

IN THE MATTER OF POLSINELLI PUBLIC  
AFFAIRS, LLC, and FREDERICO POLSINELLI, Jr.,  
Individually,

Respondents.

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SUBSTANTIAL BASIS INVESTIGATION REPORT  
AND SETTLEMENT AGREEMENT

Case No. 18-155

WHEREAS, the Joint Commission on Public Ethics (“Commission”) is authorized by Executive Law §94 to conduct an investigation to determine whether a substantial basis exists to conclude that any violations of Article 1-A of the New York State Legislative Law (the “Lobbying Act”) have occurred, to issue a report of its findings of fact and conclusions of law, and to impose penalties for any violation;

WHEREAS, this Settlement Agreement (“Agreement”) is entered into by and between the Commission and Polsinelli Public Affairs, LLC and Frederico Polsinelli, Jr. individually (collectively “Respondents”);

WHEREAS, Respondents engaged in reportable lobbying activity in New York State between 2011 and 2018 and are therefore subject to the jurisdiction of the Commission and the proscriptions set forth in the Lobbying Act;

WHEREAS, Respondents were engaged by multiple clients to lobby on their behalf during the biennial registration periods between 2011 and 2018 (the “Relevant Period”);

WHEREAS, during the Relevant Period, Respondents failed to timely file statements of registration, registration amendments, lobbyist bi-monthly reports, and other required documents, some of which were over six months late;

WHEREAS, Respondents cooperated with the Commission and has submitted and amended filings as required for the Relevant Period;

WHEREAS, pursuant to the Lobbying Act §§ 1-e and 1-h, the Commission is authorized to impose a fee not to exceed twenty-five dollars per day for each day that a statement of registration, bimonthly report, is late and, pursuant to Lobbying Act § 1-o(b)(i), may impose penalties in an amount not to exceed the greater of twenty-five thousand dollars or three times the amount the person failed to report properly;

WHEREAS, the Commission, in reaching this Agreement, has considered Respondents’ financial position;

WHEREAS, Respondents and the Commission, the parties to this Agreement, have agreed to resolve this matter in a manner that avoids additional administrative and/or adjudicatory proceedings;

WHEREAS, the Respondents have waived notification in writing of possible violations pursuant to Executive Law § 94(13)(a) and in lieu of appearing in an adjudicatory proceeding that could result in the assessment of a civil penalty against Respondent, the parties to this Agreement have agreed to resolve their dispute in a manner that avoids further administrative proceedings;

NOW THEREFORE, in consideration of the fact that Respondents have cooperated with the Commission and submitted and amended Respondents' filings, and in consideration of the mutual covenants made herein, as the final settlement of this matter, the parties stipulate and agree that:

1. Respondents failed to timely file lobbyist statements of registration and/or registration amendments, and lobbyist bi-monthly reports, during the Relevant Period as required in violation of §§1-e, and 1-h of the Lobbying Act.
2. In settlement of said violations: (a) Respondents agree to pay the Commission \$2,500.00 within 60 days and (b) Respondents agree to pay outstanding late fees to the Attorney General in the amount of \$2436.69 within 60 days and (c) Respondent-Polsinelli Public Affairs, LLC agrees to execute a Confession of Judgment in the amount of \$30,415.00 at the signing of this Agreement.
3. The Commission agrees to stay the enforcement of the Confession of Judgment. However, if Respondents fail to timely file more than two filings, including but not limited to, statements of registration, registration amendments, lobbyist bi-monthly reports, and supporting documentation, within four years from the date of the execution of this agreement, Respondents shall be in breach of this agreement and the Commission shall enforce the Confession of Judgment.
4. During the remainder of the 2017-2018 and the 2019-2020 biennial registration periods, in addition to any random audit of Respondents' filings that the Commission may perform in accordance with and pursuant to §1-d of the Lobbying Act, the Respondents shall cooperate with any request by the Commission to review records relating to lobbying activity conducted during the 2017-2018 and 2019-2020 biennial registration periods to determine whether filings required to be made by Respondents have been made in a timely manner and are accurate and complete.
5. The Commission has agreed to the terms of this Agreement based on, among other things, the financial and other representations made to the Commission by Respondents. To the extent that representations made by Respondents are later found by the Commission to be materially incomplete or inaccurate, Respondents shall be in breach of this Agreement.
6. If the Respondents fail to timely perform any conditions set forth in the Agreement, Respondents shall be in breach of this Agreement.
7. Respondents agree not to take any action or to make, permit to be made, authorize, or agree to any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis.

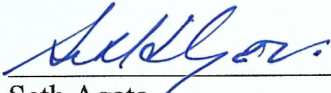
Nothing in this paragraph affects Respondents': (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Commission is not a party. A violation of this Paragraph constitutes a breach of this Agreement by Respondents.

8. Upon a breach of this Agreement, the Commission shall have sole discretion to deem the Agreement null and void in its entirety, issue a Notice of Substantial Investigation and Hearing, which may include additional charges against Respondents and proceed with an enforcement action, and then issue a new Substantial Investigation Report; or to deem the Respondents in breach of this Agreement and pursue, in court, any other remedy to which the Commission is entitled at law or in equity, including but not limited to, specific performance or injunction. As to any Notice of Substantial Investigation and Hearing or enforcement action by the Commission pursuant to this paragraph, Respondents: (1) waive any claim that such action is time-barred by a statute of limitations or any other time-related defenses; and (2) expressly acknowledge and agree that the Commission may use any statements herein, or any other statements, documents or materials produced or provided by Respondents prior to or after the date of this Agreement, including, but not limited to, any statements, documents, or materials, if any, provided for the purposes of settlement negotiations or in submissions by Respondents or by counsel on behalf of Respondents, in any proceeding against Respondents relating to the allegations herein.
9. Respondents shall upon request by the Commission, provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.
10. Respondents understand and acknowledge that the Commission may investigate any other conduct, not covered by this Agreement, by Respondents and take any appropriate action.
11. Respondents waive the right to assert any defenses or any challenges to this Agreement, as well as any right to appeal or challenge the determination or conduct of the Commission relating to this matter in any forum.
12. Respondents hereby waive any rights as provided in Section 1-o(c)(iii) of the Lobbying Act and may not assert such right at any future time.
13. This Agreement and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflict of laws principles.
14. Respondents consent to the jurisdiction of the Commission in any proceeding to enforce this Agreement.
15. It is understood that this Agreement is not confidential and will be made public within 45 days of its execution in accordance with Executive Law §§94(14) & (19).
16. This Agreement constitutes the entire agreement between the parties and supersedes any prior communication, understanding, or agreement, whether oral or written, concerning the subject matter of this Agreement. No representation, inducement,

promise, understanding, condition or warranty not set forth in this Agreement has been relied upon by any party to this Agreement.

17. Any amendment or modification to this Agreement shall be in writing and signed by both parties.
18. This Agreement shall become effective upon execution by the Commission or its designee.
19. In the event that one or more provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.
20. By signing below, Respondents acknowledge reading this Agreement in its entirety, understanding all terms and conditions of this Agreement, and having done so, knowingly, voluntarily, and freely enters into this Agreement. Respondents were represented by counsel.

Dated: August 20, 2018



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Seth Agata  
Executive Director  
New York State Joint Commission on Public Ethics

ACCEPTED AND AGREED TO  
THIS 16<sup>th</sup> DAY OF August, 2018

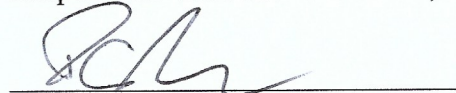
Respondent- Polsinelli Public Affairs, LLC

By: \_\_\_\_\_

Name: Frederico Polsinelli

Title: CEO\_\_\_\_\_

Respondent- Frederico Polsinelli, Individually



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Frederico Polsinelli

Approved:

Michael K. Rozen  
Chair

James E. Dering  
Colleen C. DiPirro  
Marvin E. Jacob  
Gary J. Lavine  
J. Gerard McAuliffe, Jr.  
David McNamara  
Barry C. Sample  
Dawn L. Smalls  
George H. Weissman  
James A. Yates  
Members

Robert Cohen  
Absent