

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

CONCILIATION AGREEMENT

In the Matter of the Beltrami County RPM (20291);

1. The Beltrami County RPM's 2018 year-end report of receipts and expenditures disclosed a \$750 receipt dated June 8, 2018, from LaValley Industries. The receipt was classified as miscellaneous income rather than as a contribution and the explanation provided was "For Fundraiser bought 1 round table of 8." LaValley Industries is a limited liability company organized under Minnesota Statutes Chapter 322C and a disclosure statement required for contributions in excess of \$200 from an association not registered with the Board was not provided to Board staff by the Beltrami County RPM. A staff review was initiated as the contribution appeared to have been accepted in violation of Minnesota Statutes sections 211B.15 and 10A.27, subdivision 13.
2. Minnesota Statutes section 211B.15, subdivision 2, prohibits a political party unit from accepting a contribution from a corporation that does business in Minnesota. Pursuant to Minnesota Statutes section 211B.15, subdivision 1, corporations are defined to include limited liability companies. Minnesota Statutes section 10A.27, subdivision 13, requires an association not registered with the Board to provide a disclosure statement detailing its receipts and expenditures when giving a contribution in excess of \$200 and that statement must be filed with the Board by the recipient of the contribution.
3. David Bahr, the Beltrami County RPM's current treasurer, stated that the \$750 payment was "for eight of company-owner Jason LaValley's employees to attend a banquet offering conversations with numerous governmental and regulatory agency officials and candidates for office." Mr. Bahr explained that the party unit's former treasurer "was quite overwhelmed with recordkeeping at the time (being an election year) and didn't notice the potential for a compliance question." Mr. Bahr also stated that \$750 was refunded by the Beltrami County RPM after he received notice of the staff review. LaValley Industries provided a copy of the contribution check, which listed the payor as "LAVALLEY INDUSTRIES, LLC" and was made payable to "Beltrami Republican Fundraiser."
4. The parties agree that the Beltrami County RPM accepted a corporate contribution in violation of Minnesota Statutes section 211B.15, subdivision 2. This is the Beltrami County RPM's first violation of the prohibition on corporate contributions.
5. To avoid a similar violation in the future, the Beltrami County RPM agrees that it will refrain from accepting corporate contributions, including contributions from limited liability companies. The Beltrami County RPM will carefully review contribution checks and inquire further if there is any question as to whether a contribution is being made by a corporation as that term is defined by Minnesota Statutes section 211B.15.

6. The Beltrami County RPM agrees to provide to the Board, within 90 days of the date the agreement is signed by both parties, a copy of the deposited check or other documentation showing that \$750 was refunded to LaValley Industries.

7. The Beltrami County RPM agrees to the imposition of a civil penalty in the amount of \$750, the amount of the contribution, for accepting a contribution prohibited by Minnesota Statutes section 211B.15, subdivision 2. Of this amount, \$200 is due within 30 days of the date the agreement is signed by both parties. The remaining \$550 of the penalty is, by the terms of this agreement, stayed until January 1, 2023. If the Beltrami County RPM violates Minnesota Statutes section 211B.15, subdivision 2, before January 1, 2023, the outstanding civil penalty is due immediately. If the Beltrami County RPM does not violate Minnesota Statutes section 211B.15, subdivision 2, before January 1, 2023, the outstanding civil penalty is waived.

8. If the Beltrami County RPM does not comply with the provisions of this agreement, this matter may be reopened by the Board and the Board may take such actions as it deems appropriate.

/s/ David Bahr
David Bahr, Treasurer
Beltrami County RPM

Dated: August 27, 2020

/s/ Gary Haugen
Gary Haugen, Chair
Campaign Finance and Public Disclosure Board

Dated: August 14, 2020