

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In re. Audit of Committee to Re-Elect Minnie Gonzalez

File No. 2015-130B

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between John DuBois, City of Hartford, 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. The Commission performed an in-depth review of the expenditures of the *Committee to Re-Elect Minnie Gonzalez* candidate committee after the committee's selection in the random audit lottery conducted following the 2014 election cycle. In February 2014, Minnie Gonzalez established the committee in 2014 to support her nomination for election as a candidate in the 3rd General Assembly district.¹ Gonzalez named John DuBois as the treasurer of the committee.² The committee opted to participate in the Citizens' Elections Program.³ The committee received grant funds totaling \$27,845.⁴
2. The Commission's audit of the Gonzalez committee identified several problems, including payments to the candidate's family members; failure to surplus excess equipment; excess payments for "post-election" thank you notes; and hosting a party that occurred outside the statutorily required, 14-day, post-election window. The Commission voted to refer this matter to its enforcement unit for prosecution based on the findings in the audit of the committee.⁵
3. The audit found that the Gonzalez candidate committee paid members of the candidate's family for work performed on behalf of the campaign. The Gonzalez candidate

¹ See SEEC Form 1 – Registration of Candidate Committee (*Committee to Re-Elect Minnie Gonzalez*, February 14, 2014) (reflecting establishment of candidate committee by Minnie Gonzalez and appointment of John DuBois as treasurer and Ramon Arroyo as deputy treasurer).

² *Id.*

³ See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Committee to Re-Elect Minnie Gonzalez*, April 23, 2014) (reflecting intent of candidate, treasurer, and deputy treasurer to participate in Citizens' Election Program and follow voluntary program rules).

⁴ See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: July 10 Filing (*Committee to Re-Elect Minnie Gonzalez*, July 2, 2014) (reporting receipt of grant from Citizens' Election Fund in two payments: \$8,350 on June 13, 2014 and \$19,495 on June 27, 2014).

⁵ See Minutes – Regular Meeting (State Elections Enforcement Comm'n, Sept. 15, 2015) (reflecting referral of matter related to *Committee to Re-Elect Minnie Gonzalez* to enforcement unit based on audit findings).

committee paid members of the candidate's family a total of \$3,670 for work they performed to promote her candidacy for election. According to the committee's campaign finance disclosure reports and other supporting documentation provided during the course of the audit, the committee paid:

- Julia Gonzalez, the candidate's sister, \$120 on November 4, 2014;
- Wanda Gonzalez, the candidate's sister, a total of \$750 in three equal payments of \$250 on October 24, October 31, and November 4, 2014, respectively;
- Nelky Maldonado, the candidate's daughter, \$250 on November 6, 2014; and,
- Ivan J. Maldonado, the candidate's son, \$2,550 in 10 payments for work performed between September 13, 2014 and November 21, 2014.

4. General Statutes § 9-607 (g) states that candidate committees may make payments for "compensation for campaign or committee staff, fringe benefits and payroll taxes, provided the candidate and any member of his immediate family shall not receive compensation."⁶ The legislature defined "immediate family" as "the spouse or dependent child of an individual."⁷
5. With the adoption of the Citizens' Election Program, however, the legislature instructed the Commission to draft regulations related to the types of expenditures that qualified candidate committees were permitted to make using their grant monies obtained from the Citizens' Election Fund.⁸
6. The Commission adopted regulations limning those restrictions, specifically Section 9-706-2 of the Regulations of Connecticut State Agencies, which provides, in relevant part:

(b) . . . Participating candidates and the treasurers of such participating candidates shall not spend funds in the participating candidate's depository account for the following:

. . .

3. Payments to . . . the participating candidate's family members, including: a participating candidate's . . . sibling, child . . .⁹

⁶ General Statutes § 9-607 (g) (limiting persons who can receive payments from candidate committee)

⁷ *Id.*

⁸ See General Statutes § 9-706 (e) (directing State Elections Enforcement Commission to adopt regulations delineating restrictions on use of grant funds).

⁹ Regulations of Conn. State Agencies, § 9-706-2 (b)(3) (imposing limits on payments by qualified candidate committees to candidates' family members).

7. The Commission has enforced this prohibition on payments to a qualified candidate committee's family member previously by seeking restitution from the candidate to the Citizens' Election Fund of an amount equal to the impermissible payment.
8. The Commission finds that the candidate committee paid the candidate's family members \$3,670 in violation of Commission regulations.
9. The committee also failed to sell items at the conclusion of the election cycle that it had purchased with committee funds. According to the investigation, the committee spent a total of \$657.44 for four canopies.
10. The committee's filings did not reflect the sale of those canopies and the return of any surplus funds received from that sale to the Citizens' Election Fund. The candidate committee has acknowledged that it did not sell those canopies after the election.
11. General Statutes § 9-608 (e) (1) (E) requires candidate committees to sell any equipment remaining after the election for fair market value.¹⁰ Qualified candidate committees must return any proceeds from these sales of surplus equipment to the Citizens' Election Fund.¹¹ The candidate committee did not sell these canopies and did not return any proceeds it received from the sale of those canopies to the Citizens' Election Fund.
12. The Commission's audit of the committee showed that it spent a total of \$1,570 to send thank you notes to electors in the district after the election. Qualified candidate committees for a state representative candidate may spend no more than \$500 for post-election thank you notes or advertising.¹² The candidate committee has acknowledged that it sent the mailers. The Commission finds that the amount the Gonzalez committee spent on post-election mailers exceeded the limits by \$1,070.
13. The Commission's audit showed that the candidate committee hosted a post-election party on December 20, 2014, to thank committee workers. The total cost for that party was \$525. The December 20 post-election party was not held within the 14 days required under General Statutes § 9-608 (e) (1) (F), which would have been on November 18, 2014.

¹⁰ See General Statutes § 9-608 (e)(1)(E) (requiring "treasurer of a candidate committee [to] sell any equipment purchased, including but not limited to computer equipment, to any person for fair market value and then distribute the proceeds of such sale to any recipient as set forth in said subparagraph (A).")

¹¹ See General Statutes § 9-608 (e)(1)(A)(ii) (directing qualified candidate committees to return any surplus funds to Citizens' Election Fund).

¹² See Regulations of Conn. State Agencies § 9-706-2 (a) (13) (limiting payments for "post-election thank you notes or other advertising to thank campaign staff" for state representative committee to \$500).

14. The candidate bears the responsibility to reimburse the fund for any “impermissible expenditures” that a qualified candidate committee made.¹³
15. The commission has the authority to impose a civil penalty of as much as \$2,000 per violation or twice the amount of any improper payment, which is in violation of chapters 155 and 157 of the Connecticut general statutes.¹⁴
16. The Commission has determined that the Gonzalez candidate committee, for which DuBois served as treasurer, totaled \$5,265. The maximum civil penalty that the Commission could impose on DuBois would be \$10,530 for the impermissible expenditures made by the committee that he authorized in his role as treasurer plus a \$2,000 civil penalty based on the committee’s failure to sell surplus equipment and return the proceeds from the sale of that property to the Citizens’ Election Fund.
17. The Commission has the authority under its regulations to reduce potential civil penalties. As enumerated in § 9-7b-48 of the Regulations of Connecticut State Agencies, the Commission must consider when several factors when it imposes a civil penalty, including: “(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.”¹⁵
18. Respondent DuBois has no prior history of violations of Connecticut’s campaign finance statutes.
19. 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.
20. 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

¹³ General Statutes § 9-703 (a) (2) (requiring candidate to repay any funds that were not expended in accordance with General Statutes § 9-607 (g) and regulations adopted by Commission related to expenditures for qualified candidate committees).

¹⁴ See General Statutes § 9-7b (a) (2) (D) (setting potential civil penalty at \$2,000 or twice amount of improper payment, whichever is greater).

¹⁵ Regulations of Conn. State Agencies § 9-7b-48.

c) All rights to seek judicial review or otherwise to challenge or contest the validity of the Order entered into pursuant to this Agreement.

21. 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 John DuBois shall pay a civil penalty of \$400 for violations of General Statutes §§ 9-607 and 9-608 as well as regulations governing candidate committees that receive grants from the Citizens' Election Fund. Respondent DuBois shall also agree henceforth to comply with Connecticut's campaign finance statutes, specifically General Statutes §§ 9-607 and 9-608 as well as those statutes and regulations governing the Citizens' Election Program.

The Respondent

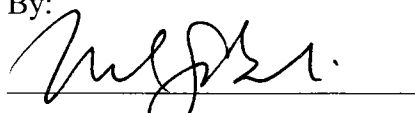
For the State of Connecticut

By:



John DuBois
18 Columbia St
Hartford, CT 06106

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: 06/20/2019

Dated: 6/26/19

Adopted this 17th day of July, 2019 at Hartford, Connecticut by vote of the Commission.



~~Anthony J. Castagno, Chairman~~
By Order of the Commission
Stephen T. Perry