

Annual Report to the Governor Calendar Year 2020



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 \$0.42 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 2020 appropriation of \$1,515,986. Actual expenditures for Fiscal Year 2020 were \$1,375,088. The savings in expenditures related to operating expenses resulted from the suspension of in-person meetings, trainings, conferences and other costs during the COVID-19 pandemic. The expenditure amount translates to a cost of approximately \$0.42 for each citizen of Connecticut¹.

¹ 2020 population estimate April 1, 2020, 3,574,147 from the United States Census Bureau.

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Strategic Plan 2017 - 2020

In order to best serve Connecticut, the OSE completed its strategic plan which focused 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 summary below highlights our key initiatives and achievements.

DATA

- Goal 1:** Identified key metrics for each division
- Goal 2:** Collected data to measure key metrics
- Goal 3:** Utilize metrics as sustainable management tools

TECHNOLOGY

- Goal 1:** Redesigned and updated the lobbyist reporting system
- Goal 2:** Redesigned and updated the SFI reporting system
- Goal 3:** Developed and launched a case management system
- Goal 4:** Continue annual review of IT applications

ANALYSIS

- Goal 1:** Identified data for compilation and analysis
- Goal 2:** Utilized data to enhance agency reporting systems
- Goal 3:** Develop analytical reports to drive policy related to our mandates

BOARD OPERATIONS

- Goal 1:** Established a process for setting Board priorities and initiatives
- Goal 2:** Implemented succession plan

This strategic plan incorporated our mission, vision, and values in executing our priorities for 2017 to 2020.

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 2020 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 Ned Lamont for a four-year term expiring on September 30, 2024
- ❖ **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 that expired 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
- ❖ **Cheryl Lipson of Woodbridge**
Appointed by House Republican Leader Themis Klarides for a four-year term expiring on September 30, 2023
- ❖ **Nichelle Mullins of Farmington**
Appointed by House Majority Matthew Ritter for a four-year term expiring on September 30, 2023
- ❖ **Laura A. Schuyler of West Simsbury**
Appointed by Governor Ned Lamont for a four-year term expiring on September 30, 2024

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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 44,000 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 calendar year 2020, the OSE received 538 requests for advice about the application of the Ethics Codes. The Division staff issued 341 written staff opinions during the reporting period and handled 197 other requests for advice over the telephone or in face-to-face meetings. In addition, the CEAB issued 1 Advisory Opinion. A summary of the full text of all opinions and rulings are available on the OSE website.

FREEDOM OF INFORMATION (FOI) LAW

In 2020, the OSE responded to 22 FOI Law requests.

BACKGROUND CHECKS

In 2020, the OSE conducted 40 background checks, typically relating to individuals being considered for appointive office.

PROPOSED LEGISLATION

The OSE submitted the following legislative proposals for consideration during the 2020 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 Conflicts of Interest
4. An Act Concerning the Definition of a Public Official
5. An Act Concerning Revolving-Door Provisions

2020 PUBLIC ACTS

During the 2020 regular session of the Connecticut General Assembly there were no agency proposals that were passed.

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FINANCIAL DISCLOSURE FILING

The OSE continued in 2020 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 to file yearly Statements of Financial Interests (SFIs) with the OSE. The Governor’s Office also issues an annual standard that designates appointed officials and additional state employees in the Executive Branch who must file these financial disclosure statements. The SFIs include information such as names of all associated businesses, sources of income over \$1,000, and a list of all real property, as well as any creditors.

HIGHLIGHTS

98% percent of SFIs were submitted electronically.

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. In 2020, 81% of our Agencies, Offices, Commissions and Quasi-Public Agencies achieved 100% timely compliance. Forty-eight agencies or 75% of those agencies earned the distinction of not only achieving 100% timely compliance but also had 100% submit filings electronically. Overall, the OSE saw 98% compliance from the 2,506 required filers and ninety-eight percent (98%) of the SFIs were filed electronically.

LOBBYIST FILINGS AND DISCLOSURE

During the 2019-2020 biennial 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.

The 341 lobbyist registrations in Calendar Year 2020 generated \$64,125 in fees, collected by the OSE and deposited into the state’s General Fund.

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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 185 matters and reviews of potential violations of the Ethics Codes during 2020.

The Division resolved 148 matters in 2020 by consent order or other resolution, resulting in the collection of a total of \$21,109.00 in penalties. The penalties include monies paid in 118 cases by lobbyists who failed to register in a timely manner or who were delinquent in filing required financial reports.

Also included are 2 settlements of alleged Ethics Code violations such as conflicts of interest and impermissible use of office for financial gain and 4 matters against public officials for failure to timely file their SFIs as required by law.

In 2020, the Division opened 147 matters under the Uniform Administrative Procedure Act (UAPA) regarding failure to timely file financial reports or other required filings. Of these, 146 were resolved informally prior to hearing. The Division conducted 2 UAPA hearings, which resulted in the imposition of 1 penalty by the Citizen's Ethics Advisory Board in the amount of \$1,600.00. The total amount received from the informal settlements was \$18,109.00.

In 2020, the Division opened 38 confidential evaluations and filed or received 9 complaints regarding alleged violations of the Ethics Codes committed by public officials, state employees, lobbyists or contractors. Of the complaints, 5 came from external sources, and the Division filed the remaining 2 on its own initiative, following investigation. In addition, the Division received approximately 10 "tips" regarding alleged violations of the Ethics Codes that, after review, proved to be outside of the jurisdiction of the OSE.

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LOBBYIST AUDIT PROGRAM

The Citizen’s Ethics Advisory Board approved 11 audits of registered client and communicator lobbyists in 2020. Seven (or 64%) of the approved audits contained adverse findings, compared to 55% in 2019. Corrective action was not imposed in any audits in 2020.

2020 CEAB Audit Process Review Subcommittee

In 2020, the CEAB formed the Audit Process Review Subcommittee (“Subcommittee”) in order to examine ways to improve awareness by the lobbyist community of the random lobbyist audit process; lobbyist recordkeeping obligations; and, potential penalties for failing to maintain required records.

Under General Statutes § 1-96a, lobbyist registrants are subject to random audit by the OSE. Registrants must “obtain and preserve all accounts, bills, receipts and other documents necessary to substantiate the financial reports required by section 1-96 for a period of three years from the date of the filing of the report referring to such financial matters,” and must make these items available for inspection and copying by the OSE when audited.¹

HIGHLIGHTS

**CEAB Subcommittee
implements 13
proposals to educate
lobbyist community**

The purpose of a random audit is to determine whether information reported to the OSE is timely, accurate and complete,² and findings made pursuant to an audit typically result only in the OSE requiring that registrants make corrective action where appropriate.³ However, a registrant’s failure to take corrective action or intentional or grossly negligent failure to comply with the Lobbyist Code may result in enforcement actions and penalties.⁴

The Subcommittee implemented 13 proposals to educate the lobbyist community, including but not limited to:

- Designing a Lobbyist Audit Corner – OSE website
- Developing a standard information presentation for auditees;
- Amending lobbyist certifications and communications to include key lobbyist requirements;
- Creating and improving agency documents to focus on the audit process; and
- Inserting an audit protocol component to lobbyist trainings.

¹ General Statutes § 1-96a. See also, Regulations of Connecticut State Agencies §§ 1-92-55 through 1-92-61. All lobbyist registrants, including in-house communicator lobbyists, are subject to audit. For more information, please visit the [Lobbyist Audit Corner](https://portal.ct.gov/ethics) at <https://portal.ct.gov/ethics>.

² Regulations of Connecticut State Agencies § 1-92-57.

³ Regulations of Connecticut State Agencies §§ 1-92-57 and 1-92-59.

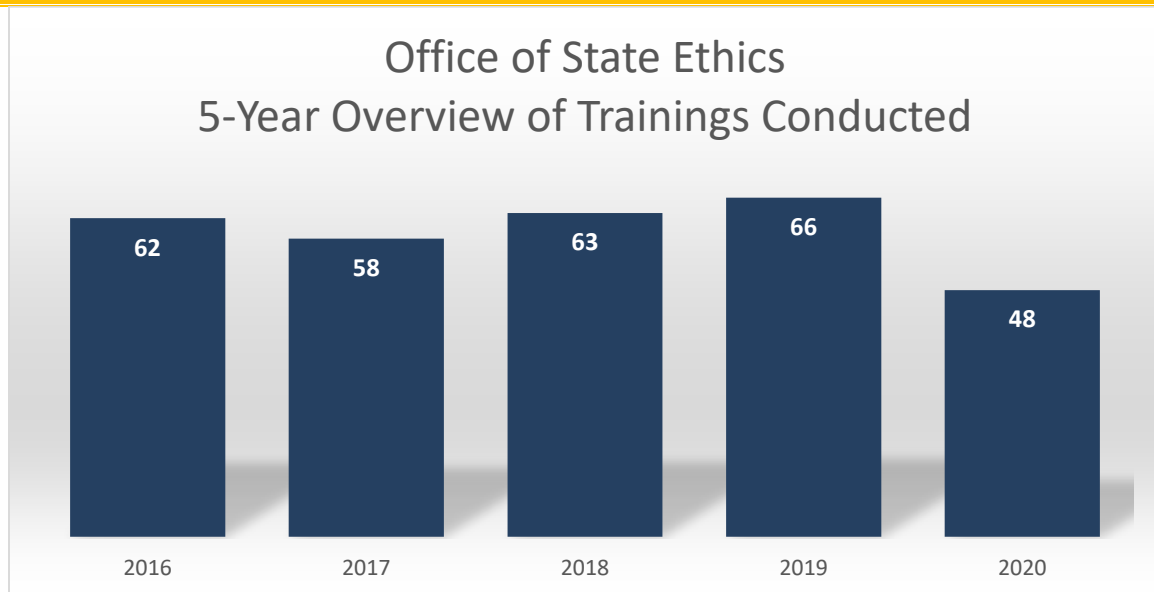
⁴ Regulations of Connecticut State Agencies § 1-92-61.

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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, for all members of the General Assembly every four years and upon first election. The Office of State Ethics completed 17 trainings in the first quarter, 8 trainings in the second quarter, 6 trainings in the third quarter and 17 trainings in the fourth quarter. A total of 48 trainings were conducted in 2020.

TRAININGS



The OSE conducts Code of Ethics trainings for Public Officials, State Employees, Lobbyists and Contractors, and we offer trainings that are tailored to address agency-specific needs.

Due to COVID-19 most of our in-person trainings were for employees that did not have individual access to technology, e.g., Department of Transportation maintenance employees.

During 2020, the OSE continued to offer; the self-service on-line training program, limited in-person trainings and utilized Teams, Zoom and GotoMeeting options to conduct engaging training during COVID-19 to each state agency that requested training. We believe that this flexibility has allowed the OSE to continue to 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.

The OSE fosters strong relationships with ethics liaisons. Our monthly electronic newsletter was distributed to a list of 142 individuals in 2020, including all of the agency ethics liaisons and compliance officers.

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MEDIA

The OSE continued its proactive media approach in 2020 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 2 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 2020, the Director of Education served as a competition judge for the School for Ethical Education, Laws of Life Essay Program.

COVID-19 RESPONSE

In conformance with existing Executive Orders, the Office of State Ethics initiated the following in response to the COVID-19 public health emergency:

- **Shifted staff to telework while providing access to all agency services.**
- **Extended First Quarter Lobbyist Reports (Forms ETH-2D and ETH 2C) for a 90-day grace period to July 10, 2020.**
- **Extended filing deadline from May 1, 2020 to July 1, 2020 for Statements of Financial Interests (“SFIs”).**

Section 1-83 of the Connecticut General Statutes is modified to authorize the Office of State Ethics to extend the filing deadline to July 1, 2020 for Statements of Financial Interests for all state-wide elected officers, members of the General Assembly, department heads and their deputies, members or directors of each quasi-public agency, members of the Investment Advisory Council, and such members of the Executive Department and such employees of quasi-public agencies that are designated by statute or in accordance with Governor Lamont’s Standard.

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CONTACT US



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