

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In re. Commission Initiated Investigation: *Ganim for Governor*

File No. 2020-006

AGREEMENT CONTAINING CONSENT ORDER-

This agreement by and between Anthony R. Paoletto of the City of Bridgeport, County of Fairfield, State of Connecticut (hereinafter “Respondent”) and the authorized representative of the State Elections Enforcement Commission is entered into in accordance with § 9-7b-54 of the Regulations of Connecticut State Agencies and § 4-177(c) of the General Statutes of Connecticut. In accordance herewith, the parties agree that:

1. The Commission initiated this complaint against the candidate committee of Joseph Ganim, candidate for governor in the 2018 election. The complaint arose out of a referral from the Commission’s Campaign Disclosure and Audit Unit, which attempted to perform a post-election audit of the Ganim for Governor candidate committee but lacked sufficient documentation from the treasurer to do so.
2. Under General Statutes § 9-7b(a)(5), the Commission may “audit at any reasonable time and upon reasonable notice the accounts or records of any treasurer.” In addition, the Commission is mandated to “audit all candidate committees for candidates for a state-wide office.” *Id.*
3. Despite repeated communications with the candidate and his representatives about supplying the documentation, the committee failed to supply documentation to allow the Commission to audit the Ganim candidate committee. The Commission voted to authorize an investigation into the campaign at its January 15, 2020 meeting.
4. The candidate Joseph Ganim formed a candidate committee on or about January 3, 2018 to finance his candidacy for governor in the 2018 election cycle. Ganim named Anthony R. Paoletto as treasurer of the campaign.¹ The Ganim committee raised a total of

¹ See SEEC Form CEP 1A – Candidate Committee Registration Statement (*Ganim for Governor*, January 3, 2018) (registering candidate committee on behalf of Joseph Ganim for governor and naming Anthony R. Paoletto as treasurer).

\$840,708.23.² As a candidate committee for a statewide candidate, the Commission was required to audit that committee after the election.³

5. Commission staff began the audit of the Ganim candidate committee. Although auditors repeatedly attempted to gather documentation from the candidate and his representatives, the committee failed to supply documentation to allow the Commission to audit the Ganim candidate committee. This matter was then referred to the Commission's enforcement unit. As part of the enforcement matter, the Commission was able to collect additional documents, but the committee did not have all of the missing documentation that was required to complete a thorough and accurate audit of the committee's activities in 2018.
6. General Statutes § 9-608 (c)(1)(C) requires a campaign treasurer to itemize each expenditure made by the committee on financial disclosure statements filed periodically with the Commission.⁴ To corroborate those expenditures, the treasurer must supply contemporaneous documentation of each expenditure.⁵ The general statutes require the campaign treasurer of a candidate committee to retain all financial documentation from the committee for four years from the date of the last report that the candidate committee was required to file. *Id.*
7. The Commission's regulations also require all committees to execute a written contract for any services rendered valued at more than \$100 as well as documentation showing what services were provided.⁶ The Commission's regulations also require documentation created contemporaneous to the time that an expenditure was made, which details the nature of the expenditure that a committee may have made.⁷

² See SEEC Form 30 – Itemized Campaign Finance Disclosure Statement: Deficit Filing Following Primary (*Ganim for Governor*, January 13, 2019) (reflecting funds raised during 2018 election cycle to support Ganim candidate committee).

³ General Statutes § 9-7b (a)(5)(B) (requiring commission to audit all statewide candidate committees).

⁴ See General Statutes § 9-608 (c)(1)(C) (directing campaign treasurer to provide "itemized accounting of each expenditure, if any, including the full name and complete address of each payee, . . . the amount and the purpose of the expenditure, the candidate supported or opposed by the expenditure, whether the expenditure is made independently of the candidate supported or is an in-kind contribution to the candidate . . .").

⁵ See General Statutes § 9-607 (f) (requiring treasurer to maintain "contemporaneous invoices, receipts, bills, statements, itineraries, or other written or documentary evidence showing the campaign or other lawful purpose of the expenditure").

⁶ See Regs., Conn. State Agencies § 9-607-1 (a) (1) and (2).

⁷ *Id.*

8. As enumerated in § 9-7b-48 of the Regulations of Connecticut State Agencies:
In its determination of the amount of the civil penalty to be imposed, the Commission shall consider, among other mitigating or aggravating circumstances:
 - (1) the gravity of the act or omission;
 - (2) the amount necessary to insure immediate and continued compliance;
 - (3) the previous history of similar acts or omissions; and
 - (4) whether the person has shown good faith in attempting to comply with the applicable provisions of the General Statutes.
9. The Commission possesses the authority to set the punishment it metes out to individuals who violate the statutes under its authority. While the maximum penalty available under the enabling statute is \$2,000 per offense or twice the amount of any improper expenditure, the Commission also has the authority to set a lesser penalty where circumstances call for such leniency.
10. The candidate committee's campaign treasurer failed to provide the documentation that Commission staff needed to complete the audit. Upon the initiation of this enforcement action, the treasurer supplied some documentation to validate many of the outstanding expenditures made by the candidate committee, but prior to this enforcement action, the candidate committee's treasurer failed to provide the documentation that Commission staff needed to complete the audit. Those documents should have been supplied in the audit without need for this enforcement action.
11. The Commission recognizes that factors relating to COVID may have impacted efforts by the candidate committee to respond in a more timely manner which resulted in the Commission having to initiate an enforcement action.
12. Because of the failure of the campaign to comply with the Commission's request for documentation during the audit process, the Commission shall impose a civil penalty of \$1,250 against the treasurer for this violation
13. It is understood and agreed that this agreement will be submitted to the Commission at its next meeting and, if it is not accepted by the Commission, it is withdrawn by the Respondent and may not be used by either party as an admission in any subsequent hearing or against the Company in any proceeding, if the same becomes necessary.

14. 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.

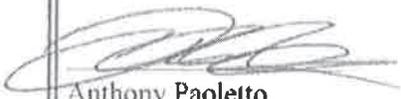
15. Upon Respondent's compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against Respondent

ORDER

IT IS HEREBY ORDERED THAT the Respondent shall pay a civil penalty of \$1,250 and shall strictly comply with the requirements of General Statutes §§ 9-607 and 9-608.

The Respondent:

BY:



Anthony Paoletto
321 Lynne Place
Bridgeport, Connecticut

Dated: 1-30-23

For the State of Connecticut:

BY:



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

Dated: 1/31/23

Adopted this 1st day of February, 2023, at Hartford, Connecticut



Commissioner STEPHAN T. PAVONY
By Order of the Commission