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ADVISORY OPINION NUMBER 78-30

Expenditures for the Benefit of a Public Official,  
a Member of his Staff or Immediate Family

An organization which is registered as a lobbyist under Public Act Number 77-605 holds annual conventions which usually are at least daylong. A typical convention consists of a day of continuing education programs related to the occupations of the attendants, followed by a cocktail hour and a dinner which are essentially social functions. Persons who register for the convention pay a registration fee of no more than \$25, which covers the cost of, and entitles the individual to attend, the entire convention program, including the cocktail hour and the dinner. The convention costs the organization nothing. The registration fees of attendants are sufficient to defray all expenses incurred by the organization in conducting the convention.

A representative of the organization has asked the State Ethics Commission what must be included in the organization's financial report, submitted in compliance with section 7, Public Act Number 77-605, as a result of the following:

- a. A State employee attends the program and is invited as a guest for cocktails and dinner; the State employee may or may not have participated in the program.
- b. A public official or State employee attends part of a day's program as a guest; he may or may not participate in the program.
- c. A member of the immediate family of a State employee accompanies the State employee in each of the situations described in a and b, above.

The request for an opinion contained no indication that any attempts to influence legislative or administrative action are involved. Therefore, the issue seems to be one of proper reporting of "each expenditure of twenty five dollars or more per occasion made by the registrant for the benefit of a public official in the legislative or executive branch, a member of his staff or immediate family, itemized by date, beneficiary, amount and circumstances of the transaction" in order to comply with section 7 of Public Act Number 77-605. The Commission has construed this provision to require reporting expenditures for the benefit of such a public

official, his staff and his immediate family, when the cost of the occasion is \$25 or more even though, as in this case, the benefit to an individual may be less than \$25. State Ethics Commission Advisory Opinion Number 78-16, 40 Conn. L.J. No. 8, p. 13.

"Expenditure" is defined as "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, payments for mailing, postage, printing and other clerical services and materials, pledge or subscription of money or anything of value,... and any contract, agreement, promise or other obligation..." Section 1(f), Public Act Number 77-605. In the case of a convention, the one who makes the "expenditures" as the term is used in section 7, supra, for the convention is the organization which conducts it and pays the bills. The individuals who register to attend the convention merely furnish the funds from which the expenditures are made. Therefore, the registrant organization should include in its financial report covering the date of the convention a list of the public officials of the legislative or executive branch, staff and immediate family benefitted.

"Public official" and "immediate family" are defined in sections 1(p) and 1(h), respectively, of Public Act Number 77-605. "Staff" is not, nor does the legislative history of the Act help in determining its meaning. Since the purpose of the provision is to disclose expenditures made by a registrant for the benefit of public officials, who are often in a position to favor the registrant, and of those influential with an official, "staff" should not be read to include all those employed in the same department or agency as the official. The term should be restricted to employees who meet the traditional definition of "staff" and who are close enough to the official to influence his decisions. Thus, in a small agency, such as a State commission, all the employees of the commission would normally be considered "staff". In a large department, "personal staff" and those chiefly responsible for carrying out the operations of the department would be considered "staff".

Persons to be listed as "beneficiaries" in the registrant organization's financial report are public officials in the legislative or executive branch who are benefitted by the convention expenditures and any State employee, similarly benefitted, who is on the staff of such a public official (whether or not that official attends any convention events). The member of the State employee's immediate family would not be reported, since section 7, Public Act Number 77-605, limits those who must be reported to the immediate family of public officials of the legislative and executive branch.

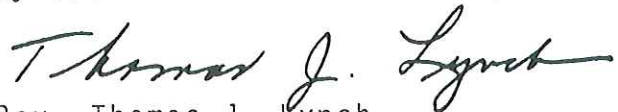
"Beneficiaries" are those who are guests at the cocktail hour, the dinner, or both. Non-paying public officials and State employees who merely attend during the day are not "beneficiaries", assuming that their number is not so large as to affect the other overhead costs of the convention. Such costs as speakers' fees and rent for a convention hall are unlikely to be changed at

all, or at least not significantly, by the presence of a relatively small number of guests during the continuing education portion of the program. Should a public official, or a member of a public official's staff or immediate family, be compensated for participating in the program (as a speaker, for example) that would be a benefit reportable by the organization. Should the organization pass out to participants material or a memento of any consequential value, that would be a benefit to any public official, staff, or immediate family member who accepted it, and reportable. It would also be a gift for purposes of section 8(a), Public Act Number 77-605, unless the recipient participated in the program and the material or memento was considered to be compensation.

To answer the questions specifically:

- a. A State employee who is a guest for cocktails and dinner should be included as a beneficiary in the organization's financial report if the employee is on the staff of a public official. It is inconsequential whether the employee participates in the program or not. (That factor would only affect whether the cocktails and dinner might be classified as compensation, or considered a gift for purposes of section 8(a), Public Act Number 77-605. Since the whole convention program costs no more than \$25 per person, the food and drink included in the program are not a gift. Section 1(g), Public Act Number 77-605.)
- b. Neither a public official nor a State employee who attends part of a day's program is a reportable beneficiary.
- c. A member of the immediate family of a State employee would not be a reportable beneficiary under any circumstance.

By order of the Commission,



Rev. Thomas J. Lynch  
Chairman

Dated December 7, 1978

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