



DOCKET NUMBER 2022-01 : **OFFICE OF STATE ETHICS**
: **165 CAPITOL AVENUE, SUITE 1200**
IN THE MATTER OF A : **HARTFORD, CT 06106**
: **JUNE 14, 2023**
COMPLAINT AGAINST :
: **HENRY W. JUAN, III**

SETTLEMENT AGREEMENT

Pursuant to the Codes of Ethics, Connecticut General Statutes §§ 1-79, *et seq.*, Mark E. Wasielewski, Ethics Enforcement Officer for the Office of State Ethics (“OSE”), issued an Amended Complaint against the Respondent, Henry W. Juan, III (“Juan” or “Respondent”) for violations of the Code of Ethics for Public Officials, Connecticut General Statutes §§ 1-79, *et seq.*, and the Code of Ethics for Lobbyists, Connecticut General Statutes §§ 1-91, *et seq.* Based on the investigation by the Enforcement Division of the OSE, the OSE finds there is probable cause to believe that the Respondent violated the Code of Ethics for Public Officials, Connecticut General Statutes §§ 1-84 (c), (b), and (a).

Further, based on the investigation by the Enforcement Division of the OSE, the OSE finds there is probable cause to believe that the Respondent violated the Code of Ethics for Lobbyists by failing to timely register as a lobbyist as required by Connecticut General Statutes § 1-94; and by failing to timely file financial reports with the OSE, as required by Connecticut

General Statutes § 1-96.

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

I. STATE'S POSITION

Based upon a preliminary investigation of this matter, the Ethics Enforcement Officer was prepared to establish the following at a probable cause hearing:

1. From no later than March 2016 through on or about February 7, 2018, the Respondent held the position of member of the Board of Directors (“Board”) of the Connecticut Port Authority (“CPA”).

2. At all times relevant hereto, the CPA was a state “quasi-public agency”, as that term is defined in General Statutes § 1-79 (12), and as that term is incorporated by reference in General Statutes § 1-91 (24).

3. As a member of the CPA’s governing Board, the Respondent was a “public official”, as that term is defined in General Statutes § 1-79 (11).

4. At all times relevant hereto, the CPA’s duty, power, and authority included, in part, the coordination of, development of, and marketing of Connecticut’s ports and harbors; as well as the maintenance and operation of state ports under the CPA’s control, including the state pier in New London, Connecticut (“New London State Pier”).

5. At all times relevant hereto, and pursuant to the CPA’s duty, power, and authority, the CPA made efforts related to the development and operation of the New London State Pier (“New London State Pier efforts”).

6. In 2017 and through on or about February 7, 2018, in his capacity as a CPA Board member, the Respondent performed tasks related to the New London State Pier efforts.

7. In or about December 2016, subsequent to his Board appointment and during his service as a member of the CPA Board, the Respondent, with two other persons, formed a Delaware limited liability company, with a principal place of business located in New York, New York (“the Company”).

8. At all times relevant hereto, the Respondent was a founding member of the Company, holding an ownership interest that included but was not limited to, eligibility to the discretionary receipt of profits, gains, and additional membership units based on earnings by the Company.

9. At all times relevant hereto, the Company was a “[b]usiness with which [the Respondent] is associated” as that term is defined in Connecticut General Statutes § 1-79 (2).

10. In addition, from in or around February 2017 through the time of his resignation from the CPA Board on or around February 7, 2018, the Respondent was employed by the Company, for which he received and/or was eligible to receive financial compensation, including but not limited to a salary and discretionary incentive-based bonuses.

11. Beginning no later than January 2017 and continuing through at least February 7, 2018, the Company was seeking to do business with the CPA, including but not limited to, seeking contracts and/or other financial agreements with the CPA related to the New London State Pier efforts.

12. As early as February 2017, and on other occasions throughout 2017, through on or around February 7, 2018, the Respondent acknowledged to the CPA and others that he had a conflict of interest and/or potential conflict of interest, pursuant to Connecticut Ethics laws, regarding his CPA Board position due to the Company’s efforts seeking to do business with the CPA.

13. On or around August 10, 2017, the Respondent was advised by the CPA that the CPA Bylaws, which referenced the Connecticut Code of Ethics, prohibited, among other conduct, the Respondent from participating in discussions, taking any affirmative actions, or having access to any confidential information, concerning matters in which he had a conflict or potential conflict.

14. Despite receiving the aforementioned advice and despite his own acknowledgement of a conflict and/or potential conflict on multiple occasions, the Respondent, in 2017 through on or around February 7, 2018, used his official position to advance the Company's interests in doing business with the CPA, including but not limited to:

- a. using his access to CPA staff members under his authority and CPA Board members, provided by virtue of his Board position, to influence and/or attempt to influence the CPA selection process with respect to the CPA's Request for Proposals ("RFP") for Strategic Advisory Services ("CPA RFP No. 2017-0005") to which the Company submitted a response, and to make subsequent efforts to obtain a subcontract or otherwise obtain business under the Strategic Advisory Services contract after it was awarded to another contractor;
- b. negotiating with the CPA to secure future payments for the Company for actions that the Respondent had taken as a CPA Board member;
- c. advising CPA staff members under his authority and CPA Board members as to the New London Pier efforts in order to benefit the Company; and,
- d. soliciting and disclosing confidential information gained through his CPA Board position for the benefit of the Company.

15. In 2017 and through on or around February 7, 2018, the Respondent received financial compensation and/or was seeking financial compensation to advance the Company's interests in doing business with the CPA.

16. The Respondent, in using his official position, was seeking financial gain for the Company.

17. General Statutes § 1-84 (c) states in pertinent part:

No public official... shall wilfully and knowingly disclose, for financial gain, to any other person, confidential information acquired by him in the course of and by reason of his official duties or employment and no public official... shall use his public office or position or any confidential information received through his holding such public office or position to obtain financial gain for himself... or a business with which he is associated.

18. By using his position as a CPA Board member and by wilfully and knowingly disclosing confidential information acquired by him as a Board member, as described above, in order to obtain financial gain for himself and/or the Company, the Respondent used his public office and confidential information derived therefrom to obtain financial gain for himself and/or a business with which he was associated, in violation of General Statutes § 1-84 (c).

19. On one or more occasions in 2017 and in 2018, the Respondent's independence of judgment as to his official duties as a CPA Board member was impaired due to his ownership interest in and/or employment with the Company.

20. On one or more occasions in 2017 and in 2018, the Respondent's actions as set forth herein, violated the CPA Bylaws.

21. General Statutes § 1-84 (b) states in pertinent part:

No public official or state employee shall accept other employment which will... impair his independence of judgment as to his official duties[.]

22. By becoming a member and employee of the Company, while serving as a CPA Board member, and thereafter engaging in the acts set forth herein, the Respondent accepted other employment that impaired his independence of judgment as to his CPA Board member duties, in violation of General Statutes § 1-84 (b).

23. The Respondent had reason to believe or expect that he and/or the Company

would derive a direct monetary gain as a result of his official state actions, as set forth herein.

24. General Statutes § 1-85 states in pertinent part:

A public official... has an interest which is in substantial conflict with the proper discharge of his duties or employment in the public interest and of his responsibilities as prescribed in the laws of this state, if he has reason to believe or expect that he, his spouse, a dependent child, or a business with which he is associated will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his official activity.

25. The Respondent's actions, as set forth herein, constitute a substantial conflict with the proper discharge of his duties in the public interest and of his responsibilities as prescribed in the laws of this state, as defined in General Statutes § 1-85.

26. General Statutes § 1-84 (a) states in pertinent part:

No public official... shall, while serving as such, have any financial interest in, or engage in, any business, employment, transaction or professional activity, which is in substantial conflict with the proper discharge of his duties or employment in the public interest and of his responsibilities as prescribed in the laws of this state, as defined in section 1-85.

27. The Respondent, while serving as a CPA Board member, had a financial interest in, or engaged in, business, employment, transactions and/or professional activities, as described above, which were in substantial conflict with the proper discharge of his duties in the public interest and of his responsibilities as prescribed in the laws of this state, as defined in section 1-85, in violation of General Statutes § 1-84 (a).

28. General Statutes § 1-91 (11) defines "lobbying" in pertinent part, as, "communicating directly or soliciting others to communicate with any official or his staff . . . in a quasi-public agency, for the purpose of influencing any . . . administrative action."

29. General Statutes § 1-91 (1) defines "administrative action" in part as, "[] any action or nonaction of any executive agency or quasi-public agency, as defined in section 1-79,

regarding a contract, grant, award, purchasing agreement, loan, bond, certificate, license, permit or any other matter which is within the official jurisdiction or cognizance of such an agency.”

30. General Statutes § 1-91 (12) defines “lobbyist” as, “a person who in lobbying and in furtherance of lobbying makes or agrees to make expenditures, or receives or agrees to receive compensation, reimbursement, or both, and such compensation, reimbursement or expenditures are three thousand dollars or more in any calendar year or the combined amount thereof is three thousand dollars or more in any such calendar year.”

31. General Statutes § 1-91 (22) defines “communicator lobbyist” as, “a lobbyist who communicates directly or solicits others to communicate with an official or the official’s staff in the legislative or executive branch of government or in a quasi-public agency for the purpose of influencing legislative or administrative action.”

32. General Statutes § 1-94 (1) states that a lobbyist shall register with the Office of State Ethics, if he, “[r]eceives or agrees to receive compensation or reimbursement for actual expenses, or both, in a combined amount of three thousand dollars or more in a calendar year for lobbying, whether that receipt of compensation or reimbursement or agreement to receive such compensation or reimbursement is solely for lobbying or the lobbying is incidental to that person’s regular employment.”

33. During calendar years 2017 and 2018, the Respondent communicated directly and/or solicited others to communicate with the CPA Board members and staff for the purpose of influencing the administrative actions of the CPA on behalf of the Company, and the Respondent was therefore lobbying.

34. In calendar years 2017 and 2018, the Respondent also took actions in furtherance of lobbying on behalf of the Company.

35. Communications and other actions taken by the Respondent on behalf of the Company were done consistently outside of agency contracting processes.

36. In calendar years 2017 and 2018, the Respondent, for lobbying and/or actions in furtherance of lobbying, on behalf of the Company, received and/or agreed to receive compensation and/or reimbursement from the Company in the amount of three thousand dollars or more, and was therefore a communicator lobbyist.

37. The Respondent did not register as a communicator lobbyist with the OSE in either calendar year 2017 or in calendar year 2018.

38. By failing to register with the OSE as a communicator lobbyist in the 2017-2018 biennial registration period in either calendar year 2017 or in calendar year 2018, the Respondent violated General Statutes § 1-94 (1).

39. Pursuant to General Statutes § 1-96 (b), as a communicator lobbyist, the Respondent was required to file an annual financial disclosure statement with the OSE, “between the first and tenth day of January,” reporting the amounts of compensation and reimbursement received from the Company for lobbying or in the furtherance of lobbying during the previous year.

40. The Respondent did not file annual financial disclosure statements between the first and tenth day of January 2018 or January 2019, reporting the amounts of compensation and reimbursements received from the Company for lobbying or actions in the furtherance of lobbying during the previous year.

41. The Respondent, by failing to file annual financial disclosure statements as described above, violated General Statutes § 1-96 (b).

II. RESPONDENT'S POSITION

1. Prior to becoming a member of the CPA Board, the Respondent, a lifelong Connecticut resident, had worked exclusively in the private sector, including maritime and investment banking. The Respondent had recent experience with what is referred to as a “public-private partnership” related to a deep-water port, in line with the CPA’s statutory directive to have “a focus on private and public investments”. *See* General Statutes § 15-31b (a).

2. The Respondent accepted this voluntary, unpaid board membership as a public service to his state, without familiarity with the Connecticut Codes of Ethics. The Respondent believed that his employment with the Company would be permissible as long as he disclosed his employment to the Board and recused himself from board deliberations and votes on matters that involved the Company.

3. The Respondent states that he does not recall any formal training on the Connecticut Codes of Ethics prior to, or during his tenure on the CPA Board. It is the Respondent’s understanding that the CPA Board and staff received their first formal ethics training in September of 2019.

4. The Respondent states that he did not intentionally violate any provision of the Connecticut Codes of Ethics.

5. The Respondent asserts that, during his tenure on the CPA Board, he did not receive any financial gain or benefit from his position on the board or any of his actions as a member of the Board. In addition, the Respondent states that the Company did not enter into any contracts or agreements with the CPA and did not receive any remuneration from the CPA during the Respondent’s time on the CPA Board.

6. The Respondent states that, at the initiation of his employment in February 2017,

the Respondent's ownership interest in the Company was 0.00016% (sixteen one-hundred-thousandths of one percent), which was never increased. The Respondent states that during his employment with the Company, which ended on August 27, 2020, he received only his annual salary, which was never increased, and he never received any annual or long-term incentive bonuses or remuneration. The Respondent states that after his employment ended, the Company, pursuant to a Separation Agreement, paid him sixty (60) days of his base salary as severance, and two weeks of accrued vacation time.

7. The Respondent disagrees with the State's positions as to the application of the Connecticut Codes of Ethics and, accordingly, he enters into this Settlement Agreement without any admission that he has violated any law or otherwise committed an improper act. The Respondent is entering into this Settlement Agreement for the purpose of avoiding the expense and uncertainty of litigation.

III. JURISDICTION

1. The Ethics Enforcement Officer is authorized to investigate the Respondent's acts as set forth herein, and to issue the Complaint and Amended Complaint against the Respondent.

2. The Office of State Ethics, through the Citizen's Ethics Advisory Board, is authorized to enter into this Settlement Agreement.

3. The provisions of this Settlement Agreement apply to and are binding upon the Respondent.

4. The Respondent hereby waives all objections and defenses to the jurisdiction of the Citizen's Ethics Advisory Board and the Ethics Enforcement Officer over matters addressed in this Settlement Agreement, including the attached Exhibit A.

5. The Respondent waives any rights he may have under General Statutes §§ 1-80,

1- 82, 1-82a, 1-87, 1-88, 1-91, 1-93, 1-93a, 1-98, 1-99 and 4-183, including the right to a hearing or appeal in this case, and agrees with the Office of State Ethics to an informal disposition of this matter as authorized by General Statutes § 4-177 (c).

6. Except as otherwise expressly set forth herein, 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 Settlement Agreement. The Respondent recognizes that the Connecticut Superior Court has the authority to specifically enforce the provisions of this Settlement Agreement, including the attached Exhibit A, including the authority to award equitable relief.

7. 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.

8. The Respondent understands that this Settlement Agreement is subject to the approval of the Citizen's Ethics Advisory Board and is not final until signed. If the Citizen's Ethics Advisory Board does not approve this Settlement Agreement, and this matter proceeds to a hearing before the Board, Respondent expressly waives any objection he may have to the Board presiding over a hearing in this matter based on the Board's previous consideration of this Settlement Agreement.

9. The Respondent understands that he has the right to be represented by legal counsel and has been represented by counsel throughout the investigation of the Complaint, the Amended Complaint, and the negotiation of this Settlement Agreement.

IV. AGREEMENT AND DISPOSITION

NOW THEREFORE, pursuant to Connecticut General Statutes § 4-177 (c), the Office of State Ethics and the Respondent Henry W. Juan, III agree that:

1. The Respondent will comply with the Codes of Ethics should he in the future become a state employee, public official, lobbyist, or state contractor subject to the Codes of Ethics.

2. The Respondent will seek and receive advice from the Office of State Ethics as to his activities in the event that, in the future, he has any question as to the applicability of the Codes of Ethics to those activities.

3. The Respondent will pay to the State the amount of seventeen thousand five hundred dollars (\$17,500.00) to resolve allegations of violations of the Code of Ethics for Public Officials, as set forth in the Amended Complaint and herein.

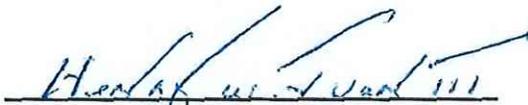
4. The Respondent will pay to the State the amount of one thousand dollars (\$1,000.00) to resolve allegations of violations of the Code of Ethics for Lobbyists, as set forth in the Amended Complaint and herein.

5. The Respondent will make payment to the State according to the terms set forth in Exhibit A, attached hereto.

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WHEREFORE, the OSE and the Respondent hereby execute this Settlement Agreement dated June 14, 2023.

Dated: June 14, 2023


Henry W. Juan, III
Respondent

Dated: 6.14.23


Mark E. Wasielewski, Esq.
Ethics Enforcement Officer
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165 Capitol Avenue, Suite 1200
Hartford, CT 06106
Ph.: (860) 263-2398

Dated: 6-14-23


Dena Castricone, Chair
Citizen's Ethics Advisory Board
Connecticut Office of State Ethics
165 Capitol Avenue, Suite 1200
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EXHIBIT A – DOCKET NUMBER 2022-01

1. The Respondent Henry W. Juan, III shall make the payments to the Office of State Ethics, as agreed to in the Settlement Agreement, according to the following schedule:

- a. \$10,000.00 shall be received by the Office of State Ethics no later than the signature date of the Settlement Agreement.
- b. \$8,500.00 shall be received by the Office of State Ethics no later than July 21, 2023.