

Annual Report to the Governor Calendar Year 2021



Office of State Ethics
Peter Lewandowski, Executive Director



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Annual Report to the Governor

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

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 \$0.41 for each 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 2021 appropriation of \$1,610,143. Actual expenditures for Fiscal Year 2021 were \$1,487,007, with a savings of \$126,967. The savings in expenditures 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 \$0.41 for each citizen of Connecticut¹.

¹ 2021 population estimate July 1, 2021, 3,605,597 from the United States Census Bureau.

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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 2021 are:

- ❖ **Dena Castricone of North Haven – Chair**
Appointed by Governor Dannel P. Malloy for a four-year term expiring on September 30, 2022
- ❖ **Nichelle Mullins of Farmington – Vice Chair**
Appointed by House Majority Matthew Ritter for a four-year term expiring on September 30, 2023
- ❖ **Mary Bigelow of Northford**
Appointed by Senate Majority Leader Bob Duff for a four-year term expiring on September 30, 2025
- ❖ **Charles F. Chiusano of Fairfield**
Appointed by Senate Minority Leader Kevin Kelly for a four-year term expiring on September 30, 2025
- ❖ **Karen Christiana of Old Saybrook**
Appointed by Speaker of the House Joe Aresimowicz for a four-year term expiring on September 30, 2023
- ❖ **Jason K. Farrell of West Hartford**
Appointed by Governor Ned Lamont for a four-year term expiring on September 30, 2024
- ❖ **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
- ❖ **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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OFFICE RELOCATION

In May 2021, the OSE relocated its offices to the newly renovated State Office Building at 165 Capitol Avenue in Hartford. The agency offices are located on the west side of the ground floor of the building in suite 1200. The new location allows the OSE to maintain its presence close to the State Capitol.

2021 LEGISLATIVE PROPOSALS

The OSE submitted the following legislative proposals for consideration during the 2021 Regular Session of the Connecticut General Assembly:

1. An Act Concerning Municipal Ethics – ***Failed Legislation***
2. An Act Concerning Revisions to the State Codes of Ethics – ***Public Act 21-164***

2021 PUBLIC ACT SUMMARY

During 2021 Legislative Session, by way of Public Act No. 21-164, several changes were made to the state codes of ethics for public officials and lobbyists, key among them:

Legislative Updates to the Codes of Ethics

- ❖ adding the Paid Family and Medical Leave Insurance Authority to the list of quasi-public agencies subject to the ethics code for public officials;
- ❖ defining confidential information for the law's purposes as similarly defined in regulations;
- ❖ authorizing the OSE's ethics enforcement officer to represent the office in certain matters before the Superior Court;
- ❖ requiring public officials and state employees who must file statements of financial interests with OSE to file them electronically using software the office creates;
- ❖ exempting certain gifts from the codes' gift prohibition and clarifies who must report certain expenditures to a beneficiary public official or state employee;
- ❖ requiring certain state regulatory agencies, in consultation with OSE, to annually submit a statement designating the agency positions which are subject to the code's revolving door provisions;
- ❖ extending the prohibited activities that apply to state-hired consultants and independent contractors to include persons they employ;
- ❖ exempting students in higher education serving as public officials from certain code provisions;
- ❖ extending the CEAB deadline for final hearing decisions on violations; and
- ❖ clarifying that both individuals employing lobbyists and those employed as lobbyists are subject to the Code of Ethics for Lobbyists' prohibition on contingency fee lobbying.

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LEGAL DIVISION: ADVICE AND OPINIONS

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 2021, the OSE received 692 requests for advice about the application of the Ethics Codes. The Division staff issued 446 written staff opinions during the reporting period and handled 246 other requests for advice over the telephone or in face-to-face meetings.

2021 ADVISORY OPINION SUMMARY

Advisory Opinion No. 2021-1 Application of the Conflict of Interest Provisions to a Member of the Connecticut Port Authority

The Citizen's Ethics Advisory Board concluded that a member of the Connecticut Port Authority may take official action in his capacity as such only to the extent that he does not have a "substantial" conflict under General Statutes § 1-85, and that, if he has a "potential" conflict under General Statutes § 1-86 (a), he follows the procedure set forth in that provision for "member[s] of a state regulatory agency."

Advisory Opinion No. 2021-2 Application of the Code of Ethics Concerning Use of Office Provisions

The Citizen's Ethics Advisory Board concluded that the "use of office" provision in General Statutes § 1-84 (c) does not extend to distant familial relations such as a second cousin and thus does not prohibit a state employee from providing a reference letter recommending his second cousin for a state position.

Advisory Opinion No. 2021-3 Application of the Code of Ethics to a Deputy Commissioner's Uncompensated Service on a Local Board of Education

The Citizen's Ethics Advisory Board concluded that (1) the prohibitions in § 5-266a-1 of the OSE regulations do not apply to a Deputy Commissioner with the Department of Administrative Services; (2) that uncompensated service on a Town Board of Education would not constitute "employment" and thus would not violate the Code's outside employment rules; and (3) General Statutes §§ 1-85 and 1-86 (a) would not, by virtue of uncompensated service on the Town Board of Education, prohibit him from taking any official actions as Deputy Commissioner.

FREEDOM OF INFORMATION (FOI) LAW

In 2021, the OSE responded to 26 FOI Law requests.

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INFORMATION TECHNOLOGY – FILING SYSTEMS

The OSE continued in 2021 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.

The Office of State Ethics completed the agency-wide case management system to significantly improve the efficiency of OSE operations. OSE created a lobbyist audit randomization application and a new Gift to the State Online filing and aligned it with an updated Necessary Expenses Filing to simplify self-reporting. OSE also installed a new VOIP Enterprise System and migrated over to a new content management system.

LOBBYIST FILINGS AND DISCLOSURE

During the first year of the 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 2,017 biennial lobbyist registrations for 2021 generated \$863,000 in fees, collected by the OSE and deposited into the state's General Fund.

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

Public Act 21-164
Effective October 1, 2021
Statements of Financial Interests
Filed Electronically Only

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 2021, 82% of our Agencies, Offices, Commissions and Quasi-Public Agencies achieved 100% timely compliance. Fifty-five agencies or 86% of those agencies earned the distinction of not only achieving 100% timely compliance but also had 100% submit filings electronically. Overall, the OSE saw 99% compliance from the 2,502 required filers and 99% of the SFIs were filed electronically.

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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 180 matters and reviews of potential violations of the Ethics Codes during 2021. The Division resolved 137 matters in 2021 by consent order or other resolution, resulting in the collection of a total of \$46,880 in penalties. The penalties include monies paid in 81 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 4 matters against public officials for failure to timely file their SFIs as required by law.

In 2021, the Division opened 132 matters under the Uniform Administrative Procedure Act (UAPA) regarding failure to timely file financial reports or other required filings. Of these, all were resolved informally prior to hearing. No UAPA hearings were conducted in 2021.

In 2021, the Division opened 45 confidential evaluations and filed or received 15 complaints regarding alleged violations of the Ethics Codes committed by public officials, state employees, lobbyists or contractors. Of the complaints, 11 came from external sources, and the Division filed the remaining 4 on its own initiative, following investigation. In addition, the Division received multiple “tips” regarding alleged violations of the Ethics Codes that, after review, proved to be outside of the jurisdiction of the OSE.

2021 LOBBYIST AUDITS

The Citizen's Ethics Advisory Board approved 10 audits of registered client and communicator lobbyists in 2021. Nine (or 90%) of the approved audits contained adverse findings, compared to 64% in 2020. Corrective action was not imposed in any audits in 2021.

BACKGROUND CHECKS

In 2021, the OSE conducted 74 background checks, typically relating to individuals being considered for appointive office.

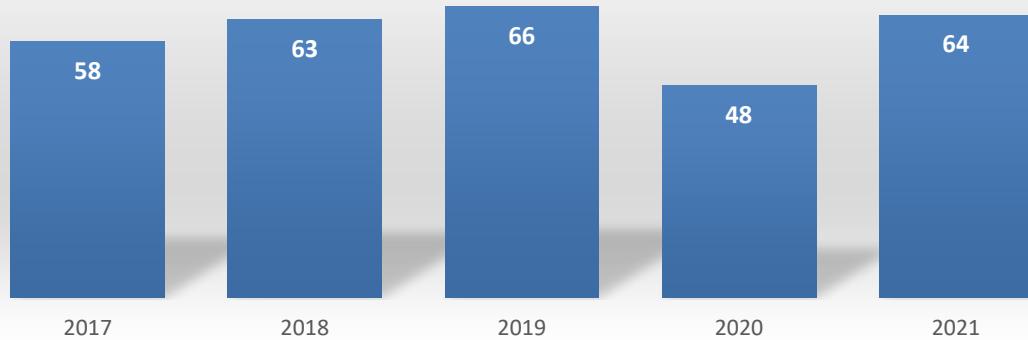
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EDUCATION AND OUTREACH

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 11 trainings in the first quarter, 25 in the second quarter, 12 in the third quarter and 16 trainings in the fourth quarter. A total of 64 trainings were conducted in 2021.

TRAININGS

Office of State Ethics
5-Year Overview of Trainings Conducted*



**Data includes in-person and virtual trainings via Zoom, Teams, GoToMeeting.*

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 2021, 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 2021, including all the agency ethics liaisons and compliance officers.

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MEDIA

The OSE continued its proactive media approach in 2021 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 6 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 2021, 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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