

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In re Audit Report of *Guglielmo for State Senate*

File No. 2012-035

AGREEMENT CONTAINING A CONSENT ORDER

The parties, Tony Guglielmo, hereinafter referred to as “Respondent,” and the undersigned authorized representative of the State Elections Enforcement Commission, enter into this agreement as authorized by Connecticut General Statutes § 4-177 (c) and Regulations of Connecticut State Agencies § 9-7b-54. In accordance with those provisions, the parties agree that:

1. Respondent formed the committee *Guglielmo for State Senate* candidate committee in the 2010 election cycle and appointed his daughter, Kristin, as its treasurer.¹
2. Respondent created the candidate committee to finance his candidacy for the 35th state senate district. The district was one the districts randomly selected for review as part of the Commission’s audit for the 2010 election cycle. During the course of the audit, Commission staff examined all of the expenditures made by the candidate committee.
3. That examination revealed that Respondent’s daughter received \$3,500 from the candidate committee for her work as treasurer. In addition, the Respondent’s son-in-law, Robert Forrest, received \$1,000 in payment for constructing and placing signs promoting the candidate.
4. General Statutes § 9-607 (g) states that candidate committees may make payments for “compensation for campaign or committee staff, fringe benefits and payroll taxes, provided the candidate and any member of his immediate family shall not receive compensation.”² The legislature defined “immediate family” as “the spouse or dependent child of an individual.”³

¹ See SEEC Form 1 – Registration of Candidate Committee (*Guglielmo for State Senate*, March 30, 2010) (reflecting Kristin Guglielmo’s appointment as treasurer for her father Tony Guglielmo’s candidate committee).

² General Statutes § 9-607 (g) (placing limits potential who can serve as committee workers for candidate committee).

³ General Statutes §9-601 (24) (defining “immediate family” for campaign finance purposes).

5. With the adoption of the Citizens' Election Program, however, the legislature instructed the Commission to draft regulations related to the types of expenditures that qualified candidate committees were permitted to make using their grants from the Citizens' Election Fund.⁴
6. The Commission, in Section 9-706-2 of the Regulations of Connecticut State Agencies, proscribed payments from participating candidate committees to the "participating candidate's family members," which included that candidate's child or the spouse of the candidate's child, with grant monies from the Citizens' Elections Fund.⁵
7. The Commission has enforced this prohibition on payments to a qualified candidate's family members in prior cases by seeking restitution of the amount paid to the candidate's family member.
8. According to records provided during the course of the audit, the candidate entered into agreements with his daughter and son-in-law for the work they would perform for the campaign on April 1, 2010.⁶
9. The candidate committee filed an affidavit to formalize its participation in the Citizens' Election Program and applied for a grant from the Citizens' Election Fund on August 26, 2010.⁷
10. Those notarized documents, which both the candidate and treasurer signed under penalty of false statement, include paragraphs that the candidate and treasurer each initialed signifying

⁴ See General Statutes § 9-706 (e) (directing State Elections Enforcement Commission to adopt regulations on permissible expenditures for qualified candidate committees).

⁵ See Regs., Conn. State Agencies, § 9-706-2 (b) (3) (Prohibiting participating candidate committees that received grant monies from making "[p]ayments to the participating candidate or the participating candidate's family members, including: a participating candidate's . . . child; . . . or the spouse, civil union partner, or child of any such individuals related to the participating candidate . . .").

⁶ See Fee Arrangement between Tony Guglielmo and Kristin Guglielmo (April 1, 2010) (formalizing agreement between candidate and treasurer to pay \$3,500 to treasurer for services provided over course of campaign); Fee Arrangement between Tony Guglielmo and Robert Forrest (April 1, 2010) (formalizing agreement between candidate and committee worker to pay \$1,000 for his work on campaign including creating and mounting campaign signs).

⁷ See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Guglielmo for State Senate*, August 25, 2010) (rec'd August 26, 2010) (evinced intent to abide by all voluntary restrictions imposed on candidate committees participating in Citizens' Election Program); SEEC Form CEP 15 – Citizens' Election Program – Citizens' Election Program Application for Public Grant Dollars (*Guglielmo for State Senate*, August 25, 2010) (rec'd August 26, 2010) (signifying application for grant monies from Citizens' Election Fund).

their agreement that the money they received from the Citizens' Election would be spent according to the restrictions imposed by General Statutes § 9-607 (g) and regulations adopted by the Commission pursuant to General Statutes §9-706 (e).⁸

11. The committee received a grant of \$88,450 from the Citizens' Election Fund on September 9, 2010.⁹
12. The payments to the candidate's daughter for her work as treasurer and the candidate's son-in-law, a committee worker, occurred on January 8, 2011.¹⁰
13. In response to this investigation, the committee treasurer stated that Respondent had consulted with an attorney as to whether his candidate committee could employ his daughter and son-in-law to work for the campaign. The attorney, according to the treasurer, advised that as long as they were not "dependent children" there was no prohibition on paying them to work for the candidate committee.
14. Relying on that advice of counsel, the candidate committee entered into agreements with Respondent's daughter and her husband to pay them for work for the campaign.
15. Respondent never consulted with Commission staff as to the propriety of this type of arrangement between the candidate committee and members of the candidate's family.
16. As enumerated in § 9-7b-48 of the Regulations of Connecticut State Agencies:

In its determination of the amount of the civil penalty to be imposed, the Commission shall consider, among other mitigating or aggravating circumstances:

⁸ See SEEC Form CEP 10 – Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements (*Guglielmo for State Senate*, August 25, 2010) *supra*, at Section B, paragraph 2 (reflecting candidate's certification that he would be "personally liable and must repay to the Citizens' Election Fund any moneys that are not expended in accordance with the provisions of Conn. Gen. Stat. § 9-607 (g), as amended, and with any regulations adopted by the SEEC under Conn. Gen. Stat. § 9-706 (e)."); SEEC Form CEP 15 – Application for Public Grant Dollars (*Guglielmo for State Senate*, August 25, 2010) *supra*, at Section B, paragraph 3 (showing candidate's certification that his "candidate committee will expend any moneys received from the Citizens' Election Fund in accordance with the provisions of Conn. Gen. Stat. § 9-607 (g), as amended, together with any regulations adopted by the SEEC under Conn. Gen. Stat. § 9-706 (e)").

⁹ See SEEC Form 30 – Campaign Finance Disclosure Statement (*Guglielmo for State Senate*, October 10, 2010) (reflecting payment of grant to candidate committee).

¹⁰ See Check #197 from *Guglielmo for State Senate* to Kristin Guglielmo for \$3,500 (dated 1/8/2011); Check #198 from *Guglielmo for State Senate* to Robert Forrest for \$1,000 (dated 1/8/2011).

- (1) the gravity of the act or omission;
- (2) the amount necessary to insure immediate and continued compliance;
- (3) the previous history of similar acts or omissions; and
- (4) whether the person has shown good faith in attempting to comply with the applicable provisions of the General Statutes.¹¹

17. Since the 2010 election, Kristin Guglielmo has not served as treasurer for her father's candidate committee nor has she or her husband received payment from the candidate committee since the payment in January of 2011 for their work on the 2010 candidate committee.
18. Treasurer Kristin Guglielmo maintains that she and her husband were paid by the campaign based on Respondent's good-faith reliance on the advice of counsel as to the status of the law regarding payments to family members.
19. The candidate committee returned a surplus of \$5,814.16 to the Citizens' Election Fund upon termination of the committee.
20. Respondent admits all jurisdictional facts and agree that this Agreement and Order shall have the same force and effect as a final decision and order entered into after a full hearing and shall become final when adopted by the Commission.
21. The 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.
22. It is understood and agreed by the parties to this Agreement that the Commission will consider this Agreement at its next meeting and, if the Commission rejects it, the Agreement will be withdrawn and may not be used as an admission by the Respondent in any subsequent hearing, if one becomes necessary.

¹¹ Regs., Conn. State Agencies, § 9-7b-48 (State Elections Enforcement Comm'n).

ORDER

IT IS HERERY ORDERED THAT Respondent reimburse the Citizens' Election Fund \$4,500 for the payments that the Respondent's daughter and her husband received from Respondent's candidate committee in violation § 9-706-2 (b) (3) of Regulations of Connecticut State Agencies. In light of the Respondent's good-faith reliance on the advice of counsel regarding the propriety of the payments to his daughter and son-in-law, however, the Commission agrees to remit \$3,500 of that amount, meaning that Respondent must reimburse the Citizens' Elections Fund a total of \$1,000 for the impermissible expenditures. Respondent also agrees henceforth to comply strictly with the requirements of the regulations related to the Citizens' Election Program.

The Respondent

For the State of Connecticut

By: 

By: 

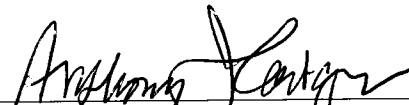
Anthony Guglielmo
100 Stafford Street
Stafford Springs, CT 06076

Michael J. Brandi, Esq.
Executive Director and General Counsel and
Authorized Representative of the
State Elections Enforcement Commission
20 Trinity St., Suite 101
Hartford, CT 06106

Dated: 10-3-15

Dated: 10/9/15

Adopted this 20th day of OCT, 2015 at Hartford, Connecticut by vote of the Commission.


Anthony J. Castagno, Chairman
By Order of the Commission

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STATE ELECTIONS

OCT 08 2015

ENFORCEMENT COMMISSION