

Exhibit

#17



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

To: Dean Cray
 David Hughes ✓
 Hon. William Walcott
 Priscilla Jenkins
 Paul Nixon
 Debra Reagan

From: Jonathan Wayne, Executive Director

Date: February 1, 2007

Re: Return of Unspent Maine Clean Election Act Funds

This is to follow up on previous correspondence sent to you requesting the return of unspent Maine Clean Election Act (MCEA) funds. Your last campaign finance report showed that your campaigns had the unspent cash balances listed below. Under 21-A M.R.S.A. §1125(12), Maine Clean Election Act candidates are required to return all unspent MCEA funds with their final campaign finance report, which was due December 19, 2006.

If you do not return these funds by Tuesday, February 6, the Ethics Commission will schedule the collection of these funds for the next public meeting of the Commission on February 14, 2007. At that meeting, the staff of the Commission will recommend referral of the unreturned funds to the State Attorney General for collection proceedings and/or punitive action.

If you need to discuss this matter, please telephone our office at 287-4179 and ask for Nat Brown or Sandy Thompson. Thank you.

Dean Cray	\$508.68
David Hughes	\$140.73
Hon. William Walcott	\$1,940.56
Priscilla Jenkins	\$332.19
Paul Nixon	\$2,160.68
Debra Reagan	\$4,518.00

OFFICE LOCATED AT: 242 STATE STREET, AUGUSTA, MAINE
 WEBSITE: WWW.MAINE.GOV/ETHICS

FAX: (207) 287-6775

PHONE: (207) 287-4179



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

January 19, 2007

Mr. David Hughes
34 Howe Street
Lewiston, ME 04240

Dear Mr. Hughes:

Our records indicate that you have a balance of unspent Maine Clean Election Act (MCEA) funds, based on the amount of funds you received from the State of Maine and your reported expenditures. Under the MCEA, you were required to return these funds at the time you filed your final campaign finance report on December 19, 2006. (21-A M.R.S.A. §1125(12))

This letter is to request that you return all unspent MCEA funds from your 2006 campaign no later than Friday, January 26, 2006. Please send a check or money order made payable to the Maine Clean Election Fund to the Commission at the mailing address listed above.

Please telephone me at 287-4179 if you have any questions or I can help in any way.

Sincerely,

A handwritten signature in cursive script that reads 'Sandy Thompson'.

Sandy Thompson
Candidate Registrar

OFFICE LOCATED AT: 242 STATE STREET, AUGUSTA, MAINE
WEBSITE: WWW.MAINE.GOV/ETHICS

Microsoft Access: [return of funds] Type a question for help

File Edit View Insert Format Records Tools Window Help

MS Sans Serif 8

Candidate Info

Candidate ID#

Office Sought

District

Salutation

First Name

Middle Name

Last Name

Party

Registrar

Replacement

Enter Repayments

Date	Amount
	\$0.00
Total	

Exclude From Mailings

Filter Options

Show All

Authorized Balance > \$10

Unauthorized Balance

Repayment Summary

	Returned	Remaining
Unauthorized Amount	\$0.00	\$0.00
Authorized Amount	\$0.00	\$140.73

Notes and Communications

1/9/2007	Phone	Left message that funds needed to be returned. 740-0351
1/17/2007	Phone	Spoke to David; said he would return unspent funds. I also told him that his penalty was going to
1/17/2007	Phone	the 2/14 Comm mgt for referral. He needs to pay the penalty or come to mgt.
* 2/2/2007		

Record: 122 of 317

Form View

NUM

For Commission use only

data entry
proofread
follow-up

STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
Mail: 135 State House Station, Augusta, Maine 04333-0135
Office: 242 State Street, Augusta, Maine
Tel: (207) 287-4179 Fax: (207) 287-6775
Website: www.maine.gov/ethics
Electronic Filing: www.mainecampaignfinance.com

2006 CAMPAIGN FINANCE REPORT
MAINE CLEAN ELECTION ACT CANDIDATES
FOR THE LEGISLATURE

(Please Complete ALL Entries)

Name of CANDIDATE DAVID HUGHES
Mailing address 34 HOWE STREET
City, Zip Code Lewiston ME 04240
Telephone number (207)740-0951 Fax _____ E-mail dhughes@256u.net
Office Sought REPRESENTATIVE District Number 72

CHECK IF CHANGED
SINCE PREVIOUS
REPORT

Name of TREASURER DAVID HUGHES
Mailing address 34 HOWE STREET
City, Zip Code LEWISTON ME 04240
Telephone number (207)740-0951 Fax _____ E-mail dhughes@256u.net

CHECK IF CHANGED
SINCE PREVIOUS
REPORT

Type of Report 42-DAY POST-GENERAL Due Date 12/19/2006 Dates of Report Period 10/27/2006 - 12/12/2006

- Amendment to: _____
- Other (specify): _____
- Check if campaign had no activity for the reporting period (no other pages are required)

I CERTIFY THAT I HAVE EXAMINED THIS REPORT AND TO THE BEST OF MY KNOWLEDGE IT IS TRUE, CORRECT AND COMPLETE.

SIGNATURE ON FILE 12/19/2006 SIGNATURE ON FILE 12/19/2006
Treasurer's Signature Date Candidate's Signature Date

DAVID HUGHES

02/02/2007

CANDIDATE'S FULL NAME

Date Submitted

**SCHEDULE F
SUMMARY SECTION
(MAINE CLEAN ELECTION ACT CANDIDATES)**

CASH ACTIVITY

	TOTAL FOR THIS PERIOD	TOTAL FOR CAMPAIGN
1. CASH BALANCE FROM LAST REPORT (if any)	1,596.50	
2. MAINE CLEAN ELECTION ACT Payments	+	4,362.00
3. SALE OF CAMPAIGN PROPERTY (Schedule E, Part II)	+	0.00
4. OTHER CASH RECEIPTS (interest, etc.)	+	0.00
5. MINUS TOTAL EXPENDITURES (total of all Schedule B pages)	-	4,221.27
6. CASH BALANCE AT CLOSE OF PERIOD (lines 1 + 2 + 3 + 4 - 5)	=	
	140.73	
7. CASH NOT AUTHORIZED TO SPEND	0.00	
8. CASH AUTHORIZED TO SPEND (line 6 - 7)	140.73	

OTHER ACTIVITY THIS REPORTING PERIOD

9. TOTAL UNPAID DEBTS AT CLOSE OF PERIOD (total all Schedule D pages)	0.00	
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Commission on Governmental Ethics and Election Practices

Questions? Call (207)287-4179

November 27, 2006

CLOSING OUT YOUR 2006 CAMPAIGN

Find more information at
www.maine.gov/ethics

A MESSAGE FROM THE COMMISSION

We thank all candidates for their time and effort to comply with the requirements of the MCEA and the election law. Campaign finance reporting and disclosure are vital parts of the election process, strengthening the faith and confidence Maine's citizens have in their government.

In closing out your 2006 campaign, please follow the requirements listed here. If you have any questions, please call the Commission at:

207-287-4179.

KEEPING YOUR CONTACT INFORMATION CURRENT

If your address, telephone or e-mail changes in the future months, please call or e-mail us with your new information.

We may need to send you reminder notices or contact you and it is important that we have the correct information. Thank you for your attention to this.

UPCOMING REPORT DEADLINE AND RETURNING MCEA FUNDS

Your 42-Day Post-General Report is due by December 19, 2006 by 5:00 p.m. All candidates must file this report, including candidates who lost the election. This is the final report of your campaign. If you have already filed it, please ignore this reminder.

- Please remember that late contributions and expenditures reported on 24-Hour Reports filed after 10/26/2006 must be included in the 42-day post-general report.
- Prior to filing your report, pay all outstanding debts and obligations.
- Prior to filing your report, sell all equipment (cell phone, computer, etc.) purchased with MCEA funds at fair market value. On Schedule E, enter the sale proceeds for each piece of equipment.
- Return all unspent authorized MCEA funds. The amount to be returned is found on line 8 of Summary Schedule F. If you file electronically, please send a check or money order payable to "Maine Clean Election Fund" after you have filed the report. If you file on paper, please attach the payment to your paper form. Since the Commission will be entering the returned amounts into your electronic report, you do not have to enter anything. The Commission will reconcile the amount returned with your expenditures.
- Return all unauthorized MCEA funds. If you had an unauthorized amount of funds to be returned, you would have received a letter from the Commission stating the amount to be returned. Unauthorized amounts were required to be returned by 11/21/2006.

RECORDS RETENTION: TWO YEAR REQUIREMENT

Campaign treasurers must preserve all campaign financial records for two years following the final campaign finance report for the election. For MCEA candidates in the general election, the 42-day post-general report is the final report, which means that receipts and records must be maintained through December 2008. Examples of records that must be maintained for two years include:

- All invoices and receipts for expenditures greater than \$50 or for lesser amounts if the aggregate is more than \$50 for a single payee.
- Proof of payment (cancelled check, account transaction record, etc.) for the above expenditures.
- All bank account records and other records for the campaign account.
- All documentation for vehicle travel, consulting services and salaries.
- Seed money contributors' names and addresses for contributors giving \$10 or more.

2006 CANDIDATE SURVEY

We have received many responses. If you haven't yet completed the survey, please do so. The information is important to us. Thank you.



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135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Candidates and Treasurers
From: Commission Staff
Date: October 10, 2006
Re: Campaign Finance Report due November 1

This is to remind you that your campaign is required to file a campaign finance report **no later than 5:00 p.m. on Wednesday, November 1, 2006**. The report covers all activity from the close of your last report through October 26. You will also be required to file a report 42 days after the election on December 19 regardless of the results of your election.

24-Hour Reports

If a campaign makes an expenditure of \$1,000 or more after October 26, the campaign must file a 24-Hour Report within 24 hours of making the expenditure (including on a Saturday or a Sunday). Also, if a candidate or his or her spouse makes a contribution of \$1,000 or more after October 26, the campaign must file a 24-Hour Report within 24 hours of receiving the contribution.

Campaigns should file the report using the Commission's e-filing system, unless they have received a waiver of the e-filing requirement. The paper report is on the Commission's website, www.maine.gov/ethics. Paper filers may fax the report and send the original within 5 days.

Privately financed candidates with a Maine Clean Election Act opponent who are required to file a 101% Report are under slightly different requirements, which are listed on the back of this page.

Maine Clean Election Act Candidates

Please remember that if you have received any matching funds, you will be required to return to the Commission by November 21 the amount which you have not been authorized to spend. You must also pay all outstanding debts and return all unspent Maine Clean Election Act funds upon filing the December 19 post-election report. Those amounts may be repaid to the Commission by check or money order payable to the Maine Clean Election Fund.

Questions

Please telephone us at 287-4179 if you have any questions.

CHAPTER 14 - Post-Election Responsibilities for MCEA Candidates

- Address Change Notification
- Election Night Parties and Thank-You Notes
- Returning Unauthorized Matching Funds and Unspent MCEA Funds
- Sale of Campaign Property
- Commission Review of Campaign Expenditures
- Sources of Income Statement for Elected Legislators

Notify Commission of Changes of Address and Phone Number

During and after the campaign, it is important for candidates and treasurers to notify the Commission directly when their address and/or telephone number changes. If the Commission is not notified, the candidate may miss important notices, filing deadlines, or opportunities to complete the Commission's review of the campaign.

Election Night Parties and Post-Election Thank-You's

Candidates may spend limited amounts of MCEA funds on election night parties, thank-you notes, or advertising to thank supporters or voters:

- \$250 for State Representative candidates;
- \$500 for State Senate candidates; and
- \$2,500 for gubernatorial candidates.

Candidates may also use their personal funds for election night parties and post-election thank-you's.

Return of "Unauthorized" Matching Funds

If a MCEA candidate has received matching funds that the candidate was not authorized to spend, the candidate must return the funds within two weeks of the candidate's last election. For candidates in the 2006 general election, this deadline will be November 21, 2006. The Commission will notify the candidate of this unauthorized amount of matching funds.

Return of Unspent MCEA Funds

All candidates are required to return any MCEA funds that the candidate was authorized to spend but did not. These funds must be returned by the deadline for the post-election campaign finance report 42 days after the election. The Commission will verify that this amount appears to be consistent with the expenditures that have been reported by the candidate. If there is a discrepancy, the Commission will request that the candidate resolve it by amending the reported expenditures to accurately reflect actual payments of MCEA funds.

Sale of Property that Could be Converted to Personal Use

After the election, MCEA candidates must sell any campaign property purchased with public funds that could be converted to the personal use of the candidate or campaign staff (e.g., computers, fax machines, printers, cell phones). The candidates are required to sell the goods at fair market value and return the proceeds to the Ethics

Title 21-A, §1125, Terms of participation

8. Amount of fund distribution. By July 1, 1999 of the effective date of this Act, and at least every 4 years after that date, the commission shall determine the amount of funds to be distributed to participating candidates based on the type of election and office as follows.

A. For contested legislative primary elections, the amount of revenues to be distributed is the average amount of campaign expenditures made by each candidate during all contested primary election races for the immediately preceding 2 primary elections, as reported in the initial filing period subsequent to the primary election, for the respective offices of State Senate and State House of Representatives. [2003, c. 453, §1 (amd).]

B. For uncontested legislative primary elections, the amount of revenues distributed is the average amount of campaign expenditures made by each candidate during all uncontested primary election races for the immediately preceding 2 primary elections, as reported in the initial filing period subsequent to the primary election, for the respective offices of State Senate and State House of Representatives. [2003, c. 453, §1 (amd).]

C. For contested legislative general elections, the amount of revenues distributed is the average amount of campaign expenditures made by each candidate during all contested general election races for the immediately preceding 2 general elections, as reported in the initial filing period subsequent to the general election, for the respective offices of State Senate and State House of Representatives. [2003, c. 688, Pt. A, §21 (amd).]

D. For uncontested legislative general elections, the amount of revenues to be distributed from the fund is 40% of the amount distributed to a participating candidate in a contested general election. [2003, c. 453, §1 (amd).]

E. For gubernatorial primary elections, the amount of revenues distributed is \$200,000 per candidate in the primary election. [2003, c. 453, §1 (new).]

F. For gubernatorial general elections, the amount of revenues distributed is \$400,000 per candidate in the general election. [2003, c. 453, §1 (new).]

If the immediately preceding election cycles do not contain sufficient electoral data, the commission shall use information from the most recent applicable elections.

[2003, c. 688, Pt. A, §21 (amd).]

9. Matching funds. When any campaign, finance or election report shows that the sum of a candidate's expenditures or obligations, or funds raised or borrowed, whichever is greater, alone or in conjunction with independent expenditures reported under section 1019-B, exceeds the distribution amount under subsection 8, the commission shall issue immediately to any opposing Maine Clean Election Act candidate an additional amount equivalent to the reported excess. Matching funds are limited to 2 times the amount originally distributed under subsection 8, paragraph A, C, E or F, whichever is applicable.

[2003, c. 688, Pt. A, §22 (rpr).]

10. Candidate not enrolled in a party. An unenrolled candidate certified by April 15th preceding the primary election is eligible for revenues from the fund in the same amounts and at the same time as an uncontested primary election candidate and a general election candidate as specified in subsections 7 and 8. For an unenrolled candidate not certified by April 15th at 5:00 p.m. the deadline for filing qualifying contributions is 5:00 p.m. on June 2nd preceding the general election. An unenrolled candidate certified after April 15th at 5:00 p.m. is eligible for revenues from the fund in the same amounts as a general election candidate, as specified in subsections 7 and 8.

[2003, c. 465, §6 (amd).]

11. Other procedures. The commission shall establish by rule procedures for qualification, certification, disbursement of fund revenues and return of unspent fund revenues for races involving special elections, recounts, vacancies, withdrawals or replacement candidates.

[IB 1995, c. 1, §17 (new).]

12. Reporting; unspent revenue. Notwithstanding any other provision of law, participating and certified candidates shall report any money collected, all campaign expenditures, obligations and related activities to the commission according to procedures developed by the commission. Upon the filing of a final report for any primary election in which the candidate was defeated and for all general elections that candidate shall return all unspent fund revenues to the commission. In developing these procedures, the commission shall utilize existing campaign reporting procedures whenever practicable. The commission shall ensure timely public access to campaign finance data and may utilize electronic means of reporting and storing information.

[IB 1995, c. 1, §17 (new).]