

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

FINDINGS, CONCLUSIONS, AND ORDER

IN THE MATTER OF THE COMPLAINT OF LUKE MIELKE REGARDING MPLS FORWARD

Background

On February 5, 2024, the Campaign Finance and Public Disclosure Board received a complaint submitted by Luke Mielke regarding Mpls Forward. Mpls Forward (41347) is a political committee that registered with the Board on October 30, 2023.

The complaint alleged that Mpls Forward paid for digital advertisements in support of four Minneapolis City Council candidates. The complaint included copies of five digital advertisements and estimates for the cost to publish each advertisement on Meta's social media platforms. The complaint stated, and Board records confirm, that Mpls Forward's 2023 year-end report of receipts and expenditures did not include any approved expenditures or independent expenditures. The complaint also stated that if the digital advertisements were not independent expenditures, then they may have been approved expenditures, and the cost of the digital advertisements would have exceeded the \$600 contribution limit applicable to Minneapolis City Council candidates. The complaint alleged that Mpls Forward violated Minnesota Statutes section 10A.01, subdivision 18.

On February 20, 2024, the Board's chair determined that the complaint states a prima facie violation of the reporting requirements within Minnesota Statutes section 10A.20. The chair determined that the complaint did not state a prima facie violation of Minnesota Statutes section 10A.01, subdivision 18, which defines the term "independent expenditure" and does not prohibit any conduct.

Mpls Forward amended its 2023 year-end report on February 22, 2024. Board staff spoke with representatives of Mpls Forward regarding the need to file another amendment on February 29, 2024. On March 8, 2024, Mpls Forward filed another amended 2023 year-end report. On March 11, 2024, Teresa Coryell House, Mpls Forward's treasurer, responded to the complaint. Ms. Coryell House stated that because Mpls Forward had "one consultant who handled the ad creation, purchases, and website creation, we mistakenly placed the unpaid bills accrued in 2023 in general expenditures when they should have been specifically itemized in Schedule B3B, Hennepin County Independent Expenditures."

On April 24, 2024, Board staff requested further information from Mpls Forward. On May 8, 2024, Mpls Forward responded. The response stated that Mpls Forward:

began as a volunteer project to inform voters and a website was initially developed without the intent to raise or spend money in political races beginning

in early-October [2023]. A couple of people who saw the website wanted to contribute to advertisements that would draw voters in certain wards to the website for the purpose of influencing the upcoming city election.

Mpls Forward's response also stated that around October 22, 2023, Thruline Consulting was contacted to update the website and create digital ads for candidates that would direct to the website. The "ads began running on Meta between 10/30 and 11/1 depending on the specific ad."

An advertisement supporting Victor Martinez and opposing Jeremiah Ellison,¹ an advertisement supporting Bruce Dachis and opposing Aurin Chowdhury,² and an advertisement supporting Nancy Ford and Luther Ranheim and opposing Aurin Chowdhury,³ each had the following disclaimer: "Prepared and paid for by MPLS Forward." An advertisement supporting Bruce Dachis⁴ and an advertisement supporting Luther Ranheim⁵ each had a disclaimer that stated only: "Paid for by Mpls Forward." Each advertisement displayed a website address, separately from the disclaimer, which is "MPLSFORWARD.COM" and contained a link that when selected, directed to the webpage mplsforward.com/endorsements. According to Mpls Forward, its website had a disclaimer that read: "Prepared and paid for by MPLS Forward, PO Box 581923, Minneapolis, MN 55458. Mpls Forward is an independent expenditure and its content is not prepared in coordination with or approved by any candidate nor is any candidate responsible for it." Each advertisement began being disseminated on October 30 or November 1, 2023.

Mpls Forward's 2023 year-end report (amendment #2) shows that it had an unpaid bill of \$944 owed to Impact Printing for "Mail Design and Postage" for an independent expenditure for Victor Martinez, who was running for Minneapolis City Council Ward 5.⁶ As part of a different complaint against Safer Hennepin, the complainant provided a copy of the independent expenditure mailer in question, which supported Victor Martinez, Latrisha Vetaw, Andrea Jenkins, and Linea Palmisano, and opposed Jeremiah Ellison, Robin Wonsley, Aisha Chughtai, and Jason Chavez, each of whom were Minneapolis City Council candidates in 2023. The mailer contains a disclaimer that states on one side:

Prepared and paid for by Safer Hennepin, 730 N Washington Ave Ste 427,
MPLS, MN 55401 MPLS Forward is a Safer Hennepin organization

The same mailer states on the reverse side:

Prepared and paid for by Safer Hennepin
MPLS Forward is a Safer Hennepin organization

¹ facebook.com/ads/library/?id=1041555863936541

² facebook.com/ads/library/?id=994982648250050

³ facebook.com/ads/library/?id=354790603659169

⁴ facebook.com/ads/library/?id=6811556528929397

⁵ facebook.com/ads/library/?id=6490443751060176

⁶ Mpls Forward subsequently reported that the unpaid bill was paid on April 2, 2024.

Safer Hennepin's 2023 year-end report (amendment #1) does not include any expenditures for or against any of the eight candidates listed above, and instead only includes independent expenditures for Luther Ranheim and Bruce Dachis.

At its meeting on June 5, 2024, the Board determined that there was probable cause to believe that Mpls Forward violated the reporting requirements within Minnesota Statutes section 10A.20 and the disclaimer requirement imposed by Minnesota Statutes section 211B.04.

On August 21, 2024, Board staff requested additional information from Mpls Forward regarding the disclaimer used in the advertisements and the relationship between Safer Hennepin and Mpls Forward. On September 6, 2024, Ms. Coryell House responded to Board staff's questions by stating that initially Mpls Forward was a group that just planned to create an informational website regarding the 2023 City of Minneapolis election. Ms. Coryell House stated that some volunteers "discussed efforts to spend money in 2023 elections with Corey Day of Safer Hennepin. Those discussions took place on a conference call the week of October 10th, 2023. There was no communication between Mpls Forward officers and Safer Hennepin after that point." Ms. Coryell House stated that Safer Hennepin used information and graphics from Mpls Forward's website that was publicly available. Ms. Coryell House stated that the mailer for Victor Martinez was developed around October 20, 2023, and that at that time Mpls Forward was not registered with the Board⁷ and did not know "what type of entity Mpls Forward would be." Ms. Coryell House said that the volunteer who designed the mailer "did not yet know if the expenditure was independent or approved, and therefore did not stipulate the proper full disclaimer on a mail advertisement."

By October 26, 2023, Mpls Forward added the required independent expenditure disclaimer to its website, to which each of the digital advertisements referenced above contained a hyperlink. However, the mailer had already been produced without a proper disclaimer.

Mpls Forward's 2023 year-end report (amendment #2) includes a \$5,000 contribution dated October 23, 2023, that is attributed to two different individuals.

Analysis

Reporting Issues

Mpls Forward's 2023 year-end report (amendment #2) includes \$916 in general expenditures and \$4,484 in independent expenditures. The Board is not aware of evidence supporting the contention that any of the expenses referenced in the complaint were approved expenditures. Minnesota Statutes section 10A.20 pertains to reports required to be filed with the Board. Specifically, Minnesota Statutes section 10A.20, subdivision 3, paragraph (h) requires political committees to report:

⁷ Mpls Forward registered with the Board on October 30, 2023.

the name, address, and registration number if registered with the board of each individual or association to whom aggregate expenditures, approved expenditures, independent expenditures and ballot questions expenditures have been made . . . within the year in excess of \$200, together with the amount, date, and purpose of each expenditure, including an explanation of how the expenditure was used, and the name and address of, and office sought by, each candidate or local candidate on whose behalf the expenditure was made . . . and in the case of independent expenditures made in opposition to a candidate or local candidate, the candidate's or local candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate or local candidate must allocate the expenditure among the candidates and local candidates on a reasonable cost basis and report the allocation for each candidate or local candidate. The report must list on separate schedules any independent expenditures made on behalf of local candidates. . . .

Minnesota Statutes section 10A.20, subdivision 3, paragraph (i) also requires political committees to report “the sum of all expenditures made by or on behalf of the reporting entity during the reporting period.” Mpls Forward’s original 2023 year-end report included no independent expenditures and did not refer to any of the local candidates shown in the digital advertisements provided with the complaint. The original report instead included a single undated, unpaid, \$5,400 campaign expenditure payable to Thruline Consulting, described as “Mail Consulting/Web Design”.

Minnesota Statutes section 10A.025, subdivision 4, states that “corrections to a report or statement must be reported in writing to the board within ten days” of when a political committee becomes aware of an error or inaccuracy. Mpls Forward has filed two amended reports in order to accurately disclose its independent expenditures made in 2023. Both amendments were filed within 10 days of learning of an error within the 2023 year-end report. It is clear that Mpls Forward incurred a \$944 expense for the Victor Martinez mailer, despite having a disclaimer stating that the mailer was paid for by Safer Hennepin. The Board concludes that Mpls Forward properly amended its report in accordance with Minnesota Statutes section 10A.025, subdivision 4.

However, Mpls Forward’s 2023 year-end report (amendment #2) includes a \$5,000 contribution dated October 23, 2023, from two separate individuals. While a committee may accept contributions drawn on the joint bank account of a married couple under Minnesota Rules 4503.0500, subpart 6, a single contribution cannot be reported as having been made by two separate people. Among other reasons, contributions must be attributed to specific individuals so that the employment information disclosed with the contribution will be specific to each individual, as required by Minnesota Statutes section 10A.20, subdivision 3, paragraph (c).

Disclaimer Issues

Minnesota Statutes section 211B.04, subdivision 2, generally requires a committee to include a disclaimer on written independent expenditures that prominently states “This is an independent expenditure prepared and paid for by . . . (name of entity participating in the expenditure), . . .

(address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it.” “The address must be either the entity’s mailing address or the entity’s website, if the website includes the entity’s mailing address.” Minn. Stat. § 211B.04, subd. 2. Also, “online banner ads and similar electronic communications that link directly to an online page that includes the disclaimer” are not required to include a disclaimer on the face of the communication. Minn. Stat. § 211B.04, subd. 3 (c) (3).

When making its probable cause determination on June 5, 2024, the Board concluded that Mpls Forward’s digital advertisements substantially complied with the disclaimer requirement because they each included a link to a webpage that included most of the text required by statute.

The mailer for Victor Martinez that Mpls Forward paid for does not have the required independent expenditure disclaimer for two reasons. First, the mailer does not contain any statement explaining that the mailer is an independent expenditure not coordinated with or approved by any candidate. Second, the mailer inaccurately states that it was paid for by Safer Hennepin, rather than Mpls Forward.

The Board may impose a civil penalty of up to \$3,000 for a violation of Minnesota Statutes section 211B.04. In determining the appropriate penalty for a violation of the disclaimer requirement the Board considers multiple factors such as whether it was clear who was responsible for the campaign material and how to contact them, whether the violation has been remedied, whether there were prior violations of the disclaimer requirement, the cost of the campaign material and how widely it was disseminated, whether the violation was self-reported, and whether there is any basis for concluding that the violation was willful.⁸

The mailer for Victor Martinez was paid for by Mpls Forward, yet the disclaimer on the mailer said that it was paid for by Safer Hennepin. The mailer did include Mpls Forward’s website address, “MPLSforward.com,” and as of October 26, 2023, that website included a valid independent expenditure disclaimer. The mailer was an independent expenditure, yet did not include any of the required language explaining that. As the independent expenditure involved a mailing shortly before an election, there was not a way to remedy the situation. The violation was not self-reported and came to the attention of the Board via a complaint. Mpls Forward has no previous violations of the disclaimer requirement. Mpls Forward stated that it is a relatively inexperienced group that was not fully aware of the statute for disclaimers and was quickly trying to impact the 2023 Minneapolis City Council election. The cost of the mailer was \$944 and the disclaimer was very confusing. Considering those factors, the Board will impose a civil penalty of \$500 for the disclaimer violation.

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

⁸ Minnesota Statutes section 14.045, subdivision 3, lists factors that agencies must consider when setting the amount of a fine including the gravity, willfulness, and number of violations; the offender’s past violations and economic benefit; and any other factor that justice requires.

Findings of Fact

1. In October 2023, Mpls Forward created a printed independent expenditure mailer supporting Victor Martinez, a Minneapolis City Council candidate.
2. The cost of the mailer was \$944, and was eventually paid for by Mpls Forward.
3. The Victor Martinez mailer contained a disclaimer that states “Prepared and paid for by Safer Hennepin, 730 N Washington Ave Ste 427, MPLS, MN 55401 MPLS Forward is a Safer Hennepin organization” on one side of the mailer and states “Prepared and paid for by Safer Hennepin MPLS Forward is a Safer Hennepin organization” on the other side of the mailer.
4. Mpls Forward’s original 2023 year-end report of receipts and expenditures did not include any independent expenditures.
5. Mpls Forward amended its 2023 year-end report on February 22, 2024, which was two days after the prima facie determination was issued by the Board in this matter. Board staff spoke with representatives of Mpls Forward on February 29, 2024, and on March 8, 2024, Mpls Forward filed another amended 2023 year-end report to address the reporting deficiencies identified within the complaint.
6. Mpls Forward’s 2023 year-end report (amendment #2) attributes a single \$5,000 contribution to two separate individuals.

Based on the above analysis and findings of fact, the Board makes the following:

Conclusions of Law

1. Mpls Forward failed to include a proper independent expenditure disclaimer on the Victor Martinez mailer in violation of Minnesota Statutes section 211B.04.
2. Mpls Forward properly amended its 2023 year-end report in accordance with Minnesota Statutes section 10A.025.
3. Mpls Forward reported that a single \$5,000 contribution was given by two separate individuals in violation of Minnesota Statutes section 10A.20, subdivision 3, paragraph (c).
4. Mpls Forward filed its 2024 June report of receipts and expenditures, due June 14, 2024, on June 21, 2024. The report was filed four business days late and resulted in a \$200 late filing fee under Minnesota Statutes section 10A.20, subdivision 12.

5. Mpls Forward filed its 2024 pre-general report of receipts and expenditures, due October 28, 2024, on October 29, 2024. The report was filed one business day late and resulted in a \$50 late filing fee under Minnesota Statutes section 10A.20, subdivision 12.

Based on the above findings of fact and conclusions of law, the Board issues the following:

Order

1. A civil penalty of \$500 is assessed against Mpls Forward for violating the disclaimer requirement in Minnesota Statutes section 211B.04.
2. Mpls Forward owes a late filing fee in the amount of \$200 for filing the 2024 June report of receipts and expenditures four business days late.
3. Mpls Forward owes a late filing fee in the amount of \$50 for filing the 2024 pre-general report of receipts and expenditures one business day late.
4. Mpls Forward is directed to forward to the Board payment of \$750 by check or money order payable to the State of Minnesota, within 30 days of the date of this order.
5. Mpls Forward is required to file, within 10 days of the date of this order, another amended 2023 year-end report that accurately discloses the source(s) of the amount received on October 23, 2023, and any employment information required to be disclosed under Minnesota Statutes section 10A.20, subdivision 3, paragraph (c).
6. If Mpls Forward 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.
7. 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.

/s/ David Asp
David Asp, Chair
Campaign Finance and Public Disclosure Board

Date: December 4, 2024