

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

**PROBABLE CAUSE
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF JOSEPH SHEFFER REGARDING GARY STEUART

On May 3, 2024, the Campaign Finance and Public Disclosure Board received a complaint submitted by Joseph Sheffer regarding Gary Steuart. The complaint alleges that Mr. Steuart is a candidate for Minnesota House District 26B. On May 10, 2024, counsel for Mr. Sheffer provided higher-resolution copies of documents attached to the complaint.

The complaint alleges that Mr. Steuart has not registered a principal campaign committee with the Board, and Board records confirm that at the time the complaint was filed, Mr. Steuart had not registered a principal campaign committee. The complaint alleges that more than \$750 has been spent on Mr. Steuart's campaign and that Mr. Steuart therefore was required to register a principal campaign committee. The complaint also alleges that two pieces of campaign material were disseminated by the Steuart campaign without a required disclaimer.

In support of those allegations, the complaint includes images of two pieces of campaign material. The first is a flyer for a meet and greet event with Mr. Steuart at a restaurant on April 16, 2024. The picture of the flyer does not show a disclaimer stating who paid for its production.

The second is a piece of literature that the complaint alleges was professionally produced. The literature includes information about Mr. Steuart and his beliefs and a photo of Mr. Steuart. The complaint alleges that the literature was disseminated on April 20, 2024, at the Republican Party of Minnesota's House District 26B endorsing convention. The literature does not include a disclaimer stating who paid for its production, but it does include Mr. Steuart's email address, website address,¹ post office box address, and social media user names.

On May 16, 2024, the Board's chair determined that the complaint states a prima facie violation of Minnesota Statutes section 10A.14 requiring a principal campaign committee to register with the Board "no later than 14 days after the committee . . . has made a contribution, received contributions, or made expenditures in excess of \$750." The Chair also determined that the complaint states a prima facie violation of Minnesota Statutes section 211B.04 for failure to include a required disclaimer on campaign material.

Subsequent to the issuing of the prima facie determination, Board staff located a copy of the meet and greet flyer posted on the internet that includes the Steuart campaign's website address². On June 26, 2024, Mr. Steuart responded to the complaint. Mr. Steuart stated his understanding that nothing needed to be filed "until after the election." Mr. Steuart provided a copy of a form that local candidates are required to file with their local filing officer under Minnesota Statutes

¹ garystuartforminnesota.com

² x.com/mngophoustonco/status/1778152624904098248

section 211A.05, subdivision 1, and explained that he mistakenly thought that he needed to provide that form within 7 days after the election. Mr. Steuart stated that he received a copy of the form when filing his affidavit of candidacy with the Office of the Minnesota Secretary of State. Mr. Steuart also admitted that he had raised over \$750 on May 6, 2024. During a phone conversation with Board staff, Mr. Steuart said that he had personally paid for items at the beginning of his campaign, including the flyer for the meet and greet in April, and the literature produced for the endorsing convention in April.

Board records show that Mr. Steuart registered a principal campaign committee with the Board on June 12, 2024.³ The committee's name is Gary Steuart for Minnesota, registration number 19157.

Analysis

When the Board chair makes a finding that a complaint raises a prima facie violation, the full Board then must determine whether probable cause exists to believe an alleged violation that warrants an investigation has occurred. Minn. Stat. § 10A.022, subd. 3 (d). A probable cause determination is not a complete examination of the evidence on both sides of the issue. Rather, it is a determination of whether there are sufficient facts and reasonable inferences to be drawn therefrom to believe that a violation of law has occurred.

If the Board finds that probable cause exists, the Board is required to determine whether the alleged violation warrants a formal investigation, considering the type and magnitude of the alleged violation, the knowledge of the respondent, any benefit to be gained from a formal investigation, the availability of Board resources, and whether the violation has been remedied. Minn. R. 4525.0210, subp. 5. If the Board finds that probable cause exists but does not order a formal investigation, the Board is required to either dismiss the complaint or order a staff review. Minn. R. 4525.0210, subp. 6.

Minnesota Statutes section 10A.105, subdivision 1, states that “[a] candidate must not accept contributions from a source, other than self, in aggregate in excess of \$750 or accept a public subsidy unless the candidate designates and causes to be formed a single principal campaign committee for each office sought.” Absent unique circumstances regarding the period immediately before and after the end of a reporting period, Minnesota Statutes section 10A.14, subdivision 1 requires a principal campaign committee to register with the Board “no later than 14 days after the committee . . . has made a contribution, received contributions, or made expenditures in excess of \$750.” Mr. Steuart states that he personally paid for the flyer for the meet and greet in April, and the literature produced for the endorsing convention in April. While these expenditures should be included in his campaign finance reports as in-kind contributions from himself to his principal campaign committee, the expenses paid by Mr. Steuart using personal funds would not have required Mr. Steuart to register a principal campaign committee. However, Mr. Steuart's response admits that he had raised \$750 from contributors by May 6, 2024. Therefore, Mr. Steuart should have registered a principal campaign committee by May 20, 2024. Based on the complaint and response provided to the Board, there is probable cause to believe that Mr. Steuart failed to

³ cfb.mn.gov/reports-and-data/viewers/campaign-finance/candidates/19157/

register a principal campaign committee earlier than June 12, 2024, in violation of Minnesota Statutes section 10A.14, subdivision 1.

Minnesota Statutes section 211B.04 requires principal campaign committees to include on their campaign material a disclaimer substantially in the form provided in Minnesota Statutes section 211B.04, subdivision 1. However, Minnesota Statutes section 211B.04, subdivision 3, paragraph (c) provides that the disclaimer requirement “does not apply to an individual or association that is not required to register or report under chapter 10A or 211A.” As discussed above, the Steuart committee needed to register a principal campaign committee by May 20, 2024. Therefore, the Steuart committee was not required to include a disclaimer on Mr. Steuart’s campaign material until May 20, 2024. Both the flyer for the event at a restaurant and the literature for the endorsing convention were produced and disseminated in April, which was prior to the time that Mr. Steuart was required to register a principal campaign committee. Based on the complaint and response provided to the Board, there is not probable cause to believe that a violation of the disclaimer requirement in Minnesota Statutes section 211B.04 occurred.

Mr. Steuart is a first-time candidate for the office of state representative. The Steuart committee registered with the Board in June 2024 and does not have any history of past violations. The Board has limited resources and it is not clear that there would be any benefit to be gained from formal findings rather than informal resolution of the matter. Considering those factors, the Board concludes that a formal investigation is not warranted.

Order:

1. Although probable cause exists to believe that Gary Steuart failed to register a principal campaign committee within 14 days of reaching the \$750 registration threshold on May 6, 2024, in violation of Minnesota Statutes section 10A.14, a formal investigation is not warranted.
2. Probable cause does not exist to believe that Mr. Steuart violated Minnesota Statutes section 211B.04 by failing to include a disclaimer on the flyer for the meet and greet and the literature produced for the endorsing convention, in April of 2024.
3. The Board’s executive director is directed to initiate a staff review regarding this matter pursuant to Minnesota Rules 4525.0320 for the purpose of concluding the investigation by conciliation agreement with the Gary Steuart for Minnesota committee. If the investigation cannot be resolved by conciliation agreement, the executive director is directed to prepare findings to resolve the matter.

/s/ David Asp
David Asp, Chair
Campaign Finance and Public Disclosure Board

Date: July 10, 2024