STATE OF MINNESOTA CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

CONCILIATION AGREEMENT

In the matter of the House Republican Campaign Committee (HRCC) (20010);

1. The House Republican Campaign Committee (HRCC) is the Republican legislative party unit organized in the House of Representatives. On August 8, 2024, the Board was notified by R. Reid LeBeau II, legal counsel for the HRCC, that the party unit was self-reporting a violation of the disclaimer requirement in Minnesota Statutes section 211B.04. The violation occurred when a mailer in support of Representative Brian Johnson was distributed with a disclaimer stating that:

This is an independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. It is not coordinated with or approved by any candidate nor is any candidate responsible for it. www.mngop.org www.mnhrcc.com.

The mailing was an independent expenditure. However, as explained by Mr. LeBeau, the disclaimer was inaccurate: "Unfortunately, through inadvertent error of the vendor and HRCC staff, the final approved mailing piece was sent out claiming to be a joint I.E. of the Republican Party of Minnesota and the HRCC. This was incorrect. The I.E. was wholly prepared and paid for by the HRCC."

- 2. By separate email on August 8, 2024, Mr. LeBeau notified the Board that the HRCC had identified another mailer that contained the same disclaimer error. The mailer was in support of Representative Ron Kresha.
- 3. Based on the notifications of the disclaimer violations, the Executive Director opened a staff review to determine if the disclaimer violations could be resolved through a conciliation agreement.
- 4. In response to a staff inquiry, Mr. LeBeau provided that the mailer supporting Representative Johnson was distributed on July 23, 2024, the mailing consisted of 4,557 pieces, and the cost of the mailing was \$3,975.68. The mailer supporting Representative Kresha was distributed on July 25, 2024, the mailing consisted of 5,176 pieces, and the cost of the mailing was \$4,546.26.
- 5. Minnesota Statutes section 211B.04, subdivision 2, requires the inclusion of a disclaimer on independent expenditures. The wording of the disclaimer provided on the two mailers complies with the statutory requirement but was inaccurate in that it identified the Republican Party of Minnesota as being jointly responsible for the mailers. The Board may impose a civil penalty of up to \$3,000 for a violation of Minnesota Statutes section 211B.04.
- 6. In determining the appropriate penalty for a violation of the disclaimer requirement the Board considers multiple factors such as whether it was clear who was responsible for the campaign material and how to contact them, whether the violation has been remedied, whether there were

prior violations of the disclaimer requirement, the cost of the campaign material and how widely it was disseminated, whether the violation was self-reported, and whether the violation was willful.¹

- 7. The HRCC identified and self-reported the violations to the Board. The mailers are correctly identified as independent expenditures and identify the HRCC as partially responsible for preparing and paying for the advertisements. Therefore, it is unlikely that individuals who received the mailers were confused as to whether the literature was an independent expenditure, or whether the HRCC had a role in producing the mailers. This is the HRCC's first violation of the disclaimer requirement. There was no practicable way to remedy the violations. There is no evidence that the violations were willful.
- 8. The parties agree that the HRCC inadvertently violated the disclaimer requirement under Minnesota Statutes section 211B.04, subdivision 2. The HRCC agrees to the imposition of a civil penalty of \$200. Payment is due within 30 days of the date the agreement is signed by both parties.
- 9. If the HRCC 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/ Paul Torkelson	Dated: <u>October 8, 2024</u>
Representative Paul Torkelson	
Treasurer, HRCC	
/s/ David Asp	Dated: October 2, 2024
David Asp, Chair	<u></u>
Campaign Finance and Public Disclosure Board	

¹ See Minn. Stat. § 14.045, subd. 3.