

PRESS RELEASE

**Connecticut Office of State Ethics (OSE)
Reaches \$16,000 Settlement for Ethics Violations
with former President of Connecticut Development Authority**

July 14, 2008

The Enforcement Division of the Office of State Ethics (OSE) executed a consent order on July 11, 2008 with Arthur Diedrick of Morris, CT, formerly the Chairman and President of the Connecticut Development Authority (CDA). Diedrick paid a total of \$16,000 in fines and voluntary payments for failure to disclose a potential conflict of interest regarding the financial interests of his spouse to the former State Ethics Commission, as well as failure to file accurate Statements of Financial Interests (SFI's) for the years 2000 and 2001.

Specifically, Diedrick's wife purchased over 30,000 shares of restricted stock of Pinnacle Foods Inc. for \$10,000 in 2000. Shortly thereafter, Pinnacle submitted an application to CDA for a multi-million dollar loan. Although Diedrick recused himself and took no official action with regard to the application, he nonetheless failed to provide a statement disclosing the conflict to the Ethics Commission.

Connecticut General Statutes § 1-86(a) requires any state employee who, in the discharge of his official duties, would be required to take action that would affect his, or his spouse's, financial interest, to prepare and file a written statement with his immediate supervisor or the then-State Ethics Commission describing the nature of the conflict.

Additionally, while Diedrick filed timely SFI's with the Ethics Commission in 2000 and 2001, he did not disclose the Pinnacle stock owned by his wife, as well as several other of her financial interests.

Connecticut General Statutes § 1-83(a)(1) requires public officials and state employees in certain supervisory positions to file an SFI with the OSE. This statement should contain all businesses with which the official or his/her spouse is associated. Connecticut General Statutes § 1-83(b)(1)(C) requires disclosure of the name of securities in excess of five thousand dollars owned by the filer or his spouse.

As part of the settlement, Diedrick paid \$6,000 for violating the sections of the Code noted above (representing the maximum penalties permitted by the statute at the time of the violations). He also paid \$5,000 to the General Fund of the State of Connecticut and made a voluntary charitable contribution of \$5,000 to his selected charity, the Connecticut League of Women Voters.

"The conflict-of-interest provisions of the Ethics Code are vital to the integrity of public service," said OSE Executive Director, Carol Carson. "Conflicts of interest must be properly disclosed to the agency or the OSE as required by law, as well as on the Statements of Financial Interests, which serve in part as annual reminders to public officials to be aware of these potential conflicts."

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Contact: Meredith Trimble, OSE Director of Education,
860-263-2397; meredith.trimble@ct.gov