

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

**FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND ORDER**

In the Matter of Leon Lillie for House (Registration No. 16132);

Background:

At its meeting of November 3, 2015, the Minnesota Campaign Finance and Public Disclosure Board (Board) entered into a conciliation agreement with the Leon Lillie for House committee (Committee) and State Representative Leon Lillie (Candidate). The agreement concerned a special source violation by the Committee during the 2013-2014 election segment.

On its 2013 Year-end Report of Receipts and Expenditures, the Committee reported accepting \$3,875 from lobbyists, political committees and funds, and associations not registered with the Board. On its amended 2014 Year-end Report of Receipts and Expenditures, the Committee reported accepting \$9,625 in contributions from lobbyists, political committees and funds, and associations not registered with the Board. The reported contributions from these sources during 2013 and 2014 totaled \$13,500, exceeding the \$12,500 aggregate special source limit for a state representative candidate during the 2013-2014 election segment by \$1,000.

By letter on October 19, 2015, the candidate stated that he “took in too much association money” and “realizing mistake returned excess beyond required time.” Because the Committee did not return the excess contributions within 90 days of receipt, the contributions were deemed by statute to have been accepted.

The conciliation agreement imposed a civil penalty of \$1,000. However, only \$250 of the civil penalty was due within 30 days. The remaining \$750 was stayed by the agreement and was to be waived if the Committee did not violate the special source limit again before January 1, 2017.

In consideration for the stayed portion of the civil penalty, and to resolve the matter informally, the parties agreed to certain conditions. The Committee agreed that, among other things, beginning with the 2015 Year-end Report of Receipts and Expenditures, the Campaign Finance Reporter software would be used for the filing of required campaign finance reports. The software helps a committee identify potential violations of the campaign finance laws, including the special source limit.

However, the Committee did not use the Campaign Finance Reporter software to file its 2015 Year-end Report of Receipts and Expenditures, instead filing its report on a paper form. The conciliation agreement provided that, “If the candidate and the Leon Lillie for House committee do not comply with the provisions of this agreement, this matter may be reopened by the Board and the Board may take such actions as it deems appropriate.” The Board, at its meeting of August 2, 2016, moved to reopen the matter pursuant to the conciliation agreement, due to the

Committee failing to file its 2015 Year-end Report of Receipts and Expenditures with the Campaign Finance Reporter software as required by the conciliation agreement.

Based on the investigation, the Board makes the following:

Findings of Fact

1. The Committee accepted \$13,500 in contributions from lobbyists, political committees and funds, and associations not registered with the Board during the 2013-2014 election segment.
2. The Committee violated the terms of the conciliation agreement, which the Candidate signed on November 15, 2015, by failing to file its 2015 Year-end Report of Receipts and Expenditures electronically using the Campaign Finance Reporter software.

Conclusions of Law

1. The Committee violated Minnesota Statutes section 10A.27, subdivision 11, when it accepted \$13,500 in contributions from lobbyists, political committees and funds, and associations not registered with the Board during the 2013-2014 election segment, in excess of the statutory limit of \$12,500.

Based on the above Findings of Fact and Conclusions of Law, the Board issues the following:

Order

1. The conciliation agreement approved by the Board at its meeting of November 3, 2015, and which the Candidate signed on November 15, 2015, is revoked.
2. The Board orders the Committee to pay a civil penalty of \$1,000, \$250 of which has already been paid as required by the prior conciliation agreement. The remaining civil penalty must be paid by check or money order made payable to the State of Minnesota within 30 days of the date of this Order.
3. The Committee shall file its reports electronically in the future pursuant to the statutory requirement in Minnesota Statutes section 10A.025, subdivision 1a.
4. If the 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 concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.022, subdivision 5 (a).

Dated: August 2, 2016

s/ Daniel N. Rosen
Daniel N. Rosen, Chair
Campaign Finance and Public Disclosure Board