

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by Antinozzi Associates,
Bridgeport

File No. 2014-009

AGREEMENT CONTAINING CONSENT ORDER

This agreement by and between Michael Ayles of the Town of Guilford, County of New Haven, State of Connecticut (hereinafter "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. Complaint was self-reported by Respondents Paul Antinozzi, Michael Ayles, George Perham, Suzanne Antinozzi and Kathleen Perham, by an affidavit prepared by their Attorney Kevin N. Reynolds and on behalf of Antinozzi Associates (hereinafter "Firm").
2. Specifically, Respondents indicated that: *"...three principals of Antinozzi Associates declare to the State Elections Enforcement Commission ('SEEC') that they believe that they and [their] spouses made contributions to certain town committees and political committees in violation of Conn. Gen. Stat. §9-612 et seq."*
3. Respondents in the matter have no prior history with the Commission. Any settlements pertaining to this complaint and Respondents Paul Antinozzi, Suzanne Antinozzi, George Perham and Kathleen Perham are treated under separate agreements and orders.
4. By way of background, the Firm is an architectural and interior design firm founded in 1956. The Firm has over 30 employees and is located in Bridgeport, Connecticut. Currently, the Firm has a contract with the State of Connecticut Department of Construction Services ("DCS"). Further, in preparation for the renewal and amendment of its state contract, contributions to certain town committees and political committees by three principals of the Firm and two of their spouses were discovered.
5. In the course of this investigation a DCS Attorney contacted Commission staff regarding this complaint. It was disclosed that DCS is now working on a fourth amendment to a contract with the Firm in the amount of approximately 1.5 million dollars for services pertaining to the construction of a technical high school.
6. It is not disputed that at all times relevant to this complaint and continuing until the present time, the outstanding principal balance of contracts between the Firm and DCS has exceeded \$50,000 at all times, thereby qualifying the former as a state contractor pursuant to General Statutes § 9-612 (g). At all times relevant to this complaint the Firm appeared on the Commission "*List Two – State Contractors Prohibited from*

Contributing to State Wide Office Candidates.”

7. Additionally, it is not disputed that Respondent was a principal of a state contractor as described in General Statutes § 9-612 (g).
8. By affidavit, Complainants disclosed the following contributions that were confirmed upon independent analysis and in the course of investigation:

Michael Ayles – Principal

Time Period of 16 Contributions: April 2009 to December 2013

Total Amount of Contributions: \$825

Guilford Democratic Town Committee	\$50	04/23/09
Guilford Democratic Town Committee	\$15	06/12/09
Guilford Democratic Town Committee	\$50	09/20/09
Lembo 2010	\$10	04/01/10
Guilford Democratic Town Committee	\$50	06/24/10
Guilford Democratic Town Committee	\$50	09/25/10
Guilford Democratic Town Committee	\$50	04/28/11
Guilford Democratic Town Committee	\$50	06/01/11
Guilford Democratic Town Committee	\$50	09/29/11
Guilford Democratic Town Committee	\$50	10/15/11
Guilford Democratic Town Committee	\$50	04/26/12
Guilford Democratic Town Committee	\$50	09/15/12
Guilford Democratic Town Committee	\$50	04/20/13
Guilford Democratic Town Committee	\$100	08/19/13
Guilford Democratic Town Committee	\$100	10/03/13
Lembo 2014	\$50	12/28/13

9. 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, ... (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***;

...

(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. ...***
[Emphasis added.]

10. Respondent is a principal of the Firm and is therefore covered by the state contractor ban pursuant to General Statutes § 9-612 (g) (1) (F). After investigation, and by his own admission, it was determined that he made a total of sixteen contributions between April 2009 to December 2013 totaling \$825.00, as detailed in paragraph 8 above.
11. The Commission concludes that Respondent's fourteen contributions while the principal of the Firm to the *Guilford Democratic Town Committee*, a party (town) committee, were prohibited by the state contractor contribution ban pursuant to § 9-612 (g) (2) (A) (iii). Further, the Commission concludes that Respondent's contribution to *Lembo 2010*, an exploratory committee for statewide office, and *Lembo 2014*, a candidate committee for statewide office, were prohibited by General Statutes § 9-612 (g) (2) (A) (i). The Commission concludes therefore that Respondent violated § 9-612 (g) by making 16 contributions as the principal of a state contractor and therefore were prohibited by the state contractor contribution ban.

12. The Commission finds that while the range of amounts of contributions by Respondent varied between just \$15.00 to \$100.00, the fact that four of the prohibited contributions were made as recently as 2013, relative to a ban which was enacted in 2005, is troubling.
13. The latest of the sixteen prohibited contributions by Respondent was to *Lembo 2014*, in the amount of \$50.00 and was made on December 28, 2013 and therefore was made in connection with the November 2014 election cycle, and absent a finding of mitigating circumstances concerning such violations, the Firm may be precluded from amending or receiving the benefits of an existing state contract or from receiving of a new state contract until November 2015, based on the specific prohibited contributions detailed herein.
14. 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 violations by Respondent of the state contractor contribution ban, as detailed herein, allows the Commission to determine whether “mitigating circumstances” exist concerning such violations pursuant to General Statutes § 9-612 (g) (2) (C).
15. 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* 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 at its discretion if a violation of § 9-612 (g) (2) (C) occurs, even if mitigating circumstances are found pursuant to that section.
16. In determining whether circumstances are “mitigating,” the Commission deems it necessary to consider any circumstances pertaining to the contribution by Respondent, as well as contracts and agreements between the Firm and DCS, that would, although not excusing the conduct, tend to reduce the harm the state contractor contribution ban is designed to prevent.

17. The Commission has consistently and historically determined that pursuant to General Statutes §9-612 (g) the state contractor 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. *See In the Matter of a Complaint by Carla Squatrito, et al.*, File No. 2010-112, *In the Matter of a Complaint by Gerald T. Weiner, et al.*, File No. 2010-099, *In Re David Baxter, et al.*, File No. 2009-080, *In Re Charles Shivery*, File No. 2007-381, *In the Matter of Ronald Nault and Luchs Consulting Engineers, LLC*, File No. 2007-353 and *In Re JCJ Architecture*, File 2008-120.
18. The Commission finds that a contract amendment in the amount of approximately \$1.5 million dollars for services pertaining to the completion of a technical high school between DCS and the Firm is currently pending and the resolution of this matter by the Commission is outcome determinative.
19. The Commission finds a lack of evidence that the contributions described in this agreement were made in connection with any requests for or offers of assistance between the recipient committees and Respondent on behalf of the Firm for the purposes of obtaining contracts or contract amendments with DCS.
20. Additionally, the Commission finds there is a lack of evidence that the aforementioned contribution recipients were in the position to influence the decision making of DCS pertaining to its contracts or contract amendments with the Firm. Finally, the Commission finds a lack of evidence that the committees, their agents or representatives that received prohibited contributions acted on behalf of either party in relation to the contracts or contract amendments between the Firm and DCS.
21. Pertaining to Respondent and his prohibited contributions described herein, the Commission determines that the following mitigating circumstances exist:
 - (1) Respondent self-reported suspected prohibited state contractor contributions to the Commission by filing this complaint;
 - (2) If the Firm is barred from the contract amendment with DCS it will potentially lead to various "hardships" to DCS including but not limited to: the process of re-bidding and potentially hiring a new architectural services firm not familiar with the project; delaying further a project completion date; and, various and substantial additional costs to the State and its taxpayers because of such hardships; and,

- (3) The detrimental effects of “pay-to-play” relationships, that result in the awarding of state contracts in exchange for political contributions, which General Statutes § 9-612 (g) was enacted to combat, were not present under these specific facts and circumstances relating to Respondent, the Firm and DCS.
22. The Commission concludes pursuant to General Statutes § 9-612 (g) (2) (C) that *mitigating circumstances* existed pertaining to the violations found in connection with the contributions by Respondent to the committees named herein, such that the Firm is not statutorily barred from continuing its negotiations to effectuate or implement any amendments to existing contracts between it and DCS.
23. The Commission determines after investigation that the policy behind General Statutes § 9-612 (g) to address “pay-to-play” schemes relating to campaign contributions and the awarding of state contracts was not circumvented under these narrow facts and circumstances and therefore allowing the Firm to continue its contracting process with DCS does not compromise the state’s interests to insure integrity in its campaign financing system.
24. Accordingly, the Commission concludes that these mitigating circumstances concerning the violations by Respondent do not bar DCS pursuant to General Statutes § 9-612 (g) (2) (C) from negotiating its contract amendment or continuing its existing contract obligations with the Firms and that the DCS may exercise its discretion consistent with its authority under that section.
25. 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 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. This settlement is limited to the matter and circumstances contained herein and will have no prejudice against any contracts that the Firm may enter into with the State of Connecticut and its agencies in the future.
26. 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 by either party as an admission in any subsequent hearing, if the same becomes necessary.
27. 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.

28. Upon Respondent's compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against Respondent pertaining to this matter.

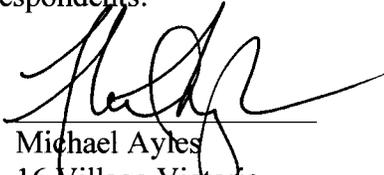
ORDER

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

IT IS HEREBY FURTHER ORDERED THAT the Respondent shall pay a civil penalty of two thousand dollars (\$2,000.00) to the Commission on or before June 18, 2014.

The Respondents:

BY:



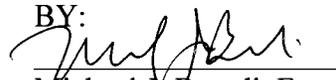
Michael Ayles
16 Village Victoria
Guilford, Connecticut

Dated: 6/13/14

BY:

For the State of Connecticut:

BY:



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

Dated: 6/18/14

Adopted this 18th day of June, 2014 at Hartford, Connecticut



Anthony J. Castagno, Chairman
By Order of the Commission

**RECEIVED
STATE ELECTIONS**

JUN 18 2014

ENFORCEMENT COMMISSION