

October 13, 2016

Mr. Jeff Sigurdson
Executive Director
jeff.sigurdson@state.mn.us
Campaign Finance & Public Disclosure Board
190 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

RE: Complaint against the Republican Party of Minnesota and HRCC for
Violations of Minnesota Statutes, Section 211B.04

Dear Jeff:

I submit this complaint on behalf of Ken Martin, Chair of the Minnesota DFL Party, to request that the Minnesota Campaign Finance and Public Disclosure Board investigate violations of Minn. Stat. § 211B.04 by the Republican Party of Minnesota (“RPM”) and the HRCC.¹ In September and October 2016, HRCC distributed campaign materials which falsely state that the campaign materials were “prepared and paid for by the Republican Party of Minnesota and HRCC.” They were not. RPM Chair, Keith Downey, specifically denied that RPM distributed one of the campaign materials in question and the campaign finance reports filed by RPM and HRCC indicate that the remaining campaign materials – all of which are independent expenditures – were paid for exclusively by HRCC. The disclaimer on the campaign materials is false and misleading and violates Minn. Stat. § 211B.04(b).

FACTUAL SUMMARY

On or about October 3, 2016, HRCC distributed campaign material which carried a disclaimer stating that it was “prepared and paid for by the Republican Party of Minnesota and HRCC.”² See Exhibit 1. After the irony of RPM sending a mailing highlighting the fact that a

¹ The Campaign Finance and Public Disclosure Board has jurisdiction to investigate violations of Minn. Stat. § 211B.04 by political party units. See Minn. Stat. § 10A.022, subd. 3.

² The disclaimer includes an address of 525 Park Street, Suite 250, St. Paul, MN. According to their most-recent registration information with the Campaign Finance and Public Disclosure Board and their own websites, neither RPM nor HRCC have their offices at 525 Park Street, Suite 250, St. Paul, MN.

candidate had not paid income taxes was raised on Twitter, RPM Chair Keith Downey specifically denied that RPM had distributed the campaign material. *See* Exhibit 2.

The campaign material distributed on or about October 3, 2016 is consistent with a pattern of campaign materials carrying a disclaimer stating that they were prepared and paid for by the Republican Party of Minnesota and HRCC notwithstanding that RPM appeared to have no involvement in the mailings whatsoever. At least, five other mailings were sent in September 2016 which carried the same disclaimer. *See* Exhibit 3. The HRCC 2016 September Pre-General Report of Receipts and Expenditures identified each of the mailings as independent expenditures paid for by HRCC, Exhibit 4, whereas the RPM 2016 September Pre-General Report of Receipts and Expenditures did not reflect any payments for independent expenditures, Exhibit 5.³

Moreover, the campaign finance reports demonstrate that RPM did not even pay for the postage for the mailings even though the campaign materials carry its nonprofit postal indicia. *See* Exhibit 5 (showing the only postage expense for RPM was a \$300 payment to USPS on April 12, 2016). This practice violates U.S. Postal Service regulations which restrict the use of the nonprofit standard rate to qualified political committees which include the organization responsible for the day-to-day operations of a political party at the state level, like RPM, but not subordinate committees, like HRCC. In fact, the regulations specifically prohibit the use of a qualifying organization's postal license to send mail on behalf of a non-qualifying entity, such as HRCC.⁴

In addition, at least one other mailing was sent after the reporting period for the 2016 September Pre-General Report of Receipts and Expenditures carrying the same disclaimer. *See* Exhibit 6. Upon information and belief, and consistent with the other campaign materials, RPM did not pay any portion of the costs for this later mailing or any other independent expenditures by HRCC.

ARGUMENT

Minn. Stat. § 211B.04 requires that campaign materials must include a disclaimer in the form: "Prepared and paid for by the committee,(address)." The purpose of the disclaimer is to "identify who or what committee prepared, disseminated and paid for the campaign material." *Hanson v. Stone*, OAH Docket No. 4-6326-16911, Findings of Fact, Conclusions of Law, and Order (Oct. 28, 2005) at 4.

³ Respondents cannot attempt to avoid liability for distributing campaign material with a false disclaimer by asserting that RPM in fact paid for the campaign material as this would mean that the reports filed with the Campaign Finance and Public Disclosure Board are false; resulting in a different violation of Minnesota campaign finance law.

⁴ USPS Direct Mail Manual, § 703.1, at: <http://pe.usps.com/text/dmm300/703.htm#ep1114977>.

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The disclaimers stating that the campaign materials which are the subject of this complaint were “prepared and paid for by the Republican Party of Minnesota and HRCC” are unquestionably false. RPM Chair Keith Downey specifically stated that RPM did not send the ironic October 3, 2016 tax mailing and the RPM 2016 September Pre-General Report of Receipts and Expenditures confirms that RPM did not pay for any portion of the earlier campaign materials. The disclaimer is false, misleading, and violates Minn. Stat. § 211B.04(b).

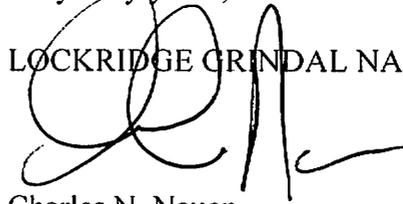
CONCLUSION

In light of the foregoing, Ken Martin, Chair of the Minnesota DFL Party, respectfully requests that the Campaign Finance and Public Disclosure Board investigate the violations of Minn. Stat. § 211B.04(b) by the Republican Party of Minnesota and HRCC and assess appropriate penalties.

Thank you.

Very truly yours,

LOCKRIDGE GRINDAL NAUEN P.L.L.P.

A handwritten signature in black ink, appearing to read 'CN Nauen', is written over the typed name and firm name.

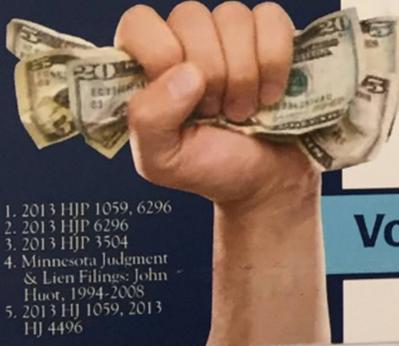
Charles N. Nauen

Enclosures

c: Ken Martin
David J. Zoll



John Huot wants to raise your taxes even though he repeatedly failed to pay his own.



1. 2013 HJP 1059, 6296
2. 2013 HJP 6296
3. 2013 HJP 3504
4. Minnesota Judgment & Lien Filings: John Huot, 1994-2008
5. 2013 HJ 1059, 2013 HJ 4496

Politician John Huot didn't pay his taxes but that doesn't stop him from wanting to raise yours.

John Huot is just another politician who doesn't think the rules apply to him.

Huot's campaign is supported by the ultra liberal party bosses because he supports their failed agenda. That means higher taxes for us so they can waste more of our money.

Support higher taxes

John Huot is backed by the career politicians who raised taxes on families and small businesses by over \$2 billion.¹ They are bankrolling his campaign because Hout will give them a blank check to waste more of our hard-earned tax dollars.

Wasting taxpayers' money

John Huot wants to go back to one-party rule when liberal career politicians had a blank check to waste our money on things like:

- \$90 million on luxury offices for politicians²
- \$300,000 on a remote lakeside outhouse³
- Big Bonuses for failed MNsure executives⁵

But doesn't pay his own taxes

Even though he wants to decide how much you pay in taxes, John Huot didn't pay his own.⁴

Official records show he failed to pay his taxes on time — causing the rest of us to pay even more to cover his delinquency.

Vote NO on John Huot. He doesn't pay his own taxes but will raise ours.

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103.

EXHIBIT 2

AT&T Wi-Fi 9:14 PM 31%

Glen Stubbe @gspphoto · 1d
Unintentionally funny hit piece in yesterday's mail from @mngop on DFLer @huotforhouse shows timing is everything in politics!



119 likes, 91 retweets

Keith Downey @KeithSDowney · 2h
@gspphoto Not a @mngop mailer. You cropped off the legal disclaimer. Please repost full mailer so we know who sent it. Thanks!

Glen Stubbe @gspphoto · 46m
@KeithSDowney @mngop Keith

Reply to Keith Downey, Glen Stubbe

Home Notifications Moments Messages Me

AT&T Wi-Fi 9:14 PM 31%

Glen Stubbe @gspphoto · 46m
@KeithSDowney @mngop Keith @mbrodkorb tweeted the reverse side earlier today.

Keith Downey @KeithSDowney

@gspphoto You first attributed the mailer to MNGOP. Please post an uncropped photo w/disclaimer. Thanks.

10/3/16, 8:46 PM

Home Notifications Moments Messages Me

David Montgomery @dhmontgom... · 26m
@KeithSDowney @gspphoto It says "Paid for the by the Republican Party of Minnesota and the HRCC"...

Reply to Keith Downey, Glen Stubbe

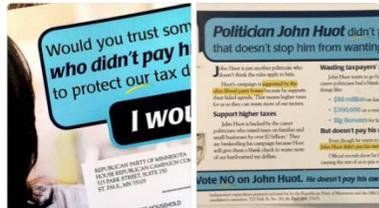
Home Notifications Moments Messages Me

AT&T Wi-Fi 9:14 PM 31%

Jeremy Nelson @jeremynelson77 · 14m
@KeithSDowney @gspphoto



Love @Love_GOP · 11m
@dhmontgomery @jpkolb @KeithSDowney @gspphoto



Reply to Keith Downey, Glen Stubbe

Home Notifications Moments Messages Me

EXHIBIT 3

REPUBLICAN PARTY OF MINNESOTA
HOUSE REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250
ST. PAUL, MN 55103

CONFIRMED
1200 1 84-900

2014 ELECTION NEWS

**Voters reject wasteful spending
and special perks for politicians.**

**TAX-AND-SPEND POLITICIAN LISA BAYLEY
MISSED THE NEWS.**

**Why is tax-and-spender Lisa Bayley
running on failed policies we rejected?**

**Lisa Bayley supports the tax-and-spend
policies we rejected in 2014**

Lisa Bayley wants to go back to complete one party control of government in Minnesota, giving ultra-liberal politicians a blank check and no balance for hardworking taxpayers. Bayley is running on the same failed policies we rejected two years ago.

A history of raising taxes and fees

Lisa Bayley is a typical tax-and-spend politician who raises taxes first and never cuts wasteful spending.

When faced with a budget gap while on the Red Wing City Council, Lisa Bayley refused to cut wasteful spending. Instead, she voted in favor of higher gas and electric fees that cost Red Wing families \$200,000!

Wasteful perks for politicians

Lisa Bayley is backed by ultraliberal politicians that raised taxes on families, farmers and small businesses by over \$2 billion¹ and used our money to build \$90 million luxury offices for politicians² and \$300,000 remote lakeside outhouses.³ They even gave themselves a free pass to lavish parties hosted by lobbyists and special interests.⁴

2014 ELECTION NEWS

**Lisa Bayley doesn't know
taxpayers are tired of paying for
politicians' wasteful spending.**

1. Post Bulletin, 12/14/10
2. 2013 HJP 1059, 6296
3. 2013 HJP 6296
4. 2013 HJP 3504
5. 2013 HJ Page 6431

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103.

Vote NO on Lisa Bayley
We can't afford her failed policies again



Liberal **Patti Fritz** made things worse for Minnesota families.

Patti Fritz voted to bring ObamaCare to Minnesota and to raise taxes on our families.

Skyrocketing healthcare costs

Patti Fritz brought ObamaCare to Minnesota and voted to tax your health insurance to pay for the failed \$400 million MNSure website.¹ Even though Fritz promised \$500 in savings for every family, we are now paying \$4,500 more for an average health insurance plan.²

Higher taxes

Tax-and-spend politician Patti Fritz voted twice to raise the gas tax.³ Her vote drove up the cost for everything from food to driving to a job interview and left less hard-earned money in our pockets.

More waste

Patti Fritz voted for \$90 million luxury offices for politicians in St. Paul⁴ and wasted \$300,000 of our money on a taxpayer-funded outhouse⁵ instead of focusing on economic development and jobs in our communities.

Vote NO on Patti Fritz
We can't afford her as our State Representative

1. 2013 HJ 1059, 2013 HJ 4734
2. 2014 MNSure Rates: <https://www.mnsure.org/mnsure/2014-09-26-Coverage-PlanRates-2014.pdf>
3. 2016 MNSure Rates: <https://www.mnsure.org/mnsure/2016-MNSure-healthcare-coverage-plan-rates.pdf>
4. 2008 HJP 688, 2008 HJP 789
5. 2013 HJP 626
6. 2013 HJP 354

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103

REPUBLICAN PARTY OF MINNESOTA
HOUSE REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250
ST. PAUL, MN 55103

4475 — 1 P-1 P47

2012
Taxi Color, MN
Permit No. 01-09



Why is failed politician **Patti Fritz** back?



KEEP CALM AND SPEND ON

Failed politician
ZACH DORRHOLT
wants to raise our taxes again.

Zach Dorholt lost in 2014 because of his wasteful tax-and-spend agenda. Dorholt is so out-of-touch, he thinks he can go back and waste more of our hard-earned money.

\$\$\$ Voted for himself instead of Minnesota families

Zach Dorholt supported new taxes on clothes, haircuts, iTunes downloads, car repairs and even babysitting. **He even voted to use our tax dollars to build \$90 million luxury offices for career politicians** and created a special loophole that gave him a free pass to lavish parties hosted by lobbyists and special interests. ¹

\$\$\$ Voted for higher taxes on health insurance

In order to pay for big bonuses for the executives at MNsure — the failed ObamaCare website — **Zach Dorholt voted for higher taxes on healthcare insurance.** Thanks to Dorholt, hardworking families in our area are forced to pay \$4,800 more for an average health insurance plan. ⁴

\$\$\$ Voted for more wasteful spending

Politician Zach Dorholt wants to go back to one-party control, when Minnesota had the worst private sector job growth in the entire Midwest. ³

He wants us to keep calm while he raises our taxes again to pay for his wasteful spending. The last time he was in office, Dorholt wasted our money on a remote \$300,000 lakeside outthouse and millions on a ski-chair and sculpture garden. ⁵

KEEP CALM AND VOTE NO ON ZACH DORRHOLT

1. 2013/10/28
2. 2013/10/28
3. 2013/10/28
4. 2013/10/28
5. 2013/10/28

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRK. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103

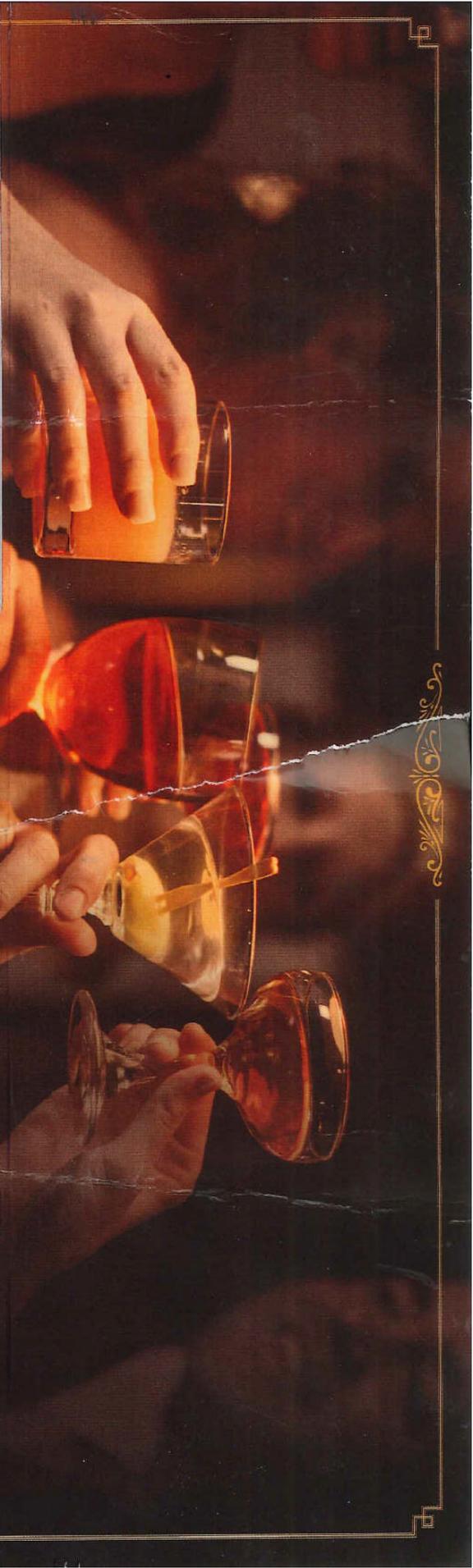
REPUBLICAN PARTY OF MINNESOTA
525 PARK STREET, SUITE 250
ST. PAUL, MN 55103

NON-PROFIT ORGANIZATION
U.S. MAIL
Post Office Box 6179
Saint Paul, MN 55109

9000-11-14-13

ZACH DORRHOLT
LIVES BY A
SIMPLE MOTTO:

KEEP CALM AND SPEND ON



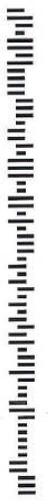
REPUBLICAN PARTY OF MINNESOTA HOUSE REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250, ST. PAUL, MN 55103

071829525M-HDSB93919

Non-Profit Org
US POSTAGE
PAID
TSG

*****AUTO**S-DIGIT 55024
941 --- 1 TT P1

JOANNE DUBSAR
PO BOX 1064
LAKEVILLE MN 55044-1064



Career Politicians &
Liberal Special Interests
Are Toasting
Lindsey Port.

Independent expenditure prepared and sent for by the Republican Party of Minnesota and the RNC.
Not on behalf of any candidate or candidate's committee, 525 Park St, Ste 250, St Paul, MN 55103.

EXHIBIT 4

Excerpts of the HRCC's
2016 September Pre-General Report of Receipts and Expenditures.

Full Report available at:

<http://reports.cfb.mn.gov/rptViewer/viewRptsPTU.php#searchType=PTU&year=16®num=20010&letter=&name=HRCC>

EXHIBIT 5

Excerpts of the Republican Party of Minnesota's
2016 September Pre-General Report of Receipts and Expenditures.

Full Report available at:

<http://reports.cfb.mn.gov/rptViewer/viewRptsPTU.php#searchType=PTU&year=16®num=20008&letter=&name=Republican%20Party%20of%20Minn>

EXHIBIT 6

POLITIGIAN DUANE SAUKE GAN'I GET ENOUGH OF YOUR TAX DOLLARS.

Thanks to Duane Sauke's liberal party bosses, families are already paying more in taxes – on everything from health insurance to iTunes downloads.¹ Now Duane Sauke thinks you should pay more to drive to work or the grocery store.^{2,3} Sauke backs raising the gas tax as much as 16 cents per gallon – every time you fill up.^{2,3}

Duane Sauke wants to go back to one-party rule, with a blank check for politicians and no balance for hardworking families.

Politician Duane Sauke's Tax Hikes

**GREAT FOR POLITIGIANS
WRONG FOR MINNESOTA FAMILIES**

1. 2013 HJ 1056, 2013 HJ 0286.
2. Sauke to Fight for Minnesota. Minutes of 2016. Post Release. 11/10/15. 3. Mark O'Connell. Independent journalist. Former House Speaker. Twitter: @mooconnell. 07/28/2017.

DUANE SAUKE
16 CENTS MORE A GALLON

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or caucus. 525 Park St., Ste 250, St. Paul, MN 55103.

SOME POLITICIANS JUST GAN'I GET ENOUGH OF YOUR MONEY

PAID
US POSTAGE
TSG
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REPUBLICAN PARTY OF MINNESOTA HOUSE
REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250,
ST. PAUL, MN 55103
0729750C