

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

Complaint of Robert A. Walsh,
Branford

File No. 2015-154

FINDINGS AND CONCLUSIONS

Complainant filed this complaint pursuant to General Statutes §9-7b, alleging that there were ‘statistical variations’ between the mayoral candidate committee of Joseph Ganim and those of his two opponents in the amount of contributions raised and reported as cash, that may have been attributed to fraud prior to the September 16, 2015 primary and in the run-up to the November 3, 2015 municipal election in the City of Bridgeport. After an investigation of the matter, the Commission makes the following findings and conclusions:

1. Complainant filed this complaint alleging that that there were ‘statistical variations’ between the amounts of contributions raised and reported as cash by the Bridgeport mayoral campaign committee of Joseph Ganim as compared to his opponents Mary-Jane Foster and Enrique Torres that may have been attributed to fraud prior to the September 16, 2015 mayoral primary and in the run-up to the November 3, 2016 municipal election.
2. Specifically, Complainant based his allegations on an analysis contributions raised and reported by the three mayoral candidates as reported through September 9, 2015:
 - (1) Joseph Ganim Total \$280,578; Cash \$25,590; Check \$240,175; Credit Card/Other \$14,813;
 - (2) Mary-Jane Foster Total \$80,510; Cash \$1,090; Check \$67,940; Credit Card/Other \$11,480; and,
 - (3) Enrique Torres Total \$19,776; Cash \$305; Check \$13,840; Credit Card/Other \$5,631
3. According to Complainant the above figures indicate that based on percentages of total funds raised Foster's cash contributions account for 1.3% of the monies raised while Torres was a near identical 1.5%. In comparison, Complainant identified *Ganim for Bridgeport's* cash contributions accounting for 9.1% of funds raised as a “statistical significant anomaly.” Complainant stressed that had the Ganim campaign raised cash in percentages consistent with his competitors his total contributions would have been \$4,208.67 versus the \$25,590.00 reported. Complainant asserted that this resulted in an “unexplained statistical variation” of \$21,381 in cash contributions received by *Ganim for Bridgeport*.
4. Complainant alleged that the inconsistencies of fundraising, as detailed above, between the three mayoral committees could have been based on “straw contributions” solicited and received by *Ganim for Bridgeport* in violation of General Statutes § 9-622 (7) and § 9-622 (11).

5. Complainant's claim therefore rests on the inference that an excessive percentage of cash contributions served as a basis for a scheme by *Ganim for Bridgeport* to mask prohibited contributions made in the name of another, or otherwise excessive contributions by individuals, as permissible cash contributions to that committee.
6. By way of background, Joseph Ganim registered the candidate committee *Ganim for Bridgeport* for the September 16, 2015 mayoral primary campaign and continued it for his election to Mayor in the City of Bridgeport pertaining to the November 3, 2015 election. His designated treasurer was Mr. Thomas Gaudett.
7. Further, Mr. Enrique Torres was the Republican mayoral candidate and Ms. Mary-Jane Foster, having lost in a Democratic primary to Mr. Ganim, was a petitioning mayoral candidate at the November 3, 2015 Bridgeport municipal election.
8. General Statutes § 9-608, provides in pertinent part:

...

(c)(1) Each statement filed under subsection (a), (e) or (f) of this section shall include, but not be limited to: (A) An itemized accounting of each contribution, if any, including the full name and complete address of each contributor and the amount of the contribution; ...

(4) ***Contributions from a single individual*** to a treasurer in the aggregate ***totaling fifty dollars or less need not be individually identified in the statement***, but a sum representing the total amount of all such contributions made by all such individuals during the period to be covered by such statement shall be a separate entry, ***identified only by the words "total contributions from small contributors."*** [Emphasis added.]
9. General Statutes § 9-611, provides in pertinent part:
 - (a) No individual shall make a contribution or contributions to, for the benefit of, or pursuant to the authorization or request of, a candidate or a committee supporting or opposing any candidate's campaign for nomination at a primary, or any candidate's campaign for election, to the office of (1) Governor, in excess of three thousand five hundred dollars; (2) Lieutenant Governor, Secretary of the State, Treasurer, Comptroller or Attorney General, in excess of two thousand dollars; (3) chief executive

officer of a town, city or borough, in excess of one thousand dollars; ...

(d) No individual shall make a contribution to any candidate or committee, other than a contribution in kind, in excess of one hundred dollars ***except by personal check or credit card of that individual.*** ... [Emphasis added.]

10. General Statutes, § 9-622, provides in pertinent part, that the following persons shall be guilty of illegal practices:

(7) Any person who, directly or indirectly, individually or through another person, makes a payment or promise of payment to a treasurer in a name other than the person's own, and any treasurer who knowingly receives a payment or promise of payment, or enters or causes the same to be entered in the person's accounts ***in any other name than that of the person by whom such payment or promise of payment is made;***

...

(10) ***Any person who solicits, makes or receives a contribution that is otherwise prohibited by any provision of this chapter;*** ... [Emphasis added.]

11. Complainant's allegations were based on an article appearing in the *Connecticut Post* regarding its analysis of the *Ganim for Bridgeport* financial statements through September 30, 2015. Commission investigators and staff thoroughly reviewed the financial statements of *Ganim for Bridgeport* filed with the Bridgeport Town Clerk's office on July 10, 2015 through September 9, 2015 for the 7th day preceding the primary pursuant to this complaint and investigation. Additionally, internal records of *Ganim for Bridgeport* pertaining to such reports were reviewed.

12. The Commission finds that the July 10, 2015 financial statement reported 182 cash contributions that ranged from \$5.00 to \$100.00 and totaled \$9,870.00. The Commission further finds that the September 9, 2015 financial statement reported 120 cash contributions that ranged from \$20.00 to \$100.00 and totaled \$9,360.00. Therefore, the average cash contribution for the July 10th filing was \$54.32 and for the September 9th filing was \$78.00.

13. The Commission notes that pursuant to General Statutes § 9-611 (d), an individual can give up to \$100.00 in cash to a municipal candidate committee. There is no statutory limit to the number of such cash contributions a municipal candidate committee can receive from separate individuals. See General Statutes § 9-611 (d). Further, pursuant to § 9-608 (c) (4), contributions from individuals up to \$50.00 need not be itemized on each financial disclosure statement, but may be reported in the aggregate as “total contributions from small contributors.” Finally, pursuant to § 9-622 (7) & (11) the making and receiving of “straw contributions,” or contributions made in the name of another, are prohibited as illegal practices.
14. *Ganim for Bridgeport*, through its treasurer, provided a written response to this complaint and investigation as well as substantial internal records. Its written response is excerpted below:

In this response, I shall provide important context and key facts which will provide clarification as to why the Ganim campaign received a greater share of its aggregate campaign donations in the form of cash relative to the other two major mayoral campaigns. I shall also provide details about how the Ganim campaign has reported cash contributions.

As an initial matter, the majority of the funds raised by Ganim For Bridgeport were associated with fundraisers, many of which had low dollar suggested contributions of one hundred dollars or less. ... Additionally, Ganim For Bridgeport commonly accepted contributions of one hundred dollars or less for events that had suggested contributions of more than one hundred dollars.

Many cash contributions were made purely out of convenience or preference by the contributor. Other cash contributions were made because contributors did not have personal checks on them at the time of the contribution. This was especially common for people that were making contributions at the door of a fundraiser.

Finally, some cash contributions were made by individuals that do not have bank accounts or do not have checkbooks. This is particularly common among the economically disadvantaged that lack access to banking. It is a fact that several of Ganim For Bridgeport's contributors fall into this category, and Ganim For Bridgeport is proud to have accepted such grassroots contributions from our community.

Ganim For Bridgeport raised hundreds of thousands of dollars more than the Foster and Torres campaigns, had many more contributors, hosted more low dollar fundraisers, and accepted many more low dollar contributions. Given this context, [Complainant's] comparative analysis is misleading and does not in any way demonstrate that Ganim For Bridgeport is out of compliance with state election laws.

[E]very single dollar contributed to the campaign was backed up with a contribution form asking for all of this information, and [name, address, lobbyist status, municipal contracts and occupation and employer, where applicable,]... was reported in Section B of Form 20 for each filing period. Ganim For Bridgeport prides itself on being open and transparent, and it is proud to have over collected and over reported this information for the SEEC and the public.

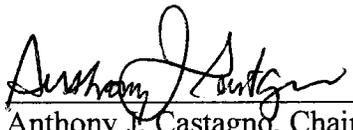
15. Upon investigation, the Commission finds that *Ganim for Bridgeport* cooperated with this investigation and provided extensive documentation pertaining to its fundraising. Further, the Commission finds that the aforementioned documentation contained the name and address of each contributor to the committee, regardless of the contribution amount. Finally, the Commission finds that the committee kept internal records of each such contribution identifying whether it was by check, cash or credit card and the date of each contribution.
16. Moreover, after a comprehensive review and analysis of each *Itemized Campaign Finance Disclosure Statement* (SEEC Form 20) as well as internal records of *Ganim for Bridgeport*, for the relevant time period prior to the September 16, 2015 primary and the November 3, 2015 election, the Commission finds that *Ganim for Bridgeport* did not aggregate and report contributions from small contributors in Section A as “total contributions from small contributors” pursuant General Statutes § 9-608 (c) (4) , but rather used Section B of the SEEC Form 20s to itemize *each* contribution.
17. Furthermore, the Commission finds that the individual cash contributions were not excessive in amounts and that the investigation and committee records did not support Complainant’s inference or suspicion that such small dollar cash contributions were from individuals other than those identified by name and address by *Ganim for Bridgeport* on its financial disclosure statements filed pursuant to General Statutes § 9-608.

18. The Commission concludes that allegations that *Ganim for Bridgeport*, its treasurer, employees and/or its agents subverted or violated campaign contributions by substantially relying on cash contributions, otherwise permissible pursuant to General Statutes § 9-611 (d), throughout its fundraising efforts were *not* supported by the facts and the law after investigation. The Commission therefore dismisses the allegation.
19. The Commission further concludes that Complainant's allegation pertaining to the reporting of cash contributions by *Ganim for Bridgeport* in furtherance of a scheme to mask the solicitation and receipt of "straw contributions" in violation of General Statutes § 9-622 (7) & (11) was not supported by the records and the evidence after investigation. The Commission therefore dismisses the allegation.
20. The Commission for the facts and reasons detailed herein therefore dismisses this complaint.

ORDER

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

That the matter be dismissed.



Anthony J. Castagno, Chairman
By Order of the Commission

Adopted this 18th day of January, 2017 at Hartford, Connecticut.