

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

CONCILIATION AGREEMENT

In the matter of the Champion (Bobby Joe) for State Senate Committee (#17316);

1. Pursuant to Minnesota Statutes section 10A.28, subdivision 3, the Campaign Finance and Public Disclosure Board and Senator Bobby Joe Champion (hereinafter referred to as the Candidate) hereby agree as follows:
2. The Champion for State Senate Committee (the Committee) is the principal campaign committee of Senator Bobby Joe Champion. The 2012 election year contribution limit from a political committee or political fund to a state senate candidate was \$500, as provided in Minnesota Statutes section 10A.27, subdivision 1(a)(3).
3. On its year-end report of receipts and expenditures for 2012, the Committee reported accepting two \$500 contributions for a total of \$1,000 from the Teamsters Local 120 DRIVE Fund, a political fund registered with the Board, and two \$500 contributions for a total of \$1,000 from Mah Mah Wi No Min Fund 1, a political committee registered with the Board. The contributions from each of these donors exceeded the applicable contribution limit by \$500, for a total violation of \$1,000. The amount of the excess contribution was not returned within 60 days, and thus, is deemed accepted under Minnesota Statutes section 10A.15, subdivision 3.
4. On its 2012 year-end report, the Committee reported accepting \$15,444 in contributions from special sources. These sources include large givers from whom the Committee accepted \$3,600, registered lobbyists from whom the Committee accepted \$2,394, and political committees or political funds from which the Committee accepted \$9,500. The total amount of these contributions exceeded by \$1,844 the applicable limit on aggregate contributions from special sources, which for a state senate candidate was \$13,600. The excess contributions were not returned within 60 days, and thus, are deemed accepted under Minnesota Statutes section 10A.15, subdivision 3.
5. The 2012 report also disclosed that among the special source contributions were contributions from Teamsters Local 120 DRIVE Fund aggregating \$1,000 and contributions from the Mah

Mah Wi No Min Fund 1 aggregating \$1,000. The aggregate amount that a senate candidate could accept from a single donor in 2102 was \$500.

6. In correspondence with the Board the Committee treasurer acknowledged acceptance of \$1,000 in aggregate from the Teamsters Local 120 DRIVE Fund. The treasurer indicated that acceptance of the two checks was an oversight due to their recordkeeping system not catching the fact that the contributions caused a violation. In separate correspondence, the treasurer explained that two checks from the Mah Mah Wi No Min Fund 1 were deposited into the Committee's account but that one check was made out to the 59th Senate District DFL party unit and deposited by the Committee in error. The excess Teamsters Local 120 DRIVE Fund contribution and the improperly deposited Mah Mah Wi No Min Fund 1 contribution were returned to the donors in April of 2013.
7. The candidate acknowledges that his committee treasurer accepted the excess contributions described in the preceding paragraph due to inadequate recordkeeping systems and the treasurer's acceptance of check into the Committee's account even though the check was not made payable to the committee.
8. During its annual reconciliation comparing reported donations to reported receipts, the Board determined that the Committee had omitted two additional contributions from its 2012 year-end report. The omission resulted from inadequate recordkeeping by the Committee and was corrected by amendment. The correction of this omission resulted in adding \$400 to its special sources and increasing the amount received from special sources in excess of the limit to \$2,244.
9. Subsequent to the above events, the candidate obtained the assistance of another individual to work with the Committee's treasurer to resolve the Committee's ongoing problems and to ensure that the Committee's reports were accurate. As a result of this person's work, an amended report was filed on December 9, 2013, changing the totals received from individuals and lobbyists. The individual assisting the Committee had determined that a contribution previously reported as being from a non-lobbyist individual was actually from a lobbyist. This change increased the total amount of special source contributions attributable to lobbyists by \$50. The total amount by which special source contributions exceed the limit is therefore \$2,294.

10. The parties agree that the Committee accepted cumulatively excessive contributions from a political fund and a political committee resulting in two violations of \$500 each pursuant to Minnesota Statutes section 10A. 27, subdivision 1(a)(3), in calendar year 2012.
11. The Committee has informed the Board that it returned \$500 each to Teamsters Local 120 Drive Fund and to Mah Mah Wi No Min Fund 1. Copies of each check used to return the excess amounts were provided to the Board.
12. The parties agree that the Committee accepted excessive contributions from special sources in the amount of \$2,294 resulting in a violation of Minnesota Statutes section 10A.27, subdivision 11, in calendar year 2012.
13. The Committee has returned to special source contributors a sufficient amount to bring the Committee into compliance with the aggregate special source contribution limit. Copies of the checks used to return the excess contributions were forwarded to the Board.
14. The parties agree that these violations occurred because of inadequate recordkeeping and inadequate attention given to the Committee's business by the treasurer. After the Committee obtained assistance from another treasurer in resolving the issues that are the subject of this matter, the Committee's responsiveness to Board requests greatly improved and all outstanding issues with the Committee's reports were resolved.
15. The Committee has now formally changed its treasurer by filing an amended statement of registration naming the person who was assisting the committee as its new treasurer.
16. Board records show that this is the first calendar year in which the Committee reported acceptance of contributions that exceeded the applicable individual donor or aggregate special source contribution limits. The Committee registered with the Board on November 18, 2011. The experience of Board staff also suggests that the problems with this committee were created primarily as a result of the former treasurer's work.
17. Prior to its changing treasurer, the Board offered the Committee a conciliation agreement in which the committee would agree to pay a civil penalty of \$2,294. This amount represented one times the amount of the special source violation. No additional penalty was to be applied

for the excess contributions violations since they also constituted part of the special source violation.

18. Having taken steps to ensure that the committee is using the Board's Campaign Finance Reporter software and having replaced the treasurer who was in place when the violations occurred, the Candidate proposes a resolution in accordance with this agreement. If this agreement is accepted by the Board, the Committee will pay a civil penalty of \$1,000.
19. The penalty agreed to in the preceding paragraph must be paid within 30 days of the date that the Board chair signs this agreement. The check must be made payable to the State of Minnesota and sent to the Board for deposit in the general fund of the state.
20. Upon payment of the civil penalty, this conciliation agreement will be a bar to any civil proceeding under Minnesota Statutes section 10A.28, subdivisions 3 and 4. It is further understood and agreed, however, that failure to pay the civil penalty as agreed is a violation of the terms of this conciliation agreement and the Board may declare this agreement to be null and void and may take further action to resolve this matter.
21. It is further understood and agreed that this agreement is confidential until signed by the Candidate and the Board Chair. Once signed, the agreement shall become a matter of public record, and the statutory requirement of confidentiality shall no longer apply. Minnesota Statutes section 10A.02, subdivision 11, and section 10A.28, subdivision 3.

/s/ Bobby Joe Champion Dated: 2/7/2014
Senator Bobby Joe Champion

By /s/ Deanna Wiener Dated: 2/11/2014
Deanna Wiener, Chair
Campaign Finance and Public Disclosure Board