

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

**Findings and Order in the Matter of the Complaint of Todd Redmann  
Regarding Glenn Gruenhagen**

**Summary of the Complaint and Response**

On August 30, 2010, the Campaign Finance and Public Disclosure Board (“the Board”) received a complaint from Todd Redmann regarding Glen Gruenhagen (“Respondent”), a candidate for the House of Representatives in District 25A. Mr. Gruenhagen’s principal campaign committee registered with the Board as the “Gruenhagen for House” committee (“the Committee”).

Mr. Redmann (“Complainant”) alleged that the Committee had “a large and growing number (several hundred) 4’ x 8’ and 2’ x 4’ signs showing up across our district” and that the signs “almost invariably” were posted together on the same posts with other Republican candidates’ signs.

Complainant had reviewed the Gruenhagen committee’s pre-primary-election Report of Receipts and Expenditures filed with the Board and concluded that it did not disclose any expenditure for campaign signs. In a supplement to the original complaint, Mr. Redmann stated that signs were up prior to July 19, 2009, which was the last date for transactions which must be included on a candidate’s pre-primary-election report.

In support of his complaint, complainant submitted 22 photographs of Gruenhagen signs that were currently on display in the district. Two typical examples are attached to and made a part of these Findings.

The complaint clearly alleges a violation of Minnesota Statutes Chapter 10A for the failure to report campaign expenditures for the purchase of campaign signs. The complaint also discusses coordination between campaigns based on the fact that signs appear together on the same posts. When a complaint raises clear issues, the Board will investigate all possible violations arising from the facts before it.

Mr. Redmann’s allegations about coordination and sharing of sign posts raise the question of whether there were in-kind contributions between candidates’ principal campaign committees or from others in the form of the use of sign posts provided by other than the owner of the sign attached to the posts. Depending on the facts, such in-kind contributions may be reportable or may be prohibited.

Complainant also alleges that a number of the Gruenhagen signs were placed on individual owners’ property without permission. This allegation does not fall within the scope of Chapter 10A and will not be investigated by the Board.

The Board notified Mr. Gruenhagen of the complaint and offered him an opportunity to respond. A response was received on September 21, 2010.

In his response, Mr. Gruenhagen acknowledges that the Gruenhagen for MN House committee did, in fact, purchase signs prior to the July 19, 2010, cutoff date for transactions to be included on the pre-primary-election report. According to an invoice provided by Respondent, a total of

250 2' x 4' signs, ten 4' x 8' signs, and 250 16" x 24" signs were purchased, along with 250 heavy wire sign stands.

Mr. Gruenhagen indicates that the invoice for the sign production was received on July 14, 2010, but was not paid at that time. In explanation, Mr. Gruenhagen states "Some discrepancies were discussed with the vendor by phone along with the possibility of additional signs so it was not until after July 19th that I was fully satisfied with the invoice."

With regard to the shared use of the sign posts, Mr. Gruenhagen states in his response:

"My wife and I have been active in politics helping post political signs for almost 30 years. The rebar I'm currently using has been collected over a 30 year period of time and stored in my shed by my home."

["Rebar" is steel concrete reinforcement bar used in construction. It is commonly cut to length and used as posts for campaign signs.]

Continuing, Mr. Gruenhagen states regarding other candidates that his "understanding is the rebar being used is from previous elections and has accumulated over a long period of time . . ."

Mr. Gruenhagen states that most of his signs were put up by volunteers and he is unaware of any volunteer purchasing new rebar. In a telephone conversation with Board staff Mr. Gruenhagen related that he used his own supply of rebar for signs that he put up, but that volunteers who put up signs for him and other candidates used their own supplies. Mr. Gruenhagen states that volunteers who put up signs in elections often accumulate a supply of rebar over the years. He believes that the practice of re-using rebar is consistent with what has been done in past elections. He does not know specifically the source of any rebar or posts used for his signs that were put up by volunteers.

Campaign Finance Board staff further investigated the use of campaign sign posts in state campaigns. In particular, staff spoke with members of caucus party units. It appears that many signs, particularly for candidates in legislative races, use rebar for sign posts.

The staff investigation revealed that in many cases district party units or local party activists have become repositories for used rebar. Rebar is made available to candidates who need it and returned when no longer needed. Candidates who purchase rebar may eventually give it to a party unit when it is no longer needed by the committee. A retiring candidate may pass rebar on to a new candidate in the district.

There appear to be ample supplies of used rebar in existence that is used over and over. There appears to be a longstanding practice in Minnesota of re-using rebar and making it available to whoever needs it. To a lesser extent the same applies to other forms of posts used to support campaign signs.

While large supplies of rebar seem to exist in the largest major parties, the Staff investigation indicated that for the Green Party; Minnesota's only minor party, no such stocks exist. However at present, the Green Party, having fewer candidates, has less need for large supplies of sign posts. The Green Party reports that it does have a small supply of wire sign supports that it can make available to its candidates.

## **Board Analysis**

### **Unreported campaign expenditures**

An expenditure by a principal campaign committee occurs at the time the principal campaign committee incurs an obligation to pay for goods or services, even if those goods or services will not be delivered or provided until some future date. An expenditure that is not paid at the time it occurs results in an advance of credit, which is referred to as an "unpaid bill" on campaign finance reporting forms.

All financial transactions through the closing date for a reporting period must be included on Reports of Receipts and Expenditures. For the pre-primary-election Report of Receipts and Expenditures, the closing date was July 19, 2010. Respondent was required to include all campaign expenditures made on or before that date on his pre-primary-election report.

The fact that Respondent found discrepancies in the invoice that were discussed with the vendor or the fact that more signs might be ordered are not valid reasons to omit a financial transaction from a Report of Receipts and Expenditures.

Respondent should have included the entire agreed price for the signs as an unpaid bill on his pre-primary-election Report of Receipts and Expenditures and on the next report should make any necessary adjustments to reflect changes in the actual amount paid.

Pursuant to Minnesota Statutes Section 10A.025, Subd. 4, a treasurer is required to file an amended report within 10 days of becoming aware of a required correction to a report. After reviewing its own records and concluding that unpaid bills should have been included on its pre-primary-election report, the Committee filed an amended report on September 28, 2010.

### **Unreported use of rebar**

Based on Mr. Gruenhagen's response, it appears that the rebar he used for signs he put up himself came from his own accumulation. For signs put up by volunteers, the rebar came from either the volunteers' own supplies or from other supplies. The staff investigation suggests that these other supplies could be maintained by other candidates, by party activists, or by party units. It is unclear whether anyone other than the original purchaser of rebar claims actual ownership of the material. The investigation suggests that post material, which seems to be essentially communally owned, is passed around and stored by whoever is willing to provide the space.

The staff investigation and the experience of Board members who are former legislators confirms the widespread use of freely available used rebar. While this availability is concentrated in the largest political parties who have had many candidates over many years, at least one smaller party reports beginning to accumulate wire sign holders that are more widely used in metropolitan areas.

Statutes provide that if an individual, a party unit, or another candidate provides use of property that has a recognizable value for campaign finance purposes, an in-kind contribution occurs. The Board has not previously considered the question of in-kind contributions based on the temporary use of used rebar.

Chapter 10A is clear that any purchase of new rebar or sign posts is a reportable transaction. That is not the question that arises as a result of the present complaint.

With respect to used rebar, three questions are presented:

(1) If an individual or party unit that has accumulated used rebar or other posts allows a candidate to use those posts during an election, does a contribution result that is recognized and reportable under Chapter 10A.

(2) If a candidate has an accumulation of used rebar that was previously reported as an expenditure by the original purchaser, then uses that rebar for the candidate's own signs or allows another candidate to use or share that rebar, does a contribution result that is recognized and reportable under Chapter 10A?

(3) If the original purchaser of rebar or sign posts no longer has use for the material and gives it to a party unit or another individual for later re-use in election campaigns, does a recognized and reportable transaction occur?

These three questions may be summarized more generally by asking if Chapter 10A requires the tracking of rebar after its initial purchase through each subsequent holder and recording each use of each piece of rebar through subsequent elections.

When interpreting statutes, the Board must implement the legislature's intent based on the words of the statute. When legislative intent cannot be clearly ascertained in a particular situation, Minnesota Statutes Section 645.17 provides guidance. That section states that when considering legislative intent it must be assumed that "the legislature does not intend a result that is absurd, impossible of execution, or unreasonable".

Based on a long history of shared rebar and sign posts, and recognizing the impossible logistics of tracking each piece of rebar, the Board concludes that in most cases Chapter 10A does not require tracking or reporting of use of rebar or sign posts subsequent to the reporting of the initial purchase.

The position of the Board expressed in the preceding paragraph should not be understood to create a means of avoiding campaign spending or contribution limits. Any purchase of new rebar by an individual or entity must be reported as a contribution to the candidate's principal campaign committee that will benefit from it. Additionally, any evidence that sign post material is purchased and then contributed to a communal supply for the purpose of avoiding contribution or spending limits will be subject to recognition as a contribution and an expenditure based on the facts surrounding the transaction.

The Findings and Order in this matter are based on the specific facts raised by the Complaint. The conclusions reached do not extend beyond the sharing of used campaign for signposts.

**Based on the above Summary of the Facts and the Relevant Statute, the Board makes the following:**

#### **Findings Concerning Probable Cause**

1. There is probable cause to believe that Gruenhagen for MN House principal campaign committee violated Minnesota Statutes, section 10A.20, Subd. 3, when it failed to report unpaid obligations for the production of campaign signs on its pre-primary-election Report of Receipts and Expenditures.

2. The Gruenhagen committee filed an amendment to its pre-primary-election report on September 28, 2010, disclosing the previously unreported obligation.
3. There is probable cause to believe that the violation of section 10A.20, Subd. 3, occurred due to the committee's incorrect understanding of its reporting obligations and not in an attempt to avoid required disclosure.
4. For the reasons discussed in the Board Analysis section, there is no probable cause to believe a contribution or expenditure transaction that must be recognized under Chapter 10A occurred as the result of shared rebar posts for the Gruenhagen committee's signs.

**Based on the above Findings, the Board issues the following:**

**Order**

1. No civil penalty is imposed on the Gruenhagen for MN House principal campaign committee due to the fact that the reporting violation was corrected by the filing of an amended report.
2. The Board investigation of this matter is concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes, section 10A.02, Subdivision 11.

Dated: October 5, 2010



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Bob Milbert, Chair  
Campaign Finance and Public Disclosure Board

## Sample Photographs

