

STATE OF CONNECTICUT  
STATE ETHICS COMMISSION

C O N F I D E N T I A L

DOCKET NUMBER 89-7 ) STATE ETHICS COMMISSION  
IN THE MATTER OF A ) 97 ELM STREET (REAR)  
COMPLAINT AGAINST ) HARTFORD, CONN. 06106  
MCI TELECOMMUNICATIONS CORPORATION ) DATED: *march 5, 1990*

STIPULATION AND ORDER

1. The Commission finds that the Respondent violated Conn. Gen. Stat. Sections 1-96 and 1-97 of the Code of Ethics for Lobbyists both in 1988 and 1989 as alleged in the amended complaint dated February 7, 1990.

Furthermore, the Commission acknowledges Respondent's assertion that it relied on the guidance of the lobbying firm of Sullivan and LeShane. The Respondent, however: a) did plan and conduct two events at a cost in violation of the Lobbyist Code's annual fifty dollar gift limitation; b) reviewed and signed its own lobbyist financial reports under penalty of false statement, which were false and misleading, in both 1988 and 1989; and c) was responsible for compliance with Connecticut lobbying laws, even if it acted pursuant to its retained lobbyist's advice.

2. The Respondent admits violating the Code of Ethics for Lobbyists in both 1988 and 1989 by expending amounts in excess of fifty dollars per person for the benefit of certain public officials and a state employee in connection with two MCI-sponsored golf events conducted for other business purposes.


MCI Telecommunications Corporation is not a Connecticut corporation and conducts lobbying in several states. Consequently, it hired the lobbying firm of Sullivan and LeShane to advise it on compliance with the Connecticut lobbying laws, including gift limits. It was based on this advice that MCI Telecommunications Corporation determined both what to disclose and how to report its expenditures.

Furthermore, the Respondent states that it made a good faith effort to comply. It did disclose on its financial reports that the events took place and disclosed the names of the public officials who attended. However, the Respondent was under the mistaken impression that the greens fees and golf carts did not have to be reported as gifts. The Respondent also was not aware that all other expenses in connection with holding the events had to be included in the total cost per person.

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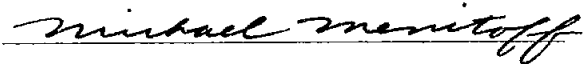
3. The Respondent waives any rights it may have under Conn. Gen. Stat. Sections 1-93, 1-93a and 1-80, including the right to a hearing in this case, and agrees with the State Ethics Commission to an informal disposition of this matter as authorized by Conn. Gen. Stat. Section 4-177(c).

WHEREFORE, the State Ethics Commission enters, and MCI Telecommunications Corporation agrees to, these orders: In lieu of any other action it is authorized to take with respect to this matter, the Commission orders the Respondent to: (1) within thirty days, pay a civil penalty of \$10,000.00; (2) upon the signing of this stipulation, file complete and accurate financial reports regarding the events in question; and (3) henceforth comply with the requirements of the Code of Ethics for Lobbyists.

By:  Dated: 2-27-90

William E. Erickson  
Director of Legal and Regulatory Affairs  
MCI Telecommunications Corporation  
Northeast Division  
Five International Drive  
Rye Brook, New York 10573

FEB 28 1990  
STATE ETHICS COMMISSION

By:  Dated: March 5, 1990

Chairperson, State Ethics Commission



STATE OF CONNECTICUT  
STATE ETHICS COMMISSION

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COMPLAINT AGAINST ) HARTFORD, CONN. 06106  
MCI TELECOMMUNICATIONS ) JANUARY 4, 1990

AMENDMENT TO COMPLAINT

It is hereby alleged that:

- 1) MCI Telecommunications (hereinafter the Respondent) is a registrant as that term is defined in Conn. Gen. Stat. §1-91(q).
- 2) Under Conn. Gen. Stat. §1-96, a registrant is required to file periodic financial reports, signed under penalty of false statement.
- 3) The financial reports must include an itemized statement of each expenditure of fifteen dollars or more per person for each occasion made by the reporting registrant for the benefit of a public official in the executive or legislative branch and/or a member of his staff, itemized by date, beneficiary, amount and circumstances of the transaction.
- 4) Under Conn. Gen. Stat. §1-97, Respondent cannot give to any state employee, public official or member of his staff any gift or gifts that amount to fifty dollars or more in value in the aggregate in any calendar year.
- 5) On May 9, 1988, Respondent hosted an event at the Golf Club of Avon, which included golf and food and beverages.
- 6) Senator Kenneth T. Hampton, Senator Philip S. Robertson, Senator Reginald J. Smith, Representative Larry Anastasia and Representative T. J. Casey were public officials as defined in Conn. Gen. Stat. §1-91(p) during May, 1988.
- 7) Mr. John Caulkins was a state employee as defined in Conn. Gen. Stat. §1-91(s) and a member of the immediate staff of a public official during May, 1988.

8) The individuals described in paragraphs 6 and 7 attended the event described in paragraph 5.

9) The event described in paragraph 5 is one occasion for purposes of the Code of Ethics for Lobbyists, Chapter 10, Part II, Connecticut General Statutes.

10) Food or beverage or both, consumed on a single occasion, the cost of which is less than fifty dollars per person, is not a gift under Conn. Gen. Stat. §1-91(g).

11) The total cost per person expended by the Respondent for the food and beverage portion of the event described in paragraph 5 was approximately \$93.93, an amount in excess of fifty dollars and therefore a gift.

12) The total cost per person expended by the Respondent on the golf portion of the event described in paragraph 5 was approximately \$153.36 (including but not limited to the following: greens fees \$60.00, golf carts \$10.84, sales tax \$0.81, locker room fees \$2.00, golf rangers \$3.44, driving range \$0.76, radio rental \$3.66, facility charge \$7.63, golf shop purchases \$35.33, other golf fees \$0.75, expenses for professional golfer \$28.14).

13) The total gift per person was the amounts described in paragraph 11 and paragraph 12 or approximately \$247.29.

14) Respondent reported the expenditures described in paragraph 13 on its May, 1988 lobbyist financial report as an expenditure of \$49.99 per person.

15) Respondent failed to report accurately on its May, 1988 lobbyist financial report the items described in paragraph 11 and paragraph 12 which were expenditures in excess of \$15 per person for the individuals described in paragraphs 6 and 7.

16) The filing of the false and misleading May, 1988 report, for an expenditure on behalf of Senator Kenneth T. Hampton, was a violation of Conn. Gen. Stat. §1-96.

17) The filing of the false and misleading May, 1988 report, for an expenditure on behalf of Senator Philip S. Robertson, was a violation of Conn. Gen. Stat. §1-96.

18) The filing of the false and misleading May, 1988 report, for an expenditure on behalf of Senator Reginald J. Smith, was a violation of Conn. Gen. Stat. §1-96.

- 19) The filing of the false and misleading May, 1988 report, for an expenditure on behalf of Representative Larry Anastasia, was a violation of Conn. Gen. Stat. §1-96.
- 20) The filing of the false and misleading May, 1988 report, for an expenditure on behalf of Representative T. J. Casey, was a violation of Conn. Gen. Stat. §1-96.
- 21) The filing of the false and misleading May, 1988 report, for an expenditure on behalf of Mr. John Caulkins, was a violation of Conn. Gen. Stat. §1-96.
- 22) Respondent's \$247.29 payment for the items described in paragraph 11 and paragraph 12 was a gift of fifty dollars or more to each of the individuals described in paragraphs 6 and 7.
- 23) The \$247.29 payment made by the Respondent on behalf of Senator Kenneth T. Hampton was an illegal gift in violation of Conn. Gen. Stat. §1-97.
- 24) The \$247.29 payment made by the Respondent on behalf of Senator Philip S. Robertson was an illegal gift in violation of Conn. Gen. Stat. §1-97.
- 25) The \$247.29 payment made by the Respondent on behalf of Senator Reginald J. Smith was an illegal gift in violation of Conn. Gen. Stat. §1-97.
- 26) The \$247.29 payment made by the Respondent on behalf of Representative Larry Anastasia was an illegal gift in violation of Conn. Gen. Stat. §1-97.
- 27) The \$247.29 payment made by the Respondent on behalf of Representative T. J. Casey was an illegal gift in violation of Conn. Gen. Stat. §1-97.
- 28) The \$247.29 payment made by the Respondent on behalf of Mr. John Caulkins was an illegal gift in violation of Conn. Gen. Stat. §1-97.
- 29) Pursuant to Conn. Gen. Stat. §1-96a, a Registrant is required to obtain and preserve for three years all accounts, bills, receipts and other documents necessary to substantiate the financial reports required by Conn. Gen. Stat. §1-96.
- 30) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1988 financial report for expenditures made on

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behalf of Senator Kenneth T. Hampton, in violation of Conn. Gen. Stat. §1-96a.

31) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1988 financial report for expenditures made on behalf of Senator Philip Robertson, in violation of Conn. Gen. Stat. §1-96a.

32) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1988 financial report for expenditures made on behalf of Senator Reginald J. Smith, in violation of Conn. Gen. Stat. §1-96a.

33) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1988 financial report for expenditures made on behalf of Representative Larry Anastasia, in violation of Conn. Gen. Stat. §1-96a.

34) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1988 financial report for expenditures made on behalf of Representative T. J. Casey, in violation of Conn. Gen. Stat. §1-96a.

35) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1988 financial report for expenditures made on behalf of Mr. John Caulkins, in violation of Conn. Gen. Stat. §1-96a.

36) On May 22, 1989 Respondent hosted a golf event at the Golf Club of Avon, which included golf and food and beverages.

37) Senator Kenneth T. Hampton, Senator Philip S. Robertson, and Senator Reginald J. Smith were public officials as defined in Conn. Gen. Stat. §1-91(p) during May, 1989.

38) Mr. John Caulkins was a state employee as defined in Conn. Gen. Stat. §1-91(s) and a member of the immediate staff of a public official during May, 1989.

39) The individuals described in paragraphs 37 and 38 attended the event described in paragraph 36.

40) The event described in paragraph 36 is one occasion for

purposes of the Code of Ethics for Lobbyists, Chapter 10, Part II, Connecticut General Statutes.

41) The total cost per person expended by the Respondent for the food and beverage portion of the event described in paragraph 36 was approximately \$133.12, an amount in excess of fifty dollars and therefore a gift.

42) The total cost per person expended by the Respondent on the golf portion of the event described in paragraph 36 was approximately \$273.71 (including but not limited to the following: greens fees \$70.00, golf carts \$26.00, sales tax \$3.75, locker room fees \$4.00, golf rangers \$4.20, driving range \$2.00, facility charge \$10.00, golf shop purchases \$1.99, prizes \$86.18, expenses for professional golfers \$65.59).

43) The total gift per person was the amounts described in paragraph 41 and paragraph 42 or approximately \$406.83.

44) Respondent reported the expenditures on its May, 1989 lobbyist financial report as an expenditure of \$49.99 per person.

45) Respondent failed to report accurately on its May, 1989 lobbyist financial report the items described in paragraph 43 which were expenditures in excess of \$15 per person for the individuals described in paragraphs 37 and 38.

46) The filing of the false and misleading May, 1989, for an expenditure on behalf of Senator Kenneth T. Hampton, was a violation of Conn. Gen. Stat. §1-96.

47) The filing of the false and misleading May, 1989, for an expenditure on behalf of Senator Philip S. Robertson, was a violation of Conn. Gen. Stat. §1-96.

48) The filing of the false and misleading May, 1989, for an expenditure on behalf of Senator Reginald J. Smith, was a violation of Conn. Gen. Stat. §1-96.

49) The filing of the false and misleading May, 1989, for an expenditure on behalf of Mr. John Caulkins, was violation of Conn. Gen. Stat. §1-96.

50) Respondent's \$406.83 payment for the items described in paragraph 41 and paragraph 42 was a gift of fifty dollars or more to each of the individuals described in paragraphs 36 and 37.

51) The \$406.83 payment made by the Respondent on behalf of

Senator Kenneth T. Hampton was an illegal gift in violation of Conn. Gen. Stat. §1-97.

52) The \$406.83 payment made by the Respondent on behalf of Senator Philip S. Robertson was an illegal gift in violation of Conn. Gen. Stat. §1-97.

53) The \$406.83 payment made by the Respondent on behalf of Senator Reginald J. Smith was an illegal gift in violation of Conn. Gen. Stat. §1-97.

54) The \$406.83 payment made by the Respondent on behalf of Mr. John Caulkins was an illegal gift in violation of Conn. Gen. Stat. §1-97.

55) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1989 financial report for expenditures made on behalf of Senator Kenneth T. Hampton, in violation of Conn. Gen. Stat. §1-96a.

56) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1989 financial report for expenditures made on behalf of Senator Philip Robertson, in violation of Conn. Gen. Stat. §1-96a.

57) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1989 financial report for expenditures made on behalf of Senator Reginald J. Smith, in violation of Conn. Gen. Stat. §1-96a.

58) Respondent did not maintain the necessary documents, as described in paragraph 29, to substantiate the reported amounts on its May, 1988 financial report for expenditures made on behalf of Mr. John Caulkins, in violation of Conn. Gen. Stat. §1-96a.

*Rachel S. Rubin*

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Rachel S. Rubin  
Staff Attorney

Dated January 4, 1990