

Annual Report to the Governor Calendar Year 2019



Office of State Ethics
Peter Lewandowski, Executive Director



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Message from Executive Director Peter Lewandowski



The Connecticut Office of State Ethics is committed to serving the citizens of Connecticut. There is nothing more important to the democratic process than having a government that maintains the highest ethical standards.

Ethical questions and issues will inevitably arise and when they do, the Office of State Ethics is available to assist. Our mission is to encourage accountability and integrity throughout state government. We do this by providing legal advice, guidance and education to public officials, state employees and lobbyists; by sensibly interpreting and, when necessary, fairly and impartially enforcing applicable laws; and by ensuring required disclosure through the administration of the lobbyist and financial filing systems.

Remember our Number One Rule: Get Advice!

VISION

The Office of State Ethics will work to enable Connecticut state government to embrace an ethical culture.

MISSION

The Office of State Ethics practices and promotes the highest ethical standards and accountability in state government by providing education and legal advice, ensuring disclosure, and impartially enforcing the Codes of Ethics.

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OFFICE OF STATE ETHICS

Introduction

Created on July 1, 2005, under Public Act 05-183, the Office of State Ethics (“OSE”) is an independent regulatory agency charged with administering and enforcing the Connecticut Codes of Ethics (“Ethics Codes”), which are found in Chapter 10 of the Connecticut General Statutes.

The OSE accomplishes its mission to ensure honesty, integrity and accountability in state government through education of all those covered by the Ethics Codes; providing information to the public; interpretation and application; and investigation of violations and enforcement of the Ethics Codes.

The OSE’s jurisdiction:

- Part I** Code of Ethics for Public Officials
General Statutes §§ 1-79 to 1-90a
- Part II** Code of Ethics for Lobbyists
General Statutes §§ 1-91 to 1-101a
- Part III** Lobbying: Miscellaneous Provisions
General Statutes §§ 1-101aa and 1-101bb
- Part IV** Ethical Considerations Concerning Bidding and State Contracts
General Statutes §§ 1-101mm to 1-101rr

The OSE Executive Director has overall responsibility for the welfare and effectiveness of the OSE, which has three divisions - the Legal Division, the Enforcement Division, and the Administrative Division.

Staff and Budget

The OSE consists of 14 employees. These employees work in three separate divisions, under the leadership of the Executive Director, Peter Lewandowski, who is appointed by the Citizen’s Ethics Advisory Board.

HIGHLIGHTS

The OSE operates at a cost of approximately \$0.39 per citizen of Connecticut.

The agency’s managerial staff includes General Counsel Brian O’Dowd; Ethics Enforcement Officer Mark Wasielewski; and Director of Education and Communications Nancy Nicolescu.

The OSE had a Fiscal Year 2019 appropriation of \$1,403,529. Actual expenditures for Fiscal Year 2019 were \$1,389,360. This expenditure amount translates to a cost of approximately \$0.39 for each citizen of Connecticut¹.

¹ 2019 population estimate of 3,565,287 from the United States Census Bureau.

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Strategic Plan 2017 - 2020

In order to best serve Connecticut, the OSE follows an ongoing strategic plan which focuses on four key initiatives to improve operations: data, technology, analysis and board operations. The strategic plan is the effort of OSE leaders, staff, and members of the Citizen’s Ethics Advisory Board. The strategic plan highlights our key initiatives and goals to be achieved.

DATA

- Goal 1:** Identify key metrics for each division
- Goal 2:** Collect data to measure key metrics
- Goal 3:** Use metrics as sustainable management tools

TECHNOLOGY

- Goal 1A:** Redesign and update the lobbyist reporting system
- Goal 1B:** Redesign and update the SFI reporting system
- Goal 2:** Develop a case management system
- Goal 3:** Clean and organize shared drive
- Goal 4:** Conduct an annual Review of IT applications

ANALYSIS

- Goal 1:** Identify ways to use disclosure data for compilation and analysis
- Goal 2:** Use the data
- Goal 3:** Develop analytical reports to drive policy related to our mandates
- Goal 4:** Looking beyond 2020: Connecticut Ethics

BOARD OPERATIONS

- Goal 1:** Establish and practice a process for setting Board priorities and initiatives
- Goal 2:** Create and implement a succession plan

This strategic plan incorporates our mission, vision, and values in determining our priorities for 2017 to 2020, when OSE will celebrate its 15 year anniversary. Our values include:

- | | |
|------------------|--------------------|
| ❖ Integrity | ❖ Public service |
| ❖ Accountability | ❖ Fairness |
| ❖ Independence | ❖ Non-Partisanship |

The OSE is committed to providing the best possible customer service to all of our stakeholders.

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CITIZEN'S ETHICS ADVISORY BOARD

The OSE's governing body is the Citizen's Ethics Advisory Board ("CEAB"), which has nine members appointed by the Governor and legislative leadership. The CEAB holds monthly meetings that are open to the public.

CEAB Members also:

- Appoint and evaluate the Executive Director of the OSE
- Issue advisory opinions to persons subject to the Ethics Codes
- Serve as Hearing Officers for non-confidential hearings
- Attend hearings to determine if violations occurred and, if so, assess penalties
- Oversee the legislative agenda

CITIZEN'S ETHICS ADVISORY BOARD MEMBERS

The members are appointed by the Governor and legislative leadership for staggered four-year terms. The CEAB members who served during calendar year 2019 are:

- ❖ **Dena Castricone of North Haven – Chair**
Appointed by Governor Dannel P. Malloy for a four-year term expiring on September 30, 2022
- ❖ **Jason K. Farrell of West Hartford – Vice Chair**
Appointed by Governor Dannel P. Malloy for a four-year term expiring on September 30, 2020
- ❖ **Mary Bigelow of Northford**
Appointed by Senate Majority Leader Martin Looney for a four-year term expiring on September 30, 2021
- ❖ **Charles F. Chiusano of Fairfield**
Appointed by Senate Minority Leader Len Fasano for a four-year term expiring on September 30, 2021
- ❖ **Karen Christiana of Old Saybrook**
Appointed by Speaker of the House Joe Aresimowicz for a four-year term expiring on September 30, 2023
- ❖ **Beth Cook of West Hartford**
Appointed by Governor Dannel P. Malloy for a four year-term expiring on September 30, 2020
- ❖ **Kevin P. Johnston of Pomfret Center**
Appointed by Senate President Pro Tempore Martin Looney for a four-year term expiring on September 30, 2022
- ❖ **Richard D. Lang of Glastonbury**
Appointed by Speaker of the House Brendan Sharkey for a four-year tem that expired in September 2019
- ❖ **Cheryl Lipson of Woodbridge**
Appointed by House Republican Leader Themis Klarides for a four-year term expiring on September 30, 2023
- ❖ **Nichelle Mullins of Cromwell**
Appointed by House Majority Matthew Ritter for a four-year term expiring on September 30, 2023

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LEGAL ADVICE, LEGISLATION AND REGULATIONS

The Legal Division provides advice and opinions regarding the Ethics Codes to the regulated community, which includes approximately 50,000 public officials and state employees, nearly 2,000 lobbyists, and all state contractors. The Division consists of a General Counsel, who also serves as counsel to the CEAB, a Deputy General Counsel, an Assistant General Counsel, and a Paralegal.

OPINIONS

In 2019, the OSE received 956 requests for advice about the application of the Ethics Codes. The CEAB issued 2 Advisory Opinions. The Division staff issued 419 written staff opinions in 2019, in addition to handling 537 other requests for advice over the telephone or in face-to-face meetings.

FREEDOM OF INFORMATION (FOI) LAW

In 2019, the OSE responded to 31 FOI Law requests.

BACKGROUND CHECKS

In 2019, the OSE conducted 49 background checks, typically relating to individuals being considered for appointive office.

PROPOSED LEGISLATION

The OSE submitted the following legislative proposals for consideration during the 2019 Regular Session of the Connecticut General Assembly:

1. An Act Concerning Municipal Ethics
2. An Act Concerning Revisions to the State Codes of Ethics
3. An Act Concerning Revisions to Certain Ethics Code Definitions and Gift Provisions
4. An Act Concerning the Recovery of Attorney Fees under the State Codes of Ethics
5. An Act Concerning Conflicts of Interest
6. An Act Concerning State Marshals Statement of Income

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2019 PUBLIC ACTS

The following agency proposals were passed by the Connecticut General Assembly:

SENATE BILL 1039

PUBLIC ACT 19-2

AN ACT CONCERNING THE CONFIDENTIALITY OF STATEMENTS OF FINANCIAL INTEREST

Existing law requires certain public officials and state employees to annually file financial interest statements that identify certain assets and liabilities held by them, their spouses, and dependent children. This act exempts the names of dependent children residing in the filer's household from public disclosure under the Freedom of Information Act.

HOUSE BILL 7325

PUBLIC ACT 19-180

AN ACT CONCERNING STATE MARSHALS' STATEMENTS OF INCOME

This act eliminates the requirement for state marshals to annually file financial interest statements that identify the amounts and sources of income earned in their official capacity.

FINANCIAL DISCLOSURE FILING

The OSE continued in 2019 to make improvements to the public official and lobbyist online filing systems. These improvements brought the filing systems up to current technological standards and provided users with simple, intuitive processes. The enhancements to the systems also improved the quantity and variety of information accessible to the public in real time from the filed data.

STATEMENTS OF FINANCIAL INTERESTS

The Code of Ethics for Public Officials § 1-83 (a) (1) requires 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

HIGHLIGHTS

98% percent of SFIs were submitted electronically.

employees in the Executive Branch who must file these financial disclosure statements. The SFIs include information such as names of all associated businesses, sources of income over \$1,000, and a list of all real property, as well as any creditors.

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, in 2019, State Marshals were required to file annual statements of income with the OSE.

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In 2019, the OSE received 2,552 SFIs from public officials and state employees. The OSE saw 99% compliance from the 2,552 required filers. Ninety-eight percent (98%) of the SFIs were filed electronically. The OSE also handled a total of 201 Statements of Income filed by State Marshals.

LOBBYIST FILINGS AND DISCLOSURE

During the 2019 lobbyist registration period, 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 2,155 lobbyist registrations in Calendar Year 2019 generated \$885,875 in fees, collected by the OSE and deposited into the state's General Fund.

ENFORCEMENT AND AUDITS

The Enforcement Division investigates and prosecutes violations of the Ethics Codes. The Division consists of the Ethics Enforcement Officer, one Deputy Ethics Enforcement Officer, one Assistant Ethics Enforcement Officer, one Legal Investigator, and one Paralegal Specialist.

ENFORCEMENT STATISTICS

The Enforcement Division conducted a total of 189 matters and reviews of potential violations of the Ethics Codes during 2019.

The Division resolved 117 matters in 2019 by consent order or other resolution, resulting in the collection of a total of \$37,590 in penalties. The penalties include monies paid in 95 cases by lobbyists who failed to register in a timely manner or who were delinquent in filing required financial reports.

Also included are 5 settlements of alleged Ethics Code violations such as conflicts of interest and impermissible use of office for financial gain, and 17 matters against public officials and/or State Marshals for failure to timely file their SFIs/SOIs as required by law. Summaries of enforcement actions, as well as the accompanying settlement documents are available on our website.

HIGHLIGHTS

The Division handled 189 matters; collected \$37,590 in penalties; and, prevailed in its only full Board hearing.

In 2019, the Division opened and closed 137 matters under the Uniform Administrative Procedure Act (UAPA) regarding failure to timely file financial reports or other required filings. Of these, all 112 were resolved informally prior to hearing. The Division conducted 2 UAPA hearings which resulted in the imposition of a penalty by the Citizen's Ethics Advisory Board in the amount of \$460. The total amount received from the informal settlements was \$16,740.

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In 2019, the Division opened 26 confidential evaluations and filed or received 26 complaints regarding alleged violations of the Ethics Codes committed by public officials, state employees, lobbyists or contractors. Of the complaints, 24 came from external sources, and the Division filed the remaining 2 on its own initiative, following investigation. The Division resolved 5 previously filed cases by consent order, imposing \$20,850 in penalties.

The Division also conducted one probable cause hearing before a Judge Trial Referee, and one hearing before the Citizen's Ethics Advisory Board. The Board hearing took place over a period of four days and resulted in a finding of two violations and a penalty of \$20,000, the statutory maximum.

In addition to the above, the Division received approximately 18 "tips" regarding alleged violations of the Ethics Codes that, after review, proved to be outside of the jurisdiction of the OSE.

LOBBYIST AUDIT PROGRAM

The Citizen's Ethics Advisory Board approved 9 audits of registered client and communicator lobbyists in 2019. Five (or 55%) of the approved audits contained adverse findings, compared to 90% in 2018. Corrective action was imposed in 3 of the audits in 2019.

SFI and SOI Compliance

In 2019, 2,552 individuals filed SFIs, with 99% filing in a timely fashion. Seventy-seven (77%) of State Agencies, Offices, Commissions and Quasi-Public Agencies achieved 100% timely compliance. Forty-two agencies, or 70% of those agencies, earned the distinction of not only achieving 100% timely compliance but also 100% electronically submit filings.

HIGHLIGHTS

**Public Act 19-80 repealed
State Marshal Statement of
Income Requirement**

In addition, the OSE received SOIs from all 201 State Marshals. Public Act No. 19-180 repealed the requirement that State Marshals file annual SOIs. Therefore, as of October 1, 2019, OSE no longer has jurisdiction over State Marshals.

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EDUCATION AND OUTREACH

In accordance with § 1-81c of the Connecticut General Statutes the Office of State Ethics administers a program of mandatory training, which, in 2019 included training for all members of the General Assembly. The Office of State Ethics completed 18 trainings in the first quarter, 15 trainings in the second quarter, 12 trainings in the third quarter and 21 trainings in the fourth quarter. A total of 66 trainings were conducted in 2019.



TRAININGS

The OSE conducts in-person trainings and typically reaches over one thousand people annually. Many of the trainings are tailored to address agency-specific needs. In-person trainings included sessions for legislators, agency commissioners and the staff of the offices of the Governor and Lieutenant Governor, as well as state agency personnel. Training is also available for the lobbyist community and contractors.

The OSE fosters strong relationships with ethics liaisons. Our monthly electronic newsletter was distributed to a list of 135 individuals in 2019, including all of the agency ethics liaisons and compliance officers. The OSE continued its outreach program to offer in-person training to each state agency. Previously, training was provided at the request of the agency, which has resulted in some agencies having regularly scheduled training while others have not had training for a decade or more. This allows the OSE to more effectively meet its mandate to provide yearly training to all state employees. Since training drives compliance through requests for advice and filing of complaints, more training sessions are expected to result in greater compliance.

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ethics-Learning Mini Modules

The OSE is developing and designing ethics-Learning Modules which will enhance our e-learning environment. Our goal is to provide access to short training modules--

HIGHLIGHTS
COMING SOON
ethics-Learning Modules which will enhance our e-learning environment

customized for specific positions and covering a wide range of ethics topics and different sections of the Ethics Codes available directly from our website using **any device**. Our modules will provide relevant courses to meet annual training requirements.

Our modules will provide compelling visual experiences, utilize videos, web interfaces and resources that are self-guided and contain tutorials, documents and instructions.

MEDIA

The OSE continued its proactive media approach in 2019 with the goal of providing Connecticut citizens with information to enhance their confidence in state government. Specifically, the agency:

- Maintained its media list of 150 contacts;
- Disseminated 7 press releases.

PARTNERSHIPS

The OSE regularly collaborates with outside partners to further the confidence of Connecticut citizens in state government. The OSE strives to broaden its educational reach, creating an increased awareness of agency services through its no-cost activities. In 2019, the Director of Education served as a competition judge for the School for Ethical Education, Laws of Life Essay Program.

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CONTACT US



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