

**1. Accepting an over-the-limit contribution**

**\$5,000**

Campaigns in the 2009A special election were prohibited from receiving contributions in excess of \$1,375 from a single contributor. *See* Admin. Code § 3-703(1)(f). The contribution limit for candidates to their political committees is \$4,125. *See* Admin. Code § 3-703(1)(h). Admin. Code § 3-702(8) states that a loan made to a campaign, that is not repaid by the date of the election, shall be deemed a contribution by the lender. When a campaign has received a contribution in excess of the contribution limit, the campaign must return the excess portion to the contributor. *See* Board Rule 1-04(c)(1). *See* Admin. Code § 3-711.

On February 25, 2009, the Campaign’s treasurer, Vanessa Mercado (“Mercado”) transferred to the Campaign’s account \$3,500 from a joint account she shares with Ricatto, on his behalf. Mercado made additional transfers for Ricatto from the joint account on February 27, 2009 (\$200), March 2, 2009 (\$200), and March 3, 2009 (\$500). A total of \$4,400 was transferred to the Campaign’s account from the joint account. In addition, Ricatto made five loans to the Campaign: 1) \$40,000 on December 30, 2008, 2) \$500 on January 15, 2009, 3) \$1,000 on January 16, 2009, 4) \$2,500 on January 22, 2009, and 5) \$10,000 on February 13, 2009<sup>1</sup>. On February 13, 2009, he donated \$200 worth of easels to the Campaign, which is considered an in-kind contribution. Ricatto’s five loans, in-kind contribution, and four account transfers to the Campaign total \$58,600.

Under Admin. Code § 3-702(8), the loans Ricatto made to the Campaign are now considered contributions, regardless of the Campaign’s characterization of them as “a bona fide debt.” The \$58,600 in loans, transfers and in-kind contributions exceeds the \$4,125 expenditure limit applicable to candidates. The Campaign had the benefit of the \$54,475 overage during the election.

The Board found that the Campaign violated Admin. Code § 3-703(1)(f), § 3-703(1)(h), and Board Rule 1-04(c)(1), and assessed a penalty of \$5,000 for the Ricatto over-the-limit contributions.

**2. Accepting an over-the-limit prohibited LLC contribution**

**\$5,000**

Candidates are prohibited from accepting contributions from corporations and limited liability companies (“LLCs”). *See* Admin. Code § 3-703(1)(l), Board Rule 1-04(e). Debts incurred by a campaign that are forgiven become in-kind contributions. *See* Board Rule 1-04(g)(1). Candidates in the 2009A special election were prohibited from receiving contributions in excess of \$1,375 from a single contributor. *See* Admin. Code § 3-703(1)(f). When a candidate has received a prohibited contribution in excess of the contribution limit, the candidate

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<sup>1</sup> This loan was made through Michael P. Ricatto LLC and is attributed to Ricatto personally for purposes of the contribution limit. *See* Board Rule 1-04(h).

must return the excess portion to the contributor. *See* Board Rule 1-04(c)(1). The maximum penalty that may be assessed for a single violation of the Act is \$10,000. *See* Admin. Code § 3-711.

On February 13, 2009, Michael P. Ricatto LLC (“Ricatto LLC”) transferred \$10,000 to the Campaign, and incorrectly reported this transfer as coming from Ricatto himself. Ricatto’s personal bank account did not have sufficient funds, at the time the \$10,000 transfer was made, to have covered this “loan”, and therefore the actual source of the \$10,000 “loan” was Ricatto LLC, not Ricatto himself.

The Board found that the Campaign violated Admin. Code § 3-703(1)(f) and Board Rule 1-04(c)(1), and assessed a penalty of \$5,000.

**3. Failing to accurately report receipts \$250**

Candidates must accurately report all Campaign receipts and disbursements. *See* Admin. Code §§ 3-703(1)(d), (g), (6), Board Rules 3-03(c), (d), (e).

The Campaign’s bank records indicate a 5.19% variance (\$6,160) between reported contributions and receipts compared to those reflected in the bank records (fewer receipts were reported than documented).

The Board assessed a penalty of \$250 for this violation.