

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

**FINDINGS, CONCLUSIONS, AND ORDER**

IN THE MATTER OF THE MINNESOTA GUN OWNERS POLITICAL ACTION COMMITTEE, THE MINNESOTA GUN OWNERS IE FUND, AND THE MINNESOTA GUN OWNERS SUPPORT FUND

The Minnesota Gun Owners Political Action Committee (MNGOPAC) is a political fund. The Minnesota Gun Owners IE Fund (MNGOIEF) is an independent expenditure political fund. The supporting association of both political funds is the Minnesota Gun Owners Caucus (MNGOC), a 501(c)(4) organization. The Minnesota Gun Owners Support Fund (MNGOSF) is an affiliated 501(c)(3) charity. The organizations share the same officers.

Prior to July 2019, the most recent periodic reports of receipts and expenditures filed by MNGOPAC and MNGOIEF covered the year 2016. Political funds are not required to file periodic reports if there has been no financial activity since the end of the period covered by the most recent report. However, reports filed by other entities registered with the Board indicated that MNGOPAC gave contributions and made at least one expenditure necessitating the filing of reports covering 2017 and 2018. A report filed by a political party unit also indicated that MNGOIEF may have given a prohibited contribution to that party unit in 2018. The executive director opened a staff review regarding those matters in February 2019.

Despite multiple communications from Board staff, MNGOPAC and MNGOIEF failed to provide any response until May 1, 2019. By the time a response was received, the Board had ordered a formal investigation of the matter pursuant to Minnesota Statutes section 10A.022, subdivision 3d, and Minnesota Rules 4525.0340, subpart 2. In a letter dated May 1, 2019, the treasurer of both MNGOPAC and MNGOIEF, Bryan Strawser, stated that MNGOIEF did not have any financial activity in 2017 or 2018. The letter explained that a payment of \$900, which a political party unit reported to be a contribution from MNGOIEF, was actually a payment made by MNGOC for services rendered to MNGOC by that party unit. The party unit confirmed that explanation and later filed an amended report to correct the reporting error.

In a separate letter dated May 1, 2019, Mr. Strawser acknowledged that MNGOPAC was required to file periodic reports covering 2017 and 2018 and stated he would do so by May 10, 2019. Because the reports were not received and Mr. Strawser failed to respond to subsequent communications from Board staff, the executive director issued an administrative subpoena on June 13, 2019, compelling the filing of periodic reports covering 2017 and 2018. The administrative subpoena was served upon Mr. Strawser on June 24, 2019.

MNGOPAC's 2017 year-end report was filed electronically on July 1, 2019, and six reports covering 2018 were filed electronically on July 8, 2019. MNGOPAC has incurred the maximum late filing fee of \$1,000 for each of the seven reports, for a total of \$7,000. The reports disclosed \$11,496 in receipts and \$11,440 in disbursements in 2017, and \$18,347 in receipts and \$15,265 in disbursements in 2018. MNGOPAC's 2017 year-end report is in conflict with the 2017 year-end report filed by a party unit as it

fails to disclose a \$500 cash contribution reportedly given by MNGOPAC to that party unit, and MNGOPAC has not provided an explanation for that discrepancy. The party unit has provided a copy of the \$500 check it received from MNGOPAC, which contains MNGOPAC's Board registration number and is signed by its deputy treasurer. The reports filed by MNGOPAC also disclosed MNGOPAC's receipt of cash contributions of \$500 in 2017 and \$300 in 2018 from MNGOSF, an association that is not registered with the Board.

Upon receipt of a contribution in excess of \$200 from an unregistered association, a political fund is required to obtain a financial disclosure statement from the contributor and then provide that statement to the Board when filing the report that first discloses the contribution, or return the contribution within 90 days of deposit. The unregistered association has a corresponding duty to provide a disclosure statement to the recipient when giving a contribution in excess of \$200. Because disclosure statements for MNGOSF were not received by the Board and there was no indication that the contributions had been returned within 90 days, the executive director opened a second staff review in August 2019.

Mr. Strawser provided disclosure statements for MNGOSF on August 28, 2019. The disclosure statements were dated as having been completed in December of 2017 and December of 2018, respectively. However, the statements consisted of a form utilized by unregistered associations that give contributions to independent expenditure political committees or funds. The disclosure requirements applicable to an unregistered association that gives a contribution to an independent expenditure political committee or fund are different from those applicable to an unregistered association that gives a contribution to a traditional political committee or fund. Mr. Strawser was informed by Board staff that the disclosure statements he provided for MNGOSF were deficient. The Board has not received adequate disclosure statements for MNGOSF and Mr. Strawser has not given any indication that those statements will be forthcoming.

### **Analysis**

Minnesota Statutes section 10A.20, subdivision 2, generally requires political funds to file a year-end report of receipts and expenditures covering each calendar year and five additional reports during a general election year. Minnesota Statutes section 10A.20, subdivision 7a, contains an exception for political funds to the extent that no incoming contributions have been accepted and no expenditures have been made since the end of the period covered by the political fund's most recent report. The reports filed by MNGOPAC reflect that it received contributions or made expenditures in 2017 and in each reporting period in 2018, thus it was required to file a total of seven reports of receipts that were not provided to the Board until July 2019. Minnesota Statutes section 10A.20, subdivision 12, provides that the Board may impose late filing fees of up to \$1,000 per report.

Minnesota Statutes section 10A.27, subdivision 13, prohibits a political fund from accepting, and an unregistered association from giving, a contribution that exceeds \$200 from the unregistered association, unless the contribution is accompanied by a written disclosure statement satisfying the requirements of Minnesota Statutes section 10A.20. The disclosure statement must include all of the information required by Minnesota Statutes section 10A.20, subdivision 3, for the association that made the contribution. The recipient must file the disclosure statement with its next report of receipts and expenditures.

The required disclosure statements for MNGOSF were not filed with MNGOPAC's 2017 year-end and September 2018 reports. The disclosure statements subsequently provided to the Board were deficient as they fell far short of providing the information required pursuant to Minnesota Statutes section 10A.20, subdivision 3. A political fund that accepts a contribution in excess of \$200 from an unregistered association without the required disclosure statement is subject to a civil penalty up to four times the amount in excess of \$200. An unregistered association that fails to provide the required disclosure statement with a contribution in excess of \$200 is subject to a civil penalty of up to \$1,000.

Minnesota Statutes section 10A.025, subdivision 4, requires a treasurer to file an amended report within 10 days of becoming aware of an inaccuracy within a report. Minnesota Statutes section 10A.025, subdivision 5, requires a treasurer to provide, within 10 business days, information requested by the Board to reconcile discrepancies between reports filed with the Board.

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

#### **Findings of Fact**

1. The Minnesota Gun Owners IE Fund did not give a contribution to a political party unit in 2018 and did not have any other financial activity in 2017 or 2018.
2. Each of the seven reports of receipts and expenditures filed by the Minnesota Gun Owners Political Action Committee (MNGOPAC) in July 2019 were required to be filed as MNGOPAC had financial activity in 2017 and during each reporting period in 2018. Those reports were due on January 31, April 16, June 14, July 30, September 25, and October 29, 2018, and January 31, 2019, respectively. MNGOPAC's 2017 year-end report was filed on July 1, 2019, and MNGOPAC's six reports covering 2018 were filed on July 8, 2019.
3. The Minnesota Gun Owners Support Fund (MNGOSF) is an association not registered with the Board.
4. MNGOSF gave cash contributions of \$500 in 2017 and \$300 in 2018 to MNGOPAC, without providing disclosure statements that contained the information required by Minnesota Statutes section 10A.20, subdivision 3.
5. MNGOPAC was required to provide disclosure statements for MNGOSF to the Board pursuant to Minnesota Statutes section 10A.27, subdivision 13. The disclosure statements for MNGOSF provided by MNGOPAC's treasurer in August 2019 lacked the information required by Minnesota Statutes section 10A.20, subdivision 3.
6. MNGOPAC has not filed an amended 2017 year-end report or provided reconciliation information requested by the Board that addresses the discrepancy between its report and the report of a party unit, which states that the party unit received a cash contribution of \$500 from MNGOPAC in 2017.

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

**Conclusions of Law**

1. The Minnesota Gun Owners Political Action Committee (MNGOPAC) failed to timely file seven reports of receipts and expenditures in violation of Minnesota Statutes section 10A.20. Those reports were filed in July 2019. Because the required reports were not timely filed, MNGOPAC has incurred a total of \$7,000 in late filing fees.
2. The Minnesota Gun Owners IE Fund did not give a contribution in 2018 in violation of Minnesota Statutes section 10A.121, and was not required to file periodic reports covering 2017 or 2018 pursuant to Minnesota Statutes section 10A.20, subdivision 7a.
3. MNGOPAC violated Minnesota Statutes section 10A.27, subdivision 13, when it accepted two contributions in excess of \$200 from an association not registered with the Board without obtaining disclosure statements from the contributor that satisfied the requirements of Minnesota Statutes section 10A.20.
4. The Minnesota Gun Owners Support Fund violated Minnesota Statutes section 10A.27, subdivision 13, when it gave two contributions in excess of \$200 to a political fund without providing disclosure statements that satisfied the requirements of Minnesota Statutes section 10A.20.

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

**Order**

1. The Minnesota Gun Owners Political Action Committee (MNGOPAC) is ordered to pay \$7,000 in late filing fees for the reports of receipts and expenditures filed in July 2019. Payment is due 30 days from the date of this order.
2. The MNGOPAC is ordered to return \$400 to the Minnesota Gun Owners Support Fund (MNGOSF), which is the amount by which the contributions from MNGOSF in 2017 and 2018 collectively exceeded the limit of \$200 per calendar year that may be accepted from an unregistered association without obtaining a disclosure statement. MNGOPAC must provide documentation to the Board within 30 days of the date of this order showing that the funds have been deposited into MNGOSF's bank account.
3. A civil penalty in the amount of \$400 is assessed against MNGOPAC for violating Minnesota Statutes section 10A.27, subdivision 13. The civil penalty is one times the amount by which the contributions collectively exceeded the limit of \$200 per calendar year that may be accepted from an unregistered association without obtaining a disclosure statement. Payment of the civil penalty is due 30 days from the date of this order.
4. A civil penalty in the amount of \$400 is assessed against MNGOSF for violating Minnesota Statutes section 10A.27, subdivision 13. The civil penalty is one times the amount by which the contributions

collectively exceeded the limit of \$200 per calendar year that may be given by an unregistered association without providing a disclosure statement. Payment of the civil penalty is due 30 days from the date of this order.

5. MNGOPAC is ordered to file an amended 2017 year-end report of receipts and expenditures that includes the outgoing contribution of \$500 given to a party unit, or provide reconciliation information explaining why no amendment is needed, within 10 business days from the date of this order.
6. The 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/ Margaret Leppik  
Margaret Leppik, Chair  
Campaign Finance and Public Disclosure Board

Dated: October 2, 2019