

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

Findings and Order in the Matter of the Pipe Fitters Local 539

Summary of the Facts

Minnesota Statutes, Section 10A.27, subdivision 13(b), prohibits an association that is not registered with the Campaign Finance and Public Disclosure Board (“the Board”) from making a contribution in excess of \$100 to a candidate, political party unit, or political committee that is registered with the Board unless, at the time the contribution was made, the unregistered association provides the recipient with disclosure of the unregistered associations receipts and expenditures in the form specified by statute. An unregistered association that fails to provide the appropriate disclosure with the contribution is subject to a civil penalty of up to \$1,000.

In the 2009 Report of Receipts and Expenditures filed with the Board, the Minnesota DFL State Central Committee disclosed receipt of a contribution in the amount of \$1,250 from Pipe Fitters Local 539, a political fund registered with the Board. However, the Pipe Fitters Local 539 political fund’s Report of Receipts and Expenditures did not disclose a corresponding contribution.

Russell Scherber, treasurer of the Pipe Fitters Local 539, responded to a Board inquiry into the discrepancy in a letter dated June 28, 2010. In his response to Mr. Scherber states that the Pipe Fitters Local 539 political fund received a sponsorship request from the Minnesota DFL State Central Committee for the Humphrey Day Dinner. The sponsorship for \$1,250 includes dinner tickets for a table of 10 and recognition in a program. The contribution was made from the general fund. Mr. Scherber believed the sponsorship for the event was not a political donation.

In a letter dated July 7, 2010, regarding the discrepancy Andrew O’Leary, deputy treasurer of the Minnesota DFL State Central Committee, states “The committee has returned \$1,250.00...to Pipe Fitters Local 539. After discussions with the treasurer from the Pipe Fitters he acknowledged that he had mistakenly written a check to the Minnesota DFL Party from the wrong account. The DFL asked the Pipe Fitters to purchase a table at the annual HHH Day Dinner. When the party received the check it had no reason to believe it was not from their PAC.” A copy of the check returning the contribution to the Pipe Fitter Local 539 was provided.

This matter was considered by the Board in executive session on September 7, 2010. The Board’s decision was based upon correspondence from Mr. O’Leary, Mr. Scherber, and Board records.

Board Analysis

Purchasing a ticket to a fundraiser is a contribution to the organization holding the event. Tickets to fundraising events are classified and reported as contributions under Minnesota Statutes, Section 10A.20, subdivision 3(b). Therefore, the purchase of tickets to attend the event with funds from the Pipe Fitters Local 539 general account is considered a contribution from an unregistered association.

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

Findings Concerning Probable Cause

1. There is probable cause to believe that the Pipe Fitters Local 539 violated Minnesota Statutes, Section 10A.27, subdivision 13, when it made a contribution in excess of \$100 to the Minn DFL State Central Committee without providing the required disclosure.
2. 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 Findings, the Board issues the following:

Order

1. The Board imposes a civil penalty of \$1,000, on the Pipe Fitters Local 539 for making a contribution in excess of \$100 to a political party unit without the disclosure required by Minnesota Statutes, section 10A.27, subdivision 13.
2. The Pipe Fitters Local 539 is directed to forward to the Board payment of the civil penalty, by check or money order payable to the State of Minnesota, within 30 days of receipt of this order.
3. If Pipe Fitters Local 539 does not comply with the provisions of this order, the Board's Executive Director may request that the Attorney General bring an action for the remedies available under Minnesota Statute, Section 10A.34.
4. The Board investigation of this matter is hereby made a part of the public records of the Board pursuant to Minnesota Statutes, Section 10A.02, subdivision 11, and upon payment by the civil penalty imposed herein, this matter is concluded.

Dated: September 7, 2010

/s/ Bob Milbert

Bob Milbert, Chair
Campaign Finance and Public Disclosure Board

Relevant Statute

Minnesota Statutes, section 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.