

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

.....  
**July 5, 2017**  
**Room 225**  
**Minnesota Judicial Center**  
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**MINUTES**

The meeting was called to order by Chair Rosen.

Members present: Flynn, Leppik, Moilanen, Rosen, Swanson

Others present: Sigurdson, Goldsmith, Pope, staff; Hartshorn, counsel

**MINUTES** (June 14, 2017)

After discussion, the following motion was made:

Member Flynn's motion:                      To approve the June 14, 2017, minutes as drafted.

Vote on motion:                                Unanimously passed (Swanson abstained).

**CHAIR'S REPORT**

**Meeting schedule**

The next Board meeting is scheduled for 10:00 a.m. on Monday, July 31, 2017.

**EXECUTIVE DIRECTOR TOPICS**

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that the number of missing lobbyist disbursement reports had decreased from 77 to 15. Mr. Sigurdson then reviewed the proposed Board budget for fiscal year 2018 and noted that staff costs represented 83% of the budget.

After discussion, the following motion was made:

Member Flynn's motion:                      To ratify the budget for fiscal year 2018 as proposed.

Vote on motion:                                Unanimously passed.

**ADMINISTRATIVE RULES UPDATE**

Mr. Sigurdson and Ms. Pope presented members with a memorandum on this matter that is attached to and made a part of these minutes. Mr. Sigurdson said that the rule committee met on June 29, 2017, and that six members of the public attended. Mr. Sigurdson said that no one at the meeting commented on the proposed noncampaign disbursement rules. Instead, everyone who attended commented on the proposed coordination rules. Mr. Sigurdson said that the rule committee would hold its next meeting sometime during the third week in July.

**ENFORCEMENT REPORT**

**A. Consent item - Confirmation of lobbyist termination – Joshua Esmay**

Ms. Pope told members that Joshua Esmay had lost his job on May 12, 2016, when his employer/principal, the Council on Crime and Justice, had gone out of business. Ms. Pope said that Mr. Esmay timely had filed a June 2016 lobbyist report showing that he had not made any disbursements on the principal’s behalf. Mr. Esmay, however, did not realize that he needed to file a termination statement to end his registration with the principal or that his reporting obligations would continue until he filed that statement. Mr. Pope stated that because the Council no longer existed, Mr. Esmay did not receive the notices sent to him at that address. Mr. Esmay therefore did not know that he needed to file the January 2017 lobbyist report or that his report was overdue. Ms. Pope said that when staff located Mr. Esmay at his new job and notified him of the missing report, he promptly filed a termination statement with an effective date of May 31, 2016. Ms. Pope said that staff was asking the Board to confirm the termination of Mr. Esmay’s lobbyist registration for the Council on Crime and Justice effective May 31, 2016. Ms. Pope stated that confirmation of the termination would have the effect of waiving the \$1,000 in late fees and \$1,000 in civil penalties that had accrued for the January 2017 report.

After discussion, the following motion was made:

Member Leppik’s motion: To confirm the termination of Joshua Esmay’s lobbyist registration for the Council on Crime and Justice effective May 31, 2016.

Vote on motion: Unanimously passed.

**B. Waiver requests**

<u>Name of Candidate or Committee</u>	<u>Late Fee &amp; Civil Penalty Amount</u>	<u>Reason for Fine</u>	<u>Factors for waiver</u>	<u>Board Member’s Motion</u>	<u>Motion</u>	<u>Vote on Motion</u>
Jayd Newman State Designer Selection Board	\$5 LFF	2016 EIS annual	Official left position for which annual was required in February 2016. Agency received communications regarding annual but did not forward	Member Moilanen	To waive the late filing fee.	Passed unanimously.

			them to former official. Official therefore did not know annual was required or late.			
Wade Scepurek State Designer Selection Board	\$5 LFF	2016 EIS annual	Official left position for which annual was required in September 2016. Agency received communications regarding annual but did not forward them to former official. Official therefore did not know annual was required or late.	Member Moilanen	To waive the late filing fee.	Passed unanimously.
Abou Amara	\$75 LFF	1/17/2017 lobbyist	Lobbyist left employment with principal. He filed lobbyist termination statement and believed that doubled as his final lobbyist disbursement report. When filed, lobbyist disbursement report showed lobbyist had no disbursements during reporting period.	Member Moilanen	To waive the late filing fee.	Passed unanimously.
Neighborhood Organization for Change (NOC)	\$550 LFF	3/15/2017 principal	Lobbyist Abou Amara left employment with NOC. He filed a lobbyist termination statement and believed that statement also served as principal report. When filed, principle report showed principal did not spend anything on lobbying in 2016.	Member Moilanen	To waive the late filing fee.	Passed unanimously.

**Informational Items**

**A. Payment of a late filing fee for 24-hour notice of large pre-election contribution:**

Council 65 Political Action Committee, \$250  
 SEIU Healthcare Minn, \$500

**B. Late filing fee for 2016 candidate economic interest statement:**

Bobby Champion, Minnesota Senate, \$100

**C. Payment of a civil penalty for a contribution from an unregistered association:**

8<sup>th</sup> Congressional District DFL, \$125  
 IBEW Local 294, \$50

**LEGAL COUNSEL’S REPORT**

Mr. Hartshorn had nothing to add to the legal report that is attached to and made a part of these minutes.

**OTHER BUSINESS**

**Prima facie determinations finding no violation**

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Chair Rosen told members that Zachary Olson had filed a complaint

alleging that Simon Trautmann, a candidate for a city council seat, had not filed required campaign finance reports. Chair Rosen said that because the Board does not have the authority to investigate complaints involving local office candidates, he had determined that the complaint did not state a prima facie violation of Chapter 10A.

**EXECUTIVE SESSION**

The Chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the regular session of the meeting was called back to order and the Chair reported the following matters into regular session:

Findings, conclusions, and order in the matter of the staff review of Branden (Petersen) for Senate

There being no other business, the meeting was adjourned by the chair.

Respectfully submitted,



Jeff Sigurdson  
Executive Director

Attachments:

Memorandum regarding executive director topics

Memorandum regarding administrative rules update

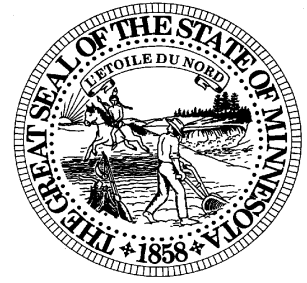
Legal report

Memorandum regarding prima facie determinations finding no violation

Findings, conclusions, and order in the matter of the staff review of Branden (Petersen) for Senate

Minnesota

*Campaign Finance and  
Public Disclosure Board*



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**Date:** June 28, 2017

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Executive Director's Report – Board Operations

**Program Updates**

The lobbyist disbursement report for the period January 1 – May 31, 2017, was due on June 15<sup>th</sup>. A total of 2,145 reports were due. As of the date of this memo, 2,068 reports have been filed. First class and certified letters were sent to lobbyists for the missing 77 reports.

**Board Budget**

The base operating budget for the Board has increased from \$1,028,000 for fiscal year 2017 to \$1,036,000 for fiscal year 2018. July 1<sup>st</sup> is the start of the new fiscal year. Attached for Board review and ratification is the spending plan for fiscal year 2018.

The estimated staff salary and benefits payments reflect an anticipated 2% across the board increase in MAPE and ASCFME contracts, and a 4% increase in insurance costs. The spending plan anticipates that about \$23,000 will be available to carryforward into fiscal year 2019. The base budget for fiscal year 2019 is \$1,044,000.

**Attachment**

Fiscal Year 2018 Spending Plan

Operating Budget Detail

Acct		Fiscal Year 2018 Budget
41000	Full time salaries - benefits	796,622
41030	Part time salaries - benefits	57,017
	Other Payroll Obligations	15,000
41070	Other Benefits	5,400
	Board Member Per Diem	4,950
	Workers Comp Fee	450
41100	Space Rental - Office Lease	40,950
41110	Printing and advertising	5,000
	State Register Rulemaking	3,000
	Subpoena records copying fees	2,000
41130	Prof Technical Services	7,000
	Court Reporter	2,000
	Online training development	5,000
41145	IT Prof Technical Services	10,000
41150	Computer systems and services	5,000
41155	Communications	10,000
	Admin - Central Mail	10,000
41160	Travel - in state	5,300
	Board Travel and Parking	2,300
	Staff - misc	3,000

41170	Travel - Out of state	3,800
41180	Employee development	6,600
41190	State agency provided tech svcs	10,000
	OAH hearings	9,950
	DEED warrant printing	50
41196	Centralized IT (MN.IT)	19,820
	Voice Services	3,000
	Computing Services	4,200
	Wan Services	1,620
	Microsoft licensing	1,500
	MN.IT Contingency	9,500
41300	Supplies	5,000
41400	Equip. rental	3,500
41500	Maintenance and repairs	2,150
43000	Other operating costs	500
47160	Equipment	4,000
	Operating exp total	1,012,660
	Appropriation	1,036,000
	Carry forward in from prior year	0
	Total available	1,036,000
	Carryforward to Fiscal Year 2019	23,340





**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD  
July 2017**

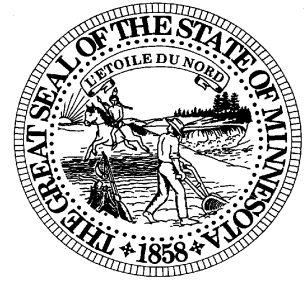
**ACTIVE FILES**

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
David Berglund	Cook Soil and Water Conservation District	Unfiled Economic Interest Statement due January 25, 2016  Untimely Filing of 2015 Economic Interest Statement  Untimely Filing 2011 Economic Interest Statement	\$100 LF \$1,000 CP  \$80 LF  \$100 LF \$100 CP	7/7/16	12/30/16			
Brenden Ellingboe	Ellingboe (Brenden) for House	Unfiled 2015 Year- end Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	11/29/16	5/26/17			
Kirsten Johnson		Unfiled Economic Interest Statement due June 14, 2016	\$100 LF \$1,000 CP	1/17/17	5/26/17			
Tim Johnson		Unfiled Economic Interest Statement due June 14, 2016	\$100 LF \$1,000 CP	1/17/17	5/26/17			



Minnesota

*Campaign Finance and  
Public Disclosure Board*



**Date:** July 3, 2017

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Prima facie determinations finding no violation

Complaints filed with the Board are subject to a prima facie determination made by the Board chair in consultation with staff. If the Board chair determines that the complaint states a violation of Chapter 10A or the provisions of Chapter 211B under the Board's jurisdiction, the complaint moves forward to a probable cause determination by the full Board.

If, however, the chair determines that the complaint does not state a prima facie violation, the chair must dismiss the complaint without prejudice. When a complaint is dismissed, the complaint and the prima facie determination become public data. The following complaint was dismissed by the chair and the prima facie determination is provided here as an informational item to the other Board members. No further action of the Board is required.

**Complaint regarding Simon Trautmann**

On June 23, 2017, the Campaign Finance and Public Disclosure Board received a complaint submitted by Zachary Olson regarding Simon Trautmann. The complaint alleges that Mr. Trautmann failed to timely file the campaign finance report required in Chapter 211A for a city council seat in the City of Richfield. Because the Board does not have the authority to investigate complaints involving local office candidates, the Board chair made a determination on July 3, 2017, that the complaint did not state a prima facie violation.

Attachments:

Prima Facie Determination  
Complaint

**State of Minnesota  
Campaign Finance and Public Disclosure Board**

**Findings, Conclusions, and Order in the Matter of the Staff Review of the Branden (Petersen) for Senate committee**

The Branden (Petersen) for Senate committee is the principal campaign committee of former Senator Branden Petersen. The committee did not file its 2014 year-end report of receipts and expenditures until September 23, 2015. Around this date, Sen. Petersen contacted the executive director and had several telephone discussions with him about the report's accuracy and the \$6,000 in noncampaign reimbursements that the committee had reported making to him in 2014.

Sen. Petersen asked to meet with Board staff in person. At the October 19, 2015 meeting, Sen. Petersen told staff that the finances for his current senate committee and his previous house committee were in disarray and that the senate committee had reimbursed him for some expenses for serving in public office that he now knew were not permitted under Chapter 10A. Sen. Petersen asked for the Board's help in reconciling his committees' accounts and determining the amount that he needed to personally repay, including any penalties that might apply. The executive director then initiated this staff review.

Sen. Petersen had very few committee records in his possession. He voluntarily contacted the committees' bank and some of the senate committee's vendors to ask for copies of their records. After some delays, Sen. Petersen was able to obtain records from the bank for his senate and house committees. He also was able to obtain documentation for cell phone and vehicle expense reimbursements that the committees made to him. In addition, Sen. Petersen voluntarily provided an oral statement under oath.

The information provided showed that although there were inaccuracies on the house committee reports, those errors involved reporting mistakes that could be corrected by amendment.

The senate committee's records, however, raised questions about the propriety of some reimbursements that the senate committee had made to Sen. Petersen for expenses for serving in public office, the adequacy of the senate committee's recordkeeping and reporting, and the senate committee's violation of the aggregate special source contribution limit.

**Analysis**

**Reimbursements for expenses for serving in public office**

Minnesota Statutes section 211B.12 provides that money collected by campaign committees may be used either for the specific political purposes listed in that section or for the noncampaign disbursements listed in Chapter 10A. One of the noncampaign disbursements listed in Chapter 10A is payment "of the candidate's expenses for serving in public office, other

than for personal uses.” Minn. Stat. § 10A.01, subd. 26 (10). Minnesota Statutes section 211B.12 specifically provides that “[m]oney collected for political purposes . . . may not be converted to personal use.” Any funds converted to personal use must be repaid to the committee or, if the candidate was responsible for the improper use, to the state. Minn. Stat. § 10A.022, subd. 8. The Board also may impose a civil penalty of up to \$3,000 on the person responsible for the conversion to personal use. Minn. Stat. § 10A.34, subd. 4.

The Branden (Petersen) for Senate committee’s bank records show several lump sum payments to Sen. Petersen in the form of checks and cash withdrawals. Sen. Petersen said that these payments were made to periodically reimburse him for costs associated with serving as a legislator. Sen. Petersen believed that it was proper for the committee to reimburse him for “[v]arious items that I believed were qualified reimbursements . . . anywhere from, for mileage to vehicle expenses, communication expenses, assorted things of that nature.”

Sen. Petersen stated:

The logic in my head was such that many employers reimburse for vehicle, reimburse for, you know, cell phone, reimburse for other expenses of that nature, mileage, and so I operated under the assumption that that was the same case.

Sen. Petersen also said that the prevailing attitude in the legislature regarding reimbursements was as follows:

I would say that there was a loose attitude about what could be reimbursed and what couldn’t and that basically if there was any, you know, conceivable reason why it could be related to your legislative or campaign work that it would likely qualify as an expense reimbursement.

Sen. Petersen stated that based on his understanding of the allowable costs of serving in office, the committee reimbursed him for one-half of the cell phone expenses on his family cell phone plan, his vehicle expenses including mileage and family car payments, and other expenses for which he has no records. Sen. Petersen said that he did not learn that there might be questions about the propriety of these reimbursements until he contacted the executive director in the fall of 2015.

In this case, the reimbursements to Sen. Petersen for one-half of the cell phone expenses on his family cell phone plan were proper. The Board has held that the best practice for committees with respect to cell phone use is to have a separate account for the legislator’s phone. Findings in the Matter of the Joe Atkins for State Representative Committee (May 27, 2016); Findings in the Matter of the Joe Hoppe Volunteer Committee (May 27, 2016). If a legislator uses committee funds to pay for a family cell phone plan, the amount paid by the committee must reflect only the use attributable to the legislator. Because the Petersen committee divided the total cost of the family cell phone plan by the two phones covered by the plan, the committee paid only for the use attributable to Sen. Petersen. Consequently, no committee funds were converted to personal use by the cell phone reimbursements.

The reimbursements made to Sen. Petersen for his car payments, however, were not a proper use of the committee's funds. Sen. Petersen submitted calendars showing the date, destination, and purpose of his travel that sufficiently documented the mileage reimbursements made to him for trips related to his service in the legislature. Sen. Petersen stated, however, that the committee also reimbursed him for the entire amount of his monthly car payments. Sen. Petersen acknowledged that the car was his personal vehicle and that it was used by both drivers in his family. Because the vehicle was used for personal travel by Sen. Petersen and his family, the reimbursements made to him for the monthly car payments constituted conversion of committee funds to personal use. The loan records show that the committee reimbursed Sen. Petersen \$2,687.29 for the car payments in 2012 and \$2,581.77 in 2013.

The committee reimbursed Sen. Petersen for an additional \$1,098.20 in expenses in 2012; an additional \$1,354.28 in expenses in 2013; and an additional \$299.09 in expenses in 2014. It is possible that these payments were for legitimate political purposes or costs of serving in office. Neither the committee nor Sen. Petersen, however, have any records explaining the purpose of these payments. Although Sen. Petersen was given the opportunity to obtain documentation for these expenses during the staff review, he was unable to do so. Absent any records showing how these funds were used, the Board must conclude that they were not used for purposes permitted under Minnesota Statutes section 211B.12, and therefore constituted a conversion of committee funds to personal use.

When the improper vehicle reimbursements are added to the undocumented reimbursements, the total amount of committee funds impermissibly converted to personal use in 2012, 2013, and 2014 was \$8,020.63.

The committee's bank records show that in 2014 and 2015, the committee did not have sufficient funds to pay fines and fees owed to the Board and to return an excess contribution to the source as ordered by the Board. Sen. Petersen supplied \$4,699.73 of personal funds to the committee in these years so that it could meet these obligations. The committee did not reimburse Sen. Petersen for these funds. In addition, records show that Sen. Petersen personally paid \$2,544.42 in committee bills in 2015, for which he was not reimbursed. These unreimbursed payments partially offset the previous years' impermissible reimbursements. After subtracting the offsetting amounts from the total amount, \$776.48 in improper reimbursements remain unrepaid.

### **Recordkeeping and reporting**

To help ensure that money collected for political purposes has not been converted to personal use, committees must disclose their financial transactions on reports that are filed with the Board. Minn. Stat. § 10A.20, subd. 3. Chapter 10A also requires committees to obtain and maintain internal records of their financial transactions. Minnesota Statutes section 10A.025, subdivision 3, specifically provides as follows:

A person required to file a report or statement or who has accepted record-keeping responsibility for the filer must maintain records on the matters required to be reported, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, that will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified, and check for accuracy and completeness. The person must keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the reports or statement or of changes or corrections to them.

See *also* Minn. Stat. § 10A.13 (requiring committees to keep accounts of all cash transactions and obtain receipts for all bills over \$100).

The Board may impose a civil penalty of up to \$3,000 on a person who knowingly violates the recordkeeping provisions and an additional civil penalty of up to \$3,000 on the committee affiliated with that person. Minn. Stat. § 10A.025, subd. 3 (b). The Board also may impose a civil penalty of up to \$3,000 against a person who signs and certifies to be true a report knowing that it contains false information or knowing that it omits required information. Minn. Stat. § 10A.025, subd. 2. Under these provisions, Sen. Petersen could be exposed to civil penalties of up to \$6,000 for inadequate recordkeeping and up to \$6,000 for false certification. The senate committee could be exposed to civil penalties of up to \$6,000 for being affiliated with a person who violated the recordkeeping provision.

In this case, Sen. Petersen acted as his own treasurer for both his committees. Sen. Petersen said that he rarely obtained or kept receipts for expenses or reimbursements for the following reason:

I understood that my payment history would be a record that I could obtain in the event that . . . I was questioned about the expenses, and . . . then the bank account itself would provide records. And so my logic was that upon request that I could provide those . . . things.

Sen. Petersen was able to obtain bank records for his committees but discovered the following:

It's a lot of work to acquire them. Just to acquire, just to obtain the records that I have to this point takes a considerable amount of time.

In fact, it took several months for Sen. Petersen to obtain copies of the committees' bank records and additional time to obtain records that inadvertently were omitted from the first record request.

Although the bank records did document the house committee's transactions and the contributions made to the senate committee, they did not document the purpose of the reimbursements that the senate committee made to Sen. Petersen. Sen. Petersen said that because of his poor recordkeeping he could not recall all of the incremental expenses of serving in office for which he had been reimbursed.

Sen. Petersen said that the lack of records also prevented him from filing accurate reports. Sen. Petersen described his report preparation as follows:

I would gather the information to the best of my ability and, and enter the information . . . with the sources that I had. . . . I didn't keep some records for myself; . . . I didn't have no, you know, no records, and so I would fill them out to the best of my ability with the information that I had.

Sen. Petersen also stated that "as time went on, the poor recordkeeping . . . sort of compounds on itself and makes it difficult to reconcile over a period of years."

The records provided showed that there were inaccuracies in the house committee's reports of receipts and expenditures. These errors included listing in-kind contributions and expenditures in the cash totals on the summary pages, omitting some unpaid obligations, and reporting some contributions and expenditures on incorrect schedules. In addition, in 2012, some contributions to and expenditures by the house committee appear to have been incorrectly attributed to the senate committee. These errors are reporting mistakes that can be corrected by the filing of amended reports.

The bank records showed that the senate committee's reports for 2012 and 2013 also included several errors. These errors, however, were much more significant than those on the house committee reports. For example, although Sen. Petersen made over \$7,000 in permissible and impermissible reimbursements to himself in 2012, only \$2,000 of those payments were listed on the senate committee's report for that year. Sen. Petersen stated that he knew that he should report all of the reimbursements but he did not do so for the following reason:

At a certain point, and I don't remember exactly when, . . . I just lost the ability to reconcile all of the numbers, and I didn't know if I was supposed to file an amendment for . . . expenses that were being reimbursed for the previous years' reporting, and I just didn't have any way to, that was comfortable at the time . . . to be able to . . . make it right from the reporting standpoint.

The 2012 senate report also overstated contributions made to the committee by approximately \$10,000 and understated the committee's expenditures by \$3,000. Sen. Petersen acknowledged that when he signed the committee's 2012 year-end report certifying that the committee's year-end balance was \$13,102.73, he knew that the committee's actual bank balance was \$101.35.

Sen. Petersen similarly stated that when he signed the committee's 2013 year-end report certifying that the committee had a year-end balance of \$19,776.13, he knew that figure was not correct. The record shows that the committee's reconciled bank balance at the end of 2013 was \$4,699.13. The discrepancy between the committee's actual bank balance and its reported balance had grown since 2012 because the 2013 report omitted almost \$7,000 in permissible



and impermissible reimbursements made to Sen. Petersen and approximately \$5,000 in contributions made to the committee.

Sen. Petersen said that he delayed filing his committee's 2014 year-end report until September 2015 and contacted the Board at that time because he knew that he could not reconcile that report with the bank account. Sen. Petersen stated that in late September, he "[d]ecided at this point . . . that I had no ability to reconcile and that I would end . . . my service in the Senate and attempt to put this issue to bed in a way that reflected the right information."

Sen. Petersen already had decided not to run for re-election because of the effect that serving in office had on his ability to provide for his family. Sen. Petersen stated that the problem he was having with his committee's financial records was the primary reason why he resigned from the senate 14 months before his term ended. Sen. Petersen specifically stated:

I think I've spoken to my deep regret over the way that, that I handled, or didn't handle, my, my campaign finance committee. I really can't articulate just how I feel about that, how bad I feel about it, how guilty I feel about it. It's, it's a shame on me and, and I feel as though, I wish I would have taken action earlier. I wish that I would have had the integrity at the time to, to make the right decisions.

And I, I do feel like I did the right thing in resigning my seat. I feel like that was the, the most I could do at the time, to end the committee and begin the process of reconciling both at a personal level and technically as it relates . . . to the Campaign Finance Board.

Not being able to go back in time and, and be honest about the things that I did, at the moment that I made that decision, I feel like it was the most drastic move that, that I could make that maintained the integrity of campaign finance in general and the public trust, and that's how serious I took the issue. I wish that I would have taken it earlier.

Sen. Petersen said that after reaching this decision, he contacted the Board's executive director to arrange the October 19<sup>th</sup> meeting at which he asked for help in reconciling the committee's accounts and determining the amount to repay along with any penalties. Sen. Petersen resigned from the Senate officially on October 31, 2015.

The information and testimony related above establishes that Sen. Petersen was the person responsible for the committee's recordkeeping and that he did not obtain the records required by Minnesota Statutes sections 10A.025, subdivision 3, or maintain those records for the required four years. The record also shows that when Sen. Petersen signed the committee's 2012 and 2013 reports, he knew that those reports contained false information and omitted required information. The Board will exclude the committee's 2014 report from the false certification analysis because Sen. Petersen had contacted staff about the committee's financial issues at the time he filed that report.

### **Aggregate special source limit violation**

Minnesota Statutes section 10A.27, subdivision 11, establishes a limit on the amount that candidate committees may accept in aggregate from lobbyists, political committees and funds, and associations not registered with the Board. The Board may impose a civil penalty of up to four times the amount of the excess contribution on a committee that exceeds this limit. Minn. Stat. § 10A.28, subd. 2 (4). For the 2013-2014 non-election cycle segment, the aggregate special source limit for a state senate committee was \$6,000. The Branden (Petersen) for Senate committee records show that the committee accepted \$6,640 in contributions from these sources during the 2013-2014 non-election cycle segment. Consequently, the Branden (Petersen) for Senate committee exceeded the aggregate special source contribution limit for the 2013-2014 non-election cycle segment by \$640.

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

#### **Findings of fact**

1. The Branden (Petersen) for Senate committee reimbursed Branden Petersen \$8,020.63 for family car payments and other undocumented expenses in 2012, 2013, and 2014.
2. When these reimbursements were made, Branden Petersen believed that they were for allowable expenses for serving in public office. Sen. Petersen did not discover that some of the reimbursements were improper until the fall of 2015 when he contacted the executive director to discuss his committee's finances.
3. Branden Petersen supplied \$4,699.73 in personal funds to the committee in 2014 and 2015 so that it could pay Board fines and fees and return an excess contribution to its source. Branden Petersen personally paid another \$2,544.42 in committee expenses in 2015. The committee did not reimburse Sen. Petersen for these funds. After offsetting these payments, the amount of the improper reimbursements that remains unpaid is \$776.48.
4. The Branden (Petersen) for Senate committee and Branden Petersen did not keep required records of or obtain required receipts for all committee expenditures during the years 2012 and 2013.
5. Branden Petersen signed the committee's 2012 and 2013 year-end reports of receipts and expenditures knowing that the year-end balances on those reports were false and knowing that the reports omitted reimbursements paid to him during those years.
6. Branden Petersen resigned his senate seat 14 months before his term ended because of his inadequate recordkeeping and reporting on behalf of the committee.
7. The Branden (Petersen) for Senate committee accepted \$6,640 in contributions from special sources in the 2013-2014 non-election cycle segment. The committee has no prior excess special source violations.

8. Sen. Petersen cooperated with the investigation and was candid with the Board throughout the matter.

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

**Conclusions of law**


1. The Branden (Petersen) for Senate committee and Branden Petersen violated Minnesota Statutes section 211B.12 by converting \$8,020.63 in committee funds to personal use to reimburse Sen. Petersen for personal car payments and other undocumented expenses. After offsetting the \$7,244.15 in unreimbursed personal funds that Sen. Petersen provided to or on behalf of the committee, \$776.48 of the converted funds remain unpaid. Because Sen. Petersen received these funds, the \$776.48 must be repaid to the state.
2. The Branden (Petersen) for Senate committee and Branden Petersen violated Minnesota Statutes sections 10A.025, subdivision 3, and 10A.13 by failing to obtain and maintain records of the committee's expenditures.
3. Branden Petersen violated Minnesota Statutes section 10A.025, subdivision 2(b), in 2012 and 2013 by signing and certifying to be true reports for the Branden (Petersen) for Senate committee when he knew those reports contained false information and omitted required information.
4. The Branden (Petersen) for Senate committee violated Minnesota Statutes section 10A.27, subdivision 11, for the 2013-2014 non-election cycle segment by accepting \$640 in excess contributions from special sources.
5. The Board has the authority to consider Sen. Petersen's cooperation during the investigation, his candor with the Board, and his resignation from office when determining the appropriate amount of civil penalties to impose in this matter.

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

**Order**

1. The Branden (Petersen) for Senate committee must file amended year-end reports for 2012 through 2014 and a year-end report for 2015 that terminates the committee's registration with the Board. Branden Petersen must file amended year-end reports for his former house committee for the years 2010 through 2012. All amended reports must be filed within 30 days of the date of this order.
2. Branden Petersen must pay to the state the remaining \$776.48 in improper reimbursements.

3. A civil penalty in the amount of \$1,000 is assessed against the Branden (Petersen) for Senate committee and Branden Petersen personally for inadequate recordkeeping in 2012 and 2013.
4. A civil penalty in the amount of \$2,000 is assessed against the Branden (Petersen) for Senate committee and Branden Petersen personally for false certification of the committee's 2012 and 2013 reports.
5. Branden Petersen must pay to the state the \$640 in excess special source contributions accepted by the committee during the 2013-2014 non-election cycle segment.
6. A civil penalty in the amount of \$640 is assessed against the Branden (Petersen) for Senate committee and Branden Petersen personally for the committee's violation of the special source contribution limit. The amount of the civil penalty is one times the amount of the excess special source contributions accepted by the committee.
8. The executive director is authorized to enter into an agreement with Branden Petersen that provides for payment of the \$5,056.48 in civil penalties, committee funds converted to personal use, and excess contributions listed above over the 18 months following the date of this order. Payments must be made by check or money order payable to the State of Minnesota according to the terms of the payment agreement.
9. If Branden Petersen or the Branden (Petersen) for Senate committee 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.
10. This order resolves the violations discussed above and all other violations that could have arisen out of the reports filed by Branden Petersen's house and senate committees.
11. 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.

  
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Daniel N. Rosen, Chair  
Campaign Finance and Public Disclosure Board

Date: July 6, 2017