



STATE OF CONNECTICUT

OFFICE OF STATE ETHICS

Draft Advisory Opinion No. 2026-1

March 12, 2026

Question Presented:

Whether the Deputy Commissioner of Energy at the Department of Energy and Environmental Protection has a conflict of interests under General Statutes §§ 1-85 or 1-86 (a) considering his equity stake in Sealed, Inc.—“a Program Aggregator . . . for contractors that install weatherization and electrification improvements”—which currently has no business, nor any plans to do business, in Connecticut.

Brief Answer:

If Sealed, Inc., continues to refrain from doing business in Connecticut such that there is no possibility that the Deputy Commissioner could take official action for its financial interests or his own (via his equity stake), then he will have no concerns under §§ 1-85 and 1-86 (a) vis-à-vis his financial relationship with the company; however, if Sealed, Inc., “decides[s] to participate as an ‘aggregator’ or similar in one or more program in CT (or other states) that the role [of Deputy Commissioner] impacts”, he should reach out for further advice, as it is likely he would have a conflict under §§ 1-85 or 1-86 (a), requiring recusal or, if that is not feasible, either divestment of his equity stake or resignation from his state position.

At its March 19, 2026 meeting, the Citizen's Ethics Advisory Board (Board) granted the petition for an advisory opinion submitted by Andrew Frank, the Deputy Commissioner of Energy at the Department of Energy and Environmental Protection (DEEP), and it now issues this advisory opinion under General Statutes § 1-81 (a) (3) of the Code of Ethics for Public Officials (Code).

Background

Mr. Frank provides the following facts:

The Citizen's Ethics Advisory Board may rely on the following background information concerning my previous and current involvement with Sealed Inc. in order to provide an advisory opinion regarding my . . . position as Deputy Commissioner for Energy at the Connecticut Department of Energy and Environmental Protection (DEEP).

My Past and Current Involvement with Sealed, Inc.

- I founded Sealed Inc. ("Sealed"), which is a Delaware corporation with its principal place of business in New York, NY. I previously served as the President of Sealed and sat on the Board of Directors. In advance of beginning my employment as the Deputy Commissioner for Energy at DEEP, I resigned my position as President of Sealed and stepped down from the Board of Directors.
- I currently hold a minority interest (under 10 percent) of outstanding ownership and under 5 percent of fully diluted ownership. Both the amount and type of shares that I own do not trigger any fiduciary duty and do not give me any decision-making authority, including voting.

Sealed, Inc. Background Information

- Sealed is a Program Aggregator (often referred to by similar nomenclature such as Designated Entity, Rebate Processing Organization, etc.) for contractors that install weatherization and electrification improvements, including insulation, air sealing, air source heat pumps, heat pump water heaters, and electric panel upgrades.

Sealed provides contractors with improved access (through, e.g., workflow software, rebate qualification processing and payment) to energy-efficiency related rebate programs. See Programs and Policy I Sealed. As a Program Aggregator, Sealed registers for a program as a trade ally in a non-discriminatory manner (i.e. any qualified company can perform the same function). While Sealed does not typically contract with energy efficiency program administrators (government agencies and/or public utility authorities), Sealed has active (informal) engagement with program administrators and program vendors on program design.

- Sealed does not currently have business, other than passive accounts, in the State of Connecticut. Sealed currently works with contractors in New York, California, Wisconsin, Georgia, and Colorado, and expects to work soon in New Jersey (where it has worked in the past).
- Sealed does not have any plans to do business in Connecticut or New England more broadly, including bidding on DEEP procurement opportunities or engaging in the Public Utilities Regulatory Authority's (PURA) Innovative Energy Solutions (IES) program.

Under the heading "Ethics Considerations and Future Mitigation", Mr. Frank states:

It is important to me to be proactive in addressing any actual or potential conflicts of interest that could arise as a result of my employment at DEEP and my equity stake in Sealed.

The DEEP Deputy Commissioner for Energy would have responsibility for overseeing several programs that affect the availability of rebates for energy efficiency contractors in Connecticut, including, as noted, the utility administered C&LM program, WAP, and competitive procurements for energy efficiency. While Sealed is not likely to pursue formal procurement opportunities, Sealed could decide to participate as an "aggregator" or similar in one or more program in CT (or other states) that the role impacts. Were Sealed to be actively marketing rebate processing services to contractors that

participate in these programs in Connecticut, decisions I might make with respect to these programs could have a direct and predictable effect on Sealed, conferring a financial benefit on me as a holder of stock in the company. These responsibilities are key functions of the Deputy Commissioner, and recusal from these responsibilities would not be an option without compromising my ability to perform the Deputy role.

Because Sealed is not actively marketing or providing services to contractors in Connecticut or for any program in which DEEP is involved, I believe that there is no potential or substantial conflict of interest that would result from my serving as Deputy Commissioner for Energy while retaining Sealed stock. I understand my ethical obligation to notify and seek ethics counseling if I anticipate any possibility that that circumstance might change; that recusal may not be an option that is available, given the importance of efficiency program oversight to the Deputy Commissioner's job duties; and that divestment of Sealed stock may become necessary to mitigate any potential or substantial conflict of interest in order to continue my employment as Deputy Commissioner for Energy.

I look forward to receiving your advisory opinion concerning whether the steps I have taken, including stepping down from the Board of Directors and not retaining a paid advisor position, are sufficient to avoid any potential or substantial conflicts

Analysis

We start with jurisdiction. Section 1-81 (a) (3) authorizes the Board to issue advisory opinions to "any person subject to the provisions of" the Code, including "Public officials". The Code defines "Public official" to include, among others, "any person appointed to any office of the . . . executive branch of state government by . . . an appointee of the Governor, with or without the advice and consent of the General Assembly" General Statutes § 1-79 (11). According to General Statutes § 4-38c, DEEP is part of the state's executive branch, and Mr. Frank was appointed as its Deputy Commissioner of Energy by its Commissioner, Katie Dykes, an appointee of the Governor. See General Statutes §§ 4-8 (c) and 22a-2d. Thus, Mr. Frank is a "Public official", meaning that the Board is authorized to issue an advisory opinion to him concerning the Code's application to his financial relationship with Sealed.

As to whether Mr. Frank's actions taken hitherto—i.e., stepping down from Sealed's board of directors and foregoing a paid advisor position, while retaining his equity stake in the company—are sufficient to avoid conflicts under General Statutes §§ 1-85 and 1-86 (a), we must, preliminarily, determine if, by virtue of that equity stake, Sealed is a “business with which he is associated”.

The Code defines “business with which he is associated” (or “associated” business), in relevant part, as follows: “any . . . entity through which business for profit . . . is conducted in which the public official . . . is a . . . holder of stock constituting five per cent or more of the total *outstanding stock* of any class . . .” (Emphasis added.) General Statutes § 1-79 (2). According to Mr. Frank, he “hold[s] a minority interest (under 10 percent) of *outstanding* ownership and under 5 percent of fully *diluted* ownership.” (Emphasis added.) Although his holding of diluted stock—i.e., outstanding shares plus potential shares from options, warrants, and convertible debt—is less than 5 percent, we presume (based on his phraseology) that his holding of outstanding stock, though less than 10 percent, is more than 5. And because the definition in § 1-79 (2) uses the term “outstanding”, rather than “diluted”, we conclude that his more-than-5-percent holding of outstanding stock makes Sealed a “business with which he is associated” for Code purposes.

That settled, we turn to the pertinent Code provisions, §§ 1-85 and 1-86 (a), which define and proscribe “substantial” conflicts of interests and “potential” ones, respectively. Broadly speaking, those provisions bar Mr. Frank from taking official action for his own financial benefit, or for the financial benefit of certain family members or any “associated” business, like Sealed. According to him, Sealed is not “actively marketing or providing services to contractors in Connecticut or for any program in which DEEP is involved,” it currently has no business in Connecticut, and it has no “plans to do business in Connecticut or New England more broadly . . .” Under those circumstances—i.e., *where there is no possibility that Mr. Frank could take official action for Sealed's financial benefit or for his own (via his Sealed stock)*—he has no concerns under §§ 1-85 and 1-86 (a) vis-à-vis his financial relationship with the company.

However, Mr. Frank's financial relationship with Sealed could trigger those provisions if (as he puts it) “Sealed . . . decide[s] to participate as an ‘aggregator’ or similar in one or more program in CT (or other states) that the role [as Deputy Commissioner] impacts.” As he explains, “[w]ere Sealed to be actively marketing rebate processing services to contractors that participate in these programs in Connecticut, decisions [he] might make with respect to these programs could have a direct and predictable effect on Sealed, conferring a financial benefit on [him] as a holder of stock in the company.” In that case, he

likely *would* have a conflict under § 1-85 or § 1-86 (a), depending on the specific facts, and either way, the implication would be the same:

- he would be required by § 1-85 or § 1-86 (a), depending on whether it is a “substantial” or “potential” conflict, to recuse himself from making such decisions;
- he would be required by § 1-86 (a), “in the case of either a substantial or potential conflict, [to] prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the conflict and deliver a copy of the statement to [his] immediate superior,” the DEEP Commissioner; and
- the DEEP Commissioner would be required by § 1-86 (a) to “assign the matter to another employee,” who may not be “subordinate to” Mr. Frank. Regs., Conn. State Agencies § 1-81-29 (a).

According to Mr. Frank, such recusal “would not be an option without compromising [his] ability to perform the Deputy role”, for “[t]hese responsibilities are key functions of the Deputy Commissioner” If so, his options would be two-fold: either divestment of his equity stake in Sealed or resignation from his DEEP position—for otherwise he would acting contrary to the Code’s requirements.

Before closing, we stress that, if Sealed decides to expand its operations such that Mr. Frank’s actions as Deputy Commissioner could affect its financial interests, Mr. Frank should immediately reach out to the Legal Division of the Office of State Ethics for further advice.

Conclusion

Based on the facts presented, we conclude as follows: If Sealed continues to refrain from doing business in Connecticut such that there is no possibility that Mr. Frank could take official action for its financial interests or his own (via his equity stake), then he will have no concerns under §§ 1-85 and 1-86 (a) vis-à-vis his financial relationship with the company; however, if Sealed “decides[s] to participate as an ‘aggregator’ or similar in one or more program in CT (or other states) that the role [of Deputy Commissioner] impacts”, he should reach out for further advice, as it is likely he would have a conflict under §§ 1-85 or 1-86 (a), requiring recusal or, if that is not feasible, either divestment of his equity stake or resignation from his state position.

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By order of the Board,

Dated _____

Chairperson

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