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STATE OF CONNECTICUT  
STATE ELECTIONS ENFORCEMENT COMMISSION

STATE ELECTIONS  
ENFORCEMENT COMMISSION

*In re. Audit of Andres Ayala 2012*

File No. 2014-055

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between Pilar Gonzalez, City of Bridgeport, State of Connecticut, hereinafter referred to as Respondent, and the undersigned authorized representative of the State Elections Enforcement Commission, is entered into in accordance with Connecticut General Statutes § 4-177 (c) and Regulations of Connecticut State Agencies § 9-7b-54. In accordance herewith, the parties agree that:

1. Andres Ayala established the *Andres Ayala 2012* candidate committee in 2012 to support his nomination for election as a candidate in the 23<sup>rd</sup> State Senate district.<sup>1</sup> The committee opted to participate in the Citizens' Elections Program, and the candidate and treasurer agreed to abide by voluntary limits and programmatic requirements.<sup>2</sup> The committee applied for a primary grant from the Citizens' Election Fund on June 1, 2012.<sup>3</sup> The Commission approved a grant for a candidate committee in a primary in a party-dominant district from the Citizens Election Fund totaling \$80,550, which was received by the committee on June 26, 2012.<sup>4</sup> After Ayala won the Democratic Party primary, his candidate committee received a general election grant of \$91,290 on September 26, 2012.
2. Auditors began their in-depth review of the records of the *Andres Ayala 2012* candidate committee after the committee was selected in the random audit lottery conducted following the 2012 election cycle. Because of the significant number of potential violations related to the failure of the candidate committee to document wages to and performance agreements with committee workers, the Commission authorized

<sup>1</sup> See SEEC Form 1 – Registration of Candidate Committee (*Andres Ayala 2012*, May 10, 2012) (reflecting establishment of candidate committee by Andres Ayala and appointment of Pilar Gonzalez as treasurer and Daniel Martinez as deputy treasurer).

<sup>2</sup> See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Andres Ayala 2012*, June 1, 2012) (reflecting intent of candidate and treasurer to participate in Citizens' Election Program and follow voluntary program rules).

<sup>3</sup> See SEEC Form CEP 15 – Citizens' Election Program: Application for Grant (*Andres Ayala 2012*, June 1, 2012) (showing that candidate and treasurer affirmed that candidate committee had returned all excess contributions that did not meet standards for "qualifying contributions" under statute or had transmitted excess to Citizens' Election Fund).

<sup>4</sup> See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: July 10 Filing (*Andres Ayala 2012*, July 5, 2012) (reporting dominant-party-district primary grant of \$80,550 received from Citizens' Election Fund on June 26, 2012).

investigation of the preliminary findings before receiving comments from the candidate committee on the draft report. In the draft findings, auditors noted that the committee's treasurer, in many instances, failed to obtain written agreements describing the nature, pay, and duration of employment for individuals who would likely make more than \$100 and failed to maintain the necessary contemporaneous detailed documentation to support compensation made to employees. The Commission's investigation of this complaint was conducted simultaneously with the conclusion of the audit process.

3. Campaign treasurers have the obligation to maintain documents to support all transactions entered on candidate committees' financial disclosure forms.<sup>5</sup> Upon request, campaign treasurers must also provide any and all supporting documentation to the Commission.<sup>6</sup>
4. Treasurers who serve committees participating in the Citizens' Election Program must comply with regulations that limit the use of monies they may receive from the Citizens' Election Fund. Specifically, Regulation 9-706-1 restricts expenditures that qualified candidate committees make to those that "directly further the participating candidate's nomination for election or election . . ." Regs., Conn. State Agencies, § 9-706-1 (a) (specifying restrictions on use of qualified candidate committee's funds). When a qualified candidate committee lacks contemporaneous detailed documentation for expenditures, the Commission will consider any expenditures lacking sufficient documentation to be impermissible.

(b) The absence of contemporaneous detailed documentation indicating that an expenditure was made to directly further the participating candidate's nomination for election or election shall mean that the expenditure was not made to directly further the participating candidate's nomination for election or election and thus was an impermissible expenditure.<sup>7</sup>

5. Regulations define "contemporaneous detailed documentation" to include documentation listed in General Statutes § 9-607 (f). See Regs., Conn. State Agencies, § 9-706-1 (b). Section 9-607 (f) lists numerous forms of documentation that treasurers must keep in order to comply with their obligation to retain a committee's documentation and make it available for inspection to the Commission. See General

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<sup>5</sup> See General Statutes § 9-606 (a) (1) (requiring campaign treasurers to keep all supporting documentation for entries made in financial disclosure documentation).

<sup>6</sup> See General Statutes § 9-7b (a) (15).

<sup>7</sup> Regs., Conn. State Agencies, § 9-706-1 (b) (creating presumption that expenditures that lack documentation are impermissible).

Statute § 9-607 (f).<sup>8</sup> Regulations provide additional guidance as to specific documents that a campaign treasurer must maintain as related to professional or consulting services for which the committee has paid, stating that in addition to a written agreement laying out the nature and scope of work, appropriate documentation includes “contemporaneous records and/or invoices created by the close of the reporting period but in no event later than the date of the primary or election to which the expenditure relates, which set forth the nature and detail of the work performed or services rendered.” Regs., Conn. State Agencies, § 9-607-1 (setting forth recordkeeping requirements for service contracts entered into by committees regulated under Chapter 155).

6. The Commission maintains the authority to audit records that a campaign treasurer is required to keep under chapter 155 or 157. *See* General Statutes § 9-7b (a) (5). With the advent of the Citizens’ Election Program in 2008, the Commission has undertaken more searching audits of candidate committees to ensure compliance with the program’s regulations and voluntary restrictions. Beginning with the 2010 election cycle, the General Assembly limited the number of audits that the Commission may perform, but it did not remove the underlying authority of the Commission to inspect a committee’s documents. *See* General Statutes 9-7b (5) (placing limits on number of audits of General Assembly committees that Commission may perform as well as time limitations on when those audits can begin).
7. According to the audit and investigation, the candidate committee failed to obtain pre-performance service contracts with individuals who would earn more than \$100 in their work for the Ayala candidate committee. The commission’s investigation identified 37 instances where the committee lacked those pre-performance contracts. The payments made to those workers lacking those contracts totaled \$27,750.73.

<sup>8</sup> General Statutes § 9-607 (f) states:

The campaign treasurer shall preserve all internal records of transactions required to be entered in reports filed pursuant to section 9-608 for four years from the date of the report in which the transactions were entered. Internal records required to be maintained in order for any permissible expenditure to be paid from committee funds include, but are not limited to, contemporaneous invoices, receipts, bills, statements, itineraries, or other written or documentary evidence showing the campaign or other lawful purpose of the expenditure. . . . If any checks are issued pursuant to subsection (e) of this section, the campaign treasurer who issues them shall preserve all cancelled checks and bank statements for four years from the date on which they are issued. If debit card payments are made pursuant to subsection (e) of this section, the campaign treasurer who makes said payments shall preserve all debit card slips and bank statements for four years from the date on which the payments are made. In the case of a candidate committee, the campaign treasurer or the candidate, if the candidate so requests, shall preserve all internal records, cancelled checks, debit cards slips and bank statements for four years from the date of the last report required to be filed under subsection (a) of section 9-608.

8. In addition to obtaining these pre-performance contracts, the treasurer also has the obligation to keep any supporting documentation under General Statutes §§ 9-606 (a) and 9-607 (f). The Commission has the authority under General Statutes § 9-7b (2) to impose a civil penalty of as much as \$2,000 “or twice the amount of any improper payment or contribution, whichever is greater, against any person the commission finds to be in violation of any provision of chapter 155 or 157.” General Statutes § 9-7b (2). Gonzalez, the treasurer for the Ayala candidate committee, failed to maintain backup documentation to support expenditures made by the candidate committee and failed to obtain these pre-performance contracts with service providers.
9. In addition to executing contracts before any work is performed, treasurers must also create and maintain contemporaneous, detailed documentation to justify wages paid to committee workers. Those documents should reflect the nature and detail of the work performed or services provided. The treasurer for *Andres Ayala 2012* did not maintain necessary wage documents for at least 13 of the workers. The committee was unable to produce timesheets to justify the wages they were paid, which totaled \$16,820.
10. Sufficient contemporaneous, detailed documentation to support payments to committee workers is required under Regulations, Connecticut State Agencies, § 9-607-1.<sup>9</sup> In addition to obtaining pre-performance contracts, the treasurer has the obligation to keep any supporting documentation under General Statutes §§ 9-606 (a) and 9-607 (f). The Commission has the authority under General Statutes § 9-7b (2) to impose a civil penalty of as much as \$2,000 “or twice the amount of any improper payment or contribution, whichever is greater, against any person the commission finds to be in violation of any provision of chapter 155 or 157.” General Statutes § 9-7b (2). Gonzalez, the treasurer for the Ayala candidate committee, failed to maintain backup documentation to support expenditures made by the candidate committee.
11. In another 16 instances, audit staff identified instances where the committee failed to have sufficient contractual and wage records to support payments that it made. Those expenditures totaled \$9,895.
12. As stated previously, treasurers must obtain contracts that reflect the pre-performance agreement between the worker and the committee and also contemporaneous, detailed documentation to support payments to committee workers.<sup>10</sup> The treasurer has the obligation to keep these contracts and supporting documentation under General Statutes §§ 9-606 (a) and 9-607 (f). The Commission has the authority under General Statutes § 9-7b (2) to impose a civil penalty of as much as \$2,000 “or twice the amount of any

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<sup>9</sup> See *id.*

<sup>10</sup> See *id.*

improper payment or contribution, whichever is greater, against any person the commission finds to be in violation of any provision of chapter 155 or 157." General Statutes § 9-7b (2). Gonzalez, the treasurer for the Ayala candidate committee, failed to enter into contracts before workers began working for the committee and failed to maintain backup documentation to support expenditures made by the candidate committee.

13. General Statutes § 9-7b provides in part:

(a) The State Elections Enforcement Commission shall have the following duties and powers: . . .

(2) To levy a civil penalty not to exceed . . . (D) two thousand dollars per offense or twice the amount of any improper payment or contribution, whichever is greater, against

14. As stated above, the Commission has the authority to impose a civil penalty of as much as \$2,000 for each offense of Connecticut's General Statutes regarding campaign finance.

15. Respondent admits all jurisdictional facts and agrees 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.

16. 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.

17. It is understood and agreed that this Agreement will be submitted to the Commission for consideration at its next meeting and, if the Commission does not accept it, it is withdrawn and may not be used as an admission by the Respondent in any subsequent hearing, if the same becomes necessary.

**ORDER**

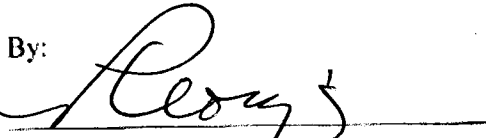
IT IS HEREBY ORDERED THAT the Respondent, Pilar Gonzalez, henceforth agrees that she will strictly adhere to the requirements to obtain pre-performance contracts with service providers and will collect all necessary back-up documentation to justify expenditures.

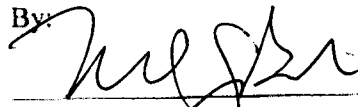
The Respondent

For the State of Connecticut

By:

By:

  
Pilar Gonzalez  
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Bridgeport, CT 06604  
*185 Canal St.  
Apt 4082  
Shelton CT 06484*

  
Michael J. Brandi, Esq.  
Executive Director and General Counsel and  
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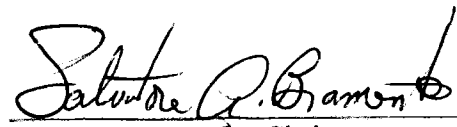
Dated:

*August 22/2020*

Dated:

*8/22/2020*

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2020 at Hartford, Connecticut by vote of the Commission.

  
~~Anthony J. Castagno, Chairman~~  
By Order of the Commission  
Salvatore A. Bramante - Vice-Chair