

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

**FINDINGS REGARDING 21st CENTURY DEMOCRATS, DFL HOUSE CAUCUS, TIM
FAUST FOR MN HOUSE COMMITTEE AND THE
MINNESOTA DFL STATE CENTRAL COMMITTEE**

Procedural Background

On December 20, 2004, Matt Haapoja and Tony Trimble (“the Complainants”) filed a complaint on behalf of the Republican Party of Minnesota with the Campaign Finance and Public Disclosure Board (“the Board”) against the 21st Century Democrats (Minnesota), the DFL House Caucus, the Tim Faust for MN House Committee, and the Minnesota DFL State Central Committee, alleging that these four entities violated Minnesota Statutes, Chapter 10A.

Specifically, the Complainants made six allegations against 21st Century Democrats (Minnesota), two allegations against the Tim Faust for MN House Committee, and one against the DFL House Caucus.

First, the Complainants alleged that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.27, subd. 1 (c), by making excessive in kind contributions to the Tim Faust for MN House Committee.

Second, the Complainants alleged that 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.16, by accepting earmarked contributions from Representative Matt Entenza, chair, DFL House Caucus.

Third, the Complainants alleged that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.27, subd. 13, by accepting contributions in excess of \$100 from unregistered associations without obtaining the required disclosure.

Fourth, the Complainants alleged that 21st Century Democrats (Minnesota) violated Minn. Stat. §10.20, subd. 3, by failing to disclose making in kind contributions to Democratic candidates.

Fifth, the Complainants alleged that 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.025, subd. 2, by knowingly filing false disclosure reports.

Sixth, the Complainants alleged that 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.17, subd. 2, by failing to obtain written authorization for approved expenditures of in kind staff services.

Seventh, the Complainants alleged that the Tim Faust for MN House Committee violated Minn. Stat. §10A.27, subd. 1 (5), by accepting excessive in kind contributions from 21st Century Democrats (Minnesota).

Eighth, the Complainants alleged that the Tim Faust for MN House Committee violated Minn. Stat. §10A.20, subd. 3, by failing to report in kind contributions from 21st Century Democrats (Minnesota).

Ninth, the Complainants alleged that because Representative Matt Entenza is both the chair of the DFL House Caucus and a contributor to 21st Century Democrats (National), the DFL House Caucus violated Minn. Stat. §10A.16, which prohibits earmarking of contributions.

In support of their complaint, the Complainants provided a copy of a report submitted to the Internal Revenue Service by 21st Century Democrats (National); a copy of 21st Century Democrats' (Minnesota) Report of Receipts and Expenditures for the period covering January 1, 2004, through October 18, 2004, a copy of the DFL House Caucus's Report of Receipts and Expenditures for the period covering January 1, 2004, through October 18, 2004, and a copy of a September 14, 2004, article from the online publication www.moralink.com.

By letters dated December 22, 2004, and January 4, 2005, the Board notified the following individuals of the complaint and afforded them an opportunity to respond: Representative Matt Entenza, chair, DFL House Caucus; Mike Erlandson, chair, Minnesota DFL State Central Committee; Tim Faust, candidate, Tim Faust for MN House Committee; Michael Lux, treasurer, 21st Century Democrats; and James Scheibel, chair, 21st Century Democrats.

Michael Ahern, Robert Bauer, Michael Drysdale, and Brian Svoboda ("21st Century Democrats Counsel") responded on behalf of 21st Century Democrats by letter dated January 19, 2005.

In response to the Complainant's allegation that 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.27, subd. 1 (c), by making excessive in kind contributions to the Tim Faust for MN House Committee, 21st Century Democrats Counsel stated "the Trimble Complaint ignores the fact the 21st Century Democrats made the in-kind contributions solely to the DFL. It further ignores the text of §10A.275, which excludes from the definition of candidate contributions 'expenditures for party committee staff services that benefit three or more candidates.'"

In response to the Complainant's allegation that 21st Century Democrats (National) accepted an earmarked contribution from Representative Matt Entenza in violation of Minn. Stat. §10A.16, 21st Century Democrats Counsel stated "no contributions were made by 21st Century Democrats to any Minnesota state or local candidates, thus making it impossible to meet the statute's requirement that Representative Entenza's funds be 'directed to a particular candidate.'"

Alan Weinblatt responded on behalf of Tim Faust, candidate, Tim Faust for MN House, by letter received January 18, 2005. In his letter Mr. Weinblatt stated that William Parent was a field worker for the Minnesota DFL State Central Committee (#20003) and that Mr. Parent's services were "provided by the DFL Party's coordinated campaign." Mr. Weinblatt further stated "Mr. Parent also performed services that benefited other DFL legislative campaigns."

Mr. Weinblatt responded on behalf of Mike Erlandson, chair, Erlandson by letter received January 18, 2005. In his letter Mr. Weinblatt stated that "staff services that were donated to the DFL Party by the 21st Century Democrats were staff services that the DFL used to benefit three or more of its candidates in various parts of the state." Mr. Weinblatt further stated "in the case of Mr. Parent, the DFL used his time to provide staff services that benefited DFL House candidates Tim Faust (District 8B), Loren Solberg (District 3A), and Bill Hilty (District 8A)."

Mr. Weinblatt responded on behalf of Representative Matt Entenza, chair, DFL House Caucus, by letter received January 18, 2004, and in response to a Board inquiry, Mr. Weinblatt stated that the DFL House Caucus did not employ William Parent during 2004, and that the DFL House Caucus did not receive any in kind contributions from 21st Century Democrats during 2004. Mr. Weinblatt

further stated “the House DFL Caucus does not see any specific allegations made against it in the RPM complaint.”

The Board reviewed this matter in executive session at its meetings on January 25, 2005, and February 22, 2005. The Board’s decision was based on Mr. Haapoja and Mr. Trimble’s complaint, the documents Mr. Haapoja and Mr. Trimble provided in support of the complaint, 21st Century Democrats Counsel’s response, Mr. Weinblatt’s responses on behalf of the Tim Faust for MN House Committee, the DFL House Caucus, and the Minnesota DFL State Central Committee, and Board records.

Based on the record before it, the Board issues the following:

EVIDENTIARY FINDINGS

1. There is evidence that staff services, including the services of William Parent, were provided to the Tim Faust for MN House Committee and other legislative principal campaign committees by the Minnesota DFL State Central Committee and not by the 21st Century Democrats (Minnesota). There is no evidence that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.27, subd. 1 (c), by making excessive in kind contributions to the Tim Faust for MN House Committee.
2. There is no evidence that 21st Century Democrats (National), an association that is not registered with the Board, made any contributions to any Minnesota candidates, and therefore there is no evidence that 21st Century Democrats violated Minn. Stat. §10A.16 by accepting an earmarked contribution from Representative Matt Entenza, chair, DFL House Caucus.
3. The Board issued Findings of Probable Cause on December 17, 2004, regarding 21st Century Democrats’ (Minnesota) acceptance of contributions in excess of \$100 from 21st Century Democrats (National) without the required disclosure. 21st Century Democrats (Minnesota) provided the Board with copies of the disclosure required by 21st Century Democrats (National) through the period covering January 1, 2004, through October 18, 2004. There is no evidence that this violation continues to exist.
4. There is evidence that staff services, including the services of William Parent, were provided to the Minnesota DFL State Central Committee by 21st Century Democrats (Minnesota). The Minnesota DFL State Central Committee used the staff services provided by 21st Century Democrats (Minnesota) to make multicandidate expenditures as defined by Minn. Stat. §10A.275. Therefore there is no evidence that 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.20, subd. 3, by failing to disclose in kind contributions to the Tim Faust for MN House Committee or any other legislative principal campaign committee.
5. The Complainants provided no evidence that 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.025 by knowingly filing false disclosure reports.
6. There is no evidence that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.17, subd. 2, by failing to obtain written authorization for approved expenditures of in kind staff services.

7. There is evidence that staff services, including the services of William Parent, were provided to the Tim Faust for MN House Committee and other legislative principal campaign committees by the Minnesota DFL State Central Committee and not by the 21st Century Democrats (Minnesota). There is no evidence that the Tim Faust for MN House Committee violated Minn. Stat. §10A.27, subd. 1 (5), by accepting excessive in kind contributions of staff services from 21st Century Democrats (Minnesota).
8. There is no evidence that the DFL House Caucus violated Minn. Stat. §10A.16 because the chair of the DFL House Caucus made a contribution to an association that is not registered with the Board.

Based on the above Statement of the Evidence, the Board makes the following:

FINDINGS CONCERNING PROBABLE CAUSE


1. There is no probable cause to believe that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.27, subd. 1 (c), by making excessive in kind contributions to the Tim Faust for MN House Committee, or any other legislative campaign committee.
2. There is no probable cause to believe that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.16 by accepting an earmarked contribution from Representative Matt Entenza, chair, DFL House Caucus.
3. The Board previously issued Findings regarding the 21st Century Democrats' (Minnesota) acceptance of contributions in excess of \$100 from 21st Century Democrats (National) an unregistered associations without obtaining the required disclosure. 21st Century Democrats (Minnesota) has provided the Board with disclosure from 21st Century Democrats (National) which provides disclosure through October 18, 2004. There is no probable cause to believe that there were any additional contributions to 21st Century Democrats (Minnesota) from unregistered associations.
4. There is no probable cause to believe that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.20, subd. 3, by failing to disclose in kind contributions to the Tim Faust for MN House Committee or any other legislative principal campaign committee.
5. There is no probable cause to believe that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.025 by knowingly filing false disclosure reports.
6. There is no probable cause to believe that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.17, subd. 2, by failing to obtain written authorization for approved expenditures of in kind staff services.
7. There is no probable cause to believe that the Tim Faust for MN House Committee violated Minn. Stat. §10A.27, subd. 1 (5), by accepting excessive in kind contributions from 21st Century Democrats (Minnesota).
8. There is no evidence that the DFL House Caucus violated Minn. Stat. §10A.16 because the chair of the Caucus made a contribution to an association that is not registered with the Board.

Based on the above Findings, the Board issues the following:

ORDER

1. The allegation that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.27, subd. 1 (c) by making excessive in kind contributions to the Tim Faust for MN House Committee is dismissed in its entirety.
2. The allegation that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.16, by accepting an earmarked contribution from Representative Matt Entenza is dismissed in its entirety.
3. The allegation that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.27, subd. 13, by accepting contributions in excess of \$100 from unregistered associations without obtaining the required disclosure is dismissed in its entirety.
4. The allegation that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.20, subd. 3, by failing to disclose in kind contributions to the Tim Faust for MN House Committee or any other legislative principal campaign committee is dismissed in its entirety.
5. The allegation that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.17, subd. 2, by failing to obtain written authorization for approved expenditures of in kind staff services is dismissed in its entirety.
6. The allegation that the 21st Century Democrats (Minnesota) violated Minn. Stat. §10A.025 by knowingly filing false disclosure reports, is dismissed in its entirety.
7. The allegation that the Tim Faust for MN House Committee violated Minn. Stat. §10A.27, subd. 1 (5) by accepting excessive in kind contributions from 21st Century Democrats (Minnesota) is dismissed in its entirety.
8. The allegation that the Tim Faust for MN House Committee violated Minn. Stat. §10A.20, subd. 3, b, failing to disclose in kind contributions of staff services is dismissed in its entirety.
9. The allegation that the DFL House Caucus violated Minn. Stat. §10A.16 is dismissed in its entirety.
10. The Board's investigation of this matter is hereby made a part of the public records of the Board pursuant to Minn. Stat. §10A.02, subd. 11. Board staff is directed to forward copies of these Findings to Mr. Ahern, Mr. Bauer, Mr. Drysdale, Mr. Erlandson, Mr. Haapoja, Mr. Lux, Mr. Scheibel, Mr. Svoboda, Mr. Trimble and Mr. Weinblatt.

Dated: Feb 22, 2005



Terri Ashmore, Chair
Campaign Finance and Public Disclosure Board