

AGREEMENT CONTAINING CONSENT ORDER

This agreement by and between Edward M. Snider of the City of Philadelphia, County of Philadelphia, State of Pennsylvania (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 on behalf of Respondent by his Attorney Philip I. Weinberg. Respondent at all times relevant to this complaint was Chairman of Comcast Spectacor (hereinafter "Company"). Respondent has no prior history with the Commission.
2. Respondent reported that: "*On August 23, 2013 [he] contributed \$10,000 to the Democratic State Central Committee Non-Federal Account.*" Further, Respondent indicated that he now understands "...that [he] may have violated the prohibition on certain contributions by the principal of a state contractor" by making the aforementioned contribution.
3. There is no dispute that the several subsidiaries of the Company are state contractors pursuant to General Statutes § 9-612 (f) and these subsidiaries presently contract with the Capital Region Development Authority ("CRDA"), a quasi-public agency pursuant to § 9-612 (f) (1) (A).
4. Further, there is no dispute that Respondent owns 24% of the Company, which in turn owns 95% of Comcast Ventures, LLC, a holding company that owns 98% of Global Spectrum, LP. Ventures has "similarly significant ownership interests" in Ovations Food Services, LP and Patron Solutions, LP, which are Connecticut state contractors.
5. Additionally, the parties agree that these subsidiary entities contract to provide management, food service, and ticketing at certain athletic facilities for CRDA. Further, it is agreed that Ventures wholly owns Paciolan which provides products and services, including donor data bases, to the University of Connecticut Athletics Department. There is no dispute that these subsidiaries are state contractors, and based upon these facts and as a result of Respondent's ownership interests in Company, Respondent is subject to the Connecticut state contractor ban. The Commission notes that the Company did not appear on the three *SEEC – Prohibited State Contractors and Prospective State Contractors Lists*, at the time of the aforementioned contribution.
6. General Statutes § 9-612 provides, in pertinent part:

...

(f)(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. 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.]

7. Upon investigation, the Commission finds that Respondent's \$10,000.00 contribution to the DSCC was refunded by the committee to Respondent on

December 13, 2013. The improper contribution was not returned within 30 days of the original contribution and therefore did not satisfy the statutory “safe harbor” for the state contractor contribution ban pursuant to § 9-612 (f) (2) (C).

8. The Commission finds that Respondent’s collective 24% ownership interests in the Company and aforementioned privately held and majority ownership interests in the aforementioned subsidiary entities satisfies the “ownership interest of five per cent or more” for purposes of General Statutes § 9-612 (g) and the state contractor contribution ban. Further, the Commission concludes that Respondent is a “principal” of a state contractor pursuant to § 9-612 (f) (1) (F) (i) and consequently subject to the prohibitions contained in.
9. The Commission concludes that Respondent as a principal of a state contractor made a \$10,000.00 prohibited contribution to a state party committee that was in violation of General Statutes § 9-612 (f) (2) (A).
10. The Commission finds that pursuant to General Statutes § 9-612 (f), a mitigating circumstances analysis is not reached unless the Commission determines that a violation has occurred. It follows that the violation by Respondent of the state contractor contribution ban, as detailed in paragraphs 8 and 9 above, provides an opportunity for the Commission to determine whether “mitigating circumstances” exist concerning Respondent’s prohibited contribution pursuant to General Statutes § 9-612 (f) (2) (C).
11. General Statutes § 9-612 (f) (2) (C) provides potential relief from the mandatory contractual penalty or bar, 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, in this case the CRDA, may still void a contract at its discretion if a violation of § 9-612 (f) (2) (C) occurs, even if mitigating circumstances are found pursuant to that section.

12. In determining whether circumstances are “mitigating,” the Commission deems it necessary to consider any circumstances pertaining to the contribution by Respondent and the DSCC and its agents, as well as contracts and agreements between the Company’s subsidiaries and CRDA, that would, although not excusing the conduct, tend to reduce the harm of “pay-to-play” politics that the state contractor contribution ban is designed to prevent.
13. The Commission has consistently determined that the state contractor ban, as provided for in General Statutes §9-612 (f), is designed to eliminate the undue influence over the awarding of contracts that principals of state contractors could wield through campaign contributions to candidate, party and political committees over state actors who award such contracts and is ultimately aimed to prevent awarding of contracts in exchange for campaign contributions, or *pay-to-play* politics. 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, *In Re JCJ Architecture*, File 2008-120, *In the Matter of a Complaint by Gerald T. Weiner, et al.*, File No. 2010-099, *In the Matter of a Complaint by Antinozzi Associates*, File No. 2014-009, and *In the Matter of a Complaint by Roger Pilc, Pitney Bowes*, File No. 2014-027.
14. Respondent admittedly self-reported his \$10,000.00 contribution to the DSCC and his possible violation of the state contractor contribution ban to the Commission, for the Commission to determine and conclude whether there was a violation and whether, based on its review and investigation of pertinent facts surrounding the contribution, mitigating circumstances could be found by the Commission pursuant to its authority under General Statutes § 9-612 (f).
15. Respondent asserts that he was not involved in soliciting or obtaining any of the contracts detailed in paragraph 5, and that the political contribution described in paragraph 2 had absolutely no connection to any state business. He asserts that the contribution was made at the request of a local official, who had no authority to influence the award of state contracts, to support the official's advocacy of local education reform and assist with a local election.
16. The Commission finds no specific evidence upon investigation to contradict Respondent's assertions in paragraph 15 above.
17. The Commission determines, after thorough review and investigation relating to the factors surrounding the \$10,000.00 contribution, including the actions of Respondent, the DSCC, the Company, its subsidiaries, and CRDA *vis a vis* the contribution and each other, that in this instance the following *mitigating circumstances* exist:
 - (1) Respondent self-reported the suspected prohibited state contractor contribution to the Commission by causing this complaint to be filed; and,
 - (2) The damaging effects to the public trust and public finances resulting from “pay-to-play” relationships, that result in the awarding of state contracts in exchange for political contributions, which General Statutes § 9-612 (f)

was enacted to combat, were not present under these specific facts and circumstances relating to Respondent, the DSCC, the Company, its subsidiaries and CRDA.

18. The Commission concludes pursuant to General Statutes § 9-612 (f) (2) (C) that *mitigating circumstances* existed pertaining to the violation found in connection with the \$10,000.00 contribution by Respondent to the DSCC party committee. It follows that the Company and its subsidiaries are not statutorily barred from honoring existing contractual commitments, continuing its negotiations to effectuate or implement any amendments to existing contracts between them and CRDA or bidding on or being awarded new contracts with CRDA or the State of Connecticut generally.
19. The Commission determines after investigation that the policy behind General Statutes § 9-612 (f) 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. Therefore, the Commission finds that allowing the Company's subsidiaries to continue their contracting and contracting processes with CRDA does not compromise the state's interests to insure integrity in its campaign financing system, or that such system was willfully undermined by Respondent pertaining his actions detailed herein.
20. Accordingly, the Commission concludes that due to the finding of mitigating circumstances concerning the violation by Respondent as detailed herein, CRDA is permitted at its discretion and pursuant to General Statutes § 9-612 (f) (2) (C) to negotiate contracts and continue its existing contract obligations with the Company and its subsidiaries and that CRDA, as well as any other state agency, may consider and accept bids from the Company and its subsidiaries. CRDA may exercise its discretion consistent with its authority under § 9-612 (f).
21. 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.
22. 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.
23. 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.
24. Upon Respondent's compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against Respondent pertaining to this matter.

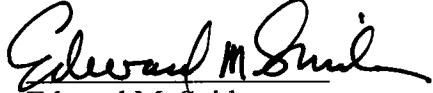
ORDER

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

IT IS HEREBY FURTHER ORDERED THAT the Respondent shall pay a civil penalty of eight thousand dollars (\$8,000.00) to the Commission on or around December 16, 2014.

The Respondent:

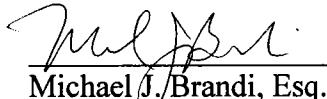
BY:


Edward M. Snider
3601 South Broad Street
Philadelphia, Pennsylvania

Dated: 12/23/14

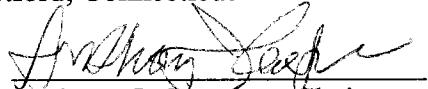
For the State of Connecticut:

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: 12/26/14

Adopted this 16th day of December, 2014 at Hartford, Connecticut


Anthony J. Castagno, Chairman
By Order of the Commission