



STATE OF CONNECTICUT

STATE ETHICS COMMISSION

January 7, 1991

P R E S S R E L E A S E

On November 5, 1990, Ethics Commission Staff Attorney Brenda M. Bergeron filed a complaint (Docket No. 90-13) against the Savings Banks' Association of Connecticut ("SBAC"), a registered lobbyist, alleging that SBAC violated the gift limits and various reporting and record-keeping provisions of the Code of Ethics for Lobbyists during 1987, 1988, 1989 and 1990. An Amended Complaint dated January 2, 1991 alleged over 460 violations of the Code, including at least 276 failures to keep proper records and 166 failures to itemize expenditures of \$15 or more per person.

Under the Code of Ethics for Lobbyists, a lobbyist must report all lobbying-related expenditures, including gifts and entertainment. A lobbyist also must report in detail each expenditure of \$15 or more benefitting a public official or member of his or her staff or immediate family, and may not give any such person any gift or gifts totalling \$50 or more per year in the aggregate. In addition, all records necessary to substantiate reportable expenditures must be maintained for a period of three years.

On January 7, 1991, the State Ethics Commission and the Respondent SBAC settled this matter by entering into a Stipulated Agreement. Under the terms of the settlement, the Respondent agreed to pay a civil penalty in the amount of \$25,000, and also to allow the State Ethics Commission to review its lobbying records for the next three years. Copies of the Amended Complaint and the Stipulated Agreement are attached.

FOR FURTHER INFORMATION CALL:

Alan S. Plofsky
Executive Director and General Counsel
566-4472



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

CONFIDENTIAL

DOCKET NUMBER 90-13) STATE ETHICS COMMISSION
IN THE MATTER OF A) 97 ELM STREET (REAR)
COMPLAINT AGAINST) HARTFORD, CONN. 06106
SAVINGS BANKS' ASSOCIATION) JANUARY 7 , 1991
OF CONNECTICUT)

STIPULATION AND ORDER

Pursuant to Connecticut General Statutes §4-177(c), the State Ethics Commission and the Respondent, Savings Banks' Association of Connecticut, agree to settle this matter in the manner described below:

1. The Commission finds that the Respondent violated the Code of Ethics for Lobbyists as alleged in the attached Amended Complaint, dated January 2, 1991. This finding is made solely on the basis of the Commission's staff investigation into this matter, and is not admissible in, nor shall it be deemed to prejudice, any subsequent civil or criminal proceeding against the Respondent, any of its directors, members or representatives, or any other person.

2. While the Respondent does not admit all of the allegations contained in the Complaint, the Respondent does not contest the Commission's Finding in this matter. Additionally, the Respondent admits that the Commission's staff investigation has produced evidence which, if believed, could lead a trier of facts to conclude that violations alleged in the attached Complaint had, in fact, occurred.

3. The Respondent states that many of the violations asserted against it were inadequately reported to it by its outside lobbyist, whom the Respondent relied upon to help it comply with reporting and recordkeeping requirements of the Code of Ethics. The Respondent acknowledges that it had an independent obligation to inform itself and its employees adequately of these requirements, which it failed to do. The Respondent states that its Board of Directors did not deliberately violate the Code of Ethics but that it allowed such violations in part because it had inadequate controls. Respondent has instituted additional controls to insure that its agents and employees fully comply with the law in the future.

4. The Respondent waives any rights it may have under Conn. Gen. Stat. §§1-93, 1-93a, 1-98 and 1-80, including the right to a hearing or appeal in this case, and agrees with the Commission to an informal disposition of this matter as authorized by Conn. Gen. Stat. §4-177(c).

5. The Respondent agrees to allow the Ethics Commission to review any and all records relevant to lobbying activity, including but not limited to the categories of records made available to the Commission during the course of its investigation. Said review may take place without prior notice, during regular business hours, i.e., 9:00 a.m. - 5:00 p.m., Monday through Friday, for a period of three years from the date of the signing of this Agreement.

WHEREFORE, the Commission orders, and the Respondent agrees to pay to the State Ethics Commission, within thirty (30) days of the signing of this Stipulation and Order, a civil penalty of twenty-five thousand dollars (\$25,000).

Jerald M. Noonan
President,
Savings Banks' Association
of Connecticut

January 4, 1991
Dated

Michael Menitoff
Chairperson
State Ethics Commission

January 7, 1991
Dated



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

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

DOCKET NUMBER 90-13) STATE ETHICS COMMISSION
IN THE MATTER OF A) 97 ELM STREET (REAR)
COMPLAINT AGAINST) HARTFORD, CONN. 06106
SAVINGS BANKS' ASSOCIATION) JANUARY 2, 1991
OF CONNECTICUT)

AMENDED COMPLAINT

COUNT ONE

It is hereby alleged that:

1. The Savings Banks' Association of Connecticut (hereinafter the Respondent) was a client registrant during the calendar years 1987, 1988, 1989 and 1990, as that term is defined in Conn. Gen. Stat. §1-91(q).
2. Under Conn. Gen. Stat. §1-96, a client registrant is required to file periodic financial reports, signed under penalty of false statement.
3. The financial reports must include a statement of all the expenditures made for lobbying and in furtherance of lobbying during the time period covered by the report, including an aggregate statement of all expenditures made for the benefit of public officials and state employees.
4. In at least 20 instances occurring between November 5, 1987 and November 5, 1990, the Respondent paid for but failed to report various expenditures benefitting legislators and other reportable individuals, such expenditures including, but not limited to, purchases of flowers, meals, tickets to sporting events, liquor and/or other beverages and a chartered fishing trip.
5. Each and every financial report filed with the State Ethics Commission which fails to reflect accurately the expenditures made during that time period constitutes a violation of §1-96.

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COUNT TWO

6-7. Paragraphs 1 and 2 of Count One are hereby incorporated as Paragraphs 6 and 7 of Count Two.

8. Under §1-96, 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 or her staff or immediate family, itemized by date, beneficiary, amount, and circumstances of transaction.

9. In at least 166 instances occurring between November 5, 1987 and November 5, 1990, the Respondent failed to itemize its expenditures of fifteen dollars or more per person per occasion on its financial reports filed during that time period.

10. Each and every failure to itemize constitutes a violation of Conn. Gen. Stat. §1-96.

COUNT THREE

11-12. Paragraphs 1 and 2 of Count One are hereby incorporated as Paragraphs 11 and 12 of Count Three.

13. Under Conn. Gen. Stat. §1-96a, a registrant must maintain all documents necessary to substantiate each expenditure of fifty dollars or more, in order to substantiate the financial reports required by §1-96, for a period of three years from the date of the filing of the report referring to such financial matters.

14. In at least 276 instances occurring between November 5, 1987 and November 5, 1990, the Respondent failed to keep, and/or altered, the proper records substantiating its expenditures for the benefit of public officials.

15. Each and every failure to keep a proper record regarding an expenditure of fifty dollars or more constitutes a violation of §1-96.

COUNT FOUR

16. Paragraph 1 of Count One is hereby incorporated as Paragraph 16 of Count Four.

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17. Under Conn. Gen. Stat. §1-97, the Respondent cannot give to any state employee, public official or member of his or her staff or immediate family any gift or gifts that amount to fifty dollars or more in value in the aggregate in any calendar year.

18. Between November 5, 1987 and November 5, 1990, the Respondent gave gifts, including gifts of flowers and liquor, to various reportable individuals, which gifts amounted to more than fifty dollars per individual annually.

19. Each and every gift of over fifty dollars per individual annually constitutes a violation of §1-97.

Brenda M. Bergeron

Brenda M. Bergeron
Staff Attorney

Dated January 2, 1991