

Agenda

Item #3

**Request for Waiver of Late-Filing Penalties –
Maine Republican Party**



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

To: Commissioners

From: Benjamin Dyer, Political Committee and Lobbyist Registrar

Date: February 12, 2015

Re: Request for Waiver of Late-Filing Penalty by the Maine Republican Party

In the thirteen days before an election, all political action committees, ballot question committees and political parties must file a report within 24 hours of receiving any single contribution of \$5,000 or more or making any expenditure of \$1,000 or more. During October 22-31, 2014, the Maine Republican Party (the Party) made a series of five expenditures requiring 24-hour reports, but did not file those expenditures on reports until December 11, 2014.

LEGAL REQUIREMENTS

Political party committees are required to report any single contribution of \$5,000 or more received or single expenditure of \$1,000 or more made during the 13 days before an election within 24 hours of that transaction. (21-A M.R.S.A. § 1017-A(4-A)(E)) If a political party committee is late in filing the 24-hour report, the amount of the penalty is set by a formula which takes into consideration the amount of the transaction, the number of prior violations within a two-year period, and the number of days the report is late. (21-A M.R.S.A. § 1020-A(4-A)) The statutory maximum penalty for late state political party committee 24-hour reports is \$5,000, except that if the financial activity reported late exceeds \$50,000, the maximum penalty is one-fifth the amount reported late. (21-A M.R.S.A. § 1020-A(5-A))

DISCUSSION

As illustrated in the chart below, between October 22, 2014 and October 31, 2014, the Party made a series of five expenditures to consultants and a PAC. On the same dates

those reports were due, the Party filed 24-hour reports disclosing other contributions and expenditures, but did not include these expenditures on those reports. The 24-hour reports required for these transactions were all filed on December 11, 2014, as the Party was preparing its 42-Day Post-General report for filing.

Based on the statutory formula for calculating late-filed report penalties, the preliminary penalties total \$37,400¹, calculated as follows:

Report Name	Activity Amount	Due Date	Days Late	Penalty Prescribed	Penalty
24-Hour Report (Payee Craig Slavin)	\$5,000.00	10/23/2014	49	5%	\$5,000.00
24-Hour Report (Payee Still Fed Up With Taxes PAC)	\$9,000.00	10/28/2014	44	5%	\$5,000.00
24-Hour Report (Payee Grassroots Targeting)	\$87,000.00	10/30/2014	42	5%	\$17,400.00 (1/5 of spending)
24-Hour Report (Payee Harvest Consulting, LLC)	\$13,000.00	10/31/2014	41	5%	\$5,000.00
24-Hour Report (Payee UPT Strategies)	\$10,000.00	11/01/2014	40	5%	\$5,000.00

Total: \$37,400.00

The Party acknowledges that it should have filed these transactions on 24-hour reports. The Party explains that, during the past election season, it contracted with a vendor to prepare and upload all required federal and state campaign finance reports. The vendor received the information about transactions by directly accessing the Party's accounting database and, based on the information about the transactions in the database, would then prepare and file the appropriate reports. The Party explains that it believes that because

¹ Each penalty is at the statutory maximum.

these transactions were not flagged in its database as independent expenditures, the vendor's system failed to prepare and file reports for the transactions at issue.²

The Party asks that the Commission waive the penalties for three reasons: the Party made a bona fide effort to file; there was no public harm; and the penalties are disproportionate to the violations. Regarding the bona fide effort to file, the Party argues that it attempted to create a system to capture and report major contributions and expenditures and that its system simply failed to work in these situations. The Party argues that there was minimal harm to the public from the late disclosure of these transactions, as they were not independent expenditures (paid communications to voters), were only payments to consultants and a PAC, and would not have even been reportable under the federal reporting requirements. Finally, the Party argues that the penalties, in four of the five cases ranging from nearly 50% to 100% of the payments made, are disproportionate to the scale of the transactions and the public harm from the late disclosure.

STAFF RECOMMENDATION

Violations of the 24-hour reporting requirements can be serious matters. These reports play an important role in informing the electorate about who is trying to influence their vote and how they are doing so in the days just before an election. In this case, in the two weeks before the general election, the Party did not disclose \$124,000 in expenditures, depriving the public of important information just before the general election.

In the staff's view, the Party's argument that it made a bona fide effort to file the report is unpersuasive. An intention to file is not the same as making a bona fide effort to file. While the Party may have had an expectation the system it set up with its campaign finance reporting vendor would work, it was nonetheless responsible for monitoring its contributions and expenditures during the 24-hour reporting period to see whether a report was required. One of the factors contributing to the large preliminary penalty is that the Party had two previous late-report violations. The Party is also a sophisticated

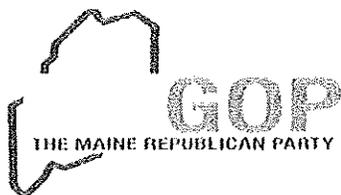
² On October 30, 2014, the Party did timely file a 24-hour report that included both contributions and expenditures. It is curious that this report included a large expenditure that did not qualify as an independent expenditure, but the other, qualitatively similar, expenditures at issue were missed.

and experienced player in Maine politics, and certainly had the resources and expertise to fully comply with state campaign finance reporting requirements. Accordingly, the Party should have been more attuned to potential problems with its 24-hour reporting systems. Regarding the Party's argument that there was little public harm, while the expenditures were not independent expenditures, more visible to the public, they do represent a significant amount of money spent and their late reporting deprived the public of insights they would normally have had before the election into the campaign strategies of a major player in Maine politics. That said, the Commission staff does not believe the failure to file 24-hour reports for these transactions was intentional. The Party disclosed these transactions as it was preparing its next regular campaign finance report and worked diligently with campaign staff to identify the correct dates of the transactions and properly file the necessary reports.

More persuasive, however, is the argument that the penalties are disproportionate to the harm suffered by the public. While one of these transactions is relatively large at \$87,000, and accounts for the majority of the preliminary penalties, another significant factor in the large preliminary penalty is the substantial number of days the reports were late. Although the number of days a report is late is a variable in the formula for calculating the preliminary penalty, it is arguable that the greatest harm to the public occurred when the transactions were not reported prior to the election; the fact that they were over 40 days late did not harm the public any more than if they were 14 days late.

Considering these circumstances, the staff recommends that the Commission find that the PAC failed to timely file the five 24-hour reports required and impose penalties totaling \$5,000. We believe this proposal of \$5,000 is roughly proportionate to the \$1,000 penalty assessed at your January 2015 meeting against the Maine AFL-CIO's PAC for omitting a \$40,000 transfer from the labor association's general treasury and penalties totaling \$1,000 against the Workers Voice PAC (affiliated with the national AFL-CIO) for not filing a complete 24-Report of a contribution received and three expenditures for digital advertising.

Thank you for your consideration of this memo.



State Chairman
Vice Chairman
Treasurer
Secretary
National Committeewoman
National Committeeman
Finance Chairman
Executive Director

Hon. Richard A. Bennett
Hon. Susan Morissette
Benjamin Lombard
Charles L. Mahaleris
Ashley Ryan
Hon. Alexander Willette
Hon. Andre E. Cushing III
Jason Savage

VIA CERTIFIED MAIL

February 4, 2015

Mr. Jonathan Wayne, Executive Director
State of Maine
Commission On Governmental Ethics And Election Practices
135 State House Station
Augusta, ME 04333-0135

RE: Request for Waiver of Preliminary Penalty -- Maine Republican Party

Dear Mr. Wayne:

Please accept this letter as a request for a waiver of the preliminary penalty amount assessed in the January 22, 2015 correspondence from Mr. Dyer. The Party submits that it did file 24-hour reports for October 23, 2014, October 28, 2014, October 29, 2014, October 31, 2014, and November 1, 2014, but one payment was inadvertently omitted from each report. The Party further submits that there was no appreciable public harm arising from the omission and that the penalty is grossly disproportionate to the violation.

1) Bona Fide Effort to File Report

The Party has contracted with an outside professional service provider to electronically prepare and upload all required federal and Maine reports directly from the Party's accounting database. All five transactions that were inadvertently omitted from the 24-hour reports were timely entered into the Party's accounting database. It appears that the transactions were not included in the upload to the Commission's website because none of the transactions qualified as independent expenditures. The Party did not discover the error until the outside service provider prepared the Post General Report. Once discovered, the Party contacted Commission staff at the earliest opportunity to report the issue and promptly filed the missing information.

2) No Public Harm

There is no appreciable public harm resulting from the omission. As previously noted, none of the five missing transactions qualified as an independent expenditure. Four of the five payments were to consultants and the fifth payment was to a political action committee. Under federal election reporting rules, none of the five missing transactions would have been required to be included on a 24-hour report.

Paid for and authorized by the Maine Republican Party, Benjamin Lombard, Treasurer. Not authorized by any candidate or candidate committee Maine Republican Party, 9 Higgins St., Augusta, ME 04330 (207) 622-6247
www.mainergp.com



3) Penalty Disproportionate

The Party acknowledges that the five payments should have been reported on the 24-hour report. However, the Party submits that the preliminary penalty is disproportionate to the payment amounts themselves as well as the lack of public harm resulting from their omission from the 24-hour report. The penalty for one payment is 100% of the payment, a second penalty is greater than 50% of the payment, and the penalty for a third omitted payment is exactly 50% of the payment.

The Party submits that such a penalty is inconsistent with past Commission precedent and is unnecessarily punitive considering the expense of the Party to contract with a professional service provider to assist a volunteer part-time treasurer in an effort to ensure that all federal and Maine filing obligations are fully and timely met. Although the professional service provider has considerable experience with federal and other state reporting, this was the first general election cycle in Maine for the provider. Internal controls have been implemented to prevent a similar omission on future reports. The omission was not due to willful disregard of the reporting requirements, or neglect.

In light of the foregoing, the Party respectfully requests that the Commission waive the preliminary penalty and reduce the penalty to an amount that reasonably corresponds to the reporting efforts of the Party and the lack of public harm caused by the omission.

Please contact me if the Commission requires any additional information. Thank you for your attention to this request.

Sincerely,

Benjamin Lombard, Treasurer



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

24-HOUR REPORT OF CONTRIBUTIONS AND EXPENDITURES

2014 CAMPAIGN YEAR

COMMITTEE		TREASURER	
MAINE REPUBLICAN PARTY 9 HIGGINS STREET AUGUSTA, ME 04330 PHONE: (207) 622-6247 EMAIL: BEN@MAINEGOP.COM		Benjamin Lombard 9 Higgins Street Augusta, ME 04330 PHONE: (207) 622-6247 EMAIL: ben@mainegop.com	
REPORT	DUE DATE	REPORTING PERIOD	
24 Hour Report of Major Contributions and Expenditures	10/23/2014	10/22/2014 - 10/22/2014	

FINANCIAL ACTIVITY SUMMARY

CONTRIBUTIONS AND EXPENDITURES	
1. TOTAL CONTRIBUTIONS / LOANS	\$0.00
2. TOTAL EXPENDITURES	\$5,000.00
3. TOTAL DEBTS	\$0.00

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

REPORT FILED BY: BENJAMIN LOMBARD
REPORT FILED ON: 12/11/2014
LAST MODIFIED: 12/11/2014
PRINTED: 02/17/2015
COMMITTEE ID: 1175

24-HOUR EXPENDITURE AND PAYEE INFORMATION

EXPENDITURE TYPES				
<p>CNS Campaign consultants</p> <p>CON Contribution to other candidate, party, committee</p> <p>EQP Equipment (office machines, furniture, cell phones, etc.)</p> <p>FND Fundraising events</p> <p>FOD Food for campaign events, volunteers</p> <p>LIT Print and graphics (flyers, signs, palmcards, t-shirts, etc.)</p> <p>MHS Mail house (all services purchased)</p> <p>OFF Office rent, utilities, phone and internet services, supplies</p> <p>OTH Other</p> <p>PHO Phone banks, automated telephone calls</p>	<p>POL Polling and survey research</p> <p>POS Postage for U.S. Mail and mail box fees</p> <p>PRO Other professional services</p> <p>PRT Print media ads only (newspapers, magazines, etc.)</p> <p>RAD Radio ads, production costs</p> <p>SAL Campaign workers' salaries and personnel costs</p> <p>TRV Travel (fuel, mileage, lodging, etc.)</p> <p>TVN TV or cable ads, production costs</p> <p>WEB Website design, registration, hosting, maintenance, etc.</p>			
DATE OF EXPENDITURE	PAYEE	REMARK	TYPE	AMOUNT
10/22/2014	CRAIG SLAVIN 107 COLLEGE AVE ORONO, ME 04473	CONSULTING	CNS	\$5,000.00
TOTAL EXPENDITURES FOR CANDIDATE:				\$5,000.00



Commission on Governmental Ethics and Election Practices
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Phone: 207-287-4179
Fax: 207-287-6775

24-HOUR REPORT OF CONTRIBUTIONS AND EXPENDITURES

2014 CAMPAIGN YEAR

COMMITTEE		TREASURER	
MAINE REPUBLICAN PARTY 9 HIGGINS STREET AUGUSTA, ME 04330 PHONE: (207) 622-6247 EMAIL: BEN@MAINEGOP.COM		Benjamin Lombard 9 Higgins Street Augusta, ME 04330 PHONE: (207) 622-6247 EMAIL: ben@mainegop.com	
REPORT	DUE DATE	REPORTING PERIOD	
24 Hour Report of Major Contributions and Expenditures	10/28/2014	10/27/2014 - 10/27/2014	

FINANCIAL ACTIVITY SUMMARY

CONTRIBUTIONS AND EXPENDITURES	
1. TOTAL CONTRIBUTIONS / LOANS	\$0.00
2. TOTAL EXPENDITURES	\$9,000.00
3. TOTAL DEBTS	\$0.00

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

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REPORT FILED ON: 12/11/2014
LAST MODIFIED: 12/11/2014
PRINTED: 02/17/2015
COMMITTEE ID: 1175

24-HOUR EXPENDITURE AND PAYEE INFORMATION

EXPENDITURE TYPES				
CNS	Campaign consultants	POL	Polling and survey research	
CON	Contribution to other candidate, party, committee	POS	Postage for U.S. Mail and mail box fees	
EQP	Equipment (office machines, furniture, cell phones, etc.)	PRO	Other professional services	
FND	Fundraising events	PRT	Print media ads only (newspapers, magazines, etc.)	
FOD	Food for campaign events, volunteers	RAD	Radio ads, production costs	
LIT	Print and graphics (flyers, signs, palmcards, t-shirts, etc.)	SAL	Campaign workers' salaries and personnel costs	
MHS	Mail house (all services purchased)	TRV	Travel (fuel, mileage, lodging, etc.)	
OFF	Office rent, utilities, phone and internet services, supplies	TVN	TV or cable ads, production costs	
OTH	Other	WEB	Website design, registration, hosting, maintenance, etc.	
PHO	Phone banks, automated telephone calls			
DATE OF EXPENDITURE	PAYEE	REMARK	TYPE	AMOUNT
10/27/2014	STILL FED UP WITH TAXES 580 EAST HEBRON ROAD TURNER, ME 04282	STATE COMMITTEE CONTRIBUTION	CON	\$9,000.00
TOTAL EXPENDITURES FOR CANDIDATE:				\$9,000.00



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24-HOUR REPORT OF CONTRIBUTIONS AND EXPENDITURES

2014 CAMPAIGN YEAR

COMMITTEE		TREASURER
MAINE REPUBLICAN PARTY 9 HIGGINS STREET AUGUSTA, ME 04330 PHONE: (207) 622-6247 EMAIL: BEN@MAINEGOP.COM		Benjamin Lombard 9 Higgs Street Augusta, ME 04330 PHONE: (207) 622-6247 EMAIL: ben@mainegop.com
REPORT	DUE DATE	REPORTING PERIOD
24 Hour Report of Major Contributions and Expenditures	10/30/2014	10/29/2014 - 10/29/2014

FINANCIAL ACTIVITY SUMMARY

CONTRIBUTIONS AND EXPENDITURES	
1. TOTAL CONTRIBUTIONS / LOANS	\$0.00
2. TOTAL EXPENDITURES	\$87,000.00
3. TOTAL DEBTS	\$0.00

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

REPORT FILED BY: BENJAMIN LOMBARD
REPORT FILED ON: 12/11/2014
LAST MODIFIED: 12/11/2014
PRINTED: 02/17/2015
COMMITTEE ID: 1175

24-HOUR EXPENDITURE AND PAYEE INFORMATION

EXPENDITURE TYPES				
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DATE OF EXPENDITURE	PAYEE	REMARK	TYPE	AMOUNT
10/29/2014	GRASSROOTS TARGETING 707 PRINCE STREET ALEXANDRIA, VA 22314	DATA ENHANCEMENT	PRO	\$87,000.00
10/29/2014	GRASSROOTS TARGETING 707 PRINCE STREET ALEXANDRIA, VA 22314	OTHER PROFESSIONAL SERVICES DATA ENHANCEMENT	DEBT PMT	\$87,000.00
10/29/2014	GRASSROOTS TARGETING 707 PRINCE STREET ALEXANDRIA, VA 22314	Offset due to deletion of filed item	PRO	(\$87,000.00)
TOTAL EXPENDITURES FOR CANDIDATE:				\$87,000.00



Commission on Governmental Ethics and Election Practices
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24-HOUR REPORT OF CONTRIBUTIONS AND EXPENDITURES

2014 CAMPAIGN YEAR

COMMITTEE		TREASURER
MAINE REPUBLICAN PARTY 9 HIGGINS STREET AUGUSTA, ME 04330 PHONE: (207) 622-6247 EMAIL: BEN@MAINEGOP.COM		Benjamin Lombard 9 Higgins Street Augusta, ME 04330 PHONE: (207) 622-6247 EMAIL: ben@mainegop.com
REPORT	DUE DATE	REPORTING PERIOD
24 Hour Report of Major Contributions and Expenditures	10/31/2014	10/30/2014 - 10/30/2014

FINANCIAL ACTIVITY SUMMARY

CONTRIBUTIONS AND EXPENDITURES	
1. TOTAL CONTRIBUTIONS / LOANS	\$0.00
2. TOTAL EXPENDITURES	\$13,000.00
3. TOTAL DEBTS	\$0.00

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

REPORT FILED BY: BENJAMIN LOMBARD
REPORT FILED ON: 12/11/2014
LAST MODIFIED: 12/11/2014
PRINTED: 02/17/2015
COMMITTEE ID: 1175

24-HOUR EXPENDITURE AND PAYEE INFORMATION

EXPENDITURE TYPES				
<p>CNS Campaign consultants</p> <p>CON Contribution to other candidate, party, committee</p> <p>EQP Equipment (office machines, furniture, cell phones, etc.)</p> <p>FND Fundraising events</p> <p>FOD Food for campaign events, volunteers</p> <p>LIT Print and graphics (flyers, signs, palmcards, t-shirts, etc.)</p> <p>MHS Mail house (all services purchased)</p> <p>OFF Office rent, utilities, phone and internet services, supplies</p> <p>OTH Other</p> <p>PHO Phone banks, automated telephone calls</p>	<p>POL Polling and survey research</p> <p>POS Postage for U.S. Mail and mail box fees</p> <p>PRO Other professional services</p> <p>PRT Print media ads only (newspapers, magazines, etc.)</p> <p>RAD Radio ads, production costs</p> <p>SAL Campaign workers' salaries and personnel costs</p> <p>TRV Travel (fuel, mileage, lodging, etc.)</p> <p>TVN TV or cable ads, production costs</p> <p>WEB Website design, registration, hosting, maintenance, etc.</p>			
DATE OF EXPENDITURE	PAYEE	REMARK	TYPE	AMOUNT
10/30/2014	HARVEST CONSULTING, LLC 5 HOWE STREET AUGUSTA, ME 04330	CONSULTING	CNS	\$13,000.00
TOTAL EXPENDITURES FOR CANDIDATE:				\$13,000.00



Commission on Governmental Ethics and Election Practices
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Fax: 207-287-6775

24-HOUR REPORT OF CONTRIBUTIONS AND EXPENDITURES

2014 CAMPAIGN YEAR

COMMITTEE		TREASURER
MAINE REPUBLICAN PARTY 9 HIGGINS STREET AUGUSTA, ME 04330 PHONE: (207) 622-6247 EMAIL: BEN@MAINEGOP.COM		Benjamin Lombard 9 Higgins Street Augusta, ME 04330 PHONE: (207) 622-6247 EMAIL: ben@mainegop.com
REPORT	DUE DATE	REPORTING PERIOD
24 Hour Report of Major Contributions and Expenditures	11/01/2014	10/31/2014 - 10/31/2014

FINANCIAL ACTIVITY SUMMARY

CONTRIBUTIONS AND EXPENDITURES	
1. TOTAL CONTRIBUTIONS / LOANS	\$0.00
2. TOTAL EXPENDITURES	\$49,488.86
3. TOTAL DEBTS	\$0.00

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

REPORT FILED BY: BENJAMIN LOMBARD
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PRINTED: 02/17/2015
COMMITTEE ID: 1175

24-HOUR EXPENDITURE AND PAYEE INFORMATION

EXPENDITURE TYPES				
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OFF	Office rent, utilities, phone and internet services, supplies	TVN	TV or cable ads, production costs	
OTH	Other	WEB	Website design, registration, hosting, maintenance, etc.	
PHO	Phone banks, automated telephone calls			
DATE OF EXPENDITURE	PAYEE	REMARK	TYPE	AMOUNT
10/31/2014	EPAY BUSINESS SOLUTIONS INC. 27A MIDSTATE DRIVE AUBURN, MA 1501	PAYROLL SERVICES/TAX	SAL	\$1,150.00
10/31/2014	EPAY BUSINESS SOLUTIONS INC. 27A MIDSTATE DRIVE AUBURN, MA 1501	PAYROLL SERVICES/TAX	SAL	\$33,741.32
10/31/2014	JASON SAVAGE 9 HIGGINS ST AUGUSTA, ME 04330	TRAVEL	TRV	\$2,775.00
10/31/2014	JASON SAVAGE 9 HIGGINS ST AUGUSTA, ME 04330	TRAVEL	TRV	\$1,822.54
10/31/2014	UPT STRATEGIES 1469 VILLAGE ROAD CHARLESTON, SC 29407	CONSULTING	CNS	\$10,000.00
10/31/2014	UPT STRATEGIES 1469 VILLAGE ROAD CHARLESTON, SC 29407	Offset due to deletion of filed item	CNS	(\$10,000.00)
10/31/2014	UPT STRATEGIES 1469 VILLAGE ROAD CHARLESTON, SC 29407	CONSULTING	CNS	\$10,000.00
TOTAL EXPENDITURES FOR CANDIDATE:				\$49,488.86



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

January 22, 2015

Mr. Benjamin Lombard, Treasurer
Maine Republican Party
9 Higgins Street
Augusta, ME 04330

Re: Late Filing of 24-Hour Reports

Dear Mr. Lombard,

The Commission staff has made a preliminary determination that the Maine Republican Party (the Party) was late in filing a series of five 24-Hour Reports required for expenditures made between October 22, 2014 and October 31, 2014. The reports were not filed until December 11, 2014. Under the Commission's statutes, the late filing of a report triggers an enforcement process. (21-A M.R.S.A. § 1020-A(4-A)). Based on the amount of financial activity in the reports, the number of calendar days the reports were late, and the Party's history of violations, the commission staff has determined that a combined penalty of \$37,400.00 is owed. (Please see attached penalty matrix for the calculation).

The Party may make a written request that the Commission waive the violations or penalties in whole or in part. Any request for a waiver must be made within 14 calendar days of your receipt of this notice. The request must be in writing and contain a full explanation of the reasons the Party filed late. Upon receiving your request, the Commission staff will schedule your appeal for an upcoming Commission meeting.

The Commission may waive the penalty if it determines that the report was late due to mitigating circumstances, which are defined as (1) a valid emergency; (2) an error made by the Commission staff; or (3) relevant evidence that the Party made a bona fide effort to file the report on time. Also, the Commission may waive the penalty if it is disproportionate to the level of experience of the person filing the report or the harm suffered by the public from the late disclosure.

Please call me at (207) 287-6221 or send me an email at benjamin.p.dyer@maine.gov if you have questions.

Sincerely,

Benjamin P. Dyer
Political Committee and Lobbyist Registrar

Enclosure: payment receipt & penalty matrix

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

PHONE: (207) 287-4179

FAX: (207) 287-6775

Payment Receipt

Mail payment to:

The Maine Ethics Commission
135 State House Station
Augusta, ME 04333

Make checks payable to: "Treasurer, State of Maine."

Mr. Benjamin Lombard, Treasurer
Maine Republican Party
9 Higgins Street
Augusta, ME 04330

Violation: Late 24-Hour Reports
Amount Due: \$37,400.00

Party Name: Maine Republican Party
 Prior Violations: 6/3/2014, 6/9/2014

Report Name	Activity Amount	Due Date	Days Late	Penalty Prescribed	Penalty
24-Hour Report (Payee Craig Slavin)	\$5,000.00	10/23/2014	49	5%	\$5,000.00*
24-Hour Report (Payee Still Fed Up With Taxes PAC)	\$9,000.00	10/28/2014	44	5%	\$5,000.00*
24-Hour Report (Payee Grassroots Targeting)	\$87,000.00	10/30/2014	42	5%	\$17,400.00*
24-Hour Report (Payee Harvest Consulting, LLC)	\$13,000.00	10/31/2014	41	5%	\$5,000.00*
24-Hour Report (Payee UPT Strategies)	\$10,000.00	11/01/2014	40	5%	\$5,000.00*

Total: \$37,400.00

* Penalty at statutory maximum.

The penalty for late filing of a required report is a percentage of the total contributions or expenditures for the filing period, whichever is greater, multiplied by the number of calendar days the report is filed late, as follows:

For the first violation, 1%
 For the second violation, 3%
 For the third and each subsequent violation, 5%

A penalty begins to accrue at 11:59 p.m. on the day the report is due.

A required report that is sent by certified or registered United States mail and postmarked at least 2 days before the deadline is not subject to penalty.

Violations accumulate on reports with filing deadlines in a 2-year period that begins on January 1st of each even-numbered year. Waiver of a penalty does not nullify the finding of a violation.

MAXIMUM PENALTIES

21-A M.R.S.A. Section 1020-A(6-A)
 \$5,000 for Pre- and Post-Election Reports, Quarterly Reports and 24-Hour Reports, except that if the financial activity reported late exceeds \$50,000, the maximum penalty is one-fifth of the amount reported late.

§1017-A. REPORTS OF CONTRIBUTIONS AND EXPENDITURES BY PARTY COMMITTEES

1. Contributions. A party committee shall report all contributions in cash or in kind from a single contributor that in the aggregate total more than \$200. The party committee shall report the name, mailing address, occupation and place of business of each contributor. Contributions of \$200 or less must be reported, and these contributions may be reported as a lump sum.

[2009, c. 190, Pt. A, §8 (AMD) .]

2. Expenditures to influence a campaign. A party committee shall report all expenditures made to influence a campaign, as defined in section 1052, subsection 1. The party committee shall report:

- A. The name of each candidate, political committee, political action committee or party committee; [2007, c. 443, Pt. A, §17 (AMD).]
- B. The office sought by a candidate and the district that the candidate seeks to represent; and [1991, c. 839, §23 (NEW); 1991, c. 839, §33 (AFF).]
- C. The date, amount and purpose of each expenditure. [2007, c. 443, Pt. A, §17 (AMD).]

[2011, c. 389, §16 (AMD) .]

3. Other expenditures. Operational expenses and other expenditures that are not made to influence a campaign, as defined in section 1052, subsection 1 must be reported separately. The party committee shall report:

- A. The name and address of each payee; [2009, c. 190, Pt. A, §10 (AMD).]
- B. The purpose for the expenditure; and [2007, c. 443, Pt. A, §17 (AMD).]
- C. The date and amount of each expenditure. [1993, c. 715, §2 (NEW).]

[2011, c. 389, §17 (AMD) .]

4. Filing schedule.

[2003, c. 302, §2 (RP) .]

4-A. Filing schedule. A state party committee shall file its reports according to the following schedule.

- A. Quarterly reports must be filed by 11:59 p.m.:
 - (1) On January 15th and must be complete up to December 31st;
 - (2) On April 10th and must be complete up to March 31st;
 - (3) On July 15th and must be complete up to June 30th; and

(4) On October 5th and must be complete up to September 30th. [2011, c. 367, §1 (AMD).]

B. General and primary election reports must be filed by 11:59 p.m.:

(1) On the 11th day before the date on which the election is held and must be complete up to the 14th day before that date; and

(2) On the 42nd day after the date on which the election is held and must be complete up to the 35th day after that date. [2007, c. 443, Pt. A, §17 (AMD).]

C. Preelection and post-election reports for special elections, referenda, initiatives, bond issues or constitutional amendments must be filed by 11:59 p.m.:

(1) On the 11th day before the date on which the election is held and must be complete up to the 14th day before that date; and

(2) On the 42nd day after the date on which the election is held and must be complete up to the 35th day after that date. [2011, c. 389, §18 (AMD).]

D. A state party committee that files an election report under paragraph B or C is not required to file a quarterly report under paragraph A when the deadline for that quarterly report falls within 10 days of the filing deadline established in paragraph B or C. [2003, c. 302, §3 (NEW).]

E. A state party committee shall report any single contribution of \$5,000 or more received or any single expenditure of \$1,000 or more made after the 14th day before the election and more than 24 hours before 5:00 p.m. on the day of the election within 24 hours of that contribution or expenditure. The committee is not required to include in this report expenditures for overhead expenses or compensation paid to an employee or other member of the campaign staff who has received payments at regular intervals that have been disclosed in previously filed campaign finance reports. As used in this paragraph, "overhead expenses" includes, but is not limited to, rent, utility payments, taxes, insurance premiums or similar administrative expenses. [2013, c. 334, §12 (AMD).]

[2013, c. 334, §12 (AMD) .]

4-B. Filing schedule for municipal, district and county party committees. Municipal, district and county party committees shall file reports according to the following schedule.

A. Reports filed during an election year must be filed with the commission by 11:59 p.m. on:

(1) July 15th and be complete as of June 30th;

(2) The 11th day before the date on which the general election is held and must be complete up to the 14th day before that date; and

(3) January 15th and be complete as of December 31st. [2009, c. 190, Pt. A, §12 (AMD).]

B. Reports filed during a nonelection year must be filed by 11:59 p.m. on:

(1) July 15th and be complete as of June 30th; and

(2) January 15th and be complete as of December 31st. [2007, c. 443, Pt. A, §17 (AMD).]

C. A committee shall report any single contribution of \$5,000 or more received or any expenditure of \$1,000 or more made after the 14th day before any election and more than 24 hours before 11:59 p.m. on the day of the election within 24 hours of that contribution or expenditure. The committee is not required to include in this report expenditures for overhead expenses or compensation paid to an employee or other member of the campaign staff who has received payments at regular intervals that have been disclosed in previously filed campaign finance reports. As used in this paragraph, "overhead expenses" includes, but is not limited to, rent, utility payments, taxes, insurance premiums or similar administrative expenses. [2013, c. 334, §13 (AMD).]

[2013, c. 334, §13 (AMD) .]

4-C. Electronic filing. State party committees shall file each report required by this section through an electronic filing system developed by the commission. The commission may make an exception to this electronic filing requirement if a party committee submits a written request that states that the party committee lacks access to the technology or the technological ability to file reports electronically. The request for an exception must be submitted by March 1st of the election year. The commission shall grant all reasonable requests for exceptions.

[2007, c. 443, Pt. A, §17 (AMD) .]

5. Penalties. A party committee is subject to the penalties in section 1020-A, subsection 4-A.

[2003, c. 1, §13 (COR) .]

6. Notice; forms. A state party committee shall notify all county, district and municipal party committees of the same political party of the party committee reporting requirements. The party committees shall obtain the necessary forms from the commission to complete the filing requirements.

[1991, c. 839, §23 (NEW); 1991, c. 839, §33 (AFF) .]

7. Exemption. Any party committee receiving and expending less than \$1,500 in one calendar year is exempt from the reporting requirements of this section for that year.

[1991, c. 839, §23 (NEW); 1991, c. 839, §33 (AFF) .]

8. Municipal elections. When a party committee makes contributions or expenditures on behalf of a candidate for municipal office subject to this subchapter, it shall file a copy of the reports required by this section with the clerk in that candidate's municipality.

[2011, c. 389, §19 (AMD); 2011, c. 389, §62 (AFF) .]

21-A MRS § 1020-A. FAILURE TO FILE ON TIME

1. Registration. A candidate that fails to register the name of a candidate, treasurer or political committee with the commission within the time allowed by section 1013-A, subsection 1 may be assessed a forfeiture of \$10. The commission shall determine whether a registration satisfies the requirements for timely filing under section 1013-A, subsection 1.

2. Campaign finance reports. A campaign finance report is not timely filed unless a properly signed or electronically submitted copy of the report, substantially conforming to the disclosure requirements of this subchapter, is received by the commission by 11:59 p.m. on the date it is due. Except as provided in subsection 7, the commission shall determine whether a report satisfies the requirements for timely filing. The commission may waive a penalty in whole or in part if the commission determines that the penalty is disproportionate to the size of the candidate's campaign, the level of experience of the candidate, treasurer or campaign staff or the harm suffered by the public from the late disclosure. The commission may waive the penalty in whole or in part if the commission determines the failure to file a timely report was due to mitigating circumstances. For purposes of this section, "mitigating circumstances" means:

- A. A valid emergency determined by the commission, in the interest of the sound administration of justice, to warrant the waiver of the penalty in whole or in part; [1999, c. 729, §5 (AMD).]
- B. An error by the commission staff; [1999, c. 729, §5 (AMD).]
- C. Failure to receive notice of the filing deadline; or [1999, c. 729, §5 (AMD).]
- D. Other circumstances determined by the commission that warrant mitigation of the penalty, based upon relevant evidence presented that a bona fide effort was made to file the report in accordance with the statutory requirements, including, but not limited to, unexplained delays in postal service or interruptions in Internet service. [2009, c. 190, Pt. A, §13 (AMD).]

3. Municipal campaign finance reports. Municipal campaign finance reports must be filed, subject to all the provisions of this subchapter, with the municipal clerk on forms prescribed by the Commission on Governmental Ethics and Election Practices. The municipal clerk shall send any notice of lateness required by subsection 6 and shall notify the commission of any late reports subject to a penalty.

4. Basis for penalties.

[2001, c. 470, §7 (AMD); T. 21-A, §1020-A, sub-§4 (RP) .]

4-A. Basis for penalties. The penalty for late filing of a report required under this subchapter is a percentage of the total contributions or expenditures for the filing

period, whichever is greater, multiplied by the number of calendar days late, as follows:

- A. For the first violation, 1%; [2001, c. 714, Pt. PP, §1 (NEW); 2001, c. 714, Pt. PP, §2 (AFF).]
- B. For the 2nd violation, 3%; and [2001, c. 714, Pt. PP, §1 (NEW); 2001, c. 714, Pt. PP, §2 (AFF).]
- C. For the 3rd and subsequent violations, 5%. [2001, c. 714, Pt. PP, §1 (NEW); 2001, c. 714, Pt. PP, §2 (AFF).]

Any penalty of less than \$10 is waived.

Violations accumulate on reports with filing deadlines in a 2-year period that begins on January 1st of each even-numbered year. Waiver of a penalty does not nullify the finding of a violation.

A report required to be filed under this subchapter that is sent by certified or registered United States mail and postmarked at least 2 days before the deadline is not subject to penalty.

A registration or report may be provisionally filed by transmission of a facsimile copy of the duly executed report to the commission, as long as the facsimile copy is filed by the applicable deadline and an original of the same report is received by the commission within 5 calendar days thereafter.

5. Maximum penalties.

[2001, c. 470, §8 (AMD); T. 21-A, §1020-A, sub-§5 (RP) .]

5-A. Maximum penalties. Penalties assessed under this subchapter may not exceed:

- A. Five thousand dollars for reports required under section 1017, subsection 2, paragraph B, C, D, E or H; section 1017, subsection 3-A, paragraph B, C, D, D-1 or F; and section 1017, subsection 4; [2011, c. 389, §23 (AMD).]
- A-1. Five thousand dollars for reports required under section 1019-B, subsection 4, except that if the financial activity reported late exceeds \$50,000, the maximum penalty is 1/5 of the amount reported late; [2011, c. 389, §24 (NEW).]
- B. Five thousand dollars for state party committee reports required under section 1017-A, subsection 4-A, paragraphs A, B, C and E, except that if the financial activity reported late exceeds \$50,000, the maximum penalty is 1/5 of the amount reported late; [2011, c. 389, §25 (AMD).]
- C. One thousand dollars for reports required under section 1017, subsection 2, paragraphs A and F and section 1017, subsection 3-A, paragraphs A and E; or [2011, c. 558, §4 (AMD).]
- D. Five hundred dollars for municipal, district and county committees for reports required under section 1017-A, subsection 4-B. [2011, c. 558, §4 (AMD).]
- E. [2011, c. 558, §5 (RP).]

[2011, c. 558, §§4, 5 (AMD) .]

6. Request for a commission determination. If the commission staff finds that a candidate or political committee has failed to file a report required under this subchapter, the commission staff shall mail a notice to the candidate or political committee within 3 business days following the filing deadline informing the candidate or political committee that a report was not received. If a candidate or a political committee files a report required under this subchapter late, a notice of preliminary penalty must be sent to the candidate or political committee whose registration or campaign finance report was not received by 11:59 p.m. on the deadline date, informing the candidate or political committee of the staff finding of violation and preliminary penalty calculated under subsection 4-A and providing the candidate or political committee with an opportunity to request a determination by the commission. Any request for a determination must be made within 14 calendar days of receipt of the commission's notice. A candidate or political committee requesting a determination may either appear in person or designate a representative to appear on the candidate's or political committee's behalf or submit a sworn statement explaining the mitigating circumstances for consideration by the commission. A final determination by the commission may be appealed to the Superior Court in accordance with Title 5, chapter 375, subchapter 7 and the Maine Rules of Civil Procedure, Rule 80C.

[2013, c. 334, §17 (AMD) .]

7. Final notice of penalty. If a determination has been requested by the candidate or political committee and made by the commission, notice of the commission's final determination and the penalty, if any, imposed pursuant to this subchapter must be sent to the candidate and the political committee.

If a determination is not requested, the preliminary penalty calculated by the commission staff is final. The commission staff shall mail final notice of the penalty to the candidate and treasurer. A detailed summary of all notices must be provided to the commission.

[2009, c. 302, §6 (AMD) .]

8. Failure to file report. The commission shall notify a candidate who has failed to file a report required by this subchapter, in writing, informing the candidate of the requirement to file a report. The notice must be sent by certified mail. If a candidate fails to file a report after 2 notices have been sent by the commission, the commission shall send a final notice by certified mail informing the candidate of the requirement to file and that the matter may be referred to the Attorney General for criminal prosecution. A candidate who fails to file a report as required by this subchapter after the commission has sent the notices required by this subsection is guilty of a Class E crime.

[2007, c. 443, Pt. A, §25 (AMD) .]

8-A. Penalties for failure to file report. The penalty for failure to file a report required under this subchapter may not exceed the maximum penalties as provided in subsection 5-A.

[2003, c. 628, Pt. A, §6 (NEW) .]

9. List of late-filing candidates. The commission shall prepare a list of the names of candidates who are late in filing a report required under section 1017, subsection 2, paragraph C or D or section 1017, subsection 3-A, paragraph B or C within 30 days of the date of the election and shall make that list available for public inspection.

[1995, c. 483, §15 (NEW) .]

10. Enforcement. A penalty assessed pursuant to this section that has not been paid in full within 30 days after issuance of a notice of the final determination may be enforced in accordance with section 1004-B.

[2009, c. 302, §7 (RPR) .]