

Minutes

Regular Meeting

May 19, 2011

The Citizen's Ethics Advisory Board ("Board") of the Office of State Ethics ("OSE") held a Regular Meeting on Thursday, May 19, 2011 on the 5th Floor, State Elections Enforcement Commission Conference Room, 18-20 Trinity Street, Hartford, CT 06106.

Chairman Dooley called the meeting to order at 1:00 p.m.

The following members of the Board were present:

- Thomas H. Dooley, Chairman
- Kathleen F. Bornhorst, Vice-Chairperson
- Mary Bigelow, Member
- Charles F. Chiusano, Member
- David Gay, Member
- Herbert A. Grant, Member
- Martin Margulies, Member
- Dennis J. Riley, Member

The following staff members of the OSE were present:

- Carol Carson, Executive Director
- Barbara Housen, General Counsel
- Thomas K. Jones, Enforcement Officer
- Marc W. Crayton, Assistant Enforcement Officer
- Cynthia Isales, Assistant General Counsel
- Brian O'Dowd, Assistant General Counsel
- Yolanda Perez, Clerk of the Board
- Manoj Vanavan, Legal Division Intern
- Mark Wasielewski, Assistant Enforcement Officer

The following topics were addressed during the meeting:

1. The minutes of the April 21, 2011 Regular Meeting were presented to the Board for approval.

On the motion of Mr. Grant, seconded by Mr. Riley, the Board voted eight (8) to zero (0) to accept and approve the minutes with one correction.

2. Chairman Dooley presented the Board with the Chairman's Report. He informed the Board that Vice-Chairperson Bornhorst will be resigning from the Board effective June 4, 2011. Chairman Dooley indicated that in accordance with revised Policy No. 1, he, along with Executive Director Carson, serving *ex officio*, and Mr. Riley were named by the Board to serve on the committee to recommend names for Board Chair and Vice-Chair. He suggested that the Board not nominate and elect a Vice-Chair right now, but rather make the nominations and selection in August.

Chairman Dooley indicated that Mr. Margulies is scheduled to serve as the hearing officer for the June 22, 2011 UAPA enforcement hearings and that Mr. Riley will serve as back-up for Mr. Margulies due to a possible family obligation. He indicated that Mr. Gay will preside over any July UAPA hearings.

Chairman Dooley asked whether any Board Members wanted to discuss procedures or had any comments.

Mr. Chiusano indicated that he would like to volunteer to serve as a hearing officer for future hearings after receiving the necessary guidance.

3. General Counsel Housen presented the petition for Advisory Opinion from Stacy Owens. She indicated that a letter in the board meeting package summarizes the issues raised by Ms. Owens. She recommended that the Board approve the petition, and that if approved, the Legal Division staff will prepare a draft advisory opinion for the Board's consideration at a future Board meeting.

On the motion of Mr. Gay, seconded by Ms. Bigelow, the Board voted eight (8) to zero (0) to approve the Petition for Advisory Opinion from Stacy Owens.

4. General Counsel Housen presented the Petition for Declaratory Ruling from Mr. Donald P. Walsh. She indicated that the distinction between a declaratory ruling and an advisory opinion is that the requester is not him or herself subject to the code. She recommended that the Board approve the petition.

On the motion of Mr. Grant, seconded by Mr. Margulies, the Board voted eight (8) to zero (0) to approve the Petition for Declaratory Ruling from Donald P. Walsh.

Assistant General Counsel O'Dowd presented Draft Declaratory Ruling 2011-B. He indicated that Mr. Donald P. Walsh, Deputy Executive Director of the Capitol Region Education Council (CREC), asked whether CREC may hire an employee of the Department of Education (DOE) as a consultant within one year of his leaving state service; and if so, whether he is prohibited from engaging in any particular activities on its behalf. Assistant

General Counsel O'Dowd stated that provided the DOE employee take no action that would place him within the prohibition of General Statutes § 1-84b (f), he may accept the post-state employment in question; however, this individual must abide by the guidelines detailed in Draft Declaratory Ruling 2011-B, which are intended as a broad, but not exclusive, outline of the types of issues that may arise under the Ethics Code. He indicated that the document also clarifies a lot of the revolving door questions that employees retiring from state service may have.

Discussion ensued regarding a question from an employee of the Department of Transportation which was answered in a prior opinion, and which involved the revolving door provisions.

On the motion of Vice-Chairperson Bornhorst, seconded by Mr. Riley, the Board voted eight (8) to zero (0) to approve Draft Declaratory Ruling 2011-B.

5. Enforcement Officer Jones presented the Draft Resolution and Order regarding SFI filers on Active Military Duty. He reported that it is very difficult for SFI filers who are on military duty out of state to file or even receive notification. The Legislature has given the Board the authority to grant a waiver or an extension of time for individuals to file their SFIs and enforce filing the form 60 days after being released from active duty.

Executive Director Carson indicated that this year was a particularly different year because there was a new Governor, and in part the designation of who will file is made by the Governor.

On the motion of Mr. Chiusano, seconded by Mr. Riley, the Board voted eight (8) to zero (0) to approve the Draft Resolution and Order regarding SFI Filers on Active Military Duty.

6. Chairman Dooley provided an opportunity for discussion of any new business. There was no new business.
7. General Counsel Housen presented the Legal Division Report. She introduced and welcomed the new Legal Division Intern, Manoj Vanavan, currently a first year law student at Quinnipiac University School of Law.

Discussion ensued regarding the Legal Division Report. Assistant General Counsel O'Dowd reported on his meeting with representatives from the new Department of Energy and Environmental Protection to discuss issues related to an employee's previous employment. He reported that in particular, Jessie Stratton, a former legislator and also a former lobbyist, wanted to make sure that her former lobbying activities would not conflict with her new job.

Discussion also ensued regarding a staff opinion that addressed the issue of whether an employee of the Governor's Office can use his PAC money to purchase tickets for the Jefferson Jackson Bailey (JJB) dinner for some of his employees. Assistant General Counsel O'Dowd reported that this action would fall under the gift limitation which is \$99.99 and that this action would have exceeded that amount.

Discussion ensued regarding RAOT 8984. Assistant General Counsel O'Dowd explained that generally if someone is lobbying federal officials, they do not have to register under our code; however, if they are contacting Connecticut state officials, that's state action and would fall under the lobbying threshold.

8. Executive Director Carson presented the Education Report. She reported that based on new legislation, every new legislator was required to attend OSE's ethics training and that was provided to them. Education Director Trimble is in the process of issuing certificates to agencies that achieved 100% timely SFI compliance and also to recognize the liaisons. She reported that a request was received from the Office of the Secretary of the State to assist them in setting up their online training program.
9. Executive Director Carson presented the Executive Director's Report. She reported that the legislature passed the budget which merges the OSE along with nine other agencies into the Office of Governmental Accountability (OGA). She stated that the implementer language has not been passed, but that it has been drafted and it currently appears that each of the agencies will be a separate entity within that agency and the Boards will still exist. She reported that the OSE will likely continue to look the same and have the same powers and authority as well as budgetary independence. She indicated that she has been told that there will be an administrator responsible for the business, human resources and IT functions, but details have not yet been figured out. She reported that this means possibly that the OSE will be reporting to the person that would be providing ministerial functions. Executive Director Carson reported that she put together a framework for the General Assembly to consider which would work and would keep the OSE in control of a lot of its functions. In this framework, the OGA would have a Board that would oversee elections and ethics, the other independent agencies would also continue to be a part and have independent authority to make decisions within that office. She indicated that Freedom of Information would stay completely out of this framework. She provided copies of the framework chart for the Board. She also indicated that there are other proposals from the other agencies being merged.

Executive Director Carson reported in regards to the proposed union concessions and indicated that it is her understanding that the unions will be voting on the concessions next week, and that there is still 4 hundred million dollars in cuts that will have to be made over the next two-year period.

Discussion ensued and it was suggested by Mr. Grant that phone calls to legislators be made in regards to the proposed merging of the OSE and of the other nine agencies.

10. Chairman Dooley provided an opportunity for public comments. There were no public comments.

11. Enforcement Officer Jones presented the Enforcement Division Report.

Discussion ensued and Assistant Enforcement Officer Wasielewski updated the Board in regards to Michael Sanders who has been ordered by the court to pay \$35 dollars per week for the late filing of his 2009 SFI. There is also a notice of hearing pending in regards to Mr. Sanders again filing his 2010 SFI four days late.

Enforcement Officer Jones presented the following audit reports:

- 1) Levin, Powers, Brennan and Shea, LLC
- 2) New England Financial Services Association

On the motion of Mr. Margulies, seconded by Mr. Gay, the Board voted eight (8) to zero (0) to approve the above-listed audit reports.

Assistant Enforcement Officer Crayton reported on the ETH-2D initiative. He indicated that eleven notices of hearings were sent and that all eleven late filers have filed. He reported that the OSE has received settlement checks from seven of the eleven and one settlement offer. He also reported that grace period letters were sent out to the organizations that failed to file on a timely basis and that all organizations filed within the grace period.

In regards to the Marshal SFI filings, Assistant Enforcement Officer Crayton reported that two notices of hearings were sent. He indicated that one of the two Marshals has filed his financial statement four days late and a subsequent settlement letter was sent to him and that the other Marshal has not yet filed. He reported that twenty grace period letters were sent out to the other Marshals that had not filed allowing a grace period that will end on May 23, 2011. He reported that to date only six Marshals have not filed.

Assistant Enforcement Officer Wasielewski updated the Board with respect to the Statements of Financial Interests (SFI). He reported that two notices of hearings were scheduled for failing to timely file the SFI, one to Mr. Michael Sanders and the other to Mr. Wayne Lawrence. He reported that about fifty filers have still not filed their SFIs and have been given a grace period that will end on May 23, 2011.

Discussion ensued regarding the Perelli probable cause hearing going forward on June 22, 2011.

Executive Director Carson reported on the SFI initiatives. She indicated that the OSE has a good system in place and is able to quickly notify the non-filers, thus the fines are trending downward. She indicated that the excellent work is due to the teamwork of Meredith Trimble, Education Director and Ann Morgan, IT Specialist.

12. On the motion of Vice-Chairperson Bornhorst, seconded by Mr. Chiusano, the Board moved into Executive Session to discuss matters pertaining to strategy and negotiations with respect to pending claims, pursuant to General Statutes § 1-210 (b) (4) at 1:56 p.m.

The following individuals attended the Executive Session:

- Thomas H. Dooley, Chairman
- Kathleen F. Bornhorst, Vice-Chairperson
- Mary Bigelow, Member
- Charles F. Chiusano, Member
- David Gay, Member
- Herbert A. Grant, Member
- Carol Carson, Executive Director
- Barbara Housen, General Counsel
- Thomas K. Jones, Enforcement Officer
- Marc Crayton, Assistant Enforcement Officer
- Mark Wasielewski, Assistant Enforcement Officer

Mr. Riley and Mr. Margulies did not attend the Executive Session and prior to the start of such session departed the meeting.

On the motion of Vice-Chairperson Bornhorst, seconded by Mr. Gay, the Board voted six (6) to zero (0) to move out of Executive Session at 2:10 p.m.

On the motion of Vice-Chairperson Bornhorst, seconded by Mr. Gay, the Board voted six (6) to zero (0) to adjourn the meeting.

Respectfully submitted by,

Yolanda Perez, Clerk
Citizen's Ethics Advisory Board

Date approved
(By the Citizen's Ethics Advisory Board of the Office of State Ethics)