



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

To: Commission
From: Jonathan Wayne, Executive Director
Date: August 13, 2021
Re: Enhanced Compliance Reviews of Leadership PACs

At the July 30, 2021 meeting of the Commission, Political Committee and Lobbyist Registrar Michael Dunn completed his presentation of his enhanced compliance reviews of 2020 leadership political action committees (“PACs”). Earlier this year, he reviewed all 15 leadership PACs (those led by current legislators) that had raised or spent more than \$5,000 in 2020. Mr. Dunn found minor reporting or record-keeping deficiencies (exceptions) for twelve of the 15 PACs. He recommended findings of violation for five of the PACs, and civil penalties against two PACs. At the July 30 meeting, Commissioner Bill Lee proposed scheduling a discussion of whether the Commission should continue to conduct enhanced compliance reviews of leadership PACs.

As a reminder, the Commission staff conducts a compliance review of all campaign finance reports filed by candidates and political committees (PACs, ballot question committees, and party committees). This includes reviewing the reports to verify that they seem complete on their face and no violations are apparent. We do not ask for supporting documentation unless something seems amiss. In contrast, Mr. Dunn’s enhanced compliance review of 2020 leadership PACs amounted to an informal audit in which he requested bank account records and invoices to compare against the transactions reported by the PACs. The only other campaign finance filers that are routinely audited are Maine Clean Election Act candidates, who are subject to an audit by an outside accounting firm.

The Commission staff is open to continuing to conduct enhanced compliance reviews of leadership PACs or other committees, provided that the scope and the timing of the reviews can be mixed in with Mr. Dunn's regular responsibilities. If you would like, it would be possible to expand the reviews to committees other than leadership PACs if they are conducted after the 2022 general election. For example:

- We could conduct an enhanced compliance review of a selection of 2022 PACs and ballot question committees (BQCs) after the 2022 general election. If you would like to pursue this, we would recommend 10-15 committees which we would randomly select.
- We recommend including only those PACs and BQCs that raised or spent at least \$10,000 in 2022.
- We do not favor including the state party committees. The very high amount of spending and transactions by those committees would exceed the staff time available. We also recommend excluding local party committees because their financial activities are more limited and they have fewer people available to respond to an audit.
- The four PACs formed by the legislative caucuses also engage in large amounts of spending. Those committees sometimes spend as much as ½ to 1½ million dollars each during an election year. If we include the four caucus PACs in the enhanced compliance reviews, that could reduce the total number of committees that the staff could review.

If the Commission would like us to pursue a post-election enhanced compliance review of 2022 political committees, we recommend sending notices in early 2022 to all committees that might be selected. We also suggest revisiting the plans in fall of 2022 to assess whether any adjustments are needed due to demands on staff time that cannot be anticipated at this time. Thank you.