

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by John S. Traynor,
Peoples United Bank, N.A., Bridgeport

File No. 2018-02

AGREEMENT

This agreement by and between John S. Traynor of the Town of Fairfield, County of Fairfield, State of Connecticut (hereinafter "Respondent") and the authorized representative of the State Elections Enforcement Commission is entered into in accordance with § 9-7b-54 of the Regulations of Connecticut State Agencies and § 4-177(c) of the General Statutes of Connecticut. In accordance herewith, the parties agree that:

1. The Complaint was self-reported by Attorney Brendan M. Fox, Jr. on behalf of Respondent and People's United Bank, National Association (hereinafter the "Company").
2. Respondent reported that he made a contribution: "*... on or about June 15, 2017, in the amount of \$100.00, to 'Steve Obsitnik for CT,' an exploratory committee that was established by Mr. Obsitnik, then a potential candidate for statewide office in the 2018 election cycle.*"
3. The contribution was deposited to the committee's account on or about June 27, 2017. Upon realizing his error, the Respondent promptly requested from the campaign a return of the funds, and the funds were returned by the candidate committee to the Respondent on or about January 30, 2018. The request and return of the funds was outside the 30-day "safe harbor" provision that is contained in General Statutes § 9-612(f)(2)(C). This self-reported complaint and investigation resulted from the Company and the Respondent engaging in the Company's ordinary due diligence in the course of preparing certifications associated with certain State contracts.
4. Respondent has no prior history with the Commission. Further, Mr. Obsitnik has since declared as a Republican candidate for the nomination and election to the Office of Governor and has registered a gubernatorial candidate committee with the Commission since the time of Respondent's contribution.
5. There is no dispute that, the Company, headquartered in Bridgeport, Connecticut, "has been and remains a party to various State contracts with the Executive Branch whose value equals or exceeds \$100,000.00."
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.* ...

[Emphasis added.]

7. There is no dispute that the Company is a state contractor and presently contracts with, among other agencies, the Department of Revenue Services (DRS), the Department of Motor Vehicles (DMV), and the Department of Social Services (DSS), all of which are part of the Executive Branch.
8. Respondent's Counsel represents, and it was confirmed upon investigation, that

Respondent joined the Company in 2011; however, he was not elevated to the position of Executive Vice President, and therefore not subject to the above-stated restrictions, until 2016. At the time of the contribution, which was inadvertent, Respondent, in good faith, was not sensitive to the applicable restrictions and, immediately upon discovering the error, took steps to rectify the situation, including, but not limited to, self-reporting this Complaint to the Commission.

9. Nevertheless, because Respondent is an Executive Vice President at the Company, he is subject to the restrictions contained in General Statutes § 9-612(f)(1)(F) (ii). The Commission concludes therefore that as a result of Respondent's position, the \$100.00 contribution to the exploratory committee that is subject of this self-reported Complaint was a prohibited contribution in violation of § 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 prohibition, as detailed in paragraph 9 above, allows the Commission to determine whether "mitigating circumstances" exist concerning such violations pursuant to General Statutes § 9-612(f)(2)(C).
11. General Statutes § 9-612(f)(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(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 recipient candidate, the committee and its agents, as well as the contracts and agreements between the Company and the State, that would, although not excusing the conduct, tend to reduce the harm the state contractor contribution ban is designed to prevent.
13. The Commission has consistently determined that pursuant to General Statutes § 9-612 (f) the state contractor prohibition 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; *In Re JCJ Architecture*, File 2008-120; *In Re*

Antinozzi Associates, File No. 2014-009, *In the Matter of a Complaint by Curtis Robinson*, Plainville, File No. 2014-169; and, *In the Matter of a Complaint by Raymond Baldwin*, Trumbull, File No. 2015-009.

14. The purpose of this self-reported potential violation of the state contractor contribution prohibition by Respondent to the Commission, was so that the Commission may determine and conclude if violations have occurred based on its review and investigation and if mitigating circumstances concerning such violations existed. The Commission determines in this instance that the following mitigating circumstances exist:
 - (1) Respondent self-reported this matter;
 - (2) Respondent was not involved in matters involving the subject State contracts within the Company;
 - (3) There is no evidence that an agreement by or between the Company or Respondent and the potential candidate, representatives of the agencies with which the Company may have a contract, or the State of Connecticut or that the Company might receive some favored treatment in exchange for the contribution that Respondent made to the Obsitnik exploratory committee;
 - (4) There is no evidence that there was any expectation that the potential candidate would provide assistance to the Company in its efforts to compete for awards of State of Connecticut contracts;
 - (5) The potential candidate for statewide office was not involved with awarding contracts between the Company and the State at the time, or with the above-listed state agencies;
 - (6) There is no evidence of any request or solicitation of assistance by the Company or Respondent to the Obsitnik exploratory committee to influence or provide assistance for awards of State of Connecticut contracts; and
 - (7) 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(g) was enacted to combat, are not present under these specific facts and circumstances relating to Respondent, the Company and the State.
15. 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 contribution by Respondent to the committee named herein, such that the Company

is not statutorily barred from continuing its negotiations to effectuate or implement any amendments to existing contracts between it and DRS, DMV or DSS.

16. 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, and therefore, allowing the Company to continue its contractual relationships, obligations or bid proposals with the State does not compromise the state’s interests to insure integrity in its campaign financing system.
17. Accordingly, the Commission concludes that these mitigating circumstances concerning the violation by Respondent do not bar DRS, DMV or DSS pursuant to General Statutes § 9-612(f)(2)(C) from negotiating contracts or continuing their existing contract obligations with the Company and that DRS, DMV and DSS may exercise their discretion consistent with their authority under that section.
18. 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 § 9-7b-56 of the Regulations of Connecticut State Agencies.
19. 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 or against the Company in any proceeding, if the same becomes necessary.
20. 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.
21. Upon Respondent’s compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against Respondent or proceedings against the Company pertaining to this matter, and this agreement and order does not serve as a prospective ban on future contracts between the Company and state agencies.

ORDER

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

IT IS HEREBY FURTHER ORDERED THAT the Respondent shall make a remittance in the amount of one hundred fifty dollars (\$150.00) to the Commission on or before _____, 2018 in full and final resolution of this matter.

The Respondent:
BY:



John S. Traynor
1530 Cross Highway
Fairfield, Connecticut

Dated: 18-Apr-1-18

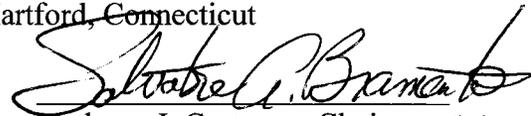
For the State of Connecticut:
BY:



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: 4/26/18

Adopted this 16th day of MAY, 2018 at Hartford, Connecticut



Anthony J. Castagno, Chairman ~~Salvatore Bramante~~
By Order of the Commission

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APR 26 2018

ENFORCEMENT COMMISSION