

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

**Findings and Order in the matter of
A Complaint Regarding the (Patti) Fritz Volunteer Committee**

Summary of the Allegations and Responses

On September 6, 2006, Kimberly Paczosa (“Complainant”) filed a complaint against the (Patti) Fritz Volunteer Committee, (the “Committee”), alleging that the Committee violated Minnesota Statutes Chapter 10A. The Committee is Representative Patti Fritz’s principal campaign committee.

Complainant alleges that “Rep. Fritz has filed a report listing numerous expenses as noncampaign disbursements using the reason as expenses of office (sic). She has listed parade fees, advertising and stationery. According to the CFB office these are campaign expenses.”

Upon receipt of the complaint, Board staff notified Representative Fritz of the allegations and afforded her an opportunity to respond. It was noted that the Committee’s Report of Receipts and Expenditures for 2005 included a number of similar expenses reported as costs of serving in public office and that both the 2005 and 2004 Reports included parade fees classified as noncampaign disbursements. Staff requested that the Committee address those items as well.

The 2002 and 2003 Reports, the only others filed by the Committee, did not include any items that appeared to be incorrectly reported.

On September 21, 2006, Cindy Caron, treasurer for the Committee, responded on behalf of the Committee.

In her response, Treasurer Caron indicated that parade entry fees had been inadvertently categorized as noncampaign disbursements when they should have been reported as campaign expenditures on the Committee’s reports for 2004, 2005, and 2006.

With regard to staff inquiry about the Committee’s 2005 report, Treasurer Caron indicated that certain of the noncampaign disbursements reported as costs of serving in public office were, in fact, noncampaign disbursements, but should have been classified as constituent services. Ms. Caron further explained that a payment of \$114.49 for stationery and a payment of \$148.00 for postage were inadvertently reported as noncampaign disbursements when they should have been reported as campaign expenditures.

With regard to the 2006 Report, which was the subject of the complaint, Ms. Caron indicated that the following corrections were required.

1. \$272.75 for advertising reported as noncampaign disbursements for expenses of serving in public office should have been reported as campaign expenditures.
2. Expenses of \$39.21 and \$26.60 for food reported as noncampaign disbursements for expenses of serving in public office were noncampaign disbursements, but should have been reported as food for volunteers while campaigning.

3. Expenses of \$240 and \$37.27 reported for advertising and classified as noncampaign disbursements for expenses of serving in public office should have been reported as campaign expenditures.
4. Expenses of \$400.71, \$481.50, and \$213.46 to Impact Printing and reported as noncampaign disbursements for expenses of serving in public office were, in fact noncampaign disbursements, but should have been classified as costs of constituent services.
5. An expense of \$222.56 to Impact Printing for stationery and envelopes reported as a noncampaign disbursement for expenses of serving in public office should have been reported as a campaign expenditure.
6. Expenses of \$442 to KDHL radio for advertising and reported as noncampaign disbursements for expenses of serving in public office should have been reported as campaign expenditures.
7. Expenses totaling \$390 for postage and reported as noncampaign disbursements for expenses of serving in public office should have been reported as campaign expenditures.
8. An expense of \$1,209.55 to Vencio, Inc. for a survey and reported as a noncampaign disbursement for expenses of serving in public office was, in fact, a noncampaign disbursement, but should have been classified as constituent services.
9. An expense of \$459.17 to Vencio, Inc. for a survey and reported as a noncampaign disbursement for expenses of serving in public office was, in fact a noncampaign disbursement, but should have been classified as constituent services. A corresponding campaign expenditure in the same amount was included on the report representing half of the total cost, since the expenditure occurred during the time when constituent services were to be reported as 50% noncampaign disbursements and 50% campaign expenditures.
10. Expenses totaling \$75 paid to the Minnesota DFL for convention fees and reported as noncampaign disbursements for expenses of serving in public office should have been classified as campaign expenditures.

Treasurer Caron has filed amendments to the Committee's 2005 Report and its 2006 preprimary Report of Receipts and Expenditures. The Treasurer requests that her letter of explanation be accepted to amend the classification of parade entry fees on the 2004 year-end report.

Board Analysis

It is clear from the response of Representative Fritz's treasurer that items were incorrectly reported on the Committee's reports. The Board notes that the Committee has used the Campaign Finance Reporter software provided by the Board. It appears that whoever was recording expenditures often selected the noncampaign disbursement category of "Expenses of serving in public office" rather than carefully examining the nature of the expenditure to determine how it should be reported.

While these spending classification errors are numerous and consistent, the Board does not believe that they were done with the intent to circumvent spending limits, as even with the reclassifications, the Committee does not come close to exceeding any spending limit.

Going forward, the Board encourages this Committee to carefully consider each expenditure classification to ensure that it is properly recorded and reported.

Based on the evidence before it, the Board makes the following:

FINDINGS CONCERNING PROBABLE CAUSE

1. There is probable cause to believe that at the time Representative Fritz's 2004, 2005, and 2006 Reports of Receipts and Expenditures were filed, they included expenses that were improperly classified as noncampaign disbursements when they should have been reported as campaign expenditures. The reports also included noncampaign disbursements in the category of "Expenses of serving in public office" which should have been categorized as costs of constituent services.
2. There is no probable cause to believe that the reporting errors were intentional or done to circumvent any limit on campaign expenditures.
3. After receiving notice of the complaint in this matter, Representative Fritz's treasurer submitted an amended 2005 year end and an amended 2006 preprimary Report and requested that her response be accepted as amending the Committee's 2004 report. In view of the amendment letter and amended reports, there is no probable cause to believe that reporting violations for the (Patti) Fritz Volunteer Committee continue to exist.

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

ORDER

1. The Committee has submitted an amended 2005 Report and an amended 2006 Preprimary Report. The Committee's response in this investigation is accepted as amending its 2004 year end Report of Receipts and Expenditures.
2. The Board's investigation of this matter is concluded and the records of the investigation are hereby made a part of the public records of the Board pursuant to Minnesota Statutes, Section 10A.02, subdivision 11.

Dated: October 17, 2006



Bob Milbert, Chair
Campaign Finance and Public Disclosure Board