



# M U L T I S T A T E

## [Senate GOP gets OK to create private club for legislators, lobbyists during session](#) (Minnesota)

Senate Republicans last month received approval from the Minnesota Campaign Finance Board to create a private meeting space for legislators and lobbyists and other dues-paying members, raising concerns about transparency and undue influence and access.

A spokeswoman confirmed that the Senate Victory Fund, the Senate GOP's campaign committee, sought the Finance Board opinion on its proposal to lease meeting space accessible to lawmakers and members who pay a fee.

“The space will be used, in part, to support the development of legislation that supports the party’s political agenda,” [the advisory opinion said](#). “Passage of legislation and development of policies that are in line with the party’s goals will directly support the election of party candidates.”

It’s unclear if Senate Republicans will pursue the plan. Requests seeking more information this week from a Senate GOP spokeswoman, Rachel Aplikowski, and an email sent to Senate Majority Leader Jeremy Miller, R-Winona, were not returned.

Advocates for governmental transparency, however, said the plan could grant access to large corporations but not to regular Minnesotans. Here’s why it matters.

### *What’s the issue?*

Under state law, legislators are prohibited from accepting campaign contributions during the legislative session, which begins in late January. The pandemic and other security concerns have also greatly reduced public access to the Capitol complex, including to lawmaker offices.

### *The Senate GOP plan*

The advisory opinion contains details of the proposal by Senate Republicans: “The party unit intends to lease space for use by the party unit, elected members of the party, staff, and invited

guests during the legislative session. In order to use the facility, elected members of the party will be required to pay a membership fee that is specifically for access to the facility.”

The space will not be open to the general public. Membership will also be offered to non-elected officials, i.e. lobbyists and other individuals who have business before the Legislature. Senate Republicans will have discretion over who can join.

Food and beverage would be available for purchase, as well.

#### *What does the Campaign Finance Board say?*

The advisory opinion makes clear that the membership fee would be considered a campaign contribution and would need to be reported.

On the key question of whether the membership fee would violate state law on the ban of campaign contributions during the session, it says: “Although access to the meeting facility will be provided during a regular legislative session, the contribution occurs when payment of the membership dues is physically received by the party unit, or if the party unit accepts payment of membership dues through electronic means, on the date when the lobbyist makes the contribution,” it says.

#### *What critics are saying*

David Schultz, a Hamline University political science professor, said the plan would be a step backward for transparency in government.

“What the board essentially did here is sanction a private club where, even if this money is disclosed, lobbyists now get special access to legislators,” he said. Such a plan, he said, would “revert us back to a pre-Watergate era.”

Minnesota currently has a D- grade from the Center for Public Integrity, which gave the state poor marks for government transparency. CPI ranks Minnesota 44th in the country for its legislative accountability.

Annastacia Belladonna-Carrera, director of Common Cause Minnesota, said her group plans to formally address the advisory opinion with the Campaign Finance Board.

The advisory opinion says lobbyists should pay membership fees from personal funds. If they are reimbursed by a corporate client, the contribution would need to be reported.

Belladonna-Carrera says that creates a potential loophole to hide the influence of a corporation.

“This is the rub there: what other reason would a lobbyist have to join and pay out of pocket for this exclusive pay-to-play ‘membership’ other than to advance the interests of the corporation, business, or other entity they are employed under?” she said.

### **Sen. Braun's campaign accused by FEC of breaking campaign finance laws** (Indiana)

Republican Sen. Mike Braun's 2018 campaign has been accused of accepting millions of dollars of potentially improper loans in a [Federal Election Commission memorandum and draft audit](#) released this week.

Braun's campaign, however, argues in a response to the FEC that all the loans and contributions were legal.

State Democrats are now accusing the Hoosier of stealing a U.S. Senate seat and said Braun "cheated his way to his so-called victory."

Braun took out Democratic incumbent Sen. Joe Donnelly during the 2018 campaign after a tight, nationally-watched race, a victory due in part to Braun's ability to self-finance his campaign.

The race was a crucial one: since Donnelly's ouster, no Democrat has held statewide office in Indiana.

The FEC auditors were concerned because it appeared Braun accepted bank loans that did not require collateral.

Joshua Kelley, Braun's chief of staff and senior political advisor, said the report that was sent to the FEC Commissioners for review is only a draft and does not include information from documents submitted by the campaign late last week.

"If you have read the documents that the campaign committee has since provided to the FEC or listened to the recent hearing with the FEC commissioners, it is clear that the final version of the FEC's audit report will conclude that all the loans fully complied with the law," Kelley said in a statement. "Sometimes these FEC audits require time to work themselves out; that has been the case here, and we're not the least bit concerned about how the process will end."

The report, which did not spell out any potential consequences, says that Braun received "apparent prohibited loans" and lines of credit totaling \$8.5 million.

Most of that money came from financial institutions "that did not appear to be made in the ordinary course of business" because the banks were not assured repayment. FEC auditors said that means they appeared to be prohibited contributions from financial institutions.

Braun's campaign argues in a written response to the draft audit posted on the FEC website that it's not abnormal for "creditworthy" individuals such as Braun to get unsecured lines of credit.

"It is the undersigned counsel's understanding and belief that the commercial lending institutions that made the Loans did so in their ordinary course of business (i.e., in their own commercial interests), and not for the purpose of influencing the outcome of the Candidate's candidacy," Chris Gober, an attorney for the campaign, wrote.

During a Nov. 10 FEC hearing, Gober said the campaign submitted more loan-related documents to the FEC on Nov. 4 after both the draft report and Nov. 3 memorandum accusing the campaign of breaking campaign finance laws had already been drafted. Thus, the FEC auditors' findings did not reference either.

The FEC did not immediately respond to questions from IndyStar about whether these documents would clear Braun of any wrongdoing.

FEC auditors also found two checks worth \$1.5 million from Meyer Distributing, a corporation Braun founded, that they say were incorrectly reported as a loan, according to the report.

Gober says that money came from Braun's "personal funds owned by the company to the candidate," and thus was reported correctly.

During the hearing, Gober said the campaign provided the stock redemption agreement as requested on Nov. 4.

According to the draft report, the FEC found seven mistakes or potential campaign finance violations:

- Misstatement of financial activity
- Failure to file 48-hour notices of contributions
- Failure to disclose contributors' occupations and/or name of employer
- Receipt of apparent prohibited contributions-loans

- Receipt of contributions in excess of the limit
- Failure to disclose memo entries and candidate loans
- Prohibited candidate personal loan repayments.

Braun's campaign blamed many of the clerical issues on a former treasurer, Travis Kabrick, who quit and who Gober said is no longer communicating with the campaign.

IndyStar's efforts to reach Kabrick were unsuccessful.

Mike Schmuhl, chairman of the Indiana Democratic Party, questioned whether Braun rightfully won the 2018 election and called on the Department of Justice, the United States Attorney for the Southern District of Indiana and the Indiana attorney general to investigate.

“It’s clear from the reporting that came out this morning that Mike Braun broke the law and stole a United States Senate seat in 2018,” Schmuhl said in a statement. “Today, Hoosiers need to ask themselves a sobering question: Do we have an illegitimately elected U.S. senator? Braun used \$8.5 million of ‘apparent prohibited loans’ to fuel his campaign — an amount of money that made his campaign much more competitive.”

Schmuhl also referenced Braun's pledge to push to overturn the 2020 presidential election results in January. Braun later [changed his mind](#) and voted to certify the election results after the Jan. 6 insurrection.

The FEC commission is now tasked with deciding whether Braun's campaign should face any consequences.

### **[Baltimore County executive proposes public campaign finance legislation](#)**

(Maryland)

Baltimore County Executive Johnny Olszewski Jr. announced a bill creating public financing that candidates for the Baltimore County Council and county executive could start using in 2026.

The bill, which will create what Olszewski and others have called a “fair election fund,” will be introduced at the council’s Nov. 15 session, streamed virtually. Democratic Council Chair Julian Jones and Republican Councilman David Marks are co-sponsoring the bill.

“Money should never be a barrier to running for office,” Olszewski said. And, as the [council is central to a redistricting debate that critics worry will underrepresent Black residents](#), Olszewski hopes the fund will “empower a more diverse group of candidates.”

The legislation would require candidates for council and county executive to meet different qualifying thresholds for eligibility. Council candidates who want to opt in first have to raise a total of \$10,000 in contributions from at least 125 donors. Those running for the county’s top seat must raise at least \$40,000 from 500 or more contributors. All contributors must be county residents.

That measure is meant to safeguard the fund from candidates running frivolous campaigns to take advantage of the funding, said Rishi Shah, a spokesman for Maryland PIRG, a member organization of the federation of state Public Interest Research Groups which advocates for various public interest issues.

“That would certainly be an abuse of the fund and something we don’t want to see,” he said. “Inclusion of the standards means that the fund can only be used by candidates who are running a serious campaign for office.”

Local candidates must accept only donations from individuals of up to \$250 and must refuse donations from political action committees, corporations and other candidates and political parties. There are also restrictions on family donations and loans.

For qualifying council candidates the county would provide matching funds on a sliding scale. For every eligible donation, a council candidate would get \$4 from the county for every dollar of the first \$50 donated; \$3 per dollar for each of the second \$50, and \$2 per dollar donated for the third \$50 increment.

That means a candidate who receives a \$50 donation could get an additional \$200 in matching funds. If a council member received the maximum donation of \$250, they’d get an additional \$450 from the county.

More money is available for county executive candidates, who could earn up to \$600 for each \$250 donation. They would see a \$6 match for every dollar donated for the first \$50; \$4 per dollar for the next \$50; and \$2 for the third \$50 donated. The county would stop matching after a single donor gives \$150.

When a candidate ends their run, any unspent money will be put back into the financing system.

Rep. John Sarbanes, a longtime proponent of public financing, said funding is a “critical element” to successful political campaigns.

“When you put these systems in place, not only does the broad public feel more respected — but you increase the diversity of the candidate pool,” he said during a news conference.

The legislation would also establish a nine-member Fair Election Fund Commission with members appointed to four-year terms from each of the seven councilmanic districts by the council and county executive, all approved by the council.

The commission would determine how much funding is needed to sustain the program for the upcoming election cycle, and make an annual recommendation to the county executive for each budget, according to county spokesman Sean Naron.

Naron pointed to a prior estimate that the program would cost Baltimore County [about \\$4.3 million per election cycle](#).

A work group spent six months [devising recommendations](#) for the legislation, setting thresholds on which candidates qualify for the program and the limits of matching funds and donations.

[Voters approved](#) public campaign financing by referendum during last year’s election. The measure was among top priorities for Olszewski, a Democrat, upon taking office in 2018.

[Proponents say the move levels the political playing field](#) by mitigating an economic barrier that keeps less affluent would-be candidates from running — thus encouraging a wider talent pool. The idea is to limit the influence of special interests on campaigns.

“The amount of money your family makes, your race, your gender, shouldn’t dictate the volume of your voice,” said Emily Scarr, director of Maryland PIRG, during a news conference.

State legislation approved in 2013 enabled Maryland counties to set up public campaign financing for local races. Montgomery County became the first to use it, in the 2018 election. Prince George’s County plans to do so in 2026.

In Howard County, voters passed the measure in 2106. The program is set to start in 2022. Baltimore City’s public financing is expected to go into effect for the 2024 election cycle.

## [With Whitmer recall threat over, campaign to disperse big-dollar donations](#)

(Michigan)

The Gov. Gretchen Whitmer campaign plans to disperse donations it accepted over the typical limit after determining recalls against Whitmer were no longer active.

“The campaign has fought tooth and nail against Republicans’ massive, coordinated recall effort to attack Governor Whitmer. With the recent decision of the Michigan Supreme Court and today’s statements from the bipartisan Board of Canvassers, we’re glad to see our efforts were successful and that the active recall petitions have concluded,” said Maeve Coyle, communications director for the Whitmer campaign.

Whitmer this year accepted contributions from individuals over the typical \$7,150 limit, relying on 1980s guidance from the Secretary of State saying contribution limits didn’t apply to candidates facing recall.

Whitmer faced a flurry of recalls, though none seemed poised to succeed. The statutory timeframe citizens have to recall Whitmer ends Jan. 1.

Her campaign’s legal team fought against recalls in court.

After the Michigan Supreme Court declined to take up an appeal in a case over a handful of recall efforts, the campaign on Monday announced plans to disperse the funds at a Board of State Canvassers meeting.

Whitmer collected close to \$4 million from the larger-than-normal contributions. It is unclear how much of that money the campaign spent on defending her against recalls in court, or how much will be dispersed.

The Michigan Republican Party and its chair, Ron Weiser, sued the Secretary of State over what they call the “excessive” contributions. That lawsuit is still pending in federal court, and the Whitmer campaign [has intervened](#).

As part of that lawsuit, a legal filing on behalf of the Secretary of State’s office said the department had interpreted the Michigan Campaign Finance Act “to require that any contributions collected by an office holder in excess of MCFA limits for purposes of opposing a recall must be returned or disgorged (for example, donated to a party or charity) if a recall election is not called.”

The conservative group Michigan Freedom Fund in a statement Monday urged Whitmer to return the donations, not “launder” them back into Democratic coffers. The group has [filed a campaign finance complaint](#) over the donations.

Whitmer is running for governor as an incumbent in 2022. The Republican field features a dozen candidates vying to challenge her for the seat.

### **State’s top fiscal watchdog cleared after six-year battle over campaign finance violations finally resolved – for now** (Illinois)

Illinois’ elections oversight board on Tuesday voted unanimously to end years-long dispute over campaign finance violations committed by Auditor General Frank Mautino’s campaign committee before he became the state’s top fiscal watchdog.

The State Board of Elections ruled Mautino and his now-defunct campaign committee didn’t knowingly violate state campaign finance law during his two-decade tenure as a Democrat serving in the Illinois House. “Knowingly” was the key word the Illinois Supreme Court asked the board to hone in on as it once again considered the what’s left in a complaint first filed with the board nearly six years ago.

The state’s high court earlier this year gave Mautino a half-win in the case, finding there was no evidence his campaign committee paid more than fair market value for goods and services bought with campaign dollars. But the court did find Mautino’s campaign committee violated state law in spending nearly a quarter million dollars on fuel and repairs for his and his associates’ personal vehicles when they were performing political work. Instead, the committee should have reimbursed those performing campaign work for gas mileage.

Nearly six months after that ruling, the board on Tuesday took up the issue once more, hearing from Mautino’s attorney that he and the treasurer in charge of his former campaign committee didn’t knowingly violate state campaign finance law — and from an attorney arguing that they definitely did.

“We already know that the actions violated the law, it’s just a question of whether they were done knowingly,” attorney Jeffrey Schwab said. “And we have lots of evidence that they were.”

Schwab, of the libertarian-leaning Liberty Justice Center, represents a former constituent of Mautino’s who filed the initial complaint against Mautino’s campaign committee in early 2016, shortly after Mautino was elevated to auditor general. He pointed out that as a legislator, Mautino voted for the campaign finance law at the heart of the complaint. And beyond that,

Schwab argued, being ignorant of the law or relying on an incorrect interpretation of the law doesn't exonerate someone who acted illegally.

But Mautino's attorney, Anthony Jacob, argued the state's campaign finance statute is convoluted, and referred to a 2012 letter from a staffer at the State Board of Elections that Mautino's counsel has long contended gave the committee cover. The letter instructed Mautino's committee's treasurer to list vendors instead of individuals who receive reimbursements from campaign cash.

"This matter's been litigated for the last six years, OK?" Jacob told the board. "If it's that clear, we wouldn't have had six years of litigation where we've been up and down with the appellate court, supreme court deciding some matters in favor of the committee, some matters in favor of [Mautino's former constituent, David Cooke]."

Board member William McGuffage agreed with Jacob. Slightly exasperated, the Democrat said at most, Mautino and his campaign committee treasurer were "unaware" of the particulars of the law.

"Although Mr. Schwab says the evidence is overwhelming...there's nothing overwhelming about it," McGuffage said. "You can't have someone violating a law knowingly unless they know what the law requires. So I'm going to vote the same way that I voted the last several times on this matter, and I just hope it goes away this time."

By the time Bill Cadigan, a Republican board member who has consistently voted against the interests of Mautino and his committee in previous hearings, cast his vote to dismiss the complaint, it was clear the rest of the board would do the same.

"I agree that based on the record before us, the burden has not been met that a knowing violation —"

But Cadigan's final words were inaudible, as Cooke began laughing on the Zoom meeting where remote participants were watching.

"Oh, what a joke," [Cooke, who was not on mute](#), said to no one in particular.

*Happy's Super Service Station, watchdog vigilantes and a six-year saga*

Mautino on Tuesday expressed gratitude the board voted in his favor, effectively ending nearly six years of legal and political posturing on the issue.

“We’re pleased with today’s outcome and the Board’s unanimous decision that the campaign committee did not knowingly violate the law on this issue,” Mautino said in a brief statement.

The ongoing case — which also resulted in a federal probe that hasn’t advanced in years — colored the early years of Mautino’s decade-long term as auditor general. But many Republicans who kept the issue alive by frequently calling for Mautino’s resignation have moved on from state politics, and the cloud over Mautino has largely cleared even as the official case hadn’t.

Almost as soon as Mautino was sworn in as the state’s top fiscal watchdog in early 2016, a group dubbed the Edgar County Watchdogs [published](#) an in-depth look at Mautino’s campaign spending records, finding what they called “red flags” in the former lawmaker’s campaign spending history. They included campaign cash withdrawals and spending in round, whole numbers, along with nearly a quarter million dollars spent at a single gas station in Mautino’s hometown over the course of 17 years: Happy’s Super Service Station in Spring Valley.

Those nearly 500 expenditures — \$247,367.22 to be exact — date back to 1999, the first year [certain](#) campaign committees were [required](#) to electronically file spending and fundraising reports publicly accessible on the Board of Elections’ [website](#).

Edgar County Watchdogs found it implausible that a campaign would incur nearly a quarter million dollars in fuel and vehicle repairs in just 17 years. The group published subsequent blog posts on Mautino, attracting the attention of media outlets and eventually Cooke, Mautino’s former constituent from Streator, who filed a citizen complaint about the campaign spending irregularities to the Board of Elections.

From there, the case has bounced from the board to appeals in the state’s Fourth District Appellate Court and the Illinois Supreme Court. In 2017, the board voted 6 - 2 to fine Mautino’s campaign committee [\\$5,000](#) for failing to update financial disclosure reports after Cooke filed his complaint and the board requested additional receipts.

But the \$5,000 was never paid, as it was levied against Mautino’s committee — a fund that zeroed out its balance and shuttered in late 2015 — and not against Mautino as an individual.

If the board had voted the other way on Tuesday, Mautino himself could have faced a hefty fine. Penalty language in state law provides for fines to individuals of up to \$500 for each campaign finance violation of \$500 or less. For violations of more than \$500, even larger fines can be levied, calculated as up to the amount of each expenditure that violates the law, plus \$500.

But Schwab told NPR Illinois he hadn't spent the time thinking about what sort of fine he would have recommend to the board before Tuesday's hearing.

In 2018, after the case's first go-round in appellate court, the board deadlocked 4 - 4 over whether Mautino's committee violated the law. Cooke appealed the case again, this time reaching the state supreme court, which ruled half in Mautino's favor in May and instructing the Board of Elections to hear the case once more, which it did on Tuesday.

After the board's decision, Schwab told NPR Illinois it's too soon to know whether Cooke will appeal the matter again, but left the door open to extending the legal battle to a seventh year.

In the year's he's spent working on the case pro bono, Schwab said he's less concerned with how clear or muddled Illinois' campaign finance laws are — though he maintains Mautino's violations were "pretty clear" — and is more disillusioned with the Board of Elections' structure and process.

"A bipartisan board makes sense in the sense that you don't want to have a completely partisan board," Schwab said. "But on the other hand, when you have four and four, you have 4 - 4 decisions, which is what we had in this case before today."

### *Hypothetical pizza and a moot point*

During oral arguments in front of the Illinois Supreme Court in March, another attorney for Mautino's campaign committee, Adam Vaught, said campaigns save money by paying for gas outright instead of paying out mileage reimbursements. It's cheaper to buy a tank of gas for \$30 before a 100-mile campaign-related trip, for example, than to reimburse the driver \$56 for 100 miles traveled (at a 56-cent-per-mile reimbursement rate) — even if a small portion of that \$30 tank of gas goes to personal travel.

Vaught warned the justices that upholding the appellate court's ruling against Mautino would make following campaign finance laws tedious and at times impossible in the face of practicality.

"Leftover pizza could become a violation," Vaught said. "And it does sound absurd, but this is a political issue, and so things become very trivial if you can say that the other side violated the law."

But the justices thought otherwise, setting the stage for Tuesday.

In the intervening months, however, Democrats who control the General Assembly have made adjustments to the state's elections code, [allowing for campaign spending](#) on vehicles not owned or leased by the campaign committee, so long as those expenditures are related "to the use of the vehicle for primarily campaign purposes" or governmental duties. That change explicitly legalizes Mautino's style of campaign spending on fuel and repairs to his and others' personal vehicles.

The law was also changed to prohibit campaign committees from buying or leasing vehicles unless candidates can demonstrate they'll be primarily used for campaign purposes or an elected official's travel for governmental work. That change comes after federal grand jury earlier this year [indicted](#) former State Sen. Sam McCann (R-Plainview) on charges related to using more than \$60,000 in campaign funds to lease an SUV and a truck he used for personal travel, and spending an additional \$43,000 on two RVs he rented out for profit.

And on Monday, Gov. JB Pritzker [signed](#) a separate elections-related law that will effectively make it impossible for the Board of Elections to fine campaign committees for violations more than a year in the past.

"In its infinite wisdom, the Illinois General Assembly recently enacted legislation that cuts the statute of limitations on these matters to one year," Cadigan, one of the GOP board members, said before casting his vote in the Mautino case Tuesday. "The diligence that [watchdogs] showed in this matter, and the media — even more diligence is going to be required moving forward...If these complaints aren't brought within a year, they can't be brought at all."