



OFFICE OF STATE ETHICS

DOCKET NUMBER 2020-13	:	OFFICE OF STATE ETHICS
	:	
IN THE MATTER OF A	:	165 CAPITOL AVENUE,
	:	SUITE 1200
COMPLAINT AGAINST	:	
	:	HARTFORD, CT 06106
VIRTELLIGENCE, INCORPORATED	:	
	:	MARCH 17, 2022

STIPULATION AND CONSENT ORDER

Pursuant to the Code of Ethics, General Statutes §§ 1-79, *et seq.*, Mark Wasielewski, Ethics Enforcement Officer, filed a Complaint against Virtelligence, Incorporated (“Virtelligence” or “Respondent”), alleging violations of the Code of Ethics for Public Officials. Based on the investigation by the Enforcement Division of the Office of State Ethics (“OSE”), the OSE finds that there is probable cause to believe that the Respondent violated the Code of Ethics, General Statutes § 1-86e (a) (1), as further set forth herein.

The Parties have entered into this Consent Order following the issuance of the Complaint, but without any adjudication of any issue of fact or law herein.

I. STIPULATION

The Ethics Enforcement Officer and the Respondent stipulate to the following facts:

1. At all times relevant hereto, the Respondent was a Minnesota corporation registered to conduct business in the state of Connecticut.
2. From on or about November 2017, and continuing through at least October 2019, the Respondent entered into, and worked under a contract, and amendments incorporated thereto, awarded by the University of Connecticut Health Center Finance Corporation ("UCHCFC") to provide the University of Connecticut Health Center ("UCHC") with information technology consulting services related to the implementation of the Epic electronic medical record system ("Contract").
3. As set forth in General Statutes §§ 10a-250, *et seq.*, UCHCFC is a public instrumentality and political subdivision of the state that is authorized to enter into contracts on behalf of UCHC.
4. From on or about November 2017, and continuing through at least October 2019, the Respondent was a "person hired by the state as a consultant or independent contractor," pursuant to General Statutes § 1-86e (a).
5. Under the authority provided by the Contract, the Respondent placed consultant employees at UCHC to carry out duties under the Contract.
6. At all times relevant hereto, information technology consultants selected to work at UCHC, including the Respondent's consultant employees, were required to be employed by vendors who were preapproved by UCHC.
7. At all times relevant hereto, the Respondent was one of several vendors preapproved by UCHC and received payments from UCHC for Respondent's consultant employees that were placed at UCHC.

8. From on or about March 26, 2018 through on or about January 31, 2019, the Respondent employed a consultant employee who resides or resided in Wendell, North Carolina (“Respondent Employee 1”).

9. At all times relevant hereto, the Respondent assigned Respondent Employee 1 to work at UCHC pursuant to the Contract.

10. Under the authority provided by the Contract, the Respondent, through Respondent Employee 1, participated in UCHC’s process to hire information technology consultants, which included but was not limited to identifying consultant needs; determining from which vendors candidates would be selected; and recommending which consultants would be hired by UCHC.

11. Under the authority provided by the Contract, the Respondent, through Respondent Employee 1, supervised consultants, including reviewing and approving the hours worked by two of the Respondent’s consultants.

12. At all times relevant hereto, Respondent’s duties under the Contract as specified in paragraphs 10 and 11 above were carried out, in part, by Respondent Employee 1.

13. At all times relevant hereto, the Respondent’s authority at UCHC, including the authority for duties carried out by Respondent Employee 1, was derived exclusively from the authority provided by the Contract.

14. On or around April 11, 2018, the Respondent entered into an agreement with Respondent Employee 1 (“Engagement Lead Agreement”) that was separate and distinct from her employment agreement with the Respondent.

15. Pursuant to the Engagement Lead Agreement, the Respondent agreed to financially compensate Respondent Employee 1 where Respondent Employee 1:

- a. Secured opportunities at UCHC for the placement of Respondent’s consultant employees, and those consultant employees were placed at UCHC; and

- b. Secured qualified candidate consultants as consultant employees for the Respondent, and those consultant employees were hired by UCHC.

16. Subsequent to entering into the Engagement Lead Agreement, and in the course of the Respondent's participation in UCHC's consultant hiring process as described above, Respondent Employee 1 took multiple actions to satisfy the financial incentives that were provided for in the Engagement Lead Agreement, including but not limited to:

- a. Steering consultant candidates who were not yet employed by a preapproved vendor during the hiring process to the Respondent;
- b. Designating the Respondent as the vendor from which consultant candidates were selected; and
- c. Recommending the Respondent's consultant employees for selection by UCHC.

17. As a result of actions taken by Respondent Employee 1 in the course of the Respondent's participation in UCHC's consultant hiring process under the Contract as described above, and subsequent to the Engagement Lead Agreement, Respondent Employee 1:

- a. Secured opportunities at UCHC for placement of Respondent's consultant employees, who were placed at UCHC;
- b. Secured qualified candidate consultants as consultant employees for the Respondent, who were hired by UCHC; and
- c. Was compensated by the Respondent for so doing.

18. As a result of actions taken by Respondent Employee 1 in the course of the Respondent's facilitation of UCHC's consultant hiring process, and subsequent to the Engagement Lead Agreement, the Respondent financially benefited.

19. Respondent's financial compensation from UCHC was based in part on the number of hours that the Respondent's consultant employees billed at UCHC, including the number of hours billed by the Respondent's consultant employees who were placed at UCHC subsequent to

the Engagement Lead Agreement.

20. Pursuant to Respondent's authority to supervise UCHC's consultants under the Contract, Respondent Employee 1 reviewed and approved the hours worked by two of the Respondent's consultant employees who were placed at UCHC subsequent to the Engagement Lead Agreement.

21. Pursuant to General Statutes § 1-86e (a) (1), no person hired by the state as a consultant or independent contractor shall "[u]se the authority provided to the person under the contract . . . to obtain financial gain for the person[.]"

22. By using the authority that the Respondent derived exclusively from the Contract to secure financial gain for itself as described herein, the Respondent used the authority provided under a state contract to obtain financial gain in violation of General Statutes § 1-86e (a) (1).

23. Each time the Respondent used its authority under the Contract to obtain financial gain as set forth above represents a separate and distinct violation of General Statutes § 1-86e (a) (1).

24. Respondent additionally used its authority derived from the Contract to obtain financial gain for Respondent Employee 1.

25. Pursuant to General Statutes § 1-86e (a) (1), no person hired by the state as a consultant or independent contractor shall "[u]se the authority provided to the person under the contract . . . to obtain financial gain for... an employee of the person[.]"

26. By using the authority that the Respondent derived exclusively from the Contract to obtain financial gain for Respondent Employee 1 as described herein, the Respondent used its authority under a state contract to obtain financial gain for its employee in violation of General Statutes § 1-86e (a) (1).

27. Each time the Respondent used its authority under the state contract to obtain

financial gain for Respondent Employee 1 as set forth herein represents a separate and distinct violation of General Statutes § 1-86e (a) (1).

II. RESPONDENT'S POSITION

1. The Respondent asserts that the Respondent, like its business competitors, regularly enters into agreements with their respective consultant employees in order to encourage employees to refer qualified individuals to the Respondent, rather than to competitors, for potential work assignments.

2. However, the Respondent was unaware that entering into the Engagement Lead Agreement would violate the Code of Ethics as alleged in the Complaint, and the Respondent asserts that it has used its best efforts to fully cooperate with the OSE's investigation.

3. The Respondent believes that the consultants provided by the Respondent to UCHC, including those recommended for hire by Respondent Employee 1, properly performed the services for which they were engaged by UCHC, and were paid at rates provided for in the Contract with UCHC.

III. JURISDICTION

1. The Ethics Enforcement Officer is authorized to investigate the Respondent's acts as set forth herein, and to enter into this Stipulation and Consent Order.

2. The provisions of this Stipulation and Consent Order apply to and are binding upon the Respondent.

3. The Respondent hereby waives all objections and defenses to the jurisdiction of the Ethics Enforcement Officer over matters addressed in this Stipulation and Consent Order.

4. The Respondent waives any rights the Respondent may have under General Statutes §§ 1-80, 1-82, 1-82a, 1-87 and 1-88, including the right to a hearing or appeal in this case, and agrees with the Ethics Enforcement Officer to an informal disposition of this matter as authorized by General Statutes § 4-177 (c).

5. The Respondent consents to jurisdiction and venue in the Connecticut Superior Court, Judicial District of Hartford, in the event that the State of Connecticut seeks to enforce this Stipulation and Consent Order. The Respondent recognizes that the Connecticut Superior Court has the authority to specifically enforce the provisions of this Stipulation and Consent Order, including the authority to award equitable relief.

6. The terms set forth herein are in addition to, and not in lieu of, any other existing or future statutory, regulatory, or other legal obligation that may be applicable to the Respondent.

7. The Respondent understands that the Respondent has a right to counsel and has been represented by counsel during the OSE's investigation and in connection with this Stipulation and Consent Order.

IV. ORDER

NOW THEREFORE, pursuant to General Statutes § 4-177 (c), the Office of State Ethics hereby ORDERS, and Virtelligence, Incorporated agrees, that:

1. Pursuant to General Statutes § 1-88 (a) (1), Virtelligence, Incorporated will cease and desist from any future violation of General Statutes § 1-86e (a) (1).

2. Pursuant to General Statutes § 1-88 (a) (3), Virtelligence, Incorporated will pay civil penalties to the State in the amount of seven thousand five hundred dollars (\$7,500.00) for the violation of General Statutes § 1-86e (a) (1) relative to its use of authority for its own financial gain, as set forth in the Complaint and herein.

3. Pursuant to General Statutes § 1-88 (a) (3), Virtelligence, Incorporated will pay civil penalties to the State in the amount of two thousand five hundred dollars (\$2,500.00) for the violation of General Statutes § 1-86e (a) (1) relative to its use of authority for its employee's financial gain, as set forth in the Complaint and herein.

4. Pursuant to General Statutes § 1-88 (d), Virtelligence, Incorporated will pay damages to the State in the amount of five thousand dollars (\$5,000.00).

WHEREFORE, the Ethics Enforcement Officer and Virtelligence, Incorporated hereby execute this Stipulation and Consent Order dated March 17, 2022.

Dated: 3/18/2022

DocuSigned by:
Akhtar Chaudhri
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Akhtar Chaudhri, on behalf of
Virtelligence, Incorporated

Dated: 3-21-22

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