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**STATE OF CONNECTICUT**
**STATE ELECTIONS ENFORCEMENT COMMISSION**

In the Matter of Cusano Campaign Solicitors, Commission Initiated — File No. 2008-148

**AGREEMENT CONTAINING CONSENT ORDER AND PAYMENT OF A CIVIL PENALTY FOR VIOLATIONS OF CONNECTICUT GENERAL STATUTES §§ 9-622(7) and 9-622(10).**

This Agreement, by and between Samuel P. Cusano, hereinafter called the "Respondent," of the Town of Rocky Hill, County of Hartford, State of Connecticut 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) This investigation was initiated by the Commission on its own motion, following the application of John Cusano, candidate for State Representative, for a grant under the Citizens' Election Program. The application was denied and the investigation initiated at the Commission's October 24, 2008 meeting.

2) On May 30, 2008, John Cusano registered *Friends of Cusano*, a candidate committee for state representative for the November 4, 2008 election for the 28th Assembly District. Mr. Brad Milvae was designated as its treasurer.

3) On July 10, 2008, Candidate John Cusano filed a *Citizens' Election Program Affidavit of Intent to Abide by Expenditure Limits and Other Citizen Election Program Requirements* (SEEC Form CEP 10).

4) On October 2, 2008 Mr. Milvae filed a *Grant Application Form* (SEEC CEP Form 15) for the period covering 7/1/08 -9/30/08.

5) On October 6, 2008, Mr. Milvae contacted a Commission investigator by telephone regarding the *Friends of Cusano* and its October 2nd filing, and Mr. Milvae requested that the candidate committee be allowed to withdraw its original application and to reapply the following week. The Commission investigator explained that the *Friends of Cusano* October 2nd grant application was currently being reviewed. Mr. Milvae informed the Commission investigator during the October 6th conversation that he was "very concerned" that he could not certify as correct the amounts reported on the application and that one of his campaign workers may have "supplemented" cash contributions.

6) This investigation was predicated upon the results of that audit validation conducted of the *Friends of Cusano* campaign related to the qualifications of contributions submitted for grant approval.

7) On October 9, 2008 *Friends of Cusano* campaign made two filings: an amended *Itemized Campaign Finance Disclosure Statement* (SEEC Form 30) in further support of its grant application for the period 7/1/08 -9/30/08, and a second *Itemized Campaign Finance Disclosure Statement* (SEEC Form 30) in further support of its grant application for the period 10/1/08 -10/8/08.

8) On October 13, 2008 the Commission audit review found that the filings by *Friends of Cusano* disclosed a payment to Respondent in the amount of $1100 that was reported as "contributions exceed limit (unacceptable contributions)." Further, that there were no corresponding contributions to Respondent, that eleven $100 cash contributions from various contributors that were originally reported no longer appeared on the amended financial statements and that there was no return of contributions reported on the amended financial statements.

9) General Statutes § 9-622 provides in pertinent part:

> The following persons shall be guilty of illegal practices and shall be punished in accordance with the provisions of section 9-623...
>
> **(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;**
>
> **(8) Any person who knowingly and wilfully violates any provision of this chapter;**
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> **(10) Any person who solicits, makes or receives a contribution that is otherwise prohibited by any provision of this chapter;**

10) General Statutes § 9-606 provides in pertinent part:

> **(a) The campaign treasurer of each committee shall be responsible for (1) depositing, receiving and reporting all contributions and other funds in the manner specified in section 9-608, (2) making and reporting expenditures,** (3) reporting expenses incurred but not yet paid, (4) **filing the statements required under section 9-608,** and (5) keeping internal records of each entry made on such statements.
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> ...
>
> **(c) The campaign treasurer of each committee**, other than a political committee established by an organization which receives its funds from the organization's treasury, **may appoint solicitors. If solicitors are appointed, the campaign treasurer shall receive**

**and report all contributions made or promised to each solicitor. Each solicitor shall submit to the campaign treasurer a list of all contributions made or promised to him. The list shall be complete as of seventy-two hours immediately preceding midnight of the day preceding the dates on which the campaign treasurer is required to file a sworn statement as provided in section 9-608. Lists shall be received by the campaign treasurer not later than twenty-four hours immediately preceding each required filing date. Each solicitor shall deposit all contributions with the campaign treasurer, within seven days after receipt.** No solicitor shall expend any contributions received by him or disburse such contributions to any person other than the campaign treasurer.

11) The investigation revealed that Respondent, brother of the candidate, John Cusano, collected contributor cards from individuals, but did not collect corresponding contributions, and instead substituted his own money in their name and provided it to the campaign treasurer. Respondent admits he funded eleven $100 cash contributions in the name of other contributors.

12) Respondent admits that he was familiar with the contribution cards he was using to solicit contribution and that they were necessary for *Friends of Cusano* to collect contributions to count as qualifying contributions for the Citizens' Election Program. Respondent was provided blank contribution cards by either Mr. Milvae or his brother. Brad Milvae and John Cusano indicate that Respondent was aware that the contributions were being solicited for the purpose of qualifying for a grant of public funds for the election.

13) Mr. Milvae recalls that on September 30, 2008, the Respondent brought over 28 contributions to the house. He was home when Respondent arrived and Respondent provided 23 contributions for $100, paid in cash and a few small $5 contributions. He recalls the $100 contributions were supported by $100 bills. The money was provided separate from the contribution cards. Respondent was aware of the status of the filing and that they wanted to meet the October 2, 2008 deadline to apply for a grant. They all believed that the campaign had achieved a sufficient number and amount of qualifying contributions to be eligible for the grant.

14) Milvae stated he didn't ask any questions at the time, filled out the application and sent it in. Milvae stated over the weekend he had a bad feeling about the amount of cash and that Sam may have put some of his own money toward the contributions.

15) The weekend following *Friends of Cusano's* October 2, 2008 submission of its Citizens' Election Fund grant application, the Mr. Milvae admits that he felt suspicious of and uncomfortable about the amount of cash and the contributions collected by Respondent and disclosed by him in the application.

16) Mr. Milvae has indicated that Respondent returned on the afternoon of October 6th and they reviewed all the contributions collected on September 30, 2008 and disclosed on the original grant application. Respondent proceeded to identify for Mr. Milvae the eleven $100 contributions that he acknowledges that he paid for with his own money.

17) Respondent knew or should have known that his actions constituted making a payment to a campaign treasurer in a name other than his own.

18) The Commission concludes that by providing his own funds to the Cusano campaign but disguising/misrepresenting such funds to the treasurer as coming from other individuals, Respondent violated General Statutes §§ 9-622(7) and 9-622(10).

19) The Commission views the making of contributions in the name of another as one of the most serious violations of campaign finance law, because it frustrates the very purpose of disclosure laws, providing information on the source of the candidate's funding and support, by obfuscating the actual source of funding as well as circumventing contribution limits.

20) Once the treasurer called the possibility of straw contributions to the attention of the candidate, the candidate instructed the treasurer to determine the extent of the problem and attempt to take corrective measures. After obtaining additional information, the treasurer brought his concerns to the Commission's attention. Under these facts and circumstances, the Commission takes no further action against the candidate or the *Friends of Cusano* committee treasurer.

21) The Respondent maintains that he believed that the individuals in whose names he made contributions supported his brother's candidacy, and that having been made aware of the requirements for making contributions, he made efforts to correct the situation.

22) Respondent further maintains that, with respect to the violations, he was not aware that his actions at the time were prohibited, and that he did not willfully or knowingly violate the law in making contributions in the names of others, nor did he willfully or knowingly attempt to defraud the state with regard to his actions detailed within this agreement.

23) Respondent maintains that he enters into this agreement to avoid further proceedings pertaining the matters described herein, and does not for any other purposes admit to the conclusions derived by the Commission.

24) 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.

25) 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 as an admission in any subsequent hearing, if the same becomes necessary.

26) 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.

27) Upon the Respondent's compliance with the Order hereinafter stated, the Commission shall not initiate any further proceedings against him pertaining to this matter.

**ORDER**

IT IS HEREBY ORDERED that the Respondent shall pay a civil penalty of six thousand dollars ($6,000.00) to the Commission on or before May 27, 2009 and that the Respondent shall henceforth strictly comply with the requirements of Connecticut General Statutes §§ 9-622(7) and 9-622(10).

**The Respondent:**

Samuel P. Cusano
85 Deerfield Run
Rocky Hill, CT 06067

Dated: 5/26/09

**For the State of Connecticut:**

BY: Joan Andrews
Joan M. Andrews, Esq.
Director of Legal Affairs & Enforcement
& Authorized Representative of the
State Elections Enforcement Commission
20 Trinity St., Suite 101
Hartford, CT

Dated: 5/26/09

Adopted this 27th day of May of 2009 at Hartford, Connecticut

Stephen F. Cashman, Chairman
By Order of the Commission