

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

**CONCILIATION
AGREEMENT**

In the Matter of Ginny Klevorn for Representative (17950);

1. The Ginny Klevorn for Representative committee is the principal campaign committee of Virginia (Ginny) Klevorn (the candidate). On its amended 2016 year-end report of receipts and expenditures, the committee reported accepting \$13,760 in contributions from lobbyists, political committees and funds, and unregistered associations in 2016. The total amount of contributions that the committee accepted from special sources exceeded the \$12,600 limit on aggregate special source contributions for a house candidate for the 2015-2016 election cycle segment by \$1,160. The \$1,160 that exceeded the limit was not returned within 90 days and was therefore deemed accepted under Minnesota Statutes section 10A.15, subdivision 3.

2. The committee's initial 2016 year-end report showed that it had exceeded the special source limit by \$160. The committee explained that two lobbyists had not included their registration numbers with their contributions. The committee therefore had inadvertently classified those contributions as coming from individuals rather than lobbyists. When the committee discovered that the contributors actually were lobbyists, it was too late to return the contributions without penalty. The committee returned \$80 to each lobbyist in 2017. On April 5, 2017, the Board approved a conciliation agreement in the matter. The conciliation agreement did not impose a civil penalty against the committee because the contributions from the lobbyists had not been properly identified with the contributors' lobbyist registration numbers.

3. During the subsequent reconciliation audit of the 2016 year-end reports, Board staff discovered that the Klevorn committee had not reported a \$1,000 contribution from a political committee. In telephone calls and emails with staff, the committee treasurer, Thomas Klevorn, explained that committee did not report the \$1,000 contribution due to human error. Mr. Klevorn said that the omitted check had arrived during the week that the candidate's mother, who was also his mother-in-law, had passed away. During this week, the committee's normal financial procedures were disrupted and the error occurred. The committee has amended its report to disclose the missing contribution and has returned the \$1,000 to the political committee.

4. Board records indicate that 2016 was the first year in which the committee reported the acceptance of contributions that exceeded the special source limit. The committee registered with the Board on February 8, 2016.

5. The parties agree that the committee accepted excessive contributions from special sources in violation of Minnesota Statutes section 10A.27, subdivision 11, during the 2015-2016 election cycle segment.

6. To resolve this matter informally, and to avoid these violations in the future, the candidate and the committee agree that they will:

- a. Continue their current financial procedures but more carefully check all receipts and expenditures;

- b. Ensure that the committee treasurer reviews and enters contributions into the Campaign Finance Reporter software within 60 days of receipt;
- c. Run a batch compliance report after each time contributions are entered and take steps to remedy any violations the software identifies so that problems may be resolved within the 90 days that statutes provide for the return of a contribution before it is deemed accepted; and
- d. Update the Campaign Finance Reporter software whenever the software notifies the user that an update is available.

7. The candidate agrees that the Board's acceptance of this agreement constitutes the imposition of a civil penalty in the amount of \$1,000 against the candidate for accepting contributions in excess of the limit imposed by Minnesota Statutes section 10A.27, subdivision 11. The \$1,000 penalty is, by the terms of this agreement, stayed until January 1, 2019, for this violation based on the unique family circumstances in this case. If the committee violates Minnesota Statutes section 10A.27, subdivision 11, before January 1, 2019, the outstanding civil penalty is due immediately and the Board may impose such other penalties as may be appropriate. If the committee does not violate Minnesota Statutes section 10A.27, subdivision 11, within that timeframe, the outstanding civil penalty is waived.

8. If the candidate or the committee does 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.

/s/ Virginia Klevorn Dated: August 2, 2017
Virginia Klevorn
Ginny Klevorn for Representative

/s/ Daniel N. Rosen Dated: July 31, 2017
Daniel N. Rosen, Chair
Campaign Finance and Public Disclosure Board