
2013
Annual Report to the Governor

Contact Us



Agency Address: Connecticut Office of State Ethics
18-20 Trinity Street
Suite 205
Hartford, CT 06106

Telephone: 860-263-2400

Facsimile: 860-263-2402

Website: www.ct.gov/ethics

Business Hours: 8:00 am to 5:00 pm

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VISION

The Office of State Ethics will work to enable Connecticut state government to embrace an ethical culture.

MISSION

The Connecticut Office of State Ethics practices and promotes the highest ethical standards and accountability in state government by providing education and legal advice, ensuring disclosure, and impartially enforcing the Codes of Ethics.

OFFICE OF STATE ETHICS

Introduction

The Connecticut Office of State Ethics was created on July 1, 2005, pursuant to Public Act [05-183](#), and is an independent regulatory division of the Office of Governmental Accountability, charged with administering and enforcing the Connecticut Codes of Ethics, located in Chapter 10 of the Connecticut General Statutes.

The Connecticut Office of State Ethics accomplishes its mission to ensure honesty, integrity and accountability in state government through education of all those covered by the Ethics Codes; providing information to the public; interpretation and application of the Connecticut Codes of Ethics; and investigation of violations and enforcement of the Ethics Codes.

The statutory responsibilities of the Office State Ethics are divided into four main areas: education, legal interpretation, enforcement and records administration.

The Office of State Ethics consists of the:

- Citizen's Ethics Advisory Board
- Executive Director
- Legal Division
- Enforcement Division

The Office of State Ethics has the following jurisdiction:

- **Part I** The Code of Ethics for Public Officials
 General Statutes §§ [1-79](#) to [1-90a](#);
- **Part II** The Code of Ethics for Lobbyists
 General Statutes §§ [1-91](#) to [1-101a](#);
- **Part III** Miscellaneous Provisions
 General Statutes §§ [1-101aa](#) and [1-101bb](#); and
- **Part IV** Ethical Considerations Concerning Bidding
 and State Contracts
 General Statutes §§ [1-101mm](#) to [1-101rr](#).

Staff and Budget

The OSE consists of 15 employees. These employees work in three separate divisions, under the leadership of the Executive Director, Carol Carson, who is appointed by the Citizen's Ethics Advisory Board.

HIGHLIGHTS

The OSE operates at a cost of approximately \$0.35 per citizen of Connecticut.

The agency's managerial staff includes General Counsel Barbara Housen; Ethics Enforcement Officer TJ Jones; and Director of Education Nancy Nicolescu.

The OSE had an original Fiscal Year 2013 appropriation of \$1,293, 638, adjusted to \$1,248,579. A transfer of \$28,000 by the Finance Advisory Committee was necessary to address a projected deficit. Actual expenditures for Fiscal Year 2013 were \$1,265,648. This expenditure amount translates to a cost of approximately \$0.35 for each citizen¹ of Connecticut.

Strategic Plan

In order to best serve Connecticut, the OSE follows an ongoing strategic plan which focuses on four key initiatives to improve operations: efficiency, technology, communication and board operations. The strategic plan is the effort of OSE leaders, staff and members of the Citizen's Ethics Advisory Board. It highlights our key initiatives and goals to be achieved. A more detailed action plan adds objectives, timelines and working groups responsible for meeting the objectives.

This strategic plan incorporates our mission, vision and values in determining our priorities for 2013 to 2015, when OSE will celebrate its 10 year anniversary. Our values include:

- ❖ Integrity
- ❖ Accountability
- ❖ Independence
- ❖ Public service
- ❖ Fairness
- ❖ Values
- ❖ Non-partisan

The OSE is committed to providing the best possible customer service to all of our stakeholders.

¹ 2013 population estimate of 3,596,080 from the United States Census Bureau.

CITIZEN'S ETHICS ADVISORY BOARD

The governing body of the OSE is the Citizen's Ethics Advisory Board (CEAB), comprised of nine members appointed by the Governor and legislative leadership. The CEAB holds monthly meetings that are open to the public. A schedule of CEAB meeting dates, times and locations is available at www.ct.gov/ethics.

Board Members:

- Attend monthly Citizen's Ethics Advisory Board meetings
- Appoint and evaluate the Executive Director of the Office of State Ethics
- Serve as Hearing Officer for non-confidential UAPA hearings
- Attend hearings to determine whether violations occurred and assess penalties
- Attend special meetings if necessary
- Oversee legislative agenda

CITIZEN'S ETHICS ADVISORY BOARD MEMBERS

The members are appointed by the Governor and legislative leadership for staggered four-year terms. The current CEAB members are:

- ❖ **Charles F. Chiusano, Chairperson**, of Fairfield, appointed by Senate Minority Leader John McKinney, for a four-year term expiring on September 30, 2017.
- ❖ **Herbert A. Grant, Vice-Chairperson**, of Norwalk, appointed by House Republican Leader Lawrence Cafero, for a four-year term expiring on September 30, 2015.
- ❖ **Mary Bigelow** of Northford, appointed by Senate Majority Leader Martin Looney, for a four-year term expiring on September 30, 2017.
- ❖ **David Gay** of Windsor, appointed by Governor Jodi M. Rell for a four-year term expiring on September 30, 2014.
- ❖ **Susan Gruen** of Hamden, appointed by Majority Leader Brendan Sharkey for a four-year term expiring on September 30, 2015.
- ❖ **Tommie Lee Jackson** of Stamford, appointed by Governor Dannel P. Malloy for a four-year term expiring on September 30, 2016.
- ❖ **Roger Kemp** of Meriden, appointed by Speaker of the House Christopher Donovan, for a four-year term expiring on September 30, 2015.
- ❖ **Dennis Riley** of Norwich, appointed by Senate President Pro Tempore Donald E. Williams for a four-year term expiring on September 30, 2014.
- ❖ **Daniel Young** of Stamford, appointed by Governor Dannel P. Malloy for a four-year term expiring on September 30, 2016.

LEGAL ADVICE, LEGISLATION AND REGULATIONS

The Legal Division provides advice and opinions regarding the Codes of Ethics to the regulated community, which includes approximately 50,000 public officials and state employees, nearly 2,000 lobbyists, and all state contractors. The Division consists of a General Counsel, who also serves as counsel to the CEAB, three Staff Attorneys and a Paralegal.

OPINIONS

In 2013, the OSE received 1,148 requests for advice about the application of the Codes of Ethics. The CEAB issued 4 Advisory Opinions. The Legal Division staff issued 410 written staff opinions in 2013; 13 % more than the previous year, in addition to handling 738 other requests for advice over the telephone or in face-to-face meetings. Just one request for advice remained open as of December 31, 2013.

LITIGATION

On February 13, 2013, the Connecticut Appellate Court (in *Priscilla Dickman v. OSE*, 140 Conn. App. 754, 60 A.3d 297 (2013)) upheld the CEAB's first enforcement decision to be challenged in Court (docket # 2007-24) concluding that Dickman, a former UCONN Health center employee, violated the ethics code by running two private businesses – a jewelry business and a travel service business – on state time and using state resources, including her state computer and telephone. In May 2013, the Connecticut Supreme Court denied Dickman's petition to review the Appellate Court's decision and left standing a ruling in favor of the OSE and the CEAB.

HIGHLIGHTS

In May, 2013 the Connecticut Supreme Court denied a petition to review an Appellate Court's decision and left standing a ruling in favor of the OSE and the CEAB.

LEGISLATION

When the Connecticut General Assembly gaveled in for the 2013 regular legislative session, the existence of Connecticut's so-called watchdog agencies was tenuous. Further consolidation of the legal and enforcement functions for the Office of State Ethics, State Elections Enforcement Commission, Freedom of Information Commission, Judicial Review Council and the Board of Firearms Permit Examiners was being discussed.

Under the proposed further consolidation the three pillars of oversight in state government – independence, enforcement authority and adequate resources – would have been eliminated in one fell swoop, and for miniscule savings. The independence and strength of the watchdog agencies and the public's confidence in the integrity of our democracy and its elected officials would have been eviscerated. Fortunately, the legislature rejected further consolidation of Connecticut's watchdog agencies and maintained their commitment to integrity in our government.

The Connecticut General Assembly enacted *Senate Bill 900, An Act Concerning Revisions to the State Codes of Ethics*. **Public Act 13-244** makes several changes and strengthens the Connecticut Codes of Ethics for Public Officials and Lobbyists. Among other changes, the act makes state contractors and potential state contractors liable to the state for damages if they: solicit undisclosed information for their competitive advantage; intentionally or recklessly charge the state or a quasi-public agency for unperformed work or undelivered goods; intentionally try to circumvent competitive bidding or ethics laws; intentionally provide, or get others to provide, goods or services in order to unduly influence the award of a state contract; or when serving as a consultant on a contract, act as a consultant for anyone bidding on that contract. Under the act, damages equal the amount of the financial advantage. Additionally, the act subjects state consultants and independent contractors to the same penalty. The act also amends the exemption for gifts to state or quasi-public agencies to include goods or services that support the participation by a public official or state employee at an event that facilitates state or quasi-public agency actions or functions.

FINANCIAL DISCLOSURE FILING

The OSE continued in 2013 to make improvements to the public official and lobbyist online filing systems. These improvements brought the filing systems up to current technological standards and provided users with simple, intuitive processes. The enhancements to the systems also improved the quantity and variety of information accessible to the public in real time from the filed data.

STATEMENTS OF FINANCIAL INTERESTS

The Code of Ethics for Public Officials (§ 1-83 (a) (1)), provides that elected officers, members of the General Assembly and certain other state officials and employees file yearly Statements of Financial Interests (SFIs) with the OSE. The Governor's Office also issues an annual standard that designates appointed officials and additional state employees in the Executive Branch who must file these financial disclosure statements. The SFIs include information such as names of all associated businesses, sources of income over \$1,000 and a list of all real property, as well as any creditors. (These examples are not exhaustive; refer to Conn. Gen. Stat. § 1-83 (b) for a complete list.)

HIGHLIGHTS

In 2013, 93% of the 2,553 financial disclosure statements received were filed online, 4% more than in 2012.

The SFIs serve two purposes. First, they provide a checklist or reminder to state officials and employees to be mindful of potential conflicts of interest. Second, the SFIs, which are available to the public, serve as a tool to maximize public confidence in governmental decision making. Additionally, State Marshals must file annual statements of income with the OSE.

In 2013, the OSE received 2,553 SFIs from public officials and state employees. The OSE saw 98% compliance from the 2,535 required filers. 93% of 2013 SFIs were filed electronically, four percent more than in 2012. The OSE also handled a total of 244 annual income reports filed by State Marshals. All State Marshal filings and ten percent of the SFIs were audited, as described in the Enforcement section of this report.

LOBBYIST FILINGS AND DISCLOSURE

During the 2013 lobbyist registration period, the OSE processed, via its electronic filing system, thousands of financial reports filed by business organizations (firms that employ communicator lobbyists), client lobbyists, and in-house communicator lobbyists. Over 3,300 lobbyist registrations in Calendar Year 2013 generated \$838,500 in fees, collected by the OSE and deposited into the state's General Fund.

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ENFORCEMENT AND AUDITS

The Enforcement Division investigates and prosecutes violations of the Codes of Ethics. The Division consists of the Ethics Enforcement Officer, a Deputy Ethics Enforcement Officer, one Assistant Ethics Enforcement Officer, one Legal Investigator, and a Paralegal II.

ENFORCEMENT STATISTICS

The Enforcement Division conducted a total of 232 reviews of potential violations of the Codes of Ethics during 2013, 43 % more than the previous year.

The Division resolved 84 matters in 2013 by consent order or other informal resolution, resulting in the collection of a total of \$13,588.50 in penalties. The penalties include monies paid in 71 cases by lobbyists who failed to register in a timely manner or who were delinquent in filing required financial reports. Also included are two settlements of alleged Ethics Code violations such as conflicts of interest and impermissible use of office for financial gain, and eleven settlements with public officials for failure to timely file SFIs. Summaries of enforcement actions, as well as the accompanying settlement documents are available on the [OSE web site](#).

HIGHLIGHTS

The Enforcement Division conducted 43% more reviews of potential violations in 2013 than in the previous year.

In 2013, the Division opened and closed 171 matters under the Uniform Administrative Procedure Act (UAPA) regarding failure to timely file financial reports or other required filings. Of these, all 171 were resolved informally prior to hearing. The total amount received from these informal settlements was \$10,588.50.

In 2013, the Division opened 38 confidential evaluations and filed or received 27 complaints regarding alleged violations of the Ethics Codes committed by public officials, state employees, lobbyists or contractors. Of the complaints, 24 came from external sources, and the Division filed the remaining three on its own initiative, following investigation. The Division initiated one confidential probable cause hearing, which has not concluded as of the date of this report. The Division resolved two previously filed cases by Consent Order, imposing \$3,000 in penalties.

In addition to the above, the Enforcement Division received approximately 47 “tips” regarding alleged violations of the Codes that, after review, proved to be outside of the jurisdiction of the OSE.

LOBBYIST AUDIT PROGRAM

The CEAB approved 10 audits of registered client and communicator lobbyists in 2013. Four, or 40%, of the approved audits contained adverse findings, up from 30% in 2012. No corrective action was imposed in any of the audits.

SFI AUDIT AND ENFORCEMENT

In 2013, the OSE audited 10% of SFIs. The audit process is designed with education in mind and is not punitive. Of the 238 disclosure reports examined by the OSE, 88% were timely and correctly filed, up from 74% of those audited in 2011. The 2013

HIGHLIGHTS

The 2013 audit of SFIs showed that common errors, particularly those of major concern, decreased across all audit areas, and errors of lesser concern were all but eradicated.

audit showed that common errors, particularly those of major concern, such as failure to properly disclose income or securities, decreased across all audit areas. Several errors of lesser concern found in the previous year were all but eradicated. This suggests that filers have an increased understanding of the SFI process and form (most likely due to more clarity on the form and increased education and outreach efforts) and are taking their

mandate seriously.

In addition, the OSE audited all 225 State Marshal annual statements of income. Sixty eight percent of the required forms were submitted on time and without errors, compared with 76% in the previous year. The Enforcement Division initiated enforcement actions following the failure to timely file the reports in which multiple marshals received notices of hearings and incurred penalties.

EDUCATION AND OUTREACH

Education and outreach activities are performed by the Director of Education, who oversees an Information Technology Analyst II and, is supported part-time by an Office Assistant.

TRAINING

In 2013, as part of the strategic plan, the Citizen's Ethics Advisory Board focused on enhancing educational and training efforts through the development of our latest publication, a Guide for Ethics Liaisons and Compliance Officers, which was distributed to all state agencies in September.

HIGHLIGHTS

In-Person Training Sessions	35
In-Person Attendees	1038
Completed Evaluations	460
Online Training	1665

The Citizen's Ethics Advisory Board believes that one of the most important components of the Ethics Liaison Guide is the voluntary self-audit, which was developed to assist agencies in integrating best practice management strategies in relation to the Code of Ethics.

The audit areas of review are: Education, Agency Ethics Policies, Liaison Communication, Ethics Advice, Conflicts of Interest, Statements of Financial Interests and Reporting.

The new Guide and self-audit provide the right stepping stones toward creating a model of what an ethical agency looks like. The Guide promotes ethics-related leadership in the workplace and has been beneficial to agency ethics liaisons.

The OSE conducts in-person trainings and typically reaches over one thousand people annually. Many of the trainings are tailored to address agency-specific needs. In-person trainings include sessions for legislators, agency commissioners and the staff of the offices of the Governor and Lt. Governor as well as state agency personnel.

In-person training is also available for the lobbyist community and contractors. The OSE held 35 education sessions in 2013.

The OSE continues to provide a training DVD, which is available via web-streaming video and an interactive, online training program, which received over 5,000 web visits and resulted in almost 1,700 completed trainings.

This year the OSE worked closely with Governor Malloy's office to publish a revised Statement of Financial Interests Standard and Guidelines for agency heads, which has been well-received by ethics liaisons.

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The OSE continued to enhance its relationship with agency liaisons through the distribution of our monthly electronic newsletter that, in 2013, was distributed to a list of 165 individuals, including the 90 named agency liaisons.

MEDIA

The OSE continued its proactive media approach in 2013 with the goal of providing Connecticut citizens with information to enhance their confidence in state government. Specifically, the agency:

- Maintained its media list of nearly 150 contacts;
- Disseminated 5 press releases.

PARTNERSHIPS

The OSE collaborated in 2013 with outside partners to further the confidence of Connecticut citizens in state government. The OSE broadened its reach through no-cost activities, creating an increased awareness of agency services through the following partners and activities:

- The School for Ethical Education, Laws of Life Essay Program.
Competition judge.
- CT Better Business Bureau, Torch Awards for Marketplace Ethics.
Competition judge.