

**STATE OF CONNECTICUT**  
**STATE ELECTIONS ENFORCEMENT COMMISSION**

Complaint of Peter Steele, New Britain

File No. 2013-142

**AGREEMENT CONTAINING A CONSENT ORDER AND PENALTY**

The parties, Frank Gerratana of New Britain, Connecticut, hereinafter referred to as the Respondent, and the undersigned authorized representative of the State Elections Enforcement Commission (SEEC), enter into this agreement as authorized by Connecticut General Statutes § 4-177 (c) and Regulations of Connecticut State Agencies § 9-7b-54. In summary, the Complaint concerns a committee for New Britain Tax Collector in 2009. The Complainant alleges that a committee vendor, RDJ Holdings, was used as a front for the candidate's wife's company, TGS. The Complainant alleges that this financial relationship between the committee and TGS violates General Statutes § 9-607 (g) (2) (L) and § 9-607 (g) (4), which prohibit committee compensation to immediate family members and committee funds for personal use respectively. The Complainant also suggests, without providing evidence, that the funds might not have been spent on actual services as the candidate dropped out of the race. The facts bear out the Complainant's factual allegation that RDJ Holdings was essentially a pass-through for services actually provided by TGS. Nevertheless, the only actual violations relevant to the Complaint are the Respondent's failure to timely report two expenses incurred but not paid in the applicable reporting period. Respondent did however report these expenses when he paid them in the next succeeding period. Given the intensive nature of the investigation, it is worth noting at the outset that all the subjects of the investigation have cooperated fully with the SEEC's investigation. In accordance with the above provisions, the parties agree that:

**Evolution of the Plan**

1. The following findings are based on records including a series of sworn statements as well as an extensive review of relevant records provided both by the Respondent.<sup>1</sup>
2. At all times relevant hereto, Dr. Frank Gerratana, was the Deputy Treasurer of the Gerratana 2009 candidate committee (the "Committee").<sup>2</sup>

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<sup>1</sup> Sworn statements have been obtained from: Dr. Frank Gerratana, Deputy Treasurer; Gregory Gerratana, candidate; Jessica Gerratana, candidate's wife and owner of Total Graphics Solutions, LLC; and Ralph Roberti, candidate's father-in-law and owner of relevant corporations.

3. On or about July 28, 2009, Gregory Gerratana filed his registration of candidate committee, *Gerratana 2009*, with SEEC Form 1 and Form 1A, with the New Britain Town Clerk's Office (the "Committee"). The Committee was established to finance his election to the office of Tax Collector in November, 2009. Gregory Gerratana designated Mary Anne Wysocki and his father, the Respondent, as the Committee treasurer and deputy Committee treasurer, respectively, on SEEC Form 1A. Ms. Wysocki was unavailable to perform the duties of treasurer as she was living in Westbrook during that summer and caring for her ailing mother-in-law. The Respondent performed the day-to-day responsibilities of the treasurer.
4. The Respondent was experienced in the role of treasurer and had served as such for his wife's campaigns for State Representative and his son's prior successful campaign for New Britain City Council in 2007. In addition, the Respondent read the SEEC published guide for *Candidates for Municipal Office in 2009*, instructions for filing campaign reports, and the statutes governing Connecticut campaign financing. The Respondent performed all of the following tasks for the Committee: deposited contributions and kept records of same, obtained contributor information, authorized and paid expenditures, and filed campaign reports with the Town Clerk of New Britain. The Respondent maintained the Committee's financial records that were necessary for the SEEC investigation. Gregory Gerratana made policy decisions concerning his campaign, including but not limited to, which vendors to hire.
5. At all times relevant hereto, Total Graphics Solutions, LLC, ("TGS") was solely owned by Gregory Gerratana's wife, Jessica. TGS was established in Rhode Island in 2003 as a printing company, prior to the time Gregory and Jessica were married. By the time they married in 2007, the company was successful and its operations were moved to Connecticut. The company did business with political and non-political clients.

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<sup>2</sup> In a typical matter, the respondent would be the treasurer and not the deputy treasurer. General Statutes § 9-601 (12) provides that "Deputy treasurer' means the individual appointed by the candidate or by the chairperson of a committee to serve in the capacity of the treasurer if the treasurer is unable to perform the treasurer's duties." In this matter, it is uncontested that the treasurer was unable to perform her duties and that Dr. Frank Gerratana assumed both the duties and liabilities of acting treasurer.

6. Gregory Gerratana desired to hire TGS to do his campaign printing and design work for his election to the City Council in 2007, and discussed this with his wife. Gregory Gerratana's 2007 candidate committee hired TGS, LLC, to perform campaign work and fully disclosed those payments on the corresponding reports. Mrs. Gerratana did contact the SEEC staff to ensure the propriety of the hiring of her business by her husband's campaign. Similarly, when Gregory Gerratana ran for Tax Collector in 2013, the campaign hired TGS to do campaign printing and design and reported the campaign expenditures accordingly.

#### **The Reported RDJ Holdings Payments**

7. In 2009, Ralph Roberti, the father of Jessica Gerratana, decided he wanted to explore a return to the printing business in Rhode Island and discussed it with his daughter and son-in-law, Gregory. Mr. Roberti reportedly had many Rhode Island political contacts. His other businesses at the time were failing and he was exploring other ways to earn income. TGS was a successful enterprise. Mr. Roberti, Jessica and Gregory Gerratana discussed a possible business development opportunity in Rhode Island, with Jessica doing the actual work, as she had the experience and know how. They all felt that if Gregory's campaign for Tax Collector were successful, then Mr. Roberti could be better positioned to market the company to Rhode Island political clients. Accordingly, Mr. Roberti moved forward with the plans, and used one of his existing businesses, in order to save money on corporate filing fees.
8. Mr. Roberti indicated to both his daughter and son-in-law that he would be using "RDJ Holdings" to market the new business enterprise. Greg Gerratana decided to hire his father-in-law's company to do his campaign print and design work. He knew that Mr. Roberti would be outsourcing the work to TGS, as TGS was the experienced company in that market. Gregory did not tell his father, the Respondent, that TGS would be doing much or, as it turns out, all of the work. However, Greg Gerratana told his father of his father-in-law's involvement in RDJ Holdings, and that the campaign would use his company for the Committee's work. All witness statements agree that the Respondent remained unaware of the TGS role and there is no known documentary evidence to cast doubt on these claims.
9. Jessica Gerratana states that she produced the "RDJ Holdings" invoices "on behalf" of her father. The Respondent, on behalf of the Committee, received five separate invoices from

either Jessica or Greg Gerratana and made to appear from RDJ Holdings.<sup>3</sup> The total amount due under the invoices was \$7,389.19. The Respondent checked each invoice against the work received and then issued five separate checks in satisfaction thereof to “RDJ” Holdings in the following amounts: \$2,496.30; \$195.00; \$2,126.70; \$1,935.19; and \$636.00. These payments were made for campaign design work and printing of mailers, door-knockers, tickets, and lawn signs. The witnesses state that such work was “outsourced” to TGS. The evidence remains unclear regarding which Roberti controlled corporation actually paid TGS for the work. However, invoices from TGS to RDJ marked “Paid” have been provided for the relevant expenditures.

10. Whatever the name, no Roberti held corporation provided *any* paid services. Financial records have confirmed that such a corporation served solely as a financial pass through for corresponding payments in the same amount to TGS.

#### **Payments Reported After Candidate Exited Race**

11. Putting aside the essential error regarding the identity of the Committee contractor, nearly all the payments to apparently misidentified corporation were fully and timely disclosed on the Committee filings with the Town Clerk of New Britain. However, services reflected in invoices for “RDJ” expenses incurred but not yet paid, for \$1,935.19 and \$636.00 respectively, were made prior to the expiration of the October 10 reporting period. The associated services were properly disclosed as expenses paid on the subsequent October 27 filing, due on the seventh day prior to the election. The witness statements all also corroborate that the associated services were received during the October 10 reporting period and prior to Gregory Gerratana’s exit from the race.
12. The failure to report these particular expenses as incurred during the earlier reporting period are, in the absence of aggravating factors, minor reporting violations. Although the disclosures may have arisen Complainant’s suspicion that the work wasn’t performed, all available evidence indicates that the printing work was actually performed by TGS. All of the “RDJ” Holdings’ invoices reflect services received prior to the candidate’s withdrawal from the race on September 21, 2009. All of the work was performed prior to the

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<sup>3</sup> The “RDJ” invoices were not created or faked for the purposes of this investigation. Instead they were created at the time to provide the Respondent with, on its face, a legally sufficient basis to approved the relevant payments and meet his record keeping obligations.

candidate's withdrawal, although the lawn signs purchased were not posted in the city as a result of the candidate's decision to withdraw.

13. The Respondent stated that he studied the *2009 Guide for Municipal Candidates*, which accurately states, in this context: "Each expense incurred but not yet paid must also be separately itemized in the same manner as expenditures paid... The obligation to report expenses incurred arises when the committee has received the goods or services."

#### **SEEC's Conclusion as to Intent**

14. The candidate, his wife and father-in-law all knew that Mr. Roberti's company was outsourcing the work to TGS, yet the acting treasurer, the Respondent, did not. TGS had been disclosed as a vendor both for a prior and subsequent Greg Gerratana campaign committee and prior to the filing of the instant complaint. In light of such larger pattern of behavior and the legality of such expenditures, there is no known or identified motive to hide payments made to TGS other than to promote Mr. Roberti's business work. The plan was motivated by a spirit of family helping family (or family business) by attempting to furnish Mr. Roberti with enhanced credentials and experience to entice future clients in what ultimately turned out to be a failed business venture. In summary, the information appearing on the Committee's financial disclosure records were the result of a failed intra-familial business plan to bolster Mr. Roberti's business rather than have been motivated to avoid public disclosure of TGS.

#### **Complainant's Allegation Concerning Non-CEP Committee Payment to a Family Held Corporation**

15. The subjects of the investigation did not violate General Statutes § 9-607 (g) (2) (L) as alleged in the complaint. General Statutes § 9-607 (g) (2) (L), governing permissible expenditures for candidate committees, provides in relevant part:
  - (1) As used in this subsection, (A) "the lawful purposes of the committee" means: (i) For a candidate committee or exploratory committee, the promoting of the nomination or election of the candidate who established the committee... and (B) "immediate family" means a spouse or dependent child of a candidate who resides in the candidate's household:

(2) Unless otherwise provided by this chapter, any treasurer, in accomplishing the lawful purposes of the committee, may pay the expenses of: (A) Advertising in electronic and print media; (B) any other form of printed advertising or communications including “thank you” advertising after the election; (C) campaign items, including, but not limited to, brochures, leaflets, flyers, invitations, stationery, envelopes, reply cards, return envelopes, campaign business cards, direct mailings, postcards, palm cards, “thank you” notes, sample ballots and other similar items; (D) political banners and billboards; ... ***(L) compensation for campaign or committee staff, fringe benefits and payroll taxes, provided the candidate and any member of his immediate family shall not receive compensation; ...*** and (Z) any other necessary campaign or political expense.

16. The spouse of the candidate did not receive compensation. A corporation controlled by the candidate’s spouse received compensation. The permissible nature of this for non-CEP candidates is further clarified when the above statute is compared to the CEP specific regulation on the same issue, which would have prohibited such compensation.

17. Regulations of Connecticut State Agencies § 9-706-2 (b), governing use of funds by CEP participating committees, provides in relevant part: provides in relevant part:

In addition to the requirements set out in Section 9-706-1 of the Regulations of Connecticut State Agencies, participating candidates and the treasurers of such participating candidates shall comply with the following Citizens’ Election Program requirements. Participating candidates and the treasurers of such participating candidates shall not spend funds in the participating candidate’s depository account for the following:

...

3. Payments to the participating candidate or the participating candidate’s family members, including: a participating candidate’s spouse, civil union partner, sibling, child, grandchild, parent, grandparent, aunt, uncle; or the participating candidate’s spouse’s or

civil union partner's sibling, child, grandchild, parent, grandparent, aunt, uncle; or the spouse, civil union partner, or child of any such individuals related to the participating candidate or his/her spouse or civil union partner, except payment(s) to the participating candidate or the participating candidate's committee worker or the participating candidate's family member serving as a committee worker if such individual is seeking reimbursement for a permissible expenditure for which he/she received authorization from the campaign treasurer to make such expenditure, and such participating candidate or committee worker provides the campaign treasurer with a written receipt or other documentary evidence from the vendor proving payment of the expenditure, as required by Section 9-607(j) of the Connecticut General Statutes; 4. *Payments to any entity in which the participating candidate or the participating candidate's family members, as listed in Section 9-706-2(b)(3) of the Regulations of Connecticut State Agencies, has a 5% or greater ownership interest;....*

18. When read in comparison, the above regulation further reflects that non-CEP committee business with candidate's family corporations are not inherently prohibited.

**The Complainant's Allegation Concerning Violation of Personal Use Provision.**

19. The subjects of the investigation did not violate General Statutes § 9-607 (g) (4).

20. General Statutes § 9-607 (g) (4), prohibiting personal use of committee funds, provides:

As used in this subdivision, expenditures for "personal use" include expenditures to defray normal living expenses for the candidate, the immediate family of the candidate or any other individual and expenditures for the personal benefit of the candidate or any other individual having no direct connection with, or effect upon, the campaign of the candidate or the lawful purposes of the committee, as defined in subdivision (2) of this section. No goods, services, funds and contributions received by any committee under this chapter shall be used or be made available for the personal use of any candidate or any other individual. No candidate, committee, or any other individual shall use such goods, services, funds or contributions

for any purpose other than campaign purposes permitted by this chapter.

21. As noted above, all available evidence indicates that the printing services were received by the Committee. Such printing services are specifically permitted by General Statutes § 9-607 (g) (2) (L). The contract between a non-CEP candidate committee and the candidate's wife's corporation does not itself violate the personal use provision.

#### **The Reporting of Secondary Payees**

22. The Respondent did not violate any duty to report secondary payees.
23. General Statutes § 9-608 (c), prescribes the content of committee reporting and provides in relevant part:

Each statement filed ... shall include, but not be limited to: ... (B) 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...; (C) 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.

24. [Intentionally Omitted.]
25. In this matter, the evidence supports that the Respondent did not know and had no reason to ask whether the payment to the principal payee was to include charges which the primary payee has already paid or will pay directly to another person.

#### **The Timely Reporting of Expenses Incurred but Not Paid**



26. The Respondent violated two counts of General Statutes § 9-608 (c) regarding the timely reporting of expenses incurred but not yet paid. General Statutes § 9-601b (c) provides that, “‘Expense incurred but not paid’ means any receipt of goods or services for which payment is required but not made or a written contract, promise or agreement to make an expenditure.”

27. General Statutes § 9-608 (c), prescribes the content of committee reporting and provides in relevant part:

Each statement filed ... shall include, but not be limited to: ...  
(C) 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....

28. The two relevant expenditures that were not timely reported were for \$1,935.19 and \$636.00 respectively. It is uncontested that the services were received and not reported during the relevant period. It is concluded that Respondent’s omissions were unintentional.

**Penalty Provisions**

29. For the Respondent’s failure to timely report expenses incurred but not paid, General Statutes § 9-7b provides that the Commission may impose a penalty not exceeding \$2,000.00 for each violation of § 9-608 (c). As reflected in the invoices and later payments, there were two such distinct expenditures.

30. Section 9-7b-48 of the Regulations of Connecticut State Agencies provides that, in the determination of the amount of the civil penalty to be imposed, the Commission shall consider, among other mitigating or aggravating circumstances: (1) the gravity of the act or omission; (2) the amount necessary to ensure immediate and continued compliance; (3) the previous history of similar acts or omissions; and (4) whether the person has shown good faith in attempting to comply with the applicable provisions of the General Statutes.

31. Respondent’s omission was not serious, as he had reported fully all expenditures when he paid them. Further, the Respondent has no previous history with the commission, and

based upon his attention to detail as determined in this investigation, the Respondent has shown good faith in attempting to comply with campaign finance statutes.

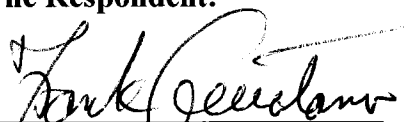
32. Due to the minor nature of these reporting violations, Respondent's lack of past offenses, and his evident concern for compliance with these statutes, the Commission deems that a minimal civil penalty of \$400 is appropriate for this matter.
33. The Respondent admits to all jurisdictional facts and agrees 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.
34. 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 to contest the validity of the Order entered into pursuant to this Agreement.
35. Upon the Respondent's agreement to comply with the Order hereinafter stated, the Commission shall not initiate any further proceedings against the Respondent, Mary Anne Wysocki, Gregory Gerratana, Jessica Gerratana, Total Graphics Solutions, LLC, Ralph Roberti, or any Ralph Roberti held corporation regarding this matter.
36. It is understood and agreed by the parties to this Agreement that the Commission will consider this Agreement at its next available meeting and, if the Commission rejects it, the Agreement will be withdrawn and may not be used as an admission by the Parties in any subsequent hearing, proceeding or forum.

**ORDER**


It is hereby ordered that the Respondent shall henceforth strictly adhere to the requirements of General Statutes § 9-608 (c).

It is further ordered that the Respondent shall pay a total of four hundred dollar penalty (\$400.00) for the two violations of General Statutes § 9-608 (c).

**The Respondent:**

  
Dr. Frank Gerratana  
674 Lincoln St.  
New Britain, CT 06052

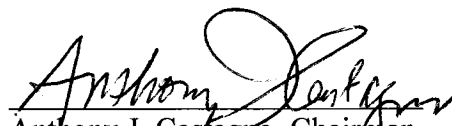
**For the State of Connecticut:**

BY:   
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

Dated: 4-28-15

Dated: 5/4/15

Adopted this 19 day of May, 2015 at Hartford, Connecticut by vote of the Commission.

  
Anthony J. Castagno, Chairman  
By Order of the Commission