



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

To: Commissioners  
From: Jonathan Wayne, Executive Director  
Date: May 29, 2019  
Re: Recommended Finding of Violation and Penalty / Stephen C. Ball

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Stephen C. Ball was a Maine Clean Election Act (MCEA) candidate for the Maine House of Representatives in the 2018 elections. He was not elected to the Legislature. After qualifying for public campaign funding, candidates may only spend MCEA funds for their campaign expenditures and may not spend their own money. The random audit of his 2018 campaign disclosed that Mr. Ball used \$393.96 in personal funds to purchase decals to insert the required “paid for and authorized by” information onto his campaign signs. Mr. Ball explains that he did not want to burden Maine taxpayers for his mistake when ordering the signs.

**Applicable Law – Maine Clean Election Act Program**

Limits on Spending. After a candidate has qualified for MCEA funding, he or she may spend only public funds received from the state:

After certification, a candidate must limit the candidate's campaign expenditures and obligations, including outstanding obligations, to the revenues distributed to the candidate from the fund and may not accept any contributions unless specifically authorized by the commission.

(21-A M.R.S.A. § 1125(6)) If a candidate violates the MCEA, the Commission may assess a penalty of up to \$10,000. (21-A M.R.S.A. § 1127(1))

## **Facts**

Stephen Ball has provided a detailed description of the transaction in a May 4, 2019 audit response letter (attached). In early April, he ordered signs from a Bangor commercial printer, Creative Print Services. Due to his inexperience (he explains), he neglected to ask the printer to include on the signs a statement that he paid for the signs and authorized the expenditure. The print shop owner indicated that the best way to remedy the omission was to print one-inch by nine-inch decals containing the disclaimer information to adhere to the signs. The charge was \$393.96. Mr. Ball states that he used personal funds to pay for the decals, because he did not feel it was right to charge Maine taxpayers for the expense that was due to his mistake. He did not include the expenditure of \$393.96 in his campaign finance reports.

## **Staff Analysis**

The MCEA program is a system of full public campaign financing. After qualifying for public funds, candidates are permitted to spend *only* MCEA funds for their campaign expenditures. They are not allowed to supplement those MCEA funds with cash from any other source, such as the candidate's own funds. Not only is spending another source of funds explicitly forbidden by 21-A M.R.S.A. § 1125(6), but it also would amount to accepting an in-kind contribution which is also forbidden by § 1125(6). This spending limitation is one of the key trade-offs of opting into this voluntary program.

Beginning in 2006, the Commission staff has typically encountered one or two MCEA candidates each election year who spent some of their personal funds to pay for campaign goods or services – usually due to a bookkeeping or communication error within the campaign or by a vendor. The staff believes that some financial penalty is appropriate, even in the case of small, unintentional overspending violations, in order to underscore that it is an important responsibility of publicly financed candidates to keep their spending within the restrictions of the program:

<b>Election Year/ Office</b>	<b>Candidate</b>	<b>Amount of Overspending – Explanation Offered by Candidate</b>	<b>Outcome</b>
2006/ House	Anne Graham	Spent \$253.49 more than was permitted. A local newspaper's delay in charging a first-time candidate misled her into thinking that she had more campaign funds available to spend.	Staff recommended \$125 penalty. Commission assessed \$50 penalty.
2008/ House	Frederick Austin	Spent \$29.85 more than was permitted. After treasurer became ill, candidate was confused about how much was left in her account.	Commission assessed \$50 penalty.
2008/ House	Seth Yentes	Spent \$51.80 more than was permitted. Candidate paid for last-minute advertising, not realizing that another media vendor was late in billing him.	Commission assessed \$50 penalty.
2010/ Senate	Roger Katz	Spent \$1,083.13 more than was permitted. Volunteer made second purchase of campaign signs, which candidate assumed had been paid. After the bill arrived, the candidate used personal funds to pay the bill.	Commission assessed \$50 penalty.
2014/ House	Alice Elliott	Audit determined candidate used \$52.91 in personal funds for photocopying services with her personal funds	Commission assessed \$50 penalty.
2018/ House	Cynthia Soma-Hernandez	Candidate disclosed that she used personal funds of \$366.75 to avoid having insufficient funds to pay printer. She anticipated that her campaign would qualify for supplemental payment, but did not.	Commission assessed \$100 penalty.

In this case, the Commission staff recommends assessing a penalty of \$100 against Mr. Ball, which was the same amount assessed against 2018 candidate Cynthia Soma-Hernandez. That candidate spent \$366.75 of her personal funds for campaign brochures intending to be reimbursed by her campaign, but (due to a misunderstanding concerning a deadline) did not have any more campaign funds with which to reimburse herself.

We believe that assessing a penalty of \$100 against Mr. Ball is appropriate to reinforce that candidates cannot supplement public funds received from the state with personal funds,

even if the candidate had good intentions. Also, it is important to reinforce that all campaign expenditures need to be disclosed in campaign finance reports.

You may wish to consider waiving the collection of the \$100 penalty, however. Mr. Ball returned \$115.31 in unspent MCEA funds to the Commission. Under the design of the program, he should have used this money to pay Creative Print Services, rather than his personal funds. In a sense, the campaign owes him this \$115.31 as a partial reimbursement for his payment to the printer.

Occasionally, the Commission staff is contacted by an MCEA candidate after a general election who has returned unspent MCEA funds and has subsequently determined that they owe a debt to a campaign vendor. In those cases, if the candidate has adequately documented the debt, our office will pay the amount of the debt to the campaign so that it can pay the vendor. Similarly, you may feel Mr. Ball is entitled to receive \$115.31 to partially reimburse him for the payment to Creative Print Services. Rather than collect a \$100 penalty from Mr. Ball and pay him \$115.31, you may wish to consider it a “wash” and *not* collect the \$100 penalty. This outcome might lessen the deterrent of the \$100 penalty, but it is an option that is available to you, in your discretion.

Thank you for your consideration of this item.

Stephen Ball

257 Shuman Rd  
Windsor, ME 04363  
207-214-2805  
scball01@gmail.com

May 4, 2019

Runyon Kersteen Ouellette  
Jennifer Connors/Casey Leonard  
20 Long Creek Drive  
South Portland, ME 04106

Dear Jennifer:

As suggested in the letter dated 26 April 2019 I am sending response to the Finding noted in the review of my 2018 House of Representatives campaign contributions and expenditures.

**Finding** - "During our testing, it came to our attention that the candidate paid an invoice of \$393.96 from Creative Print Services out of his personal finds. The expenditure was not reimbursed by Clean Election Finds, nor was it reported on the campaign finance reports. The payment for campaign-related expenditures out of personal finds is a violation of 21-A MRSA 1125(6)."

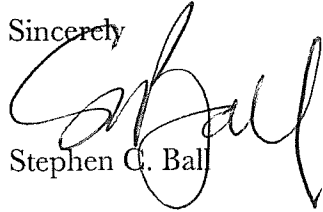
I have no disagreement with the finding that I paid this invoice with personal funds. In explanation, I was charged this amount to address a mistake in ordering that was wholly made because of my oversight. The Creative Print Services (CPS) invoice, #171408, dated April 30, 2018, was to produce 1" x 9" decals with the required disclaimer, "Paid for and authorized by the candidate, Treasurer Lori Fowle" for all yard signs.

As a result of ignorance and a lack of experience I ordered lawn signs to be produced by CPS without specifying inclusion of the disclaimer. When I realized that I had made an error I called the owner of CPS to have him include the disclaimer. He indicated that over half of the lawn had been printed as originally ordered and the best remedy at this point was to print 1" x 9" decals with the disclaimer that I would adhere to the signs needing the statement.

The cost of this mistake was \$393.96. I paid this out of my personal funds believing that it would be neither fair nor right to use public funding to cover production of an omitted statement that otherwise would have not have been charged for. In other words, the inclusion of the disclaimer on the yard signs did not result in an increase in charges to me for the yard signs. The penalty for this error was personally steep, but far less damaging, in my belief, that charging this expense to the Maine taxpayer.

I did not intend to hide or conceal this payment. Rather, I accepted this \$393.96 payment as penalty for my error and proceeded accordingly.

Sincerely

A handwritten signature in black ink, appearing to read 'S. Ball', written in a cursive style. The signature is positioned to the right of the word 'Sincerely' and partially overlaps the printed name 'Stephen C. Ball' below it.

Stephen C. Ball



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

May 24, 2019

*By Email and Regular Mail*

Stephen C. Ball  
257 Shuman Road  
Windsor, Maine 04363

Dear Mr. Ball:

Thank you for your cooperation with the audit of your 2018 campaign. You were randomly selected to be audited as a 2018 candidate for the Maine House of Representatives who participated in the Maine Clean Election Act (MCEA) program.

**Facts Presented**

As you explained to me by telephone and in your May 4, 2019 letter to the Commission auditors, you used \$393.96 of your own funds for a campaign expenditure, which was to purchase decals to put on your campaign signs. You explained that, due to inexperience, you had ordered lawn signs that did not contain the required information that you had paid for the signs and authorized the expenditure. To rectify the error, on or around April 30, 2018, you purchased the decals to insert the required information onto the signs. As I explained by phone, this appears to be a violation of the MCEA because you spent money other than MCEA funds for a campaign expenditure.

**Applicable Law – Maine Clean Election Act Program**

After a candidate has qualified for MCEA funding, he or she may make campaign expenditures only with public funds received from the state:

After certification, a candidate must limit the candidate's campaign expenditures and obligations, including outstanding obligations, to the revenues distributed to the candidate from the fund and may not accept any contributions unless specifically authorized by the commission.

(21-A M.R.S.A. § 1125(6))

### **Ethics Commission's Consideration of this Matter**

On its face, the expenditure of \$393.96 of personal funds appears to be a violation of the MCEA. The Commission is currently scheduled to consider this matter at its next meeting on June 4, 2019, beginning at 9:00 a.m. at the Commission office, 45 Memorial Circle in Augusta, Maine.

The MCEA program is a system of full public campaign financing. After qualifying for public funds, candidates are permitted to spend only MCEA funds for campaign expenditures. Beginning in 2006, the Commission staff has encountered one or two candidates each election year who spent some of their personal funds to pay for campaign goods or services – usually due to a bookkeeping or communication error within the campaign or by a vendor. The staff believes that some financial penalty is appropriate in these circumstances to underscore that it is an important responsibility of publicly financed candidates to spend only MCEA funds and to keep their total spending within the legal limits.

At the June 4, 2019 meeting, the Commission staff will recommend that the Commission:

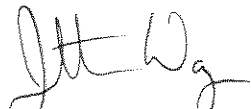
- find that you violated 21-A M.R.S.A. § 1125(6) by making a campaign expenditure with your personal funds, and
- assess a monetary penalty of \$100.

This was the same penalty that the Commission assessed against a 2018 House candidate on December 19, 2018 who spent personal funds to partially pay for campaign brochures.

Your opportunity to respond. You are encouraged to attend the June 4 meeting to provide any information which you believe is relevant and to respond to the proposed finding of violation and penalty. In advance of the meeting, I will be providing your May 4, 2019 letter to the members of the Commission. If you would like to submit anything else in writing to the Commissioners before the June 4 meeting, please email it to me at [Jonathan.Wayne@maine.gov](mailto:Jonathan.Wayne@maine.gov) and I will forward it to the Commissioners.

If you have any questions, please email me or call me at 287-4179.

Sincerely,



Jonathan Wayne  
Executive Director