

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

Complaint of Patricia Nere,
Guilford

File No. 2011-054

FINDINGS AND CONCLUSIONS

The Complainant filed this complaint with the Commission pursuant to General Statutes § 9-7b, alleging that a candidate committee for municipal office failed to follow various campaign finance rules of reporting and disclosure.

After an investigation of the matter, the Commission makes the following findings and conclusions:

1. Nick Economopoulos was a candidate for Town Council at the November 6, 2007 municipal election in the Town of Wallingford.
2. Mr. Economopoulos registered "Committee to Elect Nick Economopoulos" (hereinafter "Committee") with the Wallingford Town Clerk's office as his candidate committee for the November 2007 election and designated Mr. Martin Rubin his treasurer. Mr. Martin Rubin was deceased as of September 15, 2008.
3. Complainant alleged that the Committee failed to properly report and disclose campaign expenditures and contributions, and otherwise comply with campaign finance laws. Specifically, Complainant raised the following issues:
 - a. The Campaign issued checks to the candidate and his daughter, as well as the treasurer, that were not adequately disclosed;
 - b. The Campaign made an expenditure to a business entity, which appears to exceed the cost for items disclosed for that expenditure;
 - c. The Campaign disclosed expenditures to two separate business entities for the purchase of the same item (t-shirts); and,
 - d. The Campaign failed to disclose contributors.
4. Complainant further alleged that the Campaign kept "messy and disorganized records," and failed to include receipts with their financial disclosure statements on file with the Wallingford Town Clerk's office. However, because the aforementioned allegations do not allege violations within this Commission's jurisdiction, the Commission declines to consider these specific allegations further.

5. General Statutes § 9-607, provides in pertinent part:

(g) (1) As used in this subsection, (A) *"the lawful purposes of his 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 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; ...*

...

(4) *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. [Emphasis added.]*

6. 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; ... (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; ... (i) an itemized accounting of the receipts and expenditures relative to any testimonial affair held under the provisions of section 9-609 or any other fund-raising affair, which is referred to in subsection (b) of section 9-601a, and (ii) the date, location and a description of the affair.*

...

(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.]

7. Upon investigation it was determined that Nicole Whitehouse is the daughter of Mr. Economopoulos. Further, it was determined that Ms. Whitehouse purchased food stuffs for a September 29, 2007 campaign cookout in the amount of \$52.50. Finally, the Commission finds that Ms. Whitehouse was reimbursed for this expenditure with a Committee check on or about October 2, 2007.

8. The Commission finds that the reimbursement to Ms. Whitehouse detailed in paragraph 7, above, was reported on the Committee's October 10, 2007 campaign finance disclosure statement. The Commission further finds that while the statement reported the name and address of Ms. Whitehouse as the payee, the corresponding check number, and a description of her purchase, it nevertheless failed to disclose an expenditure code for the expense and failed to itemize the reimbursement in a separate section in the statement for reimbursements of committee workers.
9. The Commission concludes based on the facts detailed in paragraph 8 above that the expenditure to reimburse Ms. Whitehouse was not fully itemized pursuant to General Statutes § 9-608. Nevertheless the Commission declines to take further action under these circumstances due to the death of the Committee treasurer Mr. Rubin, who pursuant to General Statutes § 9-608 was obligated to fully itemize expenditures of the Committee.
10. Additionally, the Commission concludes pursuant to General Statutes § 9-607 that the Committee's reimbursement to the candidate's immediate family member as detailed in paragraph 7 above was *not* a violation, in that the aforementioned expenditure was a permissible reimbursement to a committee worker pursuant to General Statutes § 9-607. The Commission therefore dismisses the matter as it pertains to this allegation.
11. With regards to expenditures made to the candidate, the Commission finds that the Committee disclosed a November 6, 2007 expenditure on its 45 days following the November 6, 2007 election financial disclosure statement to Mr. Economopoulos in the amount of \$50.00. Specifically, the expenditure was reported for the purpose of "worker lunch reimbursement." The Commission further finds that while the statement reported the name and address of Mr. Economopoulos as the payee, the corresponding check number, and a description of his purchase, it nevertheless failed to disclose an expenditure code for the expense and to itemize the reimbursement in a separate section in the statement for campaign expenses paid by the candidate.
12. The Commission concludes based on the facts detailed in paragraph 11 above that the expenditure to reimburse Mr. Economopoulos was a permissible reimbursement to the candidate pursuant to General Statutes § 9-607. The Commission further concludes that while the expenditure as itemized failed to include an expenditure code and be separately itemized as a campaign expense paid by the candidate, the Commission nevertheless declines to take further action under these circumstances due to the death of the Committee treasurer Mr. Rubin as detailed in

paragraph 2 above, who pursuant to General Statutes § 9-608 was obligated to fully itemize expenditures of the Committee. For the reasons so stated the Commission therefore dismisses this allegation.

13. Additionally, the Commission concludes pursuant to General Statutes § 9-607 that the Committee's reimbursement to the candidate as detailed in paragraph 11 above was not a violation, in that the aforementioned expenditure was a permissible reimbursement to the candidate. The Commission therefore dismisses the matter as it pertains to the allegation that the Committee made an impermissible expenditure to the candidate.
14. With regards to expenditures made to the treasurer, the Commission finds that the Committee disclosed a September 28, 2007 expenditure on its 7th day preceding the primary financial disclosure statement to Mr. Rubin in the amount of \$116.10. Specifically, the expenditure was reported with the description of "paper goods, silverware, some food, chips, etc." The Commission further finds that while the statement reported the name and address of Mr. Rubin as the payee, the corresponding check number, and a description of his purchase, it nevertheless failed to disclose an expenditure code for the expense and to itemize the reimbursement in a separate section in the statement for reimbursements of committee workers.
15. The Commission concludes based on the facts detailed in paragraph 14 above that the expenditure to reimburse Mr. Rubin was a permissible reimbursement to a committee worker pursuant to General Statutes § 9-607. The Commission further concludes that while the expenditure as itemized failed to include an expenditure code and be separately itemized as a committee worker reimbursement, the Commission nevertheless declines to take further action under these circumstances due to the death of the Committee treasurer Mr. Rubin as detailed in paragraph 2 above, who pursuant to General § 9-608 was obligated to fully itemize expenditures of the Committee. For the reasons so stated the Commission therefore dismisses this allegation.
16. Complainant alleged that the Committee made an excessive expenditure to a business entity in relation to items purchased from that vendor, specifically, that the expenditure of approximately \$800 by the Committee for pencils was excessive and thus resulted in an impermissible windfall from the Committee to a business entity.

17. The Commission finds that the Committee disclosed a November 1, 2007 expenditure by Committee check in the amount of \$810.59 for "pencils to be handed out" on its campaign finance disclosure statement filed 45 days after the November 6, 2007 election. The expenditure was made by Committee check to vendor Shirt Graphix.
18. Upon investigation, it was determined that an invoice from Shirt Graphix was made on or about October 10, 2007 for an order of 3,600 pencils by the Committee, with a price of \$.20 per pencil. Further, the Commission finds that payment of this invoice was by Committee check, and reflected both on the invoice and the campaign finance disclosure statement detailed in paragraph 12 above as the same check.
19. The Commission for the reasons detailed in paragraphs 17 and 18 above, concludes that the evidence upon investigation does not support the conclusion that the Committee made an excessive payment to a business entity, and that the related expenditure was otherwise permissible pursuant to General Statutes § 9-607.
20. Complainant alleged that the Committee disclosed expenditures to two sporting goods stores for a single purchase of t-shirts, specifically, that the Committee made a \$199.00 expenditure to Nassif's Sporting Goods *and* a \$126.00 expenditure to Herb's Sporting Goods for the balance of that same t-shirt order.
21. The Commission finds that the expenditures detailed in paragraph 20 above were reported on the Committee's campaign finance disclosure statement filed 45 days after the November 6, 2007 election. Specifically, the expenditure to Nassif's was reported as being made on November 1, 2007 and the expenditure to Herb's Sporting Goods was made on November 15, 2007.
22. Upon investigation, the Commission finds that during the time between the Committee's order of the aforementioned t-shirts and its ultimate expenditure for that purchase, Nassif's was purchased by Herb's Sporting Goods. The Commission further finds that at all times relevant to the transaction between the Committee and the sporting goods stores, the contact for the aforementioned transaction remained the same, and facilitated the payment of this obligation of the Committee to Herb's Sporting Goods, the eventual seller of the t-shirts to the Committee.

23. The Commission concludes for the reasons detailed in paragraphs 21 and 22 above, that the two t-shirt expenditures reported by the Campaign pertained to the same transaction, and due to the change in ownership of the vendor after the initiation of the purchase order, checks were made to two separate business entities. The Commission concludes therefore that there was a lack of evidence that the Committee impermissibly paid two entities for a single transaction, and dismisses the allegation pertaining to the aforementioned circumstances.
24. With regards to the Committee's alleged failure to disclose contributors as required by General Statutes § 9-608, the Commission, upon investigation, finds that the Committee on its October 10, 2007 filing disclosed \$2,955 from small contributors and \$200 from an individual contributor for the period covered of July 7, 2007 to October 7, 2007.
25. Upon investigation, the Commission, due to the death of the Committee treasurer as detailed in paragraph 2 above, was not able to obtain full records from the treasurer to corroborate the receipts from small contributors as detailed in paragraph 23 above. Nevertheless, the Commission finds that the candidate was able to obtain extensive records from the widow of the deceased, and the aforementioned made every effort to recover the records regarding the Committee as kept by its treasurer Mr. Rubin.
26. The Commission, for the reasons so stated in paragraph 23 above, declines to consider the allegation pertaining to a failure to disclose contributors any further, in as much as the Committee's disclosure on its October 10, 2007 of small contributors and a single individual contributor of \$200 comports with the requirements of § 9-608, and the circumstances of the treasurer's death since the time of the aforementioned report makes the chances of successfully reconstructing the exact circumstances for each small contribution remote.
27. The Commission for the reasons and circumstances described herein dismisses the issues and allegations raised by the Complainant in her complaint.

ORDER

The following Order is recommended on the basis of the aforementioned findings:

That this complaint is dismissed.

Adopted this 27th day of July, 2011 at Hartford, Connecticut.

A handwritten signature in black ink, appearing to read "Steph F. Cashman". The signature is written in a cursive style with a large, sweeping initial "S".

Stephen F. Cashman, Chairman
By Order of the Commission