



Ned Lamont
GOVERNOR
STATE OF CONNECTICUT

The Honorable Martin M. Looney
Senate President Pro Tempore
Legislative Office Building
Room 3300
Hartford, CT 06106

The Honorable Bob Duff
Senate Majority Leader
Legislative Office Building
Room 3300
Hartford, CT 06106

The Honorable Joe Aresimowicz
Speaker of the House of Representatives
Legislative Office Building
Room 4110
Hartford, CT 06106

The Honorable Matt Ritter
House Majority Leader
Legislative Office Building
Room 4110
Hartford, CT 06106

The Honorable Leonard A. Fasano
Senate Minority Leader
Legislative Office Building
Room 3400
Hartford, CT 06106

The Honorable Themis Klarides
House Minority Leader
Legislative Office Building
Room 4200
Hartford, CT 06106

August 14, 2019

Dear Legislative Leaders,

At the start of my Administration, I have made effective agency operations a priority as seen through the recruitment of Agency Commissioners with strong ethical and business backgrounds and the hiring of the state's first Chief Operating Officer.

In the past few months, the overall fiscal and personnel management of our state's Quasi-Public Agencies, particularly that of the Connecticut Port Authority ("Port Authority") and Connecticut Lottery Corporation ("CT Lottery"), have come into question by my office, the Office of the State Treasurer, the Connecticut General Assembly, and the general public. The recent developments at both of these entities have caused great alarm and compromised the important achievements by them and all of our state's Quasi-Public Agencies.

The governance and operational structure of Quasi-Public Agencies is meant to make these organizations nimble and effective at responding to opportunities to the overall benefit of the residents of Connecticut. With that said, the decisions and actions taken by these organizations must prioritize fiscal responsibility, operational excellence, and maintain the public's trust and confidence.

For that reason, I took immediate action to call for a review of the Port Authority and CT Lottery's management and operations led by my Chief of Staff and Chief Operating Officer.

To-date, the following actions have taken place:

Leadership Changes

- Port Authority: the two most recent chairs of the Port Authority board have resigned and the Port Authority Executive Director has been placed on administrative leave. Retired Navy Captain Paul Whitescarver was installed to work with the Port Authority's interim board chair, DECD Deputy Commissioner David Kooris to assess and reprioritize day-to-day operations.

Board Compositions

- Port Authority: there is a review underway of the Port Authority's current board's composition and design.
- CT Lottery: a search is being conducted for a new board chair and members of the board of directors at the CT Lottery.

Financial Oversight

- Port Authority: Secretary of the Office of Policy and Management Melissa McCaw has taken a direct and active part in the financial decisions of the Port Authority through her official position on the board as well as her role as the state's chief fiscal officer.

Independent Audit & Review

- Port Authority: the Authority's Interim Board Chair has been directed to contract an independent third-party audit.
- CT Lottery: an independent third-party review of operational and management practices of the CT Lottery will occur which will include an assessment of regulations that govern the overall operation of the CT Lottery and its games and a review of the board's management practices.

While these corrective actions are just the beginning, I believe it is important that we all, as appointing authorities to the board of Directors of Quasi-Public Agencies, work together to ensure the past concerns do not jeopardize the standing of all of the agencies.

As a result, I am requesting your participation and leadership in a discussion over future governance, structure and oversight of Quasi-Public Agencies. To help us achieve this, I've asked State Treasurer Shawn T. Wooden, who serves as an ex-officio member to many of the state's Quasi-Public Agencies, to partner with us in identifying ways to strengthen board governance and management oversight.

It is our goal that together, we can level set on the overall role of Quasi-Public Agencies and the benefits they can provide to our state, while ensuring they all maintain the highest standards of ethics and management excellence. The discussion on Quasi-Public Agencies should and must include the appointing bodies of the various Quasi-Public Agencies boards, and the Treasurer and I want to work together with you as we conduct our expansive overall review.

My office will be in touch on coordinating a date and time in September for the meeting, and I look forward to your participation and voice on this important issue.

Sincerely,



Ned Lamont
Governor