



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

Commission Meeting 06/29/2016
Agenda Item #3

To: Commissioners
From: Jonathan Wayne, Executive Director
Date: June 21, 2016
Re: Motion to Re-Open the Matter of a Mailing by Supporters of Representative
Benjamin Chipman

At the May 25, 2016 meeting, the Commission considered whether a mailing financed by supporters of Rep. Benjamin Chipman constituted a contribution to Rep. Chipman's campaign for State Senate and violated the restrictions on his participation in the Maine Clean Election Act program. The mailing was styled as an invitation to two house party events to be held on May 31 and June 1, 2016. This matter was brought to the attention of the Commission by Steven J. Biel, a resident of Portland who was supporting another candidate seeking the Democratic nomination for State Senate in the June 14 primary election.

Rep. Chipman argued that the mailing was compliant because the printing and distribution of the mailing had been paid for by individuals who would volunteer at the two house parties. He had previously turned to the Commission staff for advice on the scope of the house party exception. In the course of seeking advice, he did not mention the number of invitations to be mailed or the total cost.

At the May 25 meeting, Rep. Chipman made comments to the Commission with the assistance of an attorney, David Lourie (who may no longer be representing Rep. Chipman). In response to a request from the Commissioners, Rep. Chipman provided a more detailed accounting of the costs that were paid by his volunteers, and their expected volunteer activities in connection with the house parties.

Your discussion of the mailings is summarized in the draft minutes of the May 25, 2016 meeting (agenda item #1). The audio is available to the public here:

http://www.maine.gov/ethics/meetings/2016/20160525_actions.htm.

At the May 25, 2016 meeting, the Commission voted four to zero not to conduct further investigation of the mailing. (Commissioner Richard Nass was unable to participate in the meeting.) Later in the meeting, Commissioner Michael Healy moved that the cost of the mailing was a contribution to Rep. Chipman, but the motion failed for lack of a second. The Commission Chair moved to find that no violation occurred, but that motion also failed for lack of a second.

At a special meeting held on June 14, 2016, under the heading of other business Commissioner Michael Healy moved to re-open the Commission's consideration of this item. Commissioner William Lee seconded the motion. The Commission then voted to table the motion to re-open this matter until the Commission's June 29 meeting.

All of the relevant materials are attached – in case you wish to refer to them for purposes of deciding whether to re-open this matter.

Thank you for your consideration of this agenda item.



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

June 1, 2016

By E-Mail and Regular Mail

Mr. Steven Biel
31 Cushman Street, #2
Portland, ME 04102

DETERMINATION - AMENDED

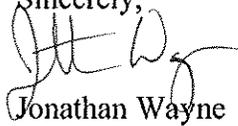
Dear Mr. Biel:

Thank you for your presentation at the May 25, 2016 meeting of the Maine Commission on Governmental Ethics and Election Practices. The Commissioners considered your request for an investigation regarding a mailing containing an invitation to two house parties to support State Senate candidate Benjamin Chipman that was paid for by his supporters. The Commissioners received comments from you, Rep. Chipman and his attorney, David A. Lourie, Esq., as well as additional documentary materials from Rep. Chipman and his mailhouse concerning the individuals who paid for the mailing. The Commissioners discussed whether or not the mailing was covered by the house party exception for invitations paid for by volunteers.

The Commission voted unanimously (4-0) not to pursue further investigation into this matter. Subsequently, Commissioner Healy made a motion that the mailing constituted a contribution to Rep. Chipman's campaign, but that motion did not receive a vote because it was not seconded. Commissioner Matheson moved to find no violation, but that motion also was not seconded. The Commission did not reach a determination whether the financing of the mailing was a violation. The motions considered by the Commissioners and the audio of the meeting can be found by clicking on the icons for the May 25, 2016 meeting at www.maine.gov/ethics/meetings.

The Commission directed its staff to research the legislative history of the house party exception and to report back to the Commission at its June 29 meeting. At that meeting, the Commission may choose to interpret the house party exception through an emergency rulemaking or administrative guidance.

If you have any questions concerning this determination, please feel free to contact me at 287-4179. Thank you very much.

Sincerely,

Jonathan Wayne
Executive Director

cc: Rep. Benjamin Chipman
David A. Lourie, Esq.

OFFICE LOCATED AT: 45 MEMORIAL CIRCLE, AUGUSTA, MAINE

WEBSITE: WWW.MAINE.GOV/ETHICS

PHONE: (207) 287-4179

FAX: (207) 287-6775



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
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04333-0135

June 15, 2016

David A. Lourie, Esq.
Law Offices of David A. Lourie
189 Spurwink Avenue
Cape Elizabeth, ME 04107

Dear Mr. Lourie:

This letter is to inform you that at the June 14, 2016 special meeting of the Ethics Commission, Commissioner Michael Healy made a motion to reopen the matter concerning the costs of the invitations sent in support of Representative Benjamin Chipman. Based on my communications with Commissioner Healy, he wishes to revisit the issue of whether the cost of the invitations were covered by the house party exception or should be viewed as a contribution to Rep. Chipman's campaign.

Commissioner Healy's motion was seconded and then tabled for discussion until the Commission's next regularly scheduled meeting on June 29, 2016. The Commissioners did not vote whether to reopen the matter. That vote will occur on June 29, 2016. The meeting will held at the Commission's office located at 45 Memorial Circle in Augusta beginning at 9:00 a.m.

Please be aware that if the Commissioners decide at the June 29 meeting to re-open the matter, they may consider the merits of whether the payments for the invitations were contributions to Rep. Chipman's campaign under 21-A M.R.S.A. §§ 1012(2) or 1015(5) and whether they violated the prohibition on accepting contributions in 21-A M.R.S.A. § 1125(6).

You and your client are encouraged to attend the June 29, 2016 meeting to present any argument you would like on any aspect of this matter, including:

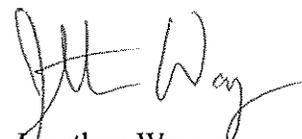
- whether the matter should be reopened
- whether the invitation costs were covered by the house party exception
- were the payments for the invitations contributions to Rep. Chipman.

David A. Lourie, Esq.
Page 2
June 15, 2016

If you would like to make a written submission, please send it by U.S. Mail or email (Jonathan.Wayne@maine.gov), and I will distribute it to the Commissioners as soon as I receive it. I will be sending the agenda and a packet of written materials on the morning of June 21st.

If you have any questions, please call me at 287-4179.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Wayne". The signature is fluid and cursive, with the first name "Jonathan" and last name "Wayne" clearly distinguishable.

Jonathan Wayne
Executive Director

cc: By email only
Rep. Benjamin Chipman
Steven J. Biel
Assistant Attorney General Phyllis Gardiner



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commissioners
From: Jonathan Wayne, Executive Director
Date: May 19, 2016
Re: Request to Investigate Invitations Mailed in Support of Hon. Benjamin Chipman

Yesterday, the Commission received a complaint from a resident of Portland, Steven J. Biel, concerning mail sent in support of Rep. Benjamin Chipman. Rep. Chipman is competing in the June 14, 2016 primary election to be the Democratic nominee for State Senate, District 27. Mr. Biel questions whether the mailing complies with the restrictions on Maine Clean Election Act candidates.

Based on a telephone call yesterday, it is expected that Rep. Chipman will respond that the mailing was compliant, because it consisted of invitations to two house parties paid for by individuals who will be volunteering at the parties. We were hoping to receive a preliminary response from Rep. Chipman in time for today's packet, but that was not feasible for him. We would be pleased to provide you with an oral staff recommendation or any other information you need at the May 25 meeting.

Thank you for your consideration of this item.

May 18, 2016

Dear Maine Ethics Commission:

I am writing to file a formal ethics complaint against the state senate campaign of Rep. Ben Chipman of Portland.

On Monday, May 16, Rep. Chipman mailed two-sided, full color 7 x 10 postcard-style house party invitations to voters across State Senate District 27. The mailing contains no disclosure of who paid for the mailing.

Under Section 21-A M.R.S.A. §1012 #2, subsection B, subsection 2 (available here: <http://www.maine.gov/ethics/pdf/Title21-AMRSACH13-CampaignReportsandFinance01-2016.pdf>), commonly known as the “house party exemption,” a campaign expenditure does not include “The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities does not exceed \$250 with respect to any election.”

However, Rep. Chipman’s volunteer hosts did not pay for this mailing—the Chipman campaign paid for it through their USPS account (permit number 492). Further, a district-wide mailing done through a professional mail house of the sort Rep. Chipman sent typically costs \$3000-\$4000, and with only 2 parties listed, the mailing far exceeds the \$250 per volunteer host limit.

I would specifically like the Ethics Commission to answer the following questions:

How much did Rep. Chipman’s mailing cost?

Presort standard postage for a mailing of this size would cost between \$0.382 and 0.503 per piece, according to Rob Ray at the U.S. Postal Service. Meanwhile print shops frequently charge as much as \$.30-\$.40 per piece on two-sided full color pieces of this sort. To determine the extent of the violation, the commission should request that Rep. Chipman disclose the total cost of the mailing.

Who paid for the mailing?

The mailing was sent through the Chipman campaign’s USPS account (permit number 492), so it was not paid for by the volunteer party hosts. Who provided Rep. Chipman with the funding for the mailing?

How many people received the mailing?

My downstairs neighbor and I each received a mailing at our residence on the West End, while Nick Murray received one at his residence in East Deering, and Miranda Valentine received one in the East End section of the city. Further, each flat mailing is stamped with a number, indicating how many cards were delivered. My card was numbered 3166 and Mr. Murray’s was numbered 5051. This has all the markings of a mailing sent to a large segment of registered Democrats, likely several thousand people.

Did the Chipman campaign exceed the spending limit for candidates who receive MCEA funding?

If the Chipman campaign itself paid for the mailing, then a violation was certainly committed by omitting the disclosure on the mailing. Did the expenditure also cause the campaign to exceed the overall campaign spending limit Rep. Chipman agreed to in exchange for receiving taxpayer financing under the MCEA?

I hope the Maine Ethics Commission can investigate these and any other relevant questions and come to a ruling on this complaint in a timely manner prior to the primary election scheduled for June 14.

Signed,

A handwritten signature in black ink, consisting of a stylized 'S' followed by a large, rounded 'B' and a smaller 'I'.

Steven Biel
31 Cushman St. #2
Portland, ME 04102
202-669-9162

BEN CHIPMAN FOR STATE SENATE

COME MEET BEN CHIPMAN
DEMOCRATIC CANDIDATE FOR
STATE SENATE

TUESDAY MAY 31, 2016 7:00-8:30 PM
AT THE HOME OF
Kris Clark and Cynthia MacKay
129 Emery St. Portland, Maine

WEDNESDAY JUNE 1, 2016 7:00-8:30 PM
AT THE HOME OF
Richard Rudolph and Muriel Pierce
211 Ocean Ave. Portland, Maine

PLEASE RSVP: VOTECHIPMAN@GMAIL.COM

Keep Ben Chipman working for Portland!

JUNE 14TH DEMOCRATIC PRIMARY



POSTNET
US POSTAGE
PAID
PERMIT #82
04102
4-3167



*****ALTO**5-DIGIT 04102



BEN CHIPMAN FOR STATE SENATE
VOTE IN THE JUNE 14TH DEMOCRATIC PRIMARY

**COME MEET
BEN CHIPMAN**

**TUESDAY MAY 31, 2016 AND
WEDNESDAY JUNE 1, 2016**

HOST COMMITTEE

**Belinda Ray
Denise Harlow
Anna Trevorrow
Stephanie Hatzembuehler
Kevin Donoghue
David Marshall
Markos Miller**



BEN CHIPMAN FOR STATE SENATE

COME MEET BEN CHIPMAN
DEMOCRATIC CANDIDATE FOR
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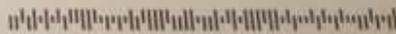
PLEASE RSVP: VOTECHIPMAN@GMAIL.COM

Keep Ben Chipman working for Portland!

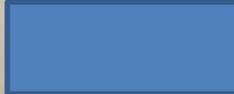
JUNE 14TH DEMOCRATIC PRIMARY



RIGHT SIDE
US POSTAGE
PAID
PERMIT 492
04101
5-9001



*****AUTOMATED DIGIT 04101



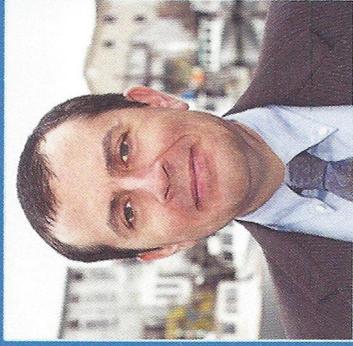
WORKING TO REDUCE DRUG ADDICTION

BEN CHIPMAN GETS RESULTS

3-TERM STATE REPRESENTATIVE BEN CHIPMAN HAS:

Co-sponsored and passed a bill in January to provide \$3.7 million to reduce drug addiction

Co-sponsored and passed legislation earlier this year to open a new 10-bed detox center



Helped secure \$1.1 million in state funding in April to support local substance abuse programs

Co-sponsored and passed a bill in January to double the number of recovery centers in Maine

Keep Ben Chipman working for Portland!

Ben Chipman State Senate

www.VoteChipman.com

(207) 318-4961 • VoteChipman@gmail.com

Chipman for State Senate
5 Mayo St. #3
Portland, ME 04101

73906*
PRSR1 STD
US POSTAGE
PAID
PERMIT 492
04101

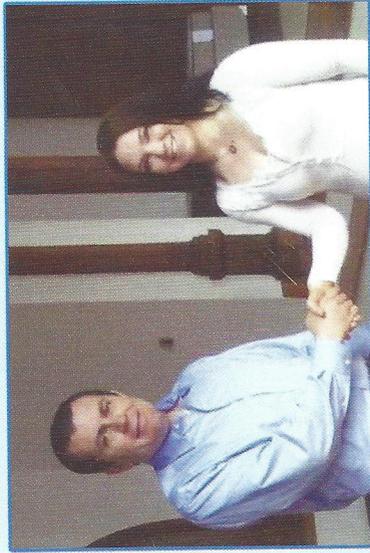
1-1276



JUNE 14TH DEMOCRATIC PRIMARY

REDUCING DRUG ADDICTION IS A PRIORITY

AS YOUR STATE SENATOR, BEN CHIPMAN WILL WORK TO:



State Rep. Ben Chipman with Tasha Hillis, manager of Change House, a women's addiction recovery center in Portland.



ELIMINATE BARRIERS TO REHABILITATION

Provide access to drug treatment and rehabilitation for anyone who needs it



EXPAND AND BUILD MORE TREATMENT CENTERS

Provide adequate funding for addiction treatment centers and open new facilities where needed



INCREASE DRUG EDUCATION

Expand drug education programs with an increased focus on opiates

PROUDLY ENDORSED BY:

- ✓ **Belinda Ray** Portland City Council, District 1
- ✓ **Denise Harlow** State Representative (D-Portland)
- ✓ **Sarah Thompson** Portland School Board, At Large
- ✓ **Anna Trevorrorrow** Finance Committee Chair, Portland School Board
- ✓ **Stephanie Hatzenbuehler** Portland School Board, District 4

Ben Chipman State Senate

Paid for by Chipman for State Senate. Stephanie Hatzenbuehler, Treasurer.



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE

May 18, 2016

Hon. Benjamin Chipman
5 Mayo Street, #3
Portland, Maine 04101

Dear Rep. Chipman:

This letter is to convey a request from Steven J. Biel that the Maine Ethics Commission investigate whether you authorized or sent mailings to a significant number of Portland voters to influence them in the June 14, 2016 Democratic primary election for State Senate, in violation of the restrictions on contributions and expenditures for Maine Clean Election Act candidates.

Relevant Maine Election Law

Time period to consider complaints. Within the 28 days before an election, the Commission is required to meet within two business days of the filing of any complaint, unless the complainant or respondent agree otherwise. (21-A M.R.S.A. § 1002(1))

Prohibition on accepting contributions. The Maine Clean Election Act (MCEA) program is designed to be a system of full public campaign financing. After qualifying for MCEA funding, candidates may not accept any contributions unless specifically authorized by the Commission. (21-A M.R.S.A. § 1125(6)) A candidate must limit his or her campaign expenditures to MCEA funds received from the State of Maine. *Id.* As explained below, however, certain financial activities to promote a candidate are exempt from the definition of “contribution” or “expenditure,” such as invitations, food or beverages paid for by volunteers.

Definition of “contribution.” The term contribution is defined in Maine campaign finance law as a “gift ... of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office ...” (21-A M.R.S.A. § 1012(2)(A)(1))

Expenditures by others can be contributions. Under a separate section of statute, some expenditures by others to support a candidate may be considered a contribution to that candidate:

5. Other contributions and expenditures. Any expenditure made by any person in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's political committee or their agents is considered to be a contribution to that candidate.

The financing by any person of the dissemination, distribution or republication, in whole or in part, of any broadcast or any written or other campaign materials prepared by the candidate, the candidate's political committee or committees or their authorized agents is considered to be a contribution to that candidate.

(21-A M.R.S.A. § 1015(5))

Exemption for volunteers to pay for invitations, food and beverages. The Election Law exempts from the definition of “contribution” and “expenditure” the cost of invitations, food and beverages paid by volunteers in rendering personal services for campaign activities (up to \$250 per election):

The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities by the individual on behalf of any candidate does not exceed \$250 with respect to any election ...

(21-A M.R.S.A. §§ 1012(2)(B)(2) & 1012(3)(B)(4))

Candidates sometimes refer to this as the “house party” exception, because it allows volunteers to pick up a portion of the costs of a campaign event in someone’s home by paying for a limited amount for invitations, food or beverages. The exemption also covers other types of food or beverage purchases by volunteers (*e.g.*, organizing an opportunity for door-knocking or stuffing envelopes).

Hon. Benjamin Chipman
Page 3
May 18, 2016

Suggestion for Preliminary Response

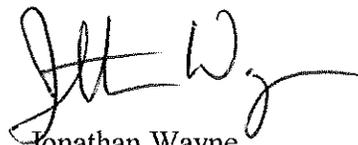
With your and Mr. Biel's agreement, I have scheduled initial consideration of Mr. Biel's complaint by the Commissioners at their next monthly meeting on May 25, 2016. At that meeting, I expect that the Commissioners will consider whether or not to conduct further investigation of the complaint. The Commission staff suggests that you attend the meeting in person to respond to the allegations in the request.

Please submit a preliminary written response to the complaint as soon as is practical. You are welcome to submit any response you would like. I will forward the information to the Commissioners for their consideration in advance of the May 25 meeting. To assist the Commissioners in determining whether the mailing fits within the house party exception, I recommend including the following:

- an accounting of the total cost of the mailing, which would cover any design, printing and distribution services provided,
- a list of all payments made in connection with the mailing, including payor, payee, and amount. Include the date of payment (or approximation), if feasible. Please confirm whether each payor will rendering any volunteer personal services in connection with the May 31 or June 1 events,
- the total number of pieces mailed, and
- an explanation of whether postal account 492 was used in the mailing.

Thank you for your cooperation. If you have any questions, please call me at 287-4179.

Sincerely,



Jonathan Wayne
Executive Director

cc: Steven J. Biel

 **6. Restrictions on contributions and expenditures for certified candidates.** After certification, a candidate must limit the candidate's campaign expenditures and obligations, including outstanding obligations, to the revenues distributed to the candidate from the fund and may not accept any contributions unless specifically authorized by the commission. Candidates may also accept and spend interest earned on fund revenues in campaign bank accounts. All revenues distributed to a certified candidate from the fund must be used for campaign-related purposes. The candidate, the treasurer, the candidate's committee authorized pursuant to section 1013-A, subsection 1 or any agent of the candidate and committee may not use these revenues for any but campaign-related purposes. The commission shall publish guidelines outlining permissible campaign-related expenditures.

6-A. Assisting a person to become an opponent. A candidate or a person who later becomes a candidate and who is seeking certification under subsection 5, or an agent of that candidate, may not assist another person in qualifying as a candidate for the same office if such a candidacy would result in the distribution of revenues under subsections 7 and 8-F for certified candidates in a contested election.

6-B. (REPEALED)

6-C. Expenditures to the candidate or family or household members. Expenditures to the candidate or immediate family member or household member of the candidate are governed by this subsection.

A. The candidate may not use fund revenues to compensate the candidate or a sole proprietorship of the candidate for campaign-related services.

B. A candidate may not make expenditures using fund revenues to pay a member of the candidate's immediate family or household, a business entity in which the candidate or a member of the candidate's immediate family or household holds a significant proprietary or financial interest or a nonprofit entity in which the candidate or a member of the candidate's immediate family or household is a director, officer, executive director or chief financial officer, unless the expenditure is made:

- (1) For a legitimate campaign-related purpose;
- (2) To an individual or business that provides the goods or services being purchased in the normal course of the individual's occupation or the business; and
- (3) In an amount that is reasonable taking into consideration current market value and other factors the commission may choose to consider.

For the purpose of this paragraph, "business entity" means a corporation, limited liability company, limited partnership, limited liability partnership and general partnership.

If a candidate uses fund revenues for an expenditure covered by this paragraph, the candidate shall submit evidence demonstrating that the expenditure complies with the requirements of this paragraph if requested by the commission.

This subsection does not prohibit reimbursement to the candidate or a member of a candidate's household or immediate family when made in accordance with this chapter and rules adopted by the commission.

SUBCHAPTER II
REPORTS ON CAMPAIGNS FOR OFFICE

21-A § 1011. Application

This subchapter applies to candidates for all state and county offices and to campaigns for their nomination and election. Candidates for municipal office as described in Title 30-A, section 2502, subsection 1 are also governed by this subchapter. The commission does not have jurisdiction over financial activities to influence the nomination or election of candidates for federal office.

1. Role of the municipal clerk; commission. (REPEALED)

2. Exemptions. (REPEALED)

3. Role of the municipal clerk; commission. For candidates for municipal office, the municipal clerk is responsible for any duty assigned to the commission in this subchapter related to the registration of candidates, receipt of reports and distribution of information or forms, unless otherwise provided. Notwithstanding any other deadline set forth in this chapter, candidates shall file their reports by the close of business on the day of the filing deadline established for the office of the municipal clerk. The commission retains the sole authority to prescribe the content of all reporting forms. The commission does not have responsibility to oversee the filing of registrations or campaign finance reports relating to municipal campaigns, except that the commission has the discretion to conduct investigations and assess penalties under subsection 3-A.

3-A. Enforcement by the Commission. If a clerk of a town or city that is governed by this chapter pursuant to Title 30-A, section 2502 becomes aware of a potential violation of this chapter that the clerk considers to be substantial, the clerk may refer the matter to the commission for enforcement. Substantial violations include, but are not limited to, accepting contributions in excess of the limitations of section 1015 and failing to file a report that substantially complies with the disclosure requirements of section 1017. The commission has the discretion to conduct an investigation if the information referred by the municipal clerk shows sufficient grounds for believing that a violation may have occurred. After conducting the investigation, if the commission determines that a violation of this chapter has occurred, the commission may assess penalties provided in this chapter.

4. Exemptions. Exemptions for municipal candidates from the reporting requirements of this subchapter are governed by this subsection.

A. At the time a municipal candidate registers under section 1013 A, the candidate may notify the municipal clerk in writing that the candidate will not accept contributions, make expenditures or incur financial obligations associated with that person's candidacy. A candidate who provides this written notice is not required to appoint a treasurer or to meet the filing requirements of this section as long as the candidate complies with the commitment.

B. The notice provided to the municipal clerk in paragraph A may be revoked. A written revocation must be presented to the municipal clerk before the candidate may accept contributions, make expenditures or incur obligations associated with that person's candidacy. A candidate who has filed a notice with the municipal clerk under paragraph A

and accepts contributions, makes expenditures or incurs obligations associated with that person's candidacy prior to filing a revocation may be assessed a penalty of \$10 for each business day that the revocation is late, up to a maximum of \$500. This penalty may be imposed in addition to the penalties assessed under other sections of this Title.

21-A § 1012. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Clearly identified. “Clearly identified,” with respect to a candidate, means that:

- A. The name of the candidate appears;
- B. A photograph or drawing of the candidate appears; or
- C. The identity of the candidate is apparent by unambiguous reference.

2. Contribution. The term “contribution:”

A. Includes:

-  (1) A gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office or for the purpose of liquidating any campaign deficit of a candidate, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
- (2) A contract, promise or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;
- (3) Funds received by a candidate or a political committee that are transferred to the candidate or committee from another political committee or other source; and
- (4) The payment, by any person other than a candidate or a political committee, of compensation for the personal services of other persons that are provided to the candidate or political committee without charge for any such purpose; and

B. Does not include:

- (1) The value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;
-  (2) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities by the individual on behalf of any candidate does not exceed \$250 with respect to any election;
- (3) The sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if the charge to the candidate is at least equal to the cost of the food or beverages to the vendor and if the cumulative value of the food or beverages does not exceed \$100 with respect to any election;

- (4) Any unreimbursed travel expenses incurred by an individual in the course of providing voluntary personal services to a candidate and paid for by that individual, if the cumulative amount of these expenses does not exceed \$350 with respect to any election;
- (4-A) Any unreimbursed campaign-related travel expenses incurred and paid for by the candidate or the candidate's spouse or domestic partner;
- (5) The payment by a party's state, district, county or municipal committee of the costs of preparation, display or mailing or other distribution of a party candidate listing;
- (6) Documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the requirements of this Title, lists of registered voters and voter identification information, created, obtained or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party;
- (7) Compensation paid by a state party committee to its employees for the following purposes:
 - (a) Providing no more than a total of 40 hours of assistance from its employees to a candidate in any election;
 - (b) Recruiting and overseeing volunteers for campaign activities involving 3 or more candidates; or
 - (c) Coordinating campaign events involving 3 or more candidates;
- (8) Campaign training sessions provided to 3 or more candidates;
- (8-A) Costs paid for by a party committee in connection with a campaign event at which 3 or more candidates are present;
- (8-B) Wood or other materials used for political signs that are found or contributed if not originally obtained by the candidate or contributor for campaign purposes;
- (8-C) The use or distribution of any communication, as described in section 1014, obtained by the candidate for a previous election and fully paid for during that election;
- (9) The use of offices, telephones, computers and similar equipment when that use does not result in additional cost to the provider;
- (10) Activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention a clearly identified candidate; or
- (11) A purchase of apparel from a commercial vendor with a total cost of \$25 or less by an individual when the vendor has received a graphic or design from the candidate or the candidate's authorized committee.

3. Expenditure. The term “expenditure:”

A. Includes:

- (1) A purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
- (2) A contract, promise or agreement, expressed or implied, whether or not legally enforceable, to make any expenditure;
- (3) The transfer of funds by a candidate or a political committee to another candidate or political committee; and
- (4) A payment or promise of payment to a person contracted with for the purpose of influencing any campaign as defined in section 1052, subsection 1; and

B. Does not include:

- (1) Any news story, commentary or editorial distributed through the facilities of any broadcasting station, cable television system, newspaper, magazine or other periodical publication, unless the facilities are owned or controlled by any political party, political committee, candidate, or spouse or domestic partner of a candidate;
- (1-A) Any communication distributed through a public access television channel on a cable television system if the communication complies with the laws and rules governing the channel and all candidates in the race have an equal opportunity to promote their candidacies through the channel;
- (2) Activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention a clearly identified candidate;
- (3) Any communication by any membership organization or corporation to its members or stockholders, if that membership organization or corporation is not organized primarily for the purpose of influencing the nomination or election of any person to state or county office;
- (4) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities does not exceed \$250 with respect to any election;
- (5) Any unreimbursed travel expenses incurred by an individual in the course of providing voluntary personal services to a candidate and paid for by that individual, if the cumulative amount of these expenses does not exceed \$350 with respect to any election;
- (5-A) Any unreimbursed campaign-related travel expenses incurred and paid for by the candidate or the candidate's spouse or domestic partner;
- (6) Any communication by any person that is not made for the purpose of influencing the nomination for election, or election, of any person to state, county or municipal office;



C. Generally accepted scientific polling research.

21-A § 1015. Limitations on contributions and expenditures

1. Individuals. An individual may not make contributions to a candidate in support of the candidacy of one person aggregating more than \$1,500 in any election for a gubernatorial candidate, more than \$350 for a legislative candidate, more than \$350 for a candidate for municipal office and beginning January 1, 2012 more than \$750 for a candidate for municipal office or more than \$750 in any election for any other candidate. This limitation does not apply to contributions in support of a candidate by that candidate or that candidate's spouse or domestic partner. Beginning December 1, 2010, contribution limits in accordance with this subsection are adjusted every two years based on the Consumer Price Index as reported by the United States Department of Labor, Bureau of Labor Statistics and rounded to the nearest amount divisible by \$25. The commission shall post the current contribution limit and the amount of the next adjustment and the date that it will become effective on its publicly accessible website and include this information with any publication to be used as a guide for candidates.

2. Committees; corporations; associations. A political committee, political action committee, other committee, firm, partnership, corporation, association or organization may not make contributions to a candidate in support of the candidacy of one person aggregating more than \$1,500 in any election for a gubernatorial candidate, more than \$350 for a legislative candidate, more than \$350 for a candidate for municipal office and beginning January 1, 2012 more than \$750 for a candidate for municipal office or more than \$750 in any election for any other candidate. Beginning December 1, 2010, contribution limits in accordance with this subsection are adjusted every two years based on the Consumer Price Index as reported by the United States Department of Labor, Bureau of Labor Statistics and rounded to the nearest amount divisible by \$25. The commission shall post the current contribution limit and the amount of the next adjustment and the date that it will become effective on its publicly accessible website and include this information with any publication to be used as a guide for candidates.

3. Aggregate contributions. No individual may make contributions to candidates aggregating more than \$25,000 in any calendar year. This limitation does not apply to contributions in support of a candidate by that candidate or that candidate's spouse or domestic partner.

4. Political committees; intermediaries. For the purpose of the limitations imposed by this section, contributions made to any political committee authorized by a candidate to accept contributions on the candidate's behalf are considered to be contributions made to that candidate. If the campaign activities of a political action committee within a calendar year primarily promote or support the nomination or election of a single candidate, contributions to the committee that were solicited by the candidate are considered to be contributions made to the candidate for purposes of the limitations in this section. For purposes of this subsection, solicitation of contributions includes but is not limited to the candidate's appearing at a fundraising event organized by or on behalf of the political action committee or suggesting that a donor make a contribution to that committee.

For the purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a particular candidate that are in any way earmarked or otherwise directed through an intermediary or conduit to the candidate are considered to be

contributions from that person to the candidate. The intermediary or conduit shall report the original source and the intended recipient of the contribution to the commission and to the intended recipient.



5. Other contributions and expenditures. Any expenditure made by any person in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's political committee or their agents is considered to be a contribution to that candidate. The financing by any person of the dissemination, distribution or republication, in whole or in part, of any broadcast or any written or other campaign materials prepared by the candidate, the candidate's political committee or committees or their authorized agents is considered to be a contribution to that candidate.

6. Prohibited expenditures. A candidate, a treasurer, a political committee, a party or party committee, a person required to file a report under this subchapter or their authorized agents may not make any expenditures for liquor to be distributed to or consumed by voters while the polls are open on election day.

7. Voluntary limitations on political expenditures. A candidate may voluntarily agree to limit the total expenditures made on behalf of that candidate's campaign as specified in section 1013-A, subsection 1, paragraph C and subsections 8 and 9.

8. Political expenditure limitation amounts. Total expenditures in any election for legislative office by a candidate who voluntarily agrees to limit campaign expenditures as provided in subsection 7 are as follows:

- A. For State Senator, \$25,000; and
- B. For State Representative, \$5,000.
- C. **(REPEALED)**

Expenditure limits are per election and may not be carried forward from one election to another. For calculation and reporting purposes, the reporting periods established in section 1017 apply.

9. Publication of list. The commission shall publish a list of the candidates for State Representative and State Senator who have agreed to voluntarily limit total expenditures for their campaigns as provided in section 1013-A, subsection 1, paragraph C.

For the purposes of subsections 7 and 8 and this subsection, "total expenditures" means the sum of all expenditures made to influence a single election that are made by a candidate or made on the candidate's behalf by the candidate's political committee or committees, the candidate's party or the candidate's immediate family.

21-A § 1015-A. Corporate contributions

Contributions made by a for-profit or a nonprofit corporation including a parent, subsidiary, branch, division, department or local unit of a corporation, and contributions made by a political committee or political action committee whose contribution or expenditure activities are financed, maintained or controlled by a corporation are considered to be made by that corporation, political committee or political action committee.

- 1. Single entities.** Two or more entities are treated as a single entity if the entities:
 - A. Share the majority of members of their boards of directors;

May 23, 2016

To the Maine Ethics Commission,

Please consider this letter a response to Mr. Biel's request for an investigation regarding the house party invitation mailed out earlier last week. As you know, we've had several conversations with Ethics Commission staff dating back to April, by phone, email, and in person, regarding the mailing of invitations, food and beverages, and other related expenses for house parties as allowed for under the house party exemption (see exhibit A).

We believe we have gone above and beyond in an effort to follow all of the rules and guidelines governing house parties and related expenses for which volunteers are allowed to pay. We have checked with Ethics Commission staff several times, including emailing the invitation to them and asking for an opinion, prior to having it printed and distributed. In addition to checking with the Ethics Commission staff, we modeled our invitation, and our mailing strategy, on other similar candidate parties with which we are familiar.

We've attached a copy of the email we received (see exhibit B) advising us that the content of the invitation looked fine and that "because the cost for the invitation is being paid by individuals who are volunteering to put on this event for you, the payment for the invitations (as well as for food and beverages) is not considered to be an expenditure under campaign finance law (21-A M.R.S.A. 1012(3)(B)(4));" and therefore the invitation was not subject to the requirement for a disclosure statement.

In cooperation with your request for information, please find our responses below:

- an accounting of the total cost of the mailing, which would cover any design, printing and distribution services;

The total cost of the mailing was as follows. The invitation itself was designed by a volunteer at no cost. The cost of printing and processing was \$718.67. The cost of postage for mailing out the invitation was \$1,110.09. Both services were rendered by Mailings Unlimited in Portland.

Initially volunteers were going to leave flyers door to door as we have done for house party events in my House campaigns but the Senate district is much larger geographically so it would require much more volunteers and time to do this.

State Senator Cathy Breen, who was also a Clean Elections candidate running in a primary two years ago, shared with me a copy of a house party invitation her volunteers paid to print and mail out. We have included a copy of Sen. Breen's invitation (see exhibit C).

It is our understanding that candidates all across the state, many of them Clean Election candidates, have mailed out similar invitations to campaign events over the last several years with the printing and postage paid for by volunteers as allowed for under the house party exemption. After speaking with Commission staff it seemed to make sense for our volunteers to mail out a similar invitation.

We initially intended to send two different invitations that would have cost approximately \$350 for printing and \$550 for postage each. However, it was decided that one invitation inviting people to both house parties would make the most sense because:

- the same volunteers are involved with both parties;
- the house parties are only about two miles apart;
- the events are on two consecutive nights;
- the time of the year (Memorial Day) is busy and some people in either part of town may not be able to attend one party, but could easily attend the other; and
- it would be more efficient logistically to design one invitation.

The mailing of invitations is not the only way people are being invited to attend. Volunteers are also promoting these two events through phone calls, emails and Facebook.

- a list of all payments made in connection with the mailing, including payor, payee, amount. Please include the date of payment (or an approximation), if feasible. Please confirm whether each payor will be rendering any personal services in connection with the May 31 or June 1 events

As described above, the total cost was \$1,828.76, paid by multiple individual volunteers, who made payments directly to Mailings Unlimited. These payments were made approximately between April 21 and May 12. None of these volunteers donated more than \$250, as allowed under the house party exemption. These individuals are rendering personal volunteer services (including organizing, promoting with phone calls, emails, and social media, setting up, breaking down, facilitating during the events, and speaking to the assembled guests on my behalf) at the house parties on May 31 and June 1.

- the total number of pieces mailed, and

The total number of pieces mailed was 5,260. We believe it is important to note that given the time of the year, with graduations, and upcoming summer vacations, and because we are inviting people to meet a politician who in most cases is unfamiliar to them, it is challenging to bring guests out to a house party. As such, we cast a wide net, hoping to get 40 or 50 people at each party. Experienced event organizers are likely to agree that for every 100 people you invite to an event that is political in nature, you would be lucky to get one or two to show up, especially this time of year.

- an explanation of whether postal account 492 was used in the mailing.

Postal account 492 is the bulk rate permit number that belongs to Mailings Unlimited. It was indeed used for this invitation. As noted above, Mailings Unlimited printed and mailed the invitation. Naturally, because they were mailing more than 200 pieces, they would use their own bulk rate permit to do so.

We hope this information satisfies your request. In closing, we know this house party exemption has been used by many candidates over the years to organize and promote meet and greet house party events, similar to the two that we are holding. I have been elected to local office once and to the Maine House of Representatives three times and I have never had an ethics complaint filed against me and I have never been penalized by the Commission. I always go to great length do things correctly and if there is any doubt I call or email Ethics Commission staff to check with them first. The printing and mailing of the house party invitation was no different. We checked with Commission staff every step of the way to make sure we were following campaign finance law and make sure everything was being done correctly.

Further, we would like you to know that both Steven Biel and Nick Murray are individuals working with the state senate campaign of Diane Russell (one of my opponents), a person well known to the Maine Ethics Commission. The complaint in front of you, far from expressing the concerns of an active citizen, is in our opinion a politically motivated attack by an opponent, designed to draw attention away from a long history of ethics violations and ongoing questionable conduct associated with her Working Families PAC.

We believe Mr. Biel's request for an investigation is without merit and we ask that you decline his request.

Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "BC", with a small dot at the end.

Ben Chipman

(21-A M.R.S.A. § 1015(5))

Exemption for volunteers to pay for invitations, food and beverages. The Election Law exempts from the definition of “contribution” and “expenditure” the cost of invitations, food and beverages paid by volunteers in rendering personal services for campaign activities (up to \$250 per election):

The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities by the individual on behalf of any candidate does not exceed \$250 with respect to any election ...

Lavin, Paul <Paul.Lavin@maine.gov>
To: "votechipman@gmail.com" <votechipman@gmail.com>

Thu, May 5, 2016 at 4:26 PM

Rep. Chipman,

Thank you for sending a copy of the invitation. Because the cost for the invitation is being paid by individuals who are volunteering to put on this event for you, the payment for the invitations (as well as for food and beverages) is not considered to be an expenditure under campaign finance law (21-A M.R.S.A. 1012(3)(B)(4)). As such, the invitation is not required to have a disclaimer statement on it. There isn't a requirement to include a return address under campaign finance law.

The content of the invitation is what one would expect to see in an invitation to an event to support a candidate. It's not the Commission's role to pass judgment on the content of communications, but I don't see anything in the invitation that should cause a problem.

Please let us know if you have any other questions.

Paul

Paul Lavin
Assistant Director
Maine Ethics Commission
Office: 45 Memorial Circle
Mailing address: 135 State House Station
Augusta, Maine 04333-0135
[207-287-3024](tel:207-287-3024)
Paul.Lavin@maine.gov



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Cathy Breen

State Senate

Democrat June 10

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Come Meet **Cathy Breen**

Sunday, April 13, 2014

HOST COMMITTEE

Hon. Mark Dion

Hon. Mary Nelson

Hon. John Brautigam & Corey Hascall

Mary Becker

Patricia Ramsay

Marcia Feller

Margaret Downing

Dotty Mathes

Janet & Andy King

Merritt Carey & Chris Jones

Heather Shields & Lee Lindenau

Meet Cathy Breen

Democratic Candidate for
State Senate District 25

at the home of
Mary & Paul Becker
218 West Main Street
Yarmouth, ME

Sunday, April 13, 2014
4 – 5:30 pm

RSVP: cathybreenforstatesenate.com
Party paid for by Host committee

Cathy Breen for State Senate

BEN CHIPMAN FOR STATE SENATE

VOTE IN THE JUNE 14TH DEMOCRATIC PRIMARY

COME MEET BEN CHIPMAN

**TUESDAY MAY 31, 2016 AND
WEDNESDAY JUNE 1, 2016**

HOST COMMITTEE

Belinda Ray

Denise Harlow

Anna Trevorrow

Stephanie Hatzenbuehler

Kevin Donoghue

David Marshall

Markos Miller



BEN CHIPMAN FOR STATE SENATE

COME MEET BEN CHIPMAN DEMOCRATIC CANDIDATE FOR STATE SENATE

TUESDAY MAY 31, 2016 7:00-8:30 PM

AT THE HOME OF

Kris Clark and Cynthia MacKay

129 Emery St. Portland, Maine

WEDNESDAY JUNE 1, 2016 7:00-8:30 PM

AT THE HOME OF

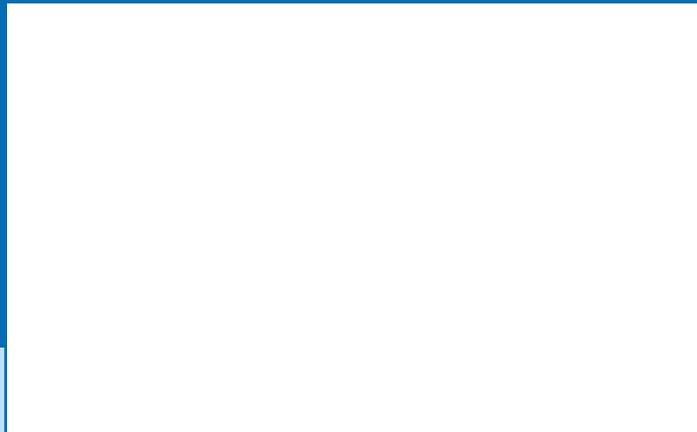
Richard Rudolph and Muriel Pierce

211 Ocean Ave. Portland, Maine

PLEASE RSVP: VOTECHIPMAN@GMAIL.COM

Keep Ben Chipman working for Portland!

JUNE 14TH DEMOCRATIC PRIMARY





STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commissioners
From: Jonathan Wayne, Executive Director
Date: May 24, 2016
Re: Advice by Commission Staff to Rep. Benjamin Chipman

This memo is to clarify the scope of some limited advice given by the Ethics Commission staff to Rep. Benjamin Chipman concerning invitations to campaign events sponsored by volunteers. Rep. Chipman spoke with Assistant Director Paul Lavin three or four times regarding this. Mr. Lavin confirmed that the Legislature had made an exception for volunteers to pay for the cost of invitations, food and beverages, and discussed the key elements of the exception with him. Mr. Lavin advised Rep. Chipman that the exception applies to invitations and that if the content of the communication contained more advocacy for a candidate's election than information about the event, the applicability of the exception could be questionable. During his conversations with Mr. Lavin, Rep. Chipman did not specify the number of volunteers, the cost of the invitations, or the number of invitations that would be mailed. However, Mr. Lavin did say that the statute did not place a limit on the number of volunteers that could share the costs of an event or on the overall costs of the event.

As you can see from the email correspondence, Rep. Chipman raised two practical questions about information that might be required in the invitations:

- Did the invitations need to include a specific statement of who paid for them?
- Did the invitations need to contain a return address?

Rep. Chipman emailed a draft of the invitation to Mr. Lavin, seeking a general “ok” on its content. Mr. Lavin declined to approve the content, in keeping with the Commission staff’s policy that the Ethics Commission should not be approving the content of political communications.

Given the context (that a complaint has been raised about the compliance of the invitations), it is reasonable for Rep. Chipman to bring to your attention that he sought out advice from the Commission staff prior to the invitations being mailed.

Nevertheless, to be clear, Mr. Lavin’s advice was based on the information and draft invitation provided by Rep. Chipman. He did not have specific knowledge of the costs involved, who paid for the mailing and their volunteer capacity in connection with the events, *etc.* His advice was much more limited, addressing the issues of disclaimer statement and return address, and he commented that nothing in the content struck him as out of ordinary for an event invitation.

Thank you for your consideration of this memo

From: Lavin, Paul
To: ["votechipman@gmail.com"](mailto:votechipman@gmail.com)
Subject: FW: Event Invitation
Date: Thursday, May 05, 2016 4:26:00 PM

Rep. Chipman,

Thank you for sending a copy of the invitation. Because the cost for the invitation is being paid by individuals who are volunteering to put on this event for you, the payment for the invitations (as well as for food and beverages) is not considered to be an expenditure under campaign finance law (21-A M.R.S.A. 1012(3)(B)(4)). As such, the invitation is not required to have a disclaimer statement on it. There isn't a requirement to include a return address under campaign finance law.

The content of the invitation is what one would expect to see in an invitation to an event to support a candidate. It's not the Commission's role to pass judgment on the content of communications, but I don't see anything in the invitation that should cause a problem.

Please let us know if you have any other questions.

Paul

Paul Lavin
Assistant Director
Maine Ethics Commission
Office: 45 Memorial Circle
Mailing address: 135 State House Station
Augusta, Maine 04333-0135
207-287-3024
Paul.Lavin@maine.gov

From: Ben Chipman [<mailto:votechipman@gmail.com>]
Sent: Thursday, May 05, 2016 11:41 AM
To: Lavin, Paul
Subject: Event Invitation

Hi Paul,

Here is a draft of the house party event invitation we spoke about (see attachments).

Can you let me know if the content is ok? The printing and mailing of the invitation would be paid for by individuals donating up to \$250 each (as allowed per election cycle) specifically for event expenses.

Also, please confirm that there would not need to be any disclaimer or return address.

Thanks,
Ben Chipman

--

Ben Chipman
5 Mayo St. #3
Portland, ME 04101

(207) 318-4961

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January 1 through May 25, 2016

Type	Date	Num	\$ amount	Payee
Ben Chipman House Party Invitations				
Payment	04/21/2016	101	250.00	Roger Birks
Payment	04/21/2016	379	250.00	Paul McCarrier
Payment	05/09/2016	19545550773	250.00	David Palmer
Payment	05/09/2016	4387	250.00	Anthony P. Donovan
Payment	05/09/2016	1143	50.00	Travis P. Wagner / Amelia Randolph
Payment	05/09/2016	141	250.00	Christine Mishou
Payment	05/13/2016	23557036138	100.00	Tom Obear
Payment	05/20/2016	165	178.76	Ann J. Trevorrow
Payment	05/20/2016	233	250.00	Zachary T. Nixon

1,828.76

The above represents payments made
on the Ben Chipman House Party
account, please note payees.

Let me know if ?'s

Terry P. Burns

Terry Burns, CPA

Controller Mailings Unlimited

Volunteer	Volunteer Services Rendered or to be Rendered	Amount
Roger Birks	Setting up, breaking down, facilitating	\$250.00
Paul McCarrier	Setting up, breaking down, facilitating, promoting, speaking to guests	\$250.00
David Palmer	Promoting with phone calls, social media, facilitating, speaking to guests	\$250.00
Anthony Donovan	Setting up, breaking down, facilitating, speaking to guests	\$250.00
Travis Wagner	Promoting through email, social media, speaking to guests	\$50.00
Julia Dawson / Christine Mishou	Setting up, breaking down, facilitating, promoting	\$250.00
Thomas Obear	Setting up, breaking down, promoting through social media	\$100.00
Anna Trevorrow	Organizing and promoting with emails, social media, speaking to guests	\$178.76
Zachary Nixon	Organizing and promoting with phone calls, email, social media	\$250.00
		\$1,828.76



May 24, 2016

Jonathan Wayne
Executive Director
Commission on Governmental Ethics and Election Practices
135 State House Station
Augusta, ME 04333-0135

Re: Invitations, Food and Beverages Exemptions in 21-A M.R.S.A. §1012(2)

Dear Director Wayne:

Please accept these comments regarding provisions in §1012(2) relating to payments for invitations, food and beverages. The exemption in §1012(2) is at the center of item #3 on the Commission's agenda for the meeting of May 25, 2016 ("Request to Investigate Invitations Mailed in Support of Hon. Benjamin Chipman.")

I submit these comments on behalf of Maine Citizens for Clean Elections ("MCCE"). MCCE is a nonprofit organization dedicated to educating and engaging the public on matters of money in politics and campaign finance law, and to encouraging citizens to participate in our electoral system and in government to make ours a more politically responsive democracy. MCCE has been at the forefront of Maine campaign finance reform issues for over two decades, and we have frequently appeared before the Commission and the legislature to provide our public-interest perspective on important issues relating to the Maine Clean Election Act, disclosure laws, and private campaign financing. MCCE was the architect of the supplemental funding system and transparency reforms included in the successful 2015 citizen initiative campaign.

MCCE is strictly non-partisan and does not take sides in political campaigns. We do not take a position on the dispute in agenda item #3. We only hope to offer our public-interest perspective based on years of experience in this arena and a suggestion for moving forward.

Under Maine law, certain campaign-related costs are exempted from the definition of "contribution," which means that ordinary limitations and reporting requirements do not apply. The principle behind this exemption is sound: grassroots events and related activities voluntarily conducted by active supporters of a candidate are among the most beneficial types of campaign activities. Accordingly, they should not be burdened by concerns about paperwork or by the need to research legal technicalities beyond the knowledge of typical citizens.

Specifically, under §1012(2) volunteers may pay a limited amount – \$250 per election¹ – for "invitations, food and beverages" purchased in connection with "voluntary personal services" of that volunteer for use at "candidate-related activities." This is often referred to as "the house party exception" because the

¹ The original house party limit of \$50 per person was increased by the legislature to \$100 many years ago, and then increased again to \$250 in 2013.

Director Jonathan Wayne

May 24, 2016

Page 2

volunteer's use of his or her home and furnishings (i.e. "real or personal property") is specifically exempted from the definition of "contribution." This exemption is available to volunteers of all candidates, whether privately funded or using Clean Election funds.

Over time, use of this exemption has gradually increased and expanded in ways that raise concerns. We do not believe the legislature, through its amendment of the statute, or the Commission, through its interpretation of it, meant to open up a major loophole, but precedents were set in small matters that have become more consequential over time. Regardless of what the Commission decides on this agenda item, we are now concerned that the house party exemption has expanded beyond its original intent – which we heartily endorse -- to the point that campaigns can use it to legally evade other limitations in campaign finance law. We don't have a firm proposal at this writing about how to put this genie back in the bottle for the remainder of the 2016 cycle, but we are interested in exploring some options.

We respectfully suggest that you convene a small working group of stakeholders and others knowledgeable about Maine campaign law to discuss this issue. That group might recommend approaches for balancing the unquestioned value of volunteer-provided campaign events with the need to ensure the effectiveness of the existing regulatory system, including its contribution limits, disclosure, and spending restrictions.

We would be more than happy to participate in such a group and help Commission staff identify others who may have valuable perspectives on this question.

Thank you for the opportunity to comment on this item. A representative of MCCE will be present for the Commission's meeting.

Sincerely,



Andrew Bossie

Executive Director

cc: Hon. Benjamin Chipman
Steven J. Biel