

# Department of Banking

## *At A Glance*

**Jorge L. Pérez, Commissioner**

***Established - 1837***

***Statutory Authority - Titles 36a, 36b and subsections (b), (d), (h) and (i) of Section 47a-21 Connecticut General Statutes, and Related Laws***

***Central Office -***

**260 Constitution Plaza**

**Hartford, CT 06103-1800**

***Number of full-time employees - 111***

***Recurring operating expenses, 2018-19 - \$22,552,234***

## ***Organization Structure:***

**Financial Institutions Division**

**Consumer Credit Division**

**Securities and Business Investments Division**

**Government Relations and Consumer Affairs Division**

**Administration**

**Business Office**

**Management and Information Systems (MIS)**

**DAS/Smart Unit (Human Resources services)**

## **Mission**

The Department of Banking (DOB) is the primary state regulator for state chartered banks and credit unions, securities, and consumer credit. Its mission is to protect users of financial services from unlawful or improper practices by ensuring regulated entities and individuals adhere to state banking, consumer credit and securities laws. We accomplish this through regular, thorough, and cost-effective examinations of the entities we supervise. The Department also engages the public and other stakeholders through a variety of media platforms, educational outreach initiatives, and press communications.

## **Statutory Responsibility**

The Department of Banking is responsible for the regulation and examination of financial institutions and various related entities who are, or are required to be, chartered, licensed or registered by the state. The Banking Commissioner is charged with administering the banking and credit union laws of the state as well as the laws regarding securities and business opportunities. The Banking Commissioner also administers the Truth-in-Lending Act and other consumer credit laws (mortgage, student loan servicers, consumer collection, money transmission, etc.) and a major portion of the law concerning rental security deposits.

The Department's customers include the general public, representatives of the public, regulated entities, researchers, and consultants. Connecticut residents benefit broadly from agency activities, which protect their funds in depository institutions, offer important investor and

consumer protections, assist in dispute resolution and provide helpful educational resources and information.

The Department engages all levels of government representatives of the public, including the Governor's Office, members of the General Assembly, other elected and appointed officials, as well as federal, state and municipal government offices. This is achieved largely through case referrals, proposed legislation, and educational outreach events.

The Department is comprised of four operational divisions and three support divisions to accomplish its mission. Specific regulatory functions are assigned to each operational division within the Department.

The **Financial Institutions Division** is responsible for the supervision of insured state-chartered bank and trust companies, savings banks, savings and loan associations and credit unions, in addition to uninsured banks. The Division also licenses foreign banking organizations that establish and maintain representative offices, agency offices and branch offices in Connecticut, and supervises bank holding companies. It has responsibility for analyzing applications for new bank or credit union charters, acquisitions, mergers, conversions, branches, changes in corporate structure, and credit union field of membership expansions. In addition, the Division licenses business and industrial development corporations, international trade and investment corporations and certain non-banking corporations that exercise fiduciary powers, including limited purpose trust companies.

The **Consumer Credit Division** is responsible for examination, enforcement, and licensing of mortgage lenders, brokers, servicers, lead generators of residential mortgage loans and loan originators; small loan companies; sales finance companies; debt adjusters; debt negotiators; consumer collection agencies, including debt buyers; money transmitters; issuers of money orders and travelers checks; check cashing services; and student loan servicers. In addition, Consumer Credit also administers Truth-in-Lending laws and retail installment sales financing laws.

The **Securities and Business Investments Division** is responsible for registering securities and business opportunity offerings sold in or from Connecticut; registering (licensing) broker-dealers, agents, investment advisers and investment adviser agents who transact business in Connecticut and registering branch offices of broker-dealer and investment advisory firms. The Division also conducts on-site examinations of broker-dealers, investment advisers and branch office registrants; and enforces the Connecticut Uniform Securities Act, the Connecticut Business Opportunity Investment Act and the Connecticut Tender Offer Act.

The **Government Relations and Consumer Affairs Division** assists consumers with issues involving financial services and products regulated by the Department, and oversees the administration and enforcement of the rental security deposit laws. The Division also directs the agency's legislative program, manages communications and media relations for the Department, coordinates financial and investor-education outreach efforts and provides assistance to homeowners in foreclosure or in danger of foreclosure through the Foreclosure Assistance Hotline.

There are three support divisions at the Department of Banking: the Business Office, Management and Information Systems (MIS) and Human Resources (HR). The Business Office is responsible for the accounting, budgeting, fiscal, purchasing and financial reporting functions for the Department while assisting with payroll. The MIS unit provides information technology support and workflow enhancements across all divisions. Finally, Human Resources addresses day-to-day employee issues and prepares the agency's affirmative action plan. The Department of Administrative Services Small Agency Resource Team (DAS/SmART) consolidates human resources and payroll personnel from multiple agencies into one unit, and the DAS Equal Employment Opportunity unit provides HR services to the Department.

## **Public Service**

The Department of Banking is strongly committed to maintaining a standard of excellence in meeting its regulatory responsibility, while balancing the strongest consumer protections in a business-friendly environment.

In order to provide the public with convenient 24-hour, 7-day access to information on agency programs, licensing activity and educational resources, the Department maintains its website, [www.ct.gov/dob](http://www.ct.gov/dob) where consumers may send inquiries or file a complaint at any time. On October 31, 2018, the agency migrated its site to the CT.gov portal. The new site has an updated look and provides better access across digital devices. During the 2018-2019 fiscal year, approximately 156,800 visitors viewed over 674,000 pages on the agency website.

The Department updates and maintains information regarding licensees and registrants, as well as financial and industry information related to the financial institutions operating in Connecticut. Relevant financial information is updated quarterly for banks and credit unions, in addition to providing the public with easy access to such public filings as the quarterly Call Report.

The Department of Banking posts on its website searchable text of administrative actions taken by the agency against various entities, as well as indices to advisory opinions issued by the Commissioner concerning bank, credit union, consumer credit, rental security deposits and business opportunity matters.

A weekly News Bulletin provides information on applications before the agency, recent administrative orders and legal actions, and intended changes in regulations. The Securities Division produces a quarterly Securities Bulletin advising the industry of new regulatory developments. Both publications are emailed to thousands of people through Constant Contact, making it easier to view on mobile devices, and are posted to the agency website.

The Department utilizes social media as one of its tools in communicating with its stakeholders including consumers, investors, and industry professionals. Through its Facebook page ([facebook.com/ctdob](https://facebook.com/ctdob)) and Twitter account ([twitter.com/ctbanking](https://twitter.com/ctbanking)) the Department shares news and updates, as well as financial education information, to the general public and industry alike.

The Commission on Human Rights and Opportunities approved the Department's 2018 Affirmative Action plan, covering the period of July 1, 2016-June 30, 2018. The Department is currently working on the 2020 Plan, which covers the period from July 1, 2018-June 30, 2020,

and is due to the Commission on October 30, 2020. The Plan reflects the agency's commitment to achieving workforce balance and fairness in all terms and conditions of employment.

#### *Financial Institution Division (FID)*

As of June 30, 2019, FID had regulatory oversight over thirty state-chartered domestic banks, two international banks, one uninsured bank, thirty credit unions, one business and industrial development corporation, one international trade and investment corporation, and various licensees that are issued to administer trust and/or special need services. Its regulatory obligations include multiple specialty examinations such as information technology, cybersecurity, Community Reinvestment Act, Truth-In-Lending, and Bank Secrecy Act. These are in addition to the traditional safety and soundness examinations conducted by the Division.

During this fiscal year, the Commissioner issued an extension of TNB USA Inc.'s Temporary Certificate of Authority to organize a state chartered uninsured bank.

In addition, during this fiscal year, the Banking Commissioner participated in a number of industry related meetings with Chief Executive Officers (CEOs) of banks and credit unions. The Annual Bank CEO Roundtables hosted jointly with the Connecticut Bankers Association (CBA) were held in October 2018. The Department hosted the National Association of State Credit Union Supervisors Executive Forum in Connecticut in September 2018, which provided information on key national and state issues facing the credit union industry, a special session on banking marijuana businesses, presentations on cybersecurity, current expected credit loss (CECL), and a credit union industry panel on innovation and looking to the future. The Commissioner spoke at the Credit Union League's Annual State and Federal Issues Government Affairs Conference in May 2019. The Commissioner and other agency staff participated in a number of industry events sponsored by the Connecticut Bankers Association, Connecticut Community Bankers Association and the Credit Union League of Connecticut.

In preparation for the sixth annual Federal Reserve/Federal Deposit Insurance Corporation (FDIC)/Conference of State Bank Supervisors (CSBS) Annual Community Banking Research and Policy Conference, the Department of Banking initiated its "5 Questions for 5 Bankers" Project in April 2019. For this initiative, the Commissioner and Financial Institutions Director engaged in direct discussions with bank CEOs concerning the most pressing issues facing the community banking industry in Connecticut. The Department's response to CSBS's written report on community banking emerged from these meetings. In addition, Commissioner Pérez is planning to attend this year's conference, by invitation only, themed Community Banking in the 21st Century to be held on October 1-2, 2019 in St. Louis, MO. The conference gathers community bankers, academics, policymakers, and bank supervisors from across the country to discuss academic research and important issues affecting community banking.

#### *Consumer Credit Division (CC)*

The Consumer Credit Division issues twelve different license types across several sectors of the nondepository financial services market. As of June 30, 2019, the Division licensed 2,939 companies and branch offices, and 7,649 individuals. The Division approved six bona fide nonprofit organizations.

For fiscal year 2018-19, the Division conducted thirty-six examinations of non-mortgage licensees and forty-three examinations of mortgage licensees. During this last reporting period, the Department has continued to reallocate its resources to meet a more aggressive examination schedule in this Division.

The Division continued its enforcement efforts, including conducting investigations of companies engaged in unlicensed activity. The Division issued forty-four actions, resulting in penalties of more than \$2.1 million. In addition, Division efforts brought restitution to the public in excess of \$330,000. Consumer Credit routinely cooperates with other law enforcement agencies, such as the U.S. Attorney's office and the Federal Bureau of Investigation.

The Consumer Credit Division is part of the CSBS initiative to modernize the software of the Nationwide Multi-State Licensing System (NMLS). NMLS 2.0 is designed to greatly increase efficiencies for the Division when licensing mortgage and non-mortgage individuals and entities. NMLS State Examination System (SES) is an end-to-end examination management system that supports supervision, complaint, investigation and enforcement activities for all non-depository financial entities, including but not limited to mortgage companies, money services businesses, consumer credit companies and debt collectors.

#### *Securities and Business Investments Division (SBID)*

As of June 30, 2019, the Securities Division registered 172,601 broker-dealer agents and 14,733 investment adviser agents, an increase of 2,450 broker-dealer agents and 400 investment adviser agents from the previous year. The Division also registered 2,103 broker-dealer firms and 506 investment advisory firms. An additional 2,278 Securities and Exchange Commission-registered investment advisers made notice filings with the agency. The Division continued its efforts to examine in-state investment advisers falling within its jurisdiction at least once every three years. SBID examines the books and records of the 2,527 registered broker-dealer branch offices, as well as all the investment advisory main offices in Connecticut.

The Division also investigates violations of the state's securities and business opportunity laws, pursuing administrative, civil and criminal remedies where appropriate. Many times, this involves interacting with the Securities and Exchange Commission, the U.S. Attorney's Office, the Connecticut Attorney General's Office and other enforcement bodies to ensure that violators are brought to justice.

Intervention by the SBID during the fiscal year resulted in restitution and rescission offers to the investing public totaling \$101,768,870.<sup>1</sup> The Division also imposed \$1,580,105 in fines for violations of the state's securities and business opportunity laws.

The SBID continued its enforcement efforts in responding to securities complaints from the Connecticut investing public. Investigations focused on schemes involving the misappropriation or conversion of investor funds; fraudulent sales of securities to Connecticut residents at unrealistic rates of return; dishonest or unethical practices by investment advisers; sales of

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<sup>1</sup> Amount includes a \$100 million voluntary rescission offer extended to financially sophisticated private investment fund investors by a broker-dealer in connection with an agency settlement. The average amount invested by each of the affected Connecticut purchasers was approximately \$1 million.

securities by unlicensed firms and individuals; elder fraud; and brokerage firm supervisory lapses. The Division worked closely with the U.S. Department of Justice and other law enforcement agencies on many of these investigations.

During the fiscal year, the SBID continued its ongoing evaluation of regulatory policies and rules to ensure that they remained responsive to an ever-changing economic environment and the needs of the investing public.

The SBID was also actively involved in the agency's educational outreach program (described more fully below) providing presentations regarding investor fraud and abusive sales practices.

### *Government Relations and Consumer Affairs (GRCA)*

The Government Relations and Consumer Affairs Division manages the external affairs for the Department of Banking, through its consumer affairs team, its legislative efforts, and its communications and educational outreach programs.

### *Consumer Affairs*

In an attempt to protect Connecticut citizens in their transactions with financial institutions and assisting them with consumer complaints and dispute resolution, consumers are encouraged to contact the DOB whenever they need assistance in dealing with financial entities. Agency employees promptly assist consumers with issues involving the financial services industry in Connecticut, those residents who might be facing foreclosure, and tenants involved with issues regarding their rental security deposits.

During the fiscal year 2018-2019, GRCA's consumer affairs unit – excluding the Foreclosure Hotline and rental security deposit complaints – responded to 2,267 telephone inquiries and 1,101 written complaints from the public. As a result of their efforts, the Department obtained approximately \$303,104 in adjustments and reimbursements on behalf of consumers during the period.

The Foreclosure Assistance Hotline, established in 2007, has continued to be a valuable resource for Connecticut residents. Callers to the toll-free number receive pertinent advice and guidance regarding their mortgage problems. During the 2018-2019 fiscal year, the Hotline assisted 800 individual consumers.

The agency received 1,313 telephone calls and 172 e-mails for rental security deposit issues in the fiscal year. The agency's security deposit investigator resolved 116 landlord/tenant disputes and recovered approximately \$59,625 for Connecticut residents who had complained to the Department that landlords had unjustly withheld their refundable rental security deposits.

Marking its second full year, the Department's Online Customer Assistance Form provides the ability to quickly and easily file a complaint and upload supporting documents. The online form's enhanced functionality provides the consumer with an immediate acknowledgment via e-mail and allows staff to begin processing a complaint upon receipt. This added functionality has reduced average consumer wait time by three days.

### *Legislative Update*

Each year the Department conducts an active legislative program coordinated by the GRCA Division. During the 2019 legislative session, the Department proposed two bills. The first bill sought to license companies who offer Shared Appreciation Agreements to homeowners as mortgage lenders. These agreements are new unregulated financial products offered to Connecticut consumers with no current oversight. The second bill was largely a conforming change to federal law, allowing mortgage loan originators licensed in another state to continue to practice in Connecticut while their application for a license is pending before the Commissioner. Since the full legislature did not take up either bill, the Department anticipates making these bills part of its 2020 legislative package.

### *Educational Outreach*

The primary focus of the Department's educational outreach program is to help Connecticut's consumers and investors make informed financial decisions and to protect their money from fraud and scams. Through the GRCA Division, the agency publishes consumer alerts and information on known frauds and scams. Agency staff provides vital information to consumers through speaking engagements, presentations, seminars and expos. During the 2018-2019 fiscal year, Department employees spoke on topics that included credit and debt management, identity theft prevention, financial fraud, exploitation, and investor education.

During the fiscal year, the Department took part in over a dozen fairs or expos throughout the state. Agency staff was highly visible at each event, and actively assisted seniors, veterans, social workers, and others by speaking one-on-one to attendees and distributing educational information on a variety of issues.

The agency's outreach coordinator continued to utilize the successful financial fraud bingo program, which educates seniors about banking scams and fraud prevention in a fun, interactive way. She conducted programs during the 2018-2019 fiscal year at senior centers and housing authority communities throughout the state, many in coordination with AARP volunteers. Three of these programs were translated into Spanish.

The Department is a member of the Connecticut Saves Campaign, a statewide initiative to encourage consumers to save regularly to improve their personal finances. The agency recognized Connecticut Saves Week (February 25-March 2, 2019) by hosting its seventh annual expo at the State Capitol in Hartford to promote smart money management, and by participating at a financial education expo for students at the Hartford Job Corps Academy. Division staff also helped promote the Connecticut Saves message by sharing informative social media posts, sending encouraging e-mails throughout the week, and by actively participating in a one-hour Connecticut Saves Twitter Chat.

The Division's educational outreach coordinator remains active on several state coalitions, including the Coalition for Elder Justice in Connecticut (CEJC) and the Connecticut Jump\$tart Coalition for Personal Financial Literacy. In November 2018, the agency's outreach coordinator participated in a lightning round panel at the CEJC Elder Justice Symposium and discussed the agency's senior outreach initiatives. She also represented the Department of Banking in October 2018 at the annual TEARS Conference (Timely Elder Abuse Resource Services) hosted by the South Central Area Agency on Aging, attended by approximately 650 people.

The Department of Banking supported the State Department of Consumer Protection's efforts in highlighting Consumer Protection Week by staffing a resource table at the Legislative Office Building in Hartford in March 2019.

The Department continued to expand its partnership with AARP-CT. In November 2018, the agency's Securities Director and outreach coordinator were guest speakers at an AARP-CT training for new volunteers in Westbrook, where they were honored with certificates of appreciation for their contributions to the AARP-CT Fraud Watch Network. The agenda included speakers from the U.S. Attorney's Office, the U.S. Postal Inspector's Office, and the Greenwich Police Department.

The Department is also a member of the BankOn coalition, a New Haven initiative designed to help unbanked and underbanked communities within the City. BankOn works with banks and credit unions to offer banking products and services to communities in need.

### **Improvements/Achievements 2018-2019**

Over the last year, the Department of Banking has looked internally for better ways to carry out its statutory obligations. This introspective approach has led to significant change-management initiatives that have steered the agency to an increased capacity to fulfill its mission.

#### *LEAN*

LEAN is a statewide effort to make government leaner and more efficient. According to the Office of Policy and Management, LEAN refers to the application of specific tools that are used to identify and implement the most efficient and value-added way to provide government services. For its part, the Department has held various LEAN activities over the last several years. The Department held its first LEAN events in 2016. The project management practices and principles used has led to increased efficiencies across the agency.

#### *LEAN Showcase*

The Department took part in the 6<sup>th</sup> annual LEAN CT Showcase, hosted by the Office of Policy and Management in May 2019. This expo, which took place in the North Lobby of the State Capitol building in Hartford, is an opportunity for state agencies to share their LEAN initiatives for improving customer service. Department of Banking staff engaged with the public and fellow state agency personnel in highlighting the agency's eLicensing initiative (see below) with a focus on how the system will improve the consumer assistance process. The agency's table display shared this information with attendees in a visually pleasing manner.

#### *eLicense Project*

After the success of two prior LEAN initiatives, the agency undertook a review of its licensing procedures across divisions using LEAN principles. The results validated what was long suspected – the current legacy electronic systems were cumbersome, inefficient, paper-dependent, and did not provide the flexibility needed for a modern workplace. To improve upon this process, the agency explored various options to digitize and streamline its workflows with the underlying goal to increase examinations and enforcement efforts. In the end, on the



recommendation of DAS/BEST, the Department decided upon the system called eLicensing currently used by other Connecticut state agencies. In 2017, with the assistance of DAS/BEST, the Department began working with the vendor Micropact to implement the eLicensing system with a targeted launch in the fall of 2019.

The Enterprise License System, known as eLicense, is an information technology application administered by DAS/BEST for use among state agencies. The eLicensing system encompasses many functions related to licensing, including renewals, examinations and investigations, and complaints. At the Department of Banking, this system will interface with the current systems we use for licensing, including NMLS (Nationwide Multistate Licensing System), CRD (Central Registration Depository), and IARD (Investment Adviser Registration Depository). NMLS is the licensing system for non-depository financial institutions and individuals, and is used by the Consumer Credit Division for all licensee types. CRD and IARD are the licensing and registration systems used by the securities industry.

In addition to accessing the data from these national licensing systems, eLicensing will replace CELS, BIPSS, and other locally-developed legacy systems currently utilized by the Department. Agency staff, through eLicensing, will be able to access a complete history of companies across all divisions, greatly improving the flow of information throughout the agency. For instance, Securities personnel will be able to determine if a financial agent operating in the securities industry had any prior disciplinary action in the Consumer Credit or Banking sector.

During the 2018-19 fiscal year, the Department saw significant strides in developing the eLicensing tool for the Department. Working with Micropact, each division conducted a thorough review of its business processes and an analysis of how the new system would interface and improve current workflows. User acceptance testing took place in early 2019, and the Department is heading toward full implementation in the Summer of 2019.

#### *Partnering with Financial Institutions*

In August 2018, the Department of Banking was invited to participate at a fraud prevention event at a senior housing facility in New Canaan, hosted by First County Bank. A financial examiner from the agency's Securities Division joined representatives from AARP and local law enforcement and shared information about banking scams and investment fraud. In March 2019, the agency's educational outreach coordinator was the featured speaker at an elder fraud program hosted by Mutual Security Credit Union for residents at Masonicare in Wallingford. She presented "Protecting Yourself from Financial Exploitation" and shared helpful tips and advice with the senior residents.

#### *Senior\$afe Training*

The Department continued to pursue efforts to combat financial exploitation of seniors by adding a new tactic. Through the education outreach coordinator, the Department offers training to financial professionals who work with seniors to identify and report signs of fraud and exploitation through the *Senior\$afe* program. The agency conducted its first training program in the fall of 2016, and since then has provided *Senior\$afe* trainings to investment advisers and to bank and credit union employees at various financial institutions throughout Connecticut.

During the fiscal year 2018-19, the agency's outreach coordinator conducted trainings at Bankwell Bank in Hamden; Dutch Point Credit Union in Wethersfield; and CorePlus Federal Credit Union in Norwich, whose program was simultaneously webcast to various branches. In June 2019, she presented two *SeniorSafe* programs for credit union personnel, hosted by the Credit Union League of Connecticut, along with a manager from the state's Protective Services for the Elderly (PSE) program. The training explains the red flags of financial exploitation that seniors might exhibit and how to report suspicious behavior to PSE. Plans are underway for additional trainings hosted by the Credit Union League in the fall of 2019.

In addition to financial professionals, the *SeniorSafe* program was conducted for social service workers during the 2018-19 fiscal year. In October 2018, the agency's outreach coordinator was the guest speaker at an annual conference for TEAM, Inc. She addressed over 100 social service providers at this event. She also presented the training to approximately 25 volunteer resident advocates for the Long Term Care Ombudsman in December 2018.

The *Financial Institutions Division* remains committed to continuing its communication with industry representatives. At the conclusion of every examination, FID staff meet with the bank's or credit union's board of directors. The institutions are also given the opportunity to provide feedback directly to the Banking Commissioner by completing a two-page post-examination survey. Institutions are given the opportunity via the survey to comment on staff performance, examination efficiency and examination time demands in an effort to improve future examinations. FID Staff presented at the Banking Compliance Association of Connecticut's January 2019 session on compliance topics including Truth-in-Lending and safety and soundness examination updates, and at the Connecticut Bankers Association's December 2018 banking panel on banking marijuana related businesses.

The FID staff remain active members of both the CSBS and the National Association of State Credit Union Supervisors (NASCUS). Division Director Mary Ellen O'Neill serves on the Board of NASCUS and is the immediate past-Chair. As a board member of NASCUS, Director O'Neill participated in the June 2019 State Regulator-Credit Union Exchange engaging in dialogue with the National Credit Union Association Board member Mark McWatters and Consumer Financial Protection Bureau Director Kathy Kraninger. Financial Institutions Division staff also serve on a variety of committees, actively participate in webinars and conference calls, and assist in the development of regulatory and best practice standards. FID received its re-accreditation from CSBS in November 2012 and was re-accredited by NASCUS in October 2015.

The *Consumer Credit Division* staff continued to represent Connecticut in working groups associated with the CSBS to help improve the examination process not only in the mortgage area, but in the money services businesses and the consumer collection agency businesses as well. These working groups, involving members from other states, provide a forum for discussion and feedback toward national reform within the consumer finance area. In addition, Division staff have begun to conduct the first of several coordinated examinations of student loan servicers, the newest area of licensure, with the Consumer Financial Protection Bureau (CFPB).

As part of the Consumer Credit Division 2016 LEAN initiative, the team focused on looking for areas of efficiency and effectiveness in the Division's licensing process for mortgage renewals for both companies and individuals. A main goal of the team was to increase the speed of

issuing renewals of certain licensees who meet all qualifications by 30% within two years. The team achieved the short-term goal of including auto-renewal for all mortgage company and mortgage loan originator licensees with the 2018 renewal. This included digitizing and centralizing information and creating a dedicated e-mail account for status updates. For the 2019 renewal, the Division expanded auto-renewal to include all license types.

The *Securities and Business Investments Division* has the ability to draw on the expertise of a Securities Advisory Council, a volunteer group comprised of industry representatives, academics and members of the bar, all of whom serve without compensation. The Securities Advisory Council is on hand to provide the Commissioner and staff insight on proposed regulatory initiatives.

Connecticut continued its active participation in the North American Securities Administrators Association, Inc. (NASAA). Organized in 1919 and dedicated to investor protection, NASAA is a voluntary association whose membership consists of 67 state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico. During the fiscal year, SBID staff served on NASAA committees and project groups dedicated to examination training; multistate licensing processes; variable annuities, investment adviser cybersecurity and technology, investment adviser training; and investor education initiatives involving life stages and senior outreach.

Commissioner Pérez serves on the following committees and boards:

- Board Member, Conference of State Bank Supervisors (CSBS) District One
- Member of the CSBS District One
- Member of the CSBS Regulatory Committee
- Member of the NASCUS Audit Committee
- Ex officio Member of the Connecticut Housing Finance Authority Board of Directors
- Ex officio Member, Connecticut Retirement Security Authority Board
- Member of the Community Economic Development Fund Foundation Board of Directors
- Member of the New Haven Works Board of Directors

Agency staff served in the following leadership roles during the fiscal year, including:

- Board Member and Immediate Past Chair of National Association of State Credit Union Supervisors (NASCUS)
- Chair of the NMLS Mortgage Call Report Workgroup
- Chair of the AARMR Training Committee
- Chair of the NASAA Broker-dealer Section Training Project Group
- Member of the Continuing Education Committee for the National Association of Consumer Credit Administrators (NACCA)
- State Liaison Committee Member of the Federal Financial Institutions Examination (FFIEC) Sub-Committee on Information Technology
- Member of the CSBS Technology Committee
- Member of the CSBS International Banking Committee
- Member of the CSBS Bank Secrecy Act Advisory Team
- Member of the Banks Compliance Association of Connecticut (BCAC)

- Member of the Financial and Banking Information Infrastructure Committee (FBIIC), as the NASCUS representative
- Member of the NASCUS Legislative & Regulatory Committee
- Member of the NASCUS Performance Standards Committee
- Member of the NASCUS Education Committee
- Member of the NASAA Broker-dealer Section Variable Annuities Project Group
- Member of the NASAA CRD/IARD Forms and Process Committee
- Member of the NASAA Investment Adviser Section Cybersecurity and Technology Project Group
- Member of the NASAA Investment Adviser Section Training Project Group
- Member of the NASAA NEMO Training and Support Committee
- Member of the NASAA Professional Development Committee
- Member of the NASAA Investor Education Section Life Stages Project Group
- Member of the NASAA Investor Education Section Senior Outreach Project Group
- Member of the Connecticut Jump\$tart Coalition for Personal Financial Literacy
- Member of the Coordinating Council of the Elder Justice Coalition of Connecticut

The Department's support divisions have continued to lend their expertise in carrying out the agency's mission.

The *Business Office* fulfilled its fiduciary responsibility by expeditiously handling total receipts of \$42,846,889 through its accounting, budgeting, payroll, purchasing and financial reporting functions. Of this total, the Business Office directed \$36,246,099 to the Banking Fund and \$6,600,790 to the General Fund. Payroll functions were transferred out of the Business Office to the DAS SmART unit in spring 2019 allowing Business Office personnel to focus on other core functions. The Director of the Business Office serves as one of the Department's LEAN Coordinators, and helps guide agency staff through the LEAN process.

The *Management and Information Systems (MIS) Division* provides information technology (IT) support to the agency. The Division is responsible for troubleshooting day-to-day IT issues. To ensure that the Department has the latest version of Windows, to prevent out-of-date hardware and software, and to keep maintenance costs down, MIS replaces all desktop computers (PCs and laptops) on a four-year cycle. Each year IT staff replaces approximately 50% of the Department's PCs, or laptops. The Division is currently in the last refresh cycle for this year, which will ensure all desktops are using the latest version of Windows 10 and eliminate Windows 7 desktops or laptops by the end of 2019.

MIS also assists divisions with larger-scale technological initiatives. MIS is currently spearheading the agency-wide eLicensing effort, more fully explained above which is scheduled for full implementation in the fall of 2019. Consistent with the agency's efforts to modernize its workplace, the Department seeks to connect its telephone to the State Enterprise VOIP (Voice-over-IP) phone system in October 2019.

In 2018, the Department restructured its support divisions. While its Business Office and MIS divisions remained intact, human resources functions transitioned to the Department of Administrative Services (DAS), as the Department joined the Small Agency Resource Team (SmART). The SmART consolidates human resources from multiple agencies into one unit.

The Equal Employment Opportunity functions, which were previously the responsibility of Human Resources, were separated when the Department joined the SmART Unit and are currently the responsibility of the DAS Equal Employment Opportunity Unit.

The Department of Banking is firmly committed to the principles and objectives of equal employment opportunity for all individuals. The Department's Equal Employment Opportunity Specialist coordinates and monitors the Department's programs and ensures compliance with the Americans with Disabilities Act, Title II and Title VII of the Civil Rights Act, the Fair Employment Practices Act, state Affirmative Action (AA) regulations and Contract Compliance laws, and other applicable laws. The Department is an Affirmative Action/Equal Employment Opportunity employer, and has undertaken numerous steps this past year to ensure equal opportunity in its hiring, promotions, trainings and other employment-related duties, as well as in the provision of the programs and services that fall under the Department's authority. Detailed information concerning these activities may be found in the agency's Affirmative Action Plan, approved by the Commission on Human Rights and Opportunities on January 9, 2019. The Department did not knowingly do business with any bidder, contractor, sub-contractor, supplier of materials, or licensee who discriminates against members of any class protected under Conn. Gen. Statutes Sec. 4a-60 or 4a-60a.

The Department of Banking Equal Employment Opportunity (EEO) Unit partners with our participating client agencies to assure that agency programs are fair and equitable, provide equal employment opportunity, and comply with state and federal laws and guidelines. The agency achieves this goal by preparing and implementing affirmative action plans; collaborating in the selection and hiring process; providing a process for complaints of discrimination, and educating staff of their rights and obligations in affirmative action laws.

The Equal Employment Opportunity Specialist is responsible for the Department's State Affirmative Action Plan and serves as the Equal Employment Officer for the agency, reporting directly to the Commissioner. She directs and administers all aspects of the Department EEO/AA program including developing strategic affirmative action programs; interpret and administer pertinent laws and regulations; investigate complaints of discrimination made against the agency and report findings to the Commissioner and or designee; offers remedies on any discriminatory conduct that occurs; and counsels staff on equal employment opportunity matters. The EEO Unit prepares materials and conducts training to heighten knowledge of equal employment opportunity laws and affirmative action goals. The Equal Employment Opportunity Specialist also serves as the agency's Americans with Disabilities Act (ADA) coordinator.