

CONNECTICUT STATE LIBRARY
POLICY AND PROCEDURE MANUAL

Subject: Code of Ethics

Administrative Policy

The Connecticut State Library is an Executive Branch agency and is within the Department of Education for administrative purposes only. The State Library Board determines policy for the State Library and provides for the supervision of the State Library by a State Librarian appointed by the Board. The Connecticut State Library is also an Institutional member of the American Library Association. All employees and public officials of the State Library are bound by the Code of Ethics for the State Library. The Connecticut State Library's Code of Ethics consists of the Connecticut Code of Ethics for Public Officials and by reference the Code of Ethics of the American Library Association; the American Alliance for Museums' Code of Ethics for Museums; the Society of American Archivists' Code of Ethics; and the ALA Ethics Statement for Public Library Trustees.

Connecticut Code of Ethics for Public Officials

[NOTE: All State library officials and employees are responsible for keeping abreast of changes to the Code of Ethics for Public Officials. A guide to the Code is available at http://www.ct.gov/ethics/lib/ethics/guides/2012/public_officials_and_state_employees_guide_december_2012_rev.pdf]

All state officials and employees (except judges) are covered by Part I of the Code of Ethics for Public Officials (General Statutes §§ 1-79 to 1-90a; henceforth, Part I, or the Code). It is important to remember that certain provisions of the Code also apply to public officials and state employees after they leave state service.

Gifts

For a public official or state employee, there are rules in place regarding the acceptance of gifts from both restricted and non-restricted donors. In general, you may not accept gifts from restricted donors.

A gift is defined as anything of value that you (or in certain circumstances a member of your family) directly and personally receive unless you provide consideration of equal or greater value (e.g., pay for the item). Conn. Gen. Stat. § 1-79 (e).

Restricted Donors

Restricted donors include:

- Registered lobbyists (a list is available on the OSE's website) or a lobbyist's representative;
- Individuals or entities doing business with your state department or agency;
- Individuals or entities seeking to do business with your state department or agency;
- Individuals or entities engaged in activities regulated by your state department or agency; or
- Contractors pre-qualified by the Connecticut Department of Administrative Services (Conn. Gen. Stat. § 4a-100).

Gift Exceptions

There are, however, certain exceptions to this definition of gift. Not all exceptions are covered below; see Conn. Gen. Stat. § 1-79 (e) (1) – (18) for the complete list.

- **Token Items** – Restricted donors such as registered lobbyists may provide you with any item of value that is not more than \$10 (such as a pen, mug, or inexpensive baseball cap), provided that the annual aggregate of such items from a single source is \$50 or less. Conn. Gen. Stat. § 1-79 (e) (16).
- **Food and Beverage** – Restricted donors may also provide you with less than \$50 worth of food and beverage in a calendar year, provided that the restricted donor or his/her representative is in attendance when you consume the food and/or beverage. Conn. Gen. Stat. § 1-79 (e) (9).
- **Training** – Vendors may provide you with training for a product purchased by a state or quasi-public agency provided such training is offered to all customers of that vendor. Conn. Gen. Stat. § 1-79 (e) (17).
- **Gifts to the State** – Restricted donors may provide what are typically referred to as “gifts to the state.” These gifts are goods and services provided to a state agency or quasi-public agency for use on state or quasi-public agency property or that support an event, and which facilitate state or quasi-public action or functions. Conn. Gen. Stat. § 1-79 (e) (5).
- **Other Exceptions** – There are a total of 18 separate gift exceptions in the Code. Also exempt from the definition of gift are items such as informational materials germane to state action, ceremonial plaques or awards costing less than \$100, or promotional items, rebates or discounts also available to the general public. See Conn. Gen. Stat. § 1-79 (e) (1) – (18).

Major Life Event

There is a \$1,000 limit on a gift a registered lobbyist gives to you or a member of your family for a major life event. Please note: Registered lobbyists are the only restricted donors who may make use of the “major life event” gift exception.

Major Life Event Exceptions

- Birth or adoption of a child
- Wedding
- Funeral
- Ceremony commemorating induction into religious adulthood

- Retirement from state service

This list of major life events is exhaustive. Regs., Conn. State Agencies § 1-92-53.

Non-Restricted Donors

Two other categories of donors are:

Non-restricted donors giving you something because of who you are in state service

If a gift-giver does not fall within the definition of a restricted donor, but is nonetheless giving you something because of your public position, you should be aware that a dollar limit exists. From this type of donor, you may only accept up to \$100 annually from a single source, in addition to any of the items listed in the 18 gift exceptions noted above and set forth in Conn. Gen. Stat. § 1-79 (e) (1) – (18).

Non-restricted donors giving you something that has nothing to do with your state service

There is no limit as to what you may accept from a non-restricted donor, such as your neighbor of 20 years or a best friend from kindergarten, who is giving you a gift that has nothing to do with your public position.

This holds true as long as the donor remains non-restricted. Should this individual become a registered lobbyist, for example, the gift provisions regarding restricted donors would apply, regardless of any longstanding personal relationship.

Gifts Between State Employees

Advisory Opinion No. 2006-6 interpreted Conn. Gen. Stat. § 1-84 (p), regarding gifts between supervisors and subordinates in state service. This three-part provision limits gift-giving between certain individuals. Specifically:

- The provision imposes a monetary limit of \$99.99 for gifts between a public official or state employee and his or her supervisor. This limit is a per-gift – not a per-year – amount.
- Individuals subject to this limit may still make use of the major-life-event exception. In other words, supervisors and subordinates are not limited to \$99.99 when giving gifts to each other for major life events. The applicable limit for major life events is \$1,000.
- The provision applies not only to direct supervisors and subordinates, but to any individual up or down the chain of command.

In Advisory Opinion 2007-5, the Board concluded that supervisors and/or subordinates may not pool their money to give a collective or group gift valued in excess of the \$99.99 limit. Thus, except in the case of a major life event (which holds a \$1,000 limit), it would be a violation for Supervisor A to accept a gift valued at \$150 from Subordinates X and Y (and for them to give such a gift), even though the individual contributions of X and Y are less than the \$99.99 limit established in Conn. Gen. Stat. § 1-84 (p).

Reporting Requirements

Should you receive anything of value from an entity doing business with, seeking to do business with, or directly regulated by your department or agency, that entity must, within 10 days, give you and the head of your department or agency a written report stating:

- Name of the donor;
- Description of item(s) given;
- Value of such item(s); and
- Total cumulative value of all items to date given to you by that donor during the calendar year.

This helps both you and the regulated donor keep track of the gift exceptions noted above, so that permissible limits are not exceeded. Conn. Gen. Stat. § 1-84 (o).

NECESSARY EXPENSES

Necessary expenses may be received by public officials or state employees only if the official or employee, in his/her official capacity, is actively participating in an event (giving a speech or presentation, running a workshop, etc.). Conn. Gen. Stat. § 1-84 (k).

Necessary expenses can include:

- Travel (coach);
- Lodging (standard cost of room for the night before, of, and immediately following the event);
- Meals; and
- Related conference expenses.

Entertainment costs (tickets to sporting events, golf outings, night clubs, etc.) are not necessary expenses.

Necessary expense payments do not include payment of expenses for family members or other guests. Within 30 days of receiving payment or reimbursement of necessary expenses for lodging or out-of-state travel, state employees must file an ETH-NE form with the Office of State Ethics (OSE). Conn. Gen. Stat. § 1-96e.

Fees and Honoraria

Public officials and state employees may not accept fees and/or honoraria for an article, appearance, speech or participation at an event in their official capacity.

Fees or honoraria for such activities, if offered based solely on expertise and without any regard to official position, may be acceptable. Contact the OSE before receiving or accepting any such payment.

CONFLICTS OF INTEREST

Substantial Conflict of Interest

A “substantial” conflict of interest exists if a public official or state employee has reason to believe or expect that he or she, his or her spouse, a dependent child, or a business with which he or she is associated will derive a direct monetary gain or suffer a direct monetary loss by virtue of his or her official activity. It does not exist if any benefit or detriment accrues to any such person as a member of a profession, occupation or group to no greater extent than any other member of such profession, occupation or group. Conn. Gen. Stat § 1-85.

“Business with which...associated” is defined to include any entity through which business for profit or not for profit is conducted in which the public official or state employee, or a member of his or her immediate family, is a director, officer, or holder of significant ownership interest. Note: Unpaid service as an officer or director of a non-profit entity is exempted from the definition of “Business with which...associated.”

Potential Conflict of Interest

A “potential” conflict of interest exists if a public official or state employee, in the discharge of his or her official state duties, would be required to take an action that would affect his or her financial interest, or the financial interest of his or her spouse, parent, brother, sister, child, spouse of the child, or a business with which the official or employee is associated. Unlike a “substantial” conflict of interest, there is no requirement that the financial impact be direct or that it affect the individual differently from other members of his or her profession, occupation, or group. However, there still must be a reasonable expectation on the part of the state employee or public official that there will be some financial impact based on his or her actions. A “potential” conflict of interest does not exist if the financial interest is “de minimus” (under \$100) or if the interest is not distinct from that of a substantial segment of the general public (e.g., all taxpayers). Conn. Gen. Stat. §1-86.

ETHICS AT WORK

Post-State Employment (Revolving Door)

If you are a *former* state employee seeking post-state employment, you should be aware of the Code’s revolving-door provisions:

Lifetime Bans

- You may never disclose any confidential information you learned during the course of your state service for anyone’s financial gain. Conn. Gen. Stat. § 1-84a.
- You may never represent anyone other than the state regarding a particular matter in which you were personally or substantially involved while in state service and in which the state has a substantial interest. This prevents side-switching in the midst of on-going state proceedings. Conn. Gen. Stat. § 1-84b (a).

One-year Bans

You may not represent your new employer for compensation before your former agency for a period of one year after leaving state service. Conn. Gen. Stat. § 1-84b (b). (See Advisory Opinion No. 2003-3, which provides a limited exception to this provision if you are providing purely technical expertise to help implement a previously-awarded contract. This exception applies to extremely limited circumstances; contact the OSE for guidance.)

- You are prohibited from being hired for a period of one year after you leave state service by a party to a state contract valued at \$50,000 or more if you were substantially involved in, or supervised, the negotiation or award of that contract and it was signed within your last year of state service. Conn. Gen. Stat. § 1-84b (f).

- Employees who held certain specifically-designated positions (with significant decision-making or supervisory responsibility) at certain state regulatory agencies are prohibited from seeking or accepting employment with any business subject to regulation by the individual's agency within one year of leaving the agency. Note that there is an exception for ex-officio board or commission members. Conn. Gen. Stat. § 1-84b (c).

Outside Employment for Public Officials and State Employees

If you are a current state employee seeking outside employment, especially from an employer that is regulated by or does business with your agency, you should be aware of the following rules regarding the employment of current state employees.

- You may not accept outside employment that impairs your independence of judgment regarding your state duties, or that encourages you to disclose confidential information learned in your job. Conn. Gen. Stat. § 1-84 (b).
- You may not use your position for your own financial gain, or the gain of your family (spouse, child, child's spouse, parent, brother or sister) or an associated business, however inadvertent that use may be. Conn. Gen. Stat. § 1-84 (c).
- You may not accept employment with an entity that represents others before the following 13 agencies: Department of Banking, the Claims Commissioner, the Office of Health Care Access division within the Department of Public Health, the Insurance Department, the Department of Consumer Protection, the Department of Motor Vehicles, the State Insurance and Risk Management Board, the Department of Energy and Environmental Protection, the Public Utilities Regulatory Authority, the Connecticut Siting Council, the Gaming Policy Board within the Department of Consumer Protection or the Connecticut Real Estate Commission. Conn. Gen. Stat. §1-84 (d).
- You may not utilize state time, materials or personnel in completing tasks for outside employment.

Other Outside Employment Considerations

Present or former Gaming Policy Board or Division of Special Revenue public officials or employees should be aware of specific provisions relating to their involvement with businesses engaged in Indian gaming activities. See Conn. Gen. Stat. §§ 1-84b (d) and (e).

In Advisory Opinion 2008-5, the Citizen's Ethics Advisory Board concluded that it is impermissible, under the Code of Ethics, for a state employee-supervisor to employ a state employee-subordinate in the supervisor's outside business. Likewise, it is impermissible under the Code for a subordinate to employ a supervisor in the subordinate's outside business. Both situations would involve an impermissible impairment of independence of judgment. The Board noted that this prohibition extends to all supervisors and subordinates up and down the chain of command.

STATEMENTS OF FINANCIAL INTERESTS

Statements of Financial Interests (“SFIs”) serve as a tool to maximize public confidence in governmental decision making. The policy underlying this requirement has been in effect since the enactment of the Ethics Codes in 1977. An SFI provides a checklist or reminder to the official/employee to be mindful of potential conflicts of interest, and it provides a baseline of information which can be compared to subsequent years for the purpose of determining potential misuse of office for financial gain.

Legislators, as well as certain other public officials and senior state employees, must file SFIs with the OSE by May 1 each year. These statements describe businesses with which you are associated; the category or type (not amount) of all sources of income over \$1,000; securities in excess of \$5,000; real estate holdings; and leases or contracts with the state. A confidential portion of the statement requires disclosure of sources of any debts over \$10,000. (The confidentiality of this portion may be waived.) These examples are not exhaustive; refer to Conn. Gen. Stat. §1-83 (b) for a complete list.

Governor Malloy’s Standard

Governor Malloy has established a standard which requires “filing of Annual Statements of Financial Interests by all persons in the Executive Branch and Quasi-Public Agencies who exercise (i) significant policy-making, regulatory or contractual authority; (ii) significant decision-making and/or supervisory responsibility for the review and/or award of State contracts; or (iii) significant decision-making and/or supervisory responsibility over staff that monitor State contracts.”

ETHICS COMPLIANCE

Ethics Compliance Officers and Ethics Liaisons

Ethics compliance officers must be appointed within each state agency and quasi-public agency that deals with or plans large state contracts. The main responsibilities of a compliance officer include developing an agency ethics policy as well as training agency employees on the Code, paying attention to any changes in the law as well as provisions specific to state contracting. Conn. Gen. Stat. §1-101rr (a).

Ethics liaisons must be appointed within each state agency and quasi-public agency. These officers serve as a link between the agency and the Office of State Ethics. Liaisons are responsible for developing agency ethics policies as well as coordinating employee training with the OSE. Conn. Gen. Stat. §1-101rr (b).

Mandatory Reporters

The Code contains mandatory reporting requirements for the following individuals who have “reasonable cause to believe that a person has violated” the Code of Ethics for Public Officials:

- Commissioners and Deputy Commissioners;
- State Agency Heads and Deputy Heads;
- Quasi-public Agency Heads and Deputy Heads; and
- Persons in charge of state agency procurement and contracting.

These designees are required to report a belief that a person has violated the Code of Ethics to the Office of State Ethics. (Note: Ethics compliance officers and liaisons are not mandatory reporters.)

ETHICS ENFORCEMENT

Procedures and Penalties

Enforcement of the Code is initiated by a complaint, filed by the Ethics Enforcement Officer or any member of the public. In most cases, a complaint by the Ethics Enforcement Officer is preceded by a confidential staff evaluation.

A two-stage process follows:

1. Confidential investigation and confidential probable cause hearing; and
2. If probable cause is found, a public hearing to determine if a violation has occurred.

At any stage of this process, the Office of State Ethics and the Respondent may negotiate a settlement. After a finding or admission of a violation, the Citizen's Ethics Advisory Board ("Board") can order the Respondent to comply with the Code in the future, file any required report or statement, and/or pay a civil penalty.

For failure to file a report, statement, or other information required by the Code, the Board can, after a single hearing, impose a civil penalty of up to \$10 per day, for which the aggregate penalty for any one violation may not exceed \$10,000.

The Office of State Ethics may refer matters to the Chief State's Attorney for criminal prosecution. An intentional violation of the Code is a misdemeanor for the first violation, unless the individual has derived a financial benefit of at least \$1,000. In that case, the violation is a class D felony.

The Attorney General may sue for up to three times the economic gain received through knowingly committing or knowingly profiting from a violation of the Code.

2013 Legislative Updates to the Codes of Ethics

Gifts to the State

By law, restricted donors (e.g., registered lobbyists, etc.) cannot give "gifts" to public officials and state employees. There are numerous exceptions to this gift prohibition, among them, gifts to the state. Existing law allows a state or quasi-public agency to accept goods or services (1) for use on agency property or that support an event and (2) that facilitate agency actions or functions.

Public Act 13-244 amends the state Codes of Ethics' exemption for gifts to state or quasi-public agencies to include goods or services that support the participation by a public official or state employee at an event, and that facilitate state or quasi-public agency actions or functions.

Therefore, effective October 1, 2013, restricted donors may provide goods and services that support participation of officials and employees at an event (e.g., conference, site tour, training), so long as the event facilitates state action or functions.

Specific Intent Required

Effective upon passage, *Public Act 13-244* amends General Statutes § 1-84 (q) establishing that a public official or state employee may be found in violation of the Code of Ethics for Public Officials for intentionally counseling, authorizing, or otherwise sanctioning actions that the code prohibits.

State Contractors and Consultants

Effective October 1, 2013, Public Act 13-244 allows public officials and employees who must file a Statement of Financial Interests to do so on the first business day after May 1 if May 1 falls on a weekend or legal holiday.

The act requires the Public Utilities Regulatory Authority directors to file a Statement of Financial Interests annually with the Office of State Ethics, by May 1, instead of filing a financial disclosure statement with the Secretary of the State.

Political Party Activities

Effective upon passage, *Public Act 13-180* exempts from the gift ban expenses of a public official, paid by the party committee of which party such official is a member, for the purpose of accomplishing the lawful purposes of the committee. The terms "party committee" has the same meaning as provided in subdivision (2) of section 9-601 of the General Statutes, and "lawful purposes of the committee" has the same meaning as provided in subsection (g) of section 9-607 of the General Statutes.

Professional Codes of Ethics

The State Library Code of Ethics includes by reference most current versions of the Code of Ethics of the American Library Association; the American Alliance for Museums’ Code of Ethics for Museums; the Society of American Archivists’ Code of Ethics; and the Public Library Trustee Ethics Statement.

<p style="text-align: center;">Practice and Procedure</p>
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Before accepting employment with the State Library, individuals will be made aware of the Code so that they will understand their general ethical duties as a state employee or public official. Therefore, during the interview process, the Library’s personnel officer will give each person a copy of the State Library’s Code of Ethics. Furthermore, Governor Rell’s Executive Order No. 1 requires that each new employee sign a statement acknowledging receipt of such summary and agree to comply with the requirements of the state ethics laws.

Before any state person leaves state service the State Library’s Ethics Liaison Officer will remind the individual of potential issues relating to future employment opportunities. A written summary of the post-state employment rules will be provided at that time.

Members of the State Library Board, except Judges, the State Librarian, and all State Library managers must file annually with the Ethics Commission by May 1 statements of financial interests held during the previous year. The State Librarian may also require other employees to file if they have responsibility for the review, award, or monitoring of state contracts whether from state or federal funds.

Addendum

On October 22, 2013 the State Librarian, the State Library's Ethics Liaison, posed the following question to the State Ethics Commission: "We have been asked by the State Library Board if a conflict of interest exists when a Board member votes on a matter affecting the town in which they reside. For example, a public library construction grant to community X is before the Board for their approval. Is it a conflict of interest for a board member, residing in community X to vote on the matter?"

October 29, 2013 response from Cynthia Isales, Assistant General Counsel, Office of State Ethics:

"If the Board member has a reasonable expectation that this grant will affect his financial interests in an amount of \$100 or more (e.g., if he or she is a property owner in community x and believes that this grant will (a) result in an increase or decrease in property taxes in an amount of \$100 or more or (b) increase or decrease his or her property value in an amount of \$100 or more), then the board member must do as follows: "either excuse himself or herself from the matter or prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the potential conflict and explaining why despite the potential conflict, such official or employee is able to vote and otherwise participate fairly, objectively and in the public interest. [He or she must] deliver a copy of the statement to the Office of State Ethics and enter a copy of the statement in the journal or minutes of the [State Library Board]." General Statutes § 1-86 (a)."

Effective Date: 10/15/1982; Revised: 1/24/2005; 11/25/13 (State Library Board)
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