

Guide to the Code of Ethics for Public Officials and State Employees



2011

INTRODUCTION

The Connecticut Office of State Ethics (OSE) is an independent regulatory agency for the state of Connecticut, charged with administering and enforcing the Connecticut Codes of Ethics, located in the Connecticut General Statutes, Chapter 10.

The Ethics Codes under the OSE's jurisdiction are comprised of:

- The Code of Ethics for Public Officials (Part I);
- The Code of Ethics for Lobbyists (Part II); and
- Limited jurisdiction over Ethical Considerations Concerning Bidding and State Contracts (Part IV).

This guide provides general information only. The descriptions of the law and the OSE in this guide are not intended to be exhaustive. Please review the Advisory Opinions and Declaratory Rulings on our website and contact the Legal Division of the OSE with any questions regarding interpretation of the law.

For more information on the subjects discussed in this guide, call, write or visit:

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

860/263-2400
www.ct.gov/ethics



Citizen's Ethics Advisory Board:

Thomas H. Dooley, Chairperson (through September 2012)

Kathleen F. Bornhorst, Vice Chairperson (through September 2012)

Mary Bigelow (through September 2013)

Charles Chiusano (through September 2013)

General David Gay (ret.) (through September 2013)

Herbert A. Grant (through September 2011)

Martin Margulies (through September 2011)

Dennis Riley (through September 2013)

CONTENTS

Introduction	2
Office of State Ethics	4
The Big Picture	4
Benefits to State Personnel	
Gifts	5
Necessary Expenses	7
Fees/Honorariums	8
Gifts Between State Employees	9
Employment Restrictions	
Post-state Employment	9
Outside Employment	10
Statements of Financial Interests	12
Other Provisions	
Reporting Requirements	12
Mandatory Reporters	13
Ethics Liaisons/Compliance Officers	13
Enforcement	
Procedures and Penalties	14
Additional Information	15

THE OFFICE OF STATE ETHICS (OSE)

The Connecticut Office of State Ethics (OSE) was officially created on July 1, 2005, by Public Act 05-183. The governing body of the OSE is the Citizen's Ethics Advisory Board (CEAB), nine members appointed by the Governor and legislative leadership. 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.

The OSE is an independent watchdog agency for the state of Connecticut that administers Connecticut General Statutes, Chapter 10, Parts I and II, with limited jurisdiction over Part IV.

Simply put, 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, and otherwise enforces the codes.

The OSE is made up of the following components:

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

THE BIG PICTURE

All state officials and employees (except judges) are covered by Part I of the Code of Ethics for Public Officials (henceforth, Part I, or the Code). It is important to remember that certain provisions of the Code also apply to public officials and state employees after they leave state service.

As you read through this guide, be aware that these laws were enacted to prevent individuals from using their public position or authority for personal, financial benefit.

Each state agency also has its own ethics policy, which in many cases may be more restrictive than what follows. Be sure to obtain a copy of your agency's policy.

BENEFITS PROVIDED TO STATE PERSONNEL



Gifts

As a public official or state employee, there are rules in place regarding accepting gifts from both restricted and non-restricted donors. In general, you may not accept gifts from restricted donors.

Restricted Donors

Restricted donors include:

- Registered lobbyists (a list is available on the OSE's Web site) or a lobbyist's representative;
- Individuals or entities doing business with your state department or agency;
- Individuals or entities seeking to do business with your state department or agency;
- Individuals or entities engaged in activities regulated by your state department or agency; or
- Contractors pre-qualified by the Connecticut Department of Administrative Services (Conn. Gen. Stat. § 4a-100).

A **gift** is defined as anything of value that you (or in certain circumstances a member of your family) directly and personally receive *unless* you provide consideration of equal or greater value (e.g., pay for the item). Conn. Gen. Stat. § 1-79 (e).

Gift Exceptions

There are, however, certain exceptions to this definition of gift. Not all exceptions are covered below; see Conn. Gen. Stat. § 1-79 (e) (1) – (18) for the complete list.

- *Token Items* – Restricted donors such as registered lobbyists may provide you with any item of value that is not more than \$10 (such as a pen, mug, or inexpensive baseball cap), provided that the annual aggregate of such items from a single source is \$50 or less. Conn. Gen. Stat. § 1-79 (e) (16).
- *Food and Beverage* – Restricted donors may also provide you with less than \$50 worth of food and beverage in a calendar year, provided that the restricted donor or his/her representative is in attendance when you consume the food and/or beverage. Conn. Gen. Stat. § 1-79 (e) (9).
- *Training* – Vendors may provide you with training for a product purchased by a state or quasi-public agency provided such training is offered to all customers of that vendor. Conn. Gen. Stat. § 1-79 (e) (17).
- *Gifts to the State* – Restricted donors may provide what are typically referred to as “gifts to the state.” These gifts are goods and services provided to a state agency or quasi-public agency for use on state or quasi-public agency property or that support an event, and which facilitate state or quasi-public action or functions. Conn. Gen. Stat. § 1-79 (e) (5).

- *Other Exceptions* – There are a total of 18 separate gift exceptions in the Code. Also exempt from the definition of gift are items such as informational materials germane to state action, ceremonial plaques or awards costing less than \$100, or promotional items, rebates or discounts also available to the general public. See Conn. Gen. Stat. § 1-79 (e) (1) – (18).

Note: Registered lobbyists are the only restricted donors who may make use of the “major life event” gift exception. Other restricted donors *may not* make use of this exception. There is a \$1,000 limit on a gift a registered lobbyist gives to you or a member of your family for the following major life events:

- Birth or adoption of a child;
- Wedding;
- Funeral;
- Ceremony commemorating induction into religious adulthood (e.g., bar mitzvah or confirmation); or
- Retirement from state service.

This list of major life events is exhaustive. Regs., Conn. State Agencies § 1-92-53.

Gift Provisions

Example: You are in the process of reviewing a bid for work at your agency. The contractor submitting the bid provides you with a gift certificate for \$45 to a popular West Hartford eatery for you to use on your own. You have not previously received anything of value from this individual.

Even though the certificate is under the permissible \$50 food and beverage limit, this gift is not allowed because the contractor or his/her representative will not be in attendance while the food and beverage is being consumed.

Non-restricted Donors

Besides restricted donors outlined above, the law cites two other categories of individuals or entities that may attempt to give you gifts. These other “gift-givers” include:

- *Non-restricted donors giving you something because of who you are in state service* – If a gift-giver does not fall within the definition of a restricted donor, but is nonetheless giving you something because of your public position, you should be aware that a dollar limit exists. From this type of donor, you may only accept up to \$100 annually from a single source, in addition to any of the items listed in the 17 gift exceptions noted above and set forth in Conn. Gen. Stat. § 1-79 (e) (1) – (18).
- *Non-restricted donors giving you something that has nothing to do with your state job* – There is no limit as to what you may accept from a non-restricted donor, such as your neighbor of 20 years or a best friend from kindergarten, who is giving you a gift that has nothing to do with your public position. This holds true as long as the donor remains non-restricted. Should this individual become a registered lobbyist, for example, the gift provisions regarding restricted donors would apply, regardless of any longstanding personal relationship.

Necessary Expenses

You may receive payment or reimbursement for necessary expenses from a restricted donor *only* if you, in your official capacity, actively participate in an event; for example by giving a speech or presentation, or running a workshop.

Necessary expenses are limited to:

- Travel (coach or economy class);
- Lodging (standard cost of room for the nights before, of, and immediately following the event);
- Meals; and
- Related conference expenses.

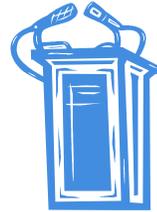
Conn. Gen. Stat. § 1-79 (q).

Entertainment costs (tickets to sporting events, golf outings, night clubs, etc.) are *not* necessary expenses. Necessary expense payments also *do not* include payment of expenses for family members or other guests.

Within 30 days of receiving payment or reimbursement of necessary expenses for lodging or out-of-state travel, as a state employee or public official, you must file an ETH-NE form with the OSE. Conn. Gen. Stat. § 1-84 (k). A new, online form is available on the OSE’s Web site for your convenience. This form is not required if your necessary expenses were paid by the federal government or by another state government.

Fees/Honorariums

As a public official or state employee, you may *not* accept fees or honorariums for an article, appearance, speech or participation at an event in your official capacity or if your state position or authority was a significant factor in the decision to extend the invitation.



Fees or honorariums for such activities, if offered based solely on your expertise and without any regard to your official capacity, may be acceptable. Contact the OSE if you are offered such payment. Conn. Gen. Stat. § 1-84 (k).

Necessary Expenses, Fees and Honorariums

Example: You are invited to travel to New York City to give the keynote address to a trade association at its annual meeting. You will be speaking in your official capacity as a Connecticut state employee. The association provides Amtrak fare for you and your spouse, who will spend the day in the city. The evening of the speech, you and your spouse are treated by the event organizer to a Broadway show in lieu of a speaking fee.

You may receive coach class travel only if you are actively participating in an event. In this case, you may only accept Amtrak fare for yourself, not your spouse. Entertainment costs, such as tickets to a show, are not considered necessary expenses and may not be accepted. Additionally, state employees may not accept fees or honorariums for a speech given in their official capacity. Because your trip involves out-of-state travel, you must file an ETH-NE form with the OSE within 30 days of receiving payment.

Gifts Between State Employees

Advisory Opinion No. 2006-6 interpreted Conn. Gen. Stat. § 1-84 (p), regarding gifts between supervisors and subordinates in state service. This three-part provision limits gift-giving between certain individuals. Specifically:

- The provision imposes a monetary limit of \$99.99 for gifts between a public official or state employee and his or her supervisor. This limit is a **per-gift** – not a per-year – amount.
- Individuals subject to this limit 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. The applicable limit for major life events is \$1,000.
- The provision applies not only to direct supervisors and subordinates, but to any individual up or down the chain of command.

In Advisory Opinion 2007-5, the Board concluded that supervisors and/or subordinates **may not pool** their money to give a collective or group gift valued in excess of the \$99.99 limit. Thus, except in the case of a major life event (which holds a \$1,000 limit), it would be a violation for Supervisor A to accept a gift valued at \$150 from Subordinates X and Y (and for them to give such a gift), even though the individual contributions of X and Y are less than the \$99.99 limit established in § 1-84 (p).

EMPLOYMENT RESTRICTIONS

Post-state Employment (Revolving Door)

If you are a *former* state employee seeking employment, you should be aware of the Code's post-state employment, or revolving-door, provisions.

Lifetime Bans

- You may **never** disclose any confidential information you learned during the course of your state service for anyone's financial gain. Conn. Gen. Stat. § 1-84a.
- You may **never** represent anyone other than the state regarding a particular matter in which you were personally or substantially involved while in state service and in which the state has a substantial interest. This prevents side-switching in the midst of on-going state proceedings. Conn. Gen. Stat. § 1-84b (a).

One-year Bans

- You may not represent your new employer for compensation before your former agency for a period of **one year** after leaving state service. Conn. Gen. Stat. § 1-84b (b). (See Advisory Opinion No. 2003-3, which provides a limited exception to this provision if you are providing purely technical expertise to help implement a previously-awarded contract. This exception applies to extremely limited circumstances; contact the OSE for guidance.)
- You are prohibited from being hired for a period of **one year** after you leave state service by a party to a state contract valued at \$50,000 or more if you were substantially involved in, or supervised, the negotiation or award of that contract and it was signed within your last year of state service. Conn. Gen. Stat. § 1-84b (f).
- Employees who held certain specifically-designated positions (with significant decision-making or supervisory responsibility) at certain state regulatory agencies are prohibited from seeking or accepting employment with any business subject to regulation by the individual's agency within **one year** of leaving the agency. Note that there is an exception for *ex-officio* board or commission members. Conn. Gen. Stat. § 1-84b (c).



Post-state Employment

Example: The head of a hospital regulated by the Office of Health Care Access (OHCA) would like to offer a job to the former Commissioner of OHCA, who has been out of state service for 5 months.

Because the hospital is regulated by a state agency whose Commissioner is specifically designated in 1-84b (c), the former head of such agency would not be permitted to accept employment with the company for one full year after leaving state service. See Advisory Opinion No. 2003-19.

Outside Employment for Current Public Officials and State Employees

If you are a *current* state employee seeking outside employment, especially from an employer that is regulated by or does business with your agency, you should be aware of the following rules regarding the employment of current state employees.

- You may not accept outside employment that impairs your independence of judgment regarding your state duties, or that encourages you to disclose confidential information learned in your job. Conn. Gen. Stat. § 1-84 (b).

- You may not use your position for your own financial gain, or the gain of your family (spouse, child, child's spouse, parent, brother or sister) or an associated business, however inadvertent that use may be. Conn. Gen. Stat. § 1-84 (c).
- You may not accept employment with an entity that represents others before the following 13 agencies: State Insurance and Risk Management Board, Claims Commissioner, Office of Health Care Access, Insurance Department, Department of Environmental Protection, Department of Public Utility Control, Department of Banking, Department of Consumer Protection: liquor control, Department of Motor Vehicles, Gaming Policy Board, Division of Special Revenue, Connecticut Real Estate Commission, Connecticut Siting Council. Conn. Gen. Stat. § 1-84 (d).
- You may not utilize state time, materials or personnel in completing tasks for outside employment.

Other Considerations

Present or former Gaming Policy Board or Division of Special Revenue public officials or employees should be aware of specific provisions relating to their involvement with businesses engaged in Indian gaming activities. See Conn. Gen. Stat. §§ 1-84b (d) and (e).

Outside Employment

Example: Your agency occasionally awards grants or contracts to Business X. A particular contract manager with your agency has been approached by Business X with an employment possibility. This employee has expressed interest in earning a little extra money for himself, while helping Business X in the evenings and on weekends.

It would constitute an impermissible impairment of judgment for the employee of your agency, who has contract management responsibilities, to accept outside employment with Business X – a business that receives grants or contracts from your agency.



STATEMENTS OF FINANCIAL INTERESTS



Statements of Financial Interests

Legislators, as well as certain other public officials and senior state employees, must file Statements of Financial Interests (SFIs) with the OSE by May 1 each year. These statements describe businesses with which you are associated; the category or type (not amount) of all sources of income over \$1,000; securities in excess of \$5,000; real estate holdings; and leases or contracts with the state. A *confidential* portion of the statement requires disclosure of sources of any debts over \$10,000. (The confidentiality of this portion may be waived.) These examples are not exhaustive; refer to Conn. Gen. Stat. § 1-83 (b) for a complete list.

The SFIs serve two purposes. First, the financial disclosure provides a checklist or reminder to you to be mindful of potential conflicts of interest. Second, the financial disclosure statements serve a transparency function and maximize public confidence in governmental decision making.

In 2009, the OSE debuted a new online filing system for SFIs. Within the secure, password-protected system, filer information is stored from year to year for maximum ease and efficiency in filing.

OTHER PROVISIONS

Reporting Requirements

Should you receive anything of value from an entity doing business with, seeking to do business with, or directly regulated by your department or agency, that entity must, within **10 days**, give you and the head of your department or agency a written report stating:

- Name of the donor;
- Description of item(s) given;
- Value of such item(s); and
- Total cumulative value of all items to date given to you by that donor during the calendar year.



This helps both you and the regulated donor keep track of the gift exceptions noted above, so that permissible limits are not exceeded. Conn. Gen. Stat. § 1-84 (o). A new, online form for this notification is available on the OSE's Web site.

Mandatory Reporters

The Code contains mandatory reporting requirements for the following individuals who have “reasonable cause to believe that a person has violated” the Code of Ethics for Public Officials:

- Commissioners and Deputy Commissioners;
- State Agency Heads and Deputy Heads;
- Quasi-public Agency Heads and Deputy Heads; and
- Persons in charge of state agency procurement and contracting.

These designees are required to report a belief that a person has violated the Code of Ethics to the Office of State Ethics. (Note: Ethics compliance officers and liaisons are *not* mandatory reporters.)

Ethics Compliance Officers and Ethics Liaisons

Ethics compliance officers must be appointed within each state agency and quasi-public agency that deals with or plans large state contracts. The main responsibilities of a compliance officer include developing an agency ethics policy as well as training agency employees on the Code, paying attention to any changes in the law as well as provisions specific to state contracting. Conn. Gen. Stat. §1-101rr (a).

Ethics liaisons must be appointed within each other state agency and quasi-public agency. These liaisons serve as a link between the agency and the Office of State Ethics. Liaisons are responsible for developing agency ethics policies as well as coordinating employee training with the OSE. Conn. Gen. Stat. §1-101rr (b).

The OSE supports the responsibilities of the above officers and liaisons by providing in-person training, educational videos or training materials upon request. The OSE also sends a monthly electronic newsletter to each officer that highlights new developments in the law, summarizes new advisory opinions, includes handouts on complex areas of the law and provides answers to frequently-asked questions. All such communications are indexed on the OSE’s Web site, in the “Ethics Liaison/Compliance Officer Corner.”

ENFORCEMENT

Procedures and Penalties

Enforcement of the Code is initiated by a complaint, filed by the Ethics Enforcement Officer or any member of the public. In most cases, a complaint by the Ethics Enforcement Officer is preceded by a confidential staff evaluation.

A two-stage process follows:

1. Confidential investigation and confidential probable cause hearing; and
2. If probable cause is found, a public hearing to determine if a violation has occurred.

At any stage of this process, the Office of State Ethics and the Respondent may negotiate a settlement.

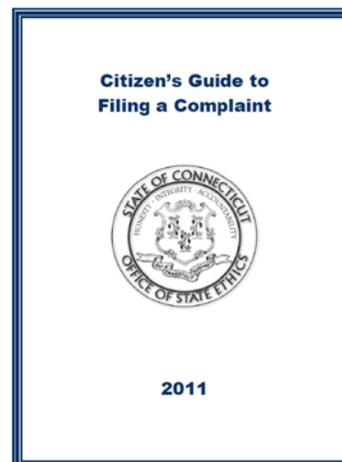
After a finding or admission of a violation, the Citizen's Ethics Advisory Board ("Board") can order the Respondent to comply with the Code in the future, file any required report or statement, and/or pay a civil penalty.

For failure to file a report, statement, or other information required by the Code, the Board can, after a single hearing, impose a civil penalty of up to \$10 per day, for which the aggregate penalty for any one violation may not exceed \$10,000.

The Office of State Ethics may refer matters to the Chief State's Attorney for criminal prosecution. An intentional violation of the Code is a misdemeanor for the first violation, unless the individual has derived a financial benefit of at least \$1,000. In that case, the violation is a class D felony.

The Attorney General may sue for up to three times the economic gain received through knowingly committing or knowingly profiting from a violation of the Code.

Public officials are encouraged to review the "[*Citizen's Guide to Filing a Complaint*](#)," available on the OSE's Web site, for a detailed overview of the complaint process and associated confidentiality provisions.



FOR MORE INFORMATION

This guide provides general information only. The descriptions of the law and the OSE in this guide are not intended to be exhaustive. For more information regarding the Code of Ethics as it pertains to public officials and state employees, please contact the Legal Division of the Office of State Ethics, Monday – Friday, 8:00 a.m. to 5:00 p.m.

Office of State Ethics
18-20 Trinity Street
Hartford, CT 06106-1660



T: 860/263-2400
F: 860/263-2402
www.ct.gov/ethics



Specific Contacts:

Questions or advice regarding the Ethics Codes: Ethics.Code@ct.gov
Lobbyist filing/reporting questions: lobbyist.OSE@ct.gov
Public official filing/reporting questions: SFI.OSE@ct.gov
Enforcement questions: Ethics.Enforcement@ct.gov
All other inquiries: ose@ct.gov

