistered association without disclosure to \$100 per table.

A statute that considers political committees that register and report to Ramsey County to be "unregistered associations" under Chapter 10A 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 those for 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 on May 16, 2008. The Board's decision was based upon correspondence from Ms. Matson, the Chris Coleman for St. Paul Committee, the Thune Volunteer Committee, the Reinhart Volunteer Committee, the Gaertner for County Attorney Committee and Board records.

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

### **Finding Concerning Probable Cause**

1. There is probable cause to believe that the 4<sup>th</sup> Congressional District DFL Political Party Committee violated Minnesota Statutes, section 10A.27, subdivision 13, when it accepted four contributions in excess of \$100 from associations not registered with the Board without receiving the required disclosure.
2. There is probable cause to believe that the contributions were not returned within 60 days as permitted in Minnesota Statutes, section 10A.15, subdivision 3.

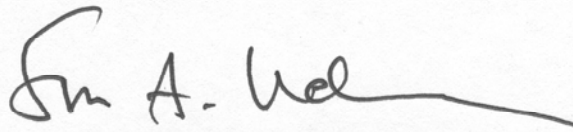
3. There is no probable cause to believe that this violation was intentional or done with the intent to circumvent the requirements of Minnesota Statutes, Chapter 10A.

**Based on the above Finding Concerning Probable Cause, the Board issues the following:**

**ORDER**

1. The Board imposes a civil penalty of \$400 on the 4<sup>th</sup> Congressional District DFL Political Party Committee for acceptance of contributions in excess of \$100 from unregistered associations without the disclosure required by Minnesota Statutes, section 10A.27, subdivision 13. This amount represents one times the amount that the contributions for tickets to the fundraiser from the four Ramsey County committees exceeded \$100.
2. In addition, the 4<sup>th</sup> Congressional District DFL Political Party Committee is directed to forward to the Board copies of the checks and cover letters used to return the prohibited contribution to the Ramsey County committees.
3. The 4<sup>th</sup> Congressional District DFL Political Party Committee is directed to forward to the Board the payment of the civil penalty by check or money order payable to the State of Minnesota, and the copies of the letters and checks used to return the prohibited contributions, within 30 days of receipt of this order.
4. If the 4<sup>th</sup> Congressional District DFL Political Party Committee does not comply with the provisions of this order, the Board's Executive Director may request that the Attorney General bring an action on behalf of the Board for the remedies available under Minnesota Statutes, section 10A.34.
5. The Board investigation of this matter is entered into the public record in accordance with Minnesota Statutes, section 10A.02, subdivision 11. The matter is concluded.

Dated: May 16, 2008



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

### Relevant Statutes

**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.