

President of the Senate

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Senate

State of Minnesota

September 17, 2008

The Honorable Satveer S. Chaudhary
State Senator
205 Capitol
St. Paul, MN 55155

Subj: Advisory Opinion on Conflict of Interest

Dear Senator Chaudhary:

Your letter of May 21, 2008, requested the Subcommittee on Ethical Conduct to give you an advisory opinion on whether you had a conflict of interest because of the television show you produce: "Born to Be Wild."

At your request, the Subcommittee held a public meeting on September 15, 2008, at which you explained your request and responded to questions from the Subcommittee. You also responded to additional questions raised by Senator David H. Senjem about whether you had violated the gift ban by purchasing a snowmobile at a discount and whether your conduct had betrayed the public trust or tended to bring the Senate into dishonor or disrepute.

The Subcommittee determined that you did not have a conflict of interest with respect to your authorship of 2007 S.F. No. 1103, which was enacted as Laws 2007, ch. 135, art. 3, §§ 15, 42; that you did not have a conflict of interest with respect to an amendment in the 2008 session that required Minnesota state and local government agencies to give preference in the bid process to Minnesota manufacturers when purchasing snowmobiles; that your purchase of an Arctic Cat snowmobile used on the television show at a discount was not a prohibited gift from a lobbyist principal; and that you did not engage in conduct that "betrays the public trust, or that tends to bring the Senate into dishonor or disrepute." This letter serves as a public record of the Subcommittee's advice to you.

1. Facts

a. **Conflict of Interest Question: S.F. No. 1103 and Advertising by the Carpenters Union**

You were the chief author of S.F. No. 1103, introduced on February 21, 2007. The bill proposed parameters for when an individual performing building construction or improvement

services may be considered an independent contractor under Minnesota laws relating to workers compensation; to minimum wage, overtime, and other fair labor standards; to child labor laws; to occupational safety and health; and to unemployment compensation. It had the effect of classifying more workers as employees rather than as independent contractors.

The substance of the bill, as amended, was folded by the Senate Finance Committee into S.F. No. 2089, the Omnibus Jobs and Economic Development Appropriations bill. You voted for the bill on final passage May 5, 2007. The bill was vetoed by the Governor. Its substance was then amended into H.F. No. 122, for which you voted on final passage May 20, 2007. The bill was enacted on May 25, 2007, as Laws 2007, ch. 135. Your independent contractor provisions were article 3, section 15 (codified as Minn. Stat. § 181.723), and two of the repealers in section 42.

S.F. No. 1103, and the provisions in it that were enacted in 2007, were supported by various unions, including the North Central States Regional Council of Carpenters, the Minnesota Drywall and Plaster Association, and the Minnesota Floor Covering Association.

In 2006, you had formed a company called Sportsman Media Productions, with the goal of producing an outdoor program on the Sportsman Channel called "Born to Be Wild." The purpose of the program was to broaden the appeal of outdoor activities including hunting and fishing to women, minorities and children. In order to produce the program, you paid the cable station \$17,000 for 26 weeks of a program that would include 13 original 30-minute programs and 13 reruns of the programs from January through June of 2008. Each 30-minute episode would run four times a week, twice during prime time and twice during less desirable times. In order to make the payments both to the cable network and to the production company that produced the program and was not related in any business way to you, you needed to sell advertising on the program itself and on the program's website.

You did not begin selling advertising for either the program or the website until well after the substance of S.F. No. 1103 was enacted and the 2007 legislative session was concluded. You approached the marketing department of the Carpenters Union to ask if they would be interested in advertising on the program. The request for sponsorship went to the marketing committee. The marketing committee made a financial decision based on value that it deemed it could obtain from advertising on this particular program. The Carpenters Union has many members interested in hunting and fishing. It has its own chapter of Pheasants Forever and routinely has a booth at Pheasant Fest. It also sponsors two ice fishing contests and at least two sporting clay events. Union representatives told you they thought this was a good opportunity to reach union members, and they agreed to pay \$15,000 to advertise. This was a commercial business transaction; unions advertise on other outdoor cable television programs as well. A resort also paid for advertising on your show.

b. **Conflict of Interest Question: Amendment to Required Minnesota Government Entities to Give Preference in the Bid Process to Minnesota Manufacturers When Purchasing Snowmobiles**

During the 2008 legislative session, while returning from your cabin up north, you followed a St. Louis County sheriff's deputy who was towing two snowmobiles on a trailer. You noticed that both of the snowmobiles were Yamahas and wondered why, if the snowmobiles were purchased by a local governmental agency, the agency was not purchasing equipment manufactured by an American snowmobile producer, two of which are located in Minnesota. You had an amendment drafted that required Minnesota state and local government agencies to give preference in the bid process to Minnesota manufacturers when purchasing snowmobiles. You brought the amendment to a meeting of your Committee on Environment and Natural Resources, which was considering an environmental and natural resources bill. Arctic Cat, based in Thief River Falls, Minnesota, did not ask you to introduce the amendment, nor did you discuss it with them or any other snowmobile manufacturer. It was strictly your own idea. After some discussion with your colleagues, you chose not to offer the amendment and dropped the idea. There was never a motion or a vote on the amendment.

c. **Gift Ban Question: Purchase of Snowmobile**

You knew that providers of outdoor equipment, fishing rods, snowmobiles, weapons and the like commonly purchase advertising and or provide product for use on similar shows. You approached Arctic Cat in October 2007 to advertise on your show. The company eventually said that it would not pay for advertising, but it would provide a snowmobile for use on the show. You paid Arctic Cat \$8,500 of your own money for the snowmobile. You also gave Arctic Cat \$1,500 worth of advertising on the show's Web site, plus the advertising benefit of seeing the snowmobile used in the program itself. Arctic Cat told you it was content with this commercial transaction.

Lynn Rogers of the North American Bear Center in Ely, Minnesota, said in a letter to the editor of the *StarTribune* that he had made a similar discount purchase of four snowmobiles from Arctic Cat after using them in a Wild Kingdom TV show, and did so at a larger discount than Arctic Cat gave you.

2. **Law**

a. **Conflict of Interest**

Our Constitution creates a part-time legislature. The Legislature is prohibited from meeting after the Monday after the third Saturday in May or for more than 120 days in a biennium. The reason we have a part-time legislature is so that we may have a citizen-

legislature, filled with members who must spend the greater part of each year earning a living under the laws they have enacted. We have thought this is good, because it helps to keep legislators in touch with the real-world problems of their constituents. However, it also means that legislators may occasionally have conflicts between their official duties and their private employment.

Our conflict of interest law is primarily a disclosure law. It assumes that a public official will occasionally have conflicts of interest. This is especially true for legislators. When a conflict arises, a public official must disclose the conflict and may ask to be excused from taking part in the action or decision in question.

The kinds of conflicts the law is concerned with are financial conflicts, ones where the personal financial interests of the official will be affected by a decision the official makes. The law describes a conflict of interest situation as one where:

A public official . . . in the discharge of official duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation

Minn. Stat. § 10A.07, subd. 1 (2007).

Senate Rule 57 requires members to follow the procedure set forth in § 10A.07.

57. CONFLICTS OF INTEREST

A member who in the discharge of senatorial duties would be required to take an action or make a decision that would substantially affect the member's financial interests or those of an associated business, unless the effect on the member is no greater than on others in the member's business classification, profession, or occupation, shall disclose the potential conflict of interest by following the procedure set forth in Minnesota Statutes, section 10A.07.

b. Gifts to Officials

Minn. Stat. § 10A.071 generally prohibits a member or employee of the Senate from accepting a gift from a lobbyist or from a person or association that employs a lobbyist ("lobbyist principal"), unless the recipient gives the lobbyist or lobbyist principal consideration of equal or greater value in return.

c. **Conduct that Betrays the Public Trust or Tends to Bring the Senate into Dishonor or Disrepute**

Senate Rule 56.3 says that "Improper conduct includes conduct that violates a rule or administrative policy of the Senate, that violates accepted norms of Senate behavior, that betrays the public trust, or that tends to bring the Senate into dishonor or disrepute." The rules and policies of the Senate provide no further definition of what "betrays the public trust, or that tends to bring the Senate into dishonor or disrepute." That is left to be decided by the Subcommittee on Ethical Conduct and the Senate on a case-by-case basis.

3. **Opinion**

a. **Conflict of Interest Question: S.F. No. 1103 and Advertising by the Carpenters Union**

You did not have a conflict of interest as author of S.F. No. 1103 from February to May of 2007 because you solicited advertising for your television show from the Carpenters Union later in 2007. A conflict of interest relates to an action or decision by a public official. The provisions of the bill you sponsored were enacted in 2007 before you made the solicitation, so you had no conflict of interest at the time you carried the bill.

b. **Conflict of Interest Question: Amendment to Required Minnesota Government Entities to Give Preference in the Bid Process to Minnesota Manufacturers When Purchasing Snowmobiles**

You did not have a conflict of interest as author of the amendment to require Minnesota government entities to give preference in the bid process to snowmobiles manufactured in Minnesota. You never moved or voted on the amendment.

c. **Gift Ban Question: Purchase of Snowmobile**

Your purchase of an Arctic Cat snowmobile for \$8,500, a discount from the dealer price of \$10,330, was not a gift in violation of the gift ban. It was a bona fide business transaction where you gave consideration of equal or greater value in return for the discount: \$1,500 worth of advertising space on the show's Web site, plus the advertising value of using the snowmobile on the show.

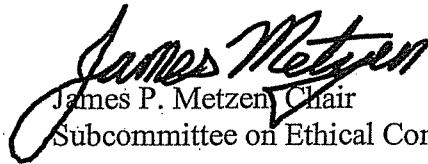
d. **Betray the Public Trust or Bring the Senate into Dishonor or Disrepute**

The Subcommittee is of the opinion that your conduct did not violate any rule or policy of the Senate, that it did not violate the accepted norms of Senate behavior, and that it did not

Senator Satveer S. Chaudhary
September 17, 2008
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betray the public trust or bring the Senate into dishonor or disrepute.

Sincerely,


James P. Metzen, Chair
Subcommittee on Ethical Conduct

JPM:PSW

cc: Senator Dennis R. Frederickson
Senator Linda Scheid
Senator Bill G. Ingebrigtsen
Peter S. Wattson, Senate Counsel

SENATOR DAVID H. SENJEM

Senate Minority Leader
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Senate

State of Minnesota

June 18, 2008

Senator James P. Metzen

Chair

Rules and Administration Subcommittee on Ethical Conduct

322 State Capitol

St. Paul, MN 55155

Re: Conduct of Senator Satveer Chaudhary

Dear Senator Metzen:

I am aware that Senator Satveer Chaudhary recently asked the Subcommittee on Ethical Conduct to look at his conduct in connection with the outdoor sports cable television show called "Born to be Wild." Senator Chaudhary is a producer of, and the host of, this show.

I do not have personal knowledge of the circumstances involved with this show. I am reacting to the situation as it has been described to me and as has been reported in the Star Tribune. However, as noted by Senator Chaudhary, there are concerning questions that have been raised by the newspaper in regards to his cable television show that need to be addressed and answered.

I would differ with Senator Chaudhary that his situation is "no different than a teacher working on education, nurse working on health care, or farmer working on ethanol." No one is saying that Senator Chaudhary cannot "work" on environmental issues because he hosts an outdoor sports cable television show. Instead, what is in question is the Senator's receipt of large sums of money or items of significant value from entities that have a direct interest in legislation that he has pursued. Also, we are not dealing with a situation in which Senator Chaudhary is impacted by these activities to the same extent as any other cable television show producer or host. Rather, here Senator Chaudhary directly received these funds and product.

We all know and understand that the integrity of the Minnesota Senate and every Member of this body must be above question. We owe it to the institution and to our constituents to take this matter seriously and make sure everyone's conduct is above reproach.



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COMMITTEES: CAPITAL INVESTMENT • TAXES • HIGHER EDUCATION BUDGET & POLICY DIVISION
ENERGY UTILITIES TECHNOLOGY & COMMUNICATIONS • RULES & ADMINISTRATION

According to an article published in the Star Tribune on May 18, 2008, Senator Chaudhary used, at no cost, a snowmobile made by Arctic Cat in connection with an episode of his cable television program. Subsequently, in January of 2008, Senator Chaudhary purchased this snowmobile at a reduced price. Senator Chaudhary admitted in this article that he paid \$8,500 for this snowmobile, when the same model snowmobile has a list price by the manufacturer of \$11,700 and would be available at a dealership for a price of \$10,330. Getting a good deal is in and of itself not a bad thing but making sure this same deal is not link to legislative pursuits is essential.

On March 14, 2008, during deliberations in the Senate Environment and Natural Resources Committee, Senator Chaudhary offered the CS0113 amendment to Senate File 3385. As you know, Senator Chaudhary is the chair of this committee. Senator Chaudhary also was the chief author of Senate File 3385. This bill was known as the Omnibus Environment and Natural Resources Policy Bill of the 2008 Session.

The amendment offered by Senator Chaudhary would have allowed the Commissioner of Administration, for purposes of state purchasing, to award "a bid preference to snowmobiles and all-terrain vehicles manufactured in Minnesota."

Arctic Cat is a company that is located in Minnesota, being based in Thief River Falls, Minnesota.

Arctic Cat Inc. is also a registered principal with the Campaign Finance Board. Its association number is 4429. As constitutes a principal, Arctic Cat Inc. is represented before the Minnesota Legislature by a registered lobbyist.

On February 21, 2007, Senator Chaudhary introduced, as chief author, Senate File 1103. This bill proposed parameters for when an individual may be considered an independent contractor under Minnesota laws relating to workers' compensation; to minimum wage, overtime, and other fair labor standards; to child labor laws; to occupational safety and health; and to unemployment compensation. By its own terms, the bill had a limited application; applying only to independent contractor determinations for "individuals performing public or private sector commercial or residential building construction or improvement services." [See subdivision 2 of Section 2 of the bill.]

Again, according to the Star Tribune article published on May 18, 2008, this bill was supported by the North Central States Regional Council of Carpenters. While I cannot speak for the Council as to its position on this bill, clearly, by its own terms, this legislation would only apply to carpenters and would have the impact of classifying more workers as employees rather than independent contractors.

The provisions of Senate File 1103 were folded into the language of Senate File 2089. This bill was the Omnibus Jobs and Economic Development Budget Bill of the 2007 Legislative Session. Senate File 2089, containing these provisions relating to the employment status of building construction workers, received final passage by the Senate on May 5, 2007. Senator Chaudhary voted for final passage.

Senate File 2089 was vetoed by the Governor. The vehicle for the 2007 Omnibus Jobs and Economic Development Budget Bill then became House File 122. Like the previous version of the bill, this bill also contained the provisions relating to the employment status of building construction workers. House File 122 received final passage by the Senate on May 20, 2007. Senator Chaudhary again voted for final passage.

The provisions relating to the employment status of building construction workers was enacted into law, as part of House File 122, in Section 15 of Article 3 of Chapter 135 of the Laws of Minnesota for 2007. This section is codified as Minnesota Statutes (2007 Supplement), Section 181.723. This provision becomes effective on July 1, 2008.

The Star Tribune, in this same article, has reported that The North Central States Regional Council of Carpenters spent \$15,000 in sponsorship of the "Born to be Wild" cable television show.

North Central States Regional Council of Carpenters is also a registered principal with the Campaign Finance Board. Its association number is 5870. As constitutes a principal, the Council is represented before the Minnesota Legislature by three registered lobbyists.

Is the sponsorship of a cable television show normally in the range of \$15,000? Is this what other cable television shows charge? Is the value received by a sponsor for this fee of commensurate value?

Minnesota Statutes (2007 Supplement), Section 10A.07, subdivision 1 provides:

"A public official ... who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation, must take the following actions:

(1) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest;

(2) deliver copies of the statement to the official's immediate superior, if any; and

(3) if a member of the legislature or of the governing body of a metropolitan governmental unit, deliver a copy of the statement to the presiding officer of the body of service.

If a potential conflict of interest presents itself and there is insufficient time to comply with clauses (1) to (3), the public or local official must orally inform the superior or the official body of service or committee of the body of the potential conflict."

Minnesota Statutes (2007 Supplement), Section 10A.071 prohibits a gift to a legislator, among others, from a lobbyist or from a principal.

Senate Permanent Rule 56.1 states that "Members shall adhere to the highest standard of ethical conduct."

Senate Permanent Rule 56.3 provides the standard that "Improper conduct includes conduct ... that violates accepted norms of Senate behavior, that betrays the public trust, or that tends to bring the Senate into dishonor or disrepute."

Senate Permanent Rule 57 provides that:

"A member who in the discharge of senatorial duties would be required to take an action or make a decision that would substantially affect the member's financial interests or those of an associated business, unless the effect on the member is no greater than on others in the member's business classification, profession, or occupation, shall disclose the potential conflict of interest by following the procedure set forth in Minnesota Statutes, section 10A.07."

I would raise the following questions for the Subcommittee:

1. Did Senator Chaudhary have a personal conflict of interest in the legislation that he was pursuing? If so, did Senator Chaudhary fail to comply with the provisions of Minnesota's Conflict of Interest Law and the Senate Permanent Rule regarding Conflict of Interest?

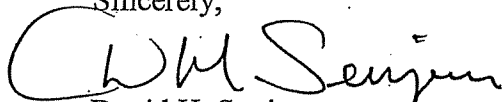
2. Did Senator Chaudhary receive an improper gift from a registered principal or principals in violation of Minnesota's Gift Ban Law?

3. Did Senator Chaudhary engage in conduct that "betrays the public trust, or that tends to bring the Senate into dishonor or disrepute."

As the Subcommittee investigates this matter and makes its conclusions and recommendations, I would ask it to keep these facts, comments, and questions in mind.

I look forward to the actions of the Subcommittee.

Sincerely,

A handwritten signature in black ink that reads "David H. Senjem". The signature is written in a cursive style with a large, looping initial "D".

David H. Senjem
Senate Minority Leader

**TESTIMONY BEFORE THE SENATE RULES AND ADMINISTRATION COMMITTEE
SUBCOMMITTEE ON ETHICAL CONDUCT
Monday, September 15, 2008**

Ellen R. Sampson

Chair Metzen and Members of the Subcommittee:

As you know, Senator Chaudhary has requested this meeting of the Subcommittee on Ethical Conduct to clear up any concerns which may have arisen after two articles and an editorial appeared in the *Minneapolis Star Tribune* on May 17, May 19 and May 21st, respectively. After the articles and the editorial appeared, Senator Chaudhary requested that this Subcommittee meet to review the situation. After Senator Chaudhary's request, Senate Minority Leader Senjem wrote a letter dated June 18, 2008 to the Subcommittee which, although it does not appear to be a complaint, nor a request for any sort of hearing or action, does identify three questions for the Subcommittee to consider. It seemed sensible to Senator Chaudhary to address those questions. First, however, a review of the facts surrounding the situation should be helpful.

FACTUAL REVIEW.

In 2007 the Minnesota Legislature amended Minn. Stat. 268.035 to add a subdivision addressing who is an independent contractor and who is an employee in the construction industry. The legislation was sponsored by Representative Mike Nelson, DFL Brooklyn Park, and was supported by various unions, including but not limited to the Minnesota Drywall and Plaster Association and the Minnesota Floor Covering Association, as well as the Carpenters Union. Senator Chaudhary, who is not involved in any of the fields which were addressed by the statute, was an author of the bill in the

Senate; its goal fit with his political philosophy and he concluded that it was good public policy. He also voted in support of the bill containing this language.

Senator Chaudhary, an avid outdoorsman as well as an attorney, had formed a company in 2006 called Sportsman Media Productions with the goal of producing an outdoor program on the SPORTSMAN CHANNEL called "Born to Be Wild". The purpose of the program was to broaden the appeal of outdoor activities including hunting and fishing to women, minorities and children. In order to produce the program, he paid the cable station \$17,000.00 for 26 weeks of a program which would include 13 original 30-minute programs and 13 reruns of the programs from January through June of 2008. Each 30-minute episode would run four times a week, twice during prime time and twice during less desirable times. In order to make the payments both to the cable network and to the production company which produced the program and was not related in any business way to Senator Chaudhary, the Senator needed to sell advertising on the program itself and on the program's website.

Senator Chaudhary did not begin selling advertising for either the program or the website until well after the 2007 legislative session was concluded. He approached the marketing department of the Carpenters Union to ask if they would be interested in advertising on the program. It is important to note that the Carpenters Union has its own chapter of Pheasants Forever and routinely has a booth at Pheasant Fest. It also sponsors ice fishing contests and at least two sporting clay events. The Union, which has explained already that it has many members interested in hunting and fishing, thought this was a good opportunity to reach its members, and they agreed to pay

\$15,000.00 to advertise. This was a commercial business transaction; unions advertise on other outdoor cable television programs as well.

Senator Chaudhary knew that providers of outdoor equipment, fishing rods, snowmobiles, weapons and the like, commonly purchase advertising and or provide product for use on similar shows. Senator Chaudhary approached Arctic Cat in October 2007; the company eventually said that it would not pay for advertising, but it would provide a snowmobile for use on the show. Senator Chaudhary paid Arctic Cat \$8,500.00 of his own money for the snowmobile and provided to Arctic Cat the value of \$1,500.00 of advertising on the show's website as well as, of course, the advertising benefit of seeing the snowmobile used in the program itself. Arctic Cat has stated that it was content with this commercial transaction.

During the 2008 session, while Senator Chaudhary was returning from his cabin up north, he followed a St. Louis County Sheriff who was towing two snowmobiles and a trailer. He noticed that both of the snowmobiles were Yamahas and he wondered why, if the snowmobiles were purchased by local governmental agencies, the agencies were not purchasing equipment manufactured by two of America's leading snowmobile producers, both of whom happen to be located in Minnesota. Since this matter was on his mind, he had an amendment drafted and brought to the Committee which was considering an environmental and natural resources bill. After some discussion, the amendment was never introduced. Arctic Cat did not ask Senator Chaudhary to introduce the amendment, nor did he discuss it with them or any other snowmobile manufacturer. It was strictly his own idea and after discussion with his colleagues, the idea was dropped. There never even a motion or a vote on the amendment.

A resort also paid for advertising on the show, but it is the Carpenters Union and the Arctic Cat transactions that appear to be the source of the controversy.

LEGAL ANALYSIS.

1. Did Senator Chaudhary have a personal conflict of interest in the legislation he was pursuing?

Response: Minn. Stat. 10A.07 holds that "A public official or a local official elected to or appointed by a metropolitan governmental unit who in the discharge of official duties would be required to take an action or make a decision that substantially affects the official's financial interests or those of an associated business unless the effect on the official is no greater than on other members of the official's business classification, profession or occupation must take the following actions" This language is virtually the same as Senate Permanent Rule 57 which adopts the same disclosure requirements as contained in Minn. Stat. 10A.07.

The conflict of interest statute, as interpreted by the Ethical Practices Board, makes clear that "Minn. Stat. 10A.07 is the only provision of Minnesota Statutes Chapter 10A which deals with conflicts of interest. Under its limited provisions, conflicts of interest arise only in the context of an official being called upon to take an action or make a decision ... your acceptance of a relationship with [a] company does not constitute an official action or decision on your part." Eth. Prac. Bd. Op. No. 237, p. 2, May 31, 1996. This opinion is attached as Exhibit A.

By the plain meaning of the language of the statute and the rule, Senator Chaudhary did not have a conflict of interest with regard to either transaction. Since there was never a vote or even a motion on the purchase of snowmobiles draft

amendment, the law does not even apply. With regard to the 2007 vote on the employee/independent contractor issues, the vote on the bill occurred months before Senator Chaudhary even addressed the sale of advertising and there was obviously no way there could have been any conflict of interest at the time of the vote. Since the conflict of interest statute does not apply to either relationship discussed in the articles which appeared in the paper and in Senator Senjem's letter, there can be no argument that Senator Chaudhary failed to comply with the provisions of either the statute or the rule.

2. Did Senator Chaudhary receive an improper gift from a registered principal or principals in violation of Minnesota's gift ban law?

Response: Minnesota Statutes 10A.071, Subd. 1(b) says that "(Gift) means money, real property or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment that is given and received without the giver receiving consideration of equal or greater value in return." Senator Chaudhary did not violate the gift ban.

The Ethical Practices Board itself has concluded that "Individuals or associations who are lobbyists or lobbyist principals and who use commercial services at a public official's establishment and who pay no more than the prices charged to others are clients of the official's business." Eth. Prac. Bd. Op. number 213, page 1. This opinion is attached as Exhibit B. In the same opinion the court held that "You are in the business of operating commercial service. Consequently, individuals or associations who are lobbyists or lobbyist principals and who use services at your establishment who pay no more than your current prices or clients of your business in the transaction you

describe no gift is given or received within the meaning of Minn. Stat. 10A.071, Subd. 1(b), *Id.* at 2.

With respect to the purchase of advertising by the Union, the request for sponsorship went to the marketing committee and was completely separate from the lobbying team and the marketing committee made a financial decision based on value that it deemed it could obtain from advertising on this particular program. Unions advertise on other similarly situated programs. There is no evidence that by purchasing advertising on this particular program the Union was trying to buy anything but advertising. Senator Chaudhary had been a supporter of union issues in the past. Indeed, as noted earlier, the legislation which appears to be at issue, had become law before this whole matter arose.

The Arctic Cat transaction is also a standard arrangement in the business. A letter to *Minneapolis Star Tribune*, attached as Exhibit C, dated May 19, 2008 from Lynn Rogers, not a public official, describes a similar transaction. Arctic Cat provided a machine. It received a combination of a personal payment and program advertising in return for the machine. Arctic Cat did not enter into this transaction to affect any legislative business whatsoever. At the time Arctic Cat entered into the transaction, they probably knew many of the votes Senator Chaudhary took were not in accord with their positions.

There is no basis to conclude that either the transaction with Arctic Cat or the Carpenters Union violated the gift ban; they were merely commercial transactions.

3. Did Senator Chaudhary engage in conduct "that betrays the public trust or that tends to bring the Senate into dishonor or disrepute?"

Response: There is no statute that specifically addresses this general mandate. As noted above, neither the conflict of interest statute, the Senate conflict of interest rule, nor the gift ban statute are implicated in the transactions being addressed. The Senate does have Rule 56.1 stating that "Members shall adhere to the highest standards of ethical conduct" and Senate Rule 56.3 providing language to the effect that "improper conduct includes conduct ... that violates accepted norms of Senate behavior, that betrays the public trust, or that tends to bring the Senate into dishonor or disrepute."

At no time did Senator Chaudhary pressure either the Union or Arctic Cat to make a decision based on his public official status; there has been absolutely no allegation of any such pressure. Moreover, both the Union and Arctic Cat have strongly denied any such pressure.

Nothing that Senator Chaudhary has done in the course of attempting to run his business can be construed as violating either of these rules. Indeed, Senator Chaudhary has been extremely careful to not conduct any cable television show business until after the end of the 2006, 2007 and 2008 sessions. When he decided to sell advertising for his program, he did not approach lobbyists. He approached the appropriate parties at these organizations and made the same pitch that any business person would make. Whether the person at the Carpenters Union who agreed to make the purchase knew that Senator Chaudhary may have favored their issues, including a bill which was much broader than any particular union and which was already law, is of course unknowable and also insignificant, since there is not a hint of anything but a commercial transaction. As for Arctic Cat as noted above, whether the company knew

that Senator Chaudhary often voted in ways that were contrary to the way the company might have wished is also not relevant since Arctic Cat engaged in a transaction in the normal course of its business with someone who happens to be a state senator and hold another part-time job. Nothing that Senator Chaudhary has done has violated any of the Senate's rules.

CONCLUSION.

Senator Chaudhary has placed behaving in an ethical way and attending to the public trust at the forefront of his commitment to public service. This has been a difficult experience for him. It is impossible to see how a bill which passed in 2007 and which was broad in scope could somehow be related to an action he took after the bill was law and it is unfortunate that his own notion that public bodies purchasing snowmobiles should perhaps buy Minnesota made snowmobiles (if limits on where flags can be made if purchased in Minnesota, why not snowmobiles?) triggered news stories and an editorial which questioned his ethics. Given his concern for, of course, his personal reputation, but equally as important for the rules of the Senate and the laws of Minnesota, Senator Chaudhary wanted to come before this Subcommittee to clarify the situation. We respectfully request that this Subcommittee conclude both that Senator Chaudhary has not violated any rules of the Senate and that in the opinion of the Subcommittee, no laws of the State of Minnesota have been violated. Thank you for your attention.

EXHIBIT A

ETHICAL PRACTICES BOARD

First Floor South, Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

The following publication does not identify the requester of the advisory opinion, which is nonpublic data under Minn. Stat. § 10A.02, subd. 12(b)

RE: Potential Conflicts of Interest for Public Official

ADVISORY OPINION # 237

SUMMARY

A potential conflict of interest under Minn. Stat. § 10A.07 arises only when an official's financial interests or the financial interests of an associated business are substantially affected by an action or decision taken by an official in the conduct of the official's duties. In the absence of any associated business or financial interest, an official's action or decision will not raise a potential conflict of interest issue.

FACTS

As a public official, you ask the Ethical Practices Board ("Board") for an advisory opinion based on the following statement of facts:

1. You are a legislator, which makes you a public official as defined in Minn. Stat. § 10A.01, subd. 18. You are also a member of a state board whose members are defined as public officials. As a public official, you are subject to the provisions of Minn. Stat. § 10A.07.
2. The state board on which you serve unanimously voted to grant a package of financial incentives to a company in order to convince it to locate a new facility in Minnesota.
3. At the time of the vote, and presently, you have no financial interest in, or relationship with, this new company.
4. You have national, regional, and local contacts with individuals or entities which may be interested in the products to be offered by the new Minnesota company. The new

company has expressed interest in retaining you on a compensated basis to assist it in making national, regional, and local business contacts.

5. Because state funds are included in the financial incentive package awarded to the new company, there is a possibility that compensation you would receive from the company might be viewed as coming from those state funds.
6. You are concerned that a compensated contractual or employment relationship with the company may raise conflict of interest issues.

ISSUE

Would a compensated contract or employment relationship with the company described in the facts give rise to conflict of interest issues under Minnesota Statutes Chapter 10A?

OPINION

No, entry into the contract or employment relationship you describe, in itself, would not give rise to conflict of interest issues under Minnesota Statutes Chapter 10A. However, your proposed association with the company could create future potential conflicts of interest.

Minn. Stat. § 10A.07 is the only provision of Minnesota Statutes Chapter 10A which deals with conflicts of interest. Under its limited provisions, conflicts of interest arise only in the context of an official being called upon to take an action or make a decision. A potential conflict of interest exists if the action to be taken or the decision to be made would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than the effect on others in the same business classification, profession, or occupation.

Your action in awarding the financial incentive package to the company was taken at a time when you had no financial relationship with the company (it was not an associated business of yours as defined in Minn. Stat. § 10A.01, subd. 4 and you had no financial interest in it as defined in Minn. Rules 4515.0100, subp. 5); therefore, no potential conflict of interest existed.

Likewise, under Minn. Stat. § 10A.07, a potential conflict of interest would not arise as a result of your acceptance of a compensated relationship with the company. Your acceptance of a relationship with the company does not constitute an official action or decision on your part. Additionally, until after you accept a compensated relationship with the company, it will not be an associated business of yours. Thus, the two elements necessary to create a potential conflict of interest under Minn. Stat. § 10A.07 are missing. This is true regardless of whether or not state funds previously granted to the company would be used to pay your compensation.

If you accept compensation of more than \$50 in a month from the company, it will then be an associated business of yours. In that event, if you are called upon in the future to take action or make a decision on matters peculiar to the company, as opposed to general regulatory matters applicable to all companies, a potential conflict of interest could arise. This situation could occur in your capacity as a legislator or as a member of the state board on which you serve.

If a potential conflict of interest arises, you must prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict.

If the potential conflict arises as the result of a legislative action or decision you are called upon to make, you must deliver this statement to the President of the Senate. If insufficient time is available to provide the written notice, the same information must be communicated orally. At your request, the senate may excuse you from taking part in the action or decision in question.

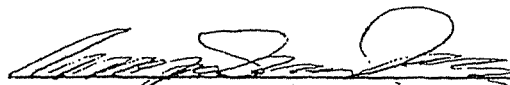
If the potential conflict of interest arises as the result of an action or decision you are called upon to make in your capacity as a board member, you must prepare the statement described above. While Minn. Stat. § 10A.07 does not specify to whom a board member must deliver the statement, it is the Board's opinion that to make the statement meaningful, you should deliver it to the chair of the board on which you serve.

As a board member, you must abstain, if possible, from making a decision or taking action which creates a potential conflict of interest. You abstain by assigning the matter to a subordinate, if possible, or by requesting the appointing authority to designate another to determine the matter. In either case, you would not chair a meeting, participate in a vote, or offer any motion or discussion on the matter giving rise to the potential conflict of interest. Minn. Rules part 4515.0500.

If you are not permitted or are otherwise unable to abstain from action in connection with the matter, you must file a statement describing the potential conflict and the action taken. This statement must be filed with the Board within one week of taking the action.

This opinion is specifically limited to interpretation of Minn. Stat. § 10A.07 as it relates to conflict of interest issues you raise. While your request expresses concerns beyond the scope of Minnesota Statutes Chapter 10A, the Board expresses no opinion on questions of public perception relating to perceived conflicts of interest; legislative rules or customs which may have application; or the application of statutes other than those which make up Minnesota Statutes Chapter 10A.

Issued: 5-31-96


Carolyn D. Rodriguez, Chair
Ethical Practices Board

CITED AUTHORITIES

MINNESOTA STATUTES

10A.01 DEFINITIONS.

Subdivision 1. For the purposes of sections 10A.01 to 10A.34, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 4. "Associated business" means any association in connection with which the individual is compensated in excess of \$50 except for actual and reasonable expenses in any month as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth \$2,500 or more at fair market value.

10A.07 CONFLICTS OF INTEREST.

Subdivision 1. **Disclosure of potential conflicts.** A public official or a local official elected to or appointed by a metropolitan governmental unit who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation, shall take the following actions:

(1) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest;

(2) deliver copies of the statement to the official's immediate superior, if any; and

(3) if a member of the legislature or of the governing body of a metropolitan governmental unit, deliver a copy of the statement to the presiding officer of the body of service.

If a potential conflict of interest presents itself and there is insufficient time to comply with clauses (1) to (3), the public or local official shall orally inform the superior or the official body of service or committee of the body of the potential conflict.

Subd. 2. If the official is not a member of the legislature or of the governing body of a metropolitan governmental unit, the superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If there is no immediate superior, the official shall abstain, if possible, in a manner prescribed by the board from influence over the action or decision in question. If the official is a member of the legislature, the house of service may, at the member's request, excuse the member from taking part in the action or decision in question. If the official is not permitted or is otherwise unable to abstain from action in connection with the matter, the official shall file a statement describing the potential conflict and the action taken. A public official shall file the statement with the board and a local official shall file the statement with the governing body of the official's political subdivision. The statement must be filed within a week of the action taken.

Subd. 3. **Interest in contract; local officials.** This section does not apply to a local official with respect to a matter governed by sections 471.87 and 471.88.

MINNESOTA RULES

4515.0100 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply to this chapter and Minnesota Statutes, section 10A.07. The definitions in chapter 4501 and in Minnesota Statutes, chapter 10A, apply to this chapter.

Subp. 5. **Financial interest.** "Financial interest" means any ownership or control in an asset which has the potential to produce a monetary return.

4515.0500 ABSTENTION.

Subpart 1. **Nonlegislator.** A public official who is not a legislator or a member of the governing body of a metropolitan governmental unit and who has a potential conflict of interest and who does not have an immediate superior shall abstain from the matter, if possible, by assigning the matter to a subordinate for disposition or requesting the appointing authority to designate another to determine the matter. In such a case, the official shall not chair a meeting, participate in any vote, or offer any motion or discussion on the matter giving rise to the potential conflict of interest.

EXHIBIT B

ETHICAL PRACTICES BOARD

First Floor South, Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

THE FOLLOWING PUBLICATION DOES NOT IDENTIFY
THE REQUESTER OF THE ADVISORY OPINION, WHICH IS NONPUBLIC DATA
under Minn. Stat. § 10A.02, subd. 12(b) (1994 Minn. Laws, ch. 377, sec.1)

RE: Clients of Public Official

ADVISORY OPINION #213

SUMMARY

213. Individuals or associations who are lobbyists or lobbyist principals and who use commercial services at a public official's establishment and who pay no more than the prices charged to others are clients of the official's business.

FACTS

As a public official as defined in Minn. Stat. § 10A.01, subd. 18, and, therefore, an official as defined in Minn. Stat. § 10A.071, subd. 1 (c), you ask the Ethical Practices Board for an advisory opinion based upon your statement of the following facts:

1. You have operated a commercial service for many years.
2. During this time, and before you became a public official, you have had individuals, companies, and business groups who paid your prices for the services as they would at any other commercial operation.
3. You are receiving communication recently from some clients that they are not returning to your establishment because they are concerned that they may be perceived as somehow breaking the law prohibiting certain gifts to public officials, Minn. Stat. § 10A.071, subd. 1 (c).
4. Your response to the clients has been that your public service is part-time and that the commercial service you operate is your business and your livelihood.

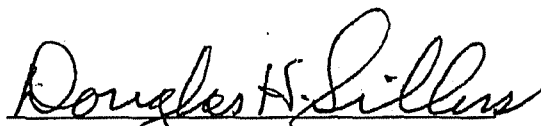
QUESTION

Does Minn. Stat. § 10A.071 prohibit individuals or others with whom you are acquainted from continuing to come to your establishment and pay your current prices for service?

OPINION

No. The prohibition about gifts to officials in Minn. Stat. § 10A.071, subd. 1 (b), is against lobbyists and lobbyist principals. You are in the business of operating a commercial service. Consequently, individuals or associations who are lobbyists or lobbyist principals and who use services at your establishment and who pay no more than your current prices are clients of your business. In the transactions you describe no gift is given or received within the meaning of Minn. Stat. § 10A.071, subd. 1 (b).

Issued: 5/6/95


Douglas H. Sillers, Chair
Ethical Practices Board

PERTINENT STATUTES

Minn. Stat. § 10A.01 DEFINITIONS provides:

...
Subd. 11. (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration, or authorized to spend money by another individual, association, political subdivision, or public higher education system, who spends more than five hours in any month or more than \$250, not including the individual's own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative action or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

...
Subd. 18. "Public official" means any:

- (a) member of the legislature;
- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner, or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;

- (h) commissioner of the iron range resources and rehabilitation board;
- (i) commissioner of mediation services;
- (j) deputy of any official listed in clauses (e) to (i);
- (k) judge of the workers' compensation court of appeals;
- (l) administrative law judge or compensation judge in the state office of administrative hearings or referee in the department of jobs and training;
- (m) solicitor general or deputy, assistant or special assistant attorney general;
- (n) individual employed by the legislature as secretary of the senate, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the office of senate counsel and research or house research;
- (o) member, regional administrator, division director, general counsel, or operations manager of the metropolitan council;
- (p) the director of the racing commission, the director of the gambling control board, the director of the state lottery, and the deputy director of the state lottery;
- (q) director or the division of gambling enforcement in the department of public safety;
- (r) member or executive director of the higher education facilities authority; or
- (s) member of the board of directors or president of the Minnesota world trade center corporation.
- (t) member or chief administrator of a metropolitan agency.

...

Subd. 28. **Principal.** "Principal" means an individual or association that:

- (1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or
- (2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of governmental units, as described in section 10A.04, subdivision 6.

Minn. Stat. § 10A.071 CERTAIN GIFTS BY LOBBYISTS AND PRINCIPALS PROHIBITED provides:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Official" means a public official, an employee of the legislature, or a local official of a metropolitan governmental unit.

Subd. 2. **Prohibition.** A lobbyist or principal may not give a gift or request another to give a gift to an official. An official may not accept a gift from a lobbyist or principal.

Subd. 3. **Exceptions.** (a) The prohibitions in this sections do not apply if the gift is:

- (1) a contribution as defined in section 10A.01, subdivision 7;
- (2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

- (3) services of insignificant monetary value;
- (4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;
- (5) a trinket or memento of insignificant value;
- (6) informational material of unexceptional value; or
- (7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

- (1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given to the other members of the group; or
- (2) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

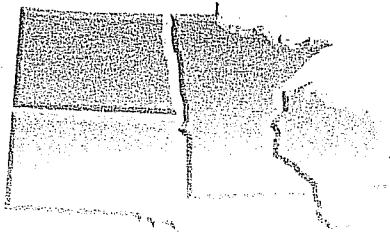
EXHIBIT C

From: Lynn Rogers [mailto:lrogers@bearstudy.org]
Sent: Monday, May 19, 2008 10:51 AM
To: 'wtacy@startribune.com'
Subject: Letter to Editor re Sen Chaudhary

Letter to the Editor,

I found your article regarding State Senator Chaudhary's TV show puzzling. The Senator's dealings with Arctic Cat were in no way a conflict of interest. Arctic Cat was simply advertising. I know because Arctic Cat did exactly the same thing with me. I needed snowmobiles for a Wild Kingdom TV program. The local dealer was good enough to supply four new machines. He benefited by having them seen nationwide. After the show they were used machines. I needed them for my bear research and bought them at a larger discount than Arctic Cat gave Senator Chaudhary. Supplying snowmobiles for TV programs and then selling them used is everyday business for Arctic Cat. Hinting that Chaudhary is in bed with ATV groups is completely off the deep end. The Senator has worked hard to protect wildlife interests. We need him to stay strong for wildlife. Flimsy attempts to smear his good name do not help Minnesota or its wildlife. Let us know when Chaudhary actually does something wrong. Until then, this seems like "trial by headline."

Lynn Rogers
North American Bear Center
1926 Highway 169
Ely, MN 55731
218-365-7879



North Central States Regional Council of Carpenters

Wisconsin • Minnesota • North Dakota • South Dakota

September 15, 2008

To Whom It May Concern:

The North Central States Regional Council of Carpenters decided to purchase advertising on the outdoors show that Satveer Chaudhary was presenting on cable television because in the judgment of the individuals who entered into the agreement, such programs were of interest to our target audience of carpenters and it was a good opportunity to reach them. The decision was part of an overall advertising plan and was completely unrelated to any legislative matters.

It is important to note that the legislation about which questions have been raised, dealing with the misclassification of employees as independent contractors in the construction industry, became law in 2007. It was not until the end of 2007 that we even considered the advertising request. There is absolutely no way the passage of this bill – which affected a much broader scope of workers than carpenters – had any relationship to the later decision regarding advertising.

At no time has Senator Chaudhary ever discussed with the Union any relationship between the decision to advertise on his cable show and any work he may or may not have done as a Senator.

Please feel free to contact me for any reason.

Sincerely,

Burt Johnson
Attorney

Wisconsin Office: N2216 Bodde Road, Kaukauna, Wisconsin 54130-9740
Phone 920-996-2300 • Fax 920-996-2301
Minnesota Office: 700 Olive Street, Saint Paul, Minnesota 55130-4405
Phone 651-646-7207 • Fax 651-645-8318
Toll Free 888-313-3221

**Senator
Satveer Chaudhary
Chair, Environment & Natural Resources Committee**

Serving: Arden Hills, Columbia Heights, Fridley,
Hilltop, New Brighton, Saint Anthony Village, Shoreview



Senate

State of Minnesota

May 21, 2008

Senator James P. Metzen, Chair
Rules and Administration Subcommittee on Ethical Conduct
322 State Capitol
St. Paul, Minnesota 55155

Dear Senator Metzen,

Recently, a newspaper article appeared in the Minneapolis Star Tribune concerning my personal business. I am writing to ask you to, as Chairman of the Subcommittee on Ethical Conduct, convene your committee and review these questions as they relate to Rule 57 of the Minnesota Senate, Conflicts of Interest.

As you know, I founded, host, and produce a television show to bring new people into Minnesota's hunting and fishing tradition. We need to break stereotypes of sportsmen by attracting more kids, women, and new Americans to our outdoor heritage. I'm proud of this effort. However, due to my position in the Minnesota State Senate, there have been questions raised of a potential conflict of interest between advertising on the television program and my actions as a senator.

While at no time did any action as a senator involve a conflict, I recognize the need for scrutiny of public officials and agree that there should be an inquiry. If there are questions, it is appropriate for the ethics committee to review those questions. Any time the public trust is questioned, the value and honor of a member's service to their constituents and the state are also questioned. Therefore, although no actual claims or allegations have been levied, the questions deserve a review.

Frankly, the Star Tribune makes some good points. In order to avoid trial-by-headline, it makes sense for an independent, bipartisan committee to review ethical questions. I would ask that you convene your committee as quickly as possible so that I may provide you with specific details concerning these questions and have this matter resolved. I'm anxious to provide an independent inquiry of all of the information I have that proves not only that I have not intermingled by private and public activities, but that I have actively worked to keep my private and public activities totally separate. Among this information are the multiple awards from conservation organizations. I believe you,



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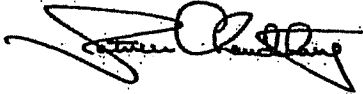
205 State Capitol, 75 Dr. Martin Luther King, Jr. Blvd., St. Paul, MN 55155-1606 • (651) 296-4334 Fax (651) 225-7582
sen.satveer.chaudhary@senate.mn



and our colleagues, will come to the conclusion that no rule, law, or even ethical boundary has been crossed with regard to my public and private careers.

It is never enjoyable for one's honesty to be questioned in the media, but this issue can best be resolved by a swift, open, and thorough review by the Senate Ethics Committee. I am no different than a teacher working on education, nurse working on health care, or farmer working on ethanol. I'm a conservationist, so I work on the environment. My activities never cross ethical lines and I welcome all scrutiny.

Sincerely,

A handwritten signature in black ink, appearing to read "Satveer Chaudhary". The signature is stylized with a large, sweeping initial "S" and a circular flourish.

Satveer Chaudhary
State Senator

Editorials

Editorials represent the institutional voice of the Star Tribune. They are researched and written by the Editorial Department, which is independent of the newsroom.

StarTribune

CHRISTOPHER M. HARTE, Publisher and Chairman
SCOTT GILLESPIE, Editor, Editorial Pages

Legislator's TV show raises ethics questions

- Investigation needed into DFLer's possible conflict of interest

Consider this scenario from a business owner's perspective: A state lawmaker, the head of an influential committee, comes to your office and asks you to advertise on the politician's TV show. Can you afford to say no?

Now consider it from a different perspective: You're a constituent watching the politician's TV show. There are frequent mentions of its sponsor, a local company, and ads for its products. Did the company simply buy advertising time? Or did it get something even more valuable for its dollars: political influence?

The troubling questions raised in situations like this illustrate why it's so important for politicians to exercise extreme caution when it comes to potential conflicts of interest. At stake is not only the integrity of the politician, but also the government body in which he serves.

That's why it's unfortunate that Sen. Satveer Chaudhary, DFL-Fridley, recently stepped for real life into the bramblebush that ensues when a politician/TV host sells sponsorships to people with a stake in his votes. Chaudhary insists he did not cross ethical lines nor violate the state's ban on lobbying-related gifts. Chaudhary's colleagues in the Senate would be better judges. A complaint needs to be filed with the Senate Subcommittee on Ethical Conduct and an investigation begun.

The allegations about Chaudhary's TV sponsorships came to light late last week in a Star Tribune article by David Shaffer. Chaudhary, who chairs the Senate Environment and Natural Resources Committee, is an avid outdoorsman. His "Born to Be Wild" show, with the classic Steppenwolf tune as its theme song, began a weekly run on the Sportsman Channel in January. Ads for Arctic

ETHICAL RULES

To read the Minnesota Senate's rules on conflicts of interests, go to startribune.com/a4403. Scroll to Rules 56 and 57.

To see the state's gift ban law, go to startribune.com/a4404.

Cat and the North Central States Regional Council of Carpenters appear on the show's website. Chaudhary approached both and solicited sponsorships, which go for up to \$25,000. The union wrote a check. Arctic Cat, which is based in Thief River Falls, Minn., did not, but sold him a snowmobile used on the show for \$1,800 less than it would have cost at a dealer. Chaudhary later supported a measure requiring the state to buy Minnesota-made snowmobiles and all-terrain vehicles. In 2007, he sponsored a bill limiting independent construction contractors.

With Minnesota's part-time citizen Legislature, it's natural that conflicts will come up between work at and away from the Capitol. That's why there are ethics rules to govern the activity. There are also state laws about what constitutes illegal gifts to lawmakers.

It's not clear if Chaudhary violated any rules or laws. The state does allow lawmakers to have business relationships with firms that lobby. But as a three-term senator, Chaudhary should have known the sponsorships could create the perception of influence for sale. At the very least, he should have disclosed them. As senators investigate this potential conflict, they should also weigh the laws and rules. If they're loose enough to allow this kind of activity, or allow it to go undisclosed, the laws need toughening.

StarTribune.com | MINNEAPOLIS - ST. PAUL, MINNESOTA

Senator's TV show puts him on defensive

By DAVID SHAFFER, Star Tribune

May 17, 2008

State Sen. Satveer Chaudhary, who produces and hosts an outdoor-sports cable show, has cut sponsorship deals with a corporation and a union that have stakes in bills he pushed in the Legislature.

In a deal with Arctic Cat, Chaudhary purchased a snowmobile in January at a discount after he borrowed it for an episode of his "Born to be Wild" program.

Chaudhary, a DFLer from Fridley who is chairman of the Senate Environment and Natural Resources Committee, later unsuccessfully backed an amendment to require the Department of Natural Resources to purchase snowmobiles and all-terrain vehicles only from Minnesota manufacturers. Arctic Cat is based in Thief River Falls, Minn.

The North Central States Regional Council of Carpenters spent \$15,000 to be a sponsor of the series, Chaudhary said. In 2007, Chaudhary sponsored a bill to curb independent contractors in the construction industry. The bill, which passed, was backed by the carpenters council, which also has a political action committee.

"It smells awful," said David Schultz, an attorney and professor in the Hamline University Graduate School of Management who has studied and written about money in politics.

Schultz said: "He has got an intermixing of his professional life, legislation he is introducing, lobbyists and PACs -- and is mixing it in a way that he can't separate those roles out."

Chaudhary, who is an attorney and an avid hunter and fisherman, said he does separate his role as legislator from his new career as an outdoors show host. The show, broadcast weekly on The Sportsman Channel, features Chaudhary or guests on hunting, fishing and other trips.

He said the discount from Arctic Cat and the money from the union -- two entities with lobbyists -- didn't violate the state's ban on lobbying-related gifts, because his production company provided a service: advertising. He said rulings in other cases by the Minnesota Campaign Finance and Public Disclosure Board support his view.

"I don't think I am walking a fine line," he said. "The only difference is that it is in the public eye because it is on television."

Arctic Cat and the carpenters council said their support for Chaudhary's show was strictly

marketing. In return for lending and discounting a snowmobile, Arctic Cat will get exposure on the upcoming show and already has a spot on the show's website. The union said that many carpenters are outdoorsmen and that advertising on this season's shows reached carpenters who are nonunion.

"Our union members love to hunt and fish," said Kyle Makarios, political director for the carpenters regional council. "... Our members are for the most part working-class guys and tend to live in exurban and rural areas -- it is the demographic."

Makarios said Chaudhary approached the union council's marketing committee about sponsoring the show. "The people who are part of those decisions are not part of our lobbying team," he said. "Those decisions are made independently. There is certainly no quid pro quo going on."

At Arctic Cat, Chaudhary said, he approached Chief Executive Christopher Twomey about sponsoring the show. The company decided not to be a cash sponsor because the show had no track record, said John Tranby, marketing communications manager. As for Chaudhary's product deal, "if anything, it is a worse deal than a lot of shows get," Tranby said. "He paid almost full price."

Tranby said he knew nothing about Chaudhary's buy-Minnesota effort, which never got out of committee.

Chaudhary said he paid \$8,500 for a model priced at a suggested \$11,700 by the manufacturer, but selling for \$10,330 at the dealership.

The senator said his track record on controversial motor-sports bills proves that he hasn't allowed the Arctic Cat deal to influence his job as a legislator. Arctic Cat also manufactures ATVs.

"If I was a kind of totally pro-ATV-riding legislator, that concern would be legitimate," he said. "I passed a lot of legislation that is pro-environment on the issue."

The Sierra Club in 2006 gave Chaudhary a 93 percent rating on environmental votes. Barry Babcock, a founder of the Jack Pine Coalition, which has fought to limit motor recreation on public lands, scores Chaudhary far lower. "He is not going to do anything for us," Babcock said.

Chaudhary offered different logic for why the \$15,000 union sponsorship didn't affect his legislative votes. He said he has long been pro-labor, so the money couldn't change a thing.

"Nothing in my labor record reflects anything different than what I have done for the last 10 years," he said.

Schultz, the law professor, said the "fact that he has to go through gyrations of

explanations suggests a problem."

Gary Goldsmith, executive director of the public disclosure board, said public officials are not prohibited from having business relationships with companies or organizations that lobby. He would not comment specifically on Chaudhary's situation, but said it may be "unique." However, the board would consider the matter only if someone files a complaint, he said.

Two other groups with interests in natural resources, Sportsmen for Outdoors Amendment and Ducks Unlimited, also have ads on the Born to be Wild website. Chaudhary said that they didn't pay any money to his company, and that he supports both groups.

David Shaffer • 612-922-2667

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