



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

October 1, 1990

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

On July 6, 1990, Ethics Commission Staff Attorney Brenda M. Bergeron filed a complaint (Docket No. 90-3) against the Connecticut Retail Merchants Association ("CRMA"), a registered lobbyist, alleging that CRMA violated the gift limits and various reporting and record-keeping provisions of the Code of Ethics for Lobbyists during 1987, 1988, and 1989. On October 1, 1990, the State Ethics Commission and the Respondent CRMA settled this matter by entering into a Stipulated Agreement, a copy of which is attached. Under the Agreement, CRMA admitted that it had deliberately and intentionally violated the Code of Ethics for Lobbyists as alleged in the Amended Complaint dated September 10, 1990, a copy of which is also attached. The Respondent CRMA agreed to pay a civil penalty of \$50,000, and also to allow the State Ethics Commission to review its lobbying records for the next three years. This Agreement marks the highest penalty paid in Commission history, and the first time that a lobbyist has agreed to allow the Commission to audit its lobbying records.

Under the Code's gift provision, a lobbyist cannot give to any public official or member of his staff or immediate family any gift or gifts totalling \$50 or more per year in the aggregate. The Code's reporting provisions include the following requirements: report all lobbying-related expenditures, including gifts and entertainment; report in detail each expenditure of \$15 or more benefitting a public official or member of his or her staff or family; keep the records necessary to substantiate reportable expenditures for a period of three years; and report properly all fees and honoraria given to public officials. The complaint alleged numerous violations of all these provisions over the three-year period.

Finally, the Commission commends the current president of the Respondent CRMA, James O. Rogers, for his implementation of new procedures with regard to CRMA's lobbying, reporting and record-keeping, and for the integrity which he has demonstrated in connection with the Commission investigation.

FOR FURTHER INFORMATION CALL:

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STATE OF CONNECTICUT
STATE ETHICS COMMISSION

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

DOCKET NUMBER 90-3) STATE ETHICS COMMISSION
 IN THE MATTER OF A) 97 ELM STREET (REAR)
 COMPLAINT AGAINST) HARTFORD, CONN. 06106
 CONNECTICUT RETAIL)
 MERCHANTS ASSOCIATION) SEPTEMBER 10, 1990

STIPULATED AGREEMENT

Pursuant to Connecticut General Statutes §4-177(c), the State Ethics Commission and the Respondent, Connecticut Retail Merchants Association, agree to settle this matter in the manner described below.

1. The Commission acknowledges that prior to the filing of the complaint, the Respondent, upon the initiative of its current president, had adopted new procedures, record keeping and reporting which are in apparent compliance with the statutes and regulations. In addition, when approached by the Commission's staff attorneys regarding this matter, the Respondent's current president cooperated completely with the Commission's investigators and provided all requested information in a timely manner.

2. Respondent states, and the Commission acknowledges, that it is a non-profit trade association organized under the laws of the State of Connecticut acting through its Board of Directors and that any and all statements made herein acknowledging deliberate and/or intentional acts are made upon information and belief and do not constitute an admission for purposes of subsequent criminal or civil causes of action for or against any individual, member or director of Respondent.

Respondent admits that it deliberately and intentionally violated the Code of Ethics for Lobbyists in 1987, 1988 and 1989 as alleged in the Amended Complaint, dated September 10, 1990.

Specifically, the Respondent states that it:

- a. Failed to report numerous expenditures made for

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lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, in violation of Conn. Gen. Stat. §1-96;

b. Failed to itemize numerous expenditures of fifteen dollars or more per person made by the Respondent for the benefit of reportable individuals, in violation of Conn. Gen. Stat. §1-96;

c. Failed to keep proper records necessary to substantiate each expenditure of fifty dollars or more made for lobbying, in furtherance of lobbying and/or for the benefit of reportable individuals, for a period of three years, in violation of Conn. Gen. Stat. §1-96a;

d. Failed to report, and in fact gave, gifts amounting to fifty dollars or more separately and/or in the aggregate in a calendar year to various individuals, in violation of Conn. Gen. Stat. §1-97;

e. Failed to report, and improperly reported, fees and honoraria given to various reportable individuals, in violation of Conn. Gen. Stat. §1-96(b) and §1-92-48(b), Regulations of Connecticut State Agencies; and

f. Failed to report numerous reimbursements, in violation of Conn. Gen. Stat. §1-96(b).

Respondent further states that on numerous occasions, it provided meals and other benefits to various reportable individuals, which occasions were not reported and/or were falsely reported. Respondent cannot state with complete accuracy which of the meals described in the Amended Complaint were not provided to reportable individuals, since the Respondent failed to keep proper records of its expenditures. Similarly, Respondent cannot state with complete accuracy which of the tickets and other tangible items described in the Amended Complaint were not provided to reportable individuals, since the Respondent failed to keep proper records of those expenditures as well.

Respondent also states that while it did intentionally give illegal gifts to various individuals, it cannot at this time state to whom such gifts were given beyond what is specifically alleged in the Amended Complaint, again because Respondent failed to keep proper records.

With regard to certain expenditures made by the Respondent in 1988 and 1989 for legislative interns' salaries, and the expenses incurred for an expert witness and a video explaining

the Respondent's position on certain pending legislation, the Respondent states that its failure to report such expenditures was not deliberate but rather occurred as a result of negligence on the part of the Respondent.

With regard to the improper political contributions made by the Respondent during 1987 and 1988, and referred to in Count Four of the Amended Complaint, the Respondent states that, after an outside accountant pointed out the apparent impropriety of said contributions, the Respondent attempted to correct the problem by asking for and receiving repayment for at least some of the reimbursements which had been improperly made.

2. The Respondent waives any rights it may have under Conn. Gen. Stat. §§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. §4-177(c).

WHEREFORE, the State Ethics Commission and the Connecticut Retail Merchants Association agree to the following: The Commission agrees not to refer the Respondent to the Chief State's Attorney with regard to this matter. Settlement of this matter is final as to the Respondent and as to any member of its board of directors, and may only be reopened and/or instituted by the Commission, if, in the course of other possible investigations, a previously-undisclosed substantive gift violation is revealed.

The Respondent agrees to, within thirty days, pay a civil penalty of \$50,000. The Respondent also agrees to allow the 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 this investigation. Said review may take place without prior notice, during regular business hours, i.e., 9:00 - 5:00 p.m., Monday through Friday, for a period of three years from the date of the signing of this agreement.

By: _____

James Rogers
James Rogers
President
Connecticut Retail
Merchants Association

Dated: _____

Sept. 10, 1990

By: _____

Rabbi Michael Mintoff
Chairperson
State Ethics Commission

Dated: _____

Oct. 1, 1990



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

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

DOCKET NUMBER 90-3) STATE ETHICS COMMISSION
 IN THE MATTER OF A) 97 ELM STREET (REAR)
 COMPLAINT AGAINST) HARTFORD, CONN. 06106
 CONNECTICUT RETAIL) SEPTEMBER 10, 1990
 MERCHANTS ASSOCIATION)

AMENDED COMPLAINT

COUNT ONE

It is hereby alleged that:

1.) The Connecticut Retail Merchants Association (hereinafter "the Respondent" or "CRMA") 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 contain a statement of all expenditures made for lobbying and in furtherance of lobbying during the time period covered by the report, including, pursuant to Regulations of State Agencies §1-92-49(a)(4), an aggregate statement of all expenditures for entertainment, (e.g., food and drink, tickets to events, tangible gifts) whenever the aggregate of such expenditures exceeds fifty dollars in a calendar year.

4.) On numerous occasions during 1987, 1988 and 1989, the Respondent paid for food, drink, tickets and other gifts for various legislators, other public officials, staff members and/or immediate family members, and state employees. In all but a few isolated instances, the Respondent failed to report such expenditures.

5.) The Respondent failed to report completely the expenditures it made from October, 1987 to December, 1987 on its 1987 fourth quarter financial report. Such unreported expenditures include:

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- a.) Food and drink expenditures for the benefit of various public officials, their staff and/or immediate family members, incurred by CRMA in connection with a legislative conference held in Palm Springs, California, from November 15 to November 19, 1987;
 - b.) Airfare, lodging and other expenses incurred by CRMA to allow its lobbyists to attend the Palm Springs conference;
 - c.) Expenditures for deliveries of liquor and other beverages to various legislative offices;
 - d.) Food and/or drink expenditures for the benefit of various public officials, their staff, and/or immediate family members, incurred by CRMA on at least sixty separate occasions during the fourth quarter of 1987;
- 6.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for the fourth quarter of 1987 total at least \$7,400.00.
- 7.) The Respondent failed to report completely the expenditures it made in February of 1988 on its 1988 February financial report. Such unreported expenditures include:
- a.) Expenditures for flowers for staff at the State Capitol;
 - b.) Food and/or drink expenditures for the benefit of various public officials, their staff, and/or family members, incurred by CRMA on at least nine separate occasions during February of 1988;
 - c.) Expenditures for deliveries of liquor and/or other beverages to various legislative offices.
- 8.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for the month of February, 1988 total at least \$730.00.
- 9.) The Respondent failed to report completely the expenditures it made in January and March of 1988 on its 1988 first quarter financial report. Such unreported expenditures include:
- a.) Expenditures for deliveries of liquor, beer and other beverages to various legislative offices;
 - b.) Food and/or drink expenditures for the benefit of various public officials, their staff, and/or immediate family members, incurred by CRMA on at least twenty separate occasions during January and March of 1988;

c.) Expenditures for a "legislative reception" held in New York during the Big East championships;

d.) Expenditures for CRMA's lobbyist/President to stay in New York during the Big East championships, including lodging expenses and room service;

e.) On information and belief, various other entertainment expenditures for the benefit of reportable individuals during the Big East championships;

10.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for the months of January and March 1988 total at least \$3,000.00.

11.) The Respondent failed to report completely the expenditures it made in April of 1988 on its 1988 April financial report. Such unreported expenditures include:

a.) Food and/or drink expenditures for the benefit of various public officials, their staff, and/or immediate family members, incurred by CRMA on at least thirty-one separate occasions during April of 1988;

b.) Expenditures for deliveries of liquor, beer and other beverages to various legislative offices.

12.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for the month of April, 1988, total at least \$2,465.00.

13.) The Respondent failed to report completely the expenditures it made in May of 1988 on its 1988 May financial report. Such unreported expenditures include:

a.) Food and drink expenditures for the benefit of various public officials, their staff, and/or immediate family members, incurred by CRMA on at least 12 separate occasions during May of 1988;

b.) Expenditures for delivery(ies) of food to the Capitol and/or the Legislative Office Building;

c.) Expenditures for floral arrangements which on information and belief, were presented to various reportable individuals;

14.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for the month of May, 1988, total at least \$2,100.00.

15.) The Respondent failed to report completely the expenditures it made in June of 1988 on its 1988 second quarter report. Such unreported expenditures include:

a.) Food and drink expenditures for the benefit of various public officials, their staff and/or immediate family members, incurred by CRMA on at least five separate occasions during June of 1988.

16.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for the month of June, 1988, total at least \$500.00.

17.) The Respondent failed to report completely the expenditures it made in July, August and September of 1988 on its 1988 third quarter report. Such unreported expenditures include:

a.) Food and drink expenditures for the benefit of various public officials, their staff and/or immediate family members, incurred by CRMA on at least forty-three separate occasions during the third quarter of 1988;

b.) Airfare, lodging and other expenses incurred by CRMA's lobbyists on behalf of CRMA in furtherance of lobbying, in connection with a legislative conference in Reno, Nevada.

18.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for the third quarter of 1988 total at least \$5,800.00.

19.) The Respondent failed to report completely the expenditures it made in October, November and December of 1988 on its 1988 fourth quarter report. Such unreported expenditures include:

a.) Food and drink expenditures for the benefit of various public officials, their staff and/or immediate family members, incurred by CRMA on at least 50 separate occasions during the fourth quarter of 1988;

b.) Expenditures for party goods for a party at the State Capitol;

c.) Expenditures at the Connecticut Beverage Mart for Christmas gifts for, among others, one or more reportable individuals;

d.) Expenditures beyond what was reported, for lodging, food and drink, golf, and limousine transportation, in connection with CRMA's annual meeting held at Water's Edge in Westbrook and at the Black Hall Club on September 23 and September 24, 1988;

e.) Expenditures at Spiritus Wines for beverages delivered to the Legislative Office Building.

20.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for the fourth quarter of 1988 total at least \$8,200.00.

21.) The Respondent failed to report completely the expenditures it made in January of 1989 on its 1989 January report. Such unreported expenditures include:

a.) Reimbursement to CRMA's lobbyist/President for a purchase for the House clerks;

b.) Expenditures for deliveries of liquor and other beverages to various legislative offices;

c.) Food and drink expenditures for the benefit of various public officials, their staff and/or immediate family members, incurred by CRMA on at least 14 separate occasions during January of 1989.

22.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for January of 1989 total at least \$1,000.00.

23.) The Respondent failed to report completely the expenditures it made in February of 1989 on its 1989 February report. Such unreported expenditures include:

a.) Food and drink expenditures for the benefit of various public officials, their staff and/or immediate family members, incurred by CRMA on at least 10 separate occasions during February of 1989;

b.) Expenditures for Whalers tickets for, on information and belief, the benefit of one or more reportable individuals;

c.) Expenditures for gift baskets for, on information and belief, the benefit of one or more reportable individuals;

d.) Expenditures for candy for at least 80 reportable individuals;

e.) Payment to "Postmaster" for unidentified "legislative expense";

f.) Expenditures at Spiritus Wines for beverages which were delivered to the Legislative Office Building.

24.) The unreported expenditures for lobbying and in furtherance of lobbying including expenditures for the benefit of reportable individuals for February of 1989 total at least \$3,400.00.

25.) The Respondent failed to report completely the expenditures it made in March of 1989 on its 1989 March report. Such unreported expenditures include:

a.) The purchase of items from the Cheese Shop of West Hartford, which, on information and belief, were given to various reportable individuals;

b.) Food and/or drink expenditures for the benefit of various public officials, their staff and/or immediate family members, incurred by CRMA on at least 17 separate occasions during March of 1989;

c.) The purchase of tickets to a party at the Capitol;

d.) Expenditures for candy which, on information and belief, was given to one or more reportable individuals;

e.) Expenditures for cigars given to, on information and belief, a reportable individual;

f.) Expenditures for liquor and other beverages delivered, on information and belief, to various reportable individuals;

g.) Expenditures for a St. Patrick's Day party held, on information and belief, at the State Capitol.

26.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for March 1989 total approximately \$3,500.00.

27.) The Respondent failed to report completely the expenditures it made in April of 1989 on its 1989 April report. Such unreported expenditures include:

a.) Expenditures for liquor and other beverages delivered, on information and belief, to one or more reportable individuals;

b.) Expenditures for food and/or drink delivered, on information and belief, to one or more reportable individuals;

c.) Payment of \$100.00 to a legislative staff member for a "staff appreciation party";

d.) Food and/or drink expenditures for the benefit of various public officials, their staff and/or immediate family members incurred by CRMA on at least 10 separate occasions during April of 1989.

28.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for April of 1989 total at least \$5,800.00.

29.) The Respondent failed to report completely the expenditures it made in May of 1989 on its 1989 May report. Such unreported expenditures include:

a.) Expenditures paid by CRMA for a German-American Day at the State Capitol;

b.) Expenditures paid to the Middlesex Opera House in connection with a golf tournament involving reportable individuals;

c.) Food and/or drink expenditures for the benefit of various public officials, their staff and/or immediate family members, incurred by CRMA on at least 2 separate occasions during May of 1989, including expenses which should have been itemized but were not;

d.) Payments to reportable individuals for a "JF" party;

e.) Expenditures for five tickets to the Greater Hartford Open;

f.) Expenditures for flowers for, on information and belief, one or more reportable individuals;

g.) Check made out to "CASH" for unidentified "legislative expense".

30.) The unreported expenditures for lobbying and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for May of 1989 total at least \$1,700.00.

31.) The Respondent failed to report completely the expenditures it made in June of 1989 on its 1989 June report. Such unreported expenditures include:

a.) Food and/or drink expenditures for the benefit of various public officials, their staff, and/or their immediate family members, incurred by CRMA on at least 12 separate occasions during June of 1989;

b.) Expenditures for flowers for, on information and belief, one or more reportable individuals;

c.) Expenditures for deliveries of liquor and other beverages to various offices at the Legislative Office Building;

d.) Expenditures for tickets for an "end of the session" party at the Capitol;

e.) Other payment, by check, in furtherance of the "end of the session" party at the Capitol;

f.) Payment to a legislative staff person, in furtherance of a "staff appreciation party."

32.) The unreported expenditures for lobbying, and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for June of 1989 total at least \$3,200.00.

33.) The Respondent failed to report completely the expenditures it made in July of 1989 on its July, 1989 report. Such unreported expenditures include:

a.) Food and/or drink expenditures for the benefit of various public officials, their staff, and/or immediate family members, incurred by CRMA on at least 8 separate occasions during July of 1989;

b.) Airfare, lodging and other expenses incurred by CRMA to allow its lobbyist to attend a legislative conference held in Monterey, California;

c.) Lodging and other expenses incurred by CRMA in connection with a legislative conference held in Newport, Rhode Island;

d.) Expenditure for wine for reception;

e.) Expenditure for limousine travel to and from the airport for CRMA's lobbyist and two reportable individuals in connection with the legislative conference held in Monterey, California;

f.) Expenditures for a reportable individual or individuals for a golf outing at Pebble Beach, in connection with the legislative conference held in Monterey, California.

34.) The unreported expenditures for lobbying, and in furtherance of lobbying, including expenditures for the benefit of reportable individuals, for July of 1989 total at least \$4,370.00.

35.) Additionally, throughout 1987, 1988 and 1989, CRMA failed to report expenditures for tickets to sporting and other events, given to various individuals during the three-year period.

These tickets include Red Sox and Whalers season tickets, University of Connecticut football and basketball tickets, NCAA basketball tickets and Big East basketball tickets. CRMA's expenditures for all such tickets during the three-year period total at least \$8,000.

36.) Each and every failure to report listed in Paragraph 5 through Paragraph 35 above constitutes a violation of Conn. Gen. Stat. §1-96.

COUNT TWO

37-38.) Paragraphs 1 and 2 of Count One are hereby incorporated as Paragraphs 37 and 38 of Count Two.

39.) 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, a member of his or her staff and/or a member of his or her immediate family, itemized by date, beneficiary, amount, and circumstances of transaction. Pursuant to §1-96 and Regulations of Connecticut State Agencies §1-92-48(b), said itemized statement is required whether the expenditures are in furtherance of lobbying or unrelated to lobbying.

40.) On numerous occasions in 1987, 1988 and 1989, 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. Each failure to itemize is a separate violation of the Code. These occasions include the following:

a.) On November 17, 1987, in Palm Springs, CRMA entertained two or more reportable individuals at a golf outing. The expenditure per person was falsely itemized as \$47.00 per person, when in fact the outing cost approximately \$78.52 per person;

b.) On November 18, 1987, in Palm Springs, California, CRMA entertained, among others, three or more reportable individuals, at two restaurants, constituting one occasion. The total expenditure per person was \$23.55, yet the expenditures were neither reported nor itemized;

c.) On November 18, 1987, in Palm Springs, CRMA entertained reportable individuals at a golf outing. The expenditure per person was at least \$78.52, yet the event was neither reported nor itemized;

d.) On November 16, 1987, in Palm Springs, CRMA provided dinner to, among others, at least 13 reportable individuals. The cost per person was \$24.25, yet the expenditures were neither reported nor itemized;

e.) On November 3, 1987, CRMA caused a case of Sam Adams Beer to be delivered to a reportable individual. The cost of the beer was \$23.96, yet the expenditure was neither reported nor itemized;

f.) On December 10, 1987, CRMA provided dinner to five persons, including, on information and belief, an unidentified reportable individual or individuals, at The Parma Restaurant. The cost per person was \$21.51, yet the expenditures were neither reported nor itemized;

g.) On December 23, 1987, CRMA provided food and drink to eight persons, including, on information and belief, an unidentified reportable individual or individuals, at The Hearthstone Restaurant. The cost per person was \$59.74, yet the expenditures were neither reported nor itemized;

h.) On December 18, 1987, CRMA provided food and drink to three persons, including, on information and belief, an unidentified reportable individual or individuals, at The Parma Restaurant. The cost per person was \$23.00, yet the expenditures were neither reported nor itemized;

i.) On October 28, 1987, on information and belief, CRMA gave a ticket to a Whaler's game to a reportable individual. The value of the ticket was \$20.50, yet the gift was neither reported nor itemized;

j.) On November 4, 1987, on information and belief, CRMA gave a ticket to a Whaler's game to a reportable individual. The value of the ticket was \$20.50, yet the gift was neither reported nor itemized;

k.) On October 23, 1987, CRMA provided food and drink to two reportable individuals at the Shanghai Restaurant. The cost per person was \$22.04, yet the expenditures were neither reported nor itemized;

l.) On February 20, 1988, CRMA provided food and drink to six persons, including, on information and belief, one or more reportable individuals. The cost per person was \$19.92, yet the expenditures were neither reported nor itemized;

m.) On February 26, 1988, CRMA provided food and drink to two persons; including, on information and belief, a reportable individual. The cost per person was \$26.43, yet the expenditure was neither reported nor itemized;

n.) On January 12, 1988, CRMA provided lunch at Carbone's for two reportable individuals. The cost per person was \$31.55, yet the expenditures were neither reported nor itemized;

o.) On March 10 through 13, 1988, on information and belief, CRMA provided food, drink and tickets to reportable individuals in connection with the Big East Tournament. The cost per person exceeded \$20.00, yet the expenditures were neither reported nor itemized;

p.) On April 18, 1988, CRMA, on information and belief, provided tickets to a Boston Red Sox game, and a meal at Pizzeria Uno, to two reportable individuals. The cost per person exceeded \$15.00 per person, yet the expenditures were neither reported nor itemized;

q.) On April 27, 1988 and on May 3, 1988, CRMA purchased fifty-one floral arrangements, which on information and belief, were delivered to various reportable individuals. The cost per arrangement was \$17.50, yet the expenditures were neither reported nor itemized;

r.) On July 12, 1988, CRMA provided food and drink to three persons, including, on information and belief, one or more reportable individuals, at The Parma Restaurant. The cost per person was \$25.83, yet the expenditure was neither reported nor itemized;

s.) On July 13, 1988, CRMA provided food and drink to two persons, including, on information and belief, a reportable individual, at The Parma Restaurant. The cost per person was \$43.55, yet the expenditure was neither reported nor itemized;

t.) On July 21, 1988, CRMA provided food and drink to three persons including, on information and belief, one or more reportable individuals, at The Parma Restaurant. The cost per person was \$21.56, yet the expenditure was neither reported nor itemized;

u.) On July 11, 1988, CRMA provided food and drink to four persons including, on information and belief, one or more reportable individuals; at The Parma Restaurant. The cost per person was \$28.95, yet the expenditure was neither reported nor itemized;

v.) On August 18, 1988, CRMA provided drink to four persons including, on information and belief, one or more reportable individuals, at The Parma Restaurant. The cost per person was \$24.75, yet the expenditure was neither reported nor itemized;

w.) On September 8, 1988, CRMA provided drink to two persons including, on information and belief, a reportable individual, at The Parma Restaurant. The cost per person was \$32.37, yet the expenditure was neither reported nor itemized;

x.) Again, on September 8, 1988, CRMA provided food and drink to six persons including, on information and belief, one or more reportable individuals, at The Parma Restaurant. The cost per person was \$23.80, yet the expenditure was neither reported nor itemized;

y.) On September 30, 1988, CRMA provided food and drink to four persons including, on information and belief, one or more reportable individuals. The cost per person was \$29.43, yet the expenditure was neither reported nor itemized;

z.) On November 2, 1988, CRMA provided food and drink to three persons at The Parma Restaurant, including, on information and belief, one or more reportable individuals. The cost per person was \$28.42, yet the expenditure was neither reported nor itemized;

aa.) On November 8, 1988, CRMA provided food and drink to four persons at The Parma Restaurant, including, on information and belief, one or more reportable individuals. The cost per person was \$28.27, yet the expenditure was neither reported nor itemized;

bb.) On November 15, 1988, on information and belief, CRMA caused \$117.18 worth of beer, liquor and other beverages to be delivered to a reportable individual at the Legislative Office Building, yet the gift was neither reported nor itemized;

cc.) On November 22, 1988, CRMA provided food and drink to two persons at The Parma Restaurant, including, on information and belief, a reportable individual. The cost per person was \$25.42, yet the expenditure was neither reported nor itemized;

dd.) On December 27 or 28, 1988, CRMA provided food and drink to four persons at The Parma Restaurant, including, on information and belief, one or more reportable individuals. The cost per person was \$26.77, yet the expenditure was neither reported nor itemized;

ee.) On January 25, 1989, CRMA provided cocktails, hors d'oeuvres and dinner to approximately eighteen persons, including reportable individuals, at Carbone's Restaurant. The cost per person was \$63.11 for ten of the persons, and was \$66.82 per person for an additional eight persons, yet the expenditures were falsely itemized at \$37.87 per person;

ff.) On February 15, 1989, CRMA provided cocktails and hors d'oeuvres to 30 persons at Carbone's, including, on information and belief, one or more reportable individuals, and further provided dinner and drinks to 12 of those persons. The cost per person for the cocktails and hors

d'oeuvres alone was approximately \$22.44 per person, and the cost per person including dinner was approximately \$65.69 per person, yet the expenditure was neither reported nor itemized;

gg.) On or about March 2, 1989, CRMA provided cigars costing \$38.70 to, on information and belief, a reportable individual. The expenditure was neither reported nor itemized;

hh.) On March 22, 1989, CRMA held a legislative reception at Lloyd's Restaurant and reported on its March financial report that 352 persons attended, at a per person cost of \$14.88. In fact, the bill reflects an attendance of 245 persons, at a per person cost of \$22.60. In addition, various other expenditures made in connection with the event (e.g. invitations) were not included in the calculation of the per person cost. Therefore, each and every reportable individual should have been itemized but was not;

ii.) On or about December 11, 1989, CRMA provided four tickets to a concert to a reportable individual's children. The cost per person was \$21.00. Therefore, the expenditure should have been itemized but was not;

jj.) On or about January 20, 1988, CRMA provided liquor, beer and/or other beverages to a reportable individual, costing at least \$62.28. The expenditure was neither reported nor itemized;

kk.) On or about March 9, 1988, CRMA provided liquor, beer and/or other beverages to a reportable individual, costing at least \$55.96. The expenditure was neither reported nor itemized;

ll.) On or about August 26, 1988, CRMA provided liquor, beer and/or other beverages to a reportable individual, costing at least \$59.20. The expenditure was neither reported nor itemized;

mm.) In March of 1989, CRMA provided liquor, beer and/or other beverages to a reportable individual, costing at least \$71.00. The expenditure was neither reported nor itemized;

nn.) On or about April 11, 1989, CRMA provided liquor, beer and/or other beverages to two reportable individuals, costing at least \$142.67. The expenditure was neither reported nor itemized;

oo.) In March of 1989, CRMA provided liquor, beer and/or other beverages to two reportable individuals, costing at least \$65.00. The expenditure was neither reported nor itemized;

pp.) On or about April 28, 1988, CRMA provided liquor, beer and/or other beverages to a reportable individual, costing at least \$43.27. The expenditure was neither reported nor itemized;

qq.) On July 15, 1989 and again on July 20, 1989, CRMA provided limousine service to two reportable individuals, totalling at least \$240.00 per person. The expenditure was neither itemized nor reported;

rr.) On information and belief, other expenditures for food, drink, tickets and other tangible items which should have been itemized during the period 1987 through 1989 were in fact neither itemized nor reported.

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

COUNT THREE

42-43.) Paragraphs 1 and 2 of Count One are hereby incorporated as Paragraphs 42 and 43 of Count Three.

44.) Under Conn. Gen. Stat. §1-96a, a registrant must maintain all documents necessary to substantiate each expenditure of fifty dollars or more and 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.

45.) On at least 171 occasions in 1987, 1988 and 1989, the Respondent failed to keep proper records substantiating its expenditures for the benefit of public officials. These occasions and transactions, which include entertainment, meals, and other food purchases, purchases of beer, liquor and other beverages, tangible items, and payments towards parties for reportable individuals, were also unreported.

46.) On at least 125 occasions in 1987, 1988 and 1989, the Respondent failed to keep proper records substantiating reimbursements of fifty dollars or more made to its lobbyists and other agents. These reimbursements were also not reported.

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

COUNT FOUR

48.) Paragraph 1 of Count One is hereby incorporated as Paragraph 48 of Count Four.

49.) Under Conn. Gen. Stat. §1-97, the Respondent cannot give to any state employee, public official, candidate for public office 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.

50.) During 1987, 1988 and 1989, the Respondent gave gifts to various legislators, staff members, family members, and/or others, which gifts amounted to more than fifty dollars annually. Such illegal gifts include:

a.) A golf outing occurring on November 17, 1987 in connection with the November 15 - 19, 1987 legislative conference in Palm Springs, California, attended by two or more reportable individuals, and falsely reported by CRMA at a cost of \$47.00 per person. In fact, the golf outing cost \$78.52 per person;

b.) A second golf outing occurring on November 18, 1987, in Palm Springs, attended by two or more reportable individuals, costing at least \$78.52 per person, and unreported by CRMA;

c.) A meal at The Hearthstone Restaurant on December 23, 1987 provided to eight persons, including a public official or public officials unknown, at a cost of \$59.74 per person, unreported by CRMA;

d.) A gift of liquor, beer and/or other beverages to a reportable individual, totalling at least \$62.28, delivered to the Legislative Office Building on January 20, 1988 and unreported by CRMA;

e.) A gift of liquor, beer and/or other beverages to a reportable individual, totalling at least \$116.00, delivered on February 10, 1988, and unreported by CRMA;

f.) A gift of liquor, beer and/or other beverages to a reportable individual, totalling at least \$55.96, delivered on March 9, 1988, and unreported by CRMA;

g.) A gift of liquor, beer and/or other beverages to a reportable individual, totalling at least \$59.20, delivered on August 26, 1988, and unreported by CRMA;

h.) A gift of liquor, beer and/or other beverages to a reportable individual, totalling at least \$117.18 delivered to the Legislative Office Building on November 15, 1988, and unreported by CRMA;

i.) On January 25, 1989, CRMA provided cocktails, hors d'oeuvres and dinner to approximately 18 persons, including reportable individuals, at Carbone's Restaurant. On its January, 1989 financial report, CRMA reported a dinner for

30 persons, including 15 reportable individuals, at a per person cost of \$37.87. In fact, the per person cost was \$63.11 for ten of the persons and was \$66.82 per person for an additional eight persons and therefore constituted an illegal gift to each of the reportable individuals;

j.) On February 15, 1989, CRMA provided cocktails, hors d'oeuvres and dinner to approximately 12 persons, including, on information and belief, one or more reportable individuals. The cost per person was at least \$65.69, and therefore constituted an illegal gift to each of the reportable individuals;

k.) A gift of liquor, beer and/or other beverages to a reportable individual, totalling approximately \$71.00, delivered to the Legislative Office Building in March of 1989, and unreported by CRMA;

l.) A gift of liquor, beer and/or other beverages to two reportable individuals, totalling at least \$142.67, delivered to the Legislative Office Building on April 11, 1989, and unreported by CRMA;

m.) A gift of liquor, beer and/or other beverages to a reportable individual, totalling approximately \$43.27, delivered to the Legislative Office Building on April 28, 1988, and unreported by CRMA;

n.) At various times throughout 1987 and 1988, CRMA gave an unknown number of improper political contributions. The contributions were improper in that CRMA reimbursed individuals for personal contributions made. Each and every improper contribution is an illegal gift under Conn. Gen. Stat. §1-91(g);

o.) On July 15, 1989 and again on July 20, 1989, CRMA provided limousine service to two reportable individuals. The cost per person was \$190.00 for the limousine service and \$50 for related expenses;

p.) On information and belief, other gifts of liquor, beer and/or other beverages to reportable individuals delivered at various times during 1987, 1988 and 1989. These gifts cannot be calculated at this time, as a result of CRMA's failure to keep proper records;

q.) On information and belief, numerous gifts of tickets to various sporting and cultural events to reportable individuals during 1987, 1988 and 1989. These gifts cannot be calculated at this time, as a result of CRMA's failure to keep proper records;

r.) On information and belief, as the result of illegal gifts given to various reportable individuals in 1987, 1988

57. Also on September 23, 1988, in connection with this annual meeting, CRMA provided golf at the Black Hall Club to at least three reportable individuals. CRMA falsely reported the cost per person of the event as \$31.50. In fact, the cost per person was at least \$65.21 for food and drink and \$70.72 for the golf, including guest and cart fees, gratuities, pro fee, golf balls, tees and visors.

58. Each and every failure to itemize fees, honoraria and related expenses is a separate violation of Conn. Gen. Stat. §1-96(b) and §1-92-48(b), Regulations of Conn. State Agencies.

COUNT SIX

59.-60. Paragraphs 1 and 2 of Count One are hereby incorporated as paragraphs 59 and 60 of Count Six.

61. The financial reports must contain statements of all expenditures made in furtherance of lobbying, including expenses such as reimbursements paid to communicator lobbyists, and the salaries of employees hired in furtherance of lobbying.

62. During 1987, 1988 and 1989, CRMA reimbursed its communicator lobbyists approximately 120 times for expenses incurred for lobbying and in furtherance of lobbying.

63. During the period from 1987 until late 1989, CRMA failed to report any of these reimbursements.

64. On numerous occasions during 1988 and 1989, CRMA paid the salaries of various individuals who served as legislative interns, assisting CRMA and its communicator lobbyists in their lobbying activities.

65. During the period from 1988 until the 1990 session, CRMA failed to report the payment of any of these salaries.

66. In 1988 and 1989, CRMA paid to have a video prepared, in furtherance of its lobbying on the credit rate bill, a piece of pending legislation.

67. CRMA failed to report any of its expenditures incurred in the production and/or distribution of the "credit rate" video.

68. In April of 1989, CRMA paid for the services of an expert to testify at a hearing on pending legislation, but failed to report said expenditure.

69. In May of 1989, CRMA paid \$3,000 to the American Legislative Exchange Council, but failed to report such expenditure.

70. Each and every failure to report these expenditures for lobbying and in furtherance of lobbying constitutes a violation of Conn. Gen. Stat. §1-96.


COUNT SEVEN

71.-72. Paragraphs 1 and 2 of Count One are hereby incorporated as paragraphs 71 and 72 of Count Seven.

73. Under state law, if two or more registered lobbyists wish to give a meal costing \$50.00 or more to a reportable individual, they may do so, provided that each lobbyist's share totals less than \$50.00, and that each share counts towards the \$50.00 gift limit which that particular lobbyist may give the reportable individual in question.

74. On one or more occasions during 1988 and 1989, apparently under the mistaken belief that meals over \$50.00, even if split among registered lobbyists, were illegal, or in an attempt to keep such amounts from aggregating toward the \$50.00 gift limit, CRMA manipulated its reporting of such meals by artificially adding to the total number of persons served such number of unidentified persons as would keep the cost of the meal per person under \$50.00. Another method of manipulation used by CRMA was to report as its share of the bill an amount less than what was actually spent, again in order to keep the cost per person below \$50.00.

75. Each and every such action is a violation of Conn. Gen. Stat. §1-96.


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Dated Sept. 10, 1990