

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

CONCILIATION AGREEMENT

In the Matter of the Minnesotans for Julie Blaha committee (18218);

1. Minnesotans for Julie Blaha is the principal campaign committee of State Auditor Blaha. On September 6, 2022, the Campaign Finance and Public Disclosure Board received a complaint submitted by Marjorie J. Holsten. The complaint alleged that State Auditor Blaha and her campaign committee used a color two-sided brochure for a door-knocking event on August 13, 2022, that did not have the Blaha committee disclaimer, but instead had a disclaimer that stated “This is an independent expenditure prepared and paid for by the MN DFL Party, 255 E. Plato Blvd., St. Paul, MN 55107. It is not coordinated with or approved by any candidate nor is any candidate responsible for it.” The complaint alleged that the Blaha committee and State Auditor Blaha participated in the dissemination of campaign materials that did not have the correct disclaimer required by Minnesota Statutes section 211B.04. The complaint also alleged that the Blaha committee coordinated with the Democratic-Farmer-Labor Party (DFL Party) in the production of the brochure.

2. Counsel for the Blaha committee and the DFL Party stated that the brochure in question was an independent expenditure because 1) the DFL Party “made an expenditure for the design and printing” of the brochure; 2) the brochure “expressly advocates for the re-election of Julie Blaha as the State Auditor”; and 3) the brochure “was designed and produced without any involvement or coordination, or approval, whether express or implied, of the Blaha committee.” The brochure in question was used in a door-knocking event organized by the DFL Party for several DFL candidates. State Auditor Blaha attended the event, knocked on doors at approximately twenty residences, and delivered the brochure to those residences. Minnesota Statutes section 10A.176, subdivision 7, provides that an expenditure is a coordinated expenditure if it “is made with the candidate's participation in . . . any of the processes required for the creation and development of the expenditure, including . . . distribution of the final product.” A coordinated expenditure is a type of approved expenditure, which is a contribution and is not an independent expenditure. In this case, the brochures delivered to residences by State Auditor Blaha were not in the public domain until she distributed them at the DFL Party event. On October 5, 2022, the Board found that there was probable cause to believe that a violation occurred and directed the Board’s executive director to open a staff review to conclude the investigation and seek to resolve the matter through a conciliation agreement with the Blaha committee.

3. Minnesota Statutes section 211B.04 requires campaign material to contain a disclaimer that identifies the person or campaign committee that prepared or disseminated the material. The Blaha committee agrees that the value of the brochures disseminated by State Auditor Blaha during the door-knocking event to approximately twenty residences was a coordinated expenditure and not an independent expenditure. While the brochure was produced and paid for as an independent expenditure by the DFL Party, the dissemination of the brochure by State

Auditor Blaha at the door-knocking event destroyed the independence of the expenditure with respect to the brochures disseminated by State Auditor Blaha. The Blaha committee thereby disseminated campaign material with an incorrect disclaimer in violation of Minnesota Statutes section 211B.04.

4. The DFL party paid \$1,107.89 to produce 7,500 copies of the brochure in question. The value of each brochure was approximately \$0.15. State Auditor Blaha distributed twenty of the brochures during the August 13, 2022, door-knocking event, with an approximate value of \$3.00.

5. 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. In this case, State Auditor Blaha distributed approximately twenty brochures with an incorrect disclaimer; however, the value of those brochures was only \$3.00. While the specific brochures disseminated by State Auditor Blaha incorrectly stated that they were independent expenditures, the disclaimer accurately reflected that the DFL Party paid to produce the brochures. This is the Blaha committee's first violation of the disclaimer requirement and there is no evidence in the record indicating that the violation was willful. The violation was not self-reported, but rather was discovered as a result of the complaint.

6. The Blaha committee agrees to the imposition of a civil penalty in the amount of \$100 for distributing a brochure with an incorrect disclaimer in violation of Minnesota Statutes section 211B.04.

7. If the Blaha 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/ Julie Blaha
State Auditor Julie Blaha
Minnesotans for Julie Blaha

Dated: January 14, 2023

/s/ Faris Rashid
Faris Rashid, Chair
Campaign Finance and Public Disclosure Board

Dated: December 15, 2022