

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by Robert L. Dzurenda (Self-Report),
Greenwich

File No. 2018-067

AGREEMENT CONTAINING CONSENT ORDER

This agreement by and between Robert L. Dzurenda of the Town of Monroe, 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. This matter was self-reported by Respondent, Executive Director of Hall Neighborhood House ("HNH"), a Section 501 (c) (3) non-profit organization in Bridgeport. Mr. Dzurenda (herein "Respondent") is represented in this matter by the firm of Updike Kelly, and Spellacy, P.C., through Attorney Brian C. Hoeing. Pertaining to Respondent's potential violations of the state contractor contribution ban pursuant to General Statutes § 9-612, Attorney Hoeing indicated that:

Mr. Dzurenda first learned that Connecticut law prohibits certain state contractor key employee campaign contributions to candidates for statewide office when he closely inspected a contract addendum request received from the State of CT Office of Early Childhood ("OEC"), in August 2018. HNH provides services to OEC and Mr. Dzurenda was requested, and did provide, OPM Ethics Form 1 on September 4, 2018. A copy of Mr. Dzurenda's OPM Ethics Form 1 is attached hereto.

Mr. Dzurenda is aware of no other contributions made by him to statewide office candidates and has no intention of making any further contributions in the future. ...

2. By way of background, Respondent has no prior history with the Commission. The Company was on "List Two – State Contractors Prohibited from Contributing to Statewide Candidates" maintained and published by the Commission. However, Respondent credibly asserts that he was not aware that HNH was on this list or that he was prohibited from making contributions at the time of the subject contributions.

3. Additionally, there is no dispute that HNH is a state contractor that has contracts, in the form of grants and otherwise, that exceed \$50,000.00 and therefore covered under the provisions of General Statutes § 9-612. Finally, there is no dispute that Respondent is a principal of a state contractor for purposes of § 9-612.
4. General Statutes § 9-612 provides in pertinent part:

...

(f)(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, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) **an individual who is the chief executive officer of a state contractor** or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties,

...

(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.]

5. Respondent self-reported the following relevant contributions, which were confirmed in the course of this investigation:

Date	Recipient	Value	Office
April 25, 2017	<i>Lauretti Gov. 2018</i>	\$100	Governor
August 4, 2017	<i>Blankley for CT</i>	\$100	Treasurer
March 22, 2018	<i>Vermont for State Senate</i>	\$100	Senate
March 23, 2018	<i>Ganim for Governor</i>	\$100	Governor
May 11, 2018	<i>Ganim for Governor</i>	\$500	Governor
July 19, 2018	<i>CT Future Now</i>	\$100	(PAC)

6. The Commission finds that General Statutes § 9-612 prohibits Respondent, as the principal of a state contractor, from contributing to each of the candidate committees for statewide office, as detailed above. Further, the Commission finds that Respondent is prohibited from contributing to *Connecticut's Future Now*, because it is an ongoing political committee registered for the purpose of participating in both state and municipal elections. Finally, the Commission finds that four of the five reported contributions to statewide candidate committees, or committees authorized to make such contributions, were in the amount of \$100.00, the other being for \$500.00 to a gubernatorial campaign.
7. The Commission finds that Respondent was *not* prohibited from contributing to *Vermont for State Senate* because HNH does not have contracts with the legislative branch and therefore Respondent would not be barred from contributing to General Assembly candidates pursuant to General Statutes § 9-612.
8. Upon investigation it was determined that Respondent diligently and promptly sought refunds of his prohibited contributions from the relevant committees, upon learning of possible problems with his contributions and the prohibitions of General Statutes § 9-612. Furthermore, prior to obtaining counsel, the Commission finds that Respondent made several telephone inquiries to the Commission to report his possible violations of the state contractor ban and to seek the staff's advice on how to best proceed to correct the problem.
9. The Commission finds that Respondent followed through with staff advice and made good faith efforts to self-report the details of his possible prohibited contributions to the Commission staff, prior to obtaining counsel to assist him with his complaint to the Commission. Respondent fully reported those contributions that he believed to be potentially prohibited pursuant to General Statutes § 9-612, in this self-report.
10. The Commission finds that Respondent made five (5) contributions to statewide candidate committees, or committees authorized to make such contributions, while the principal of the state contractor HNH, that had state contracts with the executive branch, and that were therefore contributions governed by General Statutes § 9-612.
11. The Commission concludes that Respondent violated the state contractor contribution ban pursuant to General Statutes § 9-612, by making five (5) prohibited contributions between April 2017 and July 19, 2018 to candidate committees for statewide office and to an

ongoing political committee that was authorized to make such contributions to statewide candidate committees.

12. 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 violations, in this instance, by Respondent of the state contractor contribution prohibition, allow the Commission to determine whether mitigating circumstances existed concerning such violations pursuant to General Statutes § 9-612(f)(2)(C).
13. 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 of the state retains discretion to amend a contract or award a new contract. The state 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.
14. 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.
15. 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, exploratory committees for statewide office, and ongoing political committees 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; *Complaint by John Traynor*, Bridgeport, File No. 2018-002; and *Complaint by Shawn T. Wooden*, Hartford, File No. 2018-024.

16. The Commission finds that mitigating circumstances pertaining to violations of the state contractor ban by Respondent, as detailed herein, existed regarding the five (5) contributions such that HNH is *not* potentially barred under the provisions of § 9-612 (f) from contracting or its contract addendums with the State of Connecticut. More specifically, pertaining to Respondent's contributions, the Commission finds the following mitigating circumstances existed:
 - (1) Respondent made prompt inquiry of the Commission to self-report and seek assistance in correcting errors that he learned he may have made regarding the state contractor ban upon becoming aware of the prohibition;
 - (2) The potential candidates for statewide office were not involved with awarding contracts between HNH and the State at the time of the prohibited contributions;
 - (3) Respondent sought a return of the funds from the candidate committees upon realizing that he had committed potential violations of the state contractor contribution ban; and,
 - (4) Respondent has credibly maintained that there was no intent on his part or on the part of HNH and there has been found no evidence to establish that the contributions were made to induce the recipients to act on or assist Respondent with state contracting and/or the state grant application process engaged in by HNH.
17. 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 contributions by Respondent to the committees named herein, such that HNH is not statutorily barred from continuing its contracting or relating to its contracts addendums with the State of Connecticut.
18. Furthermore, 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 HNH to continue its contractual relationships, grant applications, obligations or other contractual commitments with the State of Connecticut does not compromise the state's interests to insure integrity in its campaign financing system.

19. Accordingly, the Commission concludes that these *mitigating circumstances* concerning the violations by Respondent provide a basis by which the State of Connecticut may exercise its discretion consistent with its authority pertaining to contracts, contract addendums and contracting with HNH pursuant to General Statutes § 9-612 (f) (2) (C).
20. 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.
21. 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.
22. 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.
23. 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 HNH and state actors and/or entities subject to the provisions of General Statutes § 9-612.

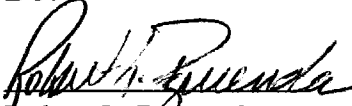
ORDER

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 payment in the amount of four hundred dollars (\$400.00) to the Commission, in full and final resolution of this matter.

The Respondent:

BY:

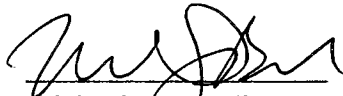

Robert L. Dzurenda

27 Elm Street
Monroe, Connecticut

Dated: 3/22/2019

For the State of Connecticut:

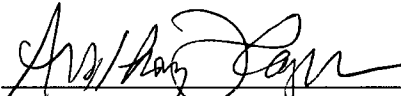
BY:


Michael J. Brandi

Executive Director and General Counsel
And Authorized Representative of the
State Elections Enforcement Commission
20 Trinity Street, Suite 101
Hartford, Connecticut

Dated: 3/26/19

Adopted this 3 day of April, 2019 at Hartford, Connecticut


Anthony J. Castagno, Chairman

By Order of the Commission

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MAR 25 2019

ENFORCEMENT COMMISSION