

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In re. SEEC Initiated *Stevenson4CT* – Audit Findings

File No. 2022-023B

AGREEMENT CONTAINING A CONSENT ORDER

This Agreement by and between Michele L. Berardo, Town of Fairfield, 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 *Stevenson4CT* candidate committee after the committee's selection in the random audit lottery conducted following the 2018 election cycle. In January 2018, Jayme J. Stevenson established the candidate committee to support her nomination for election as a candidate for Lieutenant Governor.¹ The candidate named Michele L. Berardo as the committee's treasurer and Elizabeth P. Smith as the committee's deputy treasurer.² The committee opted to participate in the Citizens' Election Program.³ The committee received grant funds totaling \$404,150 on July 26, 2018.⁴ The committee returned a surplus to the Citizens' Election Fund on December 11, 2018⁵ in amount of \$50.00 and March 12, 2019 in an amount of \$15.35.⁶
2. The Commission opened an enforcement matter against the candidate and treasurer based on a payment that the committee made to the candidate's daughter.
3. The audit of the candidate committee's documentation revealed that the Stevenson candidate committee paid a total of \$2,500 to Charlett Stevenson, who is the candidate's daughter, and for these services Charlett Stevenson provide the campaign with an

¹ See SEEC Form 1 – Registration by Candidate (*Stevenson4CT*, Jan. 6, 2018) (reflecting establishment of candidate committee by Jayme J. Stevenson and appointment of Michele L. Berardo as treasurer and Kevin J. Elizabeth P. Smith 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 (*Stevenson4CT*, May 4, 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: Third Weekly Supplemental Filing Primary (*Stevenson4CT*, August 1, 2018) (reporting receipt of grant from Citizens' Election Fund in the amount of \$404,150).

⁵ See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: Termination Report (*Stevenson4CT*, January 2, 2019) (reporting payment of surplus to Citizens' Election Fund totaling \$50.00 on December 11, 2018).

⁶ This return of surplus in an amount of \$15.35 made on March 12, 2019 is not reflected in any filing.

invoice from the Hat Factory, which is a digital marketing and social media firm founded by BJ Scott and Charlett Stevenson.⁷ The committee contracted with Hat Factory for social media and photography services in the summer of 2018 from July 1, 2018 until November 30, 2018. The invoice states, “term of service is for 5 months of work, ending November 30th, 2018,” and billed \$1,000 for event photography and \$1,500 for social media services.

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.”⁸
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.⁹
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, . . .¹⁰

⁷ See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: Termination Report for Candidate and Exploratory Committees (*Stevenson4CT*, December 21, 2018) (reporting payment of \$2,500.00 to Charlett Stevenson for “creative design” on Oct. 2, 2018).

⁸ General Statutes § 9-607 (g) (limiting persons who can receive payments from candidate committee)

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

¹⁰ Regulations of Conn. State Agencies, § 9-706-2 (b)(3) (imposing limits on payments by qualified candidate committees to candidates’ family members).

4. Payments to any entity in which the participating candidate or the participating candidate's family members, as listed in section 9-706-2(b)(3) of the Regulations of Connecticut State Agencies, has a 5% or greater ownership interest;...¹¹
7. The Commission finds that the candidate committee paid the candidate's family member, and the entity, which the candidate's family member had greater than 5% ownership interest, in violation of Commission regulations.
8. The treasurer bears the responsibility for expending any moneys received from the Citizens' Election Fund in accordance with subsection (g) of §9-607 and regulations adopted by the State Elections Enforcement Commission under subsection (e) of § 9-706.¹² Respondent acknowledged that liability when she declared herself a participating candidate's "treasurer" and agreed to operate under the terms of the Citizens' Election Program.¹³ In this case, the payment of services to the candidate's family member, and entity, which the family member of the candidate had more than 5% of the ownership interest, was impermissible.
9. The commission has the authority to impose a civil penalty 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.¹⁴
10. Based on the Commission's findings, it shall seek a civil penalty from treasurer Berardo for \$200 and order treasurer Berardo to henceforth strictly comply with the statutes and regulations governing expenditures made by qualified 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;

¹¹ Regulations of Conn. State Agencies, § 9-706-2 (b)(4) (imposing limits on payments by qualified candidate committees to entities that family members of the candidate own 5% or more in).

¹² General Statutes § 9-703 (a) (1)

¹³ See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Stevenson4CT*, May 4, 2018) (reflecting intent of candidate, treasurer, and deputy treasurer to participate in Citizens' Election Program and follow voluntary program rules).

¹⁴ See General Statutes § 9-7b (a) (2) (D) (setting potential civil penalty at \$2,000 or twice amount of improper payment, whichever is greater).

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STATE ELECTIONS
ENFORCEMENT COMMISSION

ORDER

IT IS HEREBY ORDERED THAT the Respondent Michele L. Berardo shall pay a civil penalty of \$200 for authorizing the impermissible payment to a family member of the candidate, and the entity that a family member of the candidate had more than 5% of ownership 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:



Michele L. Berardo
1436 North Benson Rd.
Fairfield, CT

By:



Michael J. Brandi, Esq.
Executive Director and General Counsel and
Authorized Representative of the
State Elections Enforcement Commission
55 Farmington Ave., 8th Floor
Hartford, CT 06105

Dated:

2/24/23

Dated:

3/7/23

Adopted this 15th day of March 2022 at Hartford, Connecticut by vote of the Commission.



Commissioner STEPHEN T. RAYMOND
By Order of the Commission