

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In re. Audit of Cassano for Senate

File No. 2018-035B

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between Richard Borden, City of Manchester, 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 2016 *Cassano for Senate* candidate committee after the committee's selection in the random audit lottery conducted following the 2016 election cycle. Stephen T. Cassano established his candidate committee to run for the 4th district state senate seat on March 9, 2016, naming Richard Borden the committee's treasurer.¹ The candidate committee participated in the Citizens' Election Program.² The committee applied for³ and received a grant from the Citizens' Election Fund.⁴
2. The audit found that the Cassano candidate committee paid its campaign manager, Stephen Sidorak, a "bonus" after the election that totaled \$1,200. Respondent Borden authorized that payment to Sidorak and designated it as a "bonus."⁵
3. General Statutes § 9-607 (g) states that candidate committees may make payments for "compensation for campaign or committee staff, fringe benefits and payroll taxes."⁶

¹ See Registration by Candidate - SEEC Form 1, *Cassano for Senate* (March 9, 2016) (creating candidate committee and appointing Richard Borden as committee's treasurer).

² See Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements – SEEC Form CEP 10, *Cassano for Senate* (August 24, 2016) (evinced intent of candidate and treasurer to participate in Citizens' Election Program).

³ See Citizens' Election Program Application for Public Grant Dollars – SEEC Form CEP 15, *Cassano for Senate* (August 24, 2016) (applying for CEF grant on behalf of Cassano candidate committee).

⁴ See Itemized Campaign Finance Disclosure Statement – SEEC Form 30, *Cassano for Senate* (October 5, 2016) (reflecting receipt of grant totaling \$95,705 from Citizens' Election Fund on September 23, 2016).

⁵ In his response to the draft audit findings, Respondent, the committee treasurer, stated that he only paid Sidorak the \$1,200 after he "was sure that all checks were cashed and we balanced with the bank. The contract provided for the final \$1200 payment. (Perhaps it should not have been called a bonus.)"

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

4. 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.⁷

5. 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:

. . .

11. Post-election bonus payments, including but not limited to bonus payments to campaign staff or volunteers. . . .⁸

6. 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.⁹

7. General Statutes § 9-622 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.

⁷ See General Statutes § 9-706 (e) (directing State Elections Enforcement Commission to adopt regulations delineating restrictions on use of grant funds).

⁸ Regulations of Conn. State Agencies 9-706-23 (b) (11) (prohibiting "[p]ost-election bonus payments, including but not limited to bonus payments to campaign staff or volunteers").

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

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.

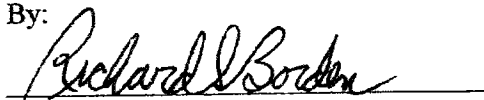
ORDER

IT IS HEREBY ORDERED THAT the Respondent Richard Borden shall pay a civil penalty of \$200 for authorizing the impermissible "post-election bonus" payment and shall henceforth strictly comply with the statutes and regulations governing expenditures made by qualified candidate committees.

The Respondent

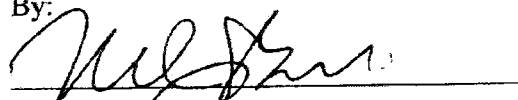
For the State of Connecticut

By:



Richard Borden
646 Porter Street
Manchester, CT 06040

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: 8-1-2018

Dated: 8/2/18

Adopted this 15 day of Aug 2018 at Hartford, Connecticut by vote of the Commission.


Anthony J. Castagno, Chairman
By Order of the Commission

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STATE ELECTIONS

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ENFORCEMENT COMMISSION