Steve Drazkowski State Representative

Counties

District 28B Goodhue, Wabasha and Winona



Minnesota House of Representatives

COMMITTEES: CIVIL LAW CAPITAL INVESTMENT ENVIRONMENT, ENERGY AND NATURAL RESOURCES POLICY AND FINANCE **TAXES**

August 2, 2018

Megan Engelhardt Assistant Executive Director Campaign Finance and Public Disclosure Board 190 Centennial Office Building 658 Cedar St. St. Paul, MN 55155

Subject: Drazkowski complaint against Neighbors for Ilhan (Omar)

Dear Ms. Engelhardt,

As follows, please find a written statement in the above matter for consideration by the Board at its August 16, 2018 meeting.

The facts as stated in the complaint appear to be uncontested: the Neighbors for Ilhan Omar Committee paid the Kjellberg Law Office \$2,250. The payment is dated November 20, 2016, is classified as a noncampaign disbursement, and is labeled as "legal fees."

The Kjellberg Law Office's principal, Carla Kjellberg, represented Omar in her 2017 divorce case. According to her website, Kjellberg practices family law with a specialty in divorce. No mention is made regarding expertise or experience in election law, campaign finance law, crisis communication, crisis management, public relations, or similar services.

The only reasonable inference that can be made from the public facts is that the campaign paid the member-elect's divorce lawyer.

Minnesota Rule 4503.0900 (Noncampaign Disbursements) Subpart 3 reads,

Itemization of an expense which is classified as a noncampaign disbursement must include sufficient information to justify the classification.



¹ See http://www.kjellberglaw.com/services.htm

In media accounts, Ms. Kjellberg is quoted² as speaking on behalf of the Omar campaign committee,

Omar's attorney at the time, Carla Kjellberg, said she is not currently representing Omar, but secured the campaign's permission to speak on the matter. (Quoted in Minnesota Lawyer.)

In the Star Tribune, Kjellberg defended her work, as follows,

"That's absolutely false, I provided legal services for crisis management prior to that, and those funds were for reimbursements for costs on crisis management."

Elsewhere, Kjellberg is quoted as saying,

"I provided legal services necessitated by the campaign, specifically arranging for necessary professional services," Kjellberg said. The lawyer advanced payment for those services and was then reimbursed with a check from the campaign, she said. (Quoted in Minnesota Lawyer)

Later adding,

The lawyer said she was paid to help Omar secure 'crisis management' services earlier in the campaign (emphasis in the original).

The crisis management services were said to be connected to reports in "the right-wing media." In its article, Minnesota Lawyer goes on to detail questions raised about the Omar campaign in August 2016 surrounding candidate Omar's marital status.

Without seeing invoices, billing records or examining work product, we cannot be sure what services were provided or secured by Ms. Kjellberg and whether those services represent spending eligible for campaign reimbursement.

Please note that the Petition filed by Ms. Kjellberg in Rep. Omar's 2017 divorce proceeding includes twenty separate statements of fact in support of her case.³

As detailed in the Complaint, the Board has stated (Advisory Opinion No. 328, Summary) that legal expenses are permitted as campaign committee spending only if "the candidate does not personally benefit from the services."

If the facts included in Ms. Kjellberg's Petition filed on behalf of Rep. Omar in the divorce case were gathered in whole or on part through the provision of crisis management services to candidate Omar, then the candidate certainly personally benefitted by the provision of said services.

If instead, Ms. Kjellberg merely served as a conduit for securing and paying another professional for crisis management services, then other, equally troubling, questions are raised.

² See https://minnlawyer.com/2018/07/24/gop-rep-accuses-omar-of-campaign-finance-violation/ and https://m.startribune.com/index.php/fellow-legislator-accuses-ilhan-omar-of-using-campaign-funds-for-divorce-lawyer/489067481/

³ See Petition, filed May 17, 2017, in Hennepin County District Court, Case No. 27-FA-17-3331.

The Board's current Legislative and Constitutional Office Candidate Handbook includes a number of record-keeping obligations on the part of the committee. In the instance where a campaign is reimbursing someone else for an expense of more than \$200, the committee must keep in its records the name and address and "a description of the item or services purchased, including how the item or service was used" for "the vendor who actually sold the item or performed the service."

It appears, based on statements made by Kjellberg, that the Omar campaign may have entered into an agreement with one vendor to conceal the identity of a second vendor.

If the actual crisis management services were secured and performed in August 2016, then the committee's October 2016 pre-general election report should have noted the transaction, either as an unpaid obligation, a loan from Kjellberg, or an in-kind contribution from Kjellberg. No such transaction is listed.

Failure to record the transaction on the October 2016 report represents a separate violation of campaign finance reporting obligations.

The Board's Handbook (p. 32) notes that "An expenditure that has not been paid at the reporting date must be listed as an unpaid bill." Kjellberg's statement that she "secured" the services at the request of the campaign suggests that the obligation, and thus the expenditure, occurred in August 2016.

If Kjellberg's agreement to "advance payment for these services" represented a loan to the campaign, the loan should have been reported in October 2016 and a written agreement must exist between Kjellberg and the campaign outlining the terms of the loan.

If the advanced payment by Kjellberg was done without any written assurance of eventual repayment, the transaction represented an in-kind contribution to the candidate as of August 2016. As such, it should have been reported in the October 2016 report and at \$2,250 it exceeded the allowed contribution limits from a single source.

Hopefully, Ms. Kjellberg will attend the Board's hearing and will be able to fully answer questions such as: Who was the ultimate recipient of the money? Who actually provided the services procured? What were those services? What crisis was being addressed?

Sincerely,

Representative Steve Drazkowski District 21B – Mazeppa

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⁴ Handbook p. 31.