MAINE COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES

Special Report on 2022 Maine Clean Election Act Campaigns for the House of Representatives and Senate

November 22, 2023

MAINE COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
Special Report
2022 Maine Clean Election Act Campaigns

Table of Contents

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Commissioners
Maine Commission on Governmental Ethics and Election Practices:

We have performed the procedures noted below to ensure that the 2022 Maine Clean Election Act (MCEA) candidates for the House of Representatives and Senate complied with the reporting requirements of the MCEA and the Candidate's Guide to the MCEA published by the Commission. The Maine Commission on Governmental Ethics and Election Practices (the Commission or Maine Ethics Commission) is responsible for the subject matter of this report.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of ensuring compliance with the reporting requirements of the MCEA and the Candidate's Guide to the MCEA. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report, and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Candidates were chosen from a list of certified State Senate and House of Representative candidates for the November 8, 2022 general election that participated in the MCEA program. From the list of candidates, we eliminated candidates that were audited in 2018 and 2020 and that had no substantial violations. From the remaining candidates, we then selected a sample utilizing a statistical random number generating formula to select 39 of the aforementioned candidates (thirty from the House of Representatives and nine from the Senate). In addition, we added two Senate and one House of Representative candidates that were selected by the Commission for special purpose (cause). The special purpose review was undertaken at the request of the Commission staff based on concerns regarding additional irregularities in the candidate's campaign finance reporting.

All of the clean election candidates were included in the review process.

Once we obtained the selected documentation from the candidates, we performed the procedures noted below in determining the compliance of the candidates:

- Reviewed all campaign bank statements for the 2022 election cycle and ensured that the campaign finance reports submitted during the 2022 election cycle included all transactions and that all transactions were reported correctly (e.g., correct payment amount, obligation date).

- Reviewed all selected disbursements and ensured there was proof of payment.

- Judgmentally selected disbursements from those reported in the campaign finance reports, which in the aggregate represented at least fifty percent of the candidate's disbursements. Reviewed the selected disbursement transactions and ensured that they were substantiated by supporting, third party documentation and were for allowable expenditures under the MCEA. In addition, ensured that mileage logs supported selected reimbursements for mileage and that the total mileage and dollar amount on the mileage logs recalculated based on the individual trips and the applicable reimbursement rate.

- Reviewed purchases reported on the campaign finance reports to identify any equipment purchased with MCEA funds and ensure that the equipment was sold at fair market value and that sale proceeds were returned to the Maine Ethics Commission in a timely manner.

- Reviewed all of the campaign bank statements from the 2022 election cycle and identified all deposits that were not for MCEA funds. Ensured that the amounts were reported as seed money contributions. Reviewed supporting documentation, ensured that seed money contributions were from individuals, and did not exceed the threshold of $100 per donor. In addition, ensured that no additional contributions were received after the candidate's certification.

- Reviewed supporting documentation to determine that the balance of MCEA funds not spent were returned to the Maine Ethics Commission and were returned promptly (within forty-two days of the election).

Of the procedures performed above, there were twenty-two candidates who had exceptions and four that had findings (significant exceptions to the guidance or violations of the MCEA). All of the candidates that had findings also had exceptions.

The table below summarizes the number of candidates that had exceptions and findings, as well as total exceptions and findings and the nature of such:

Summary	House (30)	Senate (9)	Special Purpose -Senate (2) -House (1)	Total Candidates	Total Exceptions /Findings
Candidates with no exceptions/ findings	16	3	1	20	-
Findings:					
Candidate made an expenditure on behalf of another campaign and was not reimbursed	-	-	1	1	1
Candidate used clean election funds to pay for a Seed Money reporting period expenditure	1	-	-	1	1
Candidate made an excessive expenditure that was not necessary to the campaign	-	-	1	1	1
Qualifying contribution was not returned to the Commission	1	-	-	1	1
Exceptions:					
Incorrect vendor name on report	1	1	-	2	2
Transaction on incorrect campaign finance report	4	1	-	5	6
Transaction lacked supporting documentation	2	1	3	6	8
Expenditures over/under reported	-	-	1	1	2
Unable to verify expenditures were paid from the campaign bank account	1	1	-	2	4
Expenditures exceeded recommended thresholds	2	-	-	2	3
Obligation not reported as unpaid debt on campaign finance report	5	5	-	10	20
Excess use of campaign bank account for personal expenditures	1	-	-	1	1
Seed money contributions lacked supporting documentation	2	3	1	6	6
Contributions received after seed money period	1	-	-	1	1
Unspent MCEA funds returned more than 42 days after the election	1	3	1	5	5

In total, there were fifty-eight exceptions and four findings reported. Twenty candidates, which represented about half of the selected candidates, had no exceptions or findings, and twenty-two candidates, including two of the for cause candidates, had exceptions, findings, or both.

The number of exceptions is an increase over the 2020 Clean Election Summary Report, in which there were thirty-seven exceptions and four findings. However, total exceptions and findings were lower than the 2018 Clean Election Summary Report, which included sixty-two exceptions and eight findings.

In light of the procedures performed, we noted several trends during the review of the 2022 MCEA campaigns. In particular, we noted the following:

1. Some of the candidates were under the impression that obligations of MCEA funds were not required to be reported on the campaign finance reports until either a payment was made or services were rendered by the vendor. However, under the Commission's rules (Chapter 1, Section 7(C)(B)), *placing an order for goods or services with a vendor that obligates a candidate to pay the vendor at a future time is an action that must be reported as a debt*.
2. Some candidates reported expenditure dates that were not based on when the transactions originated, which should be the date of actual payment, or the date of the invoice/obligation, whichever came first. Therefore, the transactions were reported on the incorrect campaign finance reports.
3. Candidates failed to either retain supporting documentation for expenditures or seed money contributions, even though the Candidate's Guide emphasizes retention of documentation.

In response to the aforementioned trends, we therefore make the following recommendations:

1. Reporting of obligations - The Commission should consider revising its requirements for reporting unpaid obligations, either by extending the amount of time allowed to report such transactions, such as requiring reporting within a month of payment, or revising the types of expenditures that are required to be reported as unpaid obligation (e.g., transactions over a certain threshold).
2. Lack of documentation for seed money contributions - The Commission should review its guidance on seed money documentation and possibly revise the language for further clarification.

We were engaged by the Maine Ethics Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance with the reporting requirements of the MCEA and the Candidate's Guide to the MCEA published by the Commission. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Maine Ethics Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Commissioners and staff of the Maine Ethics Commission and is not intended to be and should not be used by anyone other than these specified parties.

November 22, 2023
South Portland, Maine

MCEA 2022 CAMPAIGNS
SUMMARY OF RESULTS

	Candidate's Name		Type	District	No Exceptions/ Findings	Findings: Expenditure Made on Behalf of Another Candidate	Findings: Clean Election Funds Used for Seed Money Period Expenditure	Findings: Excessive Unnecessary Expenditure	Findings: Qualifying Contribution Not Returned to the Commission	Exceptions: Incorrect Vendor Name on Report	Exceptions: Transaction on Incorrect Campaign Report	Exceptions: Transaction Lacked Supporting Documentation	Exceptions: Expenditures Under/Over Reported	Exceptions: Unable to Verify Transactions Occurred in the Campaign Bank Account as Reported
1	Appleby	Dana	H	1								1		
2	Bailey	Donna	S	31	X									
3	Beaudoin	Janet	H	94										2
4	Black	Russell	S	5										
5	Brackley	Matthew	S	24				X				2		
6	Carney	Anne	S	29										
7	Craven	Margaret	H	93										
8	Daughtry	Matthea	S	23	X									
9	Desjardins	Jason	H	50	X									
10	Dill	James	H	26	X									
11	Duson	Jill	S	27	X									
12	Eaton	Holly	H	15								1		
13	Fay	Jessica	H	86	X									
14	Garrold	Heather	H	38	X									
15	Gass	Anne	H	104					X					
16	Gere	Traci	H	134	X									
17	Greenwood	Randall	H	56	X									
18	Javner	Kathy	H	29	X									
19	Keim	Lisa	S	19		X						2	2	
20	Lajoie	Michel	H	96	X									
21	Lewis	John	S	29						1		1		
22	MacDonald	Sharri	S	31							1			2
23	Madison	Lynn	H	45										
24	Ness	Caleb	H	82										
25	Ouellette	Christina	H	26	X									
26	Paulhus	Sean	H	50	X									
27	Ritchie	Kevin	H	8			X			1	1			
28	Roberts	Tiffany	H	149							2			
29	Rossignol	Jordyn	H	4										
30	Rotundo	Margaret	S	21	X									
31	Rouillard	Mark	H	149	X									
32	Schmersal-Burgess	Tammy	H	77								1		
33	Shagoury	Daniel	H	55	X									
34	Short	Stanley	H	68							1			
35	Sipe	Daniel	H	81	X									
36	Sorcek	James	H	88										
37	Struebing	Christopher	H	85	X									
38	Throckmorton	Timothy	H	18							1			
39	Velozo	Joseph	H	109	X									
40	White	Jennifer	S	25										
41	Williams	K	S	33										
42	Zeigler	Stanley	H	40	X									

MCEA 2022 CAMPAIGNS
SUMMARY OF RESULTS

	Candidate's Name		Type	Exceptions					
				Expenditures Exceeded Recommended Threshold	Transactions Not Reported As Unpaid Obligations	Excess Use of Campaign Bank Account for Personal Expenditures	Seed Money Contributions Lacked Documentation	Contributions Received After the Seed Money Period	Unspent Funds Returned More Than 42 Days After Election
1	Appleby	Dana	H						1
2	Bailey	Donna	S						
3	Beaudoin	Janet	H	1			1		
4	Black	Russell	S				1		
5	Brackley	Matthew	S						
6	Carney	Anne	S		8				
7	Craven	Margaret	H				1		
8	Daughtry	Matthea	S						
9	Desjardins	Jason	H						
10	Dill	James	H						
11	Duson	Jill	S						
12	Eaton	Holly	H		1	1			
13	Fay	Jessica	H						
14	Garrold	Heather	H						
15	Gass	Anne	H		3				
16	Gere	Traci	H						
17	Greenwood	Randall	H						
18	Javner	Kathy	H						
19	Keim	Lisa	S						1
20	Lajoie	Michel	H						
21	Lewis	John	S		1		1		1
22	MacDonald	Sharri	S		1		1		1
23	Madison	Lynn	H						1
24	Ness	Caleb	H	2					
25	Ouellette	Christina	H						
26	Paulhus	Sean	H		1				
27	Ritchie	Kevin	H						
28	Roberts	Tiffany	H						
29	Rossignol	Jordyn	H		2			1	
30	Rotundo	Margaret	S						
31	Rouillard	Mark	H						
32	Schmersal-Burgess	Tammy	H				1		
33	Shagoury	Daniel	H						
34	Short	Stanley	H						
35	Sipe	Daniel	H						
36	Sorcek	James	H		1				
37	Struebing	Christopher	H						
38	Throckmorton	Timothy	H						
39	Velozo	Joseph	H						
40	White	Jennifer	S		1				
41	Williams	K	S		1				
42	Zeigler	Stanley	H						