

STATE OF CONNECTICUT  
STATE ELECTIONS ENFORCEMENT COMMISSION

COMMISSION  
ENFORCEMENT  
OCT 19 2007  
STATE ELECTIONS  
RECEIVED  
File No. 2007-371

In the Matter of a Complaint by  
John Lappie, North Branford

**AGREEMENT CONTAINING CONSENT ORDER, FORFEITURE AND  
PAYMENT OF A CIVIL PENALTY FOR VIOLATIONS OF CONNECTICUT  
GENERAL STATUTES § 9-606, 9-607, 9-608, 9-613 & 9-622**

This agreement by and between Gabriel Varca of the Town of North Branford, County of New Haven, State of Connecticut, hereinafter referred to as the Respondent, and the authorized representative of the State Elections Enforcement Commission, is entered into in accordance with Section 9-7b-54 of the Regulations of Connecticut State Agencies and Section 4-177(c) of the General Statutes of Connecticut. In accordance herewith, the parties agree that:

1. The Respondent is the campaign treasurer for the North Branford Democratic Town Committee (hereinafter "NBDTC") and has been the treasurer of the NBDTC since September 27, 2007.
2. Complainant alleged that during the reporting periods ending September 30, 2007 and December 31, 2007, the Respondent: 1) failed to list the date, time and place of a fundraiser where ad purchases in program booklets were used; 2) reported contributions from entities, 3) inaccurately reported contributions and expenditures where itemized entries did not match his summary page entry, and consequently, 4) misreported the balance on hand.
3. Connecticut General Statutes §9-606 (formerly 9-333h), provides in pertinent part:
  - (a) The campaign treasurer of each committee shall be responsible for (1) **depositing, receiving and reporting all contributions and other funds** in the manner specified in section 9-608, (2) making and reporting expenditures, (3) reporting expenses incurred but not yet paid, (4) filing the statements required under section 9-608, and (5) **keeping internal records of each entry made on such statements**. The campaign treasurer of each committee shall deposit contributions in the committee's designated depository within fourteen days after receiving them. The campaign treasurer of each political committee or party committee which makes a contribution of goods to another committee shall send written notice to the campaign treasurer of the recipient committee before the close of the reporting period during which the contribution was made. The notice shall be signed by the campaign treasurer of the committee making the contribution and shall include the full name of such committee, the date on which the contribution was made, a complete description of the contribution and the value of the contribution. Any dispute concerning the information contained in such notice shall be resolved by the campaign treasurer of the recipient committee. Such resolution shall not impair in any way the authority of the State Elections Enforcement Commission under section 9-7b. The campaign treasurer of the recipient committee shall preserve each such notice received for the period prescribed by subsection (f) of section 9-607. [Emphasis added]
4. Connecticut General Statutes §9-607 (formerly 9-333i), provides in pertinent part:

(f) *The campaign treasurer shall preserve all internal records of transactions required to be entered in reports filed pursuant to section 9-608 for four years from the date of the report in which the transactions were entered. Internal records required to be maintained in order for any permissible expenditure to be paid from committee funds include, but are not limited to, contemporaneous invoices, receipts, bills, statements, itineraries, or other written or documentary evidence showing the campaign or other lawful purpose of the expenditure.* If a committee incurs expenses by credit card, the campaign treasurer shall preserve all credit card statements and receipts for four years from the date of the report in which the transaction was required to be entered. If any checks are issued pursuant to subsection (e) of this section, the campaign treasurer who issues them shall preserve all cancelled checks and bank statements for four years from the date on which they are issued. If debit card payments are made pursuant to subsection (e) of this section, the campaign treasurer who makes said payments shall preserve all debit card slips and bank statements for four years from the date on which the payments are made. In the case of a candidate committee, the campaign treasurer or the candidate, if the candidate so requests, shall preserve all internal records, cancelled checks, debit card slips and bank statements for four years from the date of the last report required to be filed under subsection (a) of section 9-608. [Emphasis added.]

5. Connecticut General Statutes §9-608 (formerly 9-333j), provides in pertinent part:

(c)(1) Each statement filed under subsection (a), (e) or (f) of this section shall include, but not be limited to: (A) *An itemized accounting of each contribution, if any, including the full name and complete address of each contributor and the amount of the contribution;* (B) in the case of anonymous contributions, the total amount received and the denomination of the bills; (C) an itemized accounting of each expenditure, if any, including the full name and complete address of each payee, including secondary payees whenever the primary or principal payee is known to include charges which the primary payee has already paid or will pay directly to another person, vendor or entity, the amount and the purpose of the expenditure, the candidate supported or opposed by the expenditure, whether the expenditure is made independently of the candidate supported or is an in-kind contribution to the candidate, and a statement of the balance on hand or deficit, as the case may be; (D) an itemized accounting of each expense incurred but not paid, provided if the expense is incurred by use of a credit card, the accounting shall include secondary payees, and the amount owed to each such payee; (E) the name and address of any person who is the guarantor of a loan to, or the cosigner of a note with, the candidate on whose behalf the committee was formed, or the campaign treasurer in the case of a party committee or a political committee or who has advanced a security deposit to a telephone company, as defined in section 16-1, for telecommunications service for a committee; (F) for each business entity or person purchasing advertising space in a program for a fund-raising affair, the name and address of the business entity or the name and address of the person, and the amount and aggregate amounts of such purchases; (G) for each individual who contributes in excess of one hundred dollars but not more than one thousand dollars, in the aggregate, to the extent known, the principal occupation of such individual and the name of the individual's employer, if any; (H) for each individual who contributes in excess of one thousand dollars in the aggregate, the principal occupation of such individual, the name of the individual's employer, if any, and a statement indicating whether the individual or a business with which he is associated has a contract with the state which is valued at more than five thousand dollars; (I) for each itemized contribution made by a lobbyist, the spouse of a lobbyist or any dependent child of a lobbyist who resides in the lobbyist's household, a statement to that effect; and (J) for each individual who contributes in excess of four hundred dollars in the aggregate to or for the benefit of any candidate's campaign for nomination at a primary or election to the office of chief executive officer of a town, city or borough, a statement indicating whether the individual or a business with which he is associated has a contract with said municipality that is valued at more than five thousand dollars. *Each campaign treasurer shall include in such statement (i) an itemized accounting of the receipts and expenditures relative to any testimonial affair held under the provisions of section 9-609 or any other fund-raising*

*affair, which is referred to in subsection (b) of section 9-601a, and (ii) the date, location and a description of the affair.* ... [Emphasis added.]

6. On the NBDTC Itemized Campaign Finance Disclosure Statement (SEEC Form 20) Summary Page for the period ending September 30, 2007, the Respondent properly transferred the *Balance on hand at the beginning of reporting period* (Line 12), \$555.65. He then reported in *Other Monetary Receipts (Sections D-K* (line 15) of Column A, a total of \$1,225. However, the reporting totals for Line 15 which cover subsections D through K of SEEC Form 20 summed up to \$450.00 and not \$1,225. Therefore, Line 15 entry should have been \$450.00.
7. Further, the Respondent failed to add Sections A (*Total Contributions from Small Contributors*), \$1475.00, to Section B (*Itemized Contributions from Individuals*), \$550.00, for a Line 13 (*Contributions from individuals (Sections A & B)*) total of \$2,025.00 and not \$550.00. Therefore, Line 13 entry should have been \$2,025.00. This error caused the Respondent to inaccurately report in the *Total Monetary receipts* (Line 17) \$1,775.00 instead of \$2,475.00. To this point, the *Subtotals* (Line 18) amounted to \$3,030.65. When the *Expenditure Paid* (Line 19) entry, \$336.00, is subtracted from Line 18, the new *Balance on hand at close of reporting period* (Line 20) should have been \$2,694.65 and not \$1,994.65 as reported. As a consequence, the reported totals in the Summary Page of the SEEC Form 20 were incongruent with the entries made in the report.
8. It is therefore found that Respondent inaccurately reported contributions and expenditures during this reporting period where itemized entries did not match his summary page entry and, as a result, misreported the balance on hand, in violation of Conn. Gen. Stat. §9-608(c).
9. On or about September 16, 2009, the Respondent submitted an amended Itemized Campaign Finance Disclosure Statement (SEEC Form 20) for the period ending September 30, 2007. With this amended filing the Respondent was attempting to correct some of the erroneous entries made to the September 2007 report.
10. However, the itemized entries of the amended copy also failed to match the summary page entries, thus still misreporting the balance on hand. Such amended itemization consisted of the transferring of \$450 from Section E (*Receipts from Entities other than Individuals or Other Committees*) to Section B (*Itemized Contributions from Individuals*) and therefore increasing the amount to \$1,000. He then incorrectly entered \$1,000 in Line 13 of the Itemized Campaign Finance Disclosure Statement (SEEC Form 20) Summary Page while zeroing out Line 15 of the report. No further adjustments were made and therefore the balance shown in paragraph #7 above remained erroneously the same with the amended filing (\$1,994.65.)
11. It is found that Respondent failed to accurately disclose the \$2,694.65 contributions on the NBDTC committee's October 10, 2007 Itemized Campaign Finance Disclosure Statement (SEEC Form 20) and, when reported on the amended September 16, 2009 report, itemized entries did not match his summary page entry and, as a result, again misreported the balance on hand in violation of Conn. Gen. Stat. §9-608(c). The Commission has considered that he was attempting to correct acknowledged errors.
12. Respondent also failed to disclose in the January 10, 2008 Itemized Campaign Finance Disclosure Statement (SEEC Form 20) the date, time and place of a fundraiser where advertising purchases in program booklets were used, in violation of Conn. Gen. Stat. §9-608(c).

13. The investigation revealed that the committee held a fundraiser on October 13, 2007 at Amato's Restaurant. The Respondent maintains that the failure to report it was an "oversight" since he had all the information related to that event. Contributions linked to event # 101307 were disclosed in Section B, Itemized Contributions from Individuals, of the Itemized Campaign Finance Disclosure Statement (SEEC Form 20) for that time period. However, Respondent was unable to provide the Commission staff with a copy of a program booklet associated with that event.
14. It is found that Respondent maintained some internal records of fundraiser event number 101307 but failed to preserve the program booklet containing advertising purchases, in violation of Conn. Gen. Stats. §§9-606(a) and 9-607(f).
15. Connecticut General Statutes §9-613 (formerly 9-333o), provides in pertinent part:

*(a) No business entity shall make any contributions or expenditures to, or for the benefit of, any candidate's campaign for election to any public office or position subject to this chapter or for nomination at a primary for any such office or position, or to promote the defeat of any candidate for any such office or position.* No business entity shall make any other contributions or expenditures to promote the success or defeat of any political party, except as provided in subsection (b) of this section. No business entity shall establish more than one political committee. A political committee shall be deemed to have been established by a business entity if the initial disbursement or contribution to the committee is made under subsection (b) of this section or by an officer, director, owner, limited or general partner or holder of stock constituting five per cent or more of the total outstanding stock of any class of the business entity. [Emphasis added.]
16. Connecticut General Statutes §9-622 (formerly 9-333x), makes it an illegal practice for:

(10) Any person who solicits, makes or receives a contribution that is otherwise prohibited by any provision of this chapter; ...
17. An analysis of the itemized campaign finance disclosure statement (SEEC Form 20) at issue, filed by the Respondent with the State Elections Enforcement Commission, shows that the Respondent received and deposited two \$150 contributions from two business entities: Tony's Long Wharf, LLC and New Haven Partitions, Inc. Additionally, one \$150 contribution was reported from an individual. All three receipts were reported in Section E (*Receipts from Entities other than Individuals or Other Committees*) of the *Itemized Campaign Finance Disclosure Statement* (SEEC Form 20.) Notably, Section E form instructions indicate: "*Referendum Committees only.*"
18. On or about September 16, 2009, Respondent filed an amended copy of the SEEC Form 20 for this reporting period where these three transactions were moved from Section E to Section B (*Itemized Contributions From Individuals*) of the report. However, cancelled checks associated with these transactions revealed that two of the three contributions actually came from business entities and not from individuals. Accordingly, the amendment was inaccurate.
19. The two business contributions totaling \$300.00 were unrelated to any committee fundraiser and accordingly, did not represent ad book purchases. Consequently, by accepting two business entity contributions, the Respondent violated Conn. Gen. Stat. § 9-613 and 9-622(10).
20. Pursuant to Conn. Gen. Stat. §9-7b(a)(3), the Commission deems it necessary to effectuate the purposes of Chapter 155 that the NBDTC forfeit the business entity contributions.

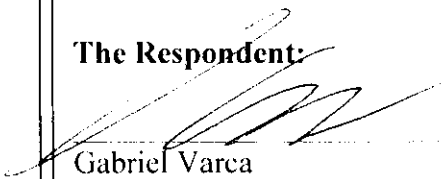
21. The Respondent admits all jurisdictional facts and agrees that this agreement and Order shall have the same force and effect as a final decision and Order entered after a full hearing and shall become final when adopted by the Commission. The Respondent shall receive a copy hereof as provided in §9-7b-56 of the Regulations of Connecticut State Agencies.
22. It is understood and agreed that this agreement will be submitted to the Commission at its next meeting and, if the Commission does not accept it, it is withdrawn by the Respondent and may not be used as an admission in any subsequent hearing, if the same becomes necessary.
23. The Respondent waives:
  - a. Any further procedural steps;
  - b. The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law, separately stated; and
  - c. All rights to seek judicial review or otherwise to challenge or contest the validity of the agreement or Order entered into pursuant to this agreement.
23. Upon Respondent's compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against him pertaining to this matter.

**ORDER**

IT IS HEREBY ORDERED that Respondent shall forfeit the three hundred dollars (\$300) in business entity funds identified herein above from town committee funds, pursuant to Conn. Gen. Stats. §9-7b(a)(3) to the State Elections Enforcement Commission by November 16, 2009. It is further ordered that Respondent personally pay a civil penalty of six hundred dollars (\$600.00) to the Commission in two equal installments of three hundred dollars (\$300.00) each. The first payment is due and payable on October 19, 2009 and the second and final payment is due and payable on November 16, 2009. If for any reason a payment is late, the total balance on the account becomes immediately due and payable. The Commission reserves the right to refer collection matters to the State Attorney General for enforcement action, if necessary.

IT IS FURTHER ORDERED that Respondent shall amend the North Branford Democratic Town Committee's itemized campaign finance disclosure statements (SEEC Form 20) to include further itemization and disclosure as described herein for the required reporting periods by November 16, 2009 and henceforth strictly comply with the requirements of Conn. Gen. Stats. §§ 9-606, 9-607, 9-608(c), 9-613 and 9-622.


**The Respondent:**



Gabriel Varca  
40 Hillside View Rd  
Northford, Connecticut

Dated: 10/19/09

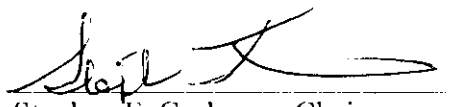
**For the State of Connecticut:**

BY: 

Joan M. Andrews, Esq.  
Director of Legal Affairs and Enforcement  
& Authorized Representative of the State  
Elections Enforcement Commission  
20 Trinity St., Suite 101  
Hartford, Connecticut

Dated: 10/19/09

Adopted this 21<sup>st</sup> day of October of 2009 at Hartford, Connecticut



Stephen F. Cashman, Chairman  
By Order of the Commission