

SEP 20 2018

ENFORCEMENT COMMISSION

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In re. Audit of Hall 138

File No. 2015-142

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between Richard Kovacs, City of Danbury, 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 bank records of the *Hall 138* candidate committee after the committee's selection in the random audit lottery conducted following the 2014 election cycle. The review of the committee's records and campaign finance disclosure reports revealed several problems with the deposits made by the candidate committee into its bank account. Based on the recommendation encapsulated in the draft audit, the Commission referred this matter to the Enforcement Unit for additional investigation and prosecution.
2. In May 2014, Henry Hall established the committee in 2014 to support his nomination for election as a candidate in the 138th General Assembly district.¹ The committee opted to participate in the Citizens' Elections Program.² The committee received grant funds totaling \$27,850 on October 7, 2014.³
3. The Commission's audit of the Hall committee identified a discrepancy between the committee's documentation and the bank account records. Specifically, it appeared from the audit that the candidate committee had failed to deposit qualifying contributions totaling \$275 that it had received and reported as part of its application for a grant from the Citizens' Election Fund. The audit unit concluded that, absent some clarification, the candidate committee may not have raised enough money to qualify for

¹ See SEEC Form 1 – Registration of Candidate Committee (*Hall 138*, May 20, 2014) (reflecting establishment of candidate committee by Henry Hall and appointment of Richard P. Kovacs as treasurer and Dennis r. Perkins as deputy treasurer).

² See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Hall 138*, June 6, 2014) (reflecting intent of candidate, treasurer, and deputy treasurer to participate in Citizens' Election Program and follow voluntary program rules).

³ See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: First Weekly Supplemental Filing (*Hall 138*, October 22, 2014) (reporting receipt of grant from Citizens' Election Fund totaling \$27,850 on October 7, 2014).

a grant. The audit unit determined that the candidate committee had raised only \$4,998.06.

4. During the course of the investigation, committee treasurer Kovacs provided additional documentation reflecting several bank fees and errors that accounted for the discrepancy between the candidate committee's records and the bank documents and showed that the candidate committee had raised sufficient funds to qualify for the grant originally. But the candidate committee had made a deposit of \$275 after receiving the grant, which is impermissible under the statutes and regulations governing qualified candidate committees.
5. 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
6. 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 and can also reduce that penalty where circumstances warrant such leniency.
7. 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.
8. 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.
9. 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 Richard P. Kovacs henceforth agrees that in the future he will follow the statutory provisions regarding the deposit of funds in a candidate committee's bank account. Kovacs has indicated that he has no interest in serving as a treasurer in the future, justifying the entry of this henceforth order as sufficient deterrent against future violations.

The Respondent

For the State of Connecticut

By:



Richard P. Kovacs
12 Juniper Ridge Dr.
Danbury, CT 06811

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: 9-17-18

Dated: 9/23/18

Adopted this 17th day of October, 2018 at Hartford, Connecticut by vote of the Commission.



~~Anthony J. Castagno~~, Chairman *Vice*
By Order of the Commission

Salvatore A. BRAMANTE