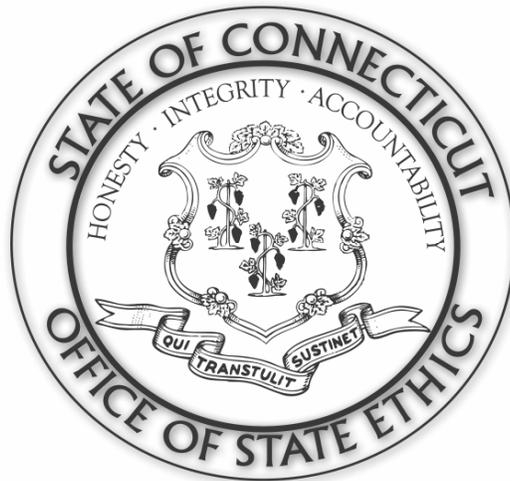


Connecticut Office of State Ethics Report to the Governor



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Executive Director**

2006 OVERVIEW – THE FIRST YEAR OF OPERATION

What follows are the main accomplishments of the Office of State Ethics for 2006:

- The OSE began the year with just one full-time, permanent staff member, the Executive Director. After a lengthy screening, interviewing and hiring process, by the end of year, the OSE had 17 full-time staff.
- The OSE issued eight board opinions and over 400 staff opinions on matters related to the Codes of Ethics.
- The OSE drafted suggested changes in the law for consideration by the General Assembly.
- The OSE spoke at numerous public and private events.
- The OSE trained more than 1,475 individuals in person on the Codes and distributed many new educational materials and training supplements.
- The OSE, after extensive work, had the Lobbyist Registration Program back online. Over 95 % of all registrants used the online filing system.
- The OSE began its lobbyist auditing program with 20 registrants randomly selected for audits.
- The OSE has prepared extensive revisions and updates to the agency's regulations.

STATUTORY REFERENCE

The Connecticut Office of State Ethics (OSE) was officially created on July 1, 2005, by Public Act 05-183. The agency has jurisdiction over Connecticut General Statutes Chapter 10, Part I and Part II.

GOVERNING BODY AND MEETINGS

The governing body of the OSE is the Citizen's Ethics Advisory Board (CEAB). There are nine members appointed by the Governor and legislative leadership. The names of the members of the Board are posted on the OSE's Web site listed below. In 2006, the Board issued eight advisory opinions, summarized later in this report. The CEAB holds monthly meetings that are open to the public and that are often covered by CT-N. A schedule of CEAB meeting dates, times and locations is available on the OSE's Web site, www.ct.gov/ethics.

PROGRAM OVERVIEW

The OSE administers and enforces the state's laws that help ensure government decisions are made in the public interest, untainted by consideration of private gain or the influence of special interests. The Citizen's Ethics Advisory Board and the staff of the Office of State Ethics are committed to fulfilling their responsibilities under the law. The OSE strives to educate the regulated community (public officials, state employees and lobbyists) about the Codes of Ethics, interpret and apply the Codes, investigate and issue complaints for potential violations, and provide public information.

The OSE educates all those covered by the law (the "regulated community"), provides information to the public, interprets and applies the codes of ethics, and investigates potential violations of the codes.

PROGRAM DESCRIPTION

The OSE has four main functions: education, interpretation, enforcement, and records retention. The OSE is charged with providing education on the Codes of Ethics to state employees, public officials, lobbyists and legislators. The provisions of the Codes include gifts, outside employment, post-state employment, conflicts of interest, registration, and financial disclosure. The OSE employs an education officer who conducts in-person trainings to state agency personnel and provides supplementary training materials and interactive modules for use by all state agencies.

The Citizen's Ethics Advisory Board Nine members appointed by the Governor and both parties in the legislative leadership are responsible for hearing issues regarding the Codes of Ethics as well as issuing advisory opinions and interpretations of the Codes as they apply to specific situations. The Board meets once each month at a minimum. It holds special meetings as deemed necessary. This Board has issued eight advisory opinions in 2006, the summaries of which are below.

The second function of the Board is as adjudicator in enforcement matters brought before it by the Enforcement Division. Following a probable cause hearing, the Board is charged with sitting as jury for the trial of the alleged violator and acts as final authority to accept or reject any stipulated settlement.

The Legal Division The Legal Division drafts advisory opinions for consideration by the Citizen's Ethics Advisory Board and issues staff opinions for persons subject to the Code and to the general public regarding the law's application to unique circumstances. In addition to issuing hundreds of written opinions, the Legal Division provides daily advice to public officials, state employees, and lobbyists via telephone and e-mail responses. Staff opinions can be obtained by contacting the OSE's Legal Division.

The Enforcement Division The Enforcement Division investigates and issues complaints regarding potential violations of the Codes and ensures that the Governor's financial filing directive is being accurately followed. All investigatory matters are the responsibility of the Ethics Enforcement Officer. The Division prosecutes and litigates ethics complaints through probable cause hearing and trial, if necessary. In addition, the Enforcement Division performs audits of lobbyist filings, as required by statute, and performs analyses of lobbyist and public official filings incident to its enforcement function.

The OSE is also statutorily obligated to receive, process, and maintain records of all lobbyist filings along with public official and state employee Statements of Financial Interests (SFIs). The OSE processes numerous requests for lobbyist or public official SFI information from members of the public and the media.

EDUCATION

The OSE recognizes that a strong education effort is of utmost importance in achieving compliance. The OSE engaged in strong education efforts in 2006, including speaking engagements, written materials (plain-language guides and handouts on more complex topics), electronic and other media and print media/press.

In 2006, OSE staff trained approximately 1,475 individuals in person. OSE staff collected participant questions in advance of each presentation and tailored the speaking parts to include those specific agency questions as examples used to illustrate the Code's provisions. The OSE also conducted a conference for all state agency ethics liaisons and compliance officers and has instituted an evaluation system to gather quantitative information about the presentations.

The OSE communicates to each agency's ethics liaison or compliance officer (as well as key legislative personnel and other interested parties) monthly via an electronic newsletter. This vehicle serves to encourage a sense of dialogue and communication between the OSE and state agencies, and includes advisory opinion summaries as well as answers to frequently asked questions.

The OSE also offers a comprehensive Web site, www.ct.gov/ethics, training via Web-streaming video, and training via DVD.

2006 ADVISORY OPINIONS

2006-1, Application of the Code of Ethics' Ban on Outside Employment

The Citizen's Ethics Advisory Board concluded that, in accordance with General Statutes § 1-84 (b)'s ban on outside employment that impairs independence of judgment, members of the Stem Cell Research Advisory Committee should not also be employed by, or paid board members of, institutions that submit applications for grant funds.

Note that following the release of this opinion, the Connecticut General Assembly passed legislation that waived the § 1-84 (b) ban on outside employment for the Stem Cell Research Advisory Committee.

2006-2, Whether the University of Connecticut Constitutes a "Former Agency" of the Governor

The Citizen's Ethics Advisory Board concluded, for purposes of General Statutes § 1-84b (b), (a revolving-door provision), that the University of Connecticut would constitute a "former agency" of a Governor of the state of Connecticut by virtue of his or her role as *ex-officio* president of the Board of Trustees.

2006-3, Interpretation of General Statutes § 1-84 (q)

The Citizen's Ethics Advisory Board concluded that, as a result of General Statutes § 1-84 (q), goods or services provided to the state under General Statutes § 1-79 (e) (5), the "gifts-to-the-state" exception, may no longer be accepted from regulated donors. Goods or services meeting the requirements of the exception from non-regulated donors may still be accepted. Necessary expenses for active participation in an event may be accepted from regulated as well as non-regulated donors.

2006-4, Whether a Professional Organization Constitutes a Regulated Donor

The Citizen's Ethics Advisory Board concluded that, as a result of General Statutes § 1-84 (m), if a professional organization's membership is a collection of persons doing business with or seeking to do business with the Department of Public of Public Works (DPW), and the organization's funding stems mainly from those persons, the organization is considered to be doing business with or seeking to do business with DPW. In other words, the organization is considered a regulated donor and, as such, may not give "gifts" as defined in § 1-79 (e) to DPW employees and officials.

2006-5, State Employees Prohibited from Accepting Fees and Honoraria for Official-Capacity Activities, Even When Sanctioned by Union Contract

General Statutes § 1-84 (k) prohibits state employees and public officials from accepting fees and honoraria for activities conducted in one's official capacity. In this opinion, the Citizen's Ethics Advisory Board interprets the phrase, "official capacity," to mean that the public official's or state employee's official position or authority was a significant factor in a decision to extend an invitation for an article, appearance, speech or event participation by such employee or official. The Board also concluded that a union contract that sanctions acceptance of honoraria for activities conducted in one's official capacity does

not supersede the Code of Ethics, as there is no exception to § 1-84 (k).

2006-6, Interpretation of General Statutes § 1-84 (p)

This opinion interprets General Statutes § 1-84 (p), a recently-enacted provision in the Code of Ethics for Public Officials. This three-part provision limits gift-giving between certain individuals in state service. Specifically, the provision imposes a monetary limit of \$99.99 between a public official or state employee and his or her supervisor. The Board concluded that this limit is a per-gift—not a per-year—amount. The Board also concluded that individuals subject to the limit in § 1-84 (p) may still make use of the major-life-event exception. In other words, supervisors and subordinates are not limited to \$99.99 when giving gifts to each other for major life events. Finally, the Board concluded that the provision applies not only to direct supervisors and subordinates, but to any individual up or down the chain of command.

2006-7, Vendor Discounts for DOT Employees Who Work at Bradley International Airport

Under the Code of Ethics, DOT employees who work at the Bradley International Airport may accept certain state-subsidized discounts on food and non-alcoholic beverages from airport vendors. Per the specific terms of the contracts in place, DOT bears the entire cost of the discounts made available to its employees. Therefore, consideration of equal value is given and the discount does not meet the definition of a "gift" under General Statutes § 1-79 (e).

2006-8, Interpretation of General Statutes §§ 1-82a (e) and 1-93a (e)

For purposes of violations of the Code of Ethics for Lobbyists, the Enforcement Division of the OSE must seek Board approval to settle a complaint both prior and subsequent to a finding of probable cause. For purposes of violations of the Code of Ethics for Public Officials, the Enforcement Division must seek Board approval to settle a complaint only after a finding of probable cause.