

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

**PROBABLE CAUSE
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF MATTHEW T. WERDEN REGARDING THE DIPPTEL (TOM) FOR SENATE COMMITTEE AND ACTION 4 LIBERTY

On April 11, 2023, the Campaign Finance and Public Disclosure Board received a complaint submitted by counsel for Matthew Werden regarding the Dippel (Tom) for Senate committee and Action 4 Liberty. The Dippel (Tom) for Senate committee is the principal campaign committee of Tom Dippel, a 2022 candidate for Minnesota Senate District 41. Action 4 Liberty is a nonprofit 501(c)(4) association not registered with the Board.

The complaint alleges that Action 4 Liberty, as a nonprofit corporation, violated Minnesota Statutes section 211B.15, subdivision 2, by making prohibited contributions to the Dippel committee. The complaint alleges that the Dippel committee violated the same statute by accepting those contributions. The complaint asserts that Action 4 Liberty provided corporate contributions to the Dippel committee in the form of free services performed by a paid intern, William Beck. The complaint alleges that Mr. Beck managed the Dippel committee's social media page, drafted campaign material for the Dippel committee, and scheduled meetings for the Dippel committee's staff and volunteers.

The complaint includes an affidavit from Marissa Manteufel, a staff member of the Senate Victory Fund, who was assigned to provide staff services to the Dippel committee. The Senate Victory Fund is the Republican legislative party unit for the state senate. Ms. Manteufel states that on May 11, 2022, she was present at a Dippel campaign meeting with Mr. Beck. Ms. Manteufel states that Mr. Beck told her that he worked for Action 4 Liberty and was a paid intern to "help campaigns." Ms. Manteufel said that she was instructed by Mr. Dippel to copy Mr. Beck on all emails. Ms. Manteufel stated that Mr. Beck had administrative access to the Dippel committee's Facebook page and provided a screenshot showing that Mr. Beck granted her partial access to manage the Dippel for Senate Facebook page (Attachment A). Ms. Manteufel stated that Mr. Beck helped the Dippel committee write several pieces of campaign material and provided a copy of an email from Mr. Beck discussing the design of new campaign literature for the Dippel committee (Attachment B). Ms. Manteufel further alleged that Mr. Beck scheduled meetings with Dippel campaign staff and volunteers and provided a copy of an email from Google Docs showing that Mr. Beck shared a document titled "Dippel Kickoff Event Invite" (Attachment C). The complaint alleges that Ms. Manteufel's affidavit and attachments show that Action 4 Liberty provided a corporate contribution in the form of paid staff time to the Dippel committee in violation of Minnesota Statutes section 211B.15.

The complaint also alleges that Action 4 Liberty and the Dippel committee each violated the individual contribution limit in Minnesota Statutes section 10A.27, subdivision 1. The individual

contribution limit for a candidate for state senator was \$1,000 during the 2021-2022 election cycle. The complaint alleges that the value of Mr. Beck's substantial time and services provided to the Dippel committee was in excess of the \$1,000 limit.

On April 25, 2023, the Board chair determined that the complaint alleged prima facie violations of Minnesota Statutes section 211B.15, subdivision 2, as to Action 4 Liberty and the Dippel for Senate committee. The Board chair determined that the complaint did not state a prima facie violation of the individual contribution limit.

On May 15, 2023, the Board received a written response submitted by Tom Dippel on behalf of the Dippel committee. In his response Mr. Dippel argued that Minnesota Statutes section 211B.15 is unconstitutional. Mr. Dippel's response also provided an affidavit from Mr. Beck. The affidavit from Mr. Beck contains three statements:

1. I am not employed by Action 4 Liberty.
2. I have never been employed by Action 4 Liberty.
3. I have never been paid by Action 4 Liberty to help campaigns.

Mr. Dippel's response requests that the complaint be dismissed.

On May 22, 2023, the Board received a written response submitted by Erick Kaardal on behalf of Action 4 Liberty. Mr. Kaardal's response also provided a copy of the affidavit signed by Mr. Beck that the Dippel committee provided. Mr. Kaardal stated that the affidavit of Mr. Beck explicitly states that Mr. Beck "was not employed by Action 4 Liberty or otherwise employed by Action 4 Liberty to help campaigns." Mr. Kaardal stated that the complainant, Mr. Werden, did not provide any information demonstrating that he attempted to confirm that Mr. Beck was employed by Action 4 Liberty. Mr. Kaardal's response also argued that Minnesota Statutes section 211B.15 is unconstitutional.

On May 22, 2023, Board staff requested additional information from the Dippel committee. The response and affidavit provided by the Dippel committee did not specifically address whether Mr. Beck was paid by the Dippel committee. On the Dippel committee's 2022 year-end report of receipts and expenditures, the Dippel committee reported making campaign expenditures totaling \$15,000 to Statesman Strategies LLC. Business filings with the Minnesota Secretary of State show that Statesman Strategies LLC's registered agent is William Beck. Board staff asked the Dippel committee to confirm that the Dippel committee paid Statesman Strategies for Mr. Beck's work for the Dippel committee. On May 26, 2023, Mr. Dippel provided a response to Board staff's request for additional information. Mr. Dippel declined to provide a substantive response and instead argued that the question posed by Board staff went beyond the scope of the allegations contained in the complaint. Mr. Dippel noted that Statesman Strategies was not referenced in the complaint or the prima facie determination. Mr. Dippel's response states that the sole factual basis of the complaint is whether Mr. Beck was employed by Action 4 Liberty or paid by Action 4 Liberty to work on campaigns. Mr. Dippel's response stated that the affidavit from Mr. Beck should be "more than sufficient evidence to dismiss the Complaint with

prejudice.” The response from Mr. Dippel stated “[t]here is no obvious reason as to how this information could possibly be pertinent or useful for the Complaint. If the CFB can articulate how the information about Statesman Strategies LLC could possibly be relevant or useful in a probable cause determination specifically as it relates to whether [Action 4 Liberty] gave a corporate contribution to” the Dippel committee then the Dippel committee may consider providing a substantive response.

The Board considered this matter at its meeting on June 7, 2023. Roxanne Reinfeld, counsel for the complainant, appeared before the Board in person. Mr. Kaardal appeared before the Board via Webex on behalf of Action 4 Liberty. Mr. Dippel and Samuel Swanlund, treasurer for the Dippel committee, appeared before the Board via Webex on behalf of the Dippel for Senate committee. Mr. Dippel declined to answer any questions asked by the Board.

Analysis

When the Board chair makes a finding that a complaint raises a prima facie violation, the full Board then must determine whether probable cause exists to believe an alleged violation that warrants an investigation has occurred. Minn. Stat. § 10A.022, subd. 3 (d). A probable cause determination is not a complete examination of the evidence on both sides of the issue. Rather, it is a determination of whether a complaint raises sufficient questions of fact which, if true, would result in the finding of a violation.

If the Board finds that probable cause exists, the Board is required to determine whether the alleged violation warrants a formal investigation, considering the type and magnitude of the alleged violation, the knowledge of the respondents, any benefit to be gained from a formal investigation, the availability of Board resources, and whether the violation has been remedied. Minn. R. 4525.0210, subp. 5. If the Board finds that probable cause exists but does not order a formal investigation, the Board is required to either dismiss the complaint or order a staff review. Minn. R. 4525.0210, subp. 6.

Corporate Contributions

Minnesota Statutes section 10A.01, subdivision 11, defines the term contribution, in relevant part, to mean “money, a negotiable instrument, or a donation in kind that is given to a political committee, political fund, principal campaign committee, local candidate, or party unit.” Minnesota Statutes section 10A.01, subdivision 13, defines the term donation in kind to mean “anything of value that is given, other than money or negotiable instruments. An approved expenditure is a donation in kind.” Minnesota Rules 4503.0500, subpart 1, provides that “[a]ny donation of money, goods, or services received by a principal campaign committee is considered a contribution at the time the item is received.”

Minnesota Statutes section 211B.15, subdivision 1, defines the term corporation to mean “(1) a corporation organized for profit that does business in this state; (2) a nonprofit corporation that carries out activities in this state; or (3) a limited liability company formed under chapter 322C,

or under similar laws of another state, that does business in this state.” Minnesota Statutes section 211B.15, subdivision 2, provides that:

(a) A corporation may not make a contribution or offer or agree to make a contribution directly or indirectly, of any money, property, free service of its officers, employees, or members, or thing of monetary value to a political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office.

(b) A political party, organization, committee, or individual may not accept a contribution or an offer or agreement to make a contribution that a corporation is prohibited from making under paragraph (a).

(c) For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate but does not include an independent expenditure authorized by subdivision 3.

A corporation that has violated the prohibition on corporate contributions is subject to a civil penalty imposed by the Board. Minn. Stat. § 211B.15, subd. 7. An individual representative of a corporation who has violated the prohibition while acting on behalf of the corporation is likewise subject to a civil penalty imposed by the Board. Minn. Stat. § 211B.15, subd. 6. An individual or other entity that has accepted a contribution or an offer or agreement to make a contribution prohibited by Minnesota Statutes section 211B.15 is also subject to a civil penalty imposed by the Board. Minn. Stat. § 10A.34, subd. 4.

The complaint alleges that Action 4 Liberty is a Minnesota nonprofit corporation. The complaint alleges and contains evidence that Action 4 Liberty made an in-kind contribution to the Dippel committee by providing a paid intern to perform services for the Dippel committee. While the Dippel committee provided an affidavit from Mr. Beck stating that he is not employed by Action 4 Liberty, has never been employed by Action 4 Liberty, and has never been paid by Action 4 Liberty to help campaigns, the website of Action 4 Liberty includes Mr. Beck in the About section stating “Operations – William Beck” with a picture of Mr. Beck¹. Mr. Beck is also listed as the author of over 100 blog posts published to Action 4 Liberty’s website.² With conflicting evidence regarding the employment status of Mr. Beck with Action 4 Liberty, Board staff sought confirmation that the Dippel committee paid Mr. Beck for his campaign management services via an LLC, Statesman Strategies. The Board will need to conduct an investigation to resolve the conflicting factual assertions in order to resolve the complaint.

The complaint includes evidence that Mr. Beck was paid by Action 4 Liberty to provide services to the Dippel committee, which would constitute a prohibited corporate contribution unless Action 4 Liberty was paid for those services. The Board therefore concludes that there is

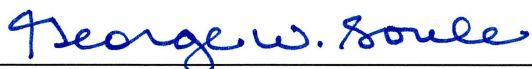
¹ www.action4liberty.com/about

² www.google.com/search?q=site%3Awww.action4liberty.com+%22william+beck%22

probable cause to believe that Action 4 Liberty and the Dippel committee violated the prohibition on corporate contributions.

Order:

1. Probable cause exists to believe that Action 4 Liberty made an in-kind contribution to the Dippel committee by providing a paid intern to perform services for the committee, and that the Dippel for Senate committee accepted that contribution, in violation of Minnesota Statutes section 211B.15, subdivision 2.
2. An investigation is ordered. The Board anticipates asking the Dippel committee, Action 4 Liberty and Mr. Beck to voluntarily provide additional information and making findings and conclusions on the basis of that information. If sufficient information is not provided voluntarily, the Board's executive director may issue subpoenas pursuant to Minnesota Statutes section 10A.022, subdivision 2, and Minnesota Rules 4525.0500, subpart 6.



George W. Soule, Chair
Campaign Finance and Public Disclosure Board

Date: June 7, 2023