



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

Commission Meeting 07/30/2021
Agenda Item #4

To: Commission
From: Michael Dunn, Esq., Political Committee Registrar
Date: July 21, 2021
Re: Leadership PAC Investigation – Shiretown PAC

On November 18, 2020, the Commission authorized an enhanced compliance review of fifteen (15) political action committees that, in 2020, were led by Legislators and raised or spent over \$5,000 in the year. The Commission staff sent the Shiretown PAC (the “PAC”) an initial request for records on 12/08/2020. ETH. 10-11. After reviewing these records, the Commission staff scheduled a Zoom conference with the PAC, which took place on 03/18/2021. ETH. 12. After the conference, the PAC provided additional records on 04/02/2021. Upon completion of its review, the Commission staff found three potential violations and several exceptions. ETH. 5-9. On 06/07/2021, the Commission staff mailed its preliminary findings to the PAC’s officers requesting comment. ETH. 3-9. On June 8, 2021, the Commission received a written response from PAC. ETH. 1-2. The PAC does not dispute the preliminary findings but requests that the Commission impose financial penalties not to exceed \$300, citing its inexperience with campaign finance reporting. ETH. 1-2.

LEGAL REQUIREMENTS

Registration. A PAC shall register with the Commission within seven days of raising or spending more than \$1,500. 21-A M.R.S. § 1052-A(1). Failure to register or amend timely may result in a fine of no more than \$2,500. 21-A M.R.S. § 1062-A(1). The Commission shall consider, whether the violation was intentional, the amount of financial activity, whether the committee intended to conceal its activity, and the level of experience of the staff. Id.

Substantially Non-Conforming Reports. A campaign finance report is considered late if the report is not substantially conforming to the disclosure requirements of the chapter. 21-A M.R.S. § 1062-A(2). The penalty for a late filing of a report is a statutory

calculation that considers the total contributions or expenditures for the filing period, the number of days late, and a statutory percentage. 21-A M.R.S. § 1062-A(3).

Substantial Misreporting. A person that files a campaign finance report that substantially misreports contributions, expenditures, or other campaign activity may be assessed a penalty not to exceed \$5,000. 21-A M.R.S. § 1004-A(4).

Receipt Retention. The treasurer of a PAC shall retain a vendor invoice or receipt stating the particular goods or services purchased for every expenditure in excess of \$50 to initiate or influence a campaign. 21-A M.R.S. § 1057(2).

Reporting Expenditures. A PAC must report all expenditures to initiate or influence a campaign and include the payee, purpose, whether it was to support or oppose a candidate or referendum. 21-A M.R.S. § 1060(4). The PAC must also report operational expenditures that are not made for the purpose of influencing a campaign. 21-A M.R.S. § 1060(4).

ANALYSIS AND STAFF RECOMMENDATION

During the Commission staff's initial review of the Shiretown PAC's records, the Commission staff flagged six issues for further review.

Late Registration

Under 21-A M.R.S. § 1052-A, a group must register as a PAC within seven days of exceeding \$1,500 raised or spent for the purpose of influencing an election. Failure to register or amend timely may result in a fine of no more than \$2,500. 21-A M.R.S. § 1062-A(1). The Commission shall consider, whether the violation was intentional, the amount of financial activity, whether the committee intended to conceal its activity, and the level of experience of the staff. Id.

The PAC acknowledges the error and that the registration was two days late. ETH. 1-2. The PAC explains that it lumped the contributions together on the same day because that was the day that the transactions were entered into the PAC's accounting system. ETH. 1-2. The PAC indicates that, due to the inexperience of the officers, they did not fully

understand the importance of the rule. ETH. 1-2. The PAC requests that a \$100 penalty be imposed for this violation. ETH. 1-2.

In evaluating this violation, the Commission staff accepts that it was not intentional, and that the PAC did not intend to conceal its activity. 21-A M.R.S. § 1062-A(1). The PAC also had very low financial activity in its Initial Finance Report (\$4,843 in contributions and \$2,905.97 in expenditures). ETH. 13-18. Additionally, the PAC only crossed the \$1,500 threshold at that time because of the \$1,500 contributions given by Mr. Anderson (the Principal Officer) to the PAC. Lastly, the registration was only two days late.

The public, however, has a right to timely and accurate information regarding the activities of groups who attempt to influence an election. This delay resulted in public harm because the PAC's initial campaign finance report was also delayed by two days because of the late registration. 21-A M.R.S. § 1059.

The Commission staff recommends a \$500 penalty based on balancing these considerations and Commission precedent. In Maine Matters Vote No BQC (11/28/2016), Ms. Hilary Lister spent \$5,025 on radio advertisements supporting a marijuana initiative on 08/24/2016 but did not register until 09/30/2016. Id. Ms. Lister engaged in this campaign as a private individual with no campaign experience whatsoever. Id. The Commission imposed a \$500 penalty for the late registration/report. Id.

This case appears analogous to Maine Matters Vote No BQC. The finances of the two cases is similar. Ms. Lister was a month late in filing a registration, whereas the PAC was only two days late. The PAC, however, intended to form a committee, evidenced by Mr. Anderson treating his contributions as a loan for startup costs. Ms. Lister, on the other hand, had no intention to create a committee and was surprised by the requirement. On balance, the \$500 recommended penalty appears to adequately balance the interests and is consistent with Commission precedent. For these reasons, the Commission staff recommends the \$500 penalty for a late registration.

Substantially non-conforming Initial Campaign Finance Report

A campaign finance report is not timely filed unless it is substantially conforming to the disclosure requirements of this subchapter. 21-A M.R.S. § 1062-A(2). If a report is not substantially conforming, then it is treated as if it was not filed. Id. Late filed reports incur a financial penalty based on the total contributions or expenditures (whichever is higher) multiplied by the number of days late, multiplied by a statutory percentage (2% for an initial violation). Id. at (3). In applying this calculation to the PAC, the preliminary penalty would be as shown on the below table:

Report Name	Financial Activity	Number of Days Late (as of 06/01/2021)	Percentage	Preliminary Penalty
Initial Campaign Finance Report	\$4,843.00	274	2%	\$10,000 (MAX)

In determining whether a report is substantially non-conforming, the Commission should evaluate the overall error rate contained in the report and how that negatively impacts the public’s right to the information. In general, the Commission staff agrees that the amounts and contributors/payees are mostly correct; but disagrees with the dates of the transactions and the representation of the contributions from Mr. Chris Anderson.

The date of a transaction is important in campaign finance law for multiple reasons: the dates trigger registration, supplemental reports, and ensures that activity is reported timely and in the correct report. The date of a contribution is when it is received by the PAC, not the date that it has been deposited. 94-270 C.M.R. Ch. 1 § 6(1). Similarly, an expenditure is the date that the obligation to pay for the goods or service is incurred by the PAC, not the date that it has been paid. 94-270 C.M.R. Ch. 1 § 7(3). Here, Mr. Anderson used the dates that he entered the transactions into his accounting software as the dates of the transactions. ETH. 1-2.

The first issue that makes the report non-conforming is how Mr. Chris Anderson reported contributions¹ from himself as a loan to the PAC. ETH. 13-18. Mr. Anderson made four separate contributions to the PAC, totaling \$1,500, but reported them as a single lump-

¹ An individual may make a loan to a PAC; however, that loan is classified as a contribution because it does not come from a financial institution. 21-A M.R.S. § 1052-A(3)(A).

sum payment as of 08/28/2020. ETH. 18. The actual breakdown of his contributions are:

Deposit Date	Report Date	Contributor	Amount
08/13/2020	08/28/2020	Christopher Anderson	\$50
08/14/2020	08/28/2020	Christopher Anderson	\$400
08/24/2020	08/28/2020	Christopher Anderson	\$500
08/25/2020	08/28/2020	Christopher Anderson	\$550

These four contributions should have been reported on their deposit dates because the transactions were made by electronic transfer. These four transactions represent 31% of the total contributions received by the PAC during its initial campaign finance report. Additionally, because of how they were presented (as one lump-sum on 08/28/2020), the Commission staff would not have identified this error but for the Commission’s Leadership PAC review.

The second issue that makes the report substantially non-conforming is the dates of the deposits. The PAC reported the deposit dates and not the date that the checks were received. ETH. 1-2. The Commission staff doubts that thirteen itemized contributions were all received on 08/28/2020 and 08/29/2020. ETH. 14-15. The check dates (which generally run from 08/24/2020 through 08/29/2020) are not clear indications on when the contributions were received by the PAC, but there are some instances where it is clear that the check was received prior to its listed report date:

Reported Date	Contributor	Deposit Date	Amount
08/29/2020	Andy’S IGA	08/24/2020	\$300
08/29/2020	Maine Senate Republican Majority	08/28/2020	\$1,000
08/29/2020	James Brown	08/28/2020	\$250

This financial activity represents 32% of the amount required to be reported in the initial campaign finance report. In total, the Commission staff knows that 64% of the financial

activity reported as contributions by the PAC in its initial finance report has the incorrect date. Given that the PAC based the report date on the date the transactions were entered into the system, it is likely that the majority of the remaining 36% of financial activity also have the incorrect date.

On the expenditure side, there is a similar issue with dates. There are other issues involving some of the expenditures, which will be discussed under the next potential violation section. The following expenditures have incorrect dates based on the receipts provided to staff:

Reported Date	Payee	Receipt Date	Amount
08/29/2020	OpenTip.Com	07/29/2020	\$455.79
08/26/2020	Staples	08/14/2020	\$118.66
08/26/2020	Print Works	08/14/2020	\$422.08
08/26/2020	Bangor Publishing	08/24/2020	\$800

These transactions represent 62% of the total financial activity for expenditures reported on the initial campaign finance report. Based solely on the dates, the Commission staff believes that an error rate that exceeds 60% of the reported activity is substantially non-conforming.

A substantially non-conforming report is treated as if it wasn't filed by the PAC. This triggers a late filing penalty based on a statutory calculation as follows:

Report Name	Financial Activity	Number of Days Late (as of 06/01/2020)	Percentage	Preliminary Penalty
Initial Campaign Finance Report	\$4,843.00	274	2%	\$10,000 (Max)

The Commission may grant a waiver if the penalty is disproportionate to the level of experience of the person filing the report or to the harm suffered by the public or if the failure to file a timely report was due to mitigating circumstances such as: (1) a valid emergency of the committee office, (2) an error by the Commission staff, (3) other circumstances determined by the Commission to warrant mitigation of the penalty.

21-A M.R.S. § 1062-A.

The PAC requests that this penalty be reduced to \$100. ETH. 1-2. The PAC acknowledges a lack of understanding in reporting the transactions. ETH. 1-2. Mr. Anderson, the principal officer of the PAC, has not been registered as an officer for a committee before now. Rep. Swallow was registered as a candidate with the Commission twice, (2018 & 2020). The Commission staff agrees that the preliminary penalty would be disproportionate to the level of experience of the officers. The Commission staff also accepts that there was no intent to deceive the public; the errors were caused by a lack of understanding of the reporting obligations. Lastly, after receiving the Commission staff's preliminary findings, the PAC contacted staff for instructions on amending the affected report, and an amendment was promptly filed by the PAC.

The Commission staff believes that the suggested \$100 penalty does not adequately balance the unintended harm to the public and would be inconsistent with Commission precedent. The Commission's general policy for PAC violations is to reduce them to \$750 for good cause shown. The Commission will only reduce the penalty further for exceptional circumstances. The Commission staff does not believe that exceptional circumstances are present in this case. For these reasons, the Commission staff recommends finding that the report was substantially non-compliant and impose a \$750 preliminary penalty.

Omitted Transactions

A person that files a campaign finance report that substantially misreports contributions, expenditures, or other campaign activity may be assessed a penalty not to exceed \$5,000. 21-A M.R.S. § 1004-A(4). Enacted in 2003, the purpose of adding this section was to provide the Commission with greater flexibility in assessing penalties and removed a criminal component for the violation.² The Commission staff interprets this violation to be separate from the substantially non-conforming report provision in 21-A M.R.S. § 1062-A. The Legislature had a specific purpose in repealing the criminal sanctions for substantial misreporting and adding a financial penalty, when a financial penalty already

² An Act To Amend the Penalty Provisions and Reporting Deadlines of the Campaign Reports and Finances Laws, L.D. 1728, 121 Legis., Summary of Legislation Before the Joint Standing Committees (2004).

existed under 21-A M.R.S. § 1062-A. The Commission staff interprets this section to apply a person that substantially misreports the activity, whereas § 1062-A applies when the report does not substantially confirm to the disclosure requirements of the chapter.³

Three transactions would appear to rise to this level of concern:

- On 09/29/2020, the PAC paid \$318.20 to FA Peabody (the employer of both officers) for postage but the transaction was not reported.
- On 09/21/2020, the PAC paid \$102.59 to County Qwik Print but the transaction was not reported.
- Throughout 2020, the PAC deposited \$506 more than the PAC reported as cash receipts.

The 09/21/2020 and 09/29/2020 transactions occurred during the October Quarterly Report, and the Commission staff does not believe that their omission would make the overall report substantially non-conforming. ETH. 19-23. The October Quarterly report discloses \$1,526.70 in expenditures, with \$1,500 being a loan repayment from the PAC to Mr. Anderson. ETH. 23. While the Commission could determine that these two omitted transactions (approximately 22% of the total expenditures for the period) make the October Quarterly Report substantially non-conforming, the Commission staff is hesitant to make that suggestion. A 22% threshold for a substantially non-conforming report seems low when the Commission could impose a late filing penalty for the report (which would likely be at the \$10,000 cap due to the length of time).

Additionally, the PAC deposited \$506 more than was reported in 2020. The Commission staff and Mr. Anderson cannot account for this discrepancy. The Commission staff would be unable to review these transactions against a report because the contribution dates are unknown. As part of the review, the Commission staff requested, and was provided, deposit slips and copies of the checks; however, staff still cannot reconcile this discrepancy.

³ Under this interpretation, § 1004-A looks to the individual transactions, whereas § 1062-A looks to the report for whether it is substantially conforming. This is consistent with comments from the Commission that an error in reporting is a violation of the chapter and grants wide latitude to any potential penalties. Commission staff would consider § 1004-A as a lesser-included-offense of § 1062-A.

Accordingly, the Commission staff recommends that these issues are best handled under 21-A M.R.S. § 1004-A. The Commission staff recommends that the Commission impose a penalty of \$250 in total for the three violations.

Incorrect Reimbursements

On 09/08/2020, the PAC reimbursed Mr. Anderson \$1,282.89, but the receipts only suggest a repayment of \$1,242.82. The Commission staff and Mr. Anderson have attempted to reconcile this discrepancy but are unable to. A \$40.07 overpayment to Mr. Anderson is not a violation; however, it does suggest that a transaction may be inaccurate. The Commission staff recommends finding this issue to be an exception.

Missing Receipt

The treasurer of a PAC shall retain a vendor invoice or receipt stating the particular goods or services purchased for every expenditure in excess of \$50 to initiate or influence a campaign. 21-A M.R.S. § 1057(2). On 08/26/2020, the PAC made an expenditure of \$109.55 to Levesque Office Supplies and did not retain a receipt. The Commission staff recommends finding this issue to be an exception.

Inaccurate Expenditures

A PAC must report all expenditures to initiate or influence a campaign and include the payee, purpose, whether it was to support or oppose a candidate or referendum. 21-A M.R.S. § 1060(4). The PAC must also report operational expenditures that are not made for the purpose of influencing a campaign. 21-A M.R.S. § 1060(4).

On 08/29/2020, the PAC reported paying \$90.52 to Andy's IGA for bottled water, but the receipt shows a total of \$109.08 spent on bottled water. Similarly, the PAC reported spending a total of \$520.12 at Andy's IGA, but the receipt shows that \$544.12 was spent. The Commission staff recommends finding two exceptions for these issues.

CONCLUSION

Based on the foregoing, Commission staff recommends finding three violations:

1. A late registration in violation of 21-A M.R.S. § 1062-A(1) and impose a \$500 penalty.

2. A substantially non-compliant Initial Campaign Finance Report in violation of 21-A M.R.S. § 1062-A(2) and impose a \$750 penalty.
3. Substantially misreported (omitted) transactions in violation of 21-A M.R.S. § 1004-A and impose a \$250 penalty.

Thank you for your attention in this matter.

June 8, 2021

Mr. Michael Dunn, Esq
Political PAC Registrar
135 State House Station
Augusta, ME 04333-0135

RE: Compliance Review of Shiretown PAC

Dear Mr. Dunn,

PACs and other politically driven organizations should be held to a standard so that accountability can be rendered objectively however, I am surprised at the degree of fines recommended to this brand new, first-time PAC formed by an individual who has never navigated the complicated waters of PAC reporting here in Maine. Please know that while Rep. Swallow is the registered Treasurer, I take full responsibility for the accounting errors and missteps that may be found in this report as Principal Officer. In reality, Rep. Swallow merely provided a small degree of oversight, promotional ideas and event coordination. I handled the reporting and accounting exclusively.

I. Late Registration: \$500 Penalty

I did my best to post reporting for what I thought was required given my other duties and responsibilities in life. The reason for the consolidated reporting dates of contributions as 8/28 and other lumped dates had everything to do with the day in which I took the time to record them on my Excel worksheet. The immediacy of the 7 day rule beyond the first day of passing the \$1,500 threshold is certainly a technical rule that I didn't fully understand in its importance. I did make a good faith effort to report as timely as possible by only missing the 7 day mark required by two days. I'm sorry I didn't meet this mark but I faithfully reported all contributions to the best of my ability. A \$500 penalty seems quite steep for missing this date by merely 2 days. Please consider a revision to \$100.

II. Substantially non-conforming Initial Campaign Finance Report. \$750 Penalty

Again, I reported these as lump sum as an expedient issue and not that I was trying to avoid a reporting or hide my own supplemental funding. I reported the total aggregate contribution from me personally as merely one of convenience not understanding that each transaction constituted a reportable event on the government form. If these numbers appeared way off or there was suspicion I materially misrepresented the total value contributed so as to avoid a political contribution cap then I'd say the claim of 'substantial non-conformity' would be warranted along with a commensurate penalty. That is simply not the case here. Certainly these transactions are non-conforming but to consider them 'Substantial', I completely disagree.

In hindsight, I should have reached out to you or others at the department to help me navigate this section before I completed all these reports which may have brought to light the need to pay closer attention to dates of checks and how best to account for my financial involvement. I'm not quite sure

how the penalty is calculated but it would appear the chart presented suggests a corrected or amended report be submitted which I'm more than willing to do however, I will need assistance in recording these transactions properly. The number of days late says 'as of 6/1/21'. I thought all required reporting was now up to date. Being new to this, I am simply not sure what I should be doing at this point. If an amended report is required, I ask for some assistance.

Due to the above reasons I request the magnitude of this penalty be reviewed. I respectfully request the penalty be reduced to something more reasonable such as \$100.

III. Omitted Transactions. \$250 Penalty

These missed transactions were actual expenditures and actual deposits and missing them on the official PAC report was merely an oversight on my part. These were all legitimate transactions. Please reconsider finding these omissions as constituting 'substantial misreporting'. I'm not sure what defines 'substantial misreporting' but a net \$85 difference does not seem substantial in the whole scope of things. On the expense side it was less than \$500. On the contributions side it was just over \$500. The net difference is \$85.21. I recognize reporting could certainly be better, but a fine of \$100 seems more appropriate for the total dollars in question and the number of transactions involved.

IV. Exceptions

The exceptions are so noted and with these contradicting irregularities I put forth that my efforts here were of ignorance and not of malice. None of these differences are material in nature albeit a very poor exercise in accounting!

V. Conclusion

I have no additional information to present because I have provided all that is available in my files. I am not disputing the above discrepancies exists but rather provide a narrative explanation for each situation and want the committee to know that while they do exist there has been no intent to defraud or provide enrichment on behalf of the Principal Officer nor Treasurer for the activities of this PAC. I believe the recommended fines are steep for the relative nature and size of the offences. I respectfully request the committee re-consider revising the fines and penalties to a total of \$300.



Christopher B. Anderson
Principal Officer
Shiretown PAC

CC: Rep. Greg Swallow, Treasurer



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

June 7, 2021

Mr. Christopher Anderson
Shiretown PAC
PO Box 1455
Houlton, ME 04730

Rep. Gregg Swallow
Shiretown PAC
PO Box 742
Houlton, ME 04730

Re: 2020 Compliance Review of Leadership PACs

Dear Mr. Anderson & Rep. Swallow:

Thank you for providing the requested materials for the Shiretown PAC. I have concluded my review and made my preliminary findings, which are summarized in the enclosed memorandum and materials. Please review the enclosed materials carefully as they will be presented to the Commission.

The purpose of providing these materials to you is to invite you to comment on my preliminary findings. You may provide a written letter along with any supporting documentation that you believe is appropriate. If you believe that certain factual findings are inaccurate, you are welcome to submit information that disputes those findings. You may also wish to correct any errors that you agree with prior to the Commission meeting (if you do so, please let me know in a letter). Please submit any written comments no later than **June 28, 2021**.

After receiving your comments, the Commission staff will submit the enclosed materials, your comments, and, if necessary, a cover memorandum detailing any factual corrections/updates to the Commission. The Commission will consider the Commission staff's findings at the **July 30, 2021** meeting. If the staff's findings indicate that a potential violation was found, then the Committee is encouraged to participate in the meeting. If the findings show only exceptions, then the committee officers are invited to attend at their option. If you wish to attend the **July 30, 2021** meeting but it conflicts with your schedule, please let me know and the review of your PAC may be moved to a later date.

OFFICE LOCATED AT: 45 MEMORIAL CIRCLE, AUGUSTA, MAINE
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PHONE: (207) 287-4179

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I am available to discuss this matter at any time if you have any questions regarding the enclosed materials or the overall process. Thank you for your attention in this matter.

Sincerely,

Michael J. Dunn

Michael J. Dunn, Esq.
Political Committee and Lobbyist Registrar

Enclosures



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

To: Commissioners
From: Michael J. Dunn, Esq., Political PAC Registrar
Date: June 7, 2021
Re: Leadership PAC Review – Shiretown PAC

I. Overview of Findings

The Commission staff requested the PAC's records on 12/08/2020. The records were provided on or about 02/09/2021. After reviewing these records, the Commission staff scheduled a Zoom conference with the PAC, which took place on 03/18/2021. After the conference, the PAC provided additional records on 04/02/2021. Upon completion of its review, the Commission staff found three potential violations and several exceptions. The Commission staff recommends that the Commission impose a \$1,500 penalty.

II. History of PAC

Shiretown PAC registered on 09/02/2020. Former Representative Gregory Swallow is the Treasurer and Mr. Christopher Anderson is the Principal Officer. In 2020, the PAC raised \$6,101.91 and spent \$4,432.67.

III. Procedures

In the 12/08/2020 letter, the Commission staff requested the Committee produce the following 2020 records: (1) bank statements; (2) receipts/invoices for all expenditures over \$50; (3) documentation of any new loans or debts; and (4) records from ActBlue/Anedot or similar fundraising services.

After receiving those records, the Commission staff compared the provided records against the reported transactions for incorrect reporting. Specifically, the Commission staff reviewed the records for: omitted or duplicate transactions, failure to itemize contributions, prohibited payments, misuse of funds for personal enrichment in violation of 21-A M.R.S. § 1054-B, failure to keep records, improper contributions and other errors.

During its review of Shiretown PAC, the Commission staff found that additional information would be required. On 03/09/2021, the Commission staff sent an email to schedule a conference with the PAC on 03/18/2021. Following that meeting, the Commission staff documented the additional records requests in an email to the PAC. Those requests included:

- Copies of the deposited checks and their deposit dates for August and September
- An 08/29/2020 receipt from Andy's IGA for \$520.12
- On 08/29/2020 there was an expenditure to Sam's Club. The PAC reported the transaction as \$146.12 but the provided receipts are for \$312.85. Why the discrepancy?
- On 09/08/2020 there was a reimbursement to Chris Anderson for \$1,282.89 but the receipts only support a repayment of \$1,242.81. Why the discrepancy?

The Commission staff received the PAC's response on 04/02/2021.

IV. Potential Violation

After reviewing the records provided on 02/09/2021 and the additional records provided on 04/02/2021, the Commission staff found discrepancies that would rise to potential violations of Title 21-A.

Late Registration. Under 21-A M.R.S. § 1052-A, a group must register as a PAC within seven days of exceeding \$1,500 raised or spent for the purpose of influencing an election. According to the PAC's bank records, the PAC cleared that threshold on 08/24/2020, meaning the last date the PAC could timely register by was 08/31/2020. However, the PAC did not register until 09/02/2020. Accordingly, the PAC registered two days late, and the Commission could impose a penalty not to exceed \$2,500. 21-A M.R.S. § 1062-A(1).

This violation was not caught during the approval process for the PAC because the PAC listed the dates of contributions as starting on 08/28/2020, but the contributions were actually received 08/13/2020 through 08/24/2020, which is when the PAC cleared the

\$1,500 threshold. The Commission staff recommends that the Commission impose a \$500 penalty for the late registration.

Substantially non-conforming Initial Campaign Finance Report. The PAC's initial campaign finance report runs from 01/01/2020 through 09/02/2020. From 08/13/2020 through 08/24/2020 the PAC received the following contributions:

Deposit Date	Report Date	Contributor	Amount
08/13/2020	08/28/2020	Christopher Anderson	\$50
08/14/2020	08/28/2020	Christopher Anderson	\$400
08/24/2020	08/29/2020	Andy's IGA	\$300
08/24/2020	08/28/2020	Christopher Anderson	\$500
08/25/2020	08/28/2020	Christopher Anderson	\$550

The contribution from Andy's IGA was deposited on 08/24/2020 but was incorrectly reported as being received on 08/29/2020.¹ The four contributions from Mr. Anderson were reported as one lump-sum loan,² effective 08/28/2020. Each of the transactions from Mr. Anderson should have been reported individually as either a loan or contribution (if the transactions were listed as contributions, Mr. Anderson could have filed a return of contribution when the loan was repaid).

The Commission staff recommends that the Commission find that the initial campaign finance report is substantially non-compliant. 21-A M.R.S. § 1062-A. This finding triggers the preliminary penalty calculation:

¹ A contribution is made when it is received by the PAC rather than the deposit date. Commission staff is using the deposit date because it is easier to support based on the bank records.

² An individual may make a loan to a PAC; however, it is considered a contribution because it does not come from a financial institution. 21-A M.R.S. § 1052(3)(A).

Report Name	Financial Activity	Number of Days Late (as of 06/01/2021)	Percentage	Preliminary Penalty
Initial Campaign Finance Report	\$4,843.00	274	2%	\$10,000 (MAX)

The Commission staff recommends that the Commission impose a \$750 penalty for this violation.

Omitted Transactions. The PAC omitted two expenditures from its campaign finance reports and deposited \$506 more than was reported. The omitted transactions are as follows:

- On 09/29/2020, the PAC paid \$318.20 to FA Peabody (the employer of both officers) for postage but the transaction was not reported.
- On 09/21/2020, the PAC paid \$102.59 to County Qwik Print but the transaction was not reported.
- Lastly, throughout 2020, the PAC deposited \$506 more than the PAC reported as cash receipts.

The Commission staff recommends finding that these omissions constitute substantial misreporting under 21-A M.R.S. § 1004-A(4). The Commission can impose up to a \$5,000 penalty. The Commission staff recommends that the Commission impose a penalty of \$250 in total for the three violations.

V. Exceptions

After reviewing the records provided on 01/21/2021 and the additional records provided on 03/11/2021, the Commission staff found the following discrepancies that constitute exceptions:

- On 09/08/2020, the PAC reimbursed Mr. Anderson \$1282.89 but the receipts only suggest a repayment of \$1242.81. The PAC provided additional receipts and information, but the Commission staff still cannot reconcile the discrepancy due to missing receipts.

- The 08/26/2020 receipt for Levesque Office Supplies in the amount of \$109.55 is missing.
- On 08/29/2020, the PAC reported paying \$90.52 to Andy's IGA for bottled water, but the receipt shows a total of \$109.08 spent on bottled water.
- The PAC reported spending a total of \$520.12 at Andy's IGA, but the receipt shows that \$544.12 was spent.

VI. Conclusions and Recommendations

Based on the foregoing findings, the Commission staff recommends a \$1,500 financial penalty be imposed.

Thank you for your attention in this matter.



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COMMISSION ON GOVERNMENTAL ETHICS
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December 8, 2020

Mr. Christopher Anderson
Shiretown PAC
PO Box 1455
Houlton, ME 4730

Rep. Gregg Swallow
Shiretown PAC
PO Box 742
Houlton, ME 4730

Re: 2020 Compliance Review of Leadership PACs

Dear Mr. Anderson & Rep. Swallow:

On November 18, 2020, the members of the Ethics Commission directed the Commission staff to begin a compliance review of Leadership PACs that raised or spent more than \$5,000 in 2020. A Leadership PAC is, for purposes of these reviews, a PAC that had an officer that also served as a Legislator in 2020. Based on the Commission's records, the Shiretown PAC falls into the category for this compliance review.

Please be aware that all committees who meet the above criteria will be reviewed for compliance with PAC laws. By being selected there is no inference on the part of the Commission that any incorrect or improper reporting or activity has taken place. For each PAC reviewed, the Commission staff will prepare and submit to the Commission members a report with the results of the compliance review. You will have the opportunity to review the report and submit any comments that you feel are necessary prior to the Commission's consideration of the staff's report.

In order to facilitate this review, we would appreciate you forwarding copies of the following records:

- All 2020 bank statements for Shiretown PAC;
- Receipt and/or invoices for all expenditures over \$50 incurred during 2020;
- Documentation of any new loans or debts, or any payments thereof in 2020; and
- Records from ActBlue, Anedot, or similar fundraising service of contributions received in 2020.

OFFICE LOCATED AT: 45 MEMORIAL CIRCLE, AUGUSTA, MAINE
WEBSITE: WWW.MAINE.GOV/ETHICS

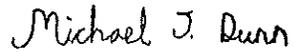
PHONE: (207) 287-4179

FAX: (207) 287-6775

The records should be submitted as hard copies, but digital versions would be acceptable in the following formats: .pdf, excel, or .csv. Digital submissions should be sent via email to me (michael.dunn@maine.gov). Please provide the requested records no later than **January 31, 2021**.

Please do not hesitate to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Michael J. Dunn".

Michael J. Dunn, Esq.
Political Committee and Lobbyist Registrar



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

March 9, 2021

Christopher Anderson
Shiretown PAC
PO Box 1455
Houlton, ME 04730

Hon. Gregg Swallow
Shiretown PAC
PO Box 742
Houlton, ME 04730

Re: Request for Additional Information – 2020 Compliance Review of Leadership PACs

Dear Rep. Swallow and Mr. Anderson:

Thank you for submitting the records that I requested in my December 8, 2020 letter. I have had an opportunity to review your submission and am writing with additional questions. I have scheduled a meeting to take place by Zoom on March 18, 2021 at 9:00 a.m. to discuss the transactions on your account. If this time is inconvenient, please let me know and we can schedule to a better time.

This request is being made only to further assist in the Commission's review of the committee. There is no assertion of inaccurate reporting on the part of the Commission or staff. If you have any questions or concerns regarding this request, I can be reached at (207) 287-4709 or Michael.Dunn@Maine.gov. Thank you for your attention in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael J. Dunn'.

Michael J. Dunn, Esq.
Political Committee Registrar

OFFICE LOCATED AT: 45 MEMORIAL CIRCLE, AUGUSTA, MAINE
WEBSITE: WWW.MAINE.GOV/ETHICS

PHONE: (207) 287-4179

FAX: (207) 287-6775



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

2020 CAMPAIGN FINANCE REPORT
FOR POLITICAL ACTION COMMITTEES

COMMITTEE		TREASURER
Shiretown PAC PO Box 1455 Houlton, ME 04730 PHONE:(207) 521-7003 EMAIL: chris.anderson@fapeabody.com		Ms. Gregg Lewis Swallow P O Box 742 HOULTON, ME 04730 PHONE:(207) 521-7416 EMAIL: gregg.swallow@fapeabody.com
REPORT	DUE DATE	REPORTING PERIOD
Initial Financial Report	09/08/2020	01/01/2020 - 09/02/2020

FINANCIAL ACTIVITY SUMMARY

RECEIPTS	TOTAL FOR PERIOD	TOTAL FOR YEAR
1. CASH CONTRIBUTIONS (SCHEDULE A)	\$3,343.00	\$3,343.00
2. OTHER CASH RECEIPTS (INTEREST, ETC.)	\$0.00	\$0.00
3. LOANS (SCHEDULE C)	\$1,500.00	\$1,500.00
4. TOTAL RECEIPTS (LINE 1 + 2 + 3)	\$4,843.00	\$4,843.00
EXPENDITURES		
5. EXPENDITURES TO SUPPORT OR OPPOSE (SCHEDULE B)	\$0.00	\$0.00
6. OPERATING EXPENDITURES (SCHEDULE B-1)	\$2,905.97	\$2,905.97
7. LOAN REPAYMENTS (SCHEDULE C)	\$0.00	\$0.00
8. TOTAL PAYMENTS (LINE 5 + 6 + 7)	\$2,905.97	\$2,905.97
CASH SUMMARY		
9. CASH BALANCE AT BEGINNING OF PERIOD	\$0.00	
10. PLUS TOTAL RECEIPTS THIS PERIOD (LINE 4)	\$4,843.00	
11. MINUS TOTAL PAYMENTS THIS PERIOD (LINE 8)	\$2,905.97	
12. CASH BALANCE AT END OF PERIOD	\$1,937.03	
OTHER ACTIVITY		
13. IN-KIND CONTRIBUTIONS (SCHEDULE A-1)	\$0.00	\$0.00
14. TOTAL LOAN BALANCE AT END OF PERIOD (SCHEDULE C)	\$1,500.00	
15. TOTAL UNPAID DEBTS AT END OF PERIOD (SCHEDULE D)	\$0.00	

I, Gregg Lewis Swallow, CERTIFY THAT THE INFORMATION CONTAINED IN THIS REPORT IS TRUE, ACCURATE, AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

REPORT FILED BY: Michael Dunn on behalf of Gregg Lewis Swallow
 REPORT FILED ON: 9/2/2020 1:16:40 PM
 LAST MODIFIED: 3/18/2021 9:32:35 AM
 COMMITTEE ID: 383500

**SCHEDULE A
CASH CONTRIBUTIONS**

- For contributors who gave more than \$50, the names, address, occupation, and employer must be reported. If "information requested" is listed instead of occupation and employer, the candidate is waiting to receive that information.
- Cash contributions of \$50 or less can be added together and reported as a lump sum.
- Contributor Types

- | | |
|--|--|
| 1 = Individual | 9 = Candidate / Candidate Committee |
| 2 = Candidate/ Spouse/ Domestic Partner | 10 = General Treasury Transfer |
| 3 = Commercial Source | 11 = Transfer from Previous Campaign |
| 4 = Nonprofit Organization | 12 = Contributors giving \$50 or less |
| 5 = Political Action Committee | 13 = Contributors giving \$100 or less |
| 6 = Political Party Committee | 14 = Contributors giving \$200 or less |
| 7 = Ballot Question Committee | 15 = MCEA Payment |
| 8 = Other Candidate/ Candidate Committee | 16 = Financial Institution |

DATE RECEIVED	CONTRIBUTOR	EMPLOYER AND OCCUPATION	TYPE	AMOUNT
8/28/2020	Bruce & Jean Collett 10 Garrison Lane Houlton, ME, 04730	Retired Retired Cash	1	\$100.00
8/28/2020	Cameron Clark P O Box 1703 Houlton, ME, 04730	Cam's Law Care Environmental Services Cash	1	\$100.00
8/28/2020	Cindy & Chris Johansen 462 Fletcher Rd. Houlton, ME, 04730	Retired Science/Technology Cash	1	\$100.00
8/28/2020	David Wilson P O Box 38 Millinocket, ME, 04462	Katahdin Forest MGT, LLC Media/Public Relations Cash	1	\$100.00
8/28/2020	Jane Johnson 2400 Forest City Rd. Forest City TWP, ME, 04413	Retired Retired Cash	1	\$100.00
8/28/2020	Jon & Patricia Prescott 173 Callaghan Rd Houlton, ME, 04730	Katahdin Trust Company Financial/Investment Cash	1	\$75.00
8/28/2020	Kathy Lancaster 36 Danbury Lane Charlotte, NC, 28211	Dickins Mitchner Real Estate Professional	1	\$100.00
8/28/2020	Peter & Lisa Collett 10 Riverview Way New Limerick, ME, 04781	Maple Grove Nursing Home, Inc. Healthcare/Medical Cash	1	\$100.00

8/28/2020	Peter Fitzpatrick 100 PLEASANT ST. HOULTON, ME, 04730	Self Automotive Industry Cash	1	\$100.00
8/29/2020	Andy's IGA US #1 Houlton Plaza Houlton, ME, 04730	Cash Contribution	3	\$300.00
8/29/2020	Contributors giving \$50 or less	Event proceeds	12	\$674.00
8/29/2020	Contributors giving \$50 or less	Event supplies and equipment usage	12	\$44.00
8/29/2020	James Brown 93 MILITARY ST HOULTON, ME, 04730	Maple Grove Nursing Home, Inc. Healthcare/Medical Cash	1	\$250.00
8/29/2020	MAINE SENATE REPUBLICAN MAJORITY P.O. Box 1 Augusta, ME, 04332	Cash contribution	5	\$1,000.00
8/29/2020	Robert E Anderson 6 RIDGEWAY ST. HOULTON, ME, 04730	F. A. Peabody Company Insurance Industry	1	\$200.00
TOTAL CASH CONTRIBUTIONS				\$3,343.00

**SCHEDULE B-1
OPERATING EXPENDITURES**

EXPENDITURE TYPES				
APP	Apparel (t-shirts, hats, embroidery, etc.)	CON	Contribution to party committee, non-profit, other candidate, etc.	
EQP	Equipment of \$50 or more (computer, tablet, phone, furniture, etc.)	EVT	Campaign and fundraising events (venue or booth rental, entertainment, supplies, etc.)	
FOD	Food for campaign events or volunteers, catering	HRD	Hardware and small tools (hammer, nails, lumber, paint, etc.)	
LIT	Printed campaign materials (palmcards, signs, stickers, flyers, etc.)	MHS	Mail house and direct mail (design, printing, mailing, and postage all included)	
NEW	Newspaper and print media ads only	OFF	Office supplies, rent, utilities, internet service, phone minutes and data	
ONL	Social media and online advertising only	OTH	Other and fees (bank, contribution, and money order fees, etc.)	
PER	Personnel and campaign staff, consulting, and independent contractor costs	PHO	Phones (phone banking, robocalls and texts)	
POL	Polling and survey research	POS	Postage for U.S. Mail and mail box fees	
PRO	Professional services (graphic design, legal services, web design, etc.)	RAD	Radio ads, production costs	
TKT	Entrance cost to event (bean suppers, fairs, party events, etc.)	TRV	Travel (fuel, mileage, lodging, etc.)	
TVN	TV/cable ads, production, and media buyer costs only	WEB	Website and internet costs (website domain and registration, etc.)	

DATE OF EXPENDITURE	PAYEE	REMARK	TYPE	AMOUNT
8/26/2020	Walmart 17 LUDLOW RD HOULTON, ME, 04730	Printer paper	MHS	\$8.33
8/26/2020	Staples 180 BANGOR MALL BLVD BANGOR, ME, 04401	Labels	MHS	\$118.66
8/26/2020	Levesque Office Supplies 46 Aldrich Dr. Caribou, ME, 04769	Envelopes	MHS	\$109.55
8/26/2020	F. A. Peabody Company 29 North St. Houlton, ME, 04730	Postage	POS	\$791.50
8/26/2020	F. A. Peabody Company 29 North St. Houlton, ME, 04730	Postage	POS	\$291.50
8/26/2020	Printworks 260 Missile St Presque Isle, ME, 04769	Flyer printing	MHS	\$422.08
8/26/2020	Bangor Publishing One Merchant Plaza Bangor, ME, 04401	Newspaper Ads	MHS	\$800.00
8/29/2020	Andy's IGA Houlton Plaza Houlton, ME, 04730	Hot dogs	FOD	\$350.00
8/29/2020	Sam's Club 47 Haskell Rd Bangor, ME, 04401	Condiments	FOD	\$33.74
8/29/2020	Amazon North St Seattle, WA, 98101	Condiments	FOD	\$37.28

8/29/2020	Opentip.com 337 Reservoir St, Floor 3 Needham Heights, MA, 02494	Hot Dog Containers	EVT	\$455.79
8/29/2020	Andy's IGA Houlton Plaza Houlton, ME, 04730	Hot dog rolls	FOD	\$79.60
8/29/2020	Sam's Club 47 Haskell Rd Bangor, ME, 04401	Napkins	EVT	\$40.45
8/29/2020	Andy's IGA Houlton Plaza Houlton, ME, 04730	Bottled Water	FOD	\$90.52
8/29/2020	Sam's Club 47 Haskell Rd Bangor, ME, 04401	Chips	FOD	\$68.47
TOTAL OPERATING EXPENDITURES				\$2,905.97

**SCHEDULE C
LOANS/LOAN PAYMENTS**

LOAN TRANSACTIONS FOR THIS REPORTING PERIOD						
Lender	Type	Original Loan Date	Original Loan Amount	Activity Date	Loan Activity	Activity Amount
Christopher Benn Anderson	Individual	08/28/2020	\$1500.00	8/28/2020	Loan - Start up capital	\$1500.00
LOAN ACTIVITY FOR THIS YEAR						
Lender	Type	Original Loan Date	Original Loan Amount	Total Payment Amount	Total Forgiveness Amount	Loan Balance
Christopher Benn Anderson	Individual	08/28/2020	\$1500.00	\$0.00	\$0.00	\$1500.00
TOTAL LOAN BALANCE AT END OF REPORTING PERIOD						\$1500.00

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



2020 CAMPAIGN FINANCE REPORT
FOR POLITICAL ACTION COMMITTEES

COMMITTEE		TREASURER
Shiretown PAC PO Box 1455 Houlton, ME 04730 PHONE:(207) 521-7003 EMAIL: chris.anderson@fapeabody.com		Ms. Gregg Lewis Swallow P O Box 742 HOULTON, ME 04730 PHONE:(207) 521-7416 EMAIL: gregg.swallow@fapeabody.com
REPORT	DUE DATE	REPORTING PERIOD
October Quarterly Report	10/05/2020	09/03/2020 - 09/30/2020

FINANCIAL ACTIVITY SUMMARY

RECEIPTS	TOTAL FOR PERIOD	TOTAL FOR YEAR
1. CASH CONTRIBUTIONS (SCHEDULE A)	\$946.00	\$4,289.00
2. OTHER CASH RECEIPTS (INTEREST, ETC.)	\$0.00	\$0.00
3. LOANS (SCHEDULE C)	\$0.00	\$1,500.00
4. TOTAL RECEIPTS (LINE 1 + 2 + 3)	\$946.00	\$5,789.00
EXPENDITURES		
5. EXPENDITURES TO SUPPORT OR OPPOSE (SCHEDULE B)	\$0.00	\$0.00
6. OPERATING EXPENDITURES (SCHEDULE B-1)	\$26.70	\$2,932.67
7. LOAN REPAYMENTS (SCHEDULE C)	\$1,500.00	\$1,500.00
8. TOTAL PAYMENTS (LINE 5 + 6 + 7)	\$1,526.70	\$4,432.67
CASH SUMMARY		
9. CASH BALANCE AT BEGINNING OF PERIOD	\$1,937.03	
10. PLUS TOTAL RECEIPTS THIS PERIOD (LINE 4)	\$946.00	
11. MINUS TOTAL PAYMENTS THIS PERIOD (LINE 8)	\$1,526.70	
12. CASH BALANCE AT END OF PERIOD	\$1,356.33	
OTHER ACTIVITY		
13. IN-KIND CONTRIBUTIONS (SCHEDULE A-1)	\$500.00	\$500.00
14. TOTAL LOAN BALANCE AT END OF PERIOD (SCHEDULE C)	\$0.00	
15. TOTAL UNPAID DEBTS AT END OF PERIOD (SCHEDULE D)	\$0.00	

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

REPORT FILED BY: Christopher Anderson
 REPORT FILED ON: 9/28/2020 4:16:56 PM
 LAST MODIFIED: 3/18/2021 9:33:08 AM
 COMMITTEE ID: 383500

**SCHEDULE A
CASH CONTRIBUTIONS**

- For contributors who gave more than \$50, the names, address, occupation, and employer must be reported. If "information requested" is listed instead of occupation and employer, the candidate is waiting to receive that information.
- Cash contributions of \$50 or less can be added together and reported as a lump sum.
- Contributor Types

1 = Individual

2 = Candidate/ Spouse/ Domestic Partner

3 = Commercial Source

4 = Nonprofit Organization

5 = Political Action Committee

6 = Political Party Committee

7 = Ballot Question Committee

8 = Other Candidate/ Candidate Committee

9 = Candidate / Candidate Committee

10 = General Treasury Transfer

11 = Transfer from Previous Campaign

12 = Contributors giving \$50 or less

13 = Contributors giving \$100 or less

14 = Contributors giving \$200 or less

15 = MCEA Payment

16 = Financial Institution

DATE RECEIVED	CONTRIBUTOR	EMPLOYER AND OCCUPATION	TYPE	AMOUNT
9/3/2020	Peter & Kathy Chase 65 McIntire Rd. Houlton, ME, 04730	Buildings, Etc. Construction/Engineering Cash contribution	1	\$300.00
9/5/2020	Donald & Dorothy Fitzpatrick 109 Jordan RD. Houlton, ME, 04730	Self Agriculture Cash Contribution	1	\$100.00
9/5/2020	Richard & Cecilia Rhoda P O Box 743 Houlton, ME, 04730	Self Attorney/Legal Cash Contribution	1	\$100.00
9/10/2020	Contributors giving \$50 or less	Various Cash Contributions	12	\$196.00
9/28/2020	Christopher Benn Anderson P O Box 1455 37 Starkey Farm Rd. Houlton, ME, 04730	F. A. Peabody Company Insurance Industry Cash Contribution	1	\$250.00
TOTAL CASH CONTRIBUTIONS				\$946.00

**SCHEDULE A - 1
IN-KIND CONTRIBUTIONS**

- In-kind contributions are goods and services (including facilities) that a candidate received at no cost or at a cost less than the fair market value. they include all goods and services purchased for the campaign by the candidate or supporters if the campaign does not expect to reimburse the candidate or supporter. These contributions may come from the candidate, candidate's family, supporters, PACs, party committees, or other entities.
- For contributors who gave more than \$50, the names, address, occupation, and employer must be reported. If "information requested" is listed instead of occupation and employer, the candidate is waiting to receive that information.
- In-kind contributions of \$50 or less can be added together and reported as a lump sum.
- If the candidate received a discount on goods and services, the amount of the discount must be reported as an in-kind contribution.
- Total contributions (cash and in-kind) from the same source (except the candidate and candidate's spouse or domestic partner) may NOT exceed \$350 in any election for the legislative candidates, \$750 for county candidates, or \$1500 for gubernatorial candidates. For party candidates, the primary and general elections are considered separate election. For non-party candidates, there is only one election, the general election.

1 = Individual

2 = Candidate/ Spouse/ Domestic Partner

3 = Commercial Source

4 = Nonprofit Organization

5 = Political Action Committee

6 = Political Party Committee

7 = Ballot Question Committee

8 = Other Candidate/ Candidate Committee

9 = Candidate / Candidate Committee

10 = General Treasury Transfer

11 = Transfer from Previous Campaign

12 = Contributors giving \$50 or less

13 = Contributors giving \$100 or less

14 = Contributors giving \$200 or less

15 = MCEA Payment

16 = Financial Institution

DATE RECEIVED	CONTRIBUTOR'S NAME, ADDRESS, ZIP	EMPLOYER AND OCCUPATION	DESCRIPTION (of goods, services, facilities, or discounts received)	TYPE	AMOUNT
9/10/2020	F. A. Peabody Company P O Box 806 29 North Street Houlton, ME, 04730		Forgiveness of postage meter costs incurred in promotion of multiple candidates	3	\$500.00
TOTAL IN-KIND CONTRIBUTIONS					\$500.00

**SCHEDULE B-1
OPERATING EXPENDITURES**

EXPENDITURE TYPES				
APP	Apparel (t-shirts, hats, embroidery, etc.)	CON	Contribution to party committee, non-profit, other candidate, etc.	
EQP	Equipment of \$50 or more (computer, tablet, phone, furniture, etc.)	EVT	Campaign and fundraising events (venue or booth rental, entertainment, supplies, etc.)	
FOD	Food for campaign events or volunteers, catering	HRD	Hardware and small tools (hammer, nails, lumber, paint, etc.)	
LIT	Printed campaign materials (palmcards, signs, stickers, flyers, etc.)	MHS	Mail house and direct mail (design, printing, mailing, and postage all included)	
NEW	Newspaper and print media ads only	OFF	Office supplies, rent, utilities, internet service, phone minutes and data	
ONL	Social media and online advertising only	OTH	Other and fees (bank, contribution, and money order fees, etc.)	
PER	Personnel and campaign staff, consulting, and independent contractor costs	PHO	Phones (phone banking, robocalls and texts)	
POL	Polling and survey research	POS	Postage for U.S. Mail and mail box fees	
PRO	Professional services (graphic design, legal services, web design, etc.)	RAD	Radio ads, production costs	
TKT	Entrance cost to event (bean suppers, fairs, party events, etc.)	TRV	Travel (fuel, mileage, lodging, etc.)	
TVN	TV/cable ads, production, and media buyer costs only	WEB	Website and internet costs (website domain and registration, etc.)	
DATE OF EXPENDITURE	PAYEE	REMARK	TYPE	AMOUNT
9/10/2020	F. A. Peabody Company 29 North St. Houlton, ME, 04730	Postage meter to send out thank you cards	MHS	\$26.70
TOTAL OPERATING EXPENDITURES				\$26.70

**SCHEDULE C
LOANS/LOAN PAYMENTS**

LOAN TRANSACTIONS FOR THIS REPORTING PERIOD						
Lender	Type	Original Loan Date	Original Loan Amount	Activity Date	Loan Activity	Activity Amount
Christopher Benn Anderson	Individual	08/28/2020	\$1500.00	9/8/2020	Loan Payment - Repayment	\$1500.00
LOAN ACTIVITY FOR THIS YEAR						
Lender	Type	Original Loan Date	Original Loan Amount	Total Payment Amount	Total Forgiveness Amount	Loan Balance
Christopher Benn Anderson	Individual	08/28/2020	\$1500.00	\$1500.00	\$0.00	\$0.00
TOTAL LOAN BALANCE AT END OF REPORTING PERIOD						\$0.00

**PAGES 24-26 REMOVED FOR
CONFIDENTIALITY**



To: Commissioners

From: Jonathan Wayne, Executive Director

Benjamin Dyer, Political Committee and Lobbyist Registrar

Date: November 28, 2016

Re: Request for Waiver of Late-Filing Penalty by Maine Matters Vote No BQC

INTRODUCTION

This item is a request for a waiver of a late-filing penalty by a ballot question committee, Maine Matters Vote No. The committee was registered by Ms. Hilary Lister to disclose her expenditures on radio ads and other communications opposing the marijuana legalization initiative. Because Ms. Lister was operating as an individual, she did not realize that she was required to register and file financial reports as a ballot question committee. Her registration and initial campaign finance report were approximately one month late. The preliminary penalty for the late report is \$3,015.

Ms. Lister performs work as Maine Matters, a small Augusta-based consulting firm that she has operated since January 2015. Maine Matters is a sole proprietorship. Some of her clients are providers of medical marijuana.

A ballot question committee (BQC) is a person¹ with a major purpose other than influencing a Maine election that raises or spends more than \$5,000 to influence a ballot question in Maine. A BQC must register with the Commission and file financial reports – similar to political action committees (PACs). Typically, a BQC is an organization with a purpose or mission that pre-existed the ballot question, but an individual may also qualify as a BQC.

¹ The term “person” is defined to mean “an individual, committee, firm, partnership, corporation, association or organization.” (21-A M.R.S.A. § 1001(3))

BQCs are required to register with the Ethics Commission within 7 days of surpassing \$5,000 of either expenditures made or contributions received to influence a ballot question. Along with the registration, a BQC must file an Initial Campaign Finance Report containing all contributions received and expenditures made from the beginning of the campaign through the date of filing.

Based on a review of her financial activity, it appears that Ms. Lister was required to register Maine Matters Vote No and file its first campaign finance report on August 31, 2016. Instead, the BQC registered and filed its first report approximately one month late on September 30, 2016.

LEGAL REQUIREMENTS

Definition of BQC. The definition of and registration requirements for ballot question committees are set out within a single statute, 21-A M.R.S.A. § 1056-B (attached).

Reporting requirements. Under the BQC statute (§ 1056-B), BQCs are required to file campaign finance reports according to the same filing schedule as PACs. (21-A M.R.S.A. §1059(2)) According to this schedule, an Initial Campaign Finance Report is due at the time of registration covering the time period from the beginning of the campaign through the date of registration.

Late-filing procedures. If a BQC is late in filing a campaign finance report, the amount of the preliminary penalty is set by a formula which takes into consideration a percentage of the financial activity reported late, and the number of days the report was late. (21-A M.R.S.A. § 1062-A(3)) If a BQC is late in registering, the Commission may assess a penalty of up to \$2,500. (21-A M.R.S.A. § 1062-A(1))

PRELIMINARY PENALTY

The BQC surpassed \$5,000 in contributions received on August 24, 2016. It should have registered with the Commission by August 31, 2016, but did not register and file its Initial Report until September 30, 2016.

Based on the statutory formula for calculating late-filed report penalties, the Commission staff has calculated the preliminary penalty as follows:

Report Name	Activity Reported Late	Due Date	Days Late	Per Diem	Preliminary Penalty
Initial Report	\$5,025.00	8/31/2016	30	2%	\$3,015.00

REQUEST BY BQC FOR WAIVER OF LATE-FILING PENALTY

Ms. Lister and her BQC request a waiver of the penalty through a letter dated November 26, 2016 (attached). In her waiver request, Ms. Lister explains that she undertook radio advertising to oppose the initiative as a private citizen who disagreed with the citizen initiative. She had no prior experience raising or spending money to influence an election, or involvement in a PAC or BQC. After sharing her plans with an informal group of medical marijuana caregivers, one of them offered to set up a fundraising page to support her activities. Although she has received money from others to pay for her communications, she has been acting for herself and not any particular organization. After an attorney raised the issue with her, she promptly registered with the Commission and filed an initial campaign finance report.

COMMENTS BY COMMISSION STAFF

In meetings with the Commission staff, Ms. Lister explained that she was opposed to the marijuana legalization initiative because of its impact on medical marijuana patients and caregivers, and because of concerns that the initiative would benefit specific funders of the initiative. In July 2015, she purchased radio ads opposing the initiative and made plans to engage in other communications to voters, such as yard signs.

That month, she attended an informal monthly meeting of medical marijuana caregivers and described her plans for advocating against the initiative. Some time later, a member of this group volunteered to set up a page on the GoFundMe website to enable her to receive financial support for her activities. After that, an attorney contacted her and suggested that she might need to register as a PAC or BQC.

Ms. Lister initially registered as a PAC on September 30, 2016. After further discussions with the Commission staff concerning the nature and business of Maine Matters, the Commission staff determined that Maine Matters should be properly categorized as a ballot question committee – rather than a PAC.

Through the 11-day pre-election report, Ms. Lister received contributions totaling \$11,949.00 from others to influence the initiative. She spent \$14,273.39, including roughly \$2,300 of general funds of her business. These are not large amounts, relative to other political action committees or ballot question committees.

Ms. Lister is new to consulting. Between 2012 and 2014, she was an administrative assistant for the Medical Marijuana Caregivers of Maine. In January 2015, she began her consulting business, Maine Matters. Some of the clients are small farms or registered caregivers of medical marijuana who need assistance advocating before select boards or town councils. For five months during 2016, she was registered as a lobbyist before the Maine Legislature for three clients: Medical Marijuana Caregivers of Maine, the Farm to Consumer Defense Council, and Integr8 Health (an association of medical marijuana doctors in Maine). After the 2016 session concluded, her consulting business has been part time.

STAFF RECOMMENDATION

We recommend finding that Maine Matters Vote No violated 21-A M.R.S.A. § 1056-B(1) by not filing its initial campaign finance report on time on August 31, 2016, and violated 21-A M.R.S.A. § 1056-B(1-A) by not registering on time.

We view both violations as closely related, and we recommend a total penalty of \$500.

- The simplest way to achieve this would be to reduce the \$3,015 preliminary penalty for the late initial campaign finance report to \$500, under Section 1060-A(2).
- Alternatively, you could assess a penalty of \$200 under Section 1062(1) for failing to register on time, and reduce the late-report penalty to \$300.

In our opinion, the preliminary penalty amount of \$3,015.00 for the late initial campaign finance report is disproportionately high relative to Ms. Lister's campaign experience. She reports that she has never raised or spent money to influence an election or been involved in a PAC or BQC before. The groups exercising their First Amendment rights to speak and influence ballot question campaigns in Maine run the gamut from well-financed and professionally-staffed national organizations operating across many states to small, amateur groups operating only in Maine temporarily in connection with a particular election. It is to the latter groups application of the § 1062-A "experience of the treasurer" test to determine the appropriateness of a penalty is most appropriate. In the present case, Ms. Lister's relatively new consulting firm has never been involved in ballot campaigns in Maine, nor does it have experience with campaign finance reporting in other states. The BQC identified on its own that it was late in registering and corrected that oversight without prompting by Commission staff.

That said, the public was deprived of information about who was behind messages seeking to influence their vote for approximately a month, yielding some measure of public harm. Balancing these factors, the Commission staff recommends a total penalty of \$500.

Thank you for your consideration of this memo.