

SEP 21 2017

ENFORCEMENT COMMISSION

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by Yvette M. Larrieu
Town of Branford

File No. 2013-153

AGREEMENT CONTAINING A CONSENT ORDER

The parties, Dennis Flannigan, hereinafter referred to as Respondent, and the undersigned authorized representative of the State Elections Enforcement Commission, enter into this agreement as authorized by Connecticut General Statutes § 4-177 (c) and Regulations of Connecticut State Agencies § 9-7b-54. In accordance with those provisions, the parties agree that:

1. Respondent served as treasurer for the *Cosgrove for Mayor* candidate committee in 2013, which was established to support the candidacy of Jamie Cosgrove for mayor of the town of Branford.
2. Complainant filed this matter on Nov. 4, 2013, alleging that the Cosgrove candidate committee had failed to collect necessary information regarding online donations made through its campaign website. Complainant made the following allegations against the candidate committee:
 - Online donations did not have any of the definition of terms or any of the necessary questions regarding lobbyist, spouse or child of lobbyist, or associated business having contract with the town of more than five thousand dollars.
 - There was no: Statement of whether contributor is a lobbyist or member of the immediate family of a communicator lobbyist for contributions that separately, or in the aggregate, exceed \$50;
 - There was no question of: If the individual's aggregate contributions exceed \$400 to the committee of a candidate running for chief executive officer of the municipality, a statement of whether contributor, or business with which contributor is associated, has a contract with the municipality valued at more than \$5,000;
 - There was no statement: Donor must affirm the statement: "I am 18 years of age or older";
 - There was no statement: Donor must affirm the statement: "This contribution is made on my personal credit card for which I have a legal obligation to pay

and intend to pay from my own personal funds; payment on this card is not made from the I funds of a corporation, labor organization or any other entity;" and,

- [There was no statement:] Donor must affirm the statement: "I am either a United States citizen or a foreign national with permanent resident status in the United States."¹

3. The commission investigated the complaint and determined that the Cosgrove committee's online contribution forms failed to gather certain information from contributors, as the complainant alleged.
4. General Statutes § 9-608 (c) requires treasurers to provide certain information in the campaign finance disclosure reports that they file with the appropriate repository.² Connecticut's campaign finance statutes state, in relevant part:

(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; . . . (F) for each individual who contributes in excess of one hundred dollars but not more than one thousand dollars, in the aggregate, to the extent known, the principal occupation of such individual and the name of the individual's employer, if any; (G) for each individual who contributes in excess of one thousand dollars in the aggregate, the principal occupation of such individual and the name of the individual's employer, if any; (H) for each itemized contribution made by a lobbyist, the spouse of a lobbyist or any dependent child of a lobbyist who resides in the lobbyist's household, a statement to that effect; and (I) for each individual who contributes in excess of four hundred dollars in the aggregate to or for the benefit of any candidate's campaign for nomination at a primary or election to the office of chief executive officer or a slate or town committee financing the nomination or election or a candidate for chief executive officer of a town, city or borough, a statement indicating whether the individual or a

¹ Complaint of Yvette M. Larrieu, Branford, SEEC File No. 2013-153 (Rec'd Nov. 4, 2013) (outlining allegations against Cosgrove candidate committee).

² See General Statutes § 9-608 (c) (outlining information comprising complete campaign finance reporting for candidate and other committees formed under Connecticut's campaign financing regime); see also General Statutes § 9-603 (b) (designating town clerk's office as proper filing repository for municipal candidate committees).

business with which he is associated has a contract with said municipality that is valued at more than five thousand dollars.³

5. General Statutes § 9-608 (c) continues at subsection (3) with guidance to committees that support statewide or General Assembly candidates or that can make contributions to or expenditures on behalf of those candidates that they must include on their contributor certification cards explanations for terms such as “communicator lobbyist” and terms related to state contractors.⁴ Because this candidate committee supported a municipal candidate only, restrictions and guidance related to contributions from communicator lobbyists and state contractors did not apply.
6. General Statutes § 9-611 (e) limits individuals under the age of 18 from making contributions to candidate committees in excess of thirty dollars.⁵

³General Statutes § 9-608 (c).

⁴ See General Statutes § 9-608 (c) (3) (“(3) In addition to the requirements of subdivision (2) of this subsection, each contributor who makes a contribution to a candidate or exploratory committee for Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State, State Treasurer, state senator or state representative, any political committee authorized to make contributions to such candidates or committees, and any party committee that separately, or in the aggregate, exceeds fifty dollars shall provide with the contribution: (A) The name of the contributor’s employer, if any; (B) the contributor’s status as a communicator lobbyist, as defined in section 1-91, a member of the immediate family of a communicator lobbyist, a state contractor, a prospective state contractor or a principal of a state contractor or prospective state contractor, as defined in section 9-612; and (C) a certification that the contributor is not prohibited from making a contribution to such candidate or committee. The State Elections Enforcement Commission shall prepare a sample form for such certification by the contributor and shall make it available to treasurers and contributors. Such sample form shall include an explanation of the terms “communicator lobbyist”, “principal of a state contractor or prospective state contractor”, “immediate family”, “state contractor” and “prospective state contractor”. The information on such sample form shall be included in any written solicitation conducted by any such committee. If a treasurer receives such a contribution and the contributor has not provided such certification, the treasurer shall: (i) Not later than three business days after receiving the contribution, send a request for the certification to the contributor by certified mail, return receipt requested; (ii) not deposit the contribution until the treasurer obtains the certification from the contributor, notwithstanding the provisions of section 9-606; and (iii) return the contribution to the contributor if the contributor does not provide the certification not later than fourteen days after the treasurer’s written request or at the end of the reporting period in which the contribution was received, whichever is later. No treasurer shall be required to obtain and keep more than one certification from each contributor, unless information certified to by the contributor, other than the amount contributed, changes. If a treasurer deposits a contribution based on a certification that is later determined to be false, the treasurer shall have a complete defense to any action, including but not limited to, any complaint investigated by the State Elections Enforcement Commission or any other investigation initiated by said commission, against such treasurer for the receipt of such contribution.”)

⁵ See General Statutes § 9-611 (e) (limiting contributions by individuals under 18 years of age to \$30).

7. General Statutes § 9-622 includes among those guilty of an “illegal practice” persons who make contributions in the name of another as well as those who make prohibited contributions.⁶
8. Federal law prohibits foreign nationals to make contributions in connection with any “Federal, State, or local election” and also prohibits persons from accepting of any such contribution by a foreign national.⁷
9. Representatives of the candidate committee responded to the commission staff’s inquiries regarding this complaint and acknowledged that the committee had encountered problems with its online contribution form. Peter Berdon, a volunteer with the Cosgrove campaign, said the committee activated the site in mid-October of 2013, preceding the November election. Berdon said that the web designer hired by the campaign manager to design the website encountered some difficulties in getting the site to an acceptable status so that it could be operational on behalf of the candidate committee.
10. According to the investigation, the candidate committee’s online credit card processor, Pyrix, received 6 contributions via the website, totaling \$320. Berdon said that he was unaware that the candidate committee’s website had received any contributions until this complaint was filed. Those contributions, Berdon said, had been returned to the contributors directly by Pyrix at the direction of the candidate committee.
11. The candidate committee failed to collect required pieces of data and elicit affirmations from online contributors related to:
 - their status as a lobbyist, lobbyist spouse or lobbyist dependent child;
 - statements regarding status as municipal contractor, if necessary;
 - statements as to being over the age 18;
 - statements as to contribution made with personal funds; and,
 - statements as to status as citizen or permanent-resident.

⁶ See General Statutes §§ 9-622 (7) (prohibiting person from making payment to treasurer “in name other than the person’s own) and (9) (making guilty of “illegal practice” “[a]ny person who solicits, makes, or receives a contributions that is otherwise prohibited by any provision of this chapter”).

⁷ See 52 USCS § 30121 (2017) (prohibiting contributions by foreign nationals to political campaigns). See also 11 CFR 11 C.F.R. § 110.20 (Lexis Advance through the August 21, 2017 issue of the Federal Register. Pursuant to 82 FR 8346 (“Regulatory Freeze Pending Review”), certain regulations will be delayed pending further review. See Publisher’s Note under affected rules. Title 3 is current through August 4, 2017)

The failure of the candidate committee collect this information violated the treasurer's responsibilities to collect it and report it as part of the campaign finance disclosure process.

12. By failing to obtain the necessary backup documentation to support online contributions and report such contributions properly, as laid out in General Statutes § 9-608 (c) (3), the committee's treasurer, Flannigan, the respondent in this matter, violated Connecticut's campaign finance statutes.
13. As enumerated in § 9-7b-48 of the Regulations of Connecticut State Agencies:

In its determination of the amount of the civil penalty to be imposed, the Commission shall consider, among other mitigating or aggravating circumstances:

 - (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.⁸
14. Respondent admits all jurisdictional facts and agree that this Agreement and Order shall have the same force and effect as a final decision and order entered into after a full hearing and shall become final when adopted by the Commission.
15. The Respondent waives:
 - a. Any further procedural steps;
 - b. The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law, separately stated; and
 - c. All rights to seek judicial review or otherwise to challenge or contest the validity of the Order entered into pursuant to this Agreement.
16. It is understood and agreed by the parties to this Agreement that the Commission will consider this Agreement at its next meeting and, if the Commission rejects it, the Agreement will be withdrawn and may not be used as an admission by the Respondent in any subsequent hearing, if one becomes necessary.

⁸ Regs., Conn. State Agencies, § 9-7b-48 (State Elections Enforcement Comm'n).

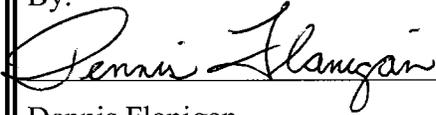
ORDER

IT IS HERERY ORDERED THAT Respondent shall henceforth comply strictly with the requirements of the regulations and statutes related to the duties of a treasurer under Connecticut's campaign finance regime, especially as those duties relate to the reporting of online contributions.

The Respondent

For the State of Connecticut

By:



Dennis Flanigan
14 Brightwood Lane
Branford, CT 06405-5207

Dated: 9/18/17

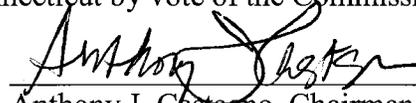
By:



Michael J. Brandi, Esq.
Executive Director and General Counsel and
Authorized Representative of the
State Elections Enforcement Commission
20 Trinity St., Suite 101
Hartford, CT 06106

Dated: 9/21/17

Adopted this 18 day of OCT, 2017 at Hartford, Connecticut by vote of the Commission.



Anthony J. Castagno, Chairman
By Order of the Commission