

**ETHICS MATTERS...HONESTY, INTEGRITY, ACCOUNTABILITY**

**CONNECTICUT OFFICE OF STATE ETHICS**



**ANNUAL REPORT TO THE  
GOVERNOR  
CALENDAR YEAR 2008**

**ETHICS COMPLIANCE, LOBBYIST FILING,  
FINANCIAL INTERESTS FILING**

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## Mission

The Office of State Ethics (OSE) is an independent watchdog agency for the State of Connecticut. The OSE administers Connecticut General Statutes, Chapter 10, Part I for Public Officials and Part II for Lobbyists, with limited jurisdiction over Part IV, Ethical Considerations Concerning Bidding and State Contracts. The mission of the OSE is to ensure honesty, integrity and accountability in state government through education, interpretation and enforcement of the State of Connecticut Codes of Ethics.

### **HIGHLIGHTS**

**The mission of the OSE is to ensure honesty, integrity and accountability in state government through education, interpretation and enforcement of the Codes of Ethics.**

Most public officials, lobbyists and other individuals who fall under the OSE's jurisdiction get up every day, go to work, and try to do the best job they can. For those individuals, the OSE is available to help by providing guidance, advice and education. For those who do not comply with the law, the role of the agency is to fairly and vigorously enforce the law.

## Functions and Authority

The statutory authority for the OSE comes from Public Act 05-183, which established the agency as a successor to the former State Ethics Commission. The statutory responsibilities of the OSE are broken down into four main categories: education, interpretation, enforcement and records administration.

The OSE promotes integrity in government by providing advice, guidance and education to public officials, state employees and lobbyists; by sensibly interpreting and, when necessary, fairly and impartially enforcing applicable laws; by administering the lobbyist and financial disclosure filing systems; and by providing the public with access to non-exempt information.

## Citizen's Ethics Advisory Board Members

The Citizen's Ethics Advisory Board (CEAB) is a nine-member board. The members are appointed by the Governor and the Legislative leaders for staggered four-year terms. The current CEAB members are:

- **Robert N. Worgaftik, Chairperson**, of Avon, appointed by Governor M. Jodi Rell for a four-year term expiring on September 30, 2009.
- **Sister Sally J. Tolles, Vice Chairperson**, of Windham, appointed by Senate Minority Leader Louis C. DeLuca for a four-year term expiring on September 30, 2009.
- **Ernest N. Abate** of Stamford, appointed by former Speaker of the House of Representatives James A. Amann for a four-year term expiring on September 30, 2011.
- **G. Kenneth Bernhard** of Westport, appointed by House Minority Leader Lawrence Cafero for a four-year term expiring on September 30, 2011.
- **Kathleen F. Bornhorst** of Hartford, appointed by Governor M. Jodi Rell for a four-year term expiring on September 30, 2012.
- **Thomas H. Dooley** of Vernon, appointed by Governor M. Jodi Rell for a four-year term expiring on September 30, 2012.
- **Rebecca M. Doty** of Rockfall, appointed by Speaker of the House Christopher G. Donovan for a four-year term expiring on September 30, 2011.
- **Dennis Riley** of Norwich, appointed by Senate President Pro Tempore Donald E. Williams for a four-year term expiring on September 30, 2009.
- **Vacancy** to serve out a term expiring on September 30, 2009 to be appointed by Senate Majority Leader Martin Looney.

Board members who served in 2008 include:

- **Jaelyn Bernstein** of Farmington, appointed by Governor M. Jodi Rell, for a three-year term that expired on September 30, 2008.
- **Enid Oresman** of Darien, resigned July 24, 2008, appointed by Senate Majority Leader Martin Looney for a four-year term expiring on September 30, 2009.
- **Michael Rion** of West Hartford, appointed by Governor M. Jodi Rell, for a three-year term that expired on September 30, 2008.

### HIGHLIGHTS

The CEAB holds regular meetings once each month, which are open to the public. Meeting times, dates and agenda documents are available on the OSE's Web site, [www.ct.gov/ethics](http://www.ct.gov/ethics).

## Staff and Budget

The OSE staff is comprised of 18 employees in three separate divisions, under the leadership of the Executive Director, Carol Carson, who is appointed by the Citizen's Ethics Advisory Board. Since Spring 2008, the OSE has operated with 86 percent of its staff as a result of the budget crisis and hiring freeze in the state.

The agency's managerial staff includes General Counsel Barbara Housen; Ethics Enforcement Officer TJ Jones; Director of Education Meredith Trimble; and Fiscal Administrative Officer Kathleen Howe.

### **HIGHLIGHTS**

**The OSE operates at a cost of approximately \$0.51 per citizen of Connecticut.**

The OSE had a total General Fund Budget of \$1,782,480 for Fiscal Year 2008. This translates to a cost of approximately \$0.51 for each citizen<sup>1</sup> of Connecticut. The General Fund Budget for Fiscal Year 2008 included Personal Services of \$1,493,420 and Other Expenditures and Operations of \$289,060. In addition, the OSE had a one-time appropriation of \$500,000 that was designated to fund Information Technology (IT) initiatives, primarily updating the lobbyist and financial disclosure filing systems. A carry forward of \$384,000 from the Fiscal Year 2007 IT account provided the OSE with sufficient funds to complete these IT initiatives.

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<sup>1</sup> 2006 population of 3,504,809 from the United States Census Bureau.

## Legal Advice, Legislation and Regulations

### Opinions

The Legal Division provides advice and opinions regarding the Codes of Ethics. The Division consists of a General Counsel, who also serves as counsel to the Citizen's Ethics Advisory Board (CEAB), three Staff Attorneys and a Paralegal I.

In 2008, the OSE received 1,073 requests for advice about the application of the Codes of Ethics. The CEAB issued nine Advisory Opinions, none of which was appealed. The Legal Division staff issued 467 written staff opinions in 2008, in addition to handling 581 other requests for advice over the telephone or in face-to-face meetings. Just 16 requests for advice remained open as of December 31, 2008.

### **HIGHLIGHTS**

**The Legal Division received 1,073 requests for advice about the application of the Codes of Ethics in 2008.**

### Legislation

The Legal Division worked with the Executive Director on legislative recommendations, which impacted Public Act No. 08-03, passed during the Special Session held on June 11, 2008. This legislation, in effect since October 1, 2008, addresses a wide range of reforms in the area of ethics, government transparency and accountability. The law contains several important revisions to the Codes of Ethics. Among other things, this legislation limits gift exceptions applicable to major life events, prohibits state contractors from hiring certain former public officials and state employees, restricts the OSE's authority to issue subpoenas, prohibits *ex parte* communications during OSE hearings on ethics complaints, and requires the OSE to provide regular mandatory training to legislators on the Code of Ethics for Public Officials. In addition, the new legislation includes the revocation and/or reduction of retirement benefits upon conviction of certain crimes related to state employment and makes the failure to report a bribe a Class A misdemeanor under criminal statutes.

## **Legal Advice, Legislation and Regulations**

### Regulations

On January 2, 2008, the agency's first set of comprehensive regulations went into effect. These significantly updated the regulations of the predecessor agency to address the overhaul of the statutes that occurred in 2005. Among other changes, the regulations establish a procedural system for conducting enforcement proceedings under the new hearing structure that involves a judge trial referee.

During the second half of 2008, the OSE commenced an additional round of regulations updates to address 2008 statutory changes, modify existing provisions in response to comments received from the regulated community and further clarify the rules of practice. The proposed revisions generally: (1) detail new statutory procedures relative to the investigation and prosecution of complaints filed under the Codes of Ethics; (2) clarify and modify lobbyist reporting requirements; (3) enhance disclosure requirements for Statements of Financial Interests; (4) make minor and technical corrections to the regulations; (5) update and expand the terminology contained in the regulations; and (6) otherwise conform and update the regulations in accordance with the legislative language and intent.

### **HIGHLIGHTS**

**In January 2008, the agency's first set of comprehensive regulations went into effect. Later in 2008, the OSE commenced an additional round of regulations updates in response to changes in the law.**

## Financial Disclosure Filing

The Code of Ethics for Public Officials at § 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, 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.)

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.

### **HIGHLIGHTS**

**In 2008, the OSE received 2,796 public official Statements of Financial Interests, and achieved 100% filing compliance.**

In 2008, the OSE received 2,796 public official SFIs, (a total of 218 annual income reports by State Marshals were also received) and saw 100% compliance with this mandated filing. Fifty-nine percent of SFI filers did so electronically, and forty-one percent filed on paper.

During the lobbyist registration period of 2007-2008, 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. The same two-year registration period generated \$551,608 in lobbyist registration fees, collected by the OSE and deposited into the state's General Fund.

In an effort to bring the agency up to current technological standards and provide simple, intuitive systems for filers while also improving the ease of public access to data collected, the OSE worked with IT consultants to improve the lobbyist and public official online filing systems. Testing and implementation of the revisions and enhancements – made first to the lobbyist system – began in December 2008, with an anticipated completion date of spring 2009. The OSE's goal, with the enhanced online filing system for SFIs, is to increase the percentage of those filing electronically each year.

## **Enforcement Summary**

The Enforcement Division investigates and prosecutes violations of the Codes of Ethics. The Division is comprised of the Ethics Enforcement Officer, two Assistant Ethics Enforcement Officers, two Legal Investigators, an Associate Accounts Examiner and a Paralegal II.

The Enforcement Division conducted a total of 222 reviews of potential violations of the Codes of Ethics during 2008.

Of those, the Division resolved 54 matters in 2008 that resulted in the collection of a total of \$121,391.77—\$113, 195 in penalties and \$8,196.77 in disgorgements of financial gain. The penalties include monies paid in 46 cases by lobbyists who failed to register as such or who were delinquent in filing required financial reports. Also included are five settlements of alleged Ethics Code violations such as conflicts of interest and impermissible use of office for financial gain, two settlements with public officials for failure to timely file SFIs, and one penalty as a result of an audit. Summaries of enforcement actions, as well as the accompanying settlement documents are available on the OSE's Web site: [www.ct.gov/ethics](http://www.ct.gov/ethics).

In 2008, 90 Uniform Administrative Procedure Act (UAPA) matters related to disclosures were opened, with five proceeding to a hearing. Of the 90, 89 were resolved or adjudicated in 2008. (The final one was resolved in January 2009.)

### **HIGHLIGHTS**

**The Enforcement Division resolved 54 matters in 2008 that resulted in \$121,391.77 received in penalties and disgorgements of financial gain.**

In 2008, the Division handled 62 complaints regarding alleged violations of the Ethics Code committed by public officials or state employees. Forty-four of these complaints were pending at the start of the year, 10 internal evaluations became complaints, and the Division received eight complaints from external sources. Of these 62 complaints, 23 were dismissed and six were settled by consent order. The remainder, 33, were pending at the start of 2009.

Additionally, the Enforcement Division received approximately 80 tips regarding alleged violations of the Codes. Of these 43 proved to be outside the jurisdiction of the agency. Investigative "evaluations" were pursued for the remaining tips. Out of these investigations, 10 complaints were filed. Thirteen were closed confidentially. Fourteen evaluations remained open at the end of the year.

The OSE completed, and the CEAB approved, 41 audits of registered client and communicator lobbyists in 2008. Twenty-nine of those audits contained findings, and corrective action was applied in four.

## Education and Outreach

The education component of the OSE is often the most visible aspect of the agency's work to state employees and the public. The crux of the education program, in-person training, continues to be widely requested by those who are regulated (state agency personnel, state boards and commissions, lobbyists) as well as those who are not (towns and municipalities). In 2008, the OSE nearly tripled the number of individuals reached

### **HIGHLIGHTS**

**In 2008, the OSE tripled its in-person training numbers from 2007, holding 49 sessions with a total of 2,956 participants.**

from years past. Specifically, the OSE held 49 sessions and reached 2,956 individuals in person. Included in this number are 300 eighth graders who participated in the debut of the OSE's new civics program for middle school students, "Ethics Matters."

Also included in the above number are nearly 150 state employees and officials who attended the 2008 "Ethics Day" conference, kicked off by Governor M. Jodi Rell. The conference featured Paula Franzese, a nationally-known keynote speaker, as well as four technical break-out sessions for executive branch and quasi-public agency employees. The larger "Ethics Day," declared as such by the Governor, included a morning ethics hour on the radio, the aforementioned "Ethics Matters" civics programming at King Philip Middle School in West Hartford, and editorial newspaper coverage. The OSE has offered the curriculum to schools statewide through the Connecticut Council on the Social Studies and the Connecticut Consortium for Law and Citizenship Education.

To supplement the in-person trainings, the OSE offered a number of materials, available in print and online, including seven plain-language guides to the ethics codes, four handouts on specific areas of the law, two PowerPoint presentations for public officials and lobbyists, and an interactive, online training program. In 2008, the OSE created a new training DVD, which it distributed to 42 state agencies as well as the Legislature. The DVD content was also made available via a Web-streaming video, accessed by 894 individuals in 2008. These materials were used by agency ethics liaisons and compliance officers in providing training for their agency personnel according to their statutory responsibilities.

The OSE continued to enhance its relationship with state agency Ethics Liaisons and Ethics Compliance Officers. The most visible component of this outreach is the monthly electronic newsletter that, in 2008, was distributed 11 times to a list of 136 individuals, including the 88 named agency liaisons.

## Education and Outreach

The Web site, [www.ct.gov/ethics](http://www.ct.gov/ethics), continues to serve as an effective outreach tool, with 153,851 visits in 2008 (an average of 420 visits per day). OSE staff made a number of enhancements to the site in 2008, including: a redesign of navigation options and topics; overall editing for consistency of language and style; introduction of new sections including Public Information, Programs and Services, FAQ and OSE Press Room; new arrangement of advisory opinions by topic as well as by date; new enforcement action summaries with links to full settlement documents; and the establishment of an e-alerts system.

### **HIGHLIGHTS**

**The OSE Web site had 153,851 visits in 2008, an average of 420 visitors per day.**  
**[www.ct.gov/ethics](http://www.ct.gov/ethics)**

There is perhaps no greater example of the OSE's shift from reactive to proactive than in its relations with the media. Starting with the new "OSE Press Room" section on the Web site, the OSE began efforts to become a trusted resource for members of the media, and thus to provide Connecticut citizens, through the media, information that will promote confidence in state government. In 2008, the agency created a new media list containing 143 contacts, and disseminated 15 press releases to that list. As a result, the OSE garnered approximately 60 news stories, placed an editorial, participated in seven radio interviews (two of which were headline coverage on "Face Connecticut" and "Where We Live") and received television coverage a number of times, including the Executive Director's appearance on NBC 30's "Connecticut Newsmakers."