

JUN 21 2011

STATE OF CONNECTICUT  
STATE ELECTIONS ENFORCEMENT COMMISSION

ENFORCEMENT COMMISSION

In the Matter of a Complaint by George Wiles,  
Fairfield

File No. 2011-012

AGREEMENT CONTAINING CONSENT ORDER  
AND A CIVIL PENALTY

This agreement by and between George Wiles of the City of Milford, County of New Haven (hereinafter referred to as Respondent), and the authorized representative of the State Elections Enforcement Commission is entered into in accordance with Section 9-7b-54 of the Regulations of Connecticut State Agencies and Section 4-177(c) of the General Statutes of Connecticut. In accordance herewith, the parties agree that:

1. The complaint and investigation in this matter concern a possible violation of Connecticut General Statutes § 9-612 (g), by Respondent who is the owner of Wiles Architects, LLC (hereinafter "Wiles"). The complaint was self-reported by an affidavit prepared by his attorney on behalf of Respondent.
2. Respondent sought a ruling on an alleged prohibited state contractor contribution he made, so that Wiles could continue contracting with the Connecticut Department of Public Works (hereinafter "DPW"), a state agency within the executive branch.
3. For purposes of the state contractor contribution ban, DPW as described in paragraph 2 above is a "state agency" pursuant to General Statutes § 9-612 (g) (1) (B).
4. Respondent is the President and Chairman of Wiles. Respondent as sole shareholder has an ownership interest in 100% of Wiles' shares.
5. By way of background, Wiles is a business entity that operates for profit. Specifically, Wiles is a professional services architecture firm. Wiles provides professional architecture and engineering services, and has its office and principal place of business in Bridgeport, Connecticut.
6. Wiles has a contract with DPW identified as "18-20 Trinity Street Renovation; Hartford, Connecticut (hereinafter "Renovation Project"). At all times relevant to the complaint and investigation, Wiles did not appear on any of the Commission's three "*Prohibited State Contractors and Prospective State Contractors Lists*."

7. The contract regarding the Renovation Project was entered into by DPW and Wiles on April 27, 2007, and constituted a base contract of \$245,000.00 and a commission letter of \$11,550.00. The Renovation Project therefore had a total value of \$256,550.00, of which at the time of this agreement \$98,730.00 has been paid to date by DPW, leaving a remaining balance of \$157,820.00 at the time of this agreement.
8. At the time of this complaint and investigation there is a second commission letter related to the contract pertaining to the Renovation Project between Wiles and DPW which has not been executed and is pending the outcome of this matter.
9. Regarding the contract and Renovation Project, Respondent does not recollect receiving *Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations* (SEEC Form 10), and the Commission, in the course of its investigation, has found no evidence to contradict his recollection.
10. Respondent made a \$100.00 contribution on November 17, 2010, to the Stamford Democratic City Committee (hereinafter "SDCC"), which has been registered as the designated Democratic town committee for the City of Stamford since 1998. The contribution was made to purchase a ticket for the November 17, 2010 "Green Tie Celebration" held by the SDCC to celebrate Dannel Malloy's election as Governor of Connecticut.
11. The SDCC, as detailed in paragraph 10 above, is a town committee and therefore is one of the types of committees covered by the state contractor contribution ban in General Statutes § 9-612 (g) (2) (A).
12. Respondent asserts that he was unaware of the restriction on state contractors making contributions to party committees.
13. Respondent made the single contribution, detailed in paragraph 10 above, to SDCC in the amount of \$100.00 and made no other contributions to party committees (including town committees), candidate committees or political committees for the 2010 election cycle.
14. General Statutes § 9-612 provides, in pertinent part:

...

(g) (1) (F) "***Principal of a state contractor*** or prospective state contractor" ***means*** (i) ***any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity,*** except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or

prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

...

(2) (A) No state contractor, prospective state contractor, ***principal of a state contractor*** or principal of a prospective state contractor, with regard to a state contract or a state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, ***shall make a contribution to***, or, on and after January 1, 2011, knowingly solicit contributions from the state contractor's or prospective state contractor's employees or from a subcontractor or principals of the subcontractor on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) ***a party committee***;

...

***(C) If a state contractor or principal of a state contractor makes or solicits a contribution prohibited under subparagraph (A) or (B) of this subdivision, as determined by the State Elections Enforcement Commission, the contracting state agency or quasi-public agency may, in the case of a state contract executed on or after the effective date of this section may void the existing contract with said contractor, and no state agency or quasi-public agency shall award the state contractor a state contract or an extension or an amendment to a state contract for one year after the election for which such contribution is made or solicited unless the commission determines that mitigating circumstances exist***

**concerning such violation.** No violation of the prohibitions contained in subparagraph (A) or (B) of this subdivision shall be deemed to have occurred if, and only if, ***the improper contribution is returned to the principal by the later of thirty days after receipt of such contribution by the recipient committee treasurer or the filing date that corresponds with the reporting period in which such contribution was made, ...***

[Emphasis added.]

15. The Commission finds that the contribution that is subject to this complaint and detailed herein was made on or about November 17, 2010, or approximately 12 days after the November 2, 2010 election.
16. The Commission further finds, upon investigation that the contribution detailed in paragraph 10 above was made in cash, and a corresponding SDCC contributor card was completed at the time of the contribution. The Commission further finds that the aforementioned contributor card contained the name, address and occupation of Respondent, but did not provide for information regarding a contributor's status as a state contractor, and did not ask for such information.
17. The Commission finds that Wiles, as a business entity which maintains a contract for the Renovation Project with the State of Connecticut and its agency DPW, as detailed in paragraphs 6 and 7 above, is a "state contractor" pursuant to General Statutes § 9-610 (g) (1) (D) and pursuant to the state contractor ban.
18. The Commission finds that Respondent has a 100% ownership interest in Wiles, and did so at all times relevant to this complaint and investigation. The Commission concludes based on this finding that Respondent has an ownership interest in Wiles of more than 5%, a state contractor, is a principal of a state contractor pursuant to General Statutes § 9-612 (g) (1) (F) (1) (i).
19. The Commission finds, as detailed in paragraph 10 above, that on November 17, 2010 Respondent made a single contribution to SDCC, a party committee which is covered by the state contractor ban pursuant to General Statutes § 9-612 (g) (2) (A) (iii).
20. The Commission finds that the contribution described in paragraph 10 above was not returned within the statutory "safe harbor" of 30 days from the time of the contribution or not later than 30 days from the filing date of the reporting period in which it was made pursuant to General Statutes § 9-612 (g) (2) (C).
21. The Commission concludes that the evidence supports the finding that Respondent violated General Statutes § 9-612 (g) by making a \$100.00 prohibited contribution to a party committee pursuant to § 9-612 (g) (2) (A) (iii) as a principal of state contractor Wiles.

22. Respondent asserts, as detailed in paragraph 12 above, that he was unaware of the restriction on state contractors making contributions to party committees at the time of the contribution described in paragraph 10 above, and the Commission finds no evidence to contradict this assertion.
23. The Commission finds that pursuant to General Statutes § 9-612 (g), a mitigating circumstances analysis is not reached unless the Commission determines that a violation has occurred. Therefore, the Commission finds that the violation by Respondent as concluded in paragraphs 21 above, of the state contractor contribution ban allows the Commission to determine whether “mitigating circumstances” exist concerning such violations pursuant to General Statutes § 9-612 (g) (2) (C).
24. General Statutes § 9-612 (g) (2) (C) provides possible relief from the mandatory contract penalty, and allows the Commission to determine whether mitigating circumstances exist concerning the violation. If mitigating circumstances concerning the violation are found by the Commission, the contractual penalty is not automatic, but the awarding agency retains discretion to amend a contract or award a new contract. The agency may still void a contract in its discretion if a violation of the state contractor contribution or solicitation ban occurs, even if mitigating circumstances are found. General Statutes § 9-612 (g).
25. In determining whether circumstances are “mitigating,” the Commission deems it necessary to consider any circumstances pertaining to the contribution by Respondent, as well as the Contract between Wiles and DPW and the State of Connecticut, that would, although not excusing the conduct, tend to reduce the harm the state contractor contribution ban is designed to prevent.
26. The Commission notes that the contribution ban is designed to eliminate the undue influence over the awarding of contracts that principals of state contractors who make contributions to candidate committees and exploratory committees for statewide office could wield over those state actors awarding such contracts and prevent awarding of contracts in exchange for campaign contributions.
27. The Commission finds a lack of evidence that the contribution described in this agreement was made in connection with any request for or offers of assistance between Respondent and the agents or representatives of the SDCC and DPW, for the purpose of obtaining agreements with the aforementioned agency, or with the State of Connecticut.

28. The Commission additionally finds a lack of evidence that either the SDCC or its agents or representatives acted on behalf of either party in relation to the Renovation Project contract between Wiles and DPW and the State of Connecticut.
29. Finally, the Commission finds that there was no expectation that Governor Malloy, for whom the "Green Tie Celebration" described in paragraph 10 was ostensibly held, or his agents, would provide assistance to Wiles to extend the Renovation Project, obtain the second commission letter described in paragraph 8 above, or in obtaining such extensions and agreements with DPW or with any other state agency or department, in return for purchasing a ticket to the aforementioned event.
30. It is the recommendation of counsel that "mitigating circumstances" be found, such that pursuant to General Statutes § 9-612 (g) (2) (C), Wiles not be prevented from exercising or amending its rights under future or existing agreements and contracts between it and DPW and the State of Connecticut . Under the circumstances detailed herein, such mitigating circumstances include:
  - (1) Respondent self reported to the Commission, by filing this complaint;
  - (2) When Respondent made the aforementioned contribution to SDCC, a party committee, there was no evidence found that there was a discussion about Governor Malloy or party committee members or their agents helping Wiles to extend the Renovation Project or obtaining such contracts with DPW or with any other state agency or department;
  - (3) When Respondent made the aforementioned contribution to SDCC, there was no evidence of an expectation that either Governor Malloy, for whom the SDCC event detailed herein was ostensibly held, or his agents, would provide assistance to Wiles to extend the Renovation Project or obtaining such contracts with DPW or with any other state agency or department;
  - (4) The contribution that is subject of this complaint occurred *after* the November 2, 2010 election, and therefore SDCC could not as authorized party committee, use any portion of the contribution to make its own contribution to or expenditures for the benefit of Mr. Malloy's 2010 candidate committee prior to his election;
  - (5) Respondent at the time of the contribution was not aware of the restrictions on campaign contributions for principals of state contractors; and,
  - (6) Respondent completed a contributor card regarding the subject contribution which did not provide a data field for information regarding a contributor's status as a state contractor, and did not otherwise ask for such information.

31. The Commission finds based on the factors detailed in paragraph 30 above that “mitigating circumstances” existed pertaining to the prohibited contribution made by Respondent and detailed herein pursuant to General Statutes § 9-612 (g) (2) (C), such that Wiles *not* be prevented from exercising or amending its rights under future or existing contracts between it and DPW, or extending the current Renovation Project.
32. The Commission further concludes that the policy behind General Statutes § 9-612 (g) and its ban to avoid “pay-to-play” was not circumvented under the facts and circumstances of this case, and therefore allowing contracts and agreements and the contracting process to move forward, despite the prohibited contribution and violation by Respondent, does not compromise the state’s interests to insure integrity in its campaign financing system.
33. Accordingly, the Commission concludes that the mitigating circumstances concerning the violation by Respondent do not bar DPW or the State of Connecticut pursuant to General Statutes §9-612 (g) from executing its current obligations under the Renovation project as detailed in paragraph 7 above, or executing a second commission letter as detailed in paragraph 8 above, or otherwise satisfying or executing its existing or future contract obligations with the aforementioned, based on Respondent’s violation detailed herein.
34. Respondent admits all jurisdictional facts and agrees that this Agreement and Order shall have the same force and effect as a final decision and Order entered after a full hearing and shall become final when adopted by the Commission. Respondent shall receive a copy hereof as provided in Section 9-7b-56 of the Regulations of Connecticut State Agencies.
35. It is understood and agreed that this agreement will be submitted to the Commission at its next meeting and, if it is not accepted by the Commission, it is withdrawn by the Respondent and may not be used as an admission in any subsequent hearing, if the same becomes necessary.
36. Respondent waives:
  - a. any further procedural steps;
  - b. the requirement that the Commission's decision contain a statement of findings of fact and conclusions of law, separately stated; and
  - c. all rights to seek judicial review or otherwise to challenge or contest the validity of the Order entered into pursuant to this agreement.
37. Upon Respondent’s compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against her pertaining to this matter.

**ORDER**


IT IS HEREBY ORDERED THAT the Respondent shall henceforth strictly comply with the requirements of General Statutes § 9-612 (g), and that Respondent shall pay a civil penalty of two hundred and fifty dollars (\$250.00) to the Commission on or before June 22, 2011.

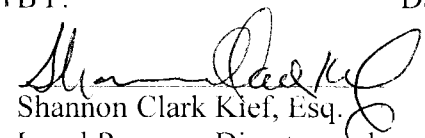
IT IS HEREBY FURTHER ORDERED THAT the following "mitigating circumstances" pursuant to General Statute § 9-612 (g) are found pertaining to the matter detailed herein:

- (1) Respondent self reported to the Commission, by filing this complaint;
- (2) When Respondent made the aforementioned contribution to SDCC, a party committee, there was no evidence found that there was a discussion about Governor Malloy, party committee members or their agents helping Wiles to extend the Renovation Project or obtaining such contracts with DPW or with any other state agency or department;
- (3) When Respondent made the aforementioned contribution to SDCC, there was no evidence of an expectation that either Governor Malloy, for whom the SDCC event detailed herein was ostensibly held, or his agents, would provide assistance to Wiles to extend the Renovation Project or obtaining such contracts with DPW or with any other state agency or department;
- (4) The contribution that is subject of this complaint occurred *after* the November 2, 2010 election, and therefore SDCC could not as authorized party committee, use any portion of the contribution to make its own contribution to or expenditures for the benefit of Mr. Malloy's 2010 candidate committee prior to his election;
- (5) Respondent at the time of the contribution was not aware of the restrictions on campaign contributions for principals of state contractors; and,
- (6) Respondent completed a contributor card regarding the subject contribution which did not provide a data field for information regarding a contributor's status as a state contractor, and did not otherwise ask for such information.

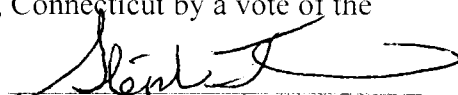
The Respondent

For the State of Connecticut

BY:   
 George Wiles  
 5 Sand Street  
 Milford, Connecticut

Dated: 6-20-11 BY:  Dated: 6/28/11  
 Shannon Clark Kief, Esq.  
 Legal Program Director and  
 Authorized Representative of  
 the Commission  
 20 Trinity Street, Suite 101  
 Hartford, Connecticut

Adopted this 22<sup>nd</sup> day of June, 2011 at Hartford, Connecticut by a vote of the Commission.

  
 Stephen F. Cashman, Chairperson  
 By Order of the Commission