

My name is Tom Swan and I am the Executive Director of the Connecticut Citizen Action Group (CCAG). CCAG has fought for a more ethical and accountable government for over 45 years and these comments are submitted on behalf of our thousands of member families.

We find it unfathomable that there is any question that Commissioner Wade is in violation of the letter and the spirit of Connecticut's law. Any public servant with a nickel of integrity would have recused themselves long ago.

Furthermore, we are extremely disappointed with the failure of Governor Malloy to demand his Insurance Commissioner abide by the highest level of ethical standards. He has [consistently argued](#) that his inaction was justified by this Commission, which he has appointed a near majority of current members. We recognize that the Commission relies on [truthful self-reporting](#) in shaping your opinions and it is clear that Commissioner Wade [has not been truthful](#).

Even John Rowland's Insurance Commissioner, [who was less conflicted than Commissioner Wade](#), recused himself to avoid the appearance of a conflict. Not only does Commissioner Wade have a much more direct and current conflict, she has refused to answer inquiries from the press, [suppressed information from the public](#), and continues to serve as the lead regulator in the national multi-state review process.

The argument that she is not conflicted because CIGNA is walling off her husband is laughable at best – even with the way our statute has been interpreted. Commissioner Wade's husband has a history of being compensated with stock options – thus regardless of his title, his compensation is very likely to be impacted by her actions.

It is also clear that Commissioner Wade [lied to the Ethics Commission](#) when she claimed that she had no business related to CIGNA before her when she and her husband were looking to take advantage of his stock options in April. This clearly was an effort to get around the Ethics Commission's Advisory Opinion [96-24](#), which dealt with the then Commissioner George Reider, stock options and conflict of interests surrounding pending mergers. The International Business Times has summarized what transpired here as "Back then, ethics officials ruled that Aetna stock options coming due to Reider at the time would create a conflict of interest that could bar him from being involved in an Aetna transaction, even if he put those securities in a blind trust. The ruling declared that "it is reasonable to assume that a decision by the Insurance Commissioner to reject the acquisition would have a near term negative impact on the value" of Reider's stock holdings, meaning that under the law, 'a conflict of interests exists.' Reider opted to delay the vesting of those options, which ethics officials said removed the conflict — but he soon recused himself as well."

Instead of respecting earlier Ethics Opinions, Commissioner Wade has dishonestly claimed that Cigna had no business before her despite the fact that Form A on the merger had been filed with the Department and she had hired a consultant to help with the review. Furthermore, according to [reports](#) and [emails](#) she was meeting regularly with the companies, her Department was actively working with the Companies' to advance the proposed transaction and Connecticut (Commissioner Wade) was named the lead regulator in the national multi-state regulator review process.

A simple review of the Commissioner and her staff's emails (from both state and personal emails), calendars, and notes on the proposed transaction: from internal Department meetings and communications; of any calls and meetings with other states by the Commissioner and/or Department

staff, and records of meetings with the companies by Department staff and the commissioner. We are convinced that this would show extensive participation by Commissioner Wade in the review process of the transaction that was before the Department. If the Commissioner and the Department continue to [stonewall the release of this information](#), it is clear from press reports that other states are willing to be more forthcoming. It is also our belief that you can compel the companies to disclose their records.

As exhibited by her [response to the Senate Republicans FOI request](#), Commissioner Wade can't be trusted to be forthcoming with information and has been using a non-state email to avoid letting the public know. Therefore, we believe you must compel key Insurance Department staff along with the people at CIGNA, Anthem and their lobbyists to turn over all information they have related to this merger.

The lack of truthfulness and the brazen unethical behavior must be met with the strongest action available to this Commission. This should include referrals to other agencies for potential additional actions. The public's faith in this Commission is dependent on its ability to protect them when powerful people and entities act unethically.

In order to help with your deliberations, I am including links to a series of articles that outline just how outrageous the Commissioner's behavior has and continues to be. Thank you for your attention to this matter.

A sample of press related to this comments:

<http://www.ibtimes.com/political-capital/government-transparency-gov-malloy-appointee-accused-violating-law-cigna-anthem>

[Secret Records And Lack Of Hearings Raise Concerns In Merger Review](#) (*IBT*, 7/5/16)

[Increased Pressure On Malloy As Another State Democrat Demands Commissioner's Recusal](#) (*IBT*, 6/30/16)

[Groups Say Connecticut Controversy Requires Federal Intervention As GOP Demands Hearings](#) (*IBT*, 6/29/16)

[Controversy Over Gov. Malloy's Insurance Commissioner Creates Role Reversal For Republicans](#) (*IBT*, 6/29/16)

[Malloy's Regulator Told Ethics Officials She Was Not Involved In Cigna Issues, Even As Her Agency Was](#) (*IBT*, 6/27/16)

[Blumenthal Calls On DOJ To Block Merger While His Home State Spearheads State Reviews](#) (*IBT*, 6/22/16)

[Connecticut Ethics Probe Spotlights Similar Conflict-of-Interest Charges From The 1990s](#) (*IBT*, 6/17/16)

[Connecticut Officials Vote To Launch Ethics Review Of Gov. Dan Malloy's Insurance Regulator \(IBT, 6/16/16\)](#)

[Anthem And Cigna Boost Spending On Lobbying As Lawmakers Review Merger \(IBT, 6/16/16\)](#)

[Connecticut Ethics Officials To Vote On Conflict-Of-Interest Controversy \(IBT, 6/14/16\)](#)

[Gov. Malloy Signs Secrecy Bill That Could Shield Insurance Information From Public Release \(IBT, 6/13/16\)](#)

[Dem & GOP Lawmakers Demand Malloy's Regulator Be Removed From Controversial Merger Review \(IBT, 6/10/16\)](#)

[Obamacare Architect Kathleen Sebelius Questions Proposed Healthcare Insurance Mergers \(IBT, 6/10/16\)](#)

[Connecticut Rejects Request For Records About Anthem-Cigna Merger \(IBT, 6/7/16\)](#)

[Connecticut Groups Call For Dan Malloy To Remove Insurance Regulator In Anthem-Cigna Merger \(IBT, 6/2/16\)](#)

[Will Cigna And Anthem Merge? How Health Insurance Companies Pump Money Into Politics \(IBT, 6/1/16\)](#)

<http://www.ctpost.com/opinion/article/State-Sen-Len-Fasano-op-ed-Connecticut-s-8321372.php>

<http://www.ctpost.com/local/article/Leaders-agree-Connecticut-insurance-commissioner-7979160.php>

<http://www.ctpost.com/opinion/article/Consumers-Must-Have-a-Voice-in-Health-Care-Mergers-7079107.php>

Senate GOP accuses Wade of FOI violation in Cigna merger - Senate Republicans asked the state Freedom of Information Commission on Friday to penalize Insurance Commissioner Katharine L. Wade, saying she and her department withheld documents related to the pending merger of Anthem and Cigna that another agency deemed to be public information.

[Continue Reading →](#)

Jepsen concerned about Anthem-Cigna deal, may move to block it - WASHINGTON — Connecticut Attorney General George Jepsen said he is concerned an Anthem-Cigna merger would result in decreased competition and higher premiums and will make a decision in as soon as two weeks whether to try to block it in court. [Continue Reading →](#)

Anthem-Cigna controversy exposes gaps in ethics rules | July 5, 2016 - Insurance Commissioner Katharine L. Wade's controversial refusal to recuse herself from ruling on the Anthem-Cigna insurance merger has provoked a reappraisal of ethics regulators, who heavily rely on the self-reporting of public officials, and an ethics code that may be clearer to lawyers than lovers of English. [Continue Reading →](#)

Comptroller says Wade should recuse herself on Cigna merger June 30, 2016 - Comptroller Kevin P. Lembo publicly urged Insurance Commissioner Katharine L. Wade on Thursday to recuse herself from Connecticut's review of the Anthem-Cigna merger, saying even a positive legal ruling from ethics officials would not overcome the appearance of a conflict of interest. [Continue Reading →](#)

Merger opponents ask DOJ to block Aetna-Humana, Anthem-Cigna deals June 29, 2016 - WASHINGTON – Opponents of the planned Aetna-Humana, Anthem-Cigna mergers have asked the U.S. Justice Department to block them in a letter that alludes to the controversy over Connecticut Insurance Commissioner Katharine Wade's lead role in state regulatory approval of one of the deals. [Continue Reading →](#)

Blumenthal asks DOJ to stop Aetna-Humana, Anthem-Cigna mergers June 22, 2016 - WASHINGTON – Sen. Richard Blumenthal, D-Conn., and six other Democrats on the Judiciary Committee asked the Justice Department on Wednesday to block two proposed mergers involving Connecticut health insurers, Aetna-Humana and Anthem-Cigna. [Continue Reading →](#)

Aetna-Humana, Anthem-Cigna facing different merger obstacles June 22, 2016 – So far, Aetna appears to be clearing the regulatory and antitrust hurdles it faces to merge with Humana more easily, while Anthem's proposed marriage to Cigna has faced more troubles. Neither has yet cleared the hurdle of antitrust approval from the U.S. Justice Department. [Continue Reading →](#)

Ethics panel to rule if Wade has conflict in Anthem-Cigna merger June 16, 2016 - Insurance Commissioner Katharine L. Wade's first contact with state ethics officials was to inform them in September why she intended to act on the merger of Anthem and Cigna, not to seek a ruling on whether they saw a potential conflict due to her family's long association with Cigna. Now, while she's deep in the review of a merger that could transform the health insurance industry, Wade is going to get the legally binding ethics opinion that she and the administration of Gov. Dannel P. Malloy never saw the need to request. [Continue Reading →](#)

CT ethics board to consider Common Cause petition seeking Wade investigation June 14, 2016 - Connecticut ethics officials will consider a petition filed by Common Cause late Monday that asks them to rule on whether Connecticut Insurance Commissioner Katharine L. Wade's ties to her former employer, Cigna, require her to recuse herself from reviewing a proposed merger of Cigna and Anthem. The Citizen's Ethics Advisory Board will vote Thursday on whether a review will be done. [Continue Reading →](#)

Sharkey calls for Wade's recusal, but Malloy sees no conflict June 10, 2016 - House Speaker J. Brendan Sharkey became the first Democratic leader Friday to call on Insurance Commissioner Katharine Wade to recuse herself from ruling on Anthem's merger with Bloomfield-based Cigna, the commissioner's last private-sector employer before joining the

administration of Gov. Dannel P. Malloy. The governor said he sees no conflict.

[Continue Reading](#) →

Critics urge more transparency in Anthem-Cigna merger review March 23, 2016 - Saying that “all eyes will be on Connecticut,” critics of two pending mergers of major health insurers have asked the state’s insurance commissioner to take steps they say would increase transparency in the review of Anthem’s proposed acquisition of Cigna. [Continue Reading](#) →

Ethics office won’t call for Wade to recuse herself on Cigna deal December 17, 2015 - The Office of State Ethics is not calling for Insurance Commissioner Katharine L. Wade to recuse herself from overseeing her agency’s review of Anthem’s proposal to buy Cigna, where Wade previously worked and her husband serves as an attorney. But Executive Director Carol Carson said the office has raised concerns. [Continue Reading](#) →

<http://www.courant.com/opinion/editorials/hc-ed-cigna-anthem-insurance-commissioner-should-recuse-herself-20151001-story.html>

<http://www.courant.com/opinion/editorials/hc-ed-commissioner-should-stay-out-of-cigna-deal-20150731-story.html>

<http://www.courant.com/opinion/editorials/hc-ed-insurance-commissioner-katharine-wade-mishandles-health-insurance-mergers-20160606-story.html>

<http://www.courant.com/opinion/editorials/hc-ed-conflicts-at-cigna-20151109-story.html>

<http://ctmirror.org/2015/09/25/amid-questions-commissioner-wont-recuse-herself-from-anthem-cigna-proposal/>

[**Republicans Challenge Insurance Commissioner Over Open Records Law**](#)

[**Lembo Calls On Insurance Commissioner To Recuse Herself From Merger Review**](#)

[**OP-ED | For Katharine Wade, A Moment of Introspection Is In Order**](#)

[**Blumenthal: Feds Should Deny Both ‘Mega-Mergers’**](#)

[**National Group Calls For Connecticut Insurance Commissioner to Step Aside**](#)

[**Lawmakers Press For Thorough Review Of Two Health Insurance Mergers**](#)

[**Health Care Advocates Push For Greater Scrutiny Of Cigna-Anthem Merger Plan**](#)

[**Activists Question State Reviews Of Proposed Aetna-Humana, Anthem-Cigna Deals**](#)

<http://www.courant.com/business/hc-wade-ethics-vote-20160616-story.html>

<http://www.norwichbulletin.com/opinion/20160615/our-view-in-insurance-merger-perceived-conflicts-do-matter>

http://www.cjr.org/the_second_opinion/sirota_ct_insurance_merger.php

<http://readersupportednews.org/opinion2/277-75/37876-focus-theres-a-reason-someone-is-supposed-to-keep-an-eye-on-massive-mergers>