



COMMISSIONER OF
POLITICAL PRACTICES

STATE OF MONTANA

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COMMISSIONER
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Date: May 16, 2019

To: The People of Montana
From: Jeffrey Mangan,
The Commissioner of Political Practices
Re: *Tutvedt v. Roberts, et. al*, COPP-2012-CFP-047

Dear Fellow Montanans:

On December 3, 2012, Bruce Tutvedt filed a [complaint](#) with the COPP alleging a violation of campaign finance reporting and disclosure laws in the 2012 Montana State Senate District 2 primary election. Specifically included in Mr. Tutvedt's complaint were a bill from a radio station to the Montana Family Foundation (pg 6) and a flyer sent by the Foundation (pg 50-51). The Commissioner's office provided notice of the complaint to the Montana Family Foundation, and they responded on January 18, 2013. On January 14, 2016, Commissioner Motl issued a [decision](#) finding two violations of Montana's campaign finance reporting and disclosure laws by the Montana Family Foundation in 2012.

The violations were that MFF late registered as an incidental political action committee on May 10, 2014, in violation of Mont. Code Ann. § 13-37-201. The second violation was that MFF's C-4 Incidental Political Committee Report failed to disclose that certain expenditures made were supporting Halvorson, Jones, Howard, Taylor, Lamb and Balance, and opposing Tutvedt, Mowbray and Christiensen candidacies in violation of Mont Code Ann. §§ 13-37-225 and 230 and Mont. Admin. R. 44.10.405(f) (2013).

On April 6, 2016, the COPP filed a District Court Complaint to preserve the statute of limitations (a placeholder lawsuit) and provided the Montana Family Foundation with a copy of the district court complaint and its purpose (Exhibit A). On April 11, 2016, the Helena Independent Record published an [article](#) quoting Jeff Laszloffy of the MFF stating that “he looked forward to reaching a settlement with the commissioner.” The COPP took Mr. Laszloffy at his word.

Settlement discussions ensued for the next four years and including Commissioner Mangan’s request to meet during the 2019 Legislative Session. Relying on Mr. Laszloffy’s representations that the Montana Family Foundation intended to settle, the Commissioner never sought or served a summons or the District Court Complaint on MFF.

In 2012 and 2014, there were multiple violations of failure to properly disclose expenditures made by political committees as being “in support of or in opposition to” candidates by committees from all sides of the political spectrum. The Commissioner developed and applied an across the board civil fine¹ for each such violation of Montana law for the 2014 election cycle and before. The settlement agreements all state:

“The Commissioner notes the precedential nature of the Decisions because they address the culture of acceptance of lump sum reporting at the time the reports were made, even if the reports were in violation of Montana law and regulation...The Commissioner specifically notes that the Respondent is not the only political committee offender who engaged in lump sum reporting and thereby failed to properly itemize expenditures...”

Commissioner Motl made, and Commissioner Mangan renewed, the same civil fine settlement offer to the Montana Family Foundation, and it was not rejected. So why was the Commissioner unable to settle with the Montana Family Foundation?

¹ Please visit our decision page, to see the settlement agreements of other committees who have accepted this same settlement offer e.g. [Buttrey v. MT Democratic Party, COPP-2014-CFP-0039](#); [Perea v. MT Democratic Party, COPP-2014-CFP-0055](#); [Gibson v. MT Democratic Party, COPP-2014-CFP-0059](#); [Shellnut v. Planned Parenthood, COPP-2014-CFP-058](#); [Gibson v. Montana League of Rural Voters, COPP-2014-CFP-064](#); and [Taylor v. Mobray, MT BASE, and MT Hunters and Anglers PAC, COPP-2013-CFP-007](#).

The major hang up in the settlement discussions was that the Foundation didn't want the settlement to state that it violated Montana law, rather MFF wanted the settlement to state that "MFF...maintains that its report was compliant based on the interpretation of reporting requirements of prior commissioners" (Exhibit B). In an effort to settle the matter in April of 2017, Commissioner Motl agreed to MFF's request, and Commissioner Mangan continued the offer since assuming the duties of Commissioner.

At no point in time did the COPP believe that it would be necessary to litigate this matter in order to bring a resolution to the people of Montana. Further, the COPP has steadfastly believed that the Montana Family Foundation would follow through on its intention to accept responsibility and settle the matter. Unfortunately, the Family Foundation has chosen to misrepresent the good faith negotiations and offers made by the Commissioner and accuse the agency of undue delay and call the process a "political stunt" in a press release.

Final Agency Determination

The Montana Family Foundation did cooperate with the COPP on correcting the reporting and disclosure errors that were brought to the public's attention by the campaign complaint filed by Mr. Tutvedt. In general, candidates and committees accept responsibility for their omissions or errors, correct the reporting and disclosure, and pay a civil fine to rectify the violations of law. Occasionally the settlement discussions become protracted, and a placeholder lawsuit is filed to extend the statute of limitations so that settlement discussions can continue, as occurred here.

The placeholder lawsuit filed by the COPP in April of 2016 has passed the three-year statute of limitations for service of the lawsuit on the Defendant. The Commissioner's office has limited resources including staff and funding with which to pursue resolution in the Courts. The value of settling a matter without having to pursue litigation has always been a consideration of the COPP. The Commissioners in the past seven years have pursued and responded to other litigation, settlements and decisions.

This Commissioner determines that while the COPP in good faith believed that the Montana Family Foundation would accept responsibility and follow through on its commitment to the people of Montana to settle the *Tutvedt v. Roberts, et. al*, COPP-2012-CFP-047 matter, that settlement is no longer possible. This is the final

discretionary determination of the Commissioner on behalf of the people of Montana, and this matter is ended with this letter.

Dated this 16th day of May, 2019.


Jeffery Mangan
Commissioner of Political Practices
of the State of Montana
P.O. Box 202401
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406-444-2942

From: [MacNaughton, Jaime](#)
To: ["jeff@montanafamily.org"](mailto:jeff@montanafamily.org)
Subject: Complaint
Date: Wednesday, April 06, 2016 1:05:27 PM
Attachments: [MFF Complaint.pdf](#)

Dear Mr. Laszloffy;

I am contacting you as the Respondent on behalf of Montana Family Foundation to the Sufficiency Findings in *Tutvedt v. Roberts, et. al*, COPP-2012-CFP-047, *Welch v. Western Tradition Partnership*, COPP-2014-CFP-015, and *Welch v. National Right To Work*, COPP-2014-CFP-016, issued by the Commissioner on January 14, 2016.

In order to preserve the statute of limitations a place holder civil complaint was filed in Lewis and Clark County District Court today, given Cause No. BDV-2016-323 and assigned to Judge Cooney. We did not seek the issuance of a summons because we believe this is a matter to which the parties can come to a reasonable settlement agreement on in the near future. If we are able to come to a settlement agreement, the COPP will voluntarily dismiss the lawsuit in this matter.

I have attached a copy of the district court complaint for your records.

Sincerely;

Jaime MacNaughton

Jaime MacNaughton

Attorney for the Commissioner of Political Practices

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SETTLEMENT AGREEMENT

This settlement agreement is entered into by Jeff Mangan, in his official capacity as the current Montana Commissioner of Political Practices (hereinafter "the Commissioner") and the Montana Family Foundation (hereinafter "MFF").

1. This settlement agreement resolves the allegations made by the Office of the Commissioner of Political Practices against MFF in the Complaint filed in *COPP v MFF* Cause No. BDV-2016-323, 1st JD, Lewis and Clark County (the "Complaint".)
2. Concerning Count 1 of the Complaint, Failure to Timely Register, MFF admits to filing its organizational statement 3 days late in the 2012 election cycle. Concerning Count 2 of the Complaint, Failure to Timely Report and Disclose, the Commissioner maintains that MFF's timely-filed report was non-compliance because it did not contain sufficient detail. MFF, however, maintains that its report was compliant based on the interpretation of reporting requirements of prior commissioners. Despite the parties differing perspectives on this issue, MFF has filed an amended report to provide the additional detail requested by the Commissioner.
3. The Commissioner and MFF agree that execution of this settlement agreement by both parties, and a payment in the amount of \$825.00 by MFF, fully and finally resolves all of the issues in the Complaint.
4. Within five (5) business days of the execution of this Settlement Agreement by the Commissioner and MFF, and receipt of payment of \$825 from MFF, the Commissioner will voluntarily dismiss with prejudice the Complaint.
5. MFF enters into this Settlement Agreement to avoid litigation and to resolve and settle this dispute with the Commissioner. The Commissioner accepts payment of \$825.00 and execution of this Settlement Agreement as sole consideration for full satisfaction and compromise of what are disputed claims.
6. The Commissioner and MFF fully and forever release and discharge each other and their respective officials, officers, members, employees, successors, assigns, agents, ostensible agents, attorneys, and representatives from any and all actions, claims, causes of action, demands, expenses, damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the matters alleged in the Complaint.

Settlement Agreement

COPP v. MFF, Cause No. BDV-2016-323, First Judicial DC, Lewis and Clark County

7. This settlement agreement, consisting of 2 pages, sets forth the entire agreement that has been reached between the Commissioner and MFF. No modification or amendment of this agreement will be effective unless both parties complete a subsequent written statement that is signed by both parties.

Jeff Mangan
Commissioner of Political Practices

Dated

Jeff Laszloffy
Montana Family Foundation

Dated