



# STATE OF CONNECTICUT

## OFFICE OF THE TREASURER

### Ethics Statement and Elections Policy

#### Introduction

Employees of the Office of the Treasurer (Treasury or OTT) serve the citizens of the State of Connecticut and hold positions of significant trust and responsibility. To promote public confidence, we must strictly adhere to the highest ethical standards and avoid even the appearance of impropriety. All employees must be aware of and follow the State's Code of Ethics for Public Officials (Code of Ethics) (C.G.S. §§1-79 through 1-90a). This OTT Ethics Statement provides supplemental guidance specific to OTT's mission. C.G.S. §1-83(a)(2)

Compliance with the Code of Ethics is the responsibility of each employee. Please contact Ginny Kim, OTT's Chief Compliance Officer, any time you have questions. You may also contact the Office of State Ethics. It is better to seek guidance than risk a potential ethics conflict. Contact information and additional resources are located at the end of this OTT Ethics Statement.

#### General Standards

- Employees must **perform their official duties ethically and impartially**. Seek to **avoid even the appearance of impropriety** in all dealings with the public, contractors, business partners and government agencies.
- Employees must **treat members of the public and fellow employees with dignity and respect**.
- Employees **may not use their official position, or confidential information** gained in state service, **to financially benefit themselves** (or certain family members or a business with which any of them are associated). C.G.S. §1-84(c)
- Generally, employees **may not take official action** in the performance of their state duties **if it will impact their financial interest** (or that of their immediate family members or a business with which any of them are associated). When such circumstances arise, discuss immediately with your supervisor and OTT's Chief Compliance Officer. C.G.S. §§1-85 and 86
- Employees **may not accept outside employment** that would **impair their independent judgment in, or ability to perform**, state duties, **or require or induce them to disclose confidential information** gained in state service. C.G.S. §1-84(b)
- Employees **may not solicit or accept anything of value** based on an understanding that one's **official action will be influenced**. C.G.S. §1-84(g)
- Employees (including their immediate family members and businesses with which they are associated) **may not enter into a contract with the state valued at \$100 or more unless** the contract has been **awarded through an open and public process**. C.G.S. §1-84(i)
- Employees **may not accept an honorarium or fees** for an article, appearance or speech, or

for participation at an event, if made in an official capacity. C.G.S. §1-84(k)

- Employees' **work emails and other state documents are not confidential** and are considered a public record. As such, employees should recognize that anything they draft may be requested and released to the public **and are subject to state document retention requirements**.
- Employees **may not use state resources for non-state business** (e.g., copiers, long distance telephone, faxes, supplies, mail system and computers).

### **Communication with Prospective Vendors – Blackout List Policy**

To protect the integrity of the contracting process, the Treasury maintains a Blackout List that identifies individuals and entities that are actively seeking business with the Treasury, as evidenced by their participation in a formal competitive Request for Proposal (RFP) process. This Blackout List helps to avoid improper communication with those on the List but is not intended to prohibit all communication. For example, a bidder may be an existing vendor with whom Treasury staff must work, or there may be non-RFP related communications with a bidder.

- As detailed in every RFP issued by Treasury, bidders are instructed to direct questions related to the RFP to a specific contact person. Treasury employees may not discuss the RFP with bidders outside of the RFP process and must redirect bidder to the OTT contact person. This ensures that (i) all bidders receive consistent advice/responses and (ii) all questions and answers are posted for all respondents to review, thereby creating a level playing field.
- An employee may be subject to discipline for violating this Blackout List Policy, up to and including suspension and/or dismissal. In addition, any attempt to circumvent this Blackout List Policy may result in the disqualification of a proposal or, if a violation is discovered after contract award, the contract may be terminated.

### **Treasury Contracting**

- Prior to execution of a Treasury contract, employees involved in the review and selection process shall certify that the selection of the person, firm or corporation was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.
- The Treasurer may not compensate or contract with any investment services firm that, through a political committee or any of the firm's principals, contributed to or solicited contributions on behalf of the Treasurer's candidacy for State Treasurer. See definitions in C.G.S. §1-84(n).

### **Gifts From Restricted Donors**

Employees and members of their immediate families may not accept any gifts from restricted donors, regardless of value, unless the item falls within a Gift Exception (see page 3). A "**gift**" is anything of value that you, or a member of your immediate family, directly and personally receive. If you pay fair market value for the item, it is not a gift. "**Restricted donors**" include firms doing

business with or seeking to do business with OTT, contractors pre-qualified by DAS or registered lobbyists.

- The term “seeking to do business with” is broadly interpreted. For example, an investment management firm that offers complimentary benefits to a Treasury employee, likely seeks a business relationship with OTT and is treated as a restricted donor.
- Seek to avoid situations that create the appearance of impropriety with any entity that may benefit from Treasury action. Discuss any situation with your supervisor and contact the Chief Compliance Officer or OSE for further guidance as needed.

## **Gift Exceptions**

The Code of Ethics does permit employees to accept some items, the most common examples being: (i) **Token items** valued at less than \$10 (such as a pen or mug), not to exceed an aggregate of \$50 per calendar year from a single source, (ii) **Food and Beverage**, (iii) for **Major life events**, (iv) **Gifts to the State**, and (v) **Payment or Reimbursement of Certain Travel Expenses (as a Gift to the State or Necessary Expense)**. The complete list of Gift Exceptions is in C.G.S. §1-79(5)(A)-(S).

- **Food and Beverage** not to exceed \$50 in the aggregate per calendar year is allowed – so, multiple meals or drinks on different occasions that add to more than \$50 would violate the policy. In addition, the donor or a representative of the donor must be present when the food or beverages are consumed. For example, an employee cannot accept a gift card to a restaurant to be used by the employee and spouse, but may accept an invitation to have lunch or a drink with the donor or to attend a vendor’s holiday or seasonal event. C.G.S. §1-79(5)(K) Even though it is permitted up to the \$50 cumulative limit per year, employees should consider carefully whether to accept any food or drinks from someone who does or is seeking to do business with the state, and whether doing so might create the appearance of a conflict.
- **Major life events** are ONLY (i) weddings, (ii) funerals, (iii) birth or adoption of a child, (iv) ceremony commemorating induction into religious adulthood or (v) retirement from state service. Birthdays and anniversaries are not. Note: Registered lobbyists are the only type of restricted donor who may make use of this exception. Firms who do business with or seek to do business with the Office of the Treasurer may not utilize this exception. C.G.S. §1-79(5)(L).
- **Gifts to the state** include goods or services provided for use by the Office of the Treasurer, or that support participation by a Treasury employee at an event that facilitates a state action or function. For example, a restricted donor that publishes a reference book on investment securities may donate such treatise to the Treasury for use by Treasury employees. C.G.S. §1-79(5)(E).
- **Payment or Reimbursement of Certain Travel Expenses** for you to participate in a conference or similar event as part of your official duties. To see if this exception may apply, see the plain language guide “Necessary Expenses and Gifts to the State Guide for Public Officials and State Employees” (on the Office of State Ethics website link provided at end of this document). There may be circumstances in which it would be more appropriate for the Office of the Treasurer to pay for your travel, so notify your immediate supervisor and the Chief Compliance Officer if you plan on accepting any paid out-of-state travel. Important

notes: Entertainment costs are not permitted, nor are honorariums or speaking fees. C.G.S. §1-84(k) (“Necessary Expenses”) and 1-79(5)(E) (“Gifts to the State”).

## Gifts From Others

State law also restricts certain gifts from persons who not “restricted donors.”

- Subordinates and supervisors may give each other gifts up to \$100 per gift (or \$1,000 for a major life event). This limit applies not only to direct supervisors, but to any individual up or down the chain of command. In addition, when a group of employees that includes supervisors and subordinates contributes to a gift, the total value of the gift may not exceed 100 per gift, or \$1000 for major life event.
- If a non-restricted donor wants to give you a gift because of your *position* in state service, you may accept gifts only up to \$99 per year per donor under such circumstances.

## Required Disclosures to Promote Transparency in Government

State law requires several types of disclosures that promote transparency in government:

- **Statement of Financial Interest (SFI).** The Treasurer, Deputy Treasurer, Investment Advisory Council members, and Treasury employees who exercise significant (i) policymaking, regulatory or contractual authority, (ii) decision-making or supervisory responsibility for the review or award of State contracts or (iii) decision-making or supervisory responsibility over staff that monitor State contracts, must electronically submit a SFI by May 1 each year. C.G.S. §1-83(a). If you are a required SFI filer, the Chief Compliance Officer will inform you, and the Office of State Ethics will send you timely reminders and instructions. Required SFI filers must also file upon leaving state service.
- **Employee Reporting of Payment or Reimbursement of Lodging/Out-of-State Travel Expenses.** If anyone other than another State or the federal government, pays for or reimburses your expenses associated with lodging and/or out-of-state travel for you to speak or participate in an event in your official capacity, you must submit a report to the Office of State Ethics. You can access the on-line reporting form here: [FORM ETH-NE – NECESSARY EXPENSES / FORM ETH-GTS – GIFTS TO THE STATE](#) (ct.gov).
- **Gift Notification Requirement for Certain Restricted Donors.** Restricted Donors who are doing or seeking to do business with OTT that give you item(s) valued at \$10 or more must, within ten days, give you and your division head a written report stating the donor name and describing the item(s) given, their value, and the cumulative value of all items given to you during that calendar year. C.G.S. §1-84(o). A sample report format is here: [Forms](#) (ct.gov).

## Elections Policy

Other state laws, not the Code of Ethics, govern elections and campaign finance, but it is important to be aware of them. C.G.S. §5-266a sets forth prohibited and permissible employee political activities. Particularly during campaign and election seasons, employees should be aware of the following:

- Employees shall not engage in any political activity while on state time. C.G.S. §5-266a(b)

- Employees shall not use their political authority or influence to interfere with the results of the election or to directly or indirectly coerce or attempt to coerce others to contribute to a political campaign. C.G.S. §5-266a(a)
- Employees shall not wear political name badges or other paraphernalia while on state time.
- Employees shall not display political paraphernalia in their offices with respect to current or upcoming political campaigns.
- Employees, in exercising their personal political rights, must avoid any implication that their political activities (including any public statements) represent the official position of the Office of the Treasurer.
- Employees shall not use state funds for political activity. This includes the use of the office, desk, phone, office suppliers or copy machines, etc. C.G.S. §5-266a
- Employees are free to make political contributions to the candidates of their choice and should be aware that federal and state laws govern the amounts and the timing of these contributions.
- Employees shall not solicit political contributions from other employees or anyone with whom their department regularly conducts business, nor shall they encourage others to attend fundraising events. C.G.S. §5-266a(a).

## **Post State Employment**

State law restricts certain activities post-employment to protect the state from former employees' use of their official position or confidential state information obtained while in state service.

- **Lifetime Ban on Representation** After leaving state service, you may not represent anyone other than the state in any *particular* matter in which you participated personally and substantially while in state service *and* in which the state has a substantial interest. This is a lifetime ban and applies regardless of whether compensation is involved. Because what constitutes a “particular matter” can be confusing, you should always seek advice from the Office of State Ethics on whether your contemplated activity is permissible. C.G.S. §1-84b(a).
- **One Year Cooling-Off Period from Representation.** For one year after leaving state service, you may not accept compensation to represent anyone other than the state before the Office of the Treasurer concerning any matter in which the state has a substantial interest. C.G.S. §1-84b(b).
- **Employment with State Vendor.** For one year after leaving state service, you may not accept employment with a party to a state contract valued at \$50,000 or more if (1) you participated substantially in, or supervised, the negotiation or award of that contract and (2) it was signed within your last year of service. C.G.S. §1-84b(f). Also, you may not solicit or accept a promise of future employment based on an understanding that your official action will be influenced. C.G.S. §1-84(g).
- **Confidential Information.** You may not disclose or use confidential information gained while in state service for anyone's financial gain. This is a lifetime prohibition. C.G.S. §1-84a.
- **Statement of Financial Interests.** Required SFI Filers must file a final SFI upon leaving state service, covering the portion of the year during which you held the office or position. The Office of State Ethics will notify you within sixty days after your departure, and you must file your final SFI within sixty days after receipt of the notification. C.G.S. §1-83(a)(1).

## **Questions and Resources**

Compliance is the responsibility of each individual employee. Be aware that violations may result in a formal complaint procedure brought against the employee by the Office of State Ethics and sanctions of up to \$10,000 per violation.

The Office of State Ethics produces many valuable resources to guide you in navigating specific situations. In addition, do not hesitate to reach out to the OTT Chief Compliance Officer or the Office of State Ethics at any time with questions or concerns.

### **OTT Chief Compliance Officer**

Ginny Kim

Telephone Number: 860-702-3030

Email: [ginny.kim@ct.gov](mailto:ginny.kim@ct.gov)

### **Office of State Ethics (OSE)**

Requesting Legal Advice is as Easy as 1-2-3: [Request Legal Advice Online \(ct.gov\)](#)

Telephone number: 860-263-2400

General Counsel: Brian O'Dowd ([brian.odowd@ct.gov](mailto:brian.odowd@ct.gov))

Executive Director: Peter Lewandowski ([peter.lewandowski@ct.gov](mailto:peter.lewandowski@ct.gov))

### **References**

The below “plain language” guides are on the OSE’s website:

#### [Plain Language Guides:](#)

Public Officials and State Employees Guide to the Code of Ethics, and

Necessary Expenses and Gifts to the State Guide for Public Officials and State Employees

The Code of Ethics and Office of State Ethics Regulations are on the OSE website:

#### [Code of Ethics Statute and Regulations](#)

The on-line form for employees to report payment or reimbursement of lodging and/or out-of-state travel expenses under the “necessary expenses” or “gift to the state” provisions is on the OSE website:

#### [Forms ETH-NE and ETH-GTS.](#)

A copy of this Ethics Statement will be prominently posted for all OTT employees, including on the Treasury’s public website. All current and prospective employees shall acknowledge receipt of the Code of Ethics and this Ethics Statement, and the Treasury will incorporate both documents into the orientation package for new employees. Those leaving the employment of the Treasury will also receive a written summary of the Post State Employment ethics rules.