

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In re. SEEC Initiated *Zupkus 2018* – Audit Findings

File No. 2020-005A

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between Lezlye W. Zupkus, Town of Prospect, 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 *Zupkus 2018* candidate committee after the committee's selection in the random audit lottery conducted following the 2018 election cycle. In January 2018, Lezlye Zupkus established the candidate committee to support her nomination for election as a candidate in the 89th General Assembly district.¹ The candidate named Paul Vallillo as the committee treasurer.² The committee opted to participate in the Citizens' Elections Program.³ The committee received grant funds totaling \$8,445 on June 25, 2018 and \$19,705 on July 23, 2018.⁴ The committee returned a surplus to the Citizens' Election Fund on December 20, 2018 totaling \$3,460.30.⁵
2. The Commission opened an enforcement matter against the candidate and treasurer based on payments that the committee made to the candidate's husband's nephew.

¹ See SEEC Form 1 – Registration by Candidate (*Zupkus 2018*, Jan. 6, 2018) (reflecting establishment of candidate committee by Lezlye W. Zupkus and appointment of Paul R. Vallillo as treasurer and Kevin J. Zupkus as deputy treasurer).

² *Id.*

³ See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Zupkus 2018*, June 7, 2018) (reflecting intent of candidate, treasurer, and deputy treasurer to participate in Citizens' Election Program and follow voluntary program rules).

⁴ See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: July 10 Filing (*Zupkus 2018*, July 9, 2018) (reporting receipt of grant from Citizens' Election Fund totaling \$8,445 on June 25, 2018); SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: October 10 Filing (*Zupkus 2018*, October 9, 2018) (reporting receipt of grant from Citizens' Election Fund totaling \$19,705 on July 23, 2018).

⁵ See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: Termination Report (*Zupkus 2018*, January 2, 2019) (reporting payment of surplus to Citizens' Election Fund totaling \$3,460.30 on December 20, 2018).

3. The audit of the candidate committee's documentation revealed that the Zupkus candidate committee paid a total of \$427.50 to the candidate's husband's nephew, Tim Zupkus, for services rendered to the committee.⁶
4. General Statutes § 9-607 (g) states that candidate committees may make payments for "compensation for campaign or committee staff, fringe benefits and payroll taxes, provided the candidate and any member of his immediate family shall not receive compensation."⁷
5. 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.⁸
6. The Commission adopted regulations outlining 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:
 -
 3. Payments to . . . the participating candidate's family members, including: a participating candidate's spouse, civil union partner, sibling, child, grandchild, parent, grandparent, aunt, uncle; or the participating candidate's spouse's or civil union partner's sibling, child, grandchild, parent, grandparent, aunt, uncle; or the spouse, civil union partner, or child of any such individuals related to the participating candidate or his/her spouse or civil union partner, . . .⁹
7. The Commission has enforced this prohibition on payments to a qualified candidate committee's family member previously by seeking restitution from the candidate to the Citizens' Election Fund of an amount equal to the impermissible payment.

⁶ See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: Termination Report for Candidate and Exploratory Committees (*Zupkus 2018*, January 2, 2019) (reporting payment of \$427.50 to Tim Zupkus for "literature distribution in district" on Nov. 7, 2018).

⁷ General Statutes § 9-607 (g) (limiting persons who can receive payments from candidate committee)

⁸ See General Statutes § 9-706 (e) (directing State Elections Enforcement Commission to adopt regulations delineating restrictions on use of grant funds).

⁹ Regulations of Conn. State Agencies, § 9-706-2 (b)(3) (imposing limits on payments by qualified candidate committees to candidates' family members).

8. The Commission finds that the candidate committee paid the candidate's family member \$427.50 in violation of Commission regulations.
9. The candidate bears the responsibility to reimburse the fund for any "impermissible expenditures" that a qualified candidate committee made.¹⁰ Zupkus acknowledged that liability when she declared herself a "participating candidate" and agreed to operate under the terms of the Citizens' Election Program.¹¹ In this case, the payments to a family members would be impermissible expenditures and the candidate would need to return the money spent on those items to the Citizens' Election Fund.
10. Based on the Commission's findings, it shall seek reimbursement from candidate Zupkus to the Citizens' Election Fund a total of \$427.50, which represents the amount of impermissible payments made by her candidate committee.
11. 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.
12. 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.
13. 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.

¹⁰ 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 Commission related to expenditures for qualified candidate committees).

¹¹ See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Zupkus 2018*, January 6, 2018) at Section B. 2 (reflecting candidate's acknowledgement that she must repay any expenditures made that violated General Statutes § 9-607 (g) or Commission regulations).

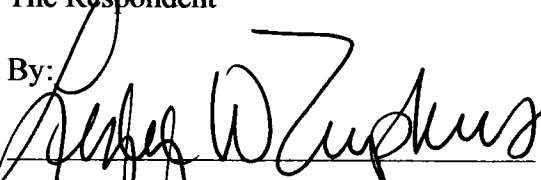
ORDER

IT IS HEREBY ORDERED THAT the Respondent Lezlye Zupkus shall reimburse the Citizens' Election Fund a total of \$427.50 for impermissible expenditures made by her candidate committee over the course of the 2018 election cycle.

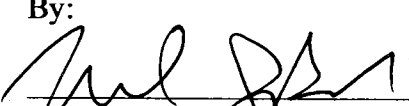
The Respondent

For the State of Connecticut

By:


Lezlye W. Zupkus
38 Colonial Dr
Prospect, CT

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

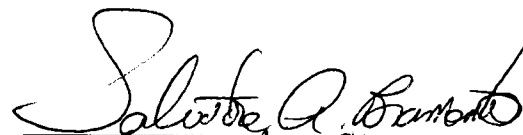
Dated:

6-30-20

Dated:

7/2/2020

Adopted this 15th day of July, 2020 at Hartford, Connecticut by vote of the Commission.


Commissioner *Vice-Chair person*
By Order of the Commission
