

STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES

IN THE MATTER OF:

ALPINE INITIATIVES LLC

Respondent.

CONSENT AGREEMENT

The Maine Commission on Governmental Ethics and Election Practices (the “Commission”) and Alpine Initiatives LLC (“Alpine Initiatives”) enter into the following consent agreement (the “Agreement”) to resolve alleged violations of campaign finance laws without further administrative proceedings. The alleged violations arise out of activities to oppose the New England Clean Energy Connect transmission project (“NECEC”). Without admitting any liability or wrongdoing, Alpine Initiatives wishes to resolve this matter with the Commission by entering into this Agreement pursuant to which Alpine Initiatives agrees that it should have registered as a Political Action Committee (“PAC”) and, as a result, filed a Maine campaign finance report.

PROCEDURAL BACKGROUND

1. During 2021, the Commission staff investigated the activities of Clean Energy for ME, LLC, which conducted activities to oppose NECEC in the name of Stop the Corridor. The Commission staff discovered Stop the Corridor had made payments to Alpine Initiatives, a Maine limited liability company formed in October 2018 that did not have any commercial presence on the internet. In July 2021, the Commission authorized its staff to investigate whether Alpine Initiatives had been used as a pass-through for a \$150,000 contribution to the Maine Democratic Party.

2. Beginning in July 2021, the Commission staff conducted investigations of Alpine Initiatives and Stop the Corridor concurrently. For purposes of this investigation, the Commission staff received large productions of documents from Bernstein, Shur, Sawyer & Nelson (“Bernstein Shur”) and Alpine Initiatives and conducted recorded interviews of the

consultants referenced in this Agreement and the former Deputy Director of the Maine Democratic Party.

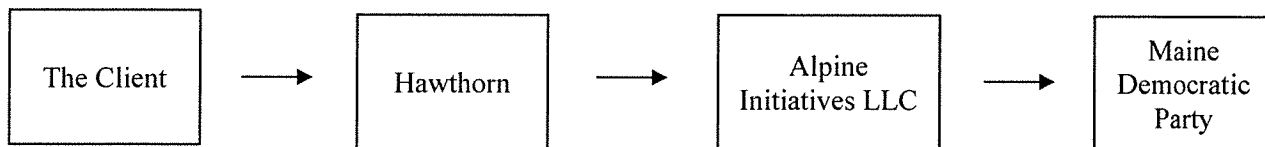
FINDINGS OF FACT

3. Alpine Initiatives was a Maine limited liability company formed in October 2018.
4. Bernstein Shur is a Maine law firm that employs political consultants.
5. The Hawthorn Group, L.C. (“Hawthorn”) is a public affairs and communications consulting firm based in Alexandria, Virginia.
6. In late 2017 or early 2018, Hawthorn, acting on behalf of a client (“the Client”), approached Bernstein Shur about doing work against NECEC.
7. Bernstein Shur employees provided a mix of legal and consulting services for this purpose during 2018-2020. (The Bernstein Shur employees that provided consulting services are referenced collectively as the “Maine consultants”.)
8. In early meetings with the Maine consultants in late 2017 or 2018 Hawthorn told the Maine consultants they should not disclose Hawthorn or the Client and that all activities should be conducted in accordance with Maine law. These directives never changed during the relevant period covered by this Agreement and covered the full range of activities that would be conducted by the Maine consultants. The Maine consultants understood this to mean that, if Maine law required an activity to result in the disclosure of the name of Hawthorn or the Client, the Maine consultants should not engage in such activity. Hawthorn retained the Maine consultants based on their expertise in Maine elections and election law and were relying on the Maine consultants to act within these parameters.
9. In October 2018, the Maine consultants viewed Democratic officials as generally more likely to oppose the NECEC project. In anticipation of future lobbying activities with Democratic officials regarding potential legislation, the Maine consultants explored the feasibility of making a substantial contribution to the Maine Democratic Party in connection with get out the vote activities related to the upcoming general election. The Maine consultants believed the contribution would help their relationships with Democratic officials.
10. The Maine consultants assert that they believed that providing funding for get out the vote activities was not reportable and that, therefore, none of their activities required Alpine

Initiatives to register as a PAC or to identify its source of funding under Maine law. The Commission staff's investigation did not find evidence contradicting this assertion.

11. Around two weeks before the November 6, 2018, general election, one of the Maine consultants called the former Deputy Director of the Maine Democratic Party to discuss a potential donation toward the party's get out the vote activities. That consultant asked: if the consultant had a donor that could contribute \$100,000 or \$150,000, would the party be able to use the contribution before Election Day? The former Deputy Director confirmed the party could use that money to expand the party's activities to contact voters to encourage them to return absentee ballots. The Maine consultant did not identify the donor. No policy agenda was attached to the contribution. The contribution was intended to support the Democratic Party's get out the vote activities. In a second conversation, the Maine consultant confirmed that the amount would be \$150,000 and the donor would be a new entity named Alpine Initiatives. Commission staff's investigation did not find evidence that the Client knew the purpose of the funds or to whom they would be paid.

12. On October 23-24, 2018, the Maine consultants and Hawthorn agreed to form a new limited liability company to make a donation to the Maine Democratic Party. It was determined that the funds would flow as follows:



13. Within a three-day period of October 24-26, 2018, the Maine consultants caused Alpine Initiatives, a Maine limited liability company, to be formed, opened its bank account, and made other necessary arrangements.

14. On Monday, October 29, 2018, Hawthorn made a wire transfer of \$160,000 to Alpine Initiatives' bank account. The next day, October 30, 2018, Alpine Initiatives wired \$150,000 to the Maine Democratic Party.

15. In a 24-Hour Report filed with the Commission on October 29, 2018 (eight days before the general election), the Maine Democratic Party reported receiving \$150,000 from Alpine Initiatives. The party also reported the contribution in its 42-Day Post-General Election Report filed on December 18, 2018.

16. Alpine Initiatives was the only source reported to the public of the \$150,000 contribution identified in the Maine Democratic Party campaign finance reports filed with the Commission. The public did not learn of the ultimate source of the contribution because it was reported in the name of Alpine Initiatives.

17. Alpine Initiatives did not register and file campaign finance reports with the Commission as a PAC.

18. Alpine Initiatives did not participate in any commerce within its 14-month existence. Making the \$150,000 contribution was Alpine Initiatives' only activity, other than administrative tasks to maintain the LLC (*e.g.*, making corporate filings and paying routine fees). Alpine Initiatives did not lobby or participate in any other political activities. It dissolved on December 31, 2019.

APPLICABLE LAW

19. Under campaign finance law in effect during October 2018, an organization qualified as a PAC if it received contributions or made expenditures over a monetary threshold for purposes of initiating or influencing an election campaign in Maine. 21-A M.R.S. § 1052(5)(A). The threshold was \$1,500 for organizations with a "major purpose" of initiating or influencing a campaign. § 1052(5)(A)(4) (repealed under a 2021 consolidation of the PAC definition, P.L. 2021, Ch. 217).

20. Maine campaign finance laws governing PACs separately define *expenditure* and *contribution*. The definition of *expenditure* includes "[t]he transfer of funds by a political action committee to another candidate or political committee." § 1052(4)(A). The definition of *contribution* includes "[a] gift, subscription, loan, advance or deposit of money or anything of value made to a political action committee, except that a loan of money by a financial institution made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included." § 1052(3)(A). The definition of *expenditure*, but not the definition of *contribution*, excludes "[a]ctivity designed to encourage individuals ... to vote, if that activity or communication does not mention a clearly identified candidate." § 1052(4)(B)(2) (hereinafter, "get out the vote activities").

21. Political action committees are required to register with the Commission under

§ 1052-A(1)(A). The Commission is authorized to assess a penalty of up to \$2,500 against a PAC that fails to register, pursuant to § 1062-A(1).

22. PACs are required to file campaign finance reports with the Commission disclosing contributions they have received and expenditures they have made. §§ 1059 & 1060. Section 1062-A(8-A) authorizes the Commission to assess a civil penalty when a PAC fails to file a campaign finance report. The maximum penalty is \$10,000 or the amount of financial campaign activity not reported, whichever is greater.

23. The Commission may triple a penalty authorized under Chapter 13 of Maine Election Law for a violation occurring less than 14 days prior to an election day. § 1004-C.

CONCLUSIONS OF LAW

24. Alpine Initiatives received a contribution of \$160,000 as defined by 21-A M.R.S. § 1052(3)(A)&(C).

25. The Commission concludes that only the entity directly making the expenditure for get out the vote activities is exempt from reporting the expenditure. Accordingly, the Commission concludes that Alpine Initiatives made an expenditure of \$150,000 as defined by 21-A M.R.S. § 1052(4)(A)(1)&(3) in the form of a transfer of funds to the Maine Democratic Party for the purpose of influencing a campaign.

26. The Commission concludes that the exception to the definition of *expenditure* in § 1052(4)(B)(2) for get out the vote activities is inapplicable to the facts found above because Alpine Initiatives transferred funds to another political committee to use for get out the vote activities rather than engaging in get out the vote activities itself.

27. Based on this construction of applicable campaign finance laws, the Commission concludes that Alpine Initiatives qualified as a PAC under former 21-A M.R.S. § 1052(5)(A)(4) because its major purpose was influencing a campaign and it received contributions and made expenditures exceeding \$1,500 in 2018 for that purpose, despite the Maine consultants' view that such activities constituted get out the vote activities.

28. Therefore, the Commission concludes that Alpine Initiatives violated 21-A M.R.S. § 1052-A(1)(A) by failing to register as a PAC.

29. Alpine Initiatives violated 21-A M.R.S. § 1059 by not filing a campaign finance report at the time of registration.

COVENANTS

30. To resolve this matter without further administrative hearings or litigation, Alpine Initiatives agrees to pay or cause to be paid, and the Commission agrees to accept, civil penalties totaling \$160,000 for not registering as a PAC and filing a campaign finance report at the time of registration.

31. The payments must be in the form of a check or money order payable to “Treasurer, State of Maine” and delivered to the Commission. Alpine Initiatives, or others on its behalf, will make the payment within 30 days of the full execution of this Agreement.

32. No later than simultaneously with the execution of this Agreement, Alpine Initiatives agrees to file the following documents with the Commission: (a) the PAC registration attached as Exhibit A and incorporated into this Agreement; and (b) the campaign finance report disclosing the October 29, 2018, contribution of \$160,000 it received from Hawthorn and its October 30, 2018, expenditure of \$150,000 to the Maine Democratic Party, attached as Exhibit B and incorporated into this Agreement. In consideration of these disclosures, the execution of this Agreement and payment of the penalties described above, the Commission will not seek any other civil or administrative sanctions or make any criminal referral(s) available under or pursuant to Maine campaign finance law against Alpine Initiatives, or any other individual or entity relating to the October 30, 2018, contribution to the Maine Democratic Party, the funding for the contribution, or the failure of Alpine Initiatives to register and file campaign finance reports as a PAC.

33. The Commission has determined that the investigative report by the Commission staff and the accompanying appendices (collectively the “IR”) constitute an investigative working paper pursuant to 21-A M.R.S. § 1003(3-A) and shall request that the Attorney General defend that designation in response to any lawsuit seeking disclosure of the IR. The Commission further agrees to keep confidential all other materials produced to or generated by Commission staff during the investigation that meet the definition of investigative working papers under 21-A M.R.S. § 1003(3-A). If the Commission believes that materials other than the IR produced to or

generated by Commission staff during the investigation do not meet the definition of investigative working papers, prior to disclosing any such material the Commission will provide Stop the Corridor and any person who initially disclosed the material in question to the Commission with an opportunity prior to any disclosure to be heard on the Commission's intended response to any request for disclosure of such document(s), and, as appropriate, to obtain a judicial determination whether the materials in question are subject to public disclosure under the Maine Freedom of Access Act, 1 M.R.S. § 400 et seq. The parties acknowledge and agree that the Commission's disclosure of records pursuant to court order shall not be a breach of the Consent Agreement.

34. This Agreement becomes effective upon approval of the Commission by majority vote and the date of the last necessary signature below.

35. This Agreement contains the entire agreement among the parties. It may be modified only by a written agreement executed by the parties.

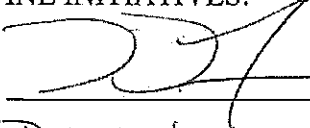
36. This Agreement is not subject to appeal. By entering into the Agreement, the Commission, Alpine Initiatives and its officers, and the other individuals and entities referred to herein waive any further administrative hearings or appeals regarding the October 30, 2018, contribution to the Maine Democratic Party, the funding for the contribution, and the failure of Alpine Initiatives to register and file campaign finance reports as a PAC.

37. The individual who is signing this Agreement for Alpine Initiatives acknowledges by his signature hereto that he has read this Agreement and has had the opportunity to consult with legal counsel before executing it, that he has authority to sign the Agreement on behalf of Alpine Initiatives and its officers, that he has executed the Agreement voluntarily, and that he agrees to abide by all terms and conditions set forth herein.

In Witness Whereof, the parties have executed this Agreement consisting of eight (8) pages.

Dated: November 29, 2023


ALPINE INITIATIVES:

By: 

Its: Principal

MAINE COMMISSION ON
GOVERNMENTAL ETHICS
AND ELECTION PRACTICES:

Dated: 19 NOV 23

By: 

Its: CHAIRMAN

Exhibit A

Retroactive Political Action Committee Registration

Name of Committee: Alpine Initiatives

Street: 53 Exchange St

City and Zip: Portland, 04101

Name of Principal Officer: David Farmer

Mailing Address Street: 100 Middle Street

City and Zip: Portland 04103

Telephone 207-228-7275

Email: dfarmer@bernsteinshur.com

Type of Report: Retroactive Political Action Committee Registration

Exhibit B

Consolidated Campaign Finance Report

Name of Committee: Alpine Initiatives

Street 53 Exchange St

City and Zip Portland 04101

Name of Principal Officer David Farmer

Mailing Address Street 100 Middle Street

City and Zip Portland 04103 **Telephone** 207-228-7275

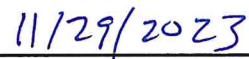
Email dfarmer@bernsteinshur.com

Type of Report Consolidated Initial PAC Report, and Termination Report

Dates of Report Period October 29, 2018-November 6, 2018



Principal Officer's Signature



Date

**SCHEDULE A
CASH CONTRIBUTIONS**

- For contributors who gave more than \$50, the committee must report the contributor's name, address, occupation, and employer.
- If employment information has been requested from the contributor and the contributor has not provided it, indicate "information requested" for the occupation and employer.
- For cash contributions totaling \$50 or less, please enter "unitemized contributions" as the contributor and the total amount and the appropriate key code on a line on this page. Once a contributor has given the committee more than \$50 in a report period, you must list that contributor separately.
- Duplicate as needed.

DATE RECEIVED	CONTRIBUTOR'S NAME, ADDRESS, ZIP	OCCUPATION AND EMPLOYER	TYPE (use key code)	AMOUNT
Oct. 29, 2018	The Hawthorn Group 2111 Eisenhower Ave Ste 200 Alexandria, VA 22314		3	\$160,000
Total cash contributions (this page only) ⇒ (combined totals from all Schedule A pages must be listed on Schedule F)				\$160,000

Key Codes:

- | | |
|--------------------------------|---------------------------------------|
| 1 = Individuals | 7 = Ballot Question Committee |
| 3 = Commercial Source | 9 = Candidate/Candidate Committees |
| 4 = Non Profit Organization | 10 = General Treasury Transfer |
| 5 = Political Action Committee | 12 = Contributors giving \$50 or Less |
| 6 = Political Party Committee | 16 = Financial Institution |

SCHEDULE B EXPENDITURES TO SUPPORT OR OPPOSE

- Enter all expenditures, including cash contributions from this committee, made to support or oppose a candidate, political action committee, ballot question committee, or party committee.
- Enter all expenditures made to support or oppose a ballot question, referendum, or citizen initiative, including expenditures made in the signature-gathering phase.
- Enter the name of the candidate, ballot question, or committee supported or opposed by the expenditure and indicate whether the expenditure was made in support or opposition.
- Duplicate as needed.

If a single expenditure is made to support or oppose multiple candidates, committees, or ballot questions, the expenditure must be itemized by the amount spent per candidate, committee, or ballot question, not as a single expenditure, and each candidate, committee, or ballot question must be identified.

EXPENDITURE TYPES			
APP	Apparel (t-shirts, hats, embroidery, etc.)	PER	Personnel and campaign staff, consulting, and independent contractors
CON	Contribution to party committee, non-profit, other	PHO	Phones (phone banking, robocalls, and texts)
EQP	Equipment of \$50 or more (computer, tablet, phone, furniture, etc.)	POL	Polling and survey research
EVT	Campaign and fundraising events (venue/booth rental, entertainment, supplies, etc.)	POS	Postage for US Mail and mailbox fees
FOD	Food for campaign events or volunteers, catering	PRO	Professional services (graphic design, legal services, web design)
HRD	Hardware and small tools (hammer, nails, lumber, paint, etc.)	RAD	Radio ads and production costs only
LIT	Printed campaign materials (palmcards, signs, stickers, flyers etc.)	TKT	Entrance cost to event (bean suppers, fairs, party events, etc.)
MHS	Mail house and direct mail (design, printing, mailing, and postage)	TRV	Travel (mileage and lodging, etc.)
OFF	Office supplies, rent, utilities, internet service, phone minutes/data	TVN	TV/Cable ads, production, and media buyer costs only
ONL	Social medial and online advertising only	WEB	Website and internet costs (website domain and registration, etc.)
OTH	Other and fees (bank, contribution, and money order fees, etc.)		
! REMARKS REQUIRED ON ALL EXPENDITURE TYPES!			
Date:	Payee Name and Address:	Amount	
Oct. 30, 2018	Maine Democratic Party 320 Water St., 3rd Floor Augusta, ME 04330	\$150,000	
Type:	Remarks (Required): CON: To support the Maine Democratic Party's Get Out the Vote efforts		
<input type="checkbox"/> Support <input type="checkbox"/> Oppose	Candidate Name/Ballot Question:		
Date:	Payee Name and Address:	Amount	
Type:	Remarks (Required):		
<input type="checkbox"/> Support <input type="checkbox"/> Oppose	Candidate Name/Ballot Question:		
Total expenditures this page only =>			
(combined totals from all Schedule B pages must be listed on Schedule F)			

PAC/BQC Name: Alpine Initiatives

**SCHEDULE F
SUMMARY SCHEDULE
CASH ACTIVITY**

Receipts	Total for this Period
1. Cash Contributions (Schedule A)	\$160,000
2. Other Cash Receipts (interest, etc.)	0
3. Loans (Schedule C)	0
4. Total Receipts (lines 1 + 2 + 3)	\$160,000
Expenditures	Total for this Period
5. Expenditures to Support or Oppose (Schedule B)	\$150,000
6. Operating Expenditures (Schedule B-1)	
7. Loan Repayment (Schedule C)	
8. Total Payments (lines 5 + 6 + 7)	\$150,000

CASH SUMMARY

	Total for This Period
9. Cash Balance at Beginning of Period	0
10. Plus Total Receipts This Period (line 4 above)	\$160,000
11. Minus Total Payments This Period (line 8 above)	\$150,000
12. Cash Balance at End of Period	\$10,000

OTHER ACTIVITY

	Total for This Period
13. In-Kind Contributions (Schedule A-1)	0
14. Total Loan Balance at End of Period (Schedule C)	0
15. Total Unpaid Debts at End of Period (Schedule D)	0