

# ETHICAL CONDUCT POLICY

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## I. INTRODUCTION

As an employee of the Connecticut Department of Labor (CTDOL), you hold a position of trust and must maintain the highest ethical standards when dealing with agency customers, contractors and the public at large. Whatever your specific job responsibilities, you are expected to conduct all state business in a fair, impartial and honest manner. CTDOL employees should avoid even the appearance of impropriety, whether the conduct is an ethical violation or not.

The Code of Ethics for Public Officials (Conn. Gen. Stat. § 1-79, et seq.) (Ethics Code) sets forth a number of requirements and restrictions to promote ethical conduct. This policy addresses the areas of gifts, conflicts of interest, outside employment, post-state employment, financial disclosure, political activity, and enforcement procedures and penalties as set forth in the Ethics Code. This policy is intended to be a general guide to assist employees in complying with the Ethics Code. Compliance with the Ethics Code is the responsibility of the employee, not the agency. Employees may seek advice and counsel regarding the Ethics Code from CTDOL's Ethics Liaison Officer. The Ethics Liaison Officer's responsibility is to oversee ethics compliance within the agency, including by providing ethics guidance and advice to CTDOL employees. If any employee has a question or needs ethics counsel, he/she should contact the Ethics Liaison Officer. Administration and enforcement of the Ethics Code is the responsibility of the Office of State Ethics (OSE).

## II. GIFTS

**CTDOL employees are *prohibited* from accepting gifts from regulated donors.**

- A "**gift**" is anything of value that you directly and personally receive unless you pay for the item. A gift includes any object or payment not offered to the public at large, such as a lunch, dinner, sports fee or bottle of liquor, but does not include items of minimal value, such as pens or pencils.
- A "**regulated donor**" is:
  1. anyone doing business with, or seeking to do business with CTDOL;
  2. any person, business or other organization directly regulated by CTDOL; or
  3. any person known to be a registered lobbyist or lobbyist's representative.
  4. State contractors pre-qualified pursuant to Conn. Gen. Stat. § 4a-100.

As a general matter, MOST EMPLOYERS IN THE STATE ARE REGULATED DONORS; however, here are some specific *examples of regulated donors*:

- claimants and employers participating in Unemployment Insurance fact findings;
- any company in which CTDOL contracts to provide employment training to customers;
- employers with apprentices, such as carpenters, plumbers, and electricians;
- employers being investigated for overtime wage violations;
- a town being investigated for safety violations at its town hall.

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There are several **exceptions** to the prohibition on accepting gifts, which are listed in full at section 1-79(e) of the Connecticut General Statutes. The most common exceptions that you should be aware of are:

1. a gift received from one's spouse, fiancé, parent, brother, sister, brother-in-law, sister-in-law, child, son-in-law or daughter-in-law;
2. a rebate, discount or promotional item available to the general public;
3. food and/or beverage costing *less than \$50* in a calendar year consumed at an event that the person paying for it or his or her representative also attends;
4. anything worth less than \$10, provided the annual aggregate is not more than \$50 from one source;
5. "gifts to the State" for use on agency property or that support an agency event and that facilitate the agency's actions or functions (please note that conferences provided by a restricted donor are not permissible gifts to the state);
6. **Registered lobbyists only:** a gift to celebrate a major life event, which includes **only** weddings, birth/adoption, funerals, ceremony commemorating induction into religious adulthood, and retirement from state service (not birthdays). Limited to \$1000.

### Other gift related restrictions:

- **Co-worker gifts** - gifts under \$100 between co-workers or between supervisors and subordinates for birthdays, holidays or special occasions are permitted.
- **Non-regulated donor gifts** – allowed unless the non-regulated donor is giving it to you because of your position at CTDOL, in which case the gift must be under \$100 in a calendar year (aggregate).
- **Vendor/contractor visits** - vendors may arrange for you to visit their sites for educational purposes or technical training that was developed as part of the procurement process. You must receive prior travel authorization from appropriate department officials. Otherwise, such a visit must be at the state's expense.
- **Fees, Honoraria** – not allowed to accept fees or honoraria for speaking engagements, articles or participation at an event if done in your official capacity. (May accept ceremonial award or plaque).
- **Necessary Expenses** – may accept payment for necessary expenses incurred as a result of your active participation in an event by giving a speech, presentation or workshop, etc. Includes:
  - travel (not first class)
  - lodging
  - meals and related conference expenses

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- NOT entertainment or payment for family members.

These expenses must be reported to OSE **within 30 days** – the form is available at: <http://intranet/HR/Policies/EthicsForm.pdf>

## Reporting Requirements:

- If you receive a gift from a regulated donor, that donor must **within 10 days** give you and the head of your department or agency a written report stating:
  1. Name of donor;
  2. Description of items given;
  3. Value of such items; and
  4. Total amount of items given to date during the calendar year.

This form is available at:

[http://www.ct.gov/ethics/lib/ethics/forms 2007 and on/1-84 o final.pdf](http://www.ct.gov/ethics/lib/ethics/forms%202007%20and%20on/1-84%20o%20final.pdf)

## III. CONFLICT OF INTEREST

### Confidential Information

Much of the information employees obtain during their employment at CTDOL is confidential. Employees **shall not use any confidential information** except when directly connected to the administration of their jobs, agency services and program activities.

- This includes confidential information CTDOL obtains as well as confidential information CTDOL obtains from other agencies.
- **Examples:**
  - Any unemployment insurance information that is obtained, such as the fact that someone applied for unemployment, wage records, etc., unless provided to a public official in the performance of his/her public duties or a base period or separating employer (Conn. Gen. Stat. § 31-254);
  - Social security numbers;
  - Medical records;
  - Cases being investigated by Wage and Workplace Standards Division that could proceed criminally.

### Confidential Information

In addition, CTDOL employees are **prohibited from conduct that would cause a conflict of interest**. The prohibitions are as follows:

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- Employees cannot use their position or confidential information for their personal financial benefit or for a family member or associated business' benefit.
- Employees cannot use state time, equipment, or resources for personal gain.
- Employees cannot accept contracts with the State over \$100, unless it has been awarded through an open and public process. This ban extends to employees' family members and associated businesses.
  
- ***Substantial conflict of interests***
  - You may not take official action on a matter if you have *reason to believe or expect* that you, your spouse, a dependent child, or a business with which you are associated will derive a *direct monetary gain* or suffer a *direct monetary loss* by reason of your official activity. (E.g., a state employee required, in the course of his or her official duties, to determine whether a consulting contract should be awarded to his or her spouse.)
  - You are not, however, considered to have a "substantial conflict" if the financial interest is shared by other members of your profession, occupation or group (e.g., all teachers).
  
- ***Potential conflict of interests***
  - Although a particular scenario may not pose a substantial conflict of interests, it may pose a potential one. A potential conflict exists if you would be required to take an action that you reasonably expect *would affect a financial interest* of yours or that of your spouse, parent, brother, sister, child or the spouse of a child or a business with which you are associated. The financial impact need not be direct. (E.g., a state employee required, in the course of his or her official duties, to implement a property-revaluation waiver submitted by his or her city, where he or she is a homeowner and where such a waiver will affect his or her property taxes.)
  - No potential conflict exists if the financial impact is *de minimis* (i.e., less than \$100 per person per year) or indistinct from that of a *substantial* segment of the general public (e.g., all homeowners).
  - In the case of either a substantial or potential conflict, you must prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the conflict and deliver a copy of the statement to your immediate superior who shall assign the matter to another employee.
  
- ***Examples:***
  - **Unemployment Insurance Operations Employees** - employees who are responsible for determining eligibility for Unemployment Insurance or any other form of benefits or assistance must avoid situations that create even an appearance of conflict of interest.

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- Potential conflicts must be identified immediately and disclosed to the employee's supervisor using the procedure identified above.
  - Any employee involved directly or indirectly in the processing of a claim may not participate in a case in which he or she, his or her spouse, parent, brother, sister, child or the spouse of a child or a business with which he or she is associated has a personal interest.
  - Participation in a case includes, but is not limited to, any activity, discussion, transaction or process that may have or may be reasonably expected to have either a favorable or unfavorable effect upon the disposition or processing of a claim.
  - An employee will be presumed to be an interested party in cases involving relatives both natural and marital.
  - Notwithstanding the absence of family ties; an employee may be considered to have an interest in any case where a relationship with or an obligation to the claimant or employer exists for whatever reason, including personal ties of a social, fraternal, fiduciary or economic nature.
- Relatives of the Commissioner or Deputy Commissioner are ineligible for appointment, employment or promotion to a position over which the Commissioner or Deputy Commissioner exercises jurisdiction.
  - While an employee's relative is not prohibited from seeking or accepting employment with CTDOL, you, as a CTDOL employee, may not use your position or influence to help that relative secure employment and you are not permitted to directly or indirectly supervise that relative. The term "relative" means father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, wife, husband, grandparent, father-in-law, mother-in-law, daughter-in-law, son-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother or half-sister. As part of your employment, you may not sign a document that financially benefits a family member, such as a personnel form or performance appraisal.
  - You may not directly or indirectly use your official authority to coerce, command or require another state employee to act in violation of state personnel rules or regulations regarding appointments and promotions.
  - If you are faced with a potential conflict of interest, then you must recuse yourself from taking any action on the matter or file the OSE's "Disclosure of Conflict of Interest Form," which can be found here: [http://www.ct.gov/ethics/lib/ethics/forms/eth-coi\\_11-25-08.pdf](http://www.ct.gov/ethics/lib/ethics/forms/eth-coi_11-25-08.pdf)

#### IV. OUTSIDE EMPLOYMENT

CTDOL employees **may obtain outside employment subject to certain restrictions.** Generally, employees may not accept outside employment that will impair their independence of judgment as to official state duties or that would induce the

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disclosure of confidential information. Employees may not engage in outside employment if the outside employer can benefit in any way from performance of their CTDOL job duties.

- You may not allow personal business or other obligations to take precedence over any responsibility of this department.
- You are not prohibited from holding a professional license or using it outside state employment, unless clearly prohibited by agency directive.
- You may not accept employment with a consultant, contractor, appraiser or any other individual or organization under contract or agreement with your unit or the department.
- You may not have a direct or indirect financial interest in a business, firm or enterprise doing business with your unit or the department that could influence or conflict with the performance of your duties. The financial interest reference in this provision is not intended to apply if you own less than five per cent or more of the total outstanding stock of any class.
- You cannot use your CTDOL position to obtain outside employment. In other words, you are prohibited from using your business address, telephone number, title or status to promote, advertise or solicit personal business. You may, however, list your state title or position on your résumé or curriculum vitae.

**You are encouraged to consult with the Ethics Liaison Officer if you currently hold outside employment or are seeking to do so.**

**P-3A and P-4 Bargaining Unit members:** the collective bargaining agreements provide certain restrictions regarding outside employment. Please consult with the Ethics Liaison Officer if you hold or are seeking to hold outside employment to discuss the overlap of the Ethics Code and collective bargaining agreement restrictions and how they apply to you.

### V. POST-STATE EMPLOYMENT

When you **leave employment with CTDOL or the state generally**, certain restrictions apply to former employees:

- ***Lifetime ban*** on disclosing confidential information for financial gain learned in course of employment.
- ***Lifetime ban*** on the representation of anyone in a matter you personally and substantially participated in while at CTDOL and in which the state has a substantial interest.
- ***One-year ban*** on representation of anyone for compensation before CTDOL.
- ***One-year ban*** on employment with a contractor if you participated substantially in the negotiation or award of or supervised a state contract valued at \$50,000 or more if the contract was signed within your last year of service.

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Employees leaving employment with DOL will be provided with a copy of these post-employment restrictions to take with them when they leave. If after leaving employment, a former employee has any questions regarding the post-employment restrictions, he/she should contact the Ethics Liaison Officer.

## VI. FINANCIAL DISCLOSURE

Certain designated DOL employees will be required to file an Annual Statement of Financial Interests with OSE disclosing the financial interests held by the employee in the previous year. The Ethics Liaison Officer will notify those employees required to file such a statement.

## VII. POLITICAL ACTIVITY

### Connecticut Rules

Connecticut law imposes certain restrictions on the political activities of state employees:

- Any employee seeking or holding office pursuant to Connecticut General Statutes § 5-266a must notify supervisor in writing (within 30 days of nomination where applicable) and include the term of office.
- Cannot campaign or engage in political activities while at work.
- Cannot use state materials or equipment to influence political issue or election.
- Can seek political office as long as it is not done on state time or with state resources. However, employees cannot be employed by two branches of government at same time. Therefore, if you accept elective state office, then you must resign your CTDOL position. Holding municipal office is permitted as long as there is no conflict of interest with you CTDOL position. If the municipal office is full-time, however, you must resign from CTDOL.

### Federal Hatch Act Rules

If an employee's position is financed in whole or part by federal funds, the Hatch Act imposes different restrictions that also apply:

- Cannot use position to influence, interfere with or affect a nomination or election.
- Cannot directly or indirectly coerce, attempt to coerce, advise or command a state or local official or employee to make any kind of political or campaign contribution.
- Can participate in political party and political campaigns.

In addition, employees whose positions are 100% federally funded, either directly or indirectly, are prohibited from running for public elective office in a partisan election. If you already hold elective office when appointed to a state position, you may continue to serve but may not run again.

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**Most CTDOL employees are performing duties funded in part by federal money and are subject to both the Connecticut and Federal Hatch Act rules regarding political activity.** However, there are some conflicts between the two laws, namely that under Connecticut rules state employees may run for partisan political office, while under the Hatch Act those employees who are 100% federally funded cannot. The Attorney General has provided guidance in this area. The Attorney General memorandum provides that a state employee who runs for partisan political office should not be disciplined by the state, but agencies should be careful because it could result in a loss of federal funding. **If you are seeking to run for partisan political office, consult with the Ethics Liaison Officer to avoid possible federal enforcement procedures and penalties.**

### VIII. ENFORCEMENT PROCEDURES AND PENALTIES

Enforcement of violations of the Ethics Code is initiated by a complaint filed by OSE's Ethics Enforcement Officer or any member of the public. In most cases where the Ethics Enforcement Officer files a complaint, it is preceded by a confidential staff evaluation conducted by OSE's Enforcement Division.

- A complaint from a member of the public must comply with certain requirements. These requirements and the entire complaint process are fully explained in the OSE's "Citizen's Guide to Filing a Complaint" located at <http://www.ct.gov/ethics/lib/ethics/guides/2008complaintbrochure.pdf>.
- By law, complaints and investigations remain confidential prior to a finding of probable cause except upon the request of the respondent. Thus, no one – the complainant, respondent, witnesses, designated party, OSE Board member, OSE staff member – may disclose (1) the existence of a formally-filed complaint, (2) any information acquired through interacting with the Office of State Ethics, and (3) the fact that specific information was conveyed to the Office of State Ethics.
- After investigation of a complaint, a probable cause hearing may be held and if probable cause is found the case will go to a full administrative hearing.
- At any stage of this process, the Enforcement Division and the respondent may attempt to negotiate a settlement.
- Civil penalties may include fines up to \$10,000 per violation.

### IX. MISCELLANEOUS

- The Ethics Policy will be available on the agency's intranet at: <http://intranet/HR/Policies/ethics.htm>
- The Board of Review has its own Ethical Conduct Policy. Board of Review employees must follow that policy as well. It can be found at <http://intranet/appeals/policies.htm#ethics>.
  - In addition, the Board of Review has issued a memorandum regarding "Conflicts of Interest," which applies to all Referees, Principal Referees and Board Staff Attorneys and is based on Conn. Gen. Stat. § 31-242 and Conn.



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Ag. Regs. § 31-237-24(a). The memorandum can be found  
at: <http://intranet/appeals/memos.htm#Confidential Information>

### **CTDOL's Ethics Liaison Officer:**

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