

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by Rosemary Klotz
New Britain

File No. 2013-013

FINDINGS & CONCLUSIONS

Complainant Rosemary Klotz of New Britain filed this Complaint pursuant to Connecticut General Statutes § 9-7b, alleging that individuals in the administration of the former mayor of New Britain had improperly used public resources to engage in political activities. The Commission named three individuals as respondents in the matter: former mayor Tim Stewart; his chief of staff Lisa Carver; and Peter Steele, who provided computer services to Stewart during his election campaigns and also worked for the City of New Britain during Stewart's mayoral term. After investigating the allegations raised in the complaint the Commission makes the following findings and conclusions:

1. Tim Stewart served as mayor of the City of New Britain from 2003 through 2011. He lost the 2011 municipal election to Tim O'Brien.
2. Complainant Klotz, who served as chief of staff of then Mayor O'Brien, filed a complaint with the Commission alleging that certain computer files were stored on computers owned by the City of New Britain that appeared to be files more closely related to the political campaigns of the former Mayor Stewart rather than municipal affairs.
3. According to the complaint, while setting up their work spaces in December 2011, members of the O'Brien administration noticed that certain files appeared to be missing from the computers used by city staff. The city's information technology staff recreated the hard-drives on the computers in an attempt to restore some of the information that was missing. At that point, according to Klotz, staff noticed that certain files on those hard-drives contained information that were "purely political" and served no legitimate purpose related to governing.
4. The Commission's investigation verified that certain files were saved onto computers owned by the City of New Britain, including lists of voters and other data that appeared related more closely to a political campaign rather than day-to-day governing. The computer system also contained political speeches given by Stewart as well as other political materials.
5. Respondent Stewart acknowledged that some of his speeches related to political events and other partisan materials may have appeared on the City of New Britain's servers. Stewart said that he used his personal laptop for his official duties as mayor and that some of the files

that he maintained on his personal laptop may have transferred over to the city's servers when he docked his laptop at his office.

6. Respondent Stewart stated that, as he believed likely happened to other chief executives of municipalities, his official duties often overlapped with political obligations. The politics that were incumbent with his office sometimes resulted in mixed appearances that combined his official role as mayor with his efforts to promote himself as a politician, he opined.
7. Respondent Lisa Carver served as chief of staff for Stewart from 2003 through 2011. She also was named as treasurer for the *Stewart for State Senate* candidate committee, which was Stewart's candidate committee for the 2011 special election for the 6th district senate seat. See SEEC Form 1 - Registration by Candidate (*Stewart for State Senate*, January 6, 2011) (forming candidate committee for Timothy Stewart to run for 6th district state senate seat in special election and naming Carver as treasurer).
8. Carver said that as chief of staff she handled financial matters and the department heads would report to the mayor through her.
9. Respondent Peter Steele worked for Stewart's candidate committees and for the City of New Britain, providing services related to data compilation and management. Carver said that in addition to his data collection efforts, Steele was also the mayor's principal liaison for infrastructure, building, and parks and recreations functions. He was paid approximately \$30,000 per year by the City of New Britain for his work for the mayor's office.
10. According to Steele, he used his personal computer to compile data and create voter lists for Stewart's candidate committee. He also acknowledged that he used that same data once Stewart was in office to assist him in constituent services.
11. Steele stated to investigators that he relied upon publicly available voter lists as well as data that he had collected personally over the years. He did not charge the Stewart campaign committee for the use of this list.
12. In addition to developing a voter list for Stewart's municipal campaign, Steele also assisted in developing a voter list for Stewart's campaign for the 6th district state senate seat, for which Stewart campaigned in 2011. See SEEC Form 1 - Registration by Candidate (*Stewart for State Senate*, January 6, 2011) (forming candidate committee for Timothy Stewart to run for 6th district state senate seat in special election).
13. The 6th senatorial district covers New Britain as well as Berlin and a portion of Farmington. See http://www.ctn.state.ct.us/civics/campaign_finance/Support%20Materials/senate_map%202011.pdf (last retrieved on March 31, 2015).

14. The Commission's investigation showed that data Steele compiled related to voters in both Berlin and Farmington were also transferred to the City of New Britain's servers.
15. In the 2011 special election for the 6th district senate seat, Stewart opted to participate in the Citizens' Election Program and his candidate committee qualified for a grant from the Citizens' Election Fund. See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Stewart for State Senate*, 1/11/11) (recording agreement by candidate Stewart and treasurer Carver to restrictions placed on participating candidate committees).
16. Steele served as campaign manager for the Stewart senatorial bid and was paid \$6,000 for that work. See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement (*Stewart for State Senate*, April 8, 2011) (reflecting payment of \$6,000 to Peter Steele for consulting work on March 14, 2011). None of that money, however, went to Steele to purchase access to his database, he said in response to the Commission's investigation.
17. Steele also asserted that he did not work on maintaining the database while he was being paid by the City of New Britain. The Commission's investigation revealed nothing that would counter that assertion.
18. Committees participating in the Citizen's Election Program face limitations on the sources and types of contributions that they may receive. See General Statutes § 9-704 (limiting contributions to participating candidate committees to "Qualifying Contributions" defined as contributions of between \$5 and \$100 from individuals). In essence, those limitations prohibit a participating candidate committee from receiving any contributions that are not monetary and from individuals.
19. Under the tenets of the Citizens' Election Program, if Steele were deemed to have impermissibly contributed his mailing list to the Stewart candidate committee that contribution could violate rules for participating and qualified candidate committees.¹
20. General Statutes § 9-601b (b) (4) provides that an individual may volunteer for a committee without making a "contribution" to the committee even if that individual has been paid in the past or will be paid in the future for similar work.

¹As outlined above, a participating candidate committee agrees to limit contributions it receives to "qualified contributions" as defined in the statute. See General Statutes § 9-704.

21. Steele was paid by the committee to serve as its campaign manager. His statement related to this investigation indicated that he voluntarily offered his voter-information database to the campaign and was not compensated by the candidate committee for the use of that tool.
22. Given that Steele was also an employee of the City of New Britain while he developed his voter database and also when was employed as the campaign manager for Stewart's senatorial committee, issues arise in the context of Steele's potential use of public resources to support the Stewart's candidate committee.
23. The potential violation here stems from the possibility that Steele was paid by the City of New Britain for his work on the database or that Steele utilized the public computer systems to facilitate the compilation of his database.
24. Connecticut's campaign finance statutes lack specific tools to address use of public resources to support a political campaign other than in certain narrowly defined settings primarily related to the distribution of publicly-funded materials that feature an incumbent.²
25. In certain scenarios, the Commission has relied on General Statutes § 9-622 (5), which defines an "illegal practice" as "defraying costs" from a candidate's candidate committee to another entity without notifying the candidate committee's treasurer of the defrayal.³ See General Statutes § 9-622 (5) (prohibiting persons from defraying costs of campaign by paying for items without making those payments to committee treasurer).
26. Applying this defrayal-of-costs theory, the Commission has found that a state-employed university professor violated General Statutes § 9-622 (5) when he used state-employed graduate students to review polling data for a candidate committee. The professor had a private contract with the candidate committee and conducted the polling as part of that private contract with the candidate's campaign but utilized the state-university graduate students to perform tasks under the contract. The Commission reasoned that by using the labor of the students to fulfill his private contract with the candidate committee the professor improperly defrayed costs that should have been assigned to the candidate committee and paid for through the contract. See *In the Matter of a Complaint by Jonathan Pelto, Storrs*, File No. 2009-104 (State Elections Enforcement Comm'n, Jan. 26, 2011) (imposing civil

² See General Statutes § 9-610 (d) (1) and (2)

³ General Statutes § 9-622 (5) states:

Any person who, directly or indirectly, pays, gives, contributes or promises any money or other valuable thing to defray or towards defraying the cost or expenses of any campaign, primary, referendum or election to any person, committee, company, club, organization or association, other than to a treasurer, except that this subdivision shall not apply to any expenses for postage, telegrams, telephoning, stationery, express charges, traveling, meals, lodging or photocopying incurred by any candidate for office or for nomination to office, so far as may be permitted under the provisions of this chapter;

penalty of \$2,000 against university professor who defrayed costs from candidate committee by using students to analyze polling data to fulfill private contract).

27. The Commission's investigation into this matter revealed nothing to suggest that Respondent Steele used his employment with the City of New Britain to defray costs that normally would have been borne by Respondent Stewart's candidate committee.
28. In addition, although there appear to have been files stored on the computer systems maintained by the City of New Britain, the existence of those files would not violate Connecticut's campaign finance statutes.
29. The Commission will dismiss this matter against all three respondents.

STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION
HARTFORD, CONNECTICUT

ORDER

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

That the matter be dismissed.

Adopted this 19th day of May, 2015 at Hartford, Connecticut.


Anthony J. Castagno, Chairperson
By Order of the Commission