

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

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

In the Matter of Vote Jerry Loud (Registration No. 18017);

Minnesota Statutes section 10A.28, subdivision 3, provides that the Minnesota Campaign Finance and Public Disclosure Board must attempt to resolve a violation of the contribution limits “by informal methods of conference and conciliation and . . . enter into a conciliation agreement with the person involved.” If after a reasonable time, the Board is unable to resolve the matter by conciliation agreement, the Board must make findings in the matter.

At its March 7, 2018, meeting, the Board agreed to offer a conciliation agreement to candidate Jerry Loud and his principal campaign committee, Vote Jerry Loud. The Board offered the agreement to resolve the committee’s violation of the party unit contribution limit during the 2015-2016 election segment.

Board staff had discovered during the routine reconciliation audit of the 2016 year-end reports that the Loud committee had not reported two in-kind contributions from party units. These contributions were access to a voter file valued at \$450 and web design services worth \$500. In discussions with Board staff, the committee explained that it had not reported these items because the committee did not realize that the provided web design services and voter file access were contributions.

The committee amended its 2016 year-end report to include the in-kind contributions, but incorrectly stated that the voter file access was a \$450 cash contribution. The report showed that the committee had accepted \$10,950 in contributions from political party units and terminating candidate committees. This amount exceeded the \$10,000 limit on contributions from these sources for the 2015-2016 election segment by \$950. The committee did not submit any documentation showing that it had returned \$950 in contributions to party units or terminating candidate committees within 90 days as provided in Minnesota Statutes section 10A.15, subdivision 3.

The offered conciliation agreement imposed a civil penalty of \$950 on the committee. Of this penalty, \$250 was due within 30 days of the date that the agreement was signed by both parties. The remaining \$700 was stayed and then waived if the committee did not violate the party unit limit again before January 1, 2019. The offered agreement also required the committee to return \$950 to party unit contributors and to amend its 2016 report to correctly disclose the in-kind contributions and a related in-kind contribution from the candidate.

After the March meeting, Board staff sent the proposed conciliation agreement to candidate Loud and asked him to indicate his acceptance of the agreement by signing the document and returning it to the Board. Candidate Loud did not return the offered conciliation agreement or contact Board staff to make another proposal to resolve the matter informally. Consequently, at the May 2, 2018, meeting,

the Board issued findings, conclusions, and an order in the matter. The Board ordered the Loud committee to pay a civil penalty of \$950, to return \$950 to special source contributors, and to make the amendments necessary to show the actual nature of the contributions on the committee's report.

On May 8, 2018, Mr. Loud and his committee treasurer contacted Board staff and submitted documentation showing that in 2016 the committee had returned \$500 to a terminating candidate committee within 90 days of receipt. Because the committee had returned \$500 in contributions within 90 days of receipt, the committee actually had exceeded the party unit contribution limit by only \$450.

Based on the above analysis, the Board makes the following:

Findings of Fact

1. The Vote Jerry Loud committee's amended 2016 year-end report showed that it had accepted \$10,950 in contributions from political party units and terminating candidate committees during the 2015-2016 election segment.
2. The Board offered candidate Loud and the committee a conciliation agreement to resolve the contribution limit violation. Candidate Loud did not accept the conciliation agreement offered by the Board to resolve this violation nor did he contact Board staff to make another proposal to resolve the matter informally.
3. Because the Board could not resolve the matter informally, it issued findings, conclusions, and an order resolving the matter on May 2, 2018.
4. After the findings were issued, the Vote Jerry Loud committee provided documentation showing that it had returned a \$500 contribution to a terminating candidate committee within 90 days of receipt.
5. Because the Loud committee returned \$500 in contributions within 90 days of receipt, the committee actually accepted only \$10,450 in contributions from political party units and terminating candidate committees during the 2015-2016 election segment.

Conclusions of Law

1. The Vote Jerry Loud committee violated Minnesota Statutes section 10A.27, subdivision 2, by accepting \$450 in excess contributions from party units and terminating candidate committees during the 2015-2016 election segment.
2. Because candidate Loud did not accept the conciliation agreement offered by the Board to resolve the contribution limit violation nor make another proposal to resolve the matter informally, the Board was unable to resolve the contribution limits violation informally and had to issue findings in the matter.
3. The Board must issue revised findings because after the initial findings were issued, the Loud committee submitted documentation showing that it had returned \$500 to a terminating candidate

committee within 90 days of receipt and therefore actually had accepted only \$10,450 from party units and terminating candidate committees during the 2015-2016 election segment.

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

1. The Board's March 7, 2018, offer of a conciliation agreement to resolve the matter is revoked.
2. This order replaces the order issued by the Board on May 2, 2018.
3. The Board orders the committee to do the following within 30 days of the date of this order:
 - a. pay a civil penalty of \$450 by check or money order made payable to the State of Minnesota;
 - b. return \$450 to party unit contributors and provide the Board with a copy of any checks used to return these funds;
 - c. amend its 2016 year-end report to show that the \$450 cash contribution from the Minnesota DFL State Central Committee actually was a \$450 in-kind contribution with the description "voter file access" and to show a corresponding \$450 in-kind expenditure to the Minnesota DFL State Central Committee for that access;
 - d. amend its 2016 year-end report to show a \$150 in-kind contribution from Jerry Loud with the description "voter file access" and to show a corresponding \$150 in-kind expenditure to Jerry Loud for that list to account for the portion of the voter access list that the candidate paid for and donated to the committee; and
 - e. amend its 2016 year-end report to show a \$500 in-kind expenditure to the Minnesota DFL House Caucus that corresponds to the \$500 in-kind contribution already on the report from that source.
4. If the committee does not comply with the provisions in this order within 30 days of the date of the 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 16, 2018

/s/ Carolyn Flynn

Carolyn Flynn, Chair

Campaign Finance and Public Disclosure Board