



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

To: Commissioners
From: Erin Gordon, Candidate Registrar
Date: January 23, 2023
Re: Waiver Request by Rep. Reagan Paul for Late-Filing Penalty for 24-Hour Report

Representative Reagan Paul was a traditionally financed, first time candidate in the 2022 general election for House District 37. Candidates who make any single transaction of \$1,000 or more in the last 13 days before an election must disclose it within one day by filing a 24-Hour Report. Rep. Paul was required to file a 24-Hour Report because she ordered \$1,986.04 in printed campaign materials on October 31, 2022 and paid for the services on November 3, 2022. The order for literature should have been reported within 24 hours on November 1, 2022. Even if she was unaware of the general duty to report unpaid obligations, Rep. Paul was required to disclose the November 3 payment in a 24-Hour Report by November 4, 2022. Rep. Paul did not enter the transaction until she was preparing her 42-Day Post-General Report on December 20. The preliminary penalty for the late report is \$1,945.30 and she seeks a waiver of the penalty.

LEGAL REQUIREMENTS

Candidates must file 24-Hour Reports with the Commission during the 13 days prior to an election if they receive a contribution or loan, or make an expenditure or incur a debt of \$1,000 or more. 21-A M.R.S. § 1017(3-A)(C). If the candidate is late filing a 24-Hour Report, the Commission staff calculates a preliminary penalty that is determined by a formula which takes into consideration a percentage of the total contributions or expenditures, whichever is greater, the number of prior violations within a two-year period, and the number of days the report is late. 21-A M.R.S. § 1020-A(4-A).

The term “expenditure” includes “[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” and “[a] contract, promise or agreement, expressed or implied,

whether or not legally enforceable, to make any expenditure.” 21-A M.R.S. §§ 1012(3)(A)(1)&(2). The Commission has adopted a rule confirming that placing an order for a good or service constitutes reportable expenditure, even if the order has not been paid for. 94-270 C.M.R. ch. 1 § 7(3).

DISCUSSION

According to her waiver request, Rep. Paul was not aware of the requirement to file expenditures or debts for the date of the obligation—that is, the date on which an order was placed rather than the date of an invoice or the date the bill was paid. She instead relied on the dates in her bank statements for reporting expenditures. Rep. Paul was unaware of the 24-Hour reporting period and did not log into eFiling to add transactions until the 42-Day Post-General Report was due on December 20, 2022. At that time, she entered the expenditure for Spectrum Marketing according to the date on her bank statement, November 3¹, and saw the notification that she had triggered a 24-Hour Report. Rep. Paul filed the 24-Hour Report on December 20, 49 days late.

Based on the statutory formula for calculating late-filing penalties, the preliminary penalty amount is \$1,945.30, calculated as follows:

Report	Deadline	Financial Activity	Penalty Rate	Days Late	Preliminary Penalty
24-Hour Report	11/01/22	\$1,985.04	2%	49	\$1,945.30

Rep. Paul pleads her inexperience and the hectic pace of the final days of her campaign in her letter, and requests not only a full waiver of the preliminary penalty but that the Commission find no violation.

STAFF RECOMMENDATION

The Commission staff does its utmost to provide candidates with clearly worded guidance and reminders to help them avoid common campaign finance reporting pitfalls, such as late-filed reports. Staff understands that most candidates, especially first-time candidates, do not run their

¹ According to her waiver request, the actual date of the order was October 31. Staff has revised the preliminary penalty in this memo to reflect the additional three days late, but the packet materials show the original reported date of November 3.

campaigns with a team of professionals to assist them, and urges candidates to contact their assigned Candidate Registrar with any questions. In addition to information in the 2022 Candidate Guidebook, the 2022 filing schedule, and Quick Guide regarding 24-Hour reporting (ETH-2 through ETH-6), Candidate Registrar Lorrie Brann sent out an email on October 25, in advance of the 24-Hour Reporting Period, on the requirements to file. ETH-1. Finally, an October 19 reminder postcard for the upcoming 11-Day Pre-General Report deadline contained additional references to the 24-Hour reporting period. ETH-7.

The 24-Hour reporting requirement serves to inform both the public and a candidate's opponent of large last-minute campaign activity before the election. Because Rep. Paul did not file a 24-Hour Report, her significant purchase of \$1,986.04 in printed materials was not publicly disclosed until after the election on December 20, 2022.

Generally, since 2018, the Commission has waived late-filing penalties against legislative candidates downward to a range of \$300-\$400, for example:

- from \$529.00 to \$350.00 – late 42-Day Post-Primary Report by Mark Lawrence in 2020
- from \$637.50 to \$250.00 – late July Semiannual Report by Robyn Stanicki in 2021
- from \$3,744.00 to \$400.00 – late 24-Hour Report by Cathleen Nichols in 2019

The Commission *declined* to waive preliminary penalties that were already below \$300:

- \$50.00 – late 24-Hour Report by Troy Jackson in 2021
- \$34.90 – late 42-Day Post-Primary Report by John Chambers in 2022
- \$18.03 – late 42-Day Post-Primary Report by Benjamin Meiklejohn in 2022

The Commission staff recommends reducing Rep. Paul's penalty to \$350. None of the mitigating circumstances listed in 21-A M.R.S. § 1020-A(2) are present in this matter, but the preliminary penalty of \$1,945.30 is disproportionately high to the degree of public harm and the level of experience of the candidate. The Commission regularly finds a violation and assesses a penalty even when a candidate has failed to file a campaign finance report for good faith reasons in order to underscore the importance of filing reports on time. Balancing the lack of mitigating circumstances set out in 21-A M.R.S. § 1020-A(2), the clear notice to candidates to file 24-Hour Reports, and the proportionality factors of public harm and level of experience, we believe \$350 is an appropriate penalty for this violation.

To the Commission on Governmental Ethics,

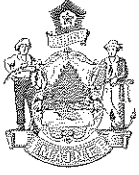
My name is Reagan Paul. I was recently elected into the Maine House of Representatives for House District 37. I received a notice after the Post-Election Ethics Report that I had submitted a late filing that resulted in a hefty penalty. I would like to request that the penalty be waived in full and for it to be found that there was no intentional violation.

This is my very first time running for office, so the learning curve was steep. I am 23 years old and this is a whole new world for me. My treasurer also has zero political experience. I had no help and had to learn this process as I went along since the very beginning of the year with my primary. My routine for disclosing expenditures that had a delay between the date of purchase and the date the payment processed during the course of my campaign was to report the expenditure when the payment actually went through. I have recently been made aware that I should have reported them on the date of the expenditure, but at the time I believed my method was what worked best to make sure I reported everything that occurred, as I could open up my bank account online and switch between tabs when I was filing my ethics reports.

A couple of days after the expenditure being discussed was ordered, I would check my account when I thought about it to see if the payment had been processed so I could report the expenditure on the ethics report. Typically payment would be processed within days of the purchase date. The date I placed the order was October 31st, 2022. That final week was absolutely hectic with the election only days away. I spent every single day door knocking for hours and hours, on top of trying to maintain my normal life of running a small business, coaching, and other demands of life. In all honesty, the purchase slipped my mind with everything going on and I forgot to keep checking my account the week before the election to see if the payment had been processed or not. I didn't even check my campaign account until weeks after the election. Admittedly, I wanted a mental break from anything related to the campaign after campaigning for most of the year non-stop because I hadn't made any more expenditures that would fall in that reporting period. It wasn't until I filed my post-campaign ethics report that I finally saw the purchase went through on November 4th, 2022. So when I filed the last report, I included that expenditure wanting to be completely transparent. During the course of the year, there were a few times where a contribution (such as when checks would be written and mailed to me, with a length of time that would cause me to not receive them until after the deadline), so I would just file an amended return. I thought that is all I was doing this last time around. I apologize for my ignorance in this matter, please know this was in error and due to being new to this and completely overwhelmed the last days heading into the election. I hope you can find it within yourself to forgive my error and waive my penalty and remove the violation from my record, as I would prefer to not have an ethics violation on my record when I have done nothing intentionally unethical and made great efforts to be completely transparent.

Thank you for your time and consideration,

Representative Reagan Paul



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

December 21, 2022
Reagan Paul
815 North Main Street
Winterport, Maine 04496

Re: Notice of Violation and Penalty for Late-Filed 24-Hour Report

Dear Ms. Paul:

You were required to file a 24-Hour Report on November 4, 2022 by 11:59 p.m. (21-A M.R.S. § 1017 (3-A)(C)), but the report was not filed until December 20, 2022. Under the Commission's statutes, the late filing of a report triggers an enforcement process (21-A M.R.S. § 1020-A(4-A)). The Commission staff has made a preliminary finding of violation and determined the preliminary penalty for filing the report late is \$1,826.20. Please see the next page for the penalty calculation.

You may request the Commission waive the penalty in whole or in part or find there was no violation. *The request must be made within 14 calendar days of your receipt of this notice.* The request must be in writing and contain a full explanation of the reasons the report was filed late. Upon receiving your request, the Commission staff will schedule your request to be heard at an upcoming Commission meeting. You or your designee will have an opportunity to be heard at the meeting or you may submit a sworn statement to the Commission explaining the mitigating circumstances for its consideration.

The Commission may waive or reduce the penalty or find there was no violation if it determines the report was late due to mitigating circumstances, which are defined as (1) a valid emergency; (2) an error made by the Commission staff; or (3) relevant evidence that a bona fide effort was made to file the report on time. (21-A M.R.S. § 1020-A(2)) The Commission may also consider whether the penalty is disproportionate to the size of the candidate's campaign, the level of experience of the candidate, treasurer or campaign staff, or the harm to the public caused by the late disclosure.

The staff requests you pay the preliminary penalty within 14 days of the date of your receipt of this notice if you do not intend to request a waiver. Please use the payment statement on the next page when paying by mail. You may also make a payment online at www.maine.gov/ethics by clicking the "Penalty Payment" link. Please contact me at (207) 287-3651 or erin.gordon@maine.gov if you have any questions.

Sincerely,

Erin Gordon
Candidate Registrar

Penalty Calculation

The penalty for filing a campaign finance report late is based on a percentage of the total contributions or expenditures for the reporting period, whichever is greater, multiplied by the number of days late. The percentage is based on your history of past violations: 2% for the first violation, 4% for the second violation, and 6% for the third and each subsequent violation. Violations for late-filed reports accumulate in the two-year period beginning on January 1st of each even-numbered year. A penalty accrues daily beginning on the day following the filing due date. Any penalty of less than \$10 is automatically waived.

How Your Penalty Was Calculated

Filer: Reagan Paul			
Late-Filed Report: 24-Hour Report			
Contributions	\$0.00	Penalty Base Amount	\$1,985.04
Expenditures	\$1,985.04	Percentage	2%
Due Date	11/04/2022	Daily Accrual Rate	\$39.70
Date Filed	12/20/2022	Days Late	46
Previous Violations	0	Your Total Penalty	\$1,826.20

Payment Statement and Payment Options

From: Reagan Paul

Penalty Amount: \$1,826.20

Amount Enclosed: _____

Check/M.O. #: _____

BY MAIL: Enclose this payment statement with your payment.

Please make check or money order payable to: Treasurer, State of Maine

Mail to: Maine Ethics Commission
135 State House Station
Augusta, Maine 04333-0135

ONLINE: Go to www.maine.gov/online/ethics/penalties.



Commission on Governmental Ethics and Election Practices
Mail: 135 State House Station, Augusta, Maine 04333
Office: 45 Memorial Circle, Augusta, Maine
Website: www.maine.gov/ethics
Phone: 207-287-4179
Fax: 207-287-6775

24-HOUR REPORT OF CONTRIBUTIONS AND EXPENDITURES

2022 CAMPAIGN YEAR

COMMITTEE		TREASURER	
Ms. Reagan LeeAnn Paul 815 North Main Street Winterport, ME 04496 PHONE:(207) 944-8033 EMAIL: reaganpaul151984@gmail.com		Mrs. Kelly Ann Paul 815 North Main Street Winterport, ME 04496 PHONE:(207) 356-6445 EMAIL: kelly@reagan.com	
REPORT	DUE DATE	REPORTING PERIOD	
24-Hour Report of Contributions and Expenditures	11/04/2022	11/03/2022-11/03/2022	

FINANCIAL ACTIVITY SUMMARY

CONTRIBUTIONS AND EXPENDITURES	
1. TOTAL CONTRIBUTIONS / LOANS	\$0.00
2. TOTAL EXPENDITURES	\$1,985.04
3. TOTAL DEBTS	\$0.00

I, Kelly Ann Paul, CERTIFY THAT THE INFORMATION CONTAINED IN THIS REPORT IS TRUE, ACCURATE, AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

REPORT FILED BY: ERIN GORDON on behalf of Kelly Ann Paul
REPORT FILED ON: 12/20/2022 12:00:00 AM
LAST MODIFIED:
COMMITTEE ID: 425827

24-HOUR EXPENDITURE AND PAYEE INFORMATION

EXPENDITURE TYPES				
<p>CNS Campaign consultants</p> <p>CON Contribution to other candidate, party, committee</p> <p>EQP Equipment (office machines, furniture, cell phones, etc.)</p> <p>FND Fundraising events</p> <p>FOD Food for campaign events, volunteers</p> <p>LIT Print and graphics (flyers, signs, palmcards, t-shirts, etc.)</p> <p>MHS Mail house (all services purchased)</p> <p>OFF Office rent, utilities, phone and internet services, supplies</p> <p>OTH Other</p> <p>PHO Phone banks, automated telephone calls</p>	<p>POL Polling and survey research</p> <p>POS Postage for U.S. Mail and mail box fees</p> <p>PRO Other professional services</p> <p>PRT Print media ads only (newspapers, magazines, etc.)</p> <p>RAD Radio ads, production costs</p> <p>SAL Campaign workers' salaries and personnel costs</p> <p>TRV Travel (fuel, mileage, lodging, etc.)</p> <p>TVN TV or cable ads, production costs</p> <p>WEB Website design, registration, hosting, maintenance, etc.</p>			
DATE OF EXPENDITURE	PAYEE	REMARK	TYPE	AMOUNT
10/31/2022	Spectrum Marketing Companies 95 EDDY ROAD SUITE 101 MANCHESTER, NH, 03102	campaign materials	LIT	\$1,985.04
11/3/2022	Spectrum Marketing Companies 95 EDDY ROAD SUITE 101 MANCHESTER, NH, 03102	campaign materials	LIT	\$1,985.04
TOTAL EXPENDITURES FOR CANDIDATE:				\$1,985.04