



COMPLAINT FOR VIOLATION OF THE ETHICS IN GOVERNMENT ACT

CAMPAIGN FINANCE & PUBLIC DISCLOSURE BOARD

06 JUN 20 11 09 AM

All information on this form is private and confidential until a finding is issued by the Board.

Information about complaint filer

Name of complaint filer		FRANK WRIGHT	
Address		500 CALHOUN AVES.	
City, state, zip	LANES BORO, MN 55949	Daytime telephone no.	507-467-2620

Identify person/entity you are complaining about

Name of person/entity being complained about	PEOPLE FOR (GREGORY) DAVIDS COMMITTEE		
Address	308 PLEASANT ST NE		
City, state, zip	PRESTON, MN 55965		
Title of respondent (if applicable)			
Board/Department/Agency/District # (if legislator)			

Frank H. Wright

6/23/2006

Signature of person filing complaint

Date

Send completed form to: Campaign Finance & Public Disclosure Board
Suite 190, Centennial Building
658 Cedar Street
St. Paul, MN 55155

If you have questions call: 651/296-1721; 800/657-3889; or
3529 for TTY/TDD communication contact us through the Minn. Relay Service at 800/627-3529
Board staff may also be reached by e-mail at: cf.board@state.mn.us.

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Give the statute cite of the portion of Chapter 10A, or Minn. Rules you believe has been violated. _____

You will find the complete text of Minn. Stat. §10A and Minn. Rules Chapters 4501 - 4525 on the Board's website at www.cfboard.state.mn.us

Minnesota Rules, Chap 4503.0900, subp. 3

MS 10A.18 MS 10A.20 Subd.13 10A.01, subd. 26 & subd. 3(6) & subd. 3(1)

Nature of complaint

Explain in detail why you believe the respondent has violated Chapter 10A, the Ethics in Government Act. Attach an extra sheet of paper if necessary. Attach any documents, materials, minutes, resolutions or other evidence which support your allegations.

Attached is a complaint (pgs 1-14, exhibits 1-11) prepared & signed by MARGARET J. HANSON, FRANK H. WRIGHT, and HARLIN TAYLOR, all of Lanesboro, Minnesota.

Minn. Stat. 10A.02, subd 11 - Violations; enforcement.

The board shall investigate any alleged violation filed in writing with the board. For an alleged violation of sections 10A.25 (expenditure limits) or 10A.27 (additional limits) the board shall either enter into a conciliation agreement or make a public finding of whether or not there is probable cause, within 60 days of the filing of the complaint. For alleged violations of all other sections, the board shall within 30 days after the filing of the complaint make a public finding of whether or not there is probable cause to believe a violation has occurred.

The deadline for action may be extended by a majority vote of the board. Within a reasonable time after beginning an investigation of an individual or association, the board shall notify that individual or association of the fact of the investigation. The board shall make no finding without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations.

Any hearing or action of the board concerning a complaint or investigation shall be confidential until the board makes a public finding concerning probable cause or enters into a conciliation agreement.

Except as provided in section 10A.28, after the board makes a public finding of probable cause the board shall report that finding to the appropriate law enforcement authorities.

Campaign Finance And Public Disclosure Board
First Floor South
Centennial Office Building
658 Cedar Street
St Paul, MN 55155-1603

INTRODUCTION

We, the undersigned citizens of Minnesota House of Representatives District 31B (complainants) ask the Campaign Finance and Public Disclosure Board (the Board) to review this complaint and the attached exhibits and grant the relief requested.

Complainants' purpose in taking this action is to uphold the requirements of the Minnesota Ethics in Government Act and to end what complainants assert are serious and ongoing campaign finance violations committed by the People for (Gregory) Davids Committee (Davids Committee). Complainants would not take this action if the violations were isolated, inadvertent, de minimis or technical in nature. Because taxpayer dollars are involved, complainants believe that it is especially important that the Davids Committee comply with the law.

Based on the facts that complainants have been able to determine from review of Davids Committee reports and from financial records of the Minnesota House of Representatives, complainants believe that the Davids Committee has abused the category of "constituent services non campaign disbursements" – in particular travel and postage expenses. These expenses have not been justified with the required meaningful information and therefore should be disallowed. Complainants further believe that the facts set forth in this Complaint, including the accompanying Exhibits, raise at least two serious questions.

First, has Rep. Davids, personally, benefited from improper reimbursement of expenses by the Davids committee?

Second, has Rep. Davids engaged in a pattern of misusing the "constituent services non campaign disbursement" exception to unlawfully evade the limits that apply to campaign expenditures?

The People for Davids Committee's 2005 report claims a total of \$35,495.47 as noncampaign disbursements. At this time Complainants dispute \$6,884.76 of these disbursements due to lack of required justification of the expense. Complainants further request a detailed and complete paper audit of the Davids Committee 2005 report in the belief that, upon further examination, other disbursements will be found to be impermissible. The lack of required detail in the Davids Committee reports make it impossible to determine whether funds are being either properly categorized or properly spent.

In both 1998 and 2004 the Board allowed Rep. Davids to respond to Board concerns and a complaint, respectively, by undocumented assertions. Complainants request that with regard to this Complaint the Board itself analyze the facts and examine underlying documentation.

The campaign finance law prevents complainants from seeking relief for violations of the Davids Committee prior to 2005. However, complainants note that the Board may, on its own motion, decide to review Davids Committee reports for the years 2002, 2003 and 2004 to determine whether remedial action or any penalties are required. In this Complaint, Complainants have cited various examples from years prior to 2005 as justification for the request that the Board conduct a detailed audit of the Davids Committee reports for 2002, 2003, 2004 and 2005.

Complainants ask the Campaign Finance and Public Disclosure Board to consider the facts, the law and the issues raised by this complaint and provide the requested relief as soon as possible.

In requesting relief, complainants rely on the following statutes, rules and Board rulings.

LAW

It is a basic and often stated requirement of Minnesota Statutes Chapter 10A, the Ethics in Government Act, that any expense – such as out of district travel - which is classified as a noncampaign disbursement must be justified by sufficient documentation that is also meaningful. In addition, such disbursements must be narrowly interpreted.

Advisory Opinion # 320 states this guiding principle: *”Examination of the reporting provisions of Minnesota Statutes, section 10A makes it clear that a primary purpose of those provisions is to provide the public with meaningful information about how registered entities are using money raised for political purposes.”*

The Campaign Finance and Public Disclosure Board has consistently stated *”Generally, funds in a candidate’s principle campaign committee may only be used for expenditures related to the conduct of an election campaign as listed in Minn. Stat. Chapter 211B.12, specific noncampaign disbursements contained in Minn. Stat. section 10A.01, subd. 26, or other activity that the Board determines involves a noncampaign disbursement within the meaning of subdivision 26.”* (Foreward, Advisory Opinion #346).

Minnesota Rules, Chapter 4503.0900, subp. 3, states: *Reporting purpose of noncampaign disbursements. “Itemization of an expense which is classified as a noncampaign disbursement must include sufficient information to justify the classification.”*

In the opinion section of Advisory Opinion #318 the Board states: *“The Board also notes that political contributions are often refunded to donors through the political contribution refund program. The effect of this refund is that donor money is replaced by public money. The state’s public subsidy program encourages use of public money for the election of candidates. However, the fact that public money may also be used for noncampaign disbursements requires that those categories of committee spending be narrowly interpreted.”*(Emphasis added).

Campaign committee funds may not be paid to candidates for their personal use. This principle was reaffirmed as recently as April 12, 2006, in Advisory Opinion # 379, which stated that Minn. Stat. 211B.12 clause 7 provides money collected for political purposes *“...may not be converted to personal use”*.

Minnesota Statutes, section 10A.20, subd.3 (g) states that a report must disclose *“the amount, date and purpose of each expenditure”* and subd. 3(l) states *”The report must disclose the name and address of each individual or association to whom noncampaign disbursements have been made that aggregate in excess of \$100 within the year by or on behalf of the reporting entity and the amount, date, and purpose of each noncampaign disbursement.”* (Emphasis added).

The requirement that the amount, date and purpose of a non campaign disbursement be disclosed applies to third party reimbursements. *“Third-party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred”*. Minn. Stat. 10A.20 Subd. 13

Further, to the extent that a third party or any creditor seeks to be paid from campaign committee funds, there are clear requirements for both time limits and written claims or bills. Minn. Stat. 10A.18 **Time for rendering bills, charges, or claims; penalty.**

A person who has a bill, charge, or claim against a

political committee, political fund, principal campaign committee, or party unit for an expenditure must render in writing to the treasurer of the committee, fund, or party unit the bill, charge, or claim within 60 days after the material or service is provided. A person who violates this section is subject to a civil penalty imposed by the board of up to \$1,000.

The Board is authorized by law to conduct audits necessary to ensure that campaign committees comply with the Ethics in Government Act. Candidates and committees established on their behalf are required to keep records.

10A.025 Subd. 3 Record keeping; penalty.

A person required to file a report or statement must maintain records on the matters required to be reported, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, that will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness. The person must keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the reports or statements or of changes or corrections to them. A person who knowingly violates this subdivision is guilty of a misdemeanor.

Minn. Rules Chapter 4503.0010, states in part

Subp. 6. **Services for a constituent; constituent services.** "Services for a constituent" or "constituent services" means services performed or provided by an incumbent legislator or constitutional officer for the benefit of one or more residents of the official's district, but does not include gifts, congratulatory advertisements, charitable contributions, or similar expenditures.

ISSUE ONE

Should \$3,180 claimed for out of district mileage in 2005, classified by the Davids Committee as a noncampaign disbursement ("constituent services") and paid to Rep. Davids personally, be disallowed on the grounds that the 2005 campaign finance report does not contain sufficient information to justify the classification and, therefore, the disbursement?

FACTS

In all of 2005, Rep. Davids was reimbursed \$6,438 by the Legislature for traveling 14,734 miles outside of his district. In addition, Rep. Davids allegedly traveled an additional 7,415 miles outside of his district the same year, in order to "serve his constituents" and was paid a total of \$3,180 to reimburse him for what the Davids Committee report simply calls "out of district mileage."

Complainants requested and received information about Rep. Davids' legislative expense reimbursements from Paul Schweizer, Controller of the Budget and Accounting Office of the Minnesota House of Representatives. (See Exhibit 1 for detail on out of district travel reimbursements paid to Rep. Davids for 2002-2005)

DISCUSSION

There is no meaningful information in the 2005 Davids Committee Report to shed any light on Rep. Davids' claimed travel outside of his district. What services were provided? To whom? What was the subject matter, purpose or nature of the service? No facts at all are given to justify the payment of these funds to

Rep. Davids by the Davids Committee. Complainants ask the Board to look closely at Rep. Davids entire travel reimbursement lifestyle before ruling on this issue.

First, during the months the 2005 Legislature was in session. Rep. Davids received \$2,219 from the Legislature for travel outside of his district. Virtually all of that amount was for round trip travel from Preston to St. Paul and back, approximately once a week. That expense appears reasonable and appropriate. Why was it then necessary for Rep. Davids' campaign committee to pay him the additional amount of \$1,792 during the session? Did he indeed make another 19 round trips to return to his district mid-week during the Session? Why? The Campaign report is totally silent as to justification for this expense. There is no documentation or detail other than the simple statement "out of district travel/constituent service" and a date corresponding to various amounts - presumably the date of the travel.

Second, examination of the interim months raises even more disturbing questions. During the 2005 interim, Rep. Davids was paid a total of \$3,967 by the Legislature to reimburse him for traveling 8,883 miles inside his district. Presumably this enabled Rep. Davids to do his job and serve his constituents who live in the district by attending meetings and events, visiting important facilities. etc.

Also, Rep. Davids was paid an additional \$4,219 by the Legislature to travel a total of 9,254 miles outside of his district during the 2005 interim. 7,424 of those miles were for 32 round trips from Preston to St. Paul. (Note - \$218.43 of the \$4,219 was for out of state travel. See Exhibit 2 for details on Rep. Davids' use of legislative and campaign funds for the purpose of out of state travel.)

Complainants question the expenditure by the Davids Committee of the additional amount of \$1,388 so that Rep. Davids could be reimbursed for 2,939 miles of travel outside his district during the interim.

It is hard to imagine a justification, especially in light of the fact that he was also reimbursed with legislative funds for 9,254 miles of travel outside the district during that same period. Nothing is present in the 2005 Davids Committee report to enlighten anyone looking for the answer to this question.

The law does not require the public to imagine reasons for campaign committee expenditures. To the contrary, the law requires campaign committees to document and justify expenditures, especially non-campaign disbursements. Complainants have searched in vain for the "meaningful information" which would allow them to know why Rep. Davids deserved to be personally paid by his campaign committee the total amount of \$3,180 for travel outside his district during 2005.

Complainants assert that any person who works in the private or public sector would be unable to claim reimbursement for miles traveled by submitting a claim along with nothing more than a statement which says "doing my job". Most employers, public and private, would at least require that the claimant provide information as to the travel destination and the purpose for the travel, such as "meeting with Mr. Smith" or "fact finding tour of the widget plant". Complainants believe that most taxpayers would be surprised to learn that apparently legislators can be paid sizeable sums from their publicly subsidized campaign coffers by simply stating that miles were traveled "for constituent service".

The "amount, date and purpose" information which is in the Davids Committee Report is not meaningful. It does not include the required sufficient information to justify the classification. On its face, the Report is insufficient and the payment of \$3,180 from the Davids Committee to Rep. Davids should be disallowed.

RELIEF REQUESTED

Complainants ask that the Board require

- 1) Rep. Davids to personally repay the amount of \$3,180 to his campaign committee
- 2) the People for Davids Committee to file all future reports by means of the Campaign Finance Reporter software developed and maintained by the Campaign Finance and Public Disclosure Board and
- 3) Rep. Davids and his campaign fund treasurer to attend training in compliance with the requirements of Chapter 10A of the Minnesota Statutes.

ISSUE TWO

Should \$3,704.76 claimed for postage in 2005, classified by the Davids Committee as a noncampaign disbursement (“constituent services”) and paid to the U.S. Postal Service, be disallowed on the grounds that the 2005 campaign finance report does not contain sufficient information to justify the classification and, therefore, the disbursement?

FACTS

In 2005, Rep. Davids received a postage allotment of \$1,776, to be used for legislative business, which would certainly include services to constituents. Every House member receives a postage allotment each year. See Exhibit 3, House Resolution in Postage, dated Jan. 6, 2005. See also Exhibit 4 which is a chart summarizing Davids’ Committee postage expenditures from 2001 through 2005.

In 2005, the Davids Committee reported total costs of \$4,608.96 for postage. Of that amount, \$3,704.76 was categorized as a non campaign disbursement, under the “constituent services” classification. The amount of \$904.20 was classified as a campaign expenditure.

The 2005 Campaign Finance report of the Davids Committee does not contain any of the detail or meaningful information that is required to justify the classification of \$3,704.76 in postage as “constituent services”. There is a total absence of any explanation for these relatively huge postage costs. There is nothing but an unsupported claim that these costs were incurred for “constituent services”. Therefore, complainants ask that the Board disallow this expenditure.

Complainants ask that the Board consider this challenge to the Davids Committee classification of \$3,704.76 as noncampaign disbursements in the context of the amount which the Davids committee reported for postage for campaign expenditures in 2005, which was \$904.20. It is important to note the dates of these postage expenses. The amount of \$103.60 was reported spent in January, 2005. The entire remaining \$800.60 in postage was reported as purchased in December, 2005.

It is simply not believable that Rep. Davids spent only the small sum of \$103.60 for campaign related postage for the first eleven months of 2005, especially considering that he also raised \$38,137.00 in those same eleven months. Complainants question whether it would be possible to raise that amount of money with a postage cost of only \$103.60. Even if Rep. Davids raised it all over the phone or in person, thank you letters or PCR receipts would require more postage than that. Complainants know that Rep. Davids in the past has sent out at least some letters requesting campaign contributions. (See Exhibit 5, which is one example of a letter from Rep. Davids seeking contributions)

It also is not believable that there could have been any unspent campaign expenditure postage funds carried forward from 2004. In that year the Davids committee reported campaign direct mail expenses totaling \$6,004.17, which would presumably include some postage costs. Other than that direct mail amount, which could not be carried over into 2005, the Davids Committee reported total 2004 campaign postage expenses of only \$17.82. (Another \$470.20 of postage was claimed to be “constituent service” and only reported as a campaign expenditure because the law requires that 50% of those constituent services expenses, when

incurred in the 60 days following sine die adjournment of the House, be classified as campaign expenditures.)

How could the Davids committee have spent a total of only \$17.82 in all of 2004 or \$904.20 in 2005 (\$800.60 of that in December- presumably for carryover to the 2006 election year) for postage in the campaign expenditure category? Complainants find these figures incredible, and an additional justification for disallowing the \$3,704.76 claimed for postage expenditures for "constituent services" in 2005, in the absence of any meaningful documentation to support the claimed expenditure.

Complainants are cognizant of the fact that in its Findings and Order issued on October 15, 2004, the Board dismissed a complaint challenging certain postage expenses in 2004 as non campaign disbursements. However, complainants believe this issue deserves another look in light of the Davids' Committee's ongoing pattern of reporting disproportionately small postage expenditures for campaign purposes and disproportionately large disbursements for non campaign purposes. Complainants believe that the figures reported will not stand up to scrutiny,

Complainants call the Board's attention to the October 15, 2004 Findings, which accepted Rep. David's undocumented explanation for reporting small amounts for postage for campaign expenditures in 2004. Rep. Davids told the Board that he used postage purchased in 2003 to help pay for a January, 2004 fundraising mailing and the Board noted that Committee funds had indeed been used to buy postage in December, 2003. Complainants note that the amount spent in December, 2003 was only \$37.00. The Board also accepted Rep. Davids' response that he had a large amount of "constituent services" postage expense because he sent "two large informational mailings to constituents". Examination of the 2004 final Davids Committee report shows at least 21 separate dates between January and July, 2004 where Rep. Davids purchased postage. No purchase of postage is shown between July 10 and November 9. Complainants have not been able to detect from the 2004 Report evidence of "two large informational mailings". Complainants believe that much more work needs to be done to examine the Davids Committee reporting and classification of postage expenses in 2005 and prior years.

RELIEF REQUESTED

Complainants ask that the Board require

- 1) Rep. Davids to personally repay the amount of \$3,704.76 to his campaign committee
- 2) the People for Davids Committee to file all future reports by means of the Campaign Finance Reporter software developed and maintained by the Campaign Finance and Public Disclosure Board and
- 3) Rep. Davids and his campaign fund treasurer to attend training in compliance with the requirements of Chapter 10A of the Minnesota Statutes.

ISSUE THREE

As an alternative to or in addition to disallowing the payment of \$3,180 of out of district mileage expense disbursement to Rep. Davids and \$3,704.76 disbursement for postage, should the Board conduct a detailed paper audit of the People for Davids Committee records and the records of Rep. Davids, to determine whether the People for Davids Committee has violated the Minnesota Ethics in Government Act in ways that cannot now be detected based on the incomplete and inadequate documentation contained in the 2005 report as well as reports from prior years?

DISCUSSION

Complainants fervently believe that if there ever were a case for carefully and completely auditing the papers, records and accounts of a legislative campaign committee and the legislator for whom it was established, that case is now before the Board. Complainants offer the following as the basis for a finding by the Board that a detailed audit is both necessary and proper in this case.

LACK OF MEANINGFUL INFORMATION

There was in 2005 a notable lack of information supplied by the People for Davids committee to justify certain non campaign disbursements. Facts relating to this point are more fully described in the Issue One and Issue Two sections above.

CANDIDATE, NOT TREASURER, PERSONALLY PREPARES ALL REPORTS

Complainants' examination of Davids Committee reports going back to 1992 show that all reports have been prepared by Rep. Davids personally, in his own handwriting. The Committee Treasurer, Matthew Quanrud, signed the reports from 1992 through 1997. Since 1998, all the reports have been signed by Rep. Davids.

On Dec. 31, 2005, according to the 2005 Davids Committee report, treasurer Matthew Quanrud was paid \$300. for "accounting fees". In 2004, he was paid \$500. in "accounting fees".

The Davids committee has chosen not to take advantage of the software which greatly assists campaign committees who wish to remain in compliance with the law and to run in a professional, transparent and efficient manner.

DOES CANDIDATE, NOT TREASURER, WRITE ALL DAVIDS COMMITTEE CHECKS?

The Complainants are aware of no evidence showing that Rep. Davids' treasurer actually performs any of the work of the Davids Committee. For example, when Rep. Davids was required to pay fines by the Board in 2004, the People for Davids committee checks were all signed by Rep. Davids. Complainants do not know if Rep. Davids is in the habit of signing all the checks from his Campaign Committee's account himself. But if he does, that certainly would be noteworthy and warrant further investigation. An audit would quickly resolve this point.

HISTORY OF NON COMPLIANCE

Both Rep. Davids and the Davids Committee have a history of problems regarding compliance with both the letter and the spirit of the Minnesota Ethics in Government Act

On October 15, 2004 the Board found that Davids Committee had improperly classified as constituent services various "idea ads" which were found to not meet the required definition of constituent services. The Board further required Rep. Davids to repay to his committee amounts he had been improperly reimbursed for various hotel expenses in 2001 through 2004 and also dismissed various challenges to Rep. Davids Committee Reports.

(Actions subsequent to 2004 Board Order - Rep. Davids was instrumental in persuading the 2005 Legislature to amend the law to allow unlimited expenditures of campaign committee funds in the future for materials such as the "idea ads". Complainants feel compelled to observe that this new law provides a significant benefit to any incumbent, regardless of party affiliation. It creates a large opening for serious undermining of the original primary purpose of the Ethics in Government Act, which is to publicly fund elections and to level the playing field.)

In 1997 the Davids Committee failed to supply complete information to the Board and misclassified campaign expenditures as "constituent services". On March 23, 1998 the Board had to request additional

information, which resulted in reclassification of \$1,204.31 from non campaign expense (constituent services) to campaign expense. See Exhibit 6 for a copy of the Board's letter and Exhibit 7 for Rep. Davids' response. The Davids Committee has been on notice at least since 1998 that non campaign disbursements must be reported in detail:

"To describe the purpose of each noncampaign disbursement, provide a detailed description of the actual goods or services purchased and their ultimate use. ... It is not sufficient for the purpose of this review to list only the broad categories of noncampaign disbursements as set forth in Minn. Stat. 10A.01, subd. 10C.

March 23, 1998 letter from Billie Errico, Compliance Officer, to Davids Committee.

FAILURE TO FULLY COMPLY WITH 2004 BOARD ORDER

Despite his ongoing travails with the Campaign Board and presumably heightened awareness of the rules, Rep. Davids apparently continues to have difficulty complying with Minnesota campaign finance laws. He cannot be relied upon by the Board to self-police or to comply with the law or the rulings of the Board. Closer oversight is needed.

For example, Rep. Davids was ordered by the Board in its Order dated October 15, 2004 to repay hotel costs not allowed to be paid for with campaign funds.

"Rep. Davids is ordered to reimburse the Committee for his additional lodging costs and to provide the Board with a copy of the check reimbursing the committee within 30 days of receipt of this order.

Representative Davids is directed to review his reports of Receipts and Expenditures for the calendar years 2001, 2002, and 2003 and to reimburse his committee for any lodging costs paid for during those years."

Davids did personally pay \$ 2,574.38 pursuant to that Order. However, an examination of the amount paid for 2001 compared to his actual impermissible hotel costs for 2001 reveals that he neglected to repay costs incurred on May 25, June 8 and July 11, totaling \$308.85.

LACK OF RESPECT FOR CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

An article published in the Feb. 15, 2006 Winona Daily News relating to Rep. Davids' 2004 fine reported the following: "Of the legislators who voted to pass the previous law, Davids said, 'I'm not sure what they were smoking that day, but it was pretty strong.' Davids blamed the finance board, as well as the former law, for the fine. 'I got fined for something that everyone was doing,' he said. 'For some reason, the Board messed up.' He called the Board "a total waste of state government tax dollars" and said all state elected officials should instead operate on 'full disclosure'."

In a follow up clarification published by the Winona Daily News on February 25, Rep. Davids stated that his earlier statement about the legislature smoking something pretty strong was taken out of context. It was meant, Rep. Davids said, "to apply not to former legislators, but to the campaign finance board that issued the fine."

Finally, Rep. Davids, who serves as chair of the House Agriculture Committee, can be heard on a tape of a House Agriculture Committee meeting held April 19, 2006, in a clear reference to himself, saying "There are some times when people are fined by state agencies and they didn't do anything wrong." This audio recording is available at www.house.leg.state.mn.us/audio/archivescomm.asp?comm=1&ls_year=84

QUESTIONABLE REPORTING OF CAMPAIGN POSTAGE EXPENDITURES

Complainants assert that it is simply not believable that Rep. Davids' political postage expenditures have been such a small percentage of his total postage expenditures over the years. See Exhibit 4 for more detail.

This is a man who routinely raises and spends more political money than any other House member. It takes money, including postage, to generate these large sums. See Exhibit 5 for one example of a typical Davids

fundraising letter. This letter states it was not printed at government expense. Presumably the cost of printing and postage was borne by the Davids Committee. Presumably many letters like these are sent out by the Davids committee each year, as well as follow up thank you letters.

There are also postage costs for sending out PCR receipts. The Board website reveals that in the years 2002, 2003 and 2004, respectively, Rep. Davids received \$24,043, \$28,806 and \$20,915, respectively, in funds from the Political Contribution Refund program. Using 2004 as an example, if half the receipts were for \$100 and half for \$50, that would require mailing 278 letters for a postage cost of about \$100. for that expense alone. Yet in that year, an election year, the Davids Committee shows a total expense of only \$17.82. for campaign related postage (other than the \$6,004.17 attributable to a direct mailing service) for the entire year.

Rep. Davids is known throughout his district for his long standing habit of sending many congratulatory letters, sympathy cards and other greetings. The costs of sending such greetings have been clearly determined by the Board to be political in nature and therefore properly categorized as campaign expenses. Rep. Davids was put on notice at least as early as March, 1998 (See Exhibit 6) that costs of such mailings are to be reported as campaign expenses.

See Exhibit 8, a copy of a congratulatory letter sent to two of the complainants, subsequent to publication of a birth announcement in a local paper. It would appear that the cost of mailing this particular congratulatory letter was borne by the legislature and, therefore, the taxpayers. It would be a question for the Legislature, not the Board, as to whether this use of the legislative postage allowance complies with the requirement that it be spent for no other purpose but "legislative business".

Exhibit 8 does provide one example of Rep. Davids' widespread practice of sending letters and cards. Should the Board require it, no doubt other examples or affidavits could be produced by Complainants. Without an audit, it is impossible to know how many of these cards and letters get sent each year and where the money comes from to pay for this.

In any case, when realistic costs for postage for fundraising, mailing thank yous and receipts to contributors, and mailing congratulatory letters and sympathy and other cards are taken into account, it seems highly doubtful to Complainants that the Davids report is truthful in its claim that so little postage should be classified as campaign expenditures in the years 2002-2005.

LACK OF PAYEE INFORMATION

In 1997, the Davids Committee Report did not contain payee detail, and that fact was challenged by the Board. For 1998 and 1999, detail was supplied. In 2000, only partial information appears in the Reports. For the years 2001 through 2005 there is often no payee detail. It is not uncommon for various office expenses to be listed (office supplies, computer repair, toner for copier) as well as food and beverage expenses with no indication of what entity actually provided the listed service or product. For example, Rep. Davids was paid \$552.64 by his committee for "office furniture" allegedly purchased Nov, 20, 2001. No payee information is in the report to show who actually supplied the furniture.

LARGE AMOUNTS OF PAYMENTS TO DAVIDS PERSONALLY

See Exhibit 9, which sets forth the amounts paid annually to Rep. Davids personally by his committee, in the years 2001-2005. The chart also compares these amounts to expenditures by all other House campaign committees, by way of comparison.

Complainants respectfully submit that such high levels of personal reimbursements, especially in the absence of required payee information in the Committee Reports, raises a red flag and warrants further scrutiny by means of an audit.

MILEAGE REIMBURSEMENT PAYMENTS TO DAVIDS PERSONALLY IN DECEMBER

A review of Davids Committee reports for the years 2002 to 2005 shows a pattern of large payments made to Rep. Davids each December for “out of district mileage”. Aside from the fact that there is no meaningful information to justify these expenses (See preceding discussion relating to Issue One) the basic listing of the “date, amount and purpose” is not possibly accurate. For example, it is inconceivable that Rep. Davids drove 996 miles on Dec. 31, 2005.

The years and amounts of mileage reimbursement paid in December by the Davids Committee to Rep. Davids personally are set forth in Exhibit 10, along with other information about his December travel. Has Rep. Davids gotten into the habit of paying himself a Christmas bonus from his Campaign Committee funds? Complainants cannot determine the truth with the information now available to the public. Perhaps Rep. Davids has “bundled” various travel expenses over a period of time, and that is the explanation for large reimbursement payments, especially in December. However, the law requires that the date, amount and purpose be specified for each permissible Campaign Committee expenditure.

In addition, the law does not allow for delays in claims for reimbursements. Minn. Stat. 10A.18 requires that written bills must be submitted or claims made within 60 days after the material or service is provided. This would include claims for travel reimbursement by the candidate. It is important that this time requirement be enforced. If it is not, then Campaign Committee Reports will not be meaningful documents and will not show the true status of a campaign’s finances in a timely manner. The fact that a sizeable civil penalty is provided for violation of this provision emphasizes its importance.

Finally, even if a claim is not paid right away it must be shown as an unpaid bill as soon as the obligation is incurred. To do otherwise would make the required Campaign Committee Reports meaningless, especially those filed in the middle of campaign years. Only with a thorough audit can these questions be adequately answered.

PATTERN OF MAXIMIZING COMPENSATION

Rep. Davids has a pattern of maximizing his compensation. For example, in 2004 he claimed more per diem reimbursement than any other member of the Minnesota House. In 2005 he ranked second and in 2003 he ranked fourth. These facts are not significant in and of themselves. However, in the context of the other facts and circumstances raised in this Complaint, this pattern is yet another red flag.

DAVIDS COMMITTEE LEADS ALL OTHER HOUSE FUNDS IN TOTAL SPENDING

The People for Davids Committee for years has raised and spent more than any other House campaign committee – either for incumbents or challengers. (See Exhibit 9)
Rep. Davids has on several occasions publicly claimed to be proud of his high level of non campaign expenditures, on the grounds that his constituents get a high level of service from him.

Complainants take a different view of Rep. Davids’ excessive non campaign expenditures. Complainants have come to believe that Rep. Davids has skirted the requirements of the Ethics in Government Act, in order to enrich himself and to circumvent the political expenditure limits that are applied to candidates, like Rep. Davids, who accept public subsidies.

Only a detailed audit will reveal the truth. Minnesota taxpayers in general and the citizens of House district 31B in particular deserve to know the truth. The overwhelming majority of candidates of all parties who comply with the letter and the spirit of the Ethics in Government Act also deserve to know the truth.

QUESTIONABLE OUT OF STATE TRAVEL EXPENDITURES

Rep. Davids traveled out of state at least nine times in the years 2002-2005 to attend meetings of the National Conference of Insurance Legislators (NCOIL). The costs of these trips have been paid in part by Davids Committee funds and in part by the Minnesota House of Representatives, primarily from the Commerce Committee budget. In 2005, costs relating to Rep. Davids' NCOIL travel were paid from the House Agriculture Committee budget and nothing was reported as paid by the Davids Committee. See Exhibit 2.

The Davids Committee spent large amounts of money in 2002 through 2004 for NCOIL related travel. It appears from the Davids Committee reports that the Committee considers these non campaign disbursements permissible as "payments of candidate's expenses for serving in public office." Complainants challenge this characterization of these disbursements and request a ruling by the Board on this point.

If the Board upholds the use of Campaign Committee funds for out of state travel under this broad category of expenses for serving in public office, it will create yet another large opening for the essentially unregulated use of publicly subsidized political funds by incumbents. It also will perpetuate a system for financing out of state travel by legislators which is not transparent or easy to understand. If it is necessary and proper for Legislators to travel out of state – as it most certainly sometimes is - then the costs of such travel should be accounted for in legislative budgets.

In the case of Rep. Davids, it was necessary to examine both House of Representatives records and Campaign Committee reports to piece together an accurate and complete picture of his out of state travel activities. There is no rhyme or reason to what expenses were paid by which source. It certainly does not make sense for the Agriculture Committee, for example, to pay for Rep. Davids to spend two days in Newport, R.I. improving his relationships with people who work in the insurance industry.

If this practice is upheld, it will be much more difficult for any citizen or reporter interested in what the Legislature may be spending for out of state trips to keep track of what is actually going on. If the trips are justifiable, Complainants believe that the Legislature should provide that justification through its normal budgetary processes.

Even if these out of state travel expenses are found by the Board to be an allowable use of campaign funds, the expenditures should be audited, and perhaps disallowed, due to the lack of detail and discrepancies regarding the amount, date, and purpose of the expenditures.

For example, in November, 2004, Rep. Davids attended an NCOIL conference in Duck Key, Florida, for five days. He was paid a total of \$1,409.03 from legislative funds (the House Commerce committee) to reimburse him for the cost of five days of per diem, airfare, hotel and parking. The Davids Committee additionally reimbursed Rep. Davids in the amount of \$760.35. The purpose of the expense is not specified. Based on various records of Davids' out of state NCOIL travel, \$350 of the Campaign committee reimbursement should probably have been allocated to the standard NCOIL registration fee. That leaves an unexplained amount of \$410.65. Complainants request that Rep. Davids be required to repay that amount personally to his Committee. Given that he was paid per diem, hotel and travel expenses by the Legislature, it is difficult to imagine a legitimate purpose for this additional reimbursement which was paid by the Davids Committee.

POSSIBLE FAILURE TO SEPARATELY ACCOUNT FOR COSTS OF CONSTITUENT SERVICES OFFICE AND INSURANCE BUSINESS OFFICE

Rep. Davids has maintained a year round "constituent services" office in Preston since 1999 and has spent tens of thousands of dollars for rent and utilities and for equipping it with furniture, file cabinets, computers, copiers, phones and other office equipment and supplies. He also has held himself out to be an active insurance agent. In 2004, Rep. Davids' insurance business card listed the phone number and address of his "constituent services" office. See exhibit 11. The Davids Committee reports show that the Davids Committee has never received payment or reimbursement from Rep. Davids' insurance business for the use of any committee assets. A physical and paper audit would reveal whether and when Rep. Davids has ever acquired a parallel set of file cabinets, phones, computers, copiers, furniture and fax which he has used to operate his insurance business. If those items do not exist or were recently acquired then Complainants ask that the Board require proper reimbursement to the Committee for the value of Committee assets used by Rep. Davids to conduct his private business activities.

RELIEF REQUESTED

Complainants ask that

1. the Board require Rep. Davids to personally repay the amount of \$308.85 in disallowed 2001 hotel costs to the Davids Committee.
2. with regard to Rep. Davids' travel to Duck Key, the Board rule that NCOIL travel related expenses are not allowed to be paid with Campaign Committee funds or, in the alternative, require Rep. Davids to personally repay the amount of \$410.65, on the grounds that no justification for that expenditure has been provided.
3. the Board require the People for Davids Committee to file all future reports by means of the Campaign Finance Reporter software developed and maintained by the Campaign Finance and Public Disclosure Board.
4. the Board require Rep. Davids and his campaign fund treasurer to attend training in compliance with the requirements of Chapter 10A of the Minnesota Statutes.
5. the Board require Matthew Quanrud to provide a written bill describing the accounting services provided to the Davids Committee in 2005, along with the dates those services were provided.
6. the Board conduct a detailed audit, for as many years as the law allows, of the records and physical business equipment assets of the People for Davids Committee, Rep. Greg Davids personally and Greg Davids' insurance business to determine whether Davids Committee funds have been properly categorized and spent.
7. the Board examine detailed records relating to Rep. Davids' claims for reimbursement for out of district travel and other reimbursements. If the facts show that Rep. Davids has violated the 60 day rule by untimely submission of claims, Complainants request that the statutory civil penalty of \$1,000 be applied to Rep. Davids for each separate violation.

CONCLUSION

Complainants ask the Campaign Finance and Public Disclosure Board to hold the People for Davids Committee to the same standards of campaign spending and reporting practices as are met by the vast majority of legislators and candidates in the State of Minnesota.

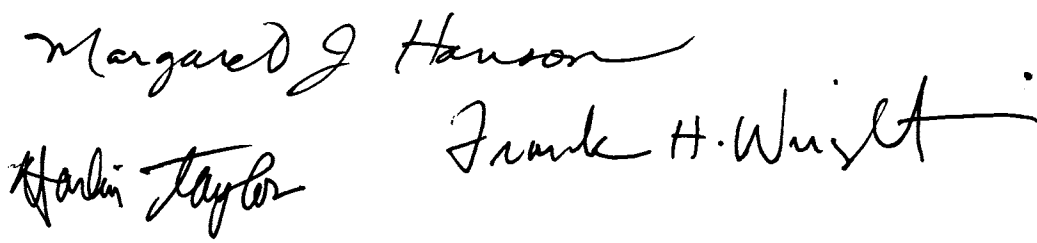
In particular, complainants request that Rep. Davids be required to personally repay his Committee for all the amounts spent by the Committee in violation of the law. Complainants further request that the Davids Committee be required to significantly improve its reporting and recordkeeping practices so that meaningful information is available to the public and so that improper classifications and reimbursements no longer occur.

Complainants are ordinary citizens, none of whom has received any payment for the great amount of time spent in both preparing, understanding and reviewing this complaint. It is unfortunate that it has become necessary for citizen volunteers to do the work necessary to enforce the Ethics in Government Act. However, the undersigned complainants support the purpose and intent of the Ethics in Government Act and believe that it is their duty to bring these issues to the attention of the Board and the public.

Complainants are also of the opinion that the ongoing excesses and lapses engaged in by Rep. Davids and his campaign committee have made a mockery of the law, to the detriment of the public in general as well as the overwhelming majority of candidates and officeholders of all parties who regularly follow both the letter and the spirit of the law. Complainants believe that Rep. Davids has been and continues to be disrespectful of the law, the Board and its staff.

Complainants, with the resources available to them, have taken this matter as far as they are able by the act of preparing and filing this Complaint. They now respectfully request that the Board carry out its responsibility to apply the Ethics in Government Act and to hold Rep. Davids accountable for his behavior.

Margaret J. Hanson
Frank H. Wright
Harlin Taylor



Lanesboro, MN 55949

Date: June 23, 2006

TABLE OF EXHIBITS

- Exhibit 1:** Rep. Davids' Travel Reimbursement Payments for 2002-2005
- Exhibit 2:** Summary of Rep. Davids' out of state travel reimbursements for attending meetings of the National Conference of Insurance Legislators (NCOIL)
- Exhibit 3:** Minnesota House Postage Resolution dated 1/6/05
- Exhibit 4:** Summary of Rep. Davids postage expenses
- Exhibit 5:** Example of a fundraising letter sent by Rep. Davids

Exhibit 6: March 23, 1998 letter from Campaign Finance and Public Disclosure Board to Matthew Quanrud, Treasurer, People for (Gregory) Davids Committee requesting additional information for Report of Receipts and Expenditures covering the period of calendar year 1997

Exhibit 7: March 25, 1998. Greg Davids' reply to Ethical Practices Board concerning the March 23, 1998 request to Matthew Quanrud, treasurer, People for (Gregory) Davids Committee.

Exhibit 8: Example of congratulatory letter sent by Rep. Davids

Exhibit 9: Summary of amounts paid to Rep. Davids personally by the Davids Committee and comparison of Davids Committee receipts to those of other House campaign committees

Exhibit 10: Summary of Rep. Davids' travel and reimbursements for months of December

Exhibit 11: Copy of business card used by Rep. Davids in 2004

Exhibit #1.doc

2002 – 2005 Rep. Davids Out-of-District Travel Reimbursements (does not include out-of-state travel)

Year	Miles Traveled			\$ Reimbursed to Rep. Davids Personally			Source
	Session	Interim	Total	Session	Interim	Total	
2002 – LF	4,214	2,507	6,721	\$1,538	\$915	\$2,453	LF
2002 – CF	3,964	7,696	11,660	\$1,447	\$2,809	\$4,256	CF
2003 – LF	4,719	8,139	12,858	\$1,699	\$2,930	\$4,629	LF
2003 – CF	3,441	9,975	13,416	\$1,239	\$3,591	\$4,830	CF
2004 – LF	3,712	6,263	9,975	\$1,392	\$2,348	\$3,740	LF
2004 – CF	1,392	3,024	4,416	\$522	\$1,134	\$1,656	CF
2005 – LF	5,480	9,254	14,734	\$2,219	\$4,219	\$6,438	LF
2005 – CF	4,476	2,939	7,415	\$1,792	\$1,388	\$3,180	CF

Sources: People for Davids Committee, Reports of Receipts & Disbursements; Office of Controller, MN House of Representatives

Note

All CF disbursements for out-of-district travel were categorized as “constituent services” in Davids Committee reports. These figures do not include interim travel allowance from legislative funds, used for Davids’ in-district travel.

LF = Legislative Funds

CF = Campaign Committee Funds

Exhibit #2.doc

2002 – 2005 Rep. Davids: Out-of-State Travel to Attend Conferences of NCOIL (National Conference of Insurance Legislators)

Destination	Conference Dates	Registration \$	Airfare & Taxi \$	Mileage & Parking \$	Meals \$	Hotel \$	Per Diem ⁽¹⁾ \$	Unspecified \$	Total \$
San Francisco, CA	11/22 - 11/?? 2002		125.00 (CF)	62.00 (CF)	107.01 (CF)	681.84 (CF)		649.00 (CF)	1624.85
Boston, MA	7/11 - 7/14 2002		60.00 (CF)	125.44 (CF)	40.00 (CF)	669.73 (CF)		666.50 (CF)	1561.67
Savannah, GA	2/20 - 2/23 2003			65.00 (CF)		476.00 (CF)		1628.44 (CF)	2169.44
Williamsburg, VA	7/9 – 7/13 2003	350.00 (LF)	341.50 (CF)	83.52 (LF)	197.88 (CF) 591.32(LF)			350.74 (CF)	1914.96
Santa Fe, NM	11/20 - 11/23 2003	350.00 (LF)	114.50 (CF) 111.32 (CF)				174.00 (LF)	634.32 (CF)	1384.14
Duck Key, FL	11/17 - 11/21 2004		489.70 (LF)	87.00 (LF)		552.33 (LF)	280.00 (LF)	760.65 (CF)	2169.68
Chicago, IL	7/14 - 7/18 2004	350.00 (LF)		412.00 (LF)		592.88 (LF)	280.00 (LF)		1634.88
San Antonio, TX	3/3 - 3/?? 2004		370.70 (CF)	56.00 (CF)				958.36 (CF)	1385.06
Newport, RI ⁽²⁾	7/8 - 7/7 2005	350.00 (LF)	656.91 (LF)	280.43 (LF)		290.00 (LF)	132.00 (LF)		1689.34

Notes

1. Rep. Davids has routinely accepted per diem to the maximum extent possible when the legislature is in session.
2. For the Newport trip, all legislative funds, except for the per diem, are from the House Agriculture Committee.

1 COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

2 Resolution on Postage

3
4 BE IT RESOLVED, by the Committee on Rules and Legislative Administration, that
5 each member of the House of Representatives receives a postage allotment of \$1,776 for 2005
6 and \$888 for 2006. The Speaker, Majority Leader and Minority Leader each receives an
7 additional allotment of \$1,776 in each year. (One who takes office after February 1 in any year
8 receives a proportionate share of the allotment for that year, calculated from the beginning of the
9 month in which the member takes office.) Balances from 2005 carry over to 2006. Balances on
10 December 31, 2006 are cancelled.

11 In addition, mailings may be charged by the Speaker to the Speaker's account, by the
12 Majority Leader to the budget of the Committee on Rules and Legislative Administration, by the
13 Minority Leader to the minority caucus budget, and by a committee chair to the committee
14 budget.

15 Members and staff must use the House's postage meter or the Department of
16 Administration's MailComm postage meter, located in the Department of Transportation
17 Building, for all large or regular mailings. For convenience in handling correspondence in small
18 numbers or when the House postage meter is unavailable,

19 (a) each member receives a portion of the postage allotment annually in the form of
20 stamps (12 100-stamp rolls of first class stamps issued when the member takes office and 12
21 rolls issued in January 2006); and

22 (b) the Postmaster may provide a roll of stamps to the Majority Caucus, Minority Caucus,
23 Chief Clerk's Office, Fiscal Analyst Department, House Information Services, House Research
24 Department, House Administrative Services and the Sergeant-at-Arms Department, upon written
25 request of the director.

26 The House Postmaster must maintain a record of postage used and stamps distributed
27 under this resolution. The Postmaster must inform members of the status of their postage
28 allotment in a timely manner.

Exhibit #4.doc

2001 – 2005 Postage Costs: Rep. Greg Davids

Year	Legislative Allotment (for "legislative business") \$	Davids Committee Non-Campaign Disbursements (constituent service) \$	Davids Committee Campaign Expenditure \$	Total Postage Cost \$
2001	1,632.00	3,494.98	282.38	5,409.36
2002	888.00	5,509.70	1,354.56 (958.58) ⁽¹⁾	8,710.84
2003	1,776.00	4,279.36	524.70	6,580.06
2004	888.00	3,942.79	17.82 (470.20) ⁽¹⁾	5,318.81
2005	1,776.00	3,704.76	904.20	6,384.96

Source of Data: Davids Committee Reports of Receipts & Expenditures;
Minnesota House of Representatives, Office of the Controller

Notes

1. This is one-half of "constituent services" postage within 60 days of legislative adjournment sine die. With the exception of an October bulk processing order of indeterminate postage, the Davids Committee would have the Board believe that it ran its entire 2004 political operation on \$17.82 in U.S. postage.

Gregory M. Davids
State Representative

District 31B
Fillmore, Mower, Winona
and Olmsted Counties



Minnesota House of Representatives

CHAIR-COMMERCE, JOBS and ECONOMIC DEVELOPMENT
COMMITTEES: JOBS and ECONOMIC DEVELOPMENT FINANCE;
ETHICS, REGULATED INDUSTRIES, ELECTRICAL ENERGY TASK FORCE



Dear Friends and Neighbors:

Welcome to 2004! It sure seems that time flies by these days. I sincerely hope you had a great 2003, and that the upcoming year will be filled with blessings, happiness and good fortune for you and your families.

For me personally, the past year in the Legislature was filled with many tough decisions and careful choices. As you know, we faced a \$4.5 billion deficit. We were able to come together as Minnesotans and solve most of that economic mess without raising your tax burdens. It's that kind of cooperation and accomplishment that always makes me so confident in Minnesotans and their abilities to overcome obstacles.

While the economy is growing briskly again, you can not foresee what the future holds and we must remain on fiscal guard. It is important that legislators from all parties strive to work together to tackle the problems that lie ahead and find fair solutions for all those involved. With the 2004 session of the Minnesota Legislature set to start in early February, you have my word that I will work with everyone to make sure we do what is best for you, your family and your friends and neighbors.

It will cost over \$25,000 to run my re-election campaign. That includes things such as my legislative questionnaire and session wrapup, radio and newspaper ads, brochures and mailings. I can not do these things without your much-appreciated continued financial contribution.

I would appreciate your generous donation. You can contribute and participate in the Minnesota Political Contribution Refund program and your contribution can cost you nothing! If you gave in 2003, you can now take part in the 2004 refund program. Through the PCR program, you can receive a full refund of your donation, up to \$50 per individual or \$100 per married couple. You and every adult in your home can write a check to the People for Davids Committee for up to \$50 per person and get it all back. Shortly after receiving your donation, my committee will send you a receipt and form to send in to get your refund. On average, refunds will be returned to you in about 4 to 6 weeks.

Please remember, if I can be of any assistance to you, please do not hesitate to contact me.

As Always Yours,
Your Friend,



Gregory M. Davids
State Representative

District 31B
Fillmore, Mower, Winona,
and Olmsted Counties

93 MAR 26 AM 11:00
CAMPAIGN FINANCE
PUBLIC DISCLOSURE



Minnesota House of Representatives

LEAD REPUBLICAN • FINANCIAL INSTITUTIONS, BANKING AND INSURANCE; CAPITAL INVESTMENT; ENVIRONMENT
AND NATURAL RESOURCES FINANCE; SUBCOMMITTEE ON INTER-AGENCY COLLABORATION AND EFFICIENCY

March 25, 1998

12604-31B

Ethical Practices Board
Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Dear Gary and Billie,

I would like to thank you for taking the time to visit with me regarding my 1997 report. I will try to clarify the issues we discussed. If this letter does not adequately address your questions, please let me know and I will give you any information you need.

Each issue is addressed below as I noted them at our meeting.

1. Walter Drake labels - these are return address labels used for constituent services only.
2. As a member of the legislature we are allotted a certain amount of postage for constituent services. With my volume of mail, the amount provided is totally inadequate. My postage purchases are for constituent service mailings. I usually exhaust my state postage in April or May and must finish the rest of the year's constituent services with postage from my campaign fund.
3. I have two phones for constituent services only. I use Cellular 2000 more, but I have kept the AT&T Wireless as a back up. Another reason I have kept it is that I have a very inexpensive government rate that I do not wish to forfeit.
4. I rent a classroom at the former Harmony Elementary School for constituent meetings. In 1997 the school sold the building to the city, so now the rent checks go to the city. This is constituent services only.
5. As we discussed, the D & D Variety entry is for constituent services envelopes and letterhead. It also includes large envelopes bought to send sixth graders packets for Minnesota project assignments.
6. The other office supplies are primarily copy machine toner and drums, fax paper, copy paper, etc. for constituent services only.
7. Lodging is for the amount charged by the Kelly Inn above what we are allowed for lodging during the session.



CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
First Floor South, Centennial Building
658 Cedar Street . St. Paul, MN 55155-1603

DATE: March 23, 1998

TO: Matthew Quanrud, treasurer #12604
People for (Gregory) Davids Committee
308 Pleasant Street NE
Preston, MN 55965

FROM: Billie Errico *B. Errico*
Compliance Officer

SUBJECT: Request for additional information for Report of Receipts and Expenditures covering the period of calendar year 1997

A review of the report identified above found that the filing is incomplete and that additional information is required to clarify reported information.

Your disclosure for noncampaign disbursements on Schedule B requires additional explanation regarding the specific purpose of each disbursement.

If the noncampaign disbursements are to individuals for reimbursement of expenses incurred Minn. Stat. §10A.20, subd. 13 requires that you report the purpose of the expense being reimbursed. Please provide a detailed description of the expenses being reimbursed including the names and addresses of original vendors, dates and amounts of each expense, and the specific purpose of the expenditure.

To describe the purpose of each noncampaign disbursement, provide a detailed description of the actual goods or services purchased and their ultimate use. Minn. Rules 4503-0900, subp. 3, states that itemization of an expense which is classified as a noncampaign disbursement must include sufficient information to justify the classification. You should also list the specific noncampaign disbursement under which you believe each disbursement falls. It is not sufficient for the purpose of this review to list only the broad categories of noncampaign disbursements as set forth in Minn. Stat. §10A.01, subd. 10C.

Under Minn. Rules Chapter 4503.0100, subp. 6, honor roll ads, sympathy, congratulatory and other cards, as well as any expenses associated them, are campaign expenditures.

Please review your records and supply the additional information either by submitting an amended report or by supplying the information by letter. You should file your response to the request with this office no later than April 2, 1998.

When all reports have been received and entered, a reconciliation of contributions made and received between committees will be conducted. You may receive additional correspondence

Gregory M. Davids
State Representative

District 31B
Fillmore, Mower, Winona
and Olmsted Counties



Minnesota House of Representatives

CHAIR-COMMERCE, JOBS AND ECONOMIC DEVELOPMENT
COMMITTEES: ECONOMIC DEVELOPMENT AND TOURISM DIVISION;
JOBS AND ECONOMIC DEVELOPMENT FINANCE; REGULATED INDUSTRIES; EHTICS

March 18, 2005

Peggy Hanson and Frank Wright
106 Coffee Street E
Lanesboro, MN 55949

Dear Peggy and Frank:

Congratulations on the birth of your grandson, Samuel Booth! I am sure that you are both very proud of the new arrival. I wish you joy as you watch him grow. Many exciting experiences await you as a grandparent.

Children are truly a wonderful gift of life and happiness.

Again, congratulations. If I can ever be of assistance to you or your new grandson, please do not hesitate to contact me.

Sincerely,

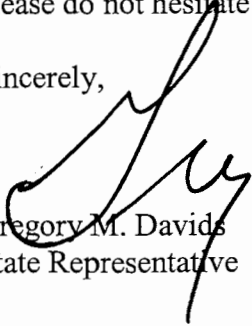

Gregory M. Davids
State Representative



Exhibit #9**Dauids Committee Expenditure Information**

Year	\$ Paid to Rep. Davids Personally ⁽¹⁾	\$ Total Davids Committee Expenditures	\$ Average Total Expenditures of All Other House Campaign Committees ⁽²⁾
2001	6,573.09	34,698.00 ⁽²⁾	6,711.00
2002	9,822.31	64,312.00 ⁽²⁾	18,156.00
2003	13,937.40	48,367.00 ⁽²⁾	6,847.00
2004	6,289.52	54,936.00 ⁽²⁾	22,681.00
2005	7,396.54	43,826.00 ⁽¹⁾	Not yet available

Notes

1. Source: People for Davids Committee Reports of Receipts and Expenditures.
2. Total includes expenditures for non-campaign disbursements, campaign expenditures, and any other miscellaneous permitted expenditures, such as to a party unit. Source: Campaign Finance and Public Disclosure Board Annual Summaries.

Exhibit #10.doc


Rep. Davids Travel Reimbursements and Mileage Comparison: "Annual" versus "December Only"

Year		Out-of-District Travel, "Constituent Services" paid for by Davids' Committee Funds \$	Out-of-District Travel paid for by Legislative Funds \$	In-District Travel paid for by Legislative Funds \$	Annual Total Travel Costs \$	Annual Total Miles Traveled
2002	Total	<u>4,256.41</u>	<u>2,453.00</u>	<u>4,176.00</u>	<u>10,885.41</u>	<u>29,823</u>
	December Only	1,246.12	84.68	506.75	1,837.55	5,034
2003	Total	<u>4,829.87</u>	<u>4,628.67</u>	<u>3,067.05</u>	<u>12,525.30</u>	<u>34,792⁽¹⁾</u>
	December Only	1,137.34	1,082.16	438.15	2,658.65	7,382 ⁽²⁾
2004	Total	<u>1,656.00</u>	<u>3,740.00</u>	<u>3,415.65</u>	<u>8,811.65</u>	<u>23,498</u>
	December Only	1,047.10	0	0	1,047.10	2,792
2005	Total	<u>3,180.68</u>	<u>6,438.63</u>	<u>3,967.05</u>	<u>13,586.36</u>	<u>30,259</u>
	December Only	896.03	112.52	590.28	1,598.83	3,297

Notes

1. Rep. Davids would have had to average driving 238 miles every day in December including Christmas, to justify the amounts reported by his committee in 2003.
2. The Davids Committee has not reported any expenditures for travel, for any purposes, by Rep. Davids inside his district except \$307.80 reported by Rep. Davids subsequent to the Board's Order dated October 15, 2004.

Exhibit
11

 **EMC**
National Life Company

GREGORY M. DAVIDS
Regional Manager
An Independent Agent
License #1013030

P.O. BOX 32
Preston, MN 55965
Ph: 507-765-2790
Fax: 507-765-9814

Cell 507 951-3893

HOME OFFICE 4095 NW Urbandale Drive, Urbandale, Iowa 50322-7914