

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by Caleb Kleppner,
New Haven

File No. 2010-002B

AGREEMENT CONTAINING A CONSENT ORDER

The parties, Sean Matteson, of the City of New Haven, State of Connecticut, hereinafter referred to as the Respondent, and the undersigned authorized representative of the State Elections Enforcement Commission enter into this agreement as authorized by Connecticut General Statutes § 4-177 (c) and Regulations of Connecticut State Agencies § 9-7b-54. In accordance with those provisions, the parties agree that:

1. Complainant Kleppner filed this complaint with the Commission on January 8, 2010. The complaint alleged that a candidate committee for John DeStefano, which was created for the 2009 New Haven mayoral election, had received unreported and excessive in-kind contributions from Elm & Oak PAC, a New Haven-based political committee. *See* Complaint of Caleb Kleppner, New Haven (Rec'd January 8, 2010).
2. Respondent serves as Mayor DeStefano's chief of staff for and also served as an advisor to the DeStefano mayoral candidate committee in 2009.
3. After the initial investigation of the issues raised in the complaint, the Commission authorized expansion of this matter into potential violations that Respondent may have committed in his role with Elm & Oak PAC.
4. Elm & Oak PAC was established in 2007, by chairman Debra Hauser, who filed the registration papers establishing the committee. *See* SEEC Form 3 – Political Committee Registration (Elm & Oak PAC, February 27, 2007). Hauser named Michael DePalma as the committee's first campaign treasurer, an office he held until June 2009. *Id.*
5. DePalma recalls that Respondent spoke with him about establishing Elm & Oak PAC political committee before it was officially formed and asked him to serve as the committee's treasurer.
6. In January 2008, Respondent established James Hillhouse Society PAC, which, like Elm & Oak, was established to support municipal, General Assembly, and statewide candidates.

See SEEC Form 3 – Political Committee Registration (The James Hillhouse Society, January 15, 2008).

7. DePalma recalled that Elm & Oak PAC political committee made few expenditures after it was formed. DePalma recalled, however, that all expenditures were approved by Respondent before they were paid.
8. Early in 2009, DePalma said, Respondent informed him that Elm & Oak PAC was going to rent space at 110 Church Street. This space had been previously been used by the DeStefano gubernatorial committee. DePalma was told by Respondent that in order to rent the space at 110 Church Street, the political committee would have to pay six months back-rent that was owed on the property.
9. Likewise, early in 2009, DePalma said, Respondent informed him that Elm & Oak PAC was hiring Keya Jayaram as a consultant. Respondent told DePalma how much Jayaram would be paid and when she would start.
10. Jayaram recalled that she met with Respondent and DeStefano in February 2009 to discuss a budget for the mayoral re-election committee. That budget included costs that would be incurred by the candidate committee and Elm & Oak PAC, including expenditures for rent at 110 Church Street and Jayaram's salary.
11. Jayaram said that she considered Respondent to be her direct supervisor. Jayaram said that once her activities became solely focused on the mayor's reelection, she suggested to Respondent that she be paid only by the candidate committee.
12. After DePalma resigned as Elm & Oak PAC's treasurer in 2009, Respondent asked Hector Rivera to serve as Elm & Oak's treasurer, according to Rivera. Rivera said that Respondent told him that little would be required of him and that most of the work would be done by a bookkeeper.
13. Suzanne Mizzoni, who worked as a legal secretary in the New Haven Economic Development Office, served as the bookkeeper not only for Elm & Oak PAC but also for Mayor DeStefano's candidate committee in 2009. As the bookkeeper, she filed campaign finance disclosure reports for both of the committees. She also executed checks for Elm & Oak PAC, signing Rivera's name to those checks.

14. Mizzoni said that she spoke with Respondent as well as Jessica Mayorga, who was Rivera's wife and the spokesperson for the mayor's office, about her discomfort with signing Rivera's name to checks issued by Elm & Oak PAC. Both Respondent and Mayorga told Mizzoni just to "handle it," according to Mizzoni.
15. Respondent denies implicitly or explicitly approving of Mizzoni's decision to improperly sign the Treasurer's name to Elm & Oak checks.
16. General Statutes § 9-607 states: "No financial obligation shall be incurred by a committee unless authorized by the campaign treasurer . . ." General Statutes § 9-607 (a) (2012).
17. General Statutes § 9-606 (a) requires a campaign treasurer to perform certain duties, including:
 - (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.

General Statutes § 9-606 (a) (2012) (Emphasis added).
18. General Statutes § 9-606 (d) prohibits an individual from acting as treasurer of a political committee without being appointed to that role by the committee's chairman. *See* General Statutes § 9-606 (d) ("No person shall act as a campaign treasurer . . . unless . . . a statement, signed by the chairman in the case of a . . . political committee, designating the person as campaign treasurer . . . has been filed in accordance with section 9-603.")
19. General Statutes § 9-605 (e) (1) prohibits an individual from establishing or controlling more than one political committee. *See* General Statutes § 9-605 (e) (1).
20. Respondent acknowledges having a role with both the Elm & Oak PAC and the James Hillhouse PAC that, while unintentional, was in violation of General Statutes §9-605(e)(1).
21. General Statutes § 9-622 (5) prohibits an individual from transferring costs that would normally be borne by a candidate committee to another entity without notifying the

treasurer of the value of the costs that the entity is paying on behalf of the candidate committee. See General Statutes § 9-622 (5) (stating, in relevant part, that “any person who, directly or indirectly, pays, gives, contributes or promises any money or other valuable thing to defray or towards defraying the cost or expenses of any campaign, primary . . . or election to any person, committee, company, club, organization, or association, other than to a campaign treasurer” shall be guilty of illegal practices).

22. The Commission finds that by establishing The James Hillhouse Society political committee in 2008 after he had played a significant role in the creation and establishment of Elm & Oak PAC political committee, Respondent violated General Statutes § 9-605 (e) (1) by establishing or controlling more than one political committee.
23. The Commission finds that Respondent’s oversight of Elm & Oak PAC, including but not limited to his direction of its former treasurer DePalma as to how the funds of the committee would be spent on rent, salaries, as well as his direction of the political committee’s bookkeeper Mizzoni to execute checks on behalf of the committee, rendered him the *de facto* treasurer of the committee without being formally appointed to the role as required under General Statutes § 9-603. By acting as treasurer without being formally appointed to that role, Respondent violated General Statutes § 9-606 (d).
24. Finally, the Commission finds that Respondent was in a unique position to determine which costs of the 2009 election cycle would be paid by Elm & Oak PAC and which would be paid by the DeStefano mayoral candidate committee. By defraying costs that should have been paid by the DeStefano candidate committee to the Elm & Oak PAC, including costs for rent at 110 Church Street, salary for campaign workers, as well as other utility costs, Respondent violated General Statutes § 9-622 (5) which prohibits such defrayal of costs without informing the candidate committee’s treasurer of the payments.
25. Respondent acknowledges that the Elm & Oak PAC and the DeStefano mayoral campaign lacked a satisfactory process to allocate costs for shared use and, as a result, General Statutes §9-622(5) was violated.
26. Respondent admits all jurisdictional facts and agree that this Agreement and Order shall have the same force and effect as a final decision and order entered into after a full hearing and shall become final when adopted by the Commission.

27. 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 Order entered into pursuant to this Agreement.

28. Upon the Respondent's agreement to comply with the Order hereinafter stated, the Commission shall not initiate any further proceedings against him concerning this matter.

29. It is understood and agreed by the parties to this Agreement that the Commission will consider this Agreement at its next meeting and, if the Commission rejects it, the Agreement will be withdrawn and may not be used as an admission by the Respondent in any subsequent hearing, if one becomes necessary.

ORDER

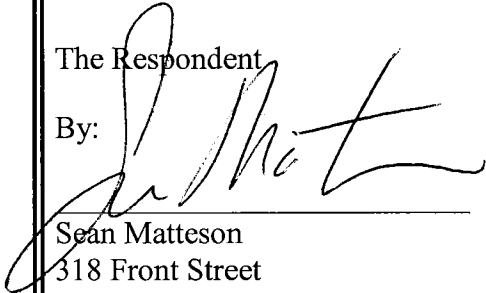
IT IS HEREBY ORDERED THAT the Commission shall impose a civil penalty of \$5,000 on Respondent for violating General Statutes §§ 9-605, 9-606, and 9-622 (5). The Commission has agreed to reduce the civil penalty to \$4,000 based on the financial circumstances of the Respondent. The Respondent agrees to pay that civil penalty and further agrees henceforth to comply strictly with the requirements of General Statutes §§ 9-605, 9-606, and 9-622 (5).


The Respondent

For the State of Connecticut

By:

By:


Sean Matteson
318 Front Street
New Haven, CT 06513


Michael J. Brandi, Esq.
Executive Director and General Counsel
and Authorized Representative of the
State Elections Enforcement Commission
20 Trinity St., Suite 101
Hartford, CT 06106

Dated:

27 JAN 2014

Dated:

1/27/14

Adopted this 19 day of MAR, 2014 at Hartford, Connecticut by vote of the Commission.


Anthony J. Castagno, Chairman
By Order of the Commission

**RECEIVED
STATE ELECTIONS**

JAN 27 2014

ENFORCEMENT COMMISSION