

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

**PROBABLE CAUSE  
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF STEVE DRAZKOWSKI REGARDING THE NEIGHBORS FOR ILHAN (OMAR) COMMITTEE:

On July 19, 2018, the Campaign Finance and Public Disclosure Board received a complaint submitted by Rep. Steve Drazkowski regarding the Neighbors for Ilhan (Omar) committee. Neighbors for Ilhan (Omar) is the principal campaign committee of Rep. Ilhan Omar. Rep. Drazkowski's complaint states that the Omar committee's 2016 year-end report of receipts and expenditures shows that the committee made a payment to the Kjellberg Law Office on November 20, 2016, in the amount of \$2,250. The complaint further states that Carla C. Kjellberg of the Kjellberg Law Office served as the attorney of record in Rep. Omar's 2017 marital dissolution. The complaint alleges that the committee's payment to the Kjellberg Law Office was for services related to the marital dissolution, and therefore constituted conversion of committee funds to personal use in violation of Minnesota Statutes section 211B.12.

On July 24, 2018, the Board chair determined that the complaint alleged a prima facie violation of Minnesota Statutes section 211B.12.

On August 2, 2018, the Board received a supplement to the July complaint. In the supplement, Rep. Drazkowski alleges that the Omar committee's 2016 year-end report of receipts and expenditures did not include sufficient information to justify the classification of the payment to the Kjellberg Law Firm as a noncampaign disbursement, in violation of Minnesota Rules 4503.0900, subpart 3. The supplemental complaint also relies on public statements made by lawyer Carla Kjellberg to allege that the Omar committee's report violated Minnesota Statutes section 10A.20 by failing to disclose the payment to the Kjellberg Law Firm when it was incurred and failing to show that the payment was a reimbursement.

On August 7, 2018, the Board vice chair determined that the supplemental complaint alleged prima facie violations of Minnesota Rules 4503.0900 and Minnesota Statutes section 10A.20.

In response to the initial prima facie determination, the Omar committee states that the \$2,250 payment to Kjellberg Law Office was not for services related to Rep. Omar's marital dissolution. Instead, Carla Kjellberg states in an affidavit that she provided "crisis management services to the campaign of Ilhan Omar in August and September 2016." The Omar committee's response includes several invoices from the Kjellberg Law Office. The first was dated August 31, 2016, with a balance due of \$1,580. The August 31, 2016, invoice includes a conference with Carla Kjellberg and Rep. Omar for a total of \$80 and an advance fee of \$1,500 for Frederick & Rosen, Ltd. The August 31, 2016, invoice also includes a September 1, 2016, statement from Frederick & Rosen, Ltd. for \$1,500. The letterhead on the statement from Frederick & Rosen states that they are certified public

accountants. The statement also states, “[s]ervices Re: Hirsi/Omar 2015 & 2014.” Another invoice from the Kjellberg Law Firm, dated September 30, 2016, lists a total balance due of \$2,344.68. The September 30, 2016, invoice includes the previous balance of \$1,580, plus new charges of staff time and expenses of \$14.68 and an advance fee of \$750.00 for “immigration work” from DeLeon & Nestor, LLC.

On August 15, 2018, the Omar committee submitted an additional response that was provided to the Board before it made the probable cause determination.

## **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 (2). 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 a complaint raises sufficient questions of fact which, if true, would result in the finding of a violation.

Minnesota Statutes section 211B.12 provides that funds raised for political purposes may not be converted to personal use. The Omar committee has submitted information suggesting that the payment to the Kjellberg Law Office was not for services related to Rep. Omar’s dissolution. The information submitted, however, does not establish that the procured immigration and accounting services benefitted the campaign committee rather than Rep. Omar personally. In fact, the references in the accounting invoice to someone other than Rep. Omar and to the years 2014 and 2015 appear to provide additional support for the allegation that those services benefitted Rep. Omar rather than her committee.

The complaint also alleges that the committee violated Minnesota Rules 4503.0900, subpart 3, by not including sufficient information to justify the classification of the legal expense as a noncampaign disbursement. The Omar committee’s report described the payment to the Kjellberg Law Office as “legal fees.” Because the report did not include the purpose of the legal fees, the report may be insufficient to justify the classification of this expense as a noncampaign disbursement.

Minnesota Statutes section 10A.20, subdivision 13, provides that when a committee reimburses someone for an expenditure, the committee can report that reimbursement in one of two ways: 1.) report the expenditure or noncampaign disbursement as if it was paid directly to the vendor who sold the good or services used; or 2.) report the name and address of the person being reimbursed as the payee and include the name and address of the vendor from which the person being reimbursed bought the good or service. The supplemental complaint includes public statements made by Carla Kjellberg that the committee’s payment to her law office was reimbursement for services that her firm initially paid for on behalf of the committee. The invoices submitted by the Omar committee also show that the payment to the Kjellberg Law Office was, in part, a reimbursement for payments made by that office to other professionals. The Omar committee’s report, however, does not identify the payment to the Kjellberg Law Office as a reimbursement for other professional services.

Finally, Minnesota Statutes section 10A.20, subdivision 4, states in relevant part, “[a] report must cover the period from January 1 of the reporting year to seven days before the filing date . . . .” In addition Minnesota Statutes section 10A.20, subdivision 3 (j), requires that the reporting entity disclose unpaid bills on a report of receipts and expenditures as those bills are incurred. The complaint refers to Ms. Kjellberg’s public statements that the legal services were provided at least by August of 2016. The invoices submitted by the Omar committee also indicate that the services were provided on or before August and September 2016. Given these dates, there is reason to believe that the payments should have been disclosed on the Omar committee’s pre-general-election report that covered the period of January 1, 2016, through October 24, 2016 or on the 2015 year-end report. The payment, however, was not disclosed until the 2016 year-end report.

**Order:**

1. Probable cause exists to believe that the Omar committee’s payments to the Kjellberg Law Office may have constituted the use of committee funds for personal use in violation of Minnesota Statutes section 211B.12.
2. Probable cause exists to believe that the Omar committee’s 2016 year-end report of receipts and expenditures did not include sufficient information to justify the classification of a payment to the Kjellberg Law Firm as a noncampaign disbursement in violation of Minnesota Rules 4503.0900.
3. Probable cause exists to believe that the timing and completeness of the Omar committee’s report disclosing the payment to the Kjellberg Law Firm did not comply with the requirements of Minnesota Statutes section 10A.20.
4. An investigation is ordered.
5. Until the Board makes a public finding this matter is subject to the confidentiality requirements of Minnesota Statutes section 10A.022, subdivision 5.

/s/ Carolyn Flynn  
Carolyn Flynn, Chair  
Campaign Finance and Public Disclosure Board

Date: August 16, 2018