

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by Carrie Boron, Hampton

File No. 2014-074

FINDINGS AND CONCLUSIONS

The Complainant brings this Complaint pursuant to Connecticut General Statutes § 9-7b, alleging that the former political committee "Citizens for Open & Responsive Government," through Respondent James Halloran, failed to form a new committee and report contributions and expenditures incurred after its termination for the purpose of influencing the outcome of referenda held in the town of Hampton.

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

1. The political committee "Citizens for Open & Responsive Government," ("CO&RG") registered with the SEEC on or about June 8, 2011 and filed periodic campaign finance disclosure statements covering the period from its formation to its termination on or about December 31, 2012.
2. CO&RG reported total contributions of \$350.34 and expenditures of \$259.28 during the period.
3. Complainant alleges that CO&RG recommenced soliciting contributions and making expenditures in 2013 through the spring of 2014 with the intent to influence the outcome of various referenda held in the town of Hampton during that time period.
4. In support of her allegation, the Complainant forwarded copies of three flyers advocating for and against the various referenda, each of which containing the attribution, "Paid for by Citizens for Open, Responsive Government (CORG), Jimmy Halloran, Treasurer" or "Paid for by CORG, Jimmy Halloran, Treasurer."
5. Additionally, the Complainant forwarded letters to the editor signed by Mr. Halloran, the Respondent, soliciting contributions to "Citizens for Open, Responsive Government."
6. The Complainant asserts that the referendum activity lead by Mr. Halloran required his group to file a registration statement forming a political committee and file periodic disclosures of its financial activity.

7. General Statutes § 9-602 reads, in pertinent part:

(a) 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, other than independent 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 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.)

8. General Statutes § 9-608 reads, in pertinent part:

(a) (1) Each treasurer of a committee, other than a state central committee, shall file a statement, sworn under penalty of false statement with the proper authority in accordance with the provisions of section 9-603, (A) on the tenth calendar day in the months of January, April, July and October, provided, if such tenth calendar day is a Saturday, Sunday or legal holiday, the statement shall be filed on the next business day, except that in the case of a candidate or exploratory committee established for an office to be elected at a special election, statements pursuant to this subparagraph shall not be required, (B) on the seventh day preceding each regular state election, except that (i) in the case of a candidate or exploratory committee established for an office to be elected at a municipal election, the statement shall be filed on the seventh day preceding a regular municipal election in lieu of such date, except if the candidate's name is not eligible to appear on the ballot, in which case such statement shall not be required, (ii) in the case of a town committee, the statement shall be filed on the seventh day preceding each municipal election in addition to such date, (iii) in the case of a candidate committee in a state election that is required to file any supplemental campaign finance statements pursuant to subdivisions (1) and (2) of subsection (a) of section 9-712, such supplemental campaign finance statements shall satisfy the filing requirement under this

subdivision, and (iv) in the case of a candidate committee established by a candidate whose name is not eligible to appear on the ballot, such statement shall not be required, and (C) if the committee has made or received a contribution or expenditure in connection with any other election, a primary or a referendum, on the seventh day preceding the election, primary or referendum, except that in the case of a candidate committee in a primary that is required to file statements pursuant to subdivisions (1) and (2) of subsection (a) of section 9-712, such statements shall satisfy the filing requirement under this subdivision. The statement shall be complete as of eleven fifty-nine o'clock p.m. of the last day of the month preceding the month in which the statement is required to be filed, except that for the statement required to be filed on the seventh day preceding the election, primary or referendum, the statement shall be complete as of eleven fifty-nine o'clock p.m. of the second day immediately preceding the required filing day. The statement shall cover a period to begin with the first day not included in the last filed statement. In the case of a candidate committee, the statement required to be filed in January shall be in lieu of the statement formerly required to be filed within forty-five days following an election.

...

(b) The statements required to be filed under subsection (a) of this section and subdivisions (2) and (3) of subsection (e) of this section, shall not be required to be filed by: (1) A candidate committee or political committee formed for a single primary or election until such committee receives or expends an amount in excess of one thousand dollars for purposes of the primary or election for which such committee was formed; (2) *a political committee formed solely to aid or promote the success or defeat of any referendum question until such committee receives or expends an amount in excess of one thousand dollars . . .* (Emphasis added.)

9. General Statutes § 9-618 reads, in pertinent part:

Sec. 9-618. (Formerly Sec. 9-333t). Contributions made or received by political committees organized for ongoing political activities. (a) A political committee organized for ongoing political activities may make unlimited contributions to, or for the benefit of, any national committee of a political party; or a committee of a candidate for federal or out-of-state office. Except as provided in subdivision (3) of subsection (d) of this section, *no such political committee shall make a contribution or*

contributions in excess of two thousand dollars to another political committee in any calendar year. No political committee organized for ongoing political activities shall make a contribution in excess of three hundred seventy-five dollars to an exploratory committee. If such an ongoing committee is established by an organization or a business entity, its contributions shall be subject to the limits imposed by sections 9-613 to 9-615, inclusive. A political committee organized for ongoing political activities may make contributions to a charitable organization which is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, as from time to time amended, or make memorial contributions. . . .(Emphasis added.)

10. The Respondent, Mr. Halloran does not deny that he, along with a group of over individuals had been soliciting contributions and making expenditures under the name "Citizens for Open, Responsive Government" ("CORG") in support of influencing the outcome of various referenda in the Town of Hampton during the relevant time period alleged.
11. However, the Respondent asserts that because CORG is a new group, with a different name, however slight the change, which did not raise or spend funds exceeding \$1,000. As such, he asserts, they were not required to form a political committee and report their financial activity.
12. As is advised by the Commission, the Respondent kept detailed and accurate records of the new committee's financial activity in the event that the group might meet the \$1,000 threshold and be required to form a political committee and disclose.
13. CORG also lawfully attributed its electioneering communications pursuant to the requirements of General Statutes § 9-621.
14. The investigation, including review of the financial logs and bank statements for CORG, as well as the final bank statement and all of the campaign finance disclosure statements for CO&RG, provided support for the Respondent's assertions.
15. The investigation revealed that CORG made deposits totaling \$860.06 and made expenditures totaling \$801.19 from January 2013 through the end of August 2014.
16. Considering the aforesaid and applying it to the law here, the Commission concludes that the ongoing political committee CO&RG lawfully terminated and closed its bank account at the end of 2012. CORG then was lawfully constituted as a new group of two or more individuals with a new bank account.

17. Accordingly, since CORG did not raise or spend over \$1,000 in any calendar year or in total, it was not required to register as a political committee and report its activity under General Statutes § 9-608.

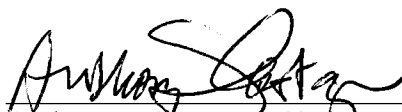
18. Accordingly, this matter should be dismissed.

ORDER

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

That the matter is dismissed.

Adopted this 14th day of October, 2014 at Hartford, Connecticut.

A handwritten signature in black ink, appearing to read "Anthony J. Castagno", written over a horizontal line.

Anthony J. Castagno, Chairperson
By Order of the Commission