

STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

In the Matter of a Complaint by Paul P. Scalzo,
(Self-report), Brookfield

File No. 2019-031

FINDINGS AND CONCLUSIONS

Complainant by Paul P. Scalzo self-reported this Complaint pursuant to General Statutes § 9-7b. Mr. Scalzo (hereinafter “Respondent”) reported contributions that he and his spouse made to an exploratory committee for statewide office, that may have been violations of the state contractor contribution ban pursuant to General Statutes § 9-612. After its investigation, the Commission makes the following findings and conclusions:

1. Complaint was self-reported by Respondent, a Member of 731 Federal Road, LLC (“LLC”), and holder of real property at the same address in Brookfield, Connecticut. Respondent, after reporting political contributions to the Department of Transportation (hereinafter “DOT”), learned of this complaint process from Commission staff and proceeded accordingly.
2. Respondent asserted that:

Please be advised that as one of four Principles in an LLC (731 Federal Road, LLC), an application was submitted to The State of CT DOT to purchase state property, in order to create a break in a non-access line. In the process, I recalled a financial contribution made to a political campaign of Mark Boughton, Mayor of Danbury ... in May of 2017 In addition it was discovered that my spouse, Andrea Scalzo, made a \$100.00 contribution to Mark Boughton in January of 2018 in his bid seeking the Republican nomination to run for Governor, a bid he would lose in an August 2018 Primary. My spouse, Andrea Scalzo is not a principle of 731 Federal Road, LLC, and has no direct interest in the development of this property.

In an effort to provide voluntary, full disclosure, I acknowledged a contribution in a signed statement (State of CT Gift & Contribution Certification), and submitted this information to DOT ...

3. Furthermore, Respondent Represented:

In addition it was discovered that my spouse, Andrea Scalzo, made a \$100.00 contribution to Mark Boughton in January of 2018 in his bid seeking the Republican nomination to run for Governor, a bid he would lose in an August 2018 Primary. My spouse, Andrea Scalzo is not a principle of 731 Federal Road, LLC, and has no direct interest in the development of this property.

4. Respondent and his spouse Andrea Scalzo have no prior history with the Commission. The LLC was not on the prohibited state contractors and prospective state contractors lists maintained by the Commission, at all times relevant to this complaint. Respondent is one of four Members of the LLC and has an ownership interest that exceeds 5%.
5. The Commission confirmed the following contributions in the course of this investigation: (1) Andrea Scalzo, May 17, 2017, to *Connecticut Comeback Committee*, in the amount of \$100.00; and, Respondent, July 6, 2017, to *Connecticut Comeback Committee*, in the amount of \$100.00.
6. *Connecticut Comeback Committee* was an exploratory committee registered by Mayor Mark Boughton of Danbury for undetermined statewide office pertaining to the November 6, 2018 election. Neither of the contributions detailed above were returned by the committee to the contributors.
7. General Statutes § 9-612 (f) (1) (E) provides, in part, that a prospective state contractor means a business entity that (1) submits a response to a state contract solicitation by the state or a response in to a request for proposals by the state, or (2) holds a valid prequalification certificate. At the time of the contributions that are subject of this self-report the LLC had not responded to a state contract solicitation, did not hold a valid prequalification certificate, or otherwise satisfy the definition of a “prospective state contractor.”
8. General Statutes § 9-612 provides in pertinent part:
(f)(1)(C) “State contract” means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of

any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

...

(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, (v) ***the spouse*** or a dependent child who is eighteen years of age or older ***of an individual described in this subparagraph,***

(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; ... [Emphasis added.]

9. The threshold question for the Commission is whether or not Respondent, or his spouse Andrea Scalzo, were prohibited by the state contractor contribution ban and General Statutes § 9-612 from contributing to exploratory committees for undetermined statewide office.
10. Upon investigation, the Commission finds that on May 14, 2018, LLC paid a \$500 fee with an appraisal application to the DOT for a requested ‘break’ at its property at 731 Federal Road in Brookfield. Further, the Commission finds that on August 20, 2018 the LLC made a 10% down payment in the amount of \$10,000.00 for the approved DOT “break” that was assessed at \$100,000.00 value.
11. Additionally, the Commission finds that the DOT, on August 20, 2019 requested that the Respondent show proof of a deed for the property in question and provided Respondent with the requisite disclosure statements for contracts with a value above \$50,000.00, which included the political contribution disclosure form that resulted in the reporting of the contributions to the *Connecticut Comeback Committee*. Respondent signed the requisite disclosures on September 4, 2019.
12. The Commission finds, after investigation, that the two contributions, made by Respondent and his spouse on July 6, 2017 and May 17, 2017, respectively, to an exploratory committee for undetermined statewide office, were made *prior to* the May 2018 LLC application to the DOT and the subsequent determination by the DOT that the appraised value for the requested break at 731 Federal Road in Brookfield would be \$100,000.
13. The Commission finds therefore that the contributions preceded the determination by DOT, that its agreement with the LLC would be for a value of \$100,000, and in excess of \$50,000.00, and were made to *Connecticut Comeback Committee* prior to there being a “state contract” pursuant to General Statutes § 9-612 (f) (1) (c).
14. The Commission finds that LLC did not have a state contract with the DOT at the time of the contributions in question by Respondent and his spouse Andrea Scalzo. Therefore, the Commission concludes that Respondent, as Member of LLC, was not a state contractor and therefore not subject to the prohibitions of General Statutes § 9-612 (f) when the contributions in question occurred.
15. The Commission concludes that the contributions that Respondent self-reported as potential violations of General Statutes § 9-612 (f), under these specific facts and circumstances were not violations of the state contractor contribution ban.

16. Consequently, the Commission dismisses this self-reported complaint by Respondent of potential violations of General Statutes § 9-612 (f).

ORDER

The following Order is recommended on the basis of the aforementioned finding:

That the Complaint be dismissed.

Adopted this 17 day of Apr 2019, at Hartford, Connecticut


Anthony J. Castagno, Chairman
By Order of the Commission