



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

**Agenda**

**Meeting of July 16, 2007**

9:00 a.m., Commission Offices, 242 State Street, Augusta, Maine

**1. Ratification of Minutes of the March 9 and May 14, 2007 Meetings**

**OLD BUSINESS**

**2. Audit Findings/Hon. Philip A. Cressey**

Representative Philip A. Cressey ran for re-election as a Maine Clean Election Act candidate in 2006. In the audit of his campaign, he was unable to produce documentation of a reported expenditure of \$517.63 to Staples for printing and cardstock. In addition, he purchased a flash drive for \$62.50. The Commission rules may have required him to sell the flash drive and return the proceeds to the Maine Clean Election Fund. At the May 14, 2007 meeting, the Commission postponed its consideration of the audit to provide Rep. Cressey with more time to explain the \$571.63 payment to Staples.

**3. Violations of Maine Clean Election Act/Hon. Arthur H. Clement**

Arthur H. Clement was a Maine Clean Election Act candidate for the Maine House of Representatives in the 2006 election. A review of his campaign by the Commission staff disclosed that he used MCEA funds for personal uses that were unrelated to his campaign, did not return unspent MCEA funds by the December 19, 2006 deadline, and commingled his MCEA funds with personal funds. He has repaid to the State of Maine all funds used for personal expenses, so all public funds retained by Mr. Clement were used for campaign purposes. The staff mailed Mr. Clement a notice of recommended penalties totaling \$2,000 for the May 14, 2007 meeting. *Staff recommendation: the staff recommends that the Commission hear Mr. Clement describe his personal circumstances at the July 16 meeting and decide whether they warrant a reduction in the recommended penalties totaling \$2,000.*

**4. Request for Waiver of Late-Filing Penalty/ Hon. Arthur H. Clement**

Arthur H. Clement was a candidate for the Maine House of Representatives in 2006. He was required to file a 42-Day Post General report by December 19, 2006. After a number of communications by the Commission staff, he filed the report 55 days late on February 12, 2007. Mr. Clement made no campaign expenditures during the report period, so the only financial activity included in the report was the State's payment of \$1,348.27 in matching funds. The preliminary penalty for the late filing is \$2,224.75. *Staff recommendation: the staff recommends that the Commission reduce the penalty to \$400*

*because the preliminary penalty amount was disproportionate to the level of harm suffered by the public and because of the other serious penalties recommended against Mr. Clement for Maine Clean Election Act violations.*

## **NEW BUSINESS**

### **5. Request for Waiver of Penalty/Leadership for Maine's Future PAC**

Political action committees that raised contributions or made expenditures to influence the June 12, 2007 election were required to file a campaign finance report six days before the election. On May 10, 2007, the Commission staff sent a filing schedule by e-mail to all PACs. The schedule inadequately described the special June 6 filing requirement.

Leadership for Maine's Future was one of three PACs which should have filed a report on June 6 because it made a contribution to a candidate in the June 12 special election. The PAC requests a waiver of the \$340.68 statutory penalty. The Election Law authorizes the Commission to waive late-filing penalties due to errors by the Commission staff. *Staff recommendation: the staff recommends waiver of the penalty because the filing schedule may have contributed to the late filing. The Commission may also wish to consider waiving penalties against the two other late PACs.*

### **6. Violations of Maine Clean Election Act/Hon. Joseph C. Perry**

In the 2006 elections, the Hon. Joseph C. Perry was a Maine Clean Election Act (MCEA) candidate for re-election to the State Senate. The audit of his campaign showed that his credit union transferred MCEA funds from his savings account to his checking account to avoid overdrafts in the checking account. Senator Perry responds that initially he was unaware of the transfers, and that he repaid all funds transferred to his checking account plus interest. Also, the audit concludes that Senator Perry did not obtain complete documentation of his campaign expenditures as required by the MCEA. *Staff recommendation: the staff recommends findings of violation and the assessment of civil penalties, as explained in the staff's audit report.*

### **7. Violations of Maine Clean Election Act/Hon. Barbara E. Merrill**

Former State Representative Barbara E. Merrill was a MCEA candidate for Governor in the 2006 elections. The audit of her campaign disclosed some reporting and documentation problems during the qualifying period (before MCEA funds were paid to the campaign). In addition, the Commission staff concludes that the campaign has submitted documentation of nine expenditures that does not adequately state the particular goods or services purchased. *Staff recommendation: the staff recommends findings of violation and the assessment of civil penalties, as explained in the staff's audit report.*

### **8. Presentation of Audit Reports**

The Commission's auditor will present audit reports to the Commission. Three of the reports contain minor findings, and four reports contain no findings:

Joseph Hanslip

Minor Findings

John Cushing	Minor Findings
Anthony Cilluffo	Minor Findings
Hon. Peter Edgecomb	No Exceptions
Hon. Jill M. Conover	No Exceptions
Hon. Beth Edmonds	No Exceptions
Hon. Randy E. Hotham	No Exceptions

The staff recommends that the Commission make minor findings of violation against Joseph Hanslip and John Cushing.

**9. Amounts of Maine Clean Election Act Payments for 2008 Candidates**

The amounts of the initial payments made to MCEA candidates are based on average candidate spending in the two previous elections. The Commission is required to re-calculate the payment amounts at least once every four years. In order to reduce the shortfall in the Maine Clean Election Fund for 2010, the staff recommends keeping the 2008 payment amounts at 2006 levels, rather than increasing them. The staff invited comment from legislative leadership and committees on the issue.

**10. Proposed Changes to Maine Clean Election Act Expenditure Guidelines for 2008**

The Maine Clean Election Act requires the Commission to publish guidelines outlining permissible campaign-related expenditures. In June 2007, the staff proposed changes to the guidelines and invited comment from legislative leadership and committees. The staff recommends that the Commission adopt the proposed changes.

**11. Final Adoption of Rule Changes**

At its April 6, 2007 meeting, the Commission provisionally adopted changes to Chapter 3 of its rules relating to the administration of the Maine Clean Election Act. In June, the Maine Legislature issued a resolve approving the rule changes. The staff recommends final adoption of the rule changes so that they may go into effect.

**12. Selection of Date for August Meeting**

**Other Business**

**EXECUTIVE SESSION**

If necessary.

**ADJOURNMENT**