

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by
Windham Rt. 6 Partners LLC, (Michael Taylor),
Storrs

File No. 2011-059

AGREEMENT CONTAINING CONSENT ORDER
AND CIVIL PENALTIES

This agreement by and between Michael M. Taylor and Ilze K. Taylor of the Town of Mansfield (Storrs), County of Tolland (hereinafter referred to as Respondents), 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 possible violations of Connecticut General Statutes § 9-612 (g), by Respondents Michael and Ilze Taylor, the owners of Rt. 6 Partners, LLC (hereinafter "Rt. 6 Partners"). The Complaint was self-reported by an affidavit prepared by their attorney on behalf of Respondents.
2. Respondents sought rulings on alleged prohibited state contractor contributions so that Rt. 6 Partners could continue contracting with the Connecticut Department of Public Works (hereinafter "DPW"), for a lease of real estate used by the State of Connecticut Judicial Branch (hereinafter "Judicial Branch"), for its Superior Court – Juvenile Matters in Willimantic, Connecticut.
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). Rt. 6 Partners is a privately-owned real estate investment company that purchases and leases property. Rt. 6 Partners is a business entity that operates for profit.
4. In November 1999 Rt. 6 Partners executed a lease (hereinafter the "Lease") with DPW on behalf of the Judicial Branch for 10 years for the use of its property at 81 Columbia Avenue in Willimantic. The Lease ran from November 1999 through October 31, 2010. The aforementioned property at 81 Columbia Avenue is used by the Judicial Branch for Juvenile Matters. At the time of this agreement the Judicial Branch as tenant of the Lease, currently operates under a "hold over" provision between Rt. 6 Partners and DPW, that allows them to continue their occupancy at 81 Columbia Drive, Willimantic after the Lease term ended.

5. Currently, negotiations between Rt. 6 Partners and DPW to extend the Lease for an additional 10 years remain pending, subject to the outcome of this complaint and investigation. DPW remains the agency through which the Lease is held with Rt. 6 Partners, for the benefit of and use by the Judicial Branch. The approximate value of the Lease is \$400,000.00 per year. Respondents are each 50% owners of Rt. 6 Partners.
6. Respondents Michael and Ilze Taylor each made a \$100.00 contribution to Merrill for Secretary of the State, a candidate committee for Denise Merrill formed to seek statewide office for the November 2, 2010 election. Respondents made their contributions to Merrill for Secretary of State on or about February 1, 2010. Respondent Michael Taylor, in addition to the aforementioned contribution, made a contribution in the amount of \$100.00 on or about January 28, 2010 to Wyman 2010, an exploratory committee formed by Nancy Wyman to determine whether to seek nomination or election to statewide office for the November 2, 2010 election.
7. General Statutes § 9-612 provides, in pertinent part:

(g) (1) (D) **"State contractor" means a person, business entity or nonprofit organization that enters into a state contract.** Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

...

(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 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 solicit contributions 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;

(B) No state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract solicitation with or from the General Assembly or a holder, or principal of a holder, of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of state senator or state representative, (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.]

8. The Commission finds that for purposes of the state contractor ban, Rt. 6 Partners as a business entity is a “state contractor” pursuant to General Statutes § 9-610 (g) (1) (D) due to its contract with DPW, an executive branch agency, valued at over \$50,000. Further, pursuant to General Statutes § 9-612 (g) (1) (F) (i) Respondents Michael and Ilze Taylor are owners of 5% or more of state contractor Rt. 6 Partners, a business entity, and are therefore “principals” of a state contractor for the purposes of the state contractor ban.
9. The Commission finds, as detailed in paragraph 6 above, that on or about February 1, 2010, Respondents each made a contribution of \$100.00 to Merrill for Secretary of the State, Denise Merrill’s candidate committee to seek statewide office for the November 2, 2010 election. Additionally, as detailed in paragraph 6 above, Respondent Michael Taylor on or about January 28, 2010 made a \$100.00 to Wyman 2010, an exploratory committee she established to determine whether to seek the nomination or election to a statewide office for the November 2, 2010 election.
10. The Commission finds that the contributions described in paragraphs 6 and 9 above were 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 they were made pursuant to § 9-612 (g) (2) (C).
11. The Commission concludes that the evidence supports the finding that, as principals of the state contractor Rt. 6 Partners, Respondents violated General Statutes § 9-612 (g) by each making a \$100.00 prohibited contribution to a candidate committee for statewide office for the November 2, 2010 election. The Commission further concludes that Respondent Michael Taylor violated § 9-612 (g) by making a \$100.00 prohibited contribution to an exploratory committee that was formed to determine whether to seek the election or nomination to statewide office for the November 2, 2010 election.

12. Upon investigation, Respondents asserted that their error was in “good faith,” to the extent that the campaign contributions were not made in any way to influence the State of Connecticut pertaining to the negotiation of the Lease, and that the contributions detailed herein were made based on and consistent with longstanding personal relationships between Respondents and the candidates and their families. The Commission finds no specific evidence upon investigation to contradict Respondents’ aforementioned assertions.
13. Respondents also assert that they were not aware of the state contractor contribution ban at the time of the contributions described above.
14. While the Commission notes the assertion made by Respondents detailed in paragraph 13 above, it nevertheless finds that because the contribution certification cards pertaining to the contributions detailed herein contained definitions and warnings regarding the state contractor contribution ban as related to principals of state contractors, the Respondents had constructive notice that such contributions were prohibited.
15. General Statutes § 9-612 (g) (2) (C) provides possible relief from the mandatory contract penalty by requiring the Commission to determine whether mitigating circumstances exist once it determines that a violation has occurred. If mitigating circumstances concerning violations are found by the Commission, contract penalties are not automatic, but the awarding agency retains discretion to amend any contracts or award any new contracts. The agency may still void contracts in its discretion if violations of the state contractor contribution or solicitation ban occur, even if mitigating circumstances are found. General Statutes § 9-612 (g) (2) (c).
16. The Commission finds that the violations by Respondents as concluded in paragraph 11 above of the state contractor contribution ban require the Commission to determine whether “mitigating circumstances” exist concerning such violations.
17. In determining whether circumstances are “mitigating,” the Commission deems it necessary to consider any circumstances pertaining to the contributions by Respondents, as well as contracts and agreements between Rt. 6 Partners 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.
18. 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.

19. The Commission finds a lack of evidence that the contributions to Merrill for Secretary of the State described in this agreement were made in connection with any request for or offers of assistance between Respondents and Denise Merrill, the agents or representatives of Merrill for Secretary of the State, and DPW, for the purpose of obtaining agreements with the aforementioned state agency, or with the State of Connecticut. The Commission further finds a lack of evidence that Respondent Michael Taylor's contribution to Wyman 2010 described in this agreement was made in connection with any request for or offers of assistance between him and Nancy Wyman, the agents or representatives of Wyman 2010, and DPW, for the purpose of obtaining agreements with the aforementioned state agency, or with the State of Connecticut.
20. The Commission additionally finds a lack of evidence that either of the aforementioned contribution recipients were in positions to influence the decision making of DPW, or that either Ms. Merrill or Ms. Wyman or members or agents of their respective committees were employed by or affiliated with the aforementioned agency. Finally, the Commission finds a lack of evidence that either the recipients or their agents or representatives acted on behalf of either party in relation to the agreements between Rt. 6 Partners and DPW on behalf of the Judicial Branch, and the State of Connecticut.
21. The Commission finds that "mitigating circumstances" are present based on the facts and circumstances detailed herein, such that pursuant to § 9-612(g)(2)(C), Rt. 6 Partners should *not* be prevented from exercising or amending its rights under future or existing contracts between it and the DPW on behalf of the Judicial Branch Superior Court---Juvenile Matters, Willimantic. Under the circumstances detailed herein, such mitigating circumstances include:
 1. When Respondent Michael Taylor made the aforementioned contribution to Wyman 2010, Nancy Wyman, as State Comptroller, was not in a position to obtain a contracts or contract extensions with DPW on behalf of Rt. 6 Partners, and there was no expectation that Ms. Wyman would provide such assistance to Rt. 6 Partners in doing so;
 2. When Respondent Michael Taylor made the aforementioned contribution to Merrill for Secretary of the State, Denise Merrill, as a State Representative, was not in a position to obtain a contracts or contract extensions with DPW on behalf of Rt. 6 Partners, and there was no expectation that Ms. Merrill would provide such assistance to Rt. 6 Partners in doing so;
 3. When Respondent Ilze Taylor made the aforementioned contribution to Merrill for Secretary of the State, Denise Merrill, as a State Representative, was not in a position to obtain a contracts or contract extensions with DPW on behalf of Rt. 6 Partners, and there was no expectation that Ms. Merrill would provide such assistance to Rt. 6 Partners in doing so;

4. At all times relevant to this complaint and investigation the aforementioned candidates were not in a position to influence or award contracts or contract extensions entered into by DPW, with Rt. 6 Partners.
22. The Commission finds based on the factors detailed in paragraph 21 above that “mitigating circumstances” existed pertaining to the prohibited contributions made by Respondents and detailed herein pursuant to General Statutes § 9-612 (g) (2) (C), such that Rt. 6 Partners should *not* be prevented from negotiating the Lease detailed herein, or otherwise exercising or amending its rights under future or existing contracts between it and DPW and the State of Connecticut.
23. 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 contributions and violations by Respondents, does not compromise the state’s interests to insure integrity in its campaign financing system.
24. Respondents admit all jurisdictional facts and agree 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. Respondents shall receive a copy hereof as provided in Section 9-7b-56 of the Regulations of Connecticut State Agencies.
25. 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 Respondents and may not be used as an admission in any subsequent hearing, if the same becomes necessary.
26. Respondents waive:
 - 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.
27. Upon Respondents’ compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against them pertaining to this matter.

ORDER

IT IS HEREBY ORDERED THAT the Respondents shall henceforth strictly comply with the requirements of General Statutes § 9-612 (g).

IT IS HEREBY FURTHER ORDERED THAT Respondent Ilze K. Taylor shall pay a civil penalty of three hundred dollars (\$300.00) to the Commission on or before July 27, 2011, and that Respondent Michael M. Taylor shall pay a civil penalty of six hundred dollars (\$600.00) to the Commission on or before July 27, 2011.

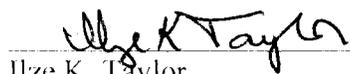
IT IS HEREBY FURTHER ORDERED THAT the following “mitigating circumstances” pursuant to General Statute § 9-612 (g) are found pertaining to the matter detailed herein:

1. When Respondent Michael Taylor made the aforementioned contribution to Wyman 2010, Nancy Wyman, as State Comptroller, was not in a position to obtain a contracts or contract extensions with DPW on behalf of Rt. 6 Partners, and there was no expectation that Ms. Wyman would provide such assistance to Rt. 6 Partners in doing so;
2. When Respondent Michael Taylor made the aforementioned contribution to Merrill for Secretary of the State, Denise Merrill, as a State Representative, was not in a position to obtain a contracts or contract extensions with DPW on behalf of Rt. 6 Partners, and there was no expectation that Ms. Merrill would provide such assistance to Rt. 6 Partners in doing so;
3. When Respondent Ilze Taylor made the aforementioned contribution to Merrill for Secretary of the State, Denise Merrill, as a State Representative, was not in a position to obtain a contracts or contract extensions with DPW on behalf of Rt. 6 Partners, and there was no expectation that Ms. Merrill would provide such assistance to Rt. 6 Partners in doing so;
4. At all times relevant to this complaint and investigation the aforementioned candidates were not in a position to influence or award contracts or contract extensions entered into by DPW, with Rt. 6 Partners.

The Respondents

BY:  Dated: 7/15/11

Michael M. Taylor
12 Stone Mill Road
Storrs, Connecticut

BY:  Dated: 7/15/11

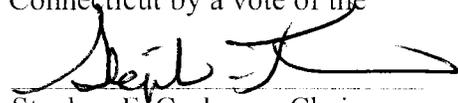
Ilze K. Taylor
12 Stone Mill Road
Storrs, Connecticut

For the State of Connecticut

BY: _____ Dated: _____


Shannon Clark Kief,
Legal Program Director and
Authorized Representative of
the Commission
20 Trinity Street, Suite 101
Hartford, Connecticut

Adopted this 27nd day of July, 2011 at Hartford, Connecticut by a vote of the Commission.


Stephen F. Cashman, Chairperson
By Order of the Commission