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STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

ENFORCEMENT COMMISSION

In re Audit Report for *Committee to Re-Elect State Sen. Eric Coleman*

File No. 2010-071

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between Martin B. John, campaign treasurer for the *Committee to Re-Elect State Sen. Eric Coleman* candidate committee, of the Town of Windsor, State of Connecticut, hereinafter referred to as the Respondent, and the undersigned authorized representative of the State Elections Enforcement Commission, is entered into in accordance with Connecticut General Statutes § 4-177 (c) and Regulations of Connecticut State Agencies § 9-7b-54. In accordance herewith, the parties agree that:

1. The Commission initiated an investigation on May 26, 2010 into whether Eric D. Coleman, a candidate for the 2nd Senate District, and/or his candidate committee campaign treasurer, Martin B. John, violated General Statutes §§ 9-606, 9-607, 9-608, CEP program statutes, regulations or requirements based up on information discovered during the audit of *Committee to Re-Elect State Senator Eric Coleman* candidate committee (hereinafter the "Committee"). The Committee participated in the Citizens' Election Program and received a grant of \$85,000 from the Citizens' Election Fund. In a review of the Committee's records, the Commission's investigation focused on the campaign treasurer's failure to provide documents to a Commission accounts examiner to justify 71 expenditures of the candidate committee, totaling approximately \$65,000, which represents 76% of the total grant provided to the Coleman committee.
2. General Statutes § 9-607 (f) provides the following in relevant part:

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. . . .** 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 cards 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.]

3. Furthermore. Regulations of Connecticut State Agencies § 9-706-1(b) provides in

The absence of contemporaneous detailed documentation indicating that an expenditure was made to directly further the participating candidate's nomination for election or election **shall mean that the expenditure was not made to directly further the participating candidate's nomination for election or election, and thus was an impermissible expenditure.** Contemporaneous detailed documentation shall mean documentation which was created at the time of the transaction demonstrating that the expenditure of the qualified candidate committee was a campaign-related expenditure made to directly further the participating candidate's nomination for election or election to the office specified in the participating candidate's affidavit certifying the candidate's intent to abide by Citizens' Election Program requirements. Contemporaneous detailed documentation shall include but not be limited to the documentation described in section 9-607(f) of the Connecticut General Statutes. [Emphasis added.]

4. The General Assembly has vested the Commission with the authority to "inspect or audit at any reasonable time and upon reasonable notice the account or records of any campaign treasurer or principal campaign treasurer, as required by chapter 155 or 157[.]" General Statutes § 9-7b (a) (5). The Commission also has the authority to subpoena documents and seek enforcement of its subpoenas at the Superior Court in Hartford. See General Statutes § 9-7b (a) (1).
5. After the initiation of this enforcement action, the candidate, Coleman, and his campaign treasurer, John, provided documentation to the Commission's investigator to support the expenditures for which auditors lacked contemporaneous documentation as well as the service contracts at issue. In its dealings with the Commission's audit staff, however, the candidate committee representatives had been non-responsive to repeated requests for backup documentation that the campaign treasurer must retain according to General Statutes § 9-607 (f).
6. State regulations prohibit a qualified candidate committee from making expenditures to a party committee or another candidate committee. Regs., Conn. State Agencies § 9-706-2 (b) (8) (prohibiting qualified candidate committees from making expenditures to promote another candidate or committee). In addition, neither participating nor non-participating candidate committees may make contributions to party committees. See General Statutes § 9-616 (a) (1) (prohibiting candidate committee from making any contributions to or for the benefit of any party committee).
7. The Committee here paid \$500 to the Windsor Democratic Town Committee, reporting it as a charitable contribution to the party committee. See Committee to Re-Elect State Senator Eric D. Coleman (January 10 Filing) (Jan. 12, 2009). The party committee reported the \$500 payment as reimbursement for a shared expense, but the Windsor Democrats did not specify the nature of the shared expenditure. See Windsor Democratic Town Committee (January 10 Filing) (Jan.

12, 2009). The Committee said that the payment to the Windsor Democratic Town Committee was for phone banking that the committee performed to promote the candidate, but the Committee presented no proof of that relationship despite repeated attempts to obtain some documentation.

8. The Commission concludes that the contribution to the Windsor Democratic Town Committee represents an impermissible expenditure for the Coleman candidate committee and a violation of General Statutes § 9-616 (a)(1) as well as Regs., Conn. State Agencies § 9-706-2 (b) (8).
9. A qualified candidate committee may not make donations to a charity or community organization. *See* Regulations, Conn. State Agencies § 9-706-2 (b) (12) (prohibiting qualified candidate committees from making charitable contributions). The candidate committee, however, may purchase tickets to an event so that the candidate may attend, provided the candidate attends the event, the event occurs before the relevant primary or election, and the admission fee is less than \$100. *See id.*
10. The Committee made eight contributions to several churches, amounting to \$280 in total. The candidate stated that one of the payments was to attend a dinner and another was for advertising space in a program book. The others were contributions to the churches. The Committee has provided no documentation to support the candidate's recollections regarding the dinner tickets or advertisement.
11. The Commission concludes that the expenditures to these charitable organizations are impermissible expenditures and violate the prohibition against qualified candidate committees making contributions that by omitting those expenditures from the statements Respondent violated General Statutes §§ 9-606 (a) (2) – (4).
12. 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 into after a full hearing and shall become final when adopted by the Commission. Respondent neither admits nor denies the Commission's conclusions set forth in paragraphs 4-7 but is willing to accept the terms of this document in order to allow the Commission to conclude its investigation.
13. 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.
14. 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 or any other matters that were the subject of the Final Audit Report for the 2008 *Committee to Re-Elect State Sen. Eric D. Coleman* campaign.

15. It is understood and agreed that this Agreement will be submitted to the Commission for consideration at its next meeting and, if the Commission does not accept it, it is withdrawn and may not be used as an admission by the Respondent in any subsequent hearing, if the same becomes necessary.

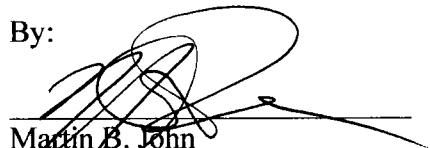
ORDER

IT IS HEREBY ORDERED that the Respondent shall pay a civil penalty of Six Hundred Dollars (\$600.00) to the State Elections Enforcement Commission. The Respondent shall make payment in accordance with the following schedule: the first installment of \$200 shall be made on or before Sept. 3, 2011, and thereafter, a payment of \$200 shall be made on or before October 1, 2011, with a final payment of \$200 on or before November 1, 2011. The matter will remain open until such time as payment is made in full. The Respondent understands and agrees that his failure to meet the terms of this payment agreement shall result in legal action by the Commission to enforce it, and that Respondent shall be responsible for court costs, attorney's fees and interest calculated from the date of the delinquency.


The Respondent

For the State of Connecticut

By:


Martin B. John
Windsor, Connecticut

By:


Shannon Clark Kief
Legal Program Director and Authorized
Representative of the State
Elections Enforcement Commission
20 Trinity Street, Suite 101
Hartford, Connecticut 06106


Dated:

8/31/11

Dated:

9/2/11

Adopted this 21ST day of September 2011 at Hartford, Connecticut by vote of the Commission.


Stephen F. Cashman, Chairman
By Order of the Commission