

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

Commission Initiated Investigation Regarding
Contributions by Employees of "Star Distributors"

File No. 2014-163

AGREEMENT CONTAINING CONSENT ORDER

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

1. The Commission initiated an investigation into whether Respondent violated provisions of the campaign finance laws by making various potentially prohibited contributions to *Gayle Slossberg for State Senate* (hereinafter "Committee") a candidate committee formed by Senator Gayle Slossberg to finance her campaign for re-election as Senator from the 14th Senate District.
2. Specifically, during the Commission Audit Validation of the Committee pertaining to its participation in the Citizen's Election Program ("CEP") and based on the audit validation findings for that committee pertaining thereto, it was determined that certain contributions attributed to employees of Star Distributors (hereinafter "Star") were made by Respondent using his own funds.
3. Consistent with the audit validation findings, there is no indication or evidence that Senator Slossberg, her agents or the Committee had involvement or knowledge of Respondent's activity. The aforementioned have cooperated fully with this process. Further, there is no evidence that Respondent solicited any contributions on behalf of or as an agent of the Committee beyond what is alleged, or that officers or employees of Star knew of Respondent's activities pertaining to the improper contributions.
4. By way of background, Respondent is an employee of Star and Respondent's father is its owner. Respondent has no prior history with the Commission.
5. General Statutes § 9-622 provides, in pertinent part, the following persons shall be guilty of illegal practices:

...

(7) Any person who, directly or indirectly, individually or through another person, makes a payment or promise of payment to a campaign treasurer in

a name other than the person's own, and any campaign treasurer who knowingly receives a payment or promise of payment, or enters or causes the same to be entered in the person's accounts in any other name than that of the person by whom such payment or promise of payment is made;

....
(10) *Any person who solicits, makes or receives a contribution that is otherwise prohibited by any provision of this chapter;*

[Emphasis added.]

6. General Statutes § 9-7b, provides in pertinent part:
 - (a) The State Elections Enforcement Commission shall have the following duties and powers: ...
...
(2) To levy a civil penalty not to exceed ... (D) two thousand dollars per offense or twice the amount of any improper payment or contribution, whichever is greater, against any person the commission finds to be in violation of any provision of chapter 155 or 157. ...
7. Respondent cooperated with the Commission and provided an explanation to contributions reportedly made by Star employees to the Committee and in relation to the Commission investigation of this matter. Further, Respondent stated that he and his father lived in Senator Slossberg's district and wanted to support her 2014 reelection effort. Respondent explained that they had supported Senator Slossberg in the past, and so he encouraged some employees to contribute when the Senator did a "meet and greet" at Star facilities.
8. Upon investigation, Respondent explained that the company has about 300 employees who work various shifts. According to Respondent, the Committee contribution cards were printed with the company information of Star and the employer passed them out to employees. Respondent indicated he tried to talk to employees who he believed lived within Senator Slossberg's district because he thought that was a "good thing." Further, Respondent indicated there was no specific meeting with Star employees regarding raising contribution for the Committee. Instead, he simply passed out the cards to a number of managers and people he knew who lived in the 14th Senate District and encouraged them to fill out the contribution cards to contribute to the Committee.
9. Respondent asserts that the completed cards were to be left by Star employees in Respondent's folder for mail at work. According to Respondent, some Committee contribution cards were completed and were left in the aforementioned folder with the money included but a number of the contribution cards did not have the money attached.

10. After reviewing all the original contribution cards from the Slossberg 2014 campaign signed by Star employees, as directed by his attorney and in cooperation with the Commission investigator, Respondent believes he personally funded up to 29 contributions totaling \$240 in \$5 and \$10 amounts. Respondent is certain that he didn't provide funds for any of the \$20 contributions. Respondent based his belief upon the employee's position and handwriting appearing on individual contribution cards. Further, Respondent asserted that he did not forge anybody's name.
11. According to Respondent, in situations where he personally funded the contribution, he would enter the data fields of amount and occupations on the Committee contributor cards in some instances. Respondent did not keep a precise record but acknowledges that he provided the cash corresponding to the approximately 29 contributions to the Committee. Respondent stated that if the contribution card was not filled out completely he would fill in the missing information and in the \$5 and \$10 situations, he would provide the money.
12. Upon investigation, the Commission finds a lack of contradictory evidence pertaining to Respondent's assertions and explanations as detailed herein regarding contributions made by him to the Committee in the name of Star employees. Further, Commission staff found that Respondent was credible, and showed contrition for his actions regarding contributions and Committee contribution cards that he made and marked in the name of others, during his December 30, 2014 interview conducted with his attorney present at Commission offices.
13. Based on the evidence, as detailed herein, the Commission concludes that Respondent, by making up to 29 contributions to the Committee in the name of other individuals, violated General Statutes § 9-622 (7) and (10) in *each* instance. Further, the Commission finds that Respondent's conduct in this instance was aggravating because of the substantial number of prohibited contributions by Respondent as an individual to a candidate committee.
14. The Commission has had prior occasion to treat violations of General Statutes § 9-622 (7) and (10). Recently, the Respondent in *Commission Initiated Investigation of Contributions by Brian Lippey*, provided incorrect addresses for his family and extended family members and admitted giving 8 contributions in the maximum amount of \$100 for a CEP participant using his credit card to Tom Foley's 2014 gubernatorial candidate committee. See *Lippey*, File No. 2014-081, Greenwich.

15. Further, in *Lippey*, the Commission viewed the assessment of a civil penalty of one thousand five hundred dollars (\$1,500.00) per violation totaling twelve thousand dollars (\$12,000.00) under the aforementioned circumstances as a “meaningful deterrent to Respondent and others regarding the seriousness with which the Commission will judge and treat violations concerning the giving contributions in the name of another pursuant to General Statutes § 9-622 (7).”
16. Section 9-7b-48 of the Regulations of Connecticut State Agencies provides that the Commission may consider mitigating or aggravating circumstances when determining whether to impose a civil penalty. The Commission may consider:
 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 shown good faith in attempting to comply with the applicable provisions of the General Statutes.
[Emphasis added.]
17. Notwithstanding the seriousness with which the Commission regards violations such as Respondent’s in this instance, Counsel does not recommend that the Commission pursuant to General Statutes § 9-7b (8) refer this matter to the Chief State’s Attorney because the Respondent has worked cooperatively with the Commission in this investigation and has shown a committed interest to resolve this matter through conciliation. Furthermore, Counsel stresses that it has been Commission practice that when matters do not implicate the campaign they are not referred to the Chief State’s Attorney. See *Lippey* and *In the Matter of a Complaint by Sarah Hemingway*, Sandy Hook, File No. 2010-104.
18. The Commission finds that Respondent’s conduct in this instance was aggravating in that there were twenty nine violations that entailed giving in the name of another and, in some of these instances, involved providing completing dozens of contributor cards on behalf of employees without their knowledge.
19. The Commission views the assessment of a civil penalty totaling twenty thousand dollars (\$20,000.00) under these circumstances as a meaningful deterrent to Respondent and others regarding the seriousness with which the Commission will judge and treat violations concerning the giving contributions in the name of another pursuant to General Statutes § 9-622 (7) and (10).

20. Notwithstanding the seriousness with which the Commission regards Respondent's conduct and violations in this matter, the Commission nevertheless declines to exercise its authority pursuant to General Statutes § 9-7b (8) to refer this matter to the Chief State's Attorney because the Respondent has worked cooperatively with the Commission in this investigation and has shown a committed interest to resolve this matter through conciliation.
21. The 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. The 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 parties and may not be used as an admission by either in any subsequent hearing, if the same becomes necessary.
23. 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.
24. Upon the Respondent's compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against the Respondent pertaining to this matter.

ORDER

IT IS HEREBY ORDERED that henceforth the Respondent shall strictly comply General Statutes § 9-622 (7) and (10) .

IT IS HEREBY FURTHER ORDERED that Respondent shall pay a civil penalty of ~~ten~~^{twenty} thousand dollars (\$20,000.00) prior to the adoption of this agreement.

The Respondent:

By: 
Peter Gallo
660 Brentwood Road
Orange, Connecticut

For the State Elections Enforcement Commission:

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

Adopted this 17th day of March, 2015 at Hartford, Connecticut.


Anthony J. Castagno, Chairman
By Order of the Commission