

SEP 03 2008

STATE OF CONNECTICUT  
STATE ELECTIONS ENFORCEMENT COMMISSION  
ENFORCEMENT  
COMMISSION

In the Matter of a Complaint by  
Joseph M. Bomba, Derby

File No. 2008-010

AGREEMENT CONTAINING CONSENT ORDER AND PAYMENT OF A  
CIVIL PENALTY FOR VIOLATIONS  
OF CONN. GEN. STATS. § 9-606(a), § 9- 607(f), § 9-607(g) and § 9-608(c)

This agreement by and between Loretta M. Sexton of the City of Derby, County of New Haven, State of Connecticut hereinafter referred to as 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. Respondent was the Treasurer of the Derby Democratic Town Committee (hereinafter "DDTC") from April 10, 2006 to March 30, 2008.
2. Complainant alleged that the DDTC raised \$12,226.35 in the course of six fundraisers and that Respondent failed to fully disclose contributors pertaining to those funds reported on itemized financial statements from January 1, 2007 through September 30, 2007.
3. In addition, Complainant alleged that Respondent failed to disclose secondary payees on DDTC financial statements as required.
4. Respondent reported that the DDTC from January 1, 2007 through September 30, 2007 raised \$12,446.35, and disclosed two contributors at \$100 and one contributor at \$140 for a total of \$240 during this period. A review of DDTC *Itemized Campaign Finance Disclosure Statements* for the period relevant to this complaint reveals the following:

<u>April 10, 2007 filing</u>	
Small Contributors	\$2,864.35
Itemized Contributions	\$0
<u>July 10, 2007 filing</u>	
Small Contributors	\$3,795
Itemized contributions	\$140
<u>October 10, 2007 filing</u>	
Small Contributors	\$5,547
Itemized contributions	\$100
Total Contributions	<u>\$12,446.35</u>

5. Connecticut General Statutes § 9-606, 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.* ...  
[Emphasis added.]
6. Connecticut General Statutes § 9-607, 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. ...
- (g)(2) Unless otherwise provided by this chapter, any campaign treasurer, in accomplishing the lawful purposes of his committee, may pay the expenses of: ... (O) reimbursements to candidates and campaign or committee workers made in accordance with the provisions of this section for campaign-related expenses *for which a receipt is received by the campaign treasurer;* ...
- (j) A candidate or his committee worker shall be reimbursed by the campaign treasurer for any permissible expenditure which the candidate or committee worker has paid from his own personal funds if (1) the campaign treasurer authorized the expenditure, (2) *the candidate or worker provides the campaign treasurer with a written receipt or other documentary evidence from the vendor proving his payment of the expenditure,* and (3) in the case of a reimbursement to the candidate, a detailed accounting of the expenditure is included in the report of the campaign treasurer. *Internal records required to be maintained in order for any candidate or committee worker to be reimbursed 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 lawful*

*purpose of the expenditure.* The campaign treasurer shall preserve all such internal records for the same period of time as required in the case of cancelled checks, except that the campaign treasurer of a candidate committee may, upon request of the candidate, give such internal records to the candidate to keep for such period.  
[Emphasis added.]

8. Respondent failed to request and maintain the names and addresses of individuals who purchased tickets “at the door” to attend fundraisers, the proceeds of which were reported on the DDTC financial statements for the period between January 1, 2007 through September 30, 2007 in the aggregate as “small contributors.”
9. Respondent claims that she believed that she only had to itemize contributions for individuals who mailed contributions by check to the DDTC. Respondent otherwise claims that she did not know that she was required to keep records of those who purchased tickets for fundraisers, and also for contributors aggregated as “Total Contributions from Small Contributors.”
10. Respondent was required to maintain internal records with the name and address of all individuals who made contributions to the DDTC. The failure to maintain such records resulted in the Respondent being unable to identify the source of funds for a total of \$12,226.35 in contributions reported by the DDTC between January 1, 2007 and September 30, 2007, and unable to identify an aggregate should the same individuals contribute again and require itemization of their contributions. Similarly, neither the Respondent nor the Commission can reconstruct donor sources, and whether they were required to be itemized.
11. Respondent violated General Statutes §§ 9-606(a) and 9-607(f) by failing to maintain internal records pertaining to the transactions referenced above in paragraph 10, above.
12. Connecticut General Statutes § 9-608, 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; ... (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; ....

...  
(4) Contributions from a single individual to a campaign treasurer in the aggregate totaling fifty dollars or less need not be individually identified in the statement, but a sum representing the total amount of all such contributions made by all such individuals during the period to be covered by such statement shall be a separate entry, identified only by the words "total contributions from small contributors" ....  
[Emphasis added.]

13. Respondent violated General Statutes § 9-608(c)(1)(A) by failing to properly report contributions received on the Itemized Campaign Disclosure Statement (SEEC 20) as described in paragraph 10, above.
14. Respondent failed to provide an itemized accounting for seven reimbursements during the relevant reporting periods as required by General Statutes § 9-608(c). In addition, Respondent failed to fully provide an itemized accounting of fourteen reimbursements by not including secondary payees as required by Conn. Gen. Stats. § 9-608(c)(1)(C).
15. The Commission concludes that Respondent violated General Statutes § 9-608(c)(1)(C) by failing to provide an itemized accounting of twenty-one expenditures. Further, Respondent violated General Statutes § 9-608(c)(1)(C) by failing to provide secondary payees.
16. Respondent did not require receipts from those individuals reimbursed by the DDTC as required by General Statutes § 9-607(g)(2), and did not maintain internal records for these and other expenditures by the DDTC as required by General Statutes §§ 9-607(f) and 9-606(a)(1).
17. The absence of contemporaneous internal records means they were not permissible expenditures and prevents a determination of the legitimacy of the underlying purpose.

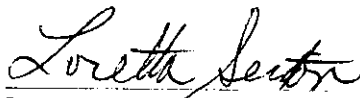
18. The Respondent admits all jurisdictional facts and agrees that this agreement and Order shall have the same force and effect as a final decision and Order entered after a full hearing and shall become final when adopted by the Commission. The Respondent shall receive a copy hereof as provided in Section 9-7b-56 of the Regulations of Connecticut State Agencies.
19. It is understood and agreed that this agreement will be submitted to the Commission at its next meeting and, if it is not accepted by the Commission, it is withdrawn by the Respondent and may not be used as an admission in any subsequent hearing, if the same becomes necessary.
20. 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.
21. Upon the Respondent's compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against her pertaining to this matter.

ORDER

IT IS HEREBY ORDERED THAT The Respondent shall:

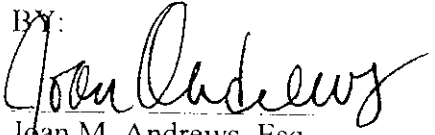
- (1) Remit a civil penalty to the State Elections Enforcement Commission in the amount of one thousand (\$1,000) on or before September 1, 2008;
- (2) Amend the relevant statement of receipts and expenditures to correct the errors identified in this consent agreement and order;
- (3) Henceforth strictly comply with §§ 9-606, 9-607, 9-608, General Statutes.

The Respondent

  
Loretta M. Sexton  
41 McLaughlin Terrace  
Derby, Connecticut

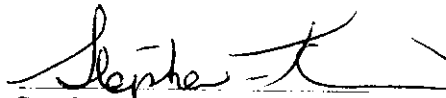
Dated: 8/29/08

For the State of Connecticut

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

Dated: 9/2/08

Adopted this 4<sup>th</sup> day of ~~July~~, 2008 at Hartford, Connecticut

  
Stephen F. Cashman, Chairman  
By Order of the Commission