



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

92-2

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

The State Ethics Commission has completed its confidential evaluation of Southern New England Telephone Company ("SNET") in connection with the company's possible violation of the state Code of Ethics, Conn. Gen. Stat. §1-91, et seq. The evaluation focused on SNET's business dealings with the Office of Information Technology ("OIT") over the past three years. In accordance with the Commission's jurisdiction in this matter, the investigation centered on whether gift or reporting violations had occurred.

Based on the information which has been revealed in the course of the confidential staff investigation, the Ethics Commission has decided not to pursue a complaint against SNET. SNET has waived its statutory right to confidentiality, and the results of the investigation are therefore now public.

SNET has cooperated with the Ethics Commission, and has conducted its own internal investigation of this matter. A review of SNET's records revealed that SNET failed to report six golf games which it had provided to Daniel Colarusso, former head of OIT, in 1990 and 1991. The cost of the 1990 golf games totalled \$74.00 and the 1991 golf games totalled \$129.00. During that time period, SNET also provided Mr. Colarusso with numerous meals, of which only a few had been previously reported. No other gifts were uncovered.

Because Mr. Colarusso was a public official and SNET is a registered lobbyist, these benefits should have been reported on SNET's periodic lobbyist financial reports. Under the provisions of the Code of Ethics for Lobbyists which were in effect in 1990 and 1991, a lobbyist was required to report in detail each expenditure of \$15 or more benefitting a public official or member of his staff or immediate family, and could not give any such person a gift or gifts totalling \$50 or more per year in the aggregate.

Most of the benefits were provided by two former SNET employees, Noland Murphy, then Director of the Government Account at SNET, and John Larensen, a staff manager in Mr. Murphy's district, who were reimbursed by the company for their expenditures.

The investigation and SNET's records indicated that on more than one occasion, the two SNET employees treated Mr. Colarusso to a meal and/or golf, but did not include his name on

the reimbursement voucher. On at least one occasion, in fact, a voucher was submitted with a false name substituted for Mr. Colarusso's name.

Neither Mr. Murphy nor Mr. Larensen cooperated with the Ethics Commission staff investigation. Therefore, it was impossible to determine definitively the rationale or motives for the former SNET employees' actions.

SNET has filed amended financial reports which reflect the information uncovered by the investigation.

The State Ethics Commission has also completed its confidential evaluation of Daniel Colarusso, in connection with a possible violation of the state Code of Ethics for Public Officials, Conn. Gen. Stat. §1-79 et seq. The Commission has decided not to file a complaint in this matter. Mr. Colarusso has waived his statutory right to confidentiality, and therefore the results of this investigation are also public.

FOR FURTHER INFORMATION CALL:

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

or

Brenda M. Bergeron
Staff Attorney
566-4472