

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by
Brendan T. Keatley, Trumbull

File No. 2013-107

AGREEMENT CONTAINING A CONSENT ORDER AND PENALTY

This agreement, by and between the following four corporations, Belltown Volunteer Fire Department, Inc., Springdale Volunteer Fire Company, Inc., Turn of River Volunteer Fire Department, Inc. and Long Ridge Volunteer Fire Company, Inc. (hereinafter collectively the "Respondents"), and the authorized representative of the State Elections Enforcement Commission, is entered into in accordance with Section 9-7b-54 of the Regulations of Connecticut State Agencies and Section 4-177 (c) of the General Statutes of Connecticut. In accordance herewith, the parties agree that:

1. At all times relevant hereto, a referendum question concerning a proposed Stamford City Charter revision was pending before the Stamford electors (the "referendum question").
2. The Respondents are corporations organized for the purpose of providing volunteer firefighting services.
3. Acting under the label "Stamford Volunteer Fire Department," four independent, not-for-profit corporations that operated neighborhood volunteer fire departments in Stamford acted in coordination to raise and spend funds to oppose the adoption of a referendum question.
4. Since June of 2011 and during the entire relevant period, the Respondents were operating some of their activities as volunteer fire departments under a joint-venture agreement named "Stamford Volunteer Fire Department." There is no claim or available evidence indicating that the "Stamford Volunteer Fire Department" separately incorporated.
5. Collectively, the Respondents spent approximately \$11,311.72 on the campaign that was reported on filings with the Stamford Town Clerk. The Respondents have provided affidavits confirming that the four corporations split the above net cost evenly among themselves and spent approximately \$2,827.93 per each of the four Respondents.

6. Campaign funds were only raised from the Respondent corporations and not solicited from other persons.¹ The funds were contributed by the separate corporations and not spent out of a central treasury. There was no dedicated bank account maintained for this purpose.
7. The Respondents filed Independent Expenditure Statements (SEEC Form 26) with the Stamford Town Clerk under the name "Stamford Volunteer Fire Department," which reported that the purpose of the expenditures were to "create a single combined fire department in Stamford, CT." Such forms provided extensive contact information for the individuals running the campaign including the "chairperson on the board" and the "acting treasurer." The forms were filed in a timely manner.
8. The Respondents did not register any type of committee with the SEEC or town clerk. Because the Respondents reported their activities as a single entity making independent expenditures rather than registering as a committee, the funds contributed by the four Respondent corporations to the coordinated campaign were not publically recorded. However, as noted above, the Respondents have provided affidavits confirming that the four corporations split the net cost evenly among themselves.
9. In general, the Respondents appear to have made a good faith effort to disclose their financing regarding their campaign activities, including placing basic attributions on most of their campaign communications. Examples of typical campaign communications included attributions stating, "Paid for by the Stamford Volunteer Fire Department, Stephen Gladstone, Chairman." One such prominent communication included the names, titles, and signatures of the chiefs of the four Respondent volunteer fire corporations. Additionally, extensive contact information for the "Stamford Volunteer Fire Department" was recorded with the Stamford Town Clerk no later than October 10, 2012, the first applicable filing deadline.
10. Despite this general good faith effort at disclosure, certain early communications by the Respondents lacked any form of attribution. Although the costs for these communications were reported in a timely fashion on a SEEC Form 26 and stated the name of the vendor, dollar amount, and "fliers" or "letters," the reasonable observer could not discern the source of these political communications upon examination of such letters and fliers because the names of the Respondents were not mentioned. The total cost of such completely unattributed communications was \$811.95.
11. The Respondents have cooperated fully with this investigation.

¹ Although the Complainant alleges that municipal funds were spent to support the political campaign, there is no evidence to support this allegation.

12. General Statutes § 9-601 (1) defines “committee” as including a “political committee ... organized, as the case may be, for a single ... referendum, or for ongoing political activities, to aid or promote the success or defeat ... any referendum question.”
13. General Statutes § 9-601 (3) defines “political committee” as including “(B) persons other than individuals, or two or more individuals organized or acting jointly conducting their activities in or outside the state...”
14. General Statutes § 9-601b defines “expenditure”, in relevant part, as “[a]ny purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, when made for ... the purpose of aiding or promoting the success or defeat of any referendum question....”
15. General Statutes § 9-602 (a) requires persons raising or spending money in coordination with each other to register committees and 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 ... 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.

16. General Statutes § 9-605 (a) requires chairpersons of political committees to register such committees with the SEEC or applicable town clerk:

Except chairperson of each political committee shall designate a campaign treasurer and may designate a deputy campaign treasurer. The campaign treasurer and any deputy campaign treasurer so designated shall sign a statement accepting the designation. The chairperson of each political committee shall file a registration statement described in subsection (b) of this section along with the statement signed by the designated campaign treasurer and deputy campaign treasurer with the proper authority, within ten days after its organization, provided that the chairperson of any political committee organized within ten days prior to any primary, election or

referendum in connection with which it intends to make any contributions or expenditures, shall immediately file a registration statement

17. General Statutes § 9-621 (c) requires certain attributions for advocacy communications concerning the adoption of referendum questions and provides:

No business entity, organization, association, committee, or group of two or more individuals who have joined solely to promote the success or defeat of a referendum question shall make or incur any expenditure for any written, typed or other printed communication which promotes the success or defeat of any referendum question unless such communication bears upon its face the words "paid for by" and the following: ... (2) in the case of a political committee, the name of the committee and the name of its campaign treasurer....

18. The Respondent corporations acknowledge that they were operating as an unregistered "political committee" as that term is defined by General Statutes § 9-601 (3) under the portion of that definition that includes "persons other than individuals ...organized or acting jointly" and a "committee" as that term is defined in § 9-601 (1) as including a "political committee ... organized, as the case may be, for a single ... referendum, or for ongoing political activities, to aid or promote the success or defeat ... any referendum question."

19. The Respondents acknowledge that such committee made expenditures for communication without the proper attributions required by General Statutes § 9-621 (c). The Respondents further acknowledge that for the purposes of expenditures by committees or corporations under § 9-621 (c) there is no applicable de minimis exception to the attribution requirements.

20. Pursuant to Regulations of Connecticut State Agencies § 9-7b-48, in determining the amount of a civil penalty, the Commission shall consider, among other mitigating and aggravating factors:

- (1) the gravity of the act or omission;
- (2) the amount necessary to insure immediate and continued compliance;
- (3) the previous history of similar acts or omissions; and
- (4) whether the person has shown good faith in attempting to comply with the applicable provisions of the General Statutes.

21. The Commission has applied the following mitigating factors in its consideration of the present settlement with the Respondents. First, the Respondents were making a good faith effort to comply with the law. Second, the Respondents timely filed independent expenditures reports,

which reported on the nature and the amount of the expenses for the campaign and the identity of the individuals directing this operation. In this instance, the reports provided substantially similar information that would have been provided to the public if the Respondents registered as a committee. Third, most of the literature distributed by the “Stamford Volunteer Fire Department” made it clear to the reasonable observer that it was some form of combined operation of the four neighborhood fire departments. To the extent that there were minor attribution issues, the forms filed with the Stamford Town Clerk provide information regarding the likely sponsor. Fourth, the Respondents have no identified history of violating the campaign finance statutes. Fifth, the State’s interest in punishing this conduct is limited. Unlike candidates, the ability to corrupt a referendum question is not present at a popular vote on a public issue.²

22. The Respondents admit all jurisdictional facts and agrees that this agreement and Order shall have the same force and effect as a final decision and Order entered after a full hearing and shall become final when adopted by the Commission. The Respondents shall receive a copy hereof as provided in Section 9-7b-56 of the Regulations of Connecticut State Agencies.
23. It is understood and agreed that this agreement will be submitted to the Commission at its next available meeting, and if it is not accepted by the Commission, it is withdrawn by the Respondents and may not be used as an admission by any party in any subsequent hearing, if the same becomes necessary.
24. The Respondents waive:
 - (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.
25. Upon the Respondents’ agreement to comply with the Order hereinafter stated, the Commission shall not initiate any further proceedings against the Respondents or its officer or agents as pertaining to this matter.

² See *Seymour v. Elections Enforcement Com'n*, 255 Conn.78, 96 (2000) and *McIntyre v. Ohio Elections Commission*, 514 U.S. 334 (1995).

ORDER


IT IS HEREBY ORDERED that henceforth the Respondents, shall strictly comply with the requirements of Connecticut General Statutes §§ 9-602, 9-605, and 9-621.

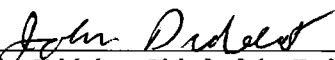
IT IS FURTHER ORDERED that the Respondents shall pay \$200.00 for violations of General Statutes § 9-621 (c).

The Respondents:

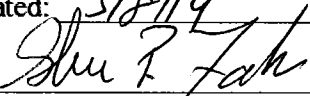
For the State of Connecticut:

By their Authorized Representatives

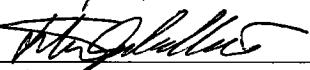
BY: 
Michael J. Brandt, Esq.
Executive Director and General Counsel and
Authorized Representative of the
State Elections Enforcement Commission
20 Trinity St., Suite 101
Hartford, CT


John Didelot, Chief of the Belltown Fire
Department, Inc.

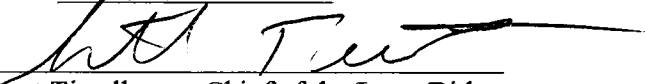
Dated: 3/8/14


Shawn Fahan, Chief of the Springdale Fire
Co., Inc.

Dated: 3/10/14


Frank Jacobellis, Chief of the Turn of the
River Fire Department, Inc.

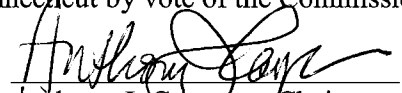
Dated: 3/13/14


Stuart Tietelbaum, Chief of the Long Ridge
Fire Co., Inc.

Dated: 3-10-14

Dated: 3/11/14

Adopted this 19th day of March 2014 at Hartford, Connecticut by vote of the Commission.



Anthony J. Castagno, Chairman
By Order of the Commission

**RECEIVED
STATE ELECTIONS**

MAR 12 2014

ENFORCEMENT COMMISSION