

## **Shawna Lawton and Nicholas Mattiello**

### **Campaign Finance Investigation**

Investigation Conducted By: Richard E. Thornton, Director of Campaign Finance

---

#### **COMPLAINT FILED**

On October 31, 2016, RI Republican State Central Committee and Brandon Bell as Chairman and Qualified Elector ("Petitioners"), filed a complaint against candidates Shawna Lawton ("Lawton") and Nicholas Mattiello ("Mattiello"), alleging violations of RI campaign finance law:

On or about October 26, a mailer from Lawton, costing \$2,150.00, was delivered to voters of District 15, announcing she was supporting Mattiello and advocating against his challenger Steven Frias, to whom she lost in the Primary election;

1. Petitioners provide information to support their allegation of consultation and coordination between Mattiello campaign and Lawton. Because of the consultation and coordination, the amount expended by Lawton (\$2,150.00) on behalf of Mattiello, and for which Mattiello received in-kind, exceeds the maximum allowable contribution limit pursuant to R.I.G.L. 17-25-10.1(a) and 17-25-10.1(c); or
2. If the Lawton mailer was not in coordination with the Mattiello campaign and was truly an Independent Expenditure, Lawton failed to file a report of Independent Expenditures exceeding \$1,000.00 within 24 hours of the expenditure pursuant to R.I.G.L. 17-25.3-1(e).

#### **CAMPAIGN FINANCE INVESTIGATION**

On November 9, 2016, Director of Campaign Finance, Richard E. Thornton ("Thornton") e-mailed Lawton and Mattiello, sending each a copy of the Complaint and a request to examine and respond to the allegations no later than November 16.

1. Mattiello answered via his attorney Michael DiChiro, Jr. Esq. on November 16, declaring he "did not willfully and knowingly arrange, coordinate or direct Ms. Lawton to make independent expenditure for her campaign mailer, nor did Jeff Britt, a paid consultant to the campaign, willfully and knowingly arrange, coordinate or direct Ms. Lawton to make an independent expenditure for her campaign mailer.";
2. Lawton answered via her attorney John M. Cicilline Esq. on November 17, declaring in almost all instances that the statements in the complaint do not require a response from her, "and leave Petitioners to their proof thereof."

On November 18, 2016, Thornton e-mailed Lawton requesting by November 28, bank statement(s) and supporting documentation related to the mailer in support of Mattiello.

On December 1, 2016, Thornton e-mailed Lawton a Second Request for bank statement(s) and supporting documentation related to the mailer in support of Mattiello.

1. On December 5, 2016, Lawton provided the requested information.

On December 5, 2016, Thornton e-mailed Lawton with provisions related to both coordinated and independent expenditures and requested Lawton to specify which provision applies to her case so the appropriate corrective measures can be taken.

On December 13, 2016, Thornton resent Lawton the December 5 e-mail due to lack of response.

1. On December 13, 2016, Lawton responded by e-mail, indicating the expenditure for the mailer was not coordinated with Mattiello's campaign and requested a CF-8 form to file a Report of Independent Expenditures.

On December 14, 2016, Thornton e-mailed Lawton the CF-8 form along with instructions on how to file.

On December 22, 2016, Thornton e-mailed Lawton that the Board had not received her Report of Independent Expenditures (CF-8) and to comply with the statutory provisions for reporting independent expenditures upon receipt of the e-mail.

#### **ACTION**

On December 24, 2016, Lawton filed the Report of Independent Expenditures (CF-8).

#### **CAMPAIGN FINANCE COMPLAINT-SUPPLEMENT**

On January 4, 2017, RI Republican State Central Committee and Brandon Bell as Chairman and Qualified Elector ("Petitioners"), filed a Supplement in Further Support of their Complaint against candidates Lawton and Mattiello, alleging violations of RI campaign finance law.

The supplement details relationships between contributors listed on the Report of Independent Expenditures (CF-8) and members of the Mattiello campaign; and the late filing of the Report of Independent Expenditures (CF-8).

#### **INVESTIGATION**

On January 9, 2017, Thornton e-mailed Lawton and her attorney and Mattiello and his attorney, sending a copy of the Supplement in Further Support of the Complaint and a request to examine and respond to the allegations no later than January 17.

1. On January 17, 2017, Lawton responded, denying consultation or cooperation with Mattiello campaign.
2. On January 18, 2017, Mattiello responded, denying consultation, cooperation or coordination with Lawton.

#### **ACTION**

On January 9, 2017, an amended 7 Days Before Election report was filed on behalf of Mattiello's campaign to include an In-Kind Contribution of \$2,150.00, received from Shawna Lawton on October 27,

2016, with a notation, "Excessive portion of contribution has been refunded and will be reflected in a subsequent report. In-Kind was for campaign mailer."

On January 31, 2017, Lawton filed her 4<sup>th</sup> Quarterly campaign finance report and reported the expense of the mailer and the refund from Mattiello. Lawton also emailed an amended CF-8 form to change her original reporting of Independent Expenditures of December 24, 2016 to \$0.00 funds expended independently with an explanation "there is an appearance that the mailer and donations received were something more than what they actually were."

#### **INFORMATION REQUESTED BY THE BOARD**

Per the Board's directive on February 15, 2017, Thornton requested from each of the five (5) named individuals below by March 6, copies of documentation of any communication made to, or received from, the named individuals for the period October 1 through November 30, 2016, including, but not limited to, communication made or received via text, email, electronic or written correspondence:

1. Nicholas Mattiello
2. Shawna Lawton
3. Victor Pichette
4. Teresa M. Graham
5. Jeffrey Britt

On March 1, 2017, Thornton received an email from Attorney John Verdecchia indicating he was representing Teresa M. Graham and would reply during the third week of March as he was leaving the country.

On March 6, 2017, Thornton received a letter and enclosures from Attorney Michael DiChiro, legal counsel for Mattiello, in response, consisting of text messages with Jeffrey Britt, none of which suggested coordination with Lawton's mailer in support of Mattiello.

On March 8, 2017, Thornton sent a Second Request to non-respondents Lawton, Pichette and Britt, with a response due date of March 20, 2017.

On March 19, 2017, Lawton responded by email asserting she has no documentation to provide.

On March 22, 2017, Thornton emailed Attorney Verdecchia seeking an update on the request for documentation from Graham. Verdecchia replied the same day indicating he was meeting with his client Graham the following week and would respond thereafter. After not hearing from Attorney Verdecchia, on March 29, Thornton again requested an update to which Verdecchia replied he was meeting with his client Graham on Friday (March 31) and would respond the following mid-week. On April 6, Thornton emailed Verdecchia seeking a response. On April 7, 2017, Thornton received a letter from Attorney Verdecchia citing that it was his opinion that his client Graham was under no legal obligation to comply with the Board's request.

On March 29, 2017, Thornton sent an Urgent Request via certified mail to non-respondents Pichette and Britt, with a response due date of April 7, 2017.

On April 7, 2017, Thornton emailed Pichette seeking a response and on April 10, called Pichette using a phone number on file for when he was a Town Council candidate in North Kingstown. Thornton spoke with Pichette who indicated he had not received any of the mailings because the address used by the BOE (from the address reported by Lawton on her campaign finance reports) was incorrect as was the email address. He stated that he went to Lawton's fundraiser and was not asked for money by Lawton. He decided to donate to Lawton because he did not support challenger Steve Frias. He also indicated he did not know Jeffrey Britt before. To document Pichette's response, Thornton sent an email (new email address) to Pichette on April 11, 2017, and on the same day Pichette responded that there was no correspondence between he and the other named individuals.

On April 10, 2017, Thornton emailed Britt seeking a response and also called on number obtained through investigation. Britt returned the call and left a voicemail that he had received all three (3) letters and had forwarded them to his attorney, Michael Lepizzera who would be contacting me. On April 11, Thornton called Attorney Lepizzera and left a voicemail message to call back and also emailed him seeking a response. Due to the lack of response, Thornton emailed Attorney Lepizzera on April 17 and 25 and left a voicemail with on his office phone on April 26.

On or about June 7, 2017, a subpoena was served upon Teresa Graham seeking information related to the Lawton mailer.

- On June 16, 2017, the Board received a Motion to Quash Subpoena from Attorney John Verdecchia, representing Teresa Graham.

On or about June 7, 2017, the Board authorized a subpoena served upon Victor Pichette.

- Mr. Pichette eluded service due primarily to his change in residency.

On or about June 7, 2017, a subpoena was served upon Jeffrey Britt seeking information related to the Lawton mailer.

- On June 16, 2017, the Board received a Motion to Quash Subpoena from Attorney Nicholas Hemond, representing Jeffrey Britt.

On or about June 8, 2017, the Board authorized a subpoena served upon Shawna Lawton.

- Ms. Lawton eluded service despite numerous attempts to serve her at her residence, so on July 24, 2017, the Board authorized the subpoena be served by alternate means, namely by tack-on service, with an original response date by August 15, 2017 which was extended to September 29, 2017.
- Ms. Lawton failed to answer the subpoena.

On June 10, 2017, a subpoena was served upon Paul Sasso ("Sasso"), owner of vendor All The Answers Inc, seeking documentation relative to the campaign mailer. The requested documentation was personally delivered to the BOE by Sasso on June 19, 2017. The documentation showed the following:

- On October 17, 2016 at 1:43pm, Matthew Jerzyk ("Jerzyk") emailed Brad Dufault (Dufault") of Checkmate Consulting Group, relating, "Big universe - just exclude Ds - 3,390", and "Smaller universe - exclude Ds and Dleaning Us - 2500ish".
- On October 17, 2016 at 4:42pm, Jerzyk emailed Dufault, relating, "We are good to go with this. Print it. But don't mail it yet."
- On October 17, 2016 at 4:47pm, Dufault replied to Jerzyk's email, asking, "Which universe? I'd go for the bigger one, I don't think this hurts to send to D-ish U's."
- On October 17, 2016 at 4:49pm, Jerzyk replied to Dufault's email, answering, "Bigger one."
- On October 20, 2016 at 8:48pm, Dufault emailed Jerzyk, asking, "Can you send me the bigger list for the Lawton piece....trying to drop it tomorrow. Thanks."
- On October 21, 2016 at 12:24pm, Jerzyk replied to Dufault's email, copying Jeffrey Britt ("Britt"), indicating the list was "Attached".
- On October 21, 2016 at 12:29pm, Dufault emailed All The Answers Inc., attaching "LawtonMailer.xls" file, and instructing, "This piece can go today if you can fit it."
- On October 24, 2016 at 11:16am, All The Answers emailed Dufault, relating, "I've attached the approvals for the Lawton mailing. Let me know if you have any questions or concerns."
- On October 24, 2016 at 11:18am, Dufault replied to All The Answer's email, stating, "approved."

On or about June 19, 2017, Sasso indicated All The Answers Inc. provided an estimate of work to Checkmate Consulting Group to process the list Dufault provided for the Lawton mailer, the cost of which was included in the bill paid for by Lawton on October 27, 2016 (\$2,150.00).

On July 14, 2017, Sasso indicated the mailer and list of addressee names were provided to All The Answers Inc. and All The Answers Inc was responsible for the printing of addressee names on the mailer and mailing. All The Answers Inc had no part in the creation of the mailer. The addressee names were received from Dufault and Sasso believes the mailer was produced by Checkmate Consulting Group.

Based on the information revealed in the documentation provided by All The Answers Inc., on or about June 21, 2017, the Board authorized subpoenas to be served upon Jerzyk and Dufault.

- On July 5, 2017, the Board received a Motion to Quash Subpoena from Attorney Kathleen Nee, representing Checkmate Consulting Group/Brad Dufault, contending the subpoena was overbroad in its request.
- On July 13, 2017, the Board received a Motion to Quash Subpoena from Attorney Timothy Dodd, representing Matthew Jerzyk, contending the subpoena was overly burdensome in its request.

On October 11, 2017, the Board scheduled to discuss and/or rule upon the Motions to Quash Subpoena which were filed (rescheduled from September 2017 meeting) by each attorney, with supplemental briefs requested of each attorney by Board Attorney Raymond Marcaccio by October 1, 2017.

- On January 25, 2018, a response was received by Attorney Kathleen Nee on behalf of Checkmate Consulting/Brad Dufault.
- No responses were received from the other attorneys.

After multiple communications, on December 19, 2017, Thornton and Board Attorney Raymond Marcaccio met with Michael DiChiro and John Manni, attorneys for Speaker Mattiello to discuss the Lawton mailer, specifically, what, if any, involvement or knowledge Speaker Mattiello had.

On April 4, 2018, DiChiro emailed Thornton a Timeline of events on the Lawton matter.

On April 9, 2018, Thornton and Marcaccio again met with DiChiro and Manni to discuss the Timeline, which indicated the direction Mattiello's campaign received from the Campaign Finance Division to refund the amount of contribution received in-kind from Lawton in excess of the allowable annual limit, and which denied any involvement by Mattiello in the Lawton mailer.

### **SUMMARY**

No response to subpoenas was received from Jeffrey Britt, Matthew Jerzyk or Teresa Graham.

Attempts to serve a subpoena upon Victor Pichette were unsuccessful.

A subpoena was served upon Shawna Lawton via alternate delivery (tack-on service) and no response was received.

Documentation received by Paul Sasso, owner of All The Answers which performed the printing and mailing of the Lawton mailer, and by Kathleen Nee on behalf of client Brad Dufault, owner of Checkmate Consulting which created the mailer, indicate that the production of the Lawton mailer was coordinated with at least two (2) members of Speaker Mattiello's organization; Jeffrey Britt and Matthew Jerzyk.

No documentation has been produced or discovered that indicates Speaker Mattiello was directly involved with the Lawton mailer.

### **RECOMMENDATION**

Since no direct coordination could be established between Mattiello and Lawton, and since the amount contributed in-kind to Mattiello by Lawton which exceeded the allowable annual contribution limit was refunded by Mattiello to Lawton, I, Richard E. Thornton, Director of Campaign Finance, recommend that, pursuant to *Policy on Fines & Penalties For Contributions Made & Received in Excess of the Allowable Annual Contribution Limits*, adopted June 1, 2004, a warning be issued by the Board to contributor Shawna Lawton against making any further contributions which exceed the allowable annual limits and to recipient Nicholas Mattiello against accepting contributions which exceed the allowable annual limits.

On April 24, 2018, the Board voted unanimously to approve the Recommendation and to schedule a Show-Cause hearing for Shawna Lawton, Jeffrey Britt, Matthew Jerzyk and Teresa Graham for the purpose of allowing them to demonstrate why they should not be held in contempt for failing to respond to subpoenas issued by the Board.