

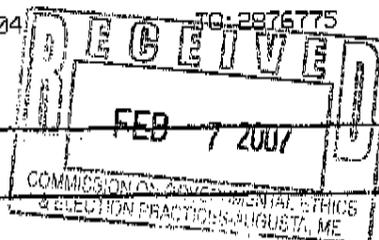
Exhibit #18

FEB-7-2007 12:44P FROM:ERROL W CLEMENT

2076343004

TO:2076775

P.1

**A - CLEMENT CERTIFIED & STUD WELDING**

931 HINCKLEY RD
CLINTON, ME 04927
Phone (207) 426-9085
Cell (207) 314-0525

To: Maine Ethics Commission,

Attn: Sandy Thompson
Fax (207-6775)

2/7/07

I Received a check from Maine Clean Election Fund to my home. I was out of town at the time and when I inquired with my daughter, she said it was a check from the state, in which I thought it was the homeowner rebate check, I told her to put it into my business account, in which I made out checks for bills. When I returned home several weeks later, I realized the error of it being the clean elections funds check and not the rebate check. My intention was to pay the money back before it was due in December. When I realized that I couldn't, I immediately called Sandy Thompson to explain the situation. In talking to Sandy Thompson there was a misunderstanding as she thought the check was the \$8700 that was electronically put into my campaign account in which it was, but not the check we were discussing. The first check to my home was the check we were talking about.

I would like to pay a schedule of 50.00 a month, to be paid in full in one year if not sooner. It was an unfortunate error on my part and I am truly sorry and embarrassed of the situation and am looking forward to any assistance from your department on this matter.

Authorized by;

Arthur Clement

**Summary of Financial Activity
Reported by Arthur Clement**

Seed Money Received	\$25.00
Primary Election Payment	\$487.00
Interest	\$0.60
General Election Payment	\$4,362.00
Matching Funds	\$1,774.67
Expenditures	-\$660.98
Cash Balance	\$5,988.29

ARTHUR H. CLEMENT

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)	4,640.02	
2. MAINE CLEAN ELECTION ACT Payments	+ 1,348.27	6,648.67
3. SALE OF CAMPAIGN PROPERTY (Schedule E, Part II)	+ 0.00	0.00
4. OTHER CASH RECEIPTS (interest, etc.)	+ 0.00	0.60
5. MINUS TOTAL EXPENDITURES (total of all Schedule B pages)	- 0.00	660.98
6. CASH BALANCE AT CLOSE OF PERIOD (lines 1 + 2 + 3 + 4 - 5)	= 5,988.29	
7. CASH NOT AUTHORIZED TO SPEND	0.00	
8. CASH AUTHORIZED TO SPEND (line 6 - 7)	5,988.29	

OTHER ACTIVITY THIS REPORTING PERIOD		
9. TOTAL UNPAID DEBTS AT CLOSE OF PERIOD (total all Schedule D pages)	0.00	



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

January 26, 2007

Mr. Arthur H. Clement
931 Hinckley Road
Clinton, ME 04927

Dear Mr. Clement:

As a follow up on your conversation today with Candidate Registrar Sandy Thompson, **this is to request that by February 5 you send a written explanation of what occurred so that the Ethics Commission staff can determine how to proceed.** Sandy's notes indicate that you told her:

- that you were in Virginia at the time your campaign received our October 28, 2006 payment of \$8,724 in matching funds;
- your daughter called you from Maine and said that you got a check from the state;
- believing that it was a tax credit check, you had her cash it or deposit it into your personal account;
- you returned to Maine after two weeks in Virginia;
- you used the funds to pay a mortgage, etc. and then realized your mistake; and
- when Sandy said that you needed to return the amount shown as your campaign balance on your last report, you responded that you did not have the money.

Your last campaign finance report filed shows that you have a balance of \$4,640.02 which your campaign was authorized to spend but did not. (This is in addition to the \$6,949.33 in matching funds you returned, which your campaign was not authorized to spend.) Under 21-A M.R.S.A. §1125(12), Maine Clean Election Act (MCEA) candidates are required to return all unspent MCEA funds with their final campaign finance report, which was due December 19, 2006. Unspent MCEA funds may not be used for personal expenses.

We are having difficulty squaring your explanation to Sandy with the following facts:

- Our October 28 payment was made by electronic funds transfer, not by check. The letter we mailed clearly stated that the payment was for campaign purposes.

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

Mr. Arthur H. Clement

- 2 -

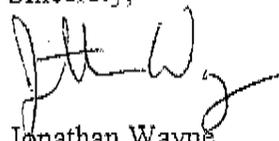
January 26, 2007

- When you signed up to receive electronic funds transfer, you indicated that payments should be made to account # 90502708 at the Gardiner Savings Institution. We presume this was your campaign account. When you returned unauthorized matching funds on October 25, 2006, however, the check was drawn on your business account at the bank (#90428157).
- Evidently, Maine Clean Election Act funds were transferred from a campaign account to your business account. Based on what you told Sandy, we are unsure who made this transfer, and why that person would believe it was appropriate to make that transfer so that the funds could be used for personal or business purposes.

The Commission staff is attempting to decide how to proceed with the collection of these funds. Our options include: requesting the full return of the funds immediately, or accepting a written plan signed by you to make specific payment amounts by specified dates. Your explanation will assist us in reaching a decision. **If we do not receive an acceptable explanation by Monday, February 5, we will put this matter on the agenda of the next public meeting of the Commission, which will take place on February 14th at 242 State Street in Augusta and we will request your attendance to explain the circumstances in person to the Commission members.**

Please understand that while we recognize that good-faith mistakes are made every day, our job is to recover these funds for the state of Maine. We look forward to receiving your written response. You may fax it to 287-6775. Please telephone Sandy Thompson at 287-4179 if you have any questions.

Sincerely,



Jonathan Wayne
Executive Director

cc: Byron H. Brooks, Treasurer



MCEA candidates must complete this form every election cycle if they want electronic funds transfer.

RECEIVED APR 11 2006 COMMISSION ON GOVERNMENTAL ETHICS & ELECTION PRACTICES AUGUSTA, ME

State of Maine

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSIT SERVICES

TO: DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES ATTN LYNN WARE 74 STATE HOUSE STATION AUGUSTA, MAINE 04333-0074

Phone # 207-624-7393 Fax # 207-287-4044

You are hereby authorized to electronically transfer payments to the following:

(Please submit a voided check or deposit slip from your account for verification)

Gardiner Savings Institution Name of Financial Institution

[Redacted] Account Number

Type of Account: X Checking

Savings

Arthur Clement, Representative for Dist 29 Name on Account

[Redacted] Transit/ABA Number

Gardiner ME 04345 Financial Institution Address City State Zip Code

for deposit to my/our account and I/we authorize the Agency to initiate credit entries and debit entries (to make corrections) to my/our account at the above named financial institution. Each deposit so made (after any necessary corrections) will be full payment of the amount then due and payable to me/us. I/we agree to notify the Agency's offices immediately upon discovery of any errors resulting from transactions under this authorization and to notify the Agency's offices of any changes that may affect these instructions or the Agency's ability to rely upon them. This authorization may be canceled by me/us at any time by so notifying the Agency in writing. In authorizing the above services to be provided to me/us, I/we agree to hold the Agency and the State of Maine harmless from any and all loss, cost, damage or expenses I/we may suffer as the result of errors in deposits, credit entries or debit entries caused by persons who are not employees of the Agency or the State of Maine.

Arthur H. Clement Signature of Payee (Benefit Recipient) or Authorized Agent

4/11/06 Date

[Redacted] Social Security # of Payee or Firm's Tax Identification Number

931 Hinckley Rd Address

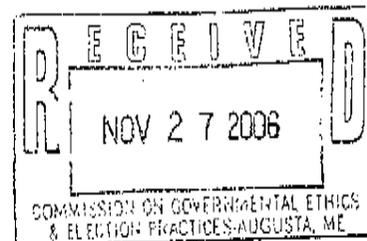
Clinton Maine ME 04901 City State Zip Code

Title of Authorized Agent

Contact Person: Name: ARTHUR H. CLEMENT Phone#: 207 426-9085



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



October 25, 2006

Mr. Arthur H. Clement
931 Hinckley Road
Clinton, ME 04927

Dear Mr. Clement:

This is to notify you that the Maine Clean Election Act authorizes you to spend \$426.40 in matching funds (the "authorization amount"), based on your general election opponent's fundraising and expenditures as well as independent expenditures made by others. As of the date of this letter, you have been authorized to spend a total of \$4,788.40, which includes the initial distribution and any prior matching funds authorizations. The attached chart displays your Maine Clean Election Act payments for the general election plus any balance remaining from the primary election.

The Commission has requested the State to make a payment to you of \$8,724.00, which is the maximum amount of matching funds for which you may qualify for the general election. You may only spend the authorization amount.

Please be aware that you are required to return to the Commission any matching funds which you have not been authorized to spend within 2 weeks after the general election. Also after the general election, you must pay all outstanding debts and return all unspent Maine Clean Election Act funds upon filing the 42-day post-election report. Those amounts must be repaid to the Commission by check or money order payable to the Maine Clean Election Fund.

If you have any questions, please do not hesitate to contact the Commission staff at 287-4179. Thank you.

Sincerely,

Pauchon

OP

A CLEMENT CERTIFIED & STUD WELDING		246
931 HINCKLEY RD. CLINTON, ME 04927		52-7246/2112
Date <u>11-20-06</u>		
Pay to the Order of	<u>Maine Clean Election Commission on Governmental Ethics</u>	\$ <u>6949.33</u>
<u>Six thousand forty-nine dollars and ³³/₁₀₀ cents</u>		Dollars
Cardinal Savings Institution, FSB Cardinal, Maine 04345		
For	<u>Refund \$</u> <u>ARTHUR CLEMENT DIS # 29</u>	<u>Arthur H. Clement</u>
0246		

Thompson, Sandy

From: Ware, Lynn
Sent: Friday, January 26, 2007 10:36 AM
To: Thompson, Sandy
Subject: RE: Candidate Arthur Clement

Hi Sandy,
He was issued an electronic funds payment on 10/27/06 and should have received it in his account on 10/28/06 (Saturday) or 10/30/06. The payment number was EF06102705198 for \$8,724.00.
Lynn

From: Thompson, Sandy
Sent: Friday, January 26, 2007 10:29 AM
To: Ware, Lynn
Subject: Candidate Arthur Clement

He was authorized to spend matching funds on 10/25. You may have received voucher on that day or next. Can you let me know when a check was sent to him and an estimate on the date he would have received it? Thanks.

Sandy Thompson
Candidate Registrar
Maine Commission on Governmental Ethics
and Election Practices
Website: www.maine.gov/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 (xpr).]

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.

[2001, 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).]



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

January 24, 2007

Mr. Arthur H. Clement
931 Hinckley Road
Clinton, ME 04927

BY CERTIFIED AND REGULAR MAIL

Dear Mr. Clement:

This is to follow up on the letters we have sent you over the past two months requesting that:

- you pay the penalty of \$51.17 for the late filing of your 6-Day Pre-General campaign finance report;
- you file your 42-Day Post General campaign finance report and;
- you return unspent MCEA funds found on line 6 of Schedule F, 42-Day Post General campaign finance report. Since the report is not filed, the unspent amount is unknown. Under the MCEA, you were required to return these funds at the time you filed your final campaign finance report that was due no later than December 19, 2006. (21-A M.R.S.A. §1125(12)).

Since the Commission did not receive payment of your penalty by January 15, 2007, it is tentatively scheduled for the February 14 meeting for referral to the Attorney General's office for collection. **If the Commission does not receive the payment of your penalty, the unspent MCEA funds and your filed campaign finance report by Monday, February 5, 2007, your name will be printed on the public agenda for the Ethics Commission's February 14, 2007 meeting for all three issues.**

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

Sincerely,

Jonathan Wayne
Jonathan Wayne
Executive Director

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SENT TO	Mr. Arthur Clement
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	Clinton, ME

D AT: 242 STATE STREET, AUGUSTA, MAINE
ITE: WWW.MAINE.GOV/ETHICS



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

January 18, 2007

Arthur H. Clement
931 Hinckley Road
Clinton, ME 04927

Re: Delinquent Campaign Finance Report – Due Dec 19, 2006

Dear Mr. Clement:

The Ethics Commission has previously written to you regarding your failure to file a campaign finance report, as required under the Election Law. Failure to file a campaign finance report within 30 days of a filing deadline is a Class E Crime under 21-A M.R.S.A. §1020-A(8-A).

If you do not file your report prior to the Commission's meeting on February 14, 2007, the Commission staff will recommend to the Commission members that you be referred to the Maine State Attorney General's Office for possible criminal prosecution under 21-A M.R.S.A. §1020-A(8-A).

To stop this process, immediately submit the following reports:

- **42-Day Post-General Report**

The Commission staff will send you five notices to alert you to your possible referral to the Attorney General, and the Commission staff will also contact you by telephone. The first notice will include a blank reporting form which you can use to file the report.

Please telephone me at 287-4709 regarding this matter, and inform me whether you will be filing the report or if you believe no report is required. Thank you.

Sincerely,

Gavin O'Brien
Candidate Registrar

T: 242 STATE STREET, AUGUSTA, MAINE
E: WWW.MAINE.GOV/ETHICS

FAX: (207) 287-6775

7005 3110 0000 2803 2803 7355

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Sent To Clement

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

PS Form 3800, June 2002 See Reverse for Instructions