

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

CONCILIATION AGREEMENT

In the matter of the Erin (Koegel) for Minnesota committee (18020);

1. The Erin (Koegel) for Minnesota committee is the principal campaign committee of Representative Erin Koegel. The aggregate special source contribution limit, which includes contributions from lobbyists, political committees and funds, and associations not registered with the Board, was \$13,100 for state representative candidates during the 2017-2018 election cycle. The committee's 2017 and 2018 year-end reports of receipts and expenditures disclosed a combined total of \$14,925.59 in special source contributions. The Findings, Conclusions, and Order issued by the Board in the matter of People PAC (MN), The People PAC, and 15 Principal Campaign Committees on November 6, 2019, concluded that the Koegel committee also accepted an in-kind contribution of \$901.82 in 2018 from a special source contributor. This contribution was miscategorized as a contribution of \$982 from an individual on the committee's 2018 year-end report based on inaccurate information from the contributor. That contribution brings the total special source contributions received by the committee during the 2017-2018 election cycle to \$15,827.41. The \$2,727.41 that the committee received that exceeded the limit was not returned within 90 days and is therefore deemed accepted under Minnesota Statutes section 10A.15, subdivision 3.

2. The maximum total amount a candidate for state representative could accept in contributions from a single contributor during the 2017-2018 election cycle was \$1,000. The committee's 2017 and 2018 year-end reports disclosed contributions of \$500 received on December 4, 2017, and \$1,000 received on August 16, 2018, from the AFSCME Council 5 PEOPLE Fund, a political fund. The \$500 that the committee received that exceeded the limit was not returned within 90 days of being deposited and is therefore deemed accepted under Minnesota Statutes section 10A.15, subdivision 3.

3. The AFSCME Council 5 PEOPLE Fund has provided documentation showing that a check for \$500 from the Koegel committee was deposited in July 2019, returning the amount that exceeded the individual contribution limit. The Koegel committee will return the remaining excess special source contributions of \$2,227.41 to special source contributors.

4. The committee's treasurer, Susan Anderson, explained that she thought the individual contribution limit applied to each calendar year rather than the two-year election cycle. Ms. Anderson stated that she did not receive compliance warnings regarding the individual or aggregate special source contribution limits when using the Board's Campaign Finance Reporter software. Ms. Anderson explained that she used the software on a different computer when entering data pertaining to 2018 than she did when entering data pertaining to 2017, and the

committee's contribution data from 2017 was not transferred to the computer she used when entering data pertaining to 2018. Because the aggregate special source and individual contribution limits apply to a two-year period and the software was operating in the absence of any contribution data from 2017, the software could not detect the committee's violations of those contribution limits.

5. The parties agree that the committee accepted excessive contributions from special sources in violation of Minnesota Statutes section 10A.27, subdivision 11, during the 2017-2018 election cycle. This is the committee's first violation of the aggregate special source limit.

6. The parties agree that the committee accepted contributions in excess of the individual contribution limit in violation of Minnesota Statutes section 10A.27, subdivision 1, during the 2017-2018 election cycle. This is the committee's first violation of the individual contribution limit.

7. To avoid similar violations in the future, the committee agrees that it:

- a. Will ensure that the committee's installation of the Campaign Finance Reporter software contains all data entered into the software for both the odd-numbered and even-numbered years that comprise the current election cycle;
- b. Will not accept a contribution that, in order to comply with the individual contribution limit, would require the committee to return any portion of a previous contribution; and
- c. Will run a batch compliance report after each time contributions are entered and take steps to remedy any violations the software identifies so that problems may be resolved within the 90 days provided by statute for the return of a contribution before it is deemed accepted.

8. Because the committee relied in good faith on information provided by the contributor in disclosing a \$982 contribution from an individual rather than a \$901.82 special source contribution on its 2018 year-end report, the committee will not be penalized for that portion of the amount by which it exceeded the aggregate special source limit. The committee agrees to the imposition of a civil penalty of \$1,825.59, the amount of the special source violation minus \$901.82, for accepting contributions in excess of the limit imposed by Minnesota Statutes section 10A.27, subdivision 11.

9. The committee agrees to the imposition of a civil penalty of \$500, the amount of the individual contribution limit violation, for accepting contributions in excess of the limit imposed by Minnesota Statutes section 10A.27, subdivision 1.

10. The committee also agrees to provide to the Board, within 90 days of the date the agreement is signed by both parties, copies of the deposited checks or other documentation showing that at least \$2,227.41 was received by the special source contributors to which it was returned. The Board has already received documentation of the return of \$500 to the AFSCME Council 5 PEOPLE Fund.

11. Of the civil penalty of \$1,825.59, \$460 is due within 30 days of the date the agreement is signed by both parties. The remaining \$1,365.59 of the penalty is, by the terms of this agreement, stayed until January 1, 2021. If the committee violates Minnesota Statutes section 10A.27, subdivision 11, before January 1, 2021, the outstanding civil penalty is due immediately. If the committee does not violate Minnesota Statutes section 10A.27, subdivision 11, before January 1, 2021, the outstanding civil penalty is waived.

12. Of the civil penalty of \$500, \$125 is due within 30 days of the date the agreement is signed by both parties. The remaining \$375 of the penalty is, by the terms of this agreement, stayed until January 1, 2021. If the committee violates Minnesota Statutes section 10A.27, subdivision 1, before January 1, 2021, the outstanding civil penalty is due immediately. If the committee does not violate Minnesota Statutes section 10A.27, subdivision 1, before January 1, 2021, the outstanding civil penalty is waived.

13. If the committee 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/ Erin Koegel Dated: December 2, 2019
Representative Erin Koegel
Erin (Koegel) for Minnesota

/s/ Margaret Leppik Dated: November 6, 2019
Margaret Leppik, Chair
Campaign Finance and Public Disclosure Board