

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

In the Matter of a Complaint by Sharlene A. McEvoy, Derby

File No. 2017-045B

**AGREEMENT CONTAINING A CONSENT ORDER**

The parties, Cheryl Pereiras and the undersigned authorized representative of the State Elections Enforcement Commission (the "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:

**PARTIES**

1. At all times relevant hereto, United Illuminating Company ("UI"), was a utility company in the State of Connecticut.
2. At all times relevant hereto, Anita Dugatto was the incumbent Mayor of the Town of Derby and a candidate for reelection.
3. At all times relevant hereto, Cheryl Pereiras was the treasurer of Anita Dugatto's 2017 candidate committee established to fund her reelection campaign.

**FACTUAL BACKGROUND**

4. Weatherization Month is a UI program designed to "weatherize as many homes as possible between October 1 and October 31, 2017." October was chosen because it immediately precedes the months when weatherization is most necessary. Derby was chosen to participate in the pilot program of Weatherization Month because a previous mayor had signed a commitment with Connecticut Clean Energy Fund to be a "Clean Energy Community."
5. UI has promoted Weatherization Month in Derby since 2014.
6. In order to promote Weatherization Month, UI sent out print and social media advertising, participated in door to door canvassing, and held promotional events. The program also involved incentives to those who signed up for weatherization services including reimbursement for some services and LED lightbulb giveaways.

7. As part of the promotion of Weatherization Month, UI held an event on August 26, 2017 where residents of Derby were invited to trade in two incandescent lightbulbs for 4 free LED lightbulbs.
8. Anita Dugatto attended and participated in the lightbulb exchange event in her capacity as Mayor.
9. The lightbulb exchange event was an annual event and Anita Dugatto had participated in such event annually since 2014.
10. Prior to the lightbulb exchange event, UI sent advertising to Derby residents advertising Weatherization Month and the lightbulb exchange event. Two physical mailings noted that UI and Anita Dugatto were “partnering” to promote Weatherization Month.
11. The first mailing stated that, “In celebration of Weatherization Month, we are partnering with the City of Derby and Mayor Anita Dugatto to help you save energy, reduce monthly bills, and improve the comfort of your home.” The second mailing stated that “Mayor Anita Dugatto invites residents of Derby to take control of their energy future by trading in your old incandescent lightbulbs for a four (4) pack of 60 watt-equivalent ENERTY STAR® certified high-efficiency LED lightbulbs.” The remaining portions of the mailers were generally promotional of Weatherization Month programs and did not mention Respondent Dugatto.
12. Both mailings were transmitted in August of 2017. The total cost of the mailings, including postage, was \$3,041.
13. At the time of the communications, Mayor Dugatto was a candidate in a contested primary for the Democratic nomination for Mayor of Derby. The primary was held on September 12, 2017.

**ALLEGATION**

14. The Complainant alleged that UI and the Dugatto campaign committee coordinated on the two letters sent to Derby residents promoting Weatherization Month and referencing Anita Dugatto.

**LAW**

15. General Statutes § 9-613 (a) prohibits business entities from making contributions to or coordinated expenditures to benefit candidates for public office in Connecticut and provides that:

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

16. General Statutes § 9-601b (a) (2) provides that, among other things, an expenditure is defined to be:

Any communication that (A) refers to one or more clearly identified candidates, and (B) is broadcast by radio, television, other than on a public access channel, or by satellite communication or via the Internet, or as a paid-for telephone communication, or appears in a newspaper, magazine or on a billboard, or is sent by mail[.]

#### **DISCUSSION**

17. UI is a business entity as defined by General Statutes § 9-601 (8). Accordingly, UI is prohibited from making coordinated expenditures for the benefit of or contributions to candidates for public office in Connecticut. General Statutes § 9-613 (a).
18. Prior to August 2017, the Anita Dugatto had registered as a candidate with the Derby Town Clerk as a candidate for Mayor of Derby.
19. The Respondent Cheryl Pereiras was the treasurer of Anita Dugatto's candidate committee at the time the letters were sent.
20. The treasurer of a candidate committee is responsible for making all expenditures of that candidate committee, including coordinated expenditures with a third party. General Statutes § 9-606.
21. UI admits that it sent two mailings promoting the lightbulb exchange event. The two mailings in question clearly identify "Mayor Anita Dugatto" who, as noted above, was a candidate for the office of Mayor of Derby at the time of the mailings.

22. All parties admit that UI and Anita Dugatto generally coordinated with each other concerning Weatherization Month programs and advertising.
23. The treasurer of a candidate committee is prohibited from accepting a contribution from a business entity. General Statutes §§ 9-613 & 9-622.
24. The mailings were sent out within five weeks of the Derby mayoral primary.
25. Accordingly, the Commission finds that Respondent Cheryl Pereiras violated General Statutes §§ 9-613 and 9-622 by accepting business entity contributions from UI in the form of two mailers that clearly identified candidate Anita Dugatto immediately prior the primary and election.
26. The making of expenditures by business entities for the benefit of a clearly identified candidate is a matter the Commission takes seriously. See *In the Matter of a Complaint by Ryan A. Mulachy and Frank A. Burgio, Waterbury*, File No. 2015-093.
27. However, while Respondent Cheryl Pereiras ran afoul of the requirements of General Statutes § 9-613 and 9-622, all evidence suggests that UI was simply attempting to promote an energy conservation program and there was no evidence that the campaign was intentionally trying to have the campaign directly benefit from this program.

#### **TERMS OF GENERAL APPLICATION**

28. 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.
29. 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.
30. Upon the Respondent's agreement to comply with the Order hereinafter stated, the Commission shall not initiate any further proceedings against the Respondents regarding this matter.

31. 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 §§ 9-613 & 9-622.

The Respondent shall pay a civil penalty of one hundred dollars (\$100).

**For the Respondent:**

By: *Cheryl Pereira*  
Cheryl Pereira  
46 Prairie Avenue  
Derby, CT 06418

**For the State of Connecticut:**

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

Dated: 5-8-18

Dated: 5/14/18

Adopted this 16<sup>th</sup> day of MAY, 2018 at Hartford, Connecticut by vote of the Commission.

*Salvatore A. Bramante*  
Anthony J. Castagno, Chairman *Salvatore*  
By Order of the Commission *Bramante*

RECEIVED  
STATE ELECTIONS

MAY 14 2018

ENFORCEMENT COMMISSION