

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In re. SEEC Initiated: *Mihaly for State Rep.* – Audit Findings

File No. 2018-037

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between William Jenkins, Town of Chaplin, 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 matter against the *Mihaly for State Rep.* candidate committee following an examination of the committee's campaign finance disclosure filings and backup documentation as part of the random audits of 2016 candidate committees. The audit of that committee revealed that the candidate committee had spent more than the permitted amount on post-election thank-you notices and that the candidate committee had failed to report expenditures using the proper codes required by the Commission's campaign finance disclosure forms. The Commission referred the matter to the enforcement unit for additional investigation and prosecution.
2. Serge G. Mihaly, Jr., established his candidate committee to run for the 85th district General Assembly seat on March 24, 2016, naming William Jenkins the committee's treasurer.¹ The candidate committee opted to participate in the Citizens' Election Program.² The committee applied for a grant through the Citizens' Election Fund on June 8, 2016.³ The committee received a grant totaling \$28,150 on July 8, 2016.⁴
3. Following the November 2016 election, the candidate committee spent \$512 on newspaper advertisements in December 2016⁵ and an additional \$196 for postage on

¹ See Registration by Candidate - SEEC Form 1, *Mihaly for State Rep* (March 24, 2016) (creating candidate committee and appointing William Jenkins as treasurer).

² See Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements – SEEC Form CEP 10, *Mihaly for State Rep* (June 6, 2016) (evincing 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, *Mihaly for State Rep* (June 8, 2016) (applying for grant from Citizens' Election Fund).

⁴ See Itemized Campaign Finance Disclosure Statement – SEEC Form 30 – October 10 Report, *Mihaly for State Rep* (October 12, 2016) (reflecting committee's receipt of grant monies totaling \$28,150 on July 8, 2016).

⁵ See Itemized Campaign Finance Disclosure Statement – SEEC Form 30 – January 10 Report, *Mihaly for State Rep* (amended April 8, 2016) (showing payment to Record-Journal for advertisements).

June 30, 2017.⁶ In addition, throughout his campaign finance disclosure reports, Respondent Jenkins categorizes expenditures simply as “MISC” instead of using more specific codes to report expenditures.

4. Regulations adopted by the Commission govern the proper use of grant funds by qualified candidate committees. Those regulations cap the amount of money that committees established to support state representative candidates may spend on post-election thank-you communications at \$500.⁷ The candidate, Mihaly, agreed to reimburse the Citizens’ Election Fund for any impermissible expenditures when he opted to participate in the program and applied for a grant. General Statutes § 9-703 places the liability for any impermissible expenditures on the candidate.⁸
5. Serge Mihaly died on October 25, 2019.
6. Respondent notified the Commission that he had made this error regarding the expenditure of committee funds for post-election communications shortly after it occurred. He has acknowledged the error in over-spending for these post-election mailings.
7. General Statutes § 9-606 requires treasurers for committees organized under Connecticut’s campaign finance statutes to report on behalf of the committee all contributions received as well as all expenditures made or incurred.⁹ General Statutes § 9-608 requires treasurers to provide an itemized accounting of each contribution received as well as each expenditure made.¹⁰ Part of that reporting process is to provide “itemized accounting of each expenditure,” which would include the appropriate code for the expenditures on the Commission-mandated forms.¹¹
8. Respondent maintains that his reporting related to individual expenditures satisfies the legal requirements in General Statutes § 9-608 in that he describes each expenditure made by the committee and then designates the provision of General Statutes § 9-

⁶ See Itemized Campaign Finance Disclosure Statement – SEEC Form 30 – Termination Report, *Mihaly for State Rep* (July 4, 2016) (showing payment to postmaster for \$196).

⁷ See Regulations of Conn. State Agencies §9-706-2 (a)(13) (limiting payment for “post-election thank you notes or other advertising to thank campaign staff” for state representative committees to \$500).

⁸ See 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 the Commission related to expenditures for qualified candidate committees).

⁹ See General Statutes § 9-606.

¹⁰ See General Statutes § 9-608.

¹¹ *Id.*

607(g)(2) that permits the expenditure. For instance, on the Mihaly candidate committee's October 10th filing, Respondent reported payments to Signs on the Cheap in Austin, Texas and described those payments as being for "Political billboards (D)," which referred to General Statutes § 9-607(g)(2)(D) allowing a committee to pay the expenses of "political banners and billboards."

9. While Respondent does make this specific designation related to the permissible expenditures under General Statutes § 9-607(g)(2), under the box titled "Purpose of Expenditure (by code)" in Section O, he generally designates the purpose of expenditures with the code "MISC," which stands for miscellaneous.
10. The instructions to SEEC Form 30 direct treasurers to complete the "Purpose of Expenditure" box by "using the Expenditure Code Addendum" at the back of the form instructions. The list of expenditure codes includes 37 different codes, covering many types of expenditures that a committee might make such as for advertising via different means, for rent, for reimbursement to committee workers and volunteers, or for wages.
11. According to the Commission's audit, there were 33 instances where the Respondent failed to use the "proper expenditure code" to describe the expenditures made by the committee.
12. 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.
13. 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.
14. 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.

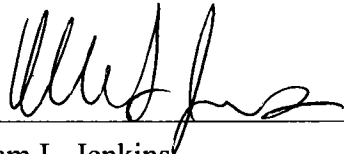
ORDER

IT IS HEREBY ORDERED THAT the Respondent William Jenkins shall pay a civil penalty of \$200. According to the resolution of SEEC File No. 2017-071, Mr. Jenkins is currently prohibited from serving as a treasurer for a period of five years, which began on February 14, 2018. That prohibition remains in effect until February 13, 2023. If he becomes a treasurer after that date, Respondent Jenkins agrees to abide by the statutes and regulations governing post-election communications and also agrees to complete the relevant financial disclosure forms with more specificity and utilizing the Commission's specified expenditure codes rather than simply categorizing each expenditure using the "MISC" designation.

The Respondent

For the State of Connecticut

By:



William L. Jenkins
63 Ridge Road
Chaplin, CT 06235

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

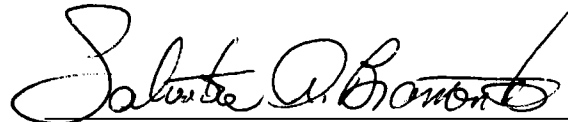
Dated:

9/8/20

Dated:

9/14/2020

Adopted this 16th day of ~~September~~ 2020 at Hartford, Connecticut by vote of the Commission.



Commissioner Salvatore Bramante, Vice
By Order of the Commission Chair