

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by
Christopher Healy, Wethersfield

File No. 2011-082

FINDINGS AND CONCLUSIONS

The Complainant filed this complaint pursuant to Connecticut General Statutes § 9-7b. In summary, the Complainant alleges various issues and potential violations related to the Working Families Campaign Committee's ("WFPCC") expenditures to and contracts with Grassroots Services, Inc. ("GSI") in relation to the following candidate committees for state office in the 2010 general election: Jepsen 2010; Lembo 2010; Nappier for State Treasurer 2010; and Merrill for Secretary of State. The complaint may be summarized into the following topic areas:

- First, the Complainant states that many of his allegations concerning the reporting by the above committees "may well be attributed to sloppy bookkeeping" (e.g., divisional errors and the like). In light of this acknowledgment from the Complainant, we address it in summary form.
- Second, the Complainant specifically alleges that the canvas and petition services listed on WFPCC statements do not qualify as "organization expenses" as defined in General Statutes § 9-601 (25).
- Third, the Complainant specifically raises the concern that candidates by the last names of Pratt and Hoehne, appeared on WFPCC campaign finance statements, but did not register candidate committees or claims of exemption thereto.
- Fourth, the Complainant alleges a similar canvas and petition services issue with respect to the Carty 2010 committee. As such claims relate to the same or similar legal and factual issues addressed above, but apparently operated under a separate contract, the resolutions are incorporated herein by reference.

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

Evidence

General Introduction to the Persons Relevant to the Allegations in the Complaint

1. At all times relevant hereto, the following individuals served as treasurers for the following candidate committees for statewide office: Kathleen J. Kowalyshyn, for Jepsen 2010; Liza

Janssen Petra, for Lembo 2010; Bruno Mazzulla, for Nappier for State Treasurer 2010; Sheila Amdur, for Merrill for Secretary of State (collectively the “Statewide Committees”).

2. During the 2010 general election, the Statewide Committee candidates were all participating in the Citizens’ Election Program and such candidates and their treasurers filed their respective “Affidavit of Intent to Abide by Expenditure Limits and other Citizens’ Election Program Requirements” (CEP 10) with the State Elections Enforcement Commission (“SEEC”) on the following dates: Jepsen, July 12, 2010; Lembo, July 13, 2010; Napier, September 15, 2010; and Merrill, May 17, 2010.
3. At all times relevant hereto, based on the outcome of the Democratic Party convention of May 21, 2010, the Statewide Committee candidates were the Democratic Party endorsed candidates for the respective offices they were seeking.
4. At all times relevant hereto, Dannel Malloy (“Malloy”) and Nancy Wyman (“Wyman”) were candidates in the 2010 general election for the offices of Governor and Lieutenant Governor, respectively. Malloy filed a CEP 10 with the SEEC on May 7, 2010. Wyman filed a CEP 10 with the SEEC on June 21, 2010.
5. At all times relevant hereto, the Working Families Campaign Committee (“WFPCC”) was a registered state central committee of the Working Families Party (“WFP”). Since 2003, such registrations have been on file with the SEEC and the Office of the Secretary of State (“SOTS”), the predecessor filing repository for such registrations. The WFP has had party rules filed with SOTS since 2002.
6. Based on WFPCC registration forms filed with the SEEC, Mary Rydingsward, served as treasurer for the WFPCC from September 9, 2008 to May 18, 2011.
7. Records of WFP endorsements filed with SOTS reflect the following schedule of endorsements by the WFP for the Statewide Committee candidates: (1) Lembo, endorsed at a May 28, 2010 meeting with the record of such endorsement filed with SOTS on August 9, 2010; (2) Jepsen, endorsed at a May 28, 2010 meeting with the record of such endorsement filed with SOTS on August 9, 2010; (3) Merrill, endorsed at a June 3, 2010 meeting with the record of such endorsement filed with SOTS on August 26, 2010; and (4) Nappier, endorsed at an August 31, 2010 meeting with the record of such endorsement filed with SOTS on September 1, 2010.

Overview of the Petition Drive Conducted Among the Statewide Committees and WFPCC

8. In coordination with the Statewide Committees, WFPCC hired GSI to conduct a petition drive to secure the Statewide Committee Democratic candidates an additional line on the

ballot under the Working Families Party label (the “Petition Drive”). Such petitioning was necessary to appear on the ballot under the WFP party label because, for the 2010 general election, the WFP did not have either a major or minor party line on the ballot for the statewide offices included in the Petition Drive.

9. Applications for nominating petitions for statewide office under the WFP party label and filed with SOTS that included a “Verification of Names of Nominating Petition Candidates” reflect the Statewide Candidates’ signatures for the following individuals and dates: Lembo, May 28, 2010; Jepsen, June 16, 2010; Merrill, June 18, 2010; Nappier, June 17, 2010. Signatures are similarly recorded for the otherwise unknown candidates identified in the complaint with Pratt signing on June 10, 2010 and Hoehne signing on June 17, 2010.
10. The WFPCC and GSI signed a contract for the Petition Drive on or about June 22, 2010 (the “GSI Central Contract”). According to such written contract, the total estimated cost incurred by the WFPCC under the GSI Central Contract was \$26,000.00.
11. Based on records provided by WFPCC, the services under GSI Central Contract, including the collection of petition signatures, were first performed no later than June 23, 2010.
12. The WFPCC presented the treasurers of the Statewide Committees with their reported portion of the contract price for such services. Such treasurers agreed and paid for such services, essentially splitting the cost for services under the GSI Central Contract. The WFPCC billed such reported individual allocations to the Statewide Committees participating in the GSI Central Contract for the Petition Drive in the amount of \$3,714.29.
13. Such individual allocations were based on an equal distribution of the \$26,000.00 to the seven named individuals benefiting from the Petition Drive. In addition to the four Statewide Committee candidates, the Petition Drive also included the otherwise unknown candidates identified in the complaint Pratt and Hoehne, discussed further below, and Richard Blumenthal, a candidate for federal office.

Examination of the Evidence Concerning the Complainant’s First Topic Area of Allegations Concerning Accurate Reporting of Purported “Organization Expenditures”

14. The Complainant’s review of the complicated data in the applicable filings and his interpretation as to legality and accuracy appears to have been further complicated by the fact that, separate and apart from the initial GSI Central Contract, the WFPCC signed a supplemental contract with GSI, dated July 21, 2010, for up to \$2600.00, to perform additional canvassing for the Petition Drive to ensure that an adequate number of signatures were collected for the applicable candidates. The WFPCC neither sought nor received reimbursement from any of the candidates or candidate committees that were participants in

the GSI Central Contract or the Placeholder Candidates. Since the number of satisfactory signatures was reached, only half (or \$1,300.00) of the contract amount was incurred. Therefore, the WFPCC provided notice of valuation of such costs to the Statewide Candidate Committees in the individually allocated amount of \$185.71 and as “organization expenses” being made without reimbursement sought.

15. The Complainant states that many of his allegations could be explained by no more than “sloppy bookkeeping” (e.g., divisional errors and the like). The complaint also specifically raises the concern that the expenditures relating to the GSI Central Contract and the Petition Drive reported as an expenditure on various filings covering the period between June - November 2010 were not reported appropriately. The complaint alleges that the reporting was not complete and accurate as it related to disclosure of candidates impacted, amounts, allocations and level of coordination. Many of the sources of these potential errors appear to revolve around divisional errors concerning the WFPCC paying for the portion of the Petition Drive for the WFP’s Placeholder Candidates. Since the filing of the instant complaint, a subsequent WFPCC treasurer, holding such position after the reports at issue were due, made further efforts to accurately report such costs with amended statements.
16. In short, the Complainant’s general allegation regarding “sloppy bookkeeping” is not without merit and the investigation did find that the SEEC 20 filings did not accurately report the candidates involved in each payment allocation and the level of coordination with or without reimbursement in all cases. However, in consideration of the above findings, including those reflecting the complexity of reporting at issue, Ms. Rydingsward’s errors regarding dividing the relevant figures among various parties do not appear to have been a deliberate attempt to conceal substantive disclosure or conceal a violation and, in the absence of any organization expenditure limit for such statewide offices, such mathematical variances could not have served to conceal substantive violations regarding excessive organization expenditures by WFPCC for the Statewide Committees.

Examination of the Evidence Concerning the Complainant’s Second Topic Area of Allegations Concerning the Validity of Purported “Organization Expenditures” for Canvas and Petition Related Services

1. The Complainant specifically alleges that, as canvas and petition related services, the WFPCC payments for the Petition Drive were not “organization expenditures” as defined in § 9-601 (25).
2. As reflected in the contracts between the WFPCC and the Statewide Committees, the Petition Drive was identified as a coordinated effort “for the purpose of gathering signatures on nominating petitions for candidates for statewide office including [the applicable candidate]” and identified “pro-rata amounts” for “each candidate” requiring

reimbursement/payment directly from the Statewide Committees to GSI. Accordingly, such contracts reflect that the treasurers for the Statewide Committees were aware that, although conducted with and through the WFPCC and the GSI Central Contract, the Petition Drive represented a coordinated effort between such committees through which such committees could benefit from economies of scale in gathering petition signatures.

3. Agents of the WFP and/or WFPCC coordinated the development and execution of such contracts with both the Statewide Committees and GSI. The services performed under the GSI Central Contract included not only strategy and advice concerning the organization and strategy regarding the Petition Drive, but also the actual implementation of the Petition Drive by, for example, hiring several individuals to canvass and collect signatures for the petitions.

Examination of the Evidence Concerning the Complainant's Third Topic Area of Allegations Concerning Pratt and Hoehne, the Placeholder Candidates

4. At the time of the Petition Drive, the Democratic Party nominees for Governor and Lieutenant Governor were still subject to a highly contested primary. Although the status of this contest was then uncertain, the WFP and/or WFPCC wished to secure a WFP controlled line for the offices of Governor and Lieutenant Governor in 2010 general election.
5. In concert and agreement with WFP and/or WFPCC, Ann Pratt of 45 Iron Ore Hill Road, Bridgewater and Keri Hoehne of 603 New Harwinton Road, Torrington (collectively the "Placeholder Candidates") agreed to provide the necessary authorization for the collection of petition signatures on behalf of a candidate, which were then collected through the Petition Drive. Such petitions were gathered with the Placeholder Candidates' names listed as candidates for the offices of Governor and Lieutenant Governor respectively.
6. At all times relevant hereto, Jon Green served as, Executive Director of both the WFP and the WFPCC.
7. In the course of the investigation, Mr. Green provided a document described by him as the basis for the costs listed in the GSI Central Contract (the "Cost Estimate"). Although undated, Mr. Green reported that the Cost Estimate was developed prior to the execution of the GSI Central Contract. The Cost Estimate reflects that the Petition Drive candidates for the offices of Governor and Lieutenant Governor were listed as "Placeholder Candidates" for purposes of internal documentation and remained unnamed in the document. Further, unlike the written agreements for payment or reimbursement between the WFPCC and the Statewide Committees, records provided by WFPCC and Mr. Green indicate no intent or attempt to charge the Placeholder Candidates for their portion of the GSI Central Contract. Finally, in an interview with Mr. Green of January 27, 2012, SEEC Investigator Urso

confirmed such plan have such Placeholder Candidates withdraw and be replaced on the ballot prior to being elected.

8. Based on both the direct evidence of intent stated above (i.e., naming such persons as “Placeholder Candidates” in internal documents), and the inferences from other available evidence (e.g., the lack of any record of the WFPCC treating such Placeholder Candidates in a similar manner to the Statewide Committee candidates), the Commission finds that, prior to WFPCC making any reported expenditures or organization expenditures to GSI for the Petition Drive, the Placeholder Candidates’ nomination and eventual resignation and replacement prior to election were already prearranged by WFP in concert with the Placeholder Candidates.
9. As noted above, the WFPCC’s expenditures in relation to the Placeholder Candidates were never actually intended to secure the election of the Placeholder Candidates to office. In relation to those payments, the WFPCC’s successful intention was to secure ballot lines in the 2010 general election for the WFP for the offices of Governor and Lieutenant Governor and under the functional control of the WFP. The Placeholder Candidates were never charged for their portion of the reported value of the Petition Drive and the WFPCC bore the portion of such cost.
10. Records provided by the WFP and SOTS reflect that on August 24, 2010 the WFP endorsed the Placeholder Candidates and that such endorsements were filed with SOTS on August 26, 2010. Such records further reflect that the Placeholder Candidates withdrew their candidacies with an undated written statement to SOTS filed on September 1, 2010.
11. To date, neither of the Placeholder Candidates registered a candidate committee or filed claim of exemption therefrom (SEEC Form 1 and/or SEEC Form 1A or SEEC Form 1B).
12. In the manner described above, the ballot lines for Governor and Lieutenant Governor were secured for the WFP under the name of the Placeholder Candidates. With the Democratic primary for Governor and Lieutenant Governor resolved, the WFP nominated Malloy and Wyman, respectively the now undisputed Democratic candidates for Governor and Lieutenant Governor. Records of the WFP party endorsement filed with SOTS on September 1, 2010 reflect that, at a meeting of August 31, 2010, the WFP endorsed Malloy and Wyman.
13. As a result of the withdrawal by the Placeholder Candidates, recorded contemporaneously with the WFP’s endorsement of Malloy and Wyman, such replacement candidates gained an additional party label on the ballot.

14. Although not specifically targeted in the investigation, unlike the Statewide Committees described above, there is no available evidence obtained in the course of the investigation to support any finding of coordination or consultation between WFPCC and Malloy, Wyman, or their respective agents or campaigns in making expenditures for the Petition Drive, nor was such coordination alleged by the Complainant. This comports with the publicly available information that the Democratic primary for the offices of Governor and Lieutenant Governor remained highly contested and uncertain until the Democratic primary on August 10, 2010.

Examination of the Law and Conclusions As They Relate to the Complainant's Allegations

15. General Statutes §§ 9-601, 9-601a, 9-601b, and 9-601c set forth certain definitions for purposes of Chapter 155 (Campaign Financing). Unlike certain other sections of the General Statutes, which limit the applicability of definitions with phrases such as “unless the context indicates otherwise,” General Statutes §§ 9-601 through 9-601c contain no such conditional or qualifying language. For comparison, see General Statutes § 9-463, setting forth definitions for Chapter 154. All applicable statutes cited herein are those revised to June 8, 2010 unless otherwise noted.
16. General Statutes General Statutes § 9-601b (a), defining “expenditure” for purposes of Chapter 155 (Campaign Financing), provides in pertinent part:

(a) As used in this chapter and chapter 157, the term “expenditure” means:

(1) Any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, when made for the purpose of influencing the nomination for election, or election, of any person or for the purpose of aiding or promoting the success or defeat of any referendum question or on behalf of any political party;

....

(b) The term “expenditure” does not mean:

....

(8) An organization expenditure by a party committee, legislative caucus committee or legislative leadership committee.

17. General Statutes § 9-601c, defining “independent expenditure” for purposes of Chapter 155 provides, in pertinent part:

(a) As used in this chapter and chapter 157, the term "independent expenditure" means an expenditure, as defined in section 9-601b, that

is made without the consent, coordination, or consultation of, a candidate or agent of the candidate, candidate committee, political committee or party committee.

(b) When the State Elections Enforcement Commission evaluates an expenditure to determine whether such expenditure is an independent expenditure, there shall be a rebuttable presumption that the following expenditures are not independent expenditures:

(1) An expenditure made by a person in cooperation, consultation or in concert with, at the request, suggestion or direction of, or pursuant to a general or particular understanding with (A) a candidate, candidate committee, political committee or party committee, or (B) a consultant or other agent acting on behalf of a candidate, candidate committee, political committee or party committee; means an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company or any other legal entity of any kind but does not mean the state or any political or administrative subdivision of the state;

....

(9) An expenditure made by a person or an entity for consultant or creative services, including, but not limited to, services related to communications strategy or design or campaign strategy, to be used to promote or oppose a candidate's election to office if the provider of such services is also providing consultant or creative services to such candidate, such candidate's candidate committee, or to any opposing candidate in the same primary or election, or to such opposing candidate's candidate committee. For purposes of this subdivision, communications strategy or design does not include the costs of printing or costs for the use of a medium for the purpose of communications.

18. General Statutes § 9-601a (a), defining "contribution" for purposes of Chapter 155 provides, in pertinent part:

(1) Any gift, subscription, loan, advance, payment or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person or for the purpose of aiding or promoting the success or defeat of any referendum

- question or on behalf of any political party;
- (2) A written contract, promise or agreement to make a contribution for any such purpose;
- (3) The payment by any person, other than a candidate or campaign treasurer, of compensation for the personal services of any other person which are rendered without charge to a committee or candidate for any such purpose;
- (4) An expenditure that is not an independent expenditure; or
-
- (b) As used in this chapter and sections 9-700 to 9-716, inclusive, "contribution" does not mean:
-
- (16) An organization expenditure by a party committee, legislative caucus committee or legislative leadership committee;

19. General Statutes § 9-601 (25), defining "organization expenditure" for purposes of Chapter 155 (Campaign Financing), provides, in pertinent part:

"Organization expenditure" means an expenditure by a party committee, legislative caucus committee or legislative leadership committee for the benefit of a candidate or candidate committee for:

(A) The preparation, display or mailing or other distribution of a party candidate listing. As used in this subparagraph, "party candidate listing" means any communication that meets the following criteria: (i) The communication lists the name or names of candidates for election to public office, (ii) the communication is distributed through public advertising such as broadcast stations, cable television, newspapers or similar media, or through direct mail, telephone, electronic mail, publicly accessible sites on the Internet or personal delivery, (iii) the treatment of all candidates in the communication is substantially similar, and (iv) the content of the communication is limited to (I) for each such candidate, identifying information, including photographs, the office sought, the office currently held by the candidate, if any, the

party enrollment of the candidate, a brief statement concerning the candidate's positions, philosophy, goals, accomplishments or biography and the positions, philosophy, goals or accomplishments of the candidate's party, (II) encouragement to vote for each such candidate, and (III) information concerning voting, including voting hours and locations;

(B) A document in printed or electronic form, including a party platform, a copy of an issue paper, information pertaining to the requirements of this title, a list of registered voters and voter identification information, which document is created or maintained by a party committee, legislative caucus committee or legislative leadership committee for the general purposes of party or caucus building and is provided (i) to a candidate who is a member of the party that has established such party committee, or (ii) to a candidate who is a member of the party of the caucus or leader who has established such legislative caucus committee or legislative leadership committee, whichever is applicable;

(C) A campaign event at which a candidate or candidates are present;

(D) *The retention of the services of an advisor to provide assistance relating to campaign organization, financing, accounting, strategy, law or media; or;*

(E) The use of offices, telephones, computers and similar equipment which does not result in additional cost to the party committee, legislative caucus committee or legislative leadership committee.[Emphasis added.]

20. General Statutes § 9-718, places certain limits on “organization expenditures” and provides:

(a) Notwithstanding any provision of the general statutes, no party committee, legislative caucus committee or legislative leadership committee shall make an organization expenditure for the benefit of a participating candidate or the candidate committee of a participating candidate in the Citizens' Election Program for the office of state senator in an amount that exceeds ten thousand dollars for the general election campaign.

(b) Notwithstanding any provision of the general statutes, no party

committee, legislative caucus committee or legislative leadership committee shall make an organization expenditure for the purposes described in subparagraph (A) of subdivision (25) of section 9-601 for the benefit of a participating candidate or the candidate committee of a participating candidate in the Citizens' Election Program for the office of state senator for the primary campaign.

(c) Notwithstanding any provision of the general statutes, no party committee, legislative caucus committee or legislative leadership committee shall make an organization expenditure for the benefit of a participating candidate or the candidate committee of a participating candidate in the Citizens' Election Program for the office of state representative in an amount that exceeds three thousand five hundred dollars for the general election campaign.

(d) Notwithstanding any provision of the general statutes, no party committee, legislative caucus committee or legislative leadership committee shall make an organization expenditure for the purposes described in subparagraph (A) of subdivision (25) of section 9-601 for the benefit of a participating candidate or the candidate committee of a participating candidate in the Citizens' Election Program for the office of state representative for the primary campaign.

Any Inaccurate Reporting of the Costs of "Organization Expenditure" Cannot Serve to Conceal Illegally Excessive Amounts of Such Services

21. As cited above, unlike campaigns for legislative office, § 9-718, places no limit on the amount of organization expenditures a party committee may make for statewide offices such as at issue in the instant matter. Accordingly, as noted above, any "sloppy bookkeeping" error, as alleged by the Complainant, cannot serve to conceal illegally excessive organization expenditures by the WFPCC for the Statewide Committees, as such a violation is a legal impossibility.

Permissible Purpose Limitations on Expenditures do not Apply Directly to "Organization Expenditures"

22. In short, because the specific itemized exemptions included in the definition of "organization expenditure" are specifically excluded from both the definitions of "expenditure" and "contribution" party committees, legislative caucus committees or legislative leadership committees, and only those persons, are permitted to provide certain benefits to candidates that would otherwise be subject to normal expenditure or contribution

limitations. Because such “organization expenditures” have been excluded from such definitions, any special restrictions in place for Citizens’ Election Program participants making expenditures, as that term is defined in § 9-601b (a), are not applicable insofar as the act and actor in question falls within the “organization expenditure” definition.

23. Section 9-601 (25), defining “organization expenditures” requires that such “organization expenditures” be made for “benefit of a candidate or candidate committee.” The above terminology is less restrictive than General Statutes § 9-607 (g) (1), which restricts the permissible purpose of party committee expenditures to, among other purposes, “promoting...the candidates of the party.” Accordingly, as there is no similar restrictive phrase attached to “candidate” such as “of the party,” it follows that, “organization expenditures” do not have to be made for the benefit of a “party candidate.” As noted above, “organization expenditures” are defined out of “expenditures” so any permissible purpose restriction for such “expenditures,” as that term is defined in § 9-601b (a), would not apply.

Only Specifically Itemized Committees May Make “Organization Expenditures”

24. We turn to the question of whether the payments or reimbursements by the Statewide Committees to GSI related to the Petition Drive were “organization expenditures” as defined by § 9-601 (25). By the terms of such definition, only those expenditures made by the party committee, and not the Statewide Committees, or any candidate committee, may potentially qualify as an “organization expenditure.” Accordingly, as the category of person making such expenditures, the candidate committees, is outside of the permissible classes of persons delineated in the statute who may make “organization expenditures,” the Commission concludes that any payments or reimbursements from the Statewide Committees to WFPCC or GSI are not “organization expenditures.”

Application of “Services of an Advisor” under “Organization Expenditure” to Costs for Petition Gathering

25. Next, we turn to the question of whether the payments by WFPCC for the Petition Drive meet any of the itemized prongs of the definition of “organization expenditure.” In reviewing the possible prongs of the definition, the only plausible claim is that such payments represented expenditures by the WFPCC for the, “retention of the *services of an advisor* to provide assistance relating to campaign organization, financing, accounting, strategy, law or media.”[Emphasis added.] The Commission has spoken on this issue in two prior matters, *Complaints of Linda Schofield, et al, Simsbury*, File No. 2008-079 and *Complaint by Christopher Healy, Wethersfield*, File No. 2011-004.

26. In the Final Decision in File No. 2008-079, at paragraphs 54-57, the Commission adopted the following reasoning in interpreting the phrase “services of an advisor to provide assistance relating to campaign organization, financing, accounting, strategy, law or media”:

[T]he Commission applies the familiar principles of statutory construction to determine if that provision applies to the facts of this case. “When construing a statute, [the] fundamental objective is to ascertain and give effect to the apparent intent of the legislature. . . . In other words, we seek to determine, in a reasoned manner, the meaning of the statutory language as applied to the facts of [the] case, including the question of whether the language actually does apply. . . . In seeking to determine that meaning, General Statutes § 1-2z directs us first to consider the text of the statute itself and its relationship to other statutes. If, after examining such text and considering such relationship, the meaning of such text is plain and unambiguous and does not yield absurd or unworkable results, extratextual evidence of the meaning of the statute shall not be considered. . . . When a statute is not plain and unambiguous, we also look for interpretive guidance to the legislative history and circumstances surrounding its enactment, to the legislative policy it was designed to implement, and to its relationship to existing legislation and common law principles governing the same general subject matter. . . .” State v. Tabone, 292 Conn. 417, 431-32 (2009).

The terms advisor, service, organization, strategy, and media were not defined by the legislature for the purposes of General Statutes § 9-601 (25)(D). The Commission will therefore construe those words according to their common usage. General Statutes § 1-1 (a); Evanuska v. City of Danbury, 285 Conn. 348, 359 (2008). To ascertain that usage, the Commission can look to the dictionary definition of those terms. State v. Sandoval, 263 Conn. 524, 552 (2003).

According to Webster’s II New College Dictionary “service” is defined as “[w]ork done for others as an occupation or business.” “Organization” is defined as “[a]n act or instance of organizing or the process of being organized” and “organize” means “[t]o arrange systematically for harmonious or united action.” Id. “Strategy” means “[a] plan of action resulting from the practice of strategy and “[t]he art or skill of using strategems in endeavors such as politics and business.” Id. “Media” which is the plural of “medium” means “[a]

means of mass communication, as newspapers, magazines, or television.” Id. Finally, “advisor” is defined as “[o]ne who advises” or “[a] person who offers advice, esp. professionally or officially” and “advice” means an “[o]pinion about a course of action: counsel.” Id.

In addition, the legislative record pertaining to the relevant text provides evidence that legislature also intended the terms “advisor” and “service” to include a consultant that designs a political message.

27. The Commission hereby reaffirms the legal reasoning articulated above.
28. In harmony with the above reasoning, the Final Decision in File No. 2011-004, makes a distinction between services from an “advisor” (i.e., advice or opinion) for media strategy as opposed to services to actually *implement* such advice. In that matter, a state central committee retained a vendor, “to advise the [candidate committee] as to its messaging strategy. [The advisor’s] advice was based on the results of its polling voters in the candidate’s district. The costs of obtaining this information – including, but not limited to overhead, salary, utility costs, etc. – were included in [the advisor’s] fee and were incidental to the development of [the advisor’s] strategy recommendation. Importantly, the Commission finds no evidence here that the [State Central Committee] or anyone other than [the candidate committee] bore the costs of actually *implementing* the messaging strategies recommended by [the advisor].” *Complaint by Christopher Healy, Wethersfield*, File No. 2011-004 at paragraph 22.[Emphasis in original.]
29. Nevertheless, in *Complaints of Linda Schofield, et al, Simsbury*, File No. 2008-079 at paragraph 58, the Commission found that, concerning the same party committee in the instant matter, the WFPCC, “sought and received advice from Commission staff and relied on that advice when making the payment” to a vendor for petition services for a candidate. With this context in File No. 2008-079, the Commission concluded that, “the portion of the payment to [the vendor] concerning petition related services … falls within General Statutes § 9-601 (25) (D) as those services were related to [the candidate’s] campaign organization and/or strategy.”
30. By Declaratory Ruling, the Commission has already adopted a specific rule of interpretation for examining the itemized prongs of the definition of “organization expenditure”: “Because organization expenditures are an exception to the definitions of contribution and expenditure, see General Statutes §§ 9-601a (b) (1), 9-601b (b) (8), their definitions must be narrowly construed, like all exceptions to the law. See *Commission on Human Rights and Opportunities v. Sullivan*, 285 Conn. 208, 222, 939 A.2nd 541 (2008); SEEC Advisory Opinion 2008-1: *Proposed Political Activity of Nonprofit Association* (June 11, 2008). SEEC Declaratory Ruling 2011-01: Communications on Behalf of Candidates by Party

Committees, Legislative Leadership Committees, and Legislative Caucus Committees (January, 2011) at p. 4.¹

31. The Commission concludes that the application of the limited exception for “services of an advisor” in General Statutes § 9-601 (25) (D) to the *implementation* of petition gathering is inconsistent with: (1) the rule of interpretation adopted in Declaratory Ruling 2011-01; (2) the distinction between advice and implementation of such advice made in the Final Decision in File No. 2011-004; and (3) the legal reasoning adopted in the Final Decision in File No. 2008-079 itself. Such an interpretation would nullify the meaning of the more limited term “advisor” as opposed to “vendor” or similar broader term. See, for example, General Statutes § 9-607 (j) for the use of the broader term “vendor” in Chapter 155. See, also, for example, General Statutes § 9-601c for the use of the paired terms “consultant or other agent.” As a matter of comparison to other portions of the Chapter 155, in General Statutes § 9-601c, the similar and narrower term “consultant” is paired up nine times with “or other agent” in Chapter 155 and provides a more general catch-all for types of persons not fitting within the term “consultant.” General Statutes § 9-601 (25) (D) permitting “services of an advisor” contains no similar pairing or catch-all term (e.g., services of an advisor or other agent).
32. Commission hereby concludes and clarifies that, in File No. 2008-079, the Commission’s legal conclusion was only intended to extend that portion of the payment for “petition related services” limited to *advice* regarding those services and not as to payments for the *implementation* of the petition gathering itself, even when such implementation is based on the advice so rendered. The Commission further clarifies that, to the extent that such an application extending to implementation was permitted to proceed without further investigation in File No. 2008-079, it was based on specific reliance on staff advice as identified in the Final Decision in that matter and which was issued prior to the Commission’s January 2011 confirmation of the above cited standard in Declaratory Ruling 2011-01.
33. Nevertheless, similar to the specific reliance cited above in, *Complaints of Linda Schofield, et al, Simsbury*, File No. 2008-079, in the instant matter, the WFPCC, their agents, and contractual partners in the Petition Drive, including the treasurers of the Statewide

¹Although the relevant reasoning was reaffirmed in SEEC Declaratory Ruling 2011-01: *Communications on Behalf of Candidates by Party Committees, Legislative Leadership Committees, and Legislative Caucus Committees*, SEEC Advisory Opinion 2008-1: *Proposed Political Activity of Nonprofit Association* (June 11, 2008) was withdrawn by Commission on January 26, 2011 for the reported reason that it was abrogated by Public Act 10-187. To the extent that such reported withdrawal is relevant, it is moot in this matter as such Public Act did not alter the provisions in question nor did it impact the relevant reasoning in SEEC Declaratory Ruling 2011-01, which was adopted contemporaneously with such reported withdrawal.

Committees, specifically relied on similar advice issued by Commission staff as well as the face of the resolution reached in File No. 2008-079. Accordingly, although the Commission here has concluded that expenditures for the actual implementation of petition gathering, as opposed to expenditures limited to advice regarding such implementation, are outside the definition of "services of an advisor" in General Statutes § 9-601 (25) (D), and, thus, any identified prong of the definition of "organization expenditure," the Commission declines to take further action regarding this particular issue and treat such expenditures by the WFPCC as "organization expenditures" for, and only for, the limited purpose of the resolution of the instant investigation.

34. The Complainant also raises a similar issue regarding the Carty 2010 committee, a candidate committee for General Assembly, and payments by WFPCC for "campaign org. and strategy", which, as it relates to the same or similar legal and factual issues addressed above, but apparently was operated under a separate contract, is hereby so resolved.
35. General Statutes § 9-602 (11) provides:

"Candidate" means an individual who seeks nomination for election or election to public office whether or not such individual is elected, and for the purposes of this chapter and chapter 157, an individual shall be deemed to seek nomination for election or election if such individual has (A) *been endorsed by a party* or become eligible for a position on the ballot at an election or primary, or (B) *solicited or received contributions, made expenditures or given such individual's consent to any other person to solicit or receive contributions or make expenditures with the intent to bring about such individual's nomination for election or election to any such office.* "Candidate" also means a slate of candidates which is to appear on the ballot in a primary for the office of justice of the peace. For the purposes of sections 9-600 to 9-610, inclusive, and section 9-621, "candidate" also means an individual who is a candidate in a primary for town committee members [Emphasis added.]

36. General Statutes § 9-602 (a) provides:

Except with respect to an individual acting alone, or with respect to a group of two or more individuals acting together that receives funds or makes or incurs expenditures not exceeding one thousand dollars in the aggregate, no contributions may be made, solicited or received and no expenditures may be made, directly or indirectly,

in aid of or in opposition to the candidacy for nomination or election of any individual or any party or referendum question, unless (1) the candidate or chairman of the committee has filed a designation of a campaign treasurer and a depository institution situated in this state as the depository for the committee's funds, or (2) the candidate has filed a certification in accordance with the provisions of section 9-604. In the case of a political committee, the filing of the statement of organization by the chairman of such committee, in accordance with the provisions of section 9-605, shall constitute compliance with the provisions of this subsection.
[Emphasis added.]

37. General Statutes § 9-604 provides in pertinent:

(a) *Each candidate for a particular public office or the position of town committee member shall form a single candidate committee for which he shall designate a campaign treasurer and a depository institution situated in this state as the depository for the committee's funds and shall file a committee statement containing such designations, not later than ten days after becoming a candidate, with the proper authority as required by section 9-603. The candidate may also designate a deputy campaign treasurer on such committee statement. The campaign treasurer and any deputy campaign treasurer so designated shall sign a statement accepting such designation which the candidate shall include as part of, or file with, the committee statement.*

(b) *The formation of a candidate committee by a candidate and the filing of statements pursuant to section 9-608 shall not be required if the candidate files a certification with the proper authority required by section 9-603, not later than ten days after becoming a candidate, and any of the following conditions exist for the campaign: (1) The candidate is one of a slate of candidates whose campaigns are funded solely by a party committee or a political committee formed for a single election or primary and expenditures made on behalf of the candidate's campaign are reported by the committee sponsoring the candidate's candidacy; (2) the candidate finances the candidate's campaign entirely from personal funds and does not solicit or receive contributions, provided if said candidate personally makes an expenditure or expenditures in excess of one thousand dollars to, or for the benefit*

of, said candidate's campaign for nomination at a primary or election to an office or position, said candidate shall file statements according to the same schedule and in the same manner as is required of a campaign treasurer of a candidate committee under section 9-608; (3) the candidate does not receive or expend funds in excess of one thousand dollars; or (4) the candidate does not receive or expend any funds, including personal funds, for the candidate's campaign. If the candidate no longer qualifies for the exemption under any of these conditions, the candidate shall comply with the provisions of subsection (a) of this section, not later than three business days thereafter and shall provide the candidate's designated campaign treasurer with all information required for completion of the treasurer's statements and filings as required by section 9-608. If the candidate no longer qualifies for the exemption due to the condition stated in the candidate's certification but so qualifies due to a different condition specified in this subsection, the candidate shall file an amended certification with the proper authority and provide the new condition for the candidate's qualification not later than three business days following the change in circumstances of the financing of the candidate's campaign. The filing of a certification under this subsection shall not relieve the candidate from compliance with the provisions of this chapter.

[Emphasis added.]

38. Because of the record of the endorsement by the WFP filed with SOTS, the Commission finds that, no later than August 24, 2010, the Placeholder Candidates were "candidates" as defined in § 9-602 (11) for the offices of Governor and Lieutenant Governor respectively in the 2010 general election.

The Requirement for Candidates for Statewide Office to Register with the SEEC even if they Withdraw their Candidacy with SOTS within Ten Days.

39. Under General Statutes § 9-623, the law mandates a formal referral mechanism from municipal clerks to the SEEC for potential late candidate committee registrations or claims of exemptions thereto. For state elective offices, such as at issue in the instant complaint, Public Act 05-5 changed the repository of such registrations and reports from SOTS to the SEEC. Nevertheless, the repository for party endorsements remains with SOTS and § 9-623 does not include any formal procedure or mandate by which records of party endorsements filed with SOTS may be measured against any outstanding candidate committee registrations or claims of exemptions thereto filed with the SEEC. Accordingly, since

Public Act 05-5, the SEEC has obtained and proceeded on such information on an *ad hoc* basis. A search of relevant SEEC records has not indicated any enforcement actions taken against candidates who withdraw their candidacies with SOTS prior to ten days after becoming a candidate or prior clarification on this specific issue. The narrow legal issue appears to be a novel issue before the Commission.

40. In recognition of the above, the Commission hereby finds and clarifies that, under General Statutes § 9-604, the duty for candidates to form and register a candidate committee, or file a claim of exemption thereto, is triggered upon such individuals becoming “candidates” as defined in § 9-602 (11). Under General Statutes § 9-604, the duty for such candidates offers no exception for individuals who meet the definition of a “candidate”, for the purposes of the campaign finance statutes, and then withdraw their candidacy after the legal obligation under General Statutes § 9-604 has already attached. The Commission concludes that, under General Statutes § 9-604, the duty for candidates, as defined by General Statutes § 9-602 (11), to form and register a candidate committee, or file a claim of exemption thereto, stands even if a candidate files a withdrawal of their candidacy with SOTS within ten days of becoming a candidate
41. In recognition of the above clarification, and that the investigation has indicated that the expenditures or organization expenditures purportedly for or by the Placeholder Candidates were limited to those expenditures or organization expenditures otherwise reported on or indicated by the WFPCC statements described above, the Commission declines to take further action against such Placeholder Candidates for the potential violation of § 9-604.

The Restriction on the Making of “Organization Expenditures” Only for Candidates or Candidate Committees

42. As noted above, § 9-601 (25), defining “organization expenditure,” restricts the definition to “expenditure by a party committee … for the benefit of a candidate or candidate committee.” The Placeholder Candidates did not form or register candidate committees. Accordingly, the only permissible purpose for any such “organization expenditure” could be if the WFPCC made such expenditures for “the benefit of a candidate.” Based on the above findings, the Commission concludes that, at the time the WFPCC’s contractual obligation to pay GSI was incurred, the WFPCC’s portion of the cost for the Petition Drive was not intended to benefit a “candidate” as that term is defined by § 9-602 (11).
43. General Statutes § 9-602 (11), defining “candidate,” provides in pertinent part:

“Candidate” means an individual who seeks nomination for election or election to public office whether or not such individual is elected, and for the purposes of this chapter and chapter 157, an individual shall be

deemed to seek nomination for election or election if such individual has (A) *been endorsed by a party* or become eligible for a position on the ballot at an election or primary, or (B) solicited or received contributions, made expenditures or *given such individual's consent to any other person to solicit or receive contributions or make expenditures with the intent to bring about such individual's nomination for election or election to any such office*. "Candidate" also means a slate of candidates which is to appear on the ballot in a primary for the office of justice of the peace. For the purposes of sections 9-600 to 9-610, inclusive, and section 9-621, "candidate" also means an individual who is a candidate in a primary for town committee members [Emphasis added.]

44. As noted above, the WFPCC incurred the expenditures to GSI for the services under the GSI General Contract no later than June 23, 2010 and prior to the WFP's August 24, 2010 endorsement of the Placeholder Candidates. Based on the above findings, the agreed upon intent for such payments was not, in fact, to secure a ballot position for those offices for the WFPCC with the specific intent to swap out names of the Placeholder Candidates for subsequently determined Democratic nominees.
45. Based on the above, the Commission finds that the portion of the WFPCC's payment to GSI under the GSI Central Contract for the Placeholder Candidates was not made for a candidate or candidate committee.
46. Thus, the Commission concludes that, insofar as the expenditures for the Petition Drive are considered "organization expenditures" for the limited purpose of the resolution of the instant investigation, prior to August 24, 2010, the Placeholder Candidates were only candidates, as defined by § 9-602 (11), if they met another prong of such definition.
47. Accordingly, the Commission concludes that, even if the application of "organization expenditures" to the implementation of advice is accepted for the limited purposes of this investigation, the WFPCC's costs associated with the Placeholder Candidates were not "organization expenditures" as defined by § 9-601 (25) because, even under the logic of such an application, they would not have been candidates, as defined by § 9-602 (11), at the time of the expenditures. As such, at the time they were incurred by WFPCC, any expenditures under the GSI Central Contract for the Placeholder Candidates still remain "expenditures" as defined by § 9-601b (a).

Clarification That Authorizing Another Person to Make Expenditures for Gathering Nominating Petitions For Such an Individual Makes Such Individual a Candidate

48. The Commission further concludes and clarifies that the above analysis is based upon the specific reliance of advice of SEEC staff and for, and only for, the limited purpose of the resolution of the instant investigation. As a general matter, the Commission concludes and clarifies that when such Placeholder Candidates, or any individuals, give permission to another person to make expenditures for petition gathering for a nominating petition on their behalf, they have “given such individual's consent to any other person to ... make expenditures with the intent to bring about such individual's *nomination* for election” those individuals meet a prong of the definition of “candidate” in § 9-602 (11), with all its corresponding legal duties, and will be treated as such. [Emphasis added]

Clarification That Expenditures of Party Committees For the Purpose of Obtaining Ballot Positions Under Such Party's Name May Be Made for the Permissible Purpose of Promoting the Party

49. General Statutes § 9-607 (g), defines the permissible purpose of expenditures by party committees and provides:

- (1) As used in this subsection, (A) "the lawful purposes of his committee" means: ... (iii) for a party committee, *the promoting of the party*, the candidates of the party and continuing operating costs of the party...[Emphasis added.]
- (2) Unless otherwise provided by this chapter, any campaign treasurer, in accomplishing the lawful purposes of his committee, may pay the expenses of [certain itemized or necessary political expenses].

50. The Commission finds that, insofar as they are considered “organization expenditures” for purposes of the resolution of the instant investigation, the portion of the WFPCC's for the Petition Drive for the Placeholder Candidates were not made for the purpose of promoting the “candidates of the party,” because such payments were made with the intent of securing a ballot line for the Working Families Party in the 2010 general election for the offices of Governor and Lieutenant Governor.

51. The Commission concludes that, based on the above finding, such expenditures were made for the purpose of “the promoting of the party.” As such, the Commission concludes that such expenditures by WFPCC for the Petition Drive were within a permissible purpose identified in General Statutes § 9-607 (g).

Clarification that “Organization Expenditures” do not Need to Be Made for Candidates of the Party Making Such Expenditures

52. Similarly, based on the above conclusion, we address the “organization expenditure” issue as it relates to Nappier and the Nappier for State Treasurer Committee. As noted in paragraph six, unlike the other Statewide Committee candidates, Nappier was only endorsed by the WFP at an August 31, 2010 meeting, with the record of such endorsement filed with SOTS on September 1, 2010. Accordingly, such endorsement occurred subsequent to the WFPCC’s expenditure for the GSI Central Contract with such services were performed beginning no later than June 23, 2010. The Commission’s above conclusion that “organization expenditures” are not restricted to promoting “candidates of the party” means that this issue alone does not take the portion of such payments from WFPCC to GSI regarding the petitions for Nappier out of the definition of “organization expenditures.” Based on the above resolution, which does not rest on the specific definition of a “candidate of the party,” the Commission reserves any further consideration regarding what factual or legal elements may be necessary to constitute a “candidate of the party.”

Reservation of Rights to Exercise Future Regulatory Action

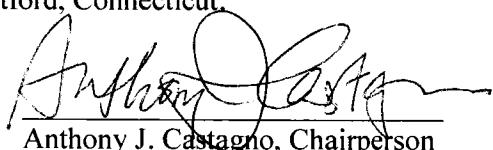
53. In issuing the above Findings and Conclusions, the Commission specifically reserves the right to utilize any of the powers granted to it under § 9-7b regarding this matter or any related matters, including, but not limited to, the right to hold hearings and impose penalties or initiate audits and inspections pursuant to § 9-7b. For such purposes, the Commission specifically reserves judgment as to the liability of the WFP, WFPCC, WFO, CLAS, GSI or their treasurers, staff, vendors or agents concerning any findings contained herein.

ORDER

The following is ordered on the basis of the aforementioned findings:

That no further action be taken. As noted in the above Findings and Conclusions, the Commission reserves certain matters for further examination or action as itemized in paragraph fifty-three.

Adopted this 19th day of June, 2013 at Hartford, Connecticut.



Anthony J. Castagno, Chairperson
By Order of the Commission