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ENFORCEMENT COMMISSION

**STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION**

In re. Audit of Kie Westby for Attorney General

File No. 2015-145

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between Laura Westby, Town of Southbury, 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 initiated this enforcement matter against the candidate and treasurer for the *Kie Westby for Attorney General* candidate committee following an audit of the committee by the Commission's Campaign Disclosure & Audit Unit. The candidate committee reported on October 30, 2014 that it had paid its campaign manager, Ronald E. Wilcox, a lump sum of \$285,000 once it received a grant from the Citizens' Election Fund. The campaign manager returned the payment to the candidate committee, but this enforcement matter remained under investigation.
2. Kie Westby established a candidate committee on March 10, 2014 to promote his election as attorney general.¹ Simultaneous to establishing his candidate committee, Westby also executed an SEEC Form CEP 10, which indicated his intent to participate in the Citizens' Election Program.² The committee applied for a grant from the Citizens' Election Fund and received grant funds totaling \$806,889.70 on October 20, 2014.³ The same day it received the grant funds – October 20, 2014 – the committee

¹ See SEEC Form 1 – Registration of Candidate Committee (*Kie Westby for Attorney General*, March 10, 2014) (reflecting establishment of candidate committee by Kie Westby and appointment of Carolyn Poley as treasurer and Carol Normandin as deputy treasurer).

² See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Kie Westby for Attorney General*, March 11, 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 (*Kie Westby for Attorney General*, October 22, 2014) (reporting receipt of grant from Citizens' Election Fund of \$806,889.70 on October 20, 2014).

paid Wilcox \$285,500.⁴ On October 28, 2014, Wilcox returned the payment of \$285,500 he had received from the committee.⁵

3. After the election, the Westby campaign hired attorney Robert Russo to review the documentation supplied by Wilcox to support his compensation request. Based on those records, Russo concluded that Wilcox worked 85.15 hours before the convention and 233.3 hours after the convention. Russo calculated that at \$250 per hour, which was the hourly rate negotiated by Wilcox with the Westby candidate committee, the campaign owed Wilcox payments totaling \$63,013.05. That sum was in addition to \$16,599.45 that Wilcox had been paid by the committee over the course of the election cycle. Using Russo's calculus, Wilcox's total remuneration for his work as campaign manager on the Westby candidate committee amounted to \$79,612.50. The payments to Wilcox were listed in the audit of the Westby committee.
4. General Statutes § 9-607 (g) limits expenditures for a candidate committee to those that promote the "lawful purposes" of the committee.⁶ Candidate committees that receive a grant from the Citizens' Election Program face additional restrictions on how they can spend their money. Specifically, the regulations prohibit qualified candidate committees from making "[p]ayments in excess of the usual and normal charge for the goods and services received"⁷
5. If a candidate committee makes an expenditure that is impermissible under the regulations, the candidate shall be responsible for reimbursing the Citizens' Election Fund for the amount of the payment.⁸ Likewise, the Commission may impose on any person it finds to have violated Connecticut's campaign finance statutes, such as a treasurer who authorizes an impermissible expenditure, a civil penalty of as much as \$2,000 per offense or an amount equal to twice the cost of an impermissible payment.⁹
6. As part of its investigation, commission staff calculated how much campaign staff hired by other statewide candidate committee earned during the 2014 election cycle.

⁴ *Id.*

⁵ See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: First Weekly Supplemental Filing (*Kie Westby for Attorney General*, October 28, 2014) (Amended) (reporting receipt of refund from Wilcox of \$285,500 on October 28, 2014).

⁶ See General Statutes § 9-607 (g) (restricting expenditures to those that promote candidate).

⁷ See Regulations, Conn. State Agencies, § 9-706-2 (b) (6) (banning payments from participating candidate's depository account for services or goods that exceed "normal charge").

⁸ See General Statutes § 9-703 (a) (2) (stating that candidate will repay any funds not expended in accordance with General Statutes § 9-607 (g) and regulations adopted under General Statutes § 9-706 (e)).

⁹ See General Statutes § 9-7b (a) (2) (D) (authorizing Commission to impose civil penalty of "two thousand dollars per offense 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").

7. The final payment of \$63,000 that the committee made to Wilcox in April 13, 2015 brought his total salary for the election cycle to \$79,612. In comparison to other individuals who worked for statewide candidates during the 2014 cycle, Wilcox was the second-highest paid individual working for a statewide committee. Justin Clark, campaign manager for Thomas Foley's gubernatorial committee, earned \$83,208.83 during the election cycle. Dannel Malloy's campaign manager, Jonathan Blair, earned \$76,000 during the 2014 campaign. Westby's direct competitor for the office of attorney general, George Jepsen, paid his campaign managers – one individual and one company – a total of \$54,663.40. In direct comparison, then, the payment to Wilcox would appear at the high end of the spectrum for campaign managers for statewide candidate committees.
8. The Westby candidate committee hired only three individuals during the course of the campaign: Wilcox, as campaign manager, a treasurer, and a deputy treasurer. In addition to the \$79,612 that it paid to Wilcox, the committee paid the two other employees a total of \$19,571. The total payroll for the campaign was \$99,183.
9. By comparison, according to the commission's research, the Jepsen committee for attorney general paid four individuals to work during the 2014 campaign. The total it paid those four individuals – a campaign manager, consultant, treasurer, and one unspecified individual – as well as the company it hired to serve as campaign manager was \$128,586.97.
10. The initial salary payment to Wilcox on October 20, 2014 of \$285,500, which Wilcox returned to the candidate committee, was well in excess of salaries paid to similarly situated individuals hired by other campaigns.
11. The salary payments made to Wilcox were based on an agreement between Wilcox and the candidate committee, in which the committee agreed to pay him \$250 per hour for his duties as campaign manager.
12. Attorney Russo's March 2015 letter to Wilcox outlining his review of Wilcox's timesheets pointed out that some of the activities for which Wilcox sought compensation were not "activities exclusively common to a campaign manager." Russo excluded hours related to those activities from the calculation of Wilcox's final salary. Taken in context from the Russo letter as well as the timesheets that Wilcox supplied to justify his salary, it would appear that in addition to serving as a campaign manager, Wilcox also performed tasks that might have been assigned to a lower-level staff member in another campaign.

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 . . .

14. In this matter, although treasurer Poley authorized payments to Wilcox in October of 2014, Respondent Westby has agreed to assume responsibility for any civil penalty associated with the violation.

15. Respondent admits all facts in this agreement but takes no position as to the application of the law to those facts. Respondent chooses to sign this agreement with the intention of effectuating a compromise of a disputed claim.

16. 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.

17. 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.

18. 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 Laura Westby pay a civil penalty of \$3,000 for violations of General Statutes § 9-607 and Regulations of Connecticut State Agencies § 9-706-2 (b)(6) governing expenditures by qualified candidate committees that occurred over the life of the candidate committee.


The Respondent

For the State of Connecticut

By:

By:





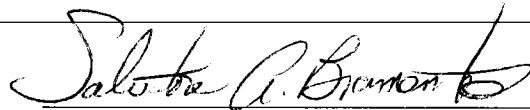
Laura Westby
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Michael J. Brandi, Esq.
Executive Director and General Counsel and
Authorized Representative of the
State Elections Enforcement Commission
20 Trinity St., Suite 101
Hartford, CT 06106

Dated: 11/13/18

Dated: 11/19/18

Adopted this 19th day of December, 2018 at Hartford, Connecticut by vote of the Commission.



~~Anthony J. Castagno, Chairman~~
By Order of the Commission
Salvatore Bramante