

Agenda

Item #6



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

To: Commission Members
From: Jonathan Wayne, Executive Director
Date: July 9, 2007
Re: Staff Recommendations re: Hon. Joseph C. Perry

In the 2006 elections, Senator Joseph Perry (District 32) ran for re-election to the Maine Senate as a Maine Clean Election Act candidate. Including his service in the Maine House of Representatives, Sen. Perry is in his sixth term in the Maine Legislature. Last year, he was randomly selected to be audited. The staff is recommending a total of \$950 in penalties for three violations of the Maine Clean Election Act. This memo is intended to supplement the audit report and to address the issues of proportionality that are raised in the letter of Senator Perry's counsel, Newell Augur.

It should be noted that, overall, Senator Perry ran a compliant campaign except for the documentation problems and overdraft transfers discussed in the audit report. There was no serious misreporting of his campaign receipts and expenditures. He spent his Maine Clean Election Act (MCEA) funds on legitimate campaign expenditures. We find no evidence that Senator Perry intended to keep MCEA funds permanently.

Finding No. 1 - Commingling and Personal Use of MCEA Funds

As explained in the audit report, Senator Perry opened a campaign checking account at the Bangor Credit Union where he had existing personal checking and savings accounts. In order to earn interest on his MCEA funds, he deposited some of them into his personal savings account after withdrawing all but \$25 in personal funds to keep it open.

Use of MCEA Funds for Personal Expenditures

Sen. Perry's personal checking account was set up with overdraft protection. To avoid a negative balance in the account, the credit union automatically transferred MCEA funds from his savings account to cover payments he made from his personal checking account. Between July and October 2006, the credit union made twenty overdraft transfers of MCEA funds totaling \$4,028 to cover personal purchases made from the checking account:

1	7/12/2006	\$450.37
2	7/18/2006	\$12.40
3	7/18/2006	\$202.50
4	7/20/2006	\$48.12
5	7/20/2006	\$302.50
6	8/16/2006	\$290.06
7	8/21/2006	\$334.12
8	8/24/2006	\$602.50
9	8/30/2006	\$360.95
10	9/11/2006	\$837.27
11	9/22/2006	\$269.26
12	9/25/2006	\$47.78
13	9/26/2006	\$64.60
14	9/27/2006	\$41.13
15	9/27/2006	\$17.15
16	9/27/2006	\$102.50
17	10/21/2006	\$4.15
18	10/24/2006	\$18.05
19	10/27/2006	\$6.04
20	10/27/2006	\$16.40
	Total	\$4,027.85

In each case, the overdraft transfer brought the balance in the checking account to \$0.00. In the view of the Commission staff, this constituted using MCEA funds for personal expenses, which violated 21-A M.R.S.A. §1125(12).

Senator Perry has responded that initially he did not know the transfers were occurring and acknowledges that once he discovered them, he should have stopped them from recurring. In Mr. Augur's letter, the campaign describes the problem as a lack of attentiveness rather than a disregard for oversight. The failure to correct the problem for over three months is the principal reason the staff is recommending a penalty. The staff recognizes that the use of MCEA funds to pay for personal expenses did not involve intentional, affirmative actions such as writing a check that would draw down MCEA funds directly. On the other hand, one cannot say that the payment of MCEA funds for personal expenses was entirely unknowing because Senator Perry was aware of the July transfers and allowed the transfers to continue for the next three months.

Senator Perry states that in addition to his re-election campaign, there were "several personal and non-legislative work related challenges occupying Senator Perry's attention during the final four months of the campaign." I recommend that you take this into consideration as a mitigating factor.

Proportionality of Penalties for MCEA Violations

The Commission staff urges you to look closely at every penalty we recommend, and to adjust them upward or downward to reflect what you believe is fair and advances the goals of the MCEA. The staff regularly recommends no violation for minor reporting or record-keeping errors that were unintentional or that were corrected by the candidates. We choose to recommend penalties in a small number of more serious situations to underscore that compliance with MCEA requirements (accurate reporting and record-keeping, spending public funds appropriately) is part of the bargain candidates make with the state of Maine and taxpayers when they apply to receive full public financing. At the same time, we do not want penalties to be so large that they discourage candidates from participating in the MCEA, cause friction with the Legislature, or result in a perception that the Commission is arbitrary or overly punitive.

After reviewing the 2006 campaigns, the Commission staff has found six candidates who commingled MCEA funds with personal funds or misspent them.¹ (Please see attached chart.) Because of a lack of precedent, we believe the Commission has considerable flexibility to decide what penalties are appropriate in these cases:

- The audits showed that two incumbent Representatives, Joan Bryant-Deschênes and Donald Marean, deposited MCEA funds into bank accounts with personal funds, but did not use the MCEA funds for personal expenses. The staff recommended no penalty for the violation, but the Commission assessed a penalty

¹ It is important to remember that 313 candidates received MCEA funding for the general election, and only two of them (less than 1%) intended to permanently misuse the MCEA funds they received.

of \$100 in both cases to discourage commingling of MCEA funds with personal funds.

- On the other end of the spectrum, two candidates (Thomas Bossie and Arthur Clement) commingled MCEA and personal funds, and went on to spend substantial portions of the MCEA funds on personal expenses. We discovered the problem because the candidates failed to return unspent MCEA funds by deadlines in November and December 2006. They apparently had no practical intention of returning them to the state of Maine. The Commission was able to recover the unspent funds (including money spent on personal expenses) by threatening civil lawsuits.
- The audits disclosed that two candidates (Joseph Perry and David Feeney) spent MCEA funds in the short term to pay for personal expenses, but there is no evidence that they intended to keep the funds permanently.

In our opinion, the violations by Senator Perry and David Feeney are substantially less serious than the Bossie and Clement situations. Thomas Bossie and Arthur Clement intentionally used MCEA funds for personal expenses with no practical intention of returning them to the Commission. All evidence suggests that Senator Perry did intend to return the appropriate amount of funds to the Commission, and his expenditures of MCEA funds for personal expenses – while knowing – were not as intentional as using MCEA funds to write a check to cover a personal loan, for example.

In the cases of Senator Perry and David Feeney (scheduled for August), the Commission staff is recommending a penalty of \$600 for spending MCEA funds on purposes that were not campaign-related. We arrived at the \$600 amount because it was roughly one-half of the penalties recommended against Thomas Bossie and Arthur Clement for misuse of MCEA funds. If – after hearing from Senator Perry and his counsel on July 16 – you believe that \$600 is too high because Senator Perry demonstrated no bad faith or because of other mitigating circumstances, the staff does not oppose reducing the penalty.

The staff has recommended a penalty of \$250 against Senator Perry, David Feeney, Arthur Clement, and Tom Bossie for commingling MCEA funds with personal funds. In these cases, the recommendation is larger than \$100 (the Marean and Deschenes penalties) because the commingling resulted in the use of MCEA funds for personal expenses.

Attorney Newell Augur argues that Senator Perry's situation should be viewed as closer to Representatives Marean and Bryant-Deschenes than to Bossie and Clement. If you agree, you may wish to consider assessing smaller penalties. We believe some penalty is necessary to send the message to Maine Clean Election Act candidates that they must deposit their public funds in a separate campaign account and use them only for campaign-related purposes.

Finding No. 2 – Undocumented Campaign Expenditures

MCEA candidates are required to keep two documents for every expenditure over \$50: a vendor invoice and proof that the vendor received payment (e.g., a cancelled check). As with many of the legislative candidates audited earlier this year, Senator Perry did not initially have the required documentation. Since late 2006, the Commission's auditor has made repeated requests to Senator Perry. He eventually obtained almost all of the requested documentation, but not within a reasonable period of time.

Among the expenditures which the auditor asked the campaign to support were two reimbursements to the candidate in the range of \$200 - \$300. Mr. Augur points out that these reimbursements covered several payments the candidate made to vendors – some of which were for less than \$50. With regard to the payments over \$50, the following documents have been submitted to the Commission during the audit.

	Vendor Invoice	Proof of Payment (e.g., cancelled check)
\$179.58 purchase from Staples	"Rewards card" statement accepted	No
\$84.16 mileage reimbursement to candidate (<i>satisfactory documentation</i>)	Explanation of mileage accepted	Yes
\$117.00 payment to the U.S. Post Office	No	No

The staff continues to recommend a penalty of \$100 for this violation.

**Comparison of 2006 Penalties for Commingling and Spending
MCEA Funds for Personal Expenses**

	Joanne Bryant- Deschenes (assessed 12/12/06)	Donald Marean (assessed 12/12/06)	Joseph Perry (recommended for 7/16/06)	David Feeney (for August meeting)	Arthur Clement (recommended for 7/16/06)	Thomas Bossie (assessed on 5/14/06)
Spending MCEA Funds for Non-Campaign Purposes			\$600	\$600	\$1,250	\$1,250
Commingling MCEA Funds with Personal Funds	\$100	\$100	\$250	\$250	\$250	\$250
Failure to Keep Required Documentation			\$100			
Failure to Repay MCEA Funds					\$500	\$750
Failure to Accurately Report MCEA Expenditures						\$500
Total	\$100	\$100	\$950	\$850	\$2,000	\$2,750



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

July 6, 2007

Audit Report No. 2006-SEN006

**Candidate: Senator Joseph C. Perry
Senate District 32**

Background

Senator Joseph C. Perry was re-elected to the Maine State Senate, District 32, in the 2006 general election. Sen. Perry was certified by the Commission as a Maine Clean Election Act (MCEA) candidate on April 20, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

Audit Scope

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or his authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

Senator Perry received \$22,008 from the Commission in initial MCEA payments for the primary and general elections, and was also paid \$40,164 in matching funds for the general election. Sen. Perry was one of two legislative candidates who received the maximum amount of matching funds. The total amount disbursed by the Commission to Sen. Perry was \$62,172.

Audit Findings and Recommendations

Finding No. 1 – Commingling of Funds and Personal Use of Public Funds: Sen. Perry maintained two personal bank accounts – savings and checking – with the Bangor Federal Credit Union. In June 2006, he opened a third (checking) account to serve as the campaign bank account. The initial payments for the primary and general elections were deposited into the campaign account. According to Sen. Perry, he decided to transfer a substantial portion of the MCEA monies to his personal savings account, and as needed, to transfer the funds back into his campaign checking account. The purpose of the transfer was to earn interest on the large balances on deposit.

In June 2006, Sen. Perry deposited \$22,008 of MCEA funds into the campaign checking account. The Commission distributed these funds to the senator to finance his primary and general election campaigns. Subsequently, on July 11, 2006, he transferred \$18,000 from the campaign checking account into his personal savings account. With that transfer, the balance in the savings account was entirely MCEA money, exclusive of \$25.00 to maintain the account in “open” status. In August 2006, Sen. Perry deposited an additional distribution of \$40,164 in matching funds directly into his personal savings account, bypassing the campaign bank account. From August through December 2006, Sen. Perry incrementally transferred more than \$58,000 from savings back into the campaign checking account to meet campaign obligations.

The audit also disclosed that from July through October of 2006, 20 transfers of MCEA funds were made from Sen. Perry’s savings account into his personal checking account. The transfers were made automatically by the credit union to avoid an overdraft (negative cash balance) in Sen. Perry’s personal checking account. The total amount of the 20 transfers was \$4,028. The first transfer occurred on July 12, 2006 – one day after Sen. Perry transferred the \$18,000 into the savings account. Sen. Perry stated that his savings account had been originally set up with an overdraft protection feature for his personal checking account, and that he had neglected to change the terms of the overdraft facility when he deposited MCEA funds into the savings account. He indicated the first transfers from savings to his personal checking were unintended. However, he acknowledged that even after he became aware of the transfers he failed to act to stop them and he did not notify the Commission of the error. Sen. Perry said he did not contact the Commission about the transfers because he was concerned that the matter would become a campaign issue that his opponent could take advantage of in a close and competitive election race. In December, 2006, Sen. Perry deposited \$4,300 into his savings account, and subsequently transferred \$4,208 from savings into the campaign checking account.

In the auditor’s opinion, Sen. Perry’s actions constitute serious violations of the Maine Clean Election Act and the Commission’s rules prohibiting commingling of funds and the use of public funds for private purposes. First, deposit of MCEA funds into personal bank accounts is by definition commingling. In the present circumstance, public funds were commingled in two accounts: Sen. Perry’s personal savings and checking account. Second, the transfer of MCEA funds into Sen. Perry’s personal checking account resulted in the use of public money for personal expenditures. The overdraft protection facility was established to cover deficits in Sen. Perry’s personal checking account, presumably due to personal expenditures. We also believe that Sen. Perry’s failure to act when he became aware of the impermissible transfers compounded the seriousness of the violation.

Criteria: 21-A M.R.S.A. § 1016(1), "All funds of a political committee and campaign funds of a candidate must be segregated from, and may not be commingled with, any personal funds of the candidate, treasurer or other officers, members or associates of the committee." 21-A M.R.S.A. § 1125(7-A), "The campaign funds must be segregated from, and may not be commingled with, any other funds." 21-A M.R.S.A. § 1125(6), "The candidate or committee ... shall deposit all revenues from the fund in a campaign account with a bank or other financial institution. All revenues distributed to a certified candidate from the fund must be used for campaign-related purposes." Commission Rules, Chapter Three, Section 6 (3), "A certified candidate must use revenues distributed from the Fund only for campaign-related purposes as outlined in guidelines published by the Commission, and not for personal or any other use."

Recommendations: The staff recommends that the Commission find Senator Perry in violation of 21-A M.R.S.A. §1125(12) for using \$4,028 in MCEA funds for purposes that were not campaign-related. The staff recommends a penalty of \$600 for this violation. The recommended penalty is intended to reflect that knowingly allowing MCEA funds to be used on a temporary basis to pay for personal expenditures is a serious violation of the MCEA, but there is no evidence that the candidate intended to keep MCEA funds permanently. He promptly returned to the Commission the correct amount of funds that were not used for campaign purposes.

The staff recommends that the Commission find Senator Perry in violation of 21-A M.R.S.A. §1125 (6-A) for commingling campaign funds with personal funds. The staff recommends a penalty of \$250 for this violation.

Finding No. 2 – Undocumented Campaign Expenditures: Sen. Perry made seven expenditures grouped into two payments that were unsupported by some or all of the required documentation. The transactions, which were listed in the 42 Day Post-Primary report, are as follows:

- a. Sen. Perry was reimbursed in the amount of \$272.96 for three expenditures: personal campaign mileage expenses (\$84.16), a purchase from Staples (\$179.58), and a purchase from Wal-Mart (\$9.22). The campaign was not able to provide proof of purchase or proof of payment for the Staples or Wal-Mart purchases, although the auditor reviewed and accepted Staples "Rewards" documentation as an alternative proof of purchase from that vendor. In addition, the three reimbursements were lumped together inappropriately, and will require an amendment to the report.
- b. Sen. Perry reimbursed himself in the amount of \$213.46 for four purchases made during the 42 Day Post-Primary reporting period: USPS (postage) - \$117.00; Sam's Club (printing supplies) - \$24.32; campaign travel - \$27.36; and Fairmount Market (pizza) - \$44.78. The campaign was not able to provide proof of purchase or proof of payment for any of the four purchases.

Criteria: 21-A M.R.S.A. §1016 (4), "A treasurer shall obtain and keep a receipted bill, stating the particulars, for every expenditure in excess of \$50 made by or on behalf of ... a candidate...." 21-A M.R.S.A. §1016, "Each treasurer shall keep detailed records of all contributions received and of each expenditure that the treasurer or candidate makes or authorizes...." 21-A M.R.S.A. §1125(12-A)(C), "The treasurer shall obtain and keep... a record proving that a vendor received payment for every

Campaign Audit
Candidate: Sen. Joseph C. Perry
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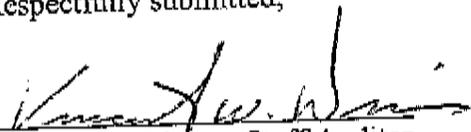
expenditure of \$50 or more in the form of a cancelled check, receipt from the vendor or bank or credit card statement identifying the vendor as the payee.”

Recommendation: the staff recommends that the Commission find Senator Perry violated 21-A M.R.S.A. § 1125(12-A) (C) for not obtaining and keeping complete documentation (vendor invoice and proof of payment) for three expenditures (the \$84.16 mileage reimbursement, the \$179.58 Staples purchase, and \$117.00 payment to the U.S. Post Office) and for not obtaining other required expenditure documentation when expenditures were made and when notified of the requirement during the audit process. The staff recommends that the Commission assess a penalty of \$100 for this violation.

Candidate's Comments

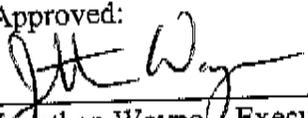
The comments of Atty. Newell Augur, counsel to Senator Perry, are attached.

Respectfully submitted,



Vincent W. Dinan - Staff Auditor

Approved:



Jonathan Wayne - Executive Director

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BY HAND DELIVERY

July 3, 2007

Vincent W. Dinan
Auditor
Maine Commission on Governmental Ethics and Election Practices
135 State House Station
Augusta, ME 04333-0135

Dear Mr. Dinan:

I appreciate the opportunity to provide further information relevant to your initial findings.

Finding No. 1

In the main, the report accurately represents Senator Perry's management of Maine Clean Election Act Funds (MCEA). Most significantly, Senator Perry credited back all MCEA funds that were automatically transferred from the campaign savings account to his personal checking account, along with all interest that the MCEA funds earned while in the savings account. This was done concurrent with the 42 day post-general election report. For these reasons, a reduction in the \$850 proposed penalty is appropriate.

The reduction is justified when this case is viewed alongside other cases where MCEA funds were commingled. As the Executive Director has noted previously, the purpose of requiring candidates to establish separate and distinct accounts for MCEA funds is based upon the underlying principle that doing so "encourages good record keeping and good reporting." (Minutes of the Commission on Government Ethics and Election Practices, November 20, 2006).

ATTACHMENT
Perry Campaign Audit
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Predictably, even though there is not extensive history on the subject, the cases before the Commission that have involved the commingling of MCEA funds generally divide into two categories: those where the record keeping and reporting was good; and those where it wasn't.

In cases where commingling has occurred but the candidate's reporting has been accurate, the Commission has assessed a modest penalty. The audits involving J. Bryant-Deschene and D. Marean, for example, cited no other reporting inconsistencies, even though MCEA funds were commingled with personal funds and, technically, could have been used temporarily for purposes unrelated to a campaign. A \$100 penalty was assessed in both cases.

By contrast, the Commission has found commingling to be much more problematic when the 42 day post-general election report is not filed or does not accurately account for all MCEA funds. This makes the expenditure of MCEA funds on items unrelated to the campaign a permanent matter, rather than a temporal one. The Commission recently delineated this distinction and its seriousness in an audit of T. Bossie. As the Executive Director noted in a letter to the candidate:

"[G]iven the difficulty the Commission staff had in recovering the reimbursements from you, it is unclear whether after the election you initially intended to return the funds." Preliminary Staff Findings, April 13, 2007, pg 2.

In this and other recent cases before the Commission, the commingling of funds was exacerbated by a failure or outright refusal to file an accurate 42 day post-election report. In addition to requiring the involvement of the Attorney General's office, this meant that MCEA funds, whether unwittingly or deliberately, would be permanently used for purposes unrelated to the campaign.

Senator Perry's 42 day post-general election report *accounted for all of the overdraft transfers* from campaign savings account into the personal checking account. There was never any possibility, to say nothing of any intent, that MCEA funds could be used on a permanent basis for non-campaign expenditures.

The commingling of funds in the instant case is further distinct from the more serious violations because MCEA funds were affirmatively and directly used to purchase non-campaign related items. Here, the savings account had been established to be debited when the checking account had a negative balance. This was a standing feature of the account when it was

opened in 2003 and became a standard feature on all Bangor Federal Credit Union accounts beginning in 2005.

Admittedly, Senator Perry should have taken steps to amend the overdraft protection feature of the savings account once he became cognizant that the transfers were taking place. This mistake indicates a lack of attentiveness to detail and perhaps is attributable to the fact that Senator Perry served as the treasurer for his own campaign. (The treasurer named in his filing papers was unable to fulfill those duties). It does not, however, rise to a level that suggests any disregard, much less blatant disregard, for state law and Ethics Commission oversight.

There are two additional modifications that may be appropriate in the final report with regard to the campaign savings account. First, the report states that from August to December 2006 there were deposits of personal funds into the savings account. In fact, the only deposit of personal funds during the relevant period occurred on August 28, 2006 when a \$200 check that should have been deposited into the personal checking account was incorrectly deposited in the campaign savings account. As I noted in my letter of June 14, 2007, the August bank statement indicates that this error was corrected the following day.

The remaining three deposits totaling \$4,300 occurred in December and correspond to the filing of the 42 day post-general election report. At that time, the campaign savings account was effectively dissolved and all automatic overdraft transfers were reconciled.

Second, the lack of affirmative action to report or correct this issue, namely to contact Bangor Federal Credit Union and request that the automatic transfers be discontinued, was not politically motivated. There were several personal and non-legislative work related challenges occupying Senator Perry's attention during the final four months of the campaign. These all collectively contributed to the lack of action to reverse the automatic overdraft protection.

Finding No. 2

The report accurately represents the lack of documentation for the seven expenditures listed. Regrettably, the receipts from these campaign related purchases have been misplaced.

However, alternative proof for the \$179.58 purchase from Staples, namely the documentation of the "Rewards" card, was reviewed and accepted. This amount represents nearly half of the total amount that forms the basis for the recommended penalty. In addition, four other items cited in the finding

fall below the \$50 threshold set forth in 21-A M.R.S.A §1016 (4) and 21-A M.R.S.A §1125 (12-A)(c). These factors mitigate in favor of a reduction of the \$100 proposed penalty.

I apologize for the delay in providing this additional information. Please let me know if you have any further questions.

Sincerely,



Newell Augur
Counsel for Senator Joseph Perry

Cc: Jonathan Wayne, Executive Director
Paul Lavin, Legal Counsel
Senator Joseph Perry

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BY HAND DELIVERY

June 14, 2007

Vincent W. Dinan
Auditor
Maine Commission on Governmental Ethics and Election Practices
135 State House Station
Augusta, ME 04333-0135

Dear Mr. Dinan:

I appreciate the opportunity to provide you with additional information regarding Senator Perry's campaign accounts at Bangor Federal Credit Union.

I have enclosed for your review a copy of the Checking Agreement ("the agreement"), signed in 2003, for Share 71 of Account Number 2316077. (The specific checking account number is 585690-71.) Paragraph B of the agreement indicates that in instances when a check presented for payment exceeds the balance in Share 71, the personal account, that account would be automatically replenished with funds sufficient to pay the check from the Prime Share Account, the savings account. This was not problematic prior to July 11, 2007 when the Prime Share Account was being used exclusively for personal purposes.

I also have enclosed for your review a current copy of Bangor Federal Credit Union's list of Account Service Fees. The charge for a Preauthorized Overdraft Transfer is \$2.50. This is the resulting service charge when a check is paid that exceeds the current balance in a checking account.

A review of the relevant bank records from July until the end of 2007 indicates that in all but one instance when funds were withdrawn from the Prime Share Account and deposited into Share 71, a corresponding \$2.50 fee was levied against Share 71. The \$2.50 fee indicates that each transfer was a preauthorized, done automatically per the agreement, and not directly by the account holder.

The notation "CU2You Transfer" represents an electronic banking transfer when the member has actively and directly accessed an account over the internet and moved funds from one share account to another. The one instance when funds were moved via electronic banking from the Prime Share Account to Share 71 was on August 29, 2006. The transfer was to balance out a \$200 check of non campaign funds that had been incorrectly deposited into the Prime Share Account, then serving as the campaign savings account, on August 28, 2006.

Further, the agreement indicates that a maximum of six (6) preauthorized overdraft transfers would be allowed in any calendar month. Bangor Federal Credit Union amended that policy sometime after the date of the agreement to allow an unlimited number of overdraft transfers. This new policy was applied to all checking agreements and explains why there were seven (7) such transactions on the September statement.

I apologize for the delay in providing this additional information. Please let me know if you have any further questions.

Sincerely,



Newell Augur

Cc: Jonathan Wayne, Executive Director
Paul Lavin, Legal Counsel
Senator Joseph Perry

CHECKING AGREEMENT

With Limited Overdraft Transfer Clause

I/We hereby authorize the Bangor Federal Credit Union (the Credit Union) to establish a special savings account for me/us to be known as a "Checking Account." The Credit Union is authorized to pay checks signed by me (or by any of us, if this agreement is signed by more than one person) and to charge the payments against the Checking Account.

It is agreed that:

- (a) only check blanks and other methods approved by the Credit Union may be used to withdraw funds from this Checking Account;
- (b) the Credit Union is under no obligation to pay a check which exceeds the balance in the Checking Account; the Credit Union may, however, up to a maximum of six (6) times per calendar month, pay such a check and charge the amount of the resulting overdraft plus a service charge against any other savings account from which the person who signed the check is entitled to withdraw savings; and the Credit Union is under no obligation to pay a check on which the date is more than six months old; checks presented for cash at the Credit Union will not be honored without collected available funds in the Checking Account;
- (c) except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a check;
- (d) notwithstanding Paragraph (c) above, the Credit Union is not liable for any loss incurred or damage sustained due to the premature payment of a post-dated check;
- (e) any objection respecting any item shown on a monthly statement of the Checking Account shall be waived unless made in writing to the Credit Union on or before the twentieth day following the day the statement is mailed;
- (f) the Checking Account shall be subject to service charges in accordance with the rate schedules adopted by the Credit Union from time to time;
- (g) the use of the Checking Account is subject to such other terms, conditions, and requirements as the Credit Union may establish from time to time;
- (h) if signed by more than one person, this agreement is subject to the additional terms and conditions of any joint savings account agreement that applies to a savings account in our joint names; or, if there is no such agreement, this agreement is subject to the additional terms and conditions printed on the back of this form; and
- (i) if the Checking Account has ten (10) or more overdrafts within one calendar year, the account may be closed.
- (j) if I overdraw my Checking Account or otherwise misuse it, I realize that the Credit Union may close my account. I agree not to write checks when my balance is insufficient to cover them and I agree to pay the Credit Union for all losses or damage caused by my/our use of this Checking Account, including costs of collection and reasonable attorney's fees.
- (k) merchants and other payees may be authorized to electronically debit your share draft or checking account using information you provide on or with a share draft or check. These debits are electronic funds transfers subject to this agreement.

Dated 12.31.08

Signatures X Joseph C. Perry

Joint Owner _____

Checking Account Number [REDACTED]

DOB _____ SSN _____

(Instructions to Signer: If you have been notified by the Internal Revenue Service (IRS) that you are subject to backup withholding due to payee underreporting and you have not received a notice from the IRS that the backup withholding has terminated, you must strike out the language in clause 2 of the certification you sign below.)

Certification as to Taxpayer Identification Number and Backup Withholding

Under penalties of perjury, I certify (1) that [REDACTED] is my correct taxpayer identification number (2) that I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service (IRS) has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien).

Signature Joseph C. Perry

Date 12.31.08

Bangor
Federal Credit Union

Serving
all of
Penobscot
County



Not a pretty sight...

[Home](#)

[Deposit Accounts](#)

[Loans](#)

[24-hour Service](#)

[Products & Services](#)

[About Us](#)

Account Service Fees:

The rates and yields appearing in this Fee Schedule are accurate and effective for accounts as of 2/1/2007. If you have any questions or require current fee information on your accounts, please call Bangor Federal Credit Union at (207) 947-0374.

Savings Account Fees		
New Account Fee	\$5.00	
Account Fees		
NSF Fee	\$25.00	Per Overdraft
Check Copy	\$2.00	Per Check
Stop Payment	\$20.00	Per Item
Account Reconciliation Fee	\$18.00	Per Hour
Account History	\$2.00	Per History
Prauthorized Overdraft Transfer	\$2.50	Per Transfer
Returned Deposited Items	\$10.00	Per Item (fee not to exceed check value)
Substitute Check	\$5.00	Per Check
Returned Statement Fee	\$2.00	Per Statement
Check Printing Fee		Price varies depending on style.

Other Service Fees (applicable to all accounts)

Account Research Fee	\$16.00	Per Hour
Money Order	\$2.00	Per Item
Cashier's Check	\$2.00	Per Item under \$1000
Traveler's Checks		
Single Signature	\$1.00	Per \$100.00
Dual Signature	\$1.50	Per \$100.00
Wire Transfer (domestic)		
Outgoing	\$15.00	Per Transfer
Incoming	\$8.00	Per Transfer
Wire Transfer (foreign)		
Outgoing	\$30.00	Per Transfer
Incoming	\$15.00	Per Transfer
Share to Share		
Outgoing	\$5.00	Per Transfer
Incoming	\$2.50	Per Transfer

Electronic Funds Transfer Fees

ATM Withdrawals		FREE
Point-of-Sale		FREE
Visa® Check Card Purchase		FREE
CU2You, Shared Branch Network, CUe-Statements & Teller-Phone, Check Imaging		FREE
New ATM or Visa® Check Card	\$5.00	Per Card
Bill Pay	\$3.95	Per Month
Outgoing Apex Transfers	\$10.00	Per Month/Transfer

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