



Senate

General Assembly

File No. 448

February Session, 2006

Substitute Senate Bill No. 487

Senate, April 10, 2006

The Committee on Government Administration and Elections reported through SEN. DEFRONZO of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ETHICS IN STATE GOVERNMENT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (11) of section 9-333x of the 2006 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective from passage*):

4 (11) Any department head or deputy department head of a state
5 department who solicits a contribution on behalf of, or for the benefit
6 of, any candidate for state, district or municipal office or any political
7 party. For the purposes of this subdivision, "department head" means
8 an employee who heads any department of the state and who has
9 substantial supervisory control of a permanent nature over other state
10 employees.

11 Sec. 2. Section 9-333x of the 2006 supplement to the general statutes
12 is amended by adding subdivision (14) as follows (*Effective from*
13 *passage*):

14 (NEW) (14) Any member of the Governor's staff or any employee of
15 the Joint Committee on Legislative Management who solicits a
16 contribution on behalf of, or for the benefit of, any candidate for state,
17 district or municipal office or any political party while on duty or
18 within any period of time during which such staff member or
19 employee is expected to perform services for which such staff member
20 or employee receives compensation from the state.

21 Sec. 3. (NEW) (*Effective July 1, 2006*) As used in this section and
22 section 4 of this act:

23 (1) "Crime related to state, municipal or quasi-public agency office"
24 means any of the following criminal offenses committed by a person
25 while serving as a public official, state employee or municipal
26 employee:

27 (A) The committing, aiding or abetting of an embezzlement of
28 public funds in the amount of one thousand dollars or more, in the
29 aggregate, from the state, a municipality or district, or a quasi-public
30 agency or agencies;

31 (B) The committing, aiding or abetting of any felonious theft from
32 the state, a municipality or district, or a quasi-public agency or
33 agencies;

34 (C) Bribery in connection with service as a public official, state
35 employee or municipal employee; or

36 (D) The committing of any felony by such person who, wilfully and
37 with the intent to defraud, realizes or obtains, or attempts to realize or
38 obtain, a profit, gain or advantage for himself or herself or for some
39 other person, in the amount of one thousand dollars or more, in the
40 aggregate, through the use or attempted use of the power, rights,
41 privileges or duties of his or her position as a public official.

42 (2) "Public official" has the same meaning as provided in section 1-
43 79 of the 2006 supplement to the general statutes.

44 (3) "Quasi-public agency" has the same meaning as provided in
45 section 1-79 of the 2006 supplement to the general statutes.

46 (4) "State employee" has the same meaning as provided in section 1-
47 79 of the 2006 supplement to the general statutes.

48 (5) "Municipal employee" means a person employed full or part-
49 time by a municipality or a district. "Municipal employee" does not
50 include a municipal official.

51 Sec. 4. (NEW) (*Effective July 1, 2006*) (a) Notwithstanding any
52 provision of the general statutes, if any person is convicted or pleads
53 guilty or nolo contendere to any crime related to state, municipal or
54 quasi-public agency office, the court, as part of the sentence imposed,
55 may reduce or revoke any retirement or other benefit or payment of
56 any kind to which the person is otherwise entitled under the general
57 statutes for service as a public official or state employee.

58 (b) In determining whether the retirement or other benefit or
59 payment shall be revoked or reduced, and the amount of any such
60 reduction, the court shall consider and make findings on the following
61 factors:

62 (1) The severity of the crime related to state, municipal or quasi-
63 public agency office for which the person has been convicted or to
64 which the person has pled guilty or nolo contendere;

65 (2) The amount of monetary loss suffered by the state, municipality
66 or district, or a quasi-public agency or by any other person as a result
67 of the crime related to state office;

68 (3) The degree of public trust reposed in the person by virtue of the
69 person's position as a public official, state employee or municipal
70 employee; and

71 (4) Any other factors as, in the judgment of the court, justice may
72 require.

73 (c) If the court determines that a retirement or other benefit or
74 payment of a person should be revoked or reduced and the state, a
75 quasi-public agency or municipality or district suffered a monetary
76 loss as a result of the crime related to state office, the entity responsible
77 for payment of such retirement or other benefit or payment shall remit
78 to the General Fund the portion of each such payment that would have
79 been made to the person but for the provisions of this section, until
80 there is full restitution to the state, municipality, quasi-public agency
81 or district of such monetary loss.

82 (d) If the court determines that a retirement or other benefit or
83 payment of a person should be revoked or reduced, the court may,
84 after taking into consideration the financial needs and resources of any
85 innocent spouse, dependents and designated beneficiaries of the
86 person, order that some or all of the revoked or reduced benefit or
87 payment be paid to any innocent spouse, dependent or beneficiary as
88 justice may require.

89 (e) If the court does not revoke or reduce any retirement or other
90 benefit or payment of any kind to which the person is otherwise
91 entitled under the general statutes for service as a public official or
92 state employee under subsection (a) of this section, the Attorney
93 General may initiate a civil action in the Superior Court for such
94 revocation or reduction. The provisions of subsections (b) to (d),
95 inclusive, of this section shall apply in any such civil action.

96 (f) The provisions of this section shall not affect any state health
97 insurance benefits to which the person and the spouse and dependents
98 of the person is entitled upon the person's retirement from the state.

99 Sec. 5. Section 4-61dd of the 2006 supplement to the general statutes
100 is repealed and the following is substituted in lieu thereof (*Effective*
101 *from passage*):

102 (a) Any person having knowledge of any matter involving
103 corruption, unethical practices, violation of state laws or regulations,
104 mismanagement, gross waste of funds, abuse of authority or danger to

105 the public safety occurring in any state department or agency or any
106 quasi-public agency, as defined in section 1-120, or any person having
107 knowledge of any matter involving corruption, violation of state or
108 federal laws or regulations, gross waste of funds, abuse of authority or
109 danger to the public safety occurring in any large state contract, may
110 transmit all facts and information in such person's possession
111 concerning such matter to the Auditors of Public Accounts. The
112 Auditors of Public Accounts shall review such matter and report their
113 findings and any recommendations to the Attorney General. Upon
114 receiving such a report, the Attorney General shall make such
115 investigation as the Attorney General deems proper regarding such
116 report and any other information that may be reasonably derived from
117 such report. Prior to conducting an investigation of any information
118 that may be reasonably derived from such report, the Attorney
119 General shall consult with the Auditors of Public Accounts concerning
120 the relationship of such additional information to the report that has
121 been issued pursuant to this subsection. Any such subsequent
122 investigation deemed appropriate by the Attorney General shall only
123 be conducted with the concurrence and assistance of the Auditors of
124 Public Accounts. At the request of the Attorney General or on their
125 own initiative, the auditors shall assist in the investigation. The
126 Attorney General shall have power to summon witnesses, require the
127 production of any necessary books, papers or other documents and
128 administer oaths to witnesses, where necessary, for the purpose of an
129 investigation pursuant to this section. Upon the conclusion of the
130 investigation, the Attorney General shall where necessary, report any
131 findings to the Governor, or in matters involving criminal activity, to
132 the Chief State's Attorney. In addition to the exempt records provision
133 of section 1-210, as amended, the Auditors of Public Accounts and the
134 Attorney General shall not, after receipt of any information from a
135 person under the provisions of this section, disclose the identity of
136 such person without such person's consent unless the Auditors of
137 Public Accounts or the Attorney General determines that such
138 disclosure is unavoidable, and may withhold records of such
139 investigation, during the pendency of the investigation.

140 (b) (1) No state officer or employee, as defined in section 4-141, no
141 quasi-public agency officer or employee, no officer or employee of a
142 large state contractor and no appointing authority shall take or
143 threaten to take any personnel action against any state or quasi-public
144 agency employee or any employee of a large state contractor in
145 retaliation for such employee's or contractor's disclosure of
146 information (A) to an employee of [(i)] the Auditors of Public Accounts
147 or the Attorney General under the provisions of subsection (a) of this
148 section; [(ii)] (B) to an employee of the state agency or quasi-public
149 agency where such state officer or employee is employed; [(iii)] (C) to
150 an employee of a state agency pursuant to a mandated reporter statute;
151 or [(iv)] (D) in the case of a large state contractor, to such large state
152 contractor or an employee of the contracting state agency concerning
153 information involving the large state contract.

154 (2) If a state or quasi-public agency employee or an employee of a
155 large state contractor alleges that a personnel action has been
156 threatened or taken in violation of subdivision (1) of this subsection the
157 employee may notify the Attorney General, who shall investigate
158 pursuant to subsection (a) of this section.

159 (3) (A) Not later than [thirty] ninety days after learning of the
160 specific incident giving rise to a claim that a personnel action has been
161 threatened or has occurred in violation of subdivision (1) of this
162 subsection, a state or quasi-public agency employee, an employee of a
163 large state contractor or the employee's attorney may file a complaint
164 concerning such personnel action with the Chief Human Rights
165 Referee designated under section 46a-57. The Chief Human Rights
166 Referee shall assign the complaint to a human rights referee appointed
167 under said section 46a-57, who shall conduct a hearing and issue a
168 decision concerning whether the officer or employee taking or
169 threatening to take the personnel action violated any provision of this
170 section. If the human rights referee finds such a violation, the referee
171 may award the aggrieved employee reinstatement to the employee's
172 former position, back pay and reestablishment of any employee
173 benefits to which the employee would otherwise have been eligible if

174 such violation had not occurred, reasonable attorneys' fees, and any
175 other damages. For the purposes of this subsection, such human rights
176 referee shall act as an independent hearing officer. The decision of a
177 human rights referee under this subsection may be appealed by any
178 person who was a party at such hearing, in accordance with the
179 provisions of section 4-183.

180 (B) The Chief Human Rights Referee shall adopt regulations, in
181 accordance with the provisions of chapter 54, establishing the
182 procedure for filing complaints and noticing and conducting hearings
183 under subparagraph (A) of this subdivision.

184 (4) As an alternative to the provisions of subdivisions (2) and (3) of
185 this subsection (A) a state or quasi-public agency employee who
186 alleges that a personnel action has been threatened or taken may file an
187 appeal not later than thirty days after learning of the specific incident
188 giving rise to such claim with the Employees' Review Board under
189 section 5-202, or, in the case of a state or quasi-public agency employee
190 covered by a collective bargaining contract, in accordance with the
191 procedure provided by such contract, or (B) an employee of a large
192 state contractor alleging that such action has been threatened or taken
193 may, after exhausting all available administrative remedies, bring a
194 civil action in accordance with the provisions of subsection (c) of
195 section 31-51m.

196 (5) In any proceeding under subdivision (2), (3) or (4) of this
197 subsection concerning a personnel action taken or threatened against
198 any state or quasi-public agency employee or any employee of a large
199 state contractor, which personnel action occurs not later than [one
200 year] three years after the employee first transmits facts and
201 information concerning a matter under subsection (a) of this section to
202 the Auditors of Public Accounts or the Attorney General, there shall be
203 a rebuttable presumption that the personnel action is in retaliation for
204 the action taken by the employee under subsection (a) of this section.

205 (6) If a state officer or employee, as defined in section 4-141, a quasi-
206 public agency officer or employee, an officer or employee of a large

207 state contractor or an appointing authority takes or threatens to take
208 any action to impede, fail to renew or cancel a contract between a state
209 agency and a large state contractor, or between a large state contractor
210 and its subcontractor, in retaliation for the disclosure of information
211 pursuant to subsection (a) of this section to any agency listed in
212 subdivision (1) of this subsection, such affected agency, contractor or
213 subcontractor may, not later than ninety days from learning of such
214 action, threat or failure to renew, bring a civil action in the superior
215 court for the judicial district of Hartford to recover damages, attorney's
216 fees and costs.

217 (c) Any employee of a state or quasi-public agency or large state
218 contractor, who is found to have knowingly and maliciously made
219 false charges under subsection (a) of this section, shall be subject to
220 disciplinary action by such employee's appointing authority up to and
221 including dismissal. In the case of a state or quasi-public agency
222 employee, such action shall be subject to appeal to the Employees'
223 Review Board in accordance with section 5-202, or in the case of state
224 or quasi-public agency employees included in collective bargaining
225 contracts, the procedure provided by such contracts.

226 (d) On or before September first, annually, the Auditors of Public
227 Accounts shall submit to the clerk of each house of the General
228 Assembly a report indicating the number of matters for which facts
229 and information were transmitted to the auditors pursuant to this
230 section during the preceding state fiscal year and the disposition of
231 each such matter.

232 (e) Each contract between a state or quasi-public agency and a large
233 state contractor shall provide that, if an officer, employee or
234 appointing authority of a large state contractor takes or threatens to
235 take any personnel action against any employee of the contractor in
236 retaliation for such employee's disclosure of information to any
237 employee of the contracting state or quasi-public agency or the
238 Auditors of Public Accounts or the Attorney General under the
239 provisions of subsection (a) of this section, the contractor shall be liable

240 for a civil penalty of not more than five thousand dollars for each
241 offense, up to a maximum of twenty per cent of the value of the
242 contract. Each violation shall be a separate and distinct offense and in
243 the case of a continuing violation each calendar day's continuance of
244 the violation shall be deemed to be a separate and distinct offense. The
245 executive head of the state or quasi-public agency may request the
246 Attorney General to bring a civil action in the superior court for the
247 judicial district of Hartford to seek imposition and recovery of such
248 civil penalty.

249 (f) Each large state contractor shall post a notice of the provisions of
250 this section relating to large state contractors in a conspicuous place
251 which is readily available for viewing by the employees of the
252 contractor.

253 (g) No person who, in good faith, discloses information to the
254 Auditors of Public Accounts or the Attorney General in accordance
255 with this section shall be liable for any civil damages resulting from
256 such good faith disclosure.

257 (h) As used in this section:

258 (1) "Large state contract" means a contract between an entity and a
259 state or quasi-public agency, having a value of five million dollars or
260 more; and

261 (2) "Large state contractor" means an entity that has entered into a
262 large state contract with a state or quasi-public agency.

263 Sec. 6. Subsection (k) of section 1-79 of the 2006 supplement to the
264 general statutes is repealed and the following is substituted in lieu
265 thereof (*Effective July 1, 2006*):

266 (k) "Public official" means any state-wide elected officer, any
267 member or member-elect of the General Assembly, any person
268 appointed to any office of the legislative, judicial or executive branch
269 of state government by the Governor or an appointee of the Governor,
270 with or without the advice and consent of the General Assembly, any

271 public member or representative of the teachers' unions or state
272 employees' unions appointed to the Investment Advisory Council
273 pursuant to subsection (a) of section 3-13b, any person appointed or
274 elected by the General Assembly or by any member of either house
275 thereof, [and] any member or director of a quasi-public agency and the
276 spouse of the Governor, but shall not include a member of an advisory
277 board, a judge of any court either elected or appointed or a senator or
278 representative in Congress.

279 Sec. 7. Section 1-83 of the 2006 supplement to the general statutes is
280 amended by adding subsection (e) as follows (*Effective July 1, 2006*):

281 (NEW) (e) On or before November first of each year, any public
282 official or state employee who is not required to file an annual
283 statement of financial interests pursuant to subsection (a) of this
284 section but who participates substantially in the contract award
285 process of any state agency shall file a statement disclosing the
286 following information: (1) Any outside employment of such official or
287 employee, (2) the employment of the official's or employee's spouse
288 and any dependent children residing in the household of the official or
289 the employee, and (3) the names of all businesses with which such
290 official, employee, spouse or dependent children residing in the
291 household of the official or employee are associated. Such statement
292 shall be filed on a form prescribed by the Office of State Ethics, under
293 penalty of false statement, with the executive head of the agency,
294 department, board or commission in which such official or employee is
295 employed.

296 Sec. 8. Section 1-84 of the 2006 supplement to the general statutes is
297 repealed and the following is substituted in lieu thereof (*Effective July*
298 *1, 2006*):

299 (a) No public official or state employee shall, while serving as such,
300 have any financial interest in, or engage in, any business, employment,
301 transaction or professional activity, which is in substantial conflict with
302 the proper discharge of his duties or employment in the public interest
303 and of his responsibilities as prescribed in the laws of this state, as

304 defined in section 1-85, as amended by this act.

305 (b) No public official or state employee shall accept other
306 employment which will either impair his independence of judgment as
307 to his official duties or employment or require him, or induce him, to
308 disclose confidential information acquired by him in the course of and
309 by reason of his official duties.

310 (c) No public official or state employee shall wilfully and knowingly
311 disclose, for financial gain, to any other person, confidential
312 information acquired by him in the course of and by reason of his
313 official duties or employment and no public official or state employee
314 shall use his public office or position or any confidential information
315 received through his holding such public office or position to obtain
316 financial gain for himself, his spouse, child, child's spouse, parent,
317 brother or sister or a business with which he is associated.

318 (d) No public official or state employee or employee of such public
319 official or state employee shall agree to accept, or be a member or
320 employee of a partnership, association, professional corporation or
321 sole proprietorship which partnership, association, professional
322 corporation or sole proprietorship agrees to accept any employment,
323 fee or other thing of value, or portion thereof, for appearing, agreeing
324 to appear, or taking any other action on behalf of another person
325 before the Department of Banking, the Claims Commissioner, the
326 Office of Health Care Access, the Insurance Department, the office
327 within the Department of Consumer Protection that carries out the
328 duties and responsibilities of sections 30-2 to 30-68m, inclusive, the
329 Department of Motor Vehicles, the State Insurance and Risk
330 Management Board, the Department of Environmental Protection, the
331 Department of Public Utility Control, the Connecticut Siting Council,
332 the Division of Special Revenue within the Department of Revenue
333 Services, the Gaming Policy Board within the Department of Revenue
334 Services or the Connecticut Real Estate Commission; provided this
335 shall not prohibit any such person from making inquiry for
336 information on behalf of another before any of said commissions or

337 commissioners if no fee or reward is given or promised in consequence
338 thereof. For the purpose of this subsection, partnerships, associations,
339 professional corporations or sole proprietorships refer only to such
340 partnerships, associations, professional corporations or sole
341 proprietorships which have been formed to carry on the business or
342 profession directly relating to the employment, appearing, agreeing to
343 appear or taking of action provided for in this subsection. Nothing in
344 this subsection shall prohibit any employment, appearing, agreeing to
345 appear or taking action before any municipal board, commission or
346 council. Nothing in this subsection shall be construed as applying (1)
347 to the actions of any teaching or research professional employee of a
348 public institution of higher education if such actions are not in
349 violation of any other provision of this chapter, (2) to the actions of any
350 other professional employee of a public institution of higher education
351 if such actions are not compensated and are not in violation of any
352 other provision of this chapter, (3) to any member of a board or
353 commission who receives no compensation other than per diem
354 payments or reimbursement for actual or necessary expenses, or both,
355 incurred in the performance of the member's duties, or (4) to any
356 member or director of a quasi-public agency. Notwithstanding the
357 provisions of this subsection to the contrary, a legislator, an officer of
358 the General Assembly or part-time legislative employee may be or
359 become a member or employee of a firm, partnership, association or
360 professional corporation which represents clients for compensation
361 before agencies listed in this subsection, provided the legislator, officer
362 of the General Assembly or part-time legislative employee shall take
363 no part in any matter involving the agency listed in this subsection and
364 shall not receive compensation from any such matter. Receipt of a
365 previously established salary, not based on the current or anticipated
366 business of the firm, partnership, association or professional
367 corporation involving the agencies listed in this subsection, shall be
368 permitted.

369 (e) No legislative commissioner or his partners, employees or
370 associates shall represent any person subject to the provisions of part II
371 concerning the promotion of or opposition to legislation before the

372 General Assembly, or accept any employment which includes an
373 agreement or understanding to influence, or which is inconsistent
374 with, the performance of his official duties.

375 (f) No person shall offer or give to a public official or state employee
376 or candidate for public office or his spouse, his parent, brother, sister
377 or child or spouse of such child or a business with which he is
378 associated, anything of value, including but not limited to, a gift, loan,
379 political contribution, reward or promise of future employment based
380 on any understanding that the vote, official action or judgment of the
381 public official, state employee or candidate for public office would be
382 or had been influenced thereby.

383 (g) No public official or state employee or candidate for public office
384 shall solicit or accept anything of value, including but not limited to, a
385 gift, loan, political contribution, reward or promise of future
386 employment, during the official's or employee's state service or such
387 candidacy and for one year after leaving state service or the
388 termination of such candidacy based on any understanding that the
389 vote, official action or judgment of the public official or state employee
390 or candidate for public office would be or had been influenced thereby.

391 (h) Nothing in subsection (f) or (g) of this section shall be construed
392 (1) to apply to any promise made in violation of subdivision (6) of
393 section 9-333x, as amended, or (2) to permit any activity otherwise
394 prohibited in section 53a-147 or 53a-148.

395 (i) No public official or state employee or member of the official or
396 employee's immediate family or a business with which he is associated
397 shall enter into any contract with the state, valued at one hundred
398 dollars or more, other than a contract of employment as a state
399 employee or pursuant to a court appointment, unless the contract has
400 been awarded through an open and public process, including prior
401 public offer and subsequent public disclosure of all proposals
402 considered and the contract awarded. In no event shall an executive
403 head of an agency, as defined in section 4-166, including a
404 commissioner of a department, or an executive head of a quasi-public

405 agency, as defined in section 1-79, as amended by this act, or the
406 executive head's immediate family or a business with which he is
407 associated enter into any contract with that agency or quasi-public
408 agency. Nothing in this subsection shall be construed as applying to
409 any public official who is appointed as a member of the executive
410 branch or as a member or director of a quasi-public agency and who
411 receives no compensation other than per diem payments or
412 reimbursement for actual or necessary expenses, or both, incurred in
413 the performance of the public official's duties unless such public
414 official has authority or control over the subject matter of the contract.
415 Any contract made in violation of this subsection shall be voidable by
416 a court of competent jurisdiction if the suit is commenced not later
417 than one hundred eighty days after the making of the contract.

418 (j) No public official, state employee or candidate for public office,
419 or a member of any such person's staff or immediate family shall
420 knowingly accept any gift, as defined in subsection (e) of section 1-79,
421 as amended, during the official's, employee's or staff member's state
422 service or such candidacy, or any such gift valued at one hundred
423 dollars or more for one year after leaving state service or the
424 termination of such candidacy, from a person known to be a registrant
425 or anyone known to be acting on behalf of a registrant.

426 (k) No public official or state employee shall accept a fee or
427 honorarium for an article, appearance or speech, or for participation at
428 an event, in the public official's or state employee's official capacity,
429 provided a public official or state employee may receive payment or
430 reimbursement for necessary expenses for any such activity in his
431 official capacity. If a public official or state employee receives such a
432 payment or reimbursement for lodging or out-of-state travel or both,
433 the official or employee shall, not later than thirty days thereafter, file a
434 report of the payment or reimbursement with the [commission] office,
435 unless the payment or reimbursement is provided by the federal
436 government or another state government. If a public official or state
437 employee does not file such report within such period, either
438 intentionally or due to gross negligence on the public official's or state

439 employee's part, the public official or state employee shall return the
440 payment or reimbursement. If any failure to file such report is not
441 intentional or due to gross negligence on the part of the public official
442 or state employee, the public official or state employee shall not be
443 subject to any penalty under this chapter. When a public official or
444 state employee attends an event in this state in the public official's or
445 state employee's official capacity and as a principal speaker at such
446 event and receives admission to or food or beverage at such event from
447 the sponsor of the event, such admission or food or beverage shall not
448 be considered a gift and no report shall be required from such official
449 or employee or from the sponsor of the event.

450 (l) No public official or state employee, or any person acting on
451 behalf of a public official or state employee, shall wilfully and
452 knowingly interfere with, influence, direct or solicit existing or new
453 lobbying contracts, agreements or business relationships for or on
454 behalf of any person.

455 (m) No public official or state employee or immediate family
456 member of such public official or state employee, shall knowingly
457 accept, directly or indirectly, any gift, as defined in subsection (e) of
458 section 1-79, as amended, during such official's or employee's state
459 service, or any such gift valued at one hundred dollars or more for one
460 year after such official or employee leaves state service from any
461 person the official or employee knows or has reason to know: (1) Is
462 doing business with or seeking to do business with the department or
463 agency in which the official or employee is employed; (2) is engaged in
464 activities which are directly regulated by such department or agency;
465 or (3) is prequalified under section 4a-100. No person shall knowingly
466 give, directly or indirectly, any gift or gifts in violation of this
467 provision. For the purposes of this subsection, the exclusion to the
468 term "gift" in subdivision (12) of subsection (e) of section 1-79, as
469 amended, for a gift for the celebration of a major life event and the
470 regulations adopted by the Citizen's Ethics Advisory Board pursuant
471 to subsection (a) of section 1-92 of the 2006 supplement to the general
472 statutes concerning such events shall not apply. Any person prohibited

473 from making a gift under this subsection shall report to the [State
474 Ethics Commission] Office of State Ethics any solicitation of a gift from
475 such person by a state employee or public official.

476 (n) (1) As used in this subsection, (A) "investment services" means
477 investment legal services, investment banking services, investment
478 advisory services, underwriting services, financial advisory services or
479 brokerage firm services, and (B) "principal of an investment services
480 firm" means (i) an individual who is a director of or has an ownership
481 interest in an investment services firm, except for an individual who
482 owns less than five per cent of the shares of an investment services
483 firm which is a publicly traded corporation, (ii) an individual who is
484 employed by an investment services firm as president, treasurer, or
485 executive or senior vice president, (iii) an employee of such an
486 investment services firm who has managerial or discretionary
487 responsibilities with respect to any investment services, (iv) the spouse
488 or dependent child of an individual described in this subparagraph, or
489 (v) a political committee established by or on behalf of an individual
490 described in this subparagraph.

491 (2) The State Treasurer shall not pay any compensation, expenses or
492 fees or issue any contract to any firm which provides investment
493 services when (A) a political committee, as defined in section 9-333a, as
494 amended, established by such firm, or (B) a principal of the investment
495 services firm has made a contribution, as defined in section 9-333b, as
496 amended, to, or solicited contributions on behalf of, any exploratory
497 committee or candidate committee, as defined in section 9-333a, as
498 amended, established by the State Treasurer as a candidate for
499 nomination or election to the office of State Treasurer. The State
500 Treasurer shall not pay any compensation, expenses or fees or issue
501 any contract to such firms or principals during the term of office as
502 State Treasurer, including, for an incumbent State Treasurer seeking
503 reelection, any remainder of the current term of office.

504 (o) If (1) any person (A) is doing business with or seeking to do
505 business with the department or agency in which a public official or

506 state employee is employed, or (B) is engaged in activities which are
507 directly regulated by such department or agency, and (2) such person
508 or a representative of said person gives to such public official or state
509 employee anything of value which is subject to the reporting
510 requirements pursuant to subsection (e) of section 1-96, as amended,
511 such person or representative shall, not later than ten days thereafter,
512 give such recipient and the executive head of the recipient's
513 department or agency a written report stating the name of the donor, a
514 description of the item or items given, the value of such items and the
515 cumulative value of all items given to such recipient during that
516 calendar year. The provisions of this subsection shall not apply to a
517 political contribution otherwise reported as required by law.

518 (p) (1) No public official or state employee or member of the
519 immediate family of a public official or state employee shall knowingly
520 accept, directly or indirectly, any gift costing one hundred dollars or
521 more from a public official or state employee who is under the
522 supervision of such public official or state employee.

523 (2) No public official or state employee or member of the immediate
524 family of a public official or state employee shall knowingly accept,
525 directly or indirectly, any gift costing one hundred dollars or more
526 from a public official or state employee who is a supervisor of such
527 public official or state employee.

528 (3) No public official or state employee shall knowingly give,
529 directly or indirectly, any gift in violation of subdivision (1) or (2) of
530 this subsection.

531 (q) No public official or state employee shall knowingly accept,
532 directly or indirectly, any goods or services provided to the state under
533 subdivision (5) of subsection (e) of section 1-79, as amended, by a
534 person prohibited from making gifts to public officials and state
535 employees under this section or section 1-97, as amended by this act.

536 (r) No public official or state employee shall counsel, authorize or
537 otherwise sanction action that violates any provision of this part.

538 (s) No public official or state employee shall knowingly contract for
539 goods or services, for personal use, with any person doing business
540 with or seeking to do business with the department or agency in which
541 the official or employee is employed unless the terms of such contract
542 are not distinct from the terms that would apply to a substantial
543 segment of the population.

544 (t) No public official or state employee shall accept any gift valued
545 at one hundred dollars or more that would not have been offered
546 except for the position held by such official or employee. No person
547 shall offer or give any such gift. The provisions of this subsection: (1)
548 Shall not prohibit a normal and customary exchange of gifts between a
549 public official or state employee and other persons if the practice of
550 such an exchange predated such official's or employee's service in such
551 position, and (2) shall apply to gifts that are not otherwise prohibited
552 under this chapter.

553 Sec. 9. Section 1-84b of the 2006 supplement to the general statutes is
554 repealed and the following is substituted in lieu thereof (*Effective July*
555 *1, 2006*):

556 (a) No former executive branch or quasi-public agency public
557 official or state employee shall represent anyone other than the state,
558 concerning any particular matter (1) in which he participated
559 personally and substantially while in state service, and (2) in which the
560 state has a substantial interest.

561 (b) No former executive branch or quasi-public agency public
562 official or former executive branch, legislative branch or quasi-public
563 agency state employee shall, for one year after leaving state service,
564 represent anyone, other than the state, for compensation before [the]
565 any department, agency, board, commission, council or office in which
566 he served [at] during the one-year period before the time of his
567 termination of service, concerning any matter in which the state has a
568 substantial interest. The provisions of this subsection shall not apply to
569 an attorney who is a former employee of the Division of Criminal
570 Justice, with respect to any representation in a matter under the

571 jurisdiction of a court.

572 (c) The provisions of this subsection apply to present or former
573 executive branch public officials or state employees who hold or
574 formerly held positions which involve significant decision-making or
575 supervisory responsibility and are designated as such by the Office of
576 State Ethics in consultation with the agency concerned except that such
577 provisions shall not apply to members or former members of the
578 boards or commissions who serve ex officio, who are required by
579 statute to represent the regulated industry or who are permitted by
580 statute to have a past or present affiliation with the regulated industry.
581 Designation of positions subject to the provisions of this subsection
582 shall be by regulations adopted by the Citizen's Ethics Advisory Board
583 in accordance with chapter 54. As used in this subsection, "agency"
584 means the Office of Health Care Access, the Connecticut Siting
585 Council, the Department of Banking, the Insurance Department, the
586 Department of Public Safety, the office within the Department of
587 Consumer Protection that carries out the duties and responsibilities of
588 sections 30-2 to 30-68m, inclusive, as amended, the Department of
589 Public Utility Control, including the Office of Consumer Counsel, the
590 Division of Special Revenue and the Gaming Policy Board and the
591 term "employment" means professional services or other services
592 rendered as an employee or as an independent contractor.

593 (1) No public official or state employee, in an executive branch
594 position designated by the Office of State Ethics shall negotiate for,
595 seek or accept employment with any business subject to regulation by
596 his agency.

597 (2) No former public official or state employee who held such a
598 position in the executive branch shall within one year after leaving an
599 agency, accept employment with a business subject to regulation by
600 that agency.

601 (3) No business shall employ a present or former public official or
602 state employee in violation of this subsection.

603 (d) The provisions of subsection (e) of this section apply to (1)
604 present or former Gaming Policy Board or Division of Special Revenue
605 public officials or state employees who hold or formerly held positions
606 which involve significant decision-making or supervisory
607 responsibility and are designated as such by the Office of State Ethics,
608 in consultation with the agency concerned, and (2) present or former
609 public officials or state employees of other agencies who hold or
610 formerly held positions which involve significant decision-making or
611 supervisory responsibility concerning the regulation or investigation
612 of (A) any business entity (i) engaged in Indian gaming operations in
613 the state, and (ii) in which a federally-recognized Indian tribe in the
614 state owns a controlling interest, or (B) a governmental agency of a
615 federally-recognized Indian tribe engaged in Indian gaming operations
616 in the state, which positions are designated as such by the Office of
617 State Ethics, in consultation with the agency concerned. Designation of
618 positions subject to the provisions of this subsection shall be by
619 regulations adopted by the Citizens' Ethics Advisory Board in
620 accordance with chapter 54. As used in subsection (e) of this section,
621 the term "employment" means professional services or other services
622 rendered as an employee or as an independent contractor.

623 (e) (1) No Gaming Policy Board or Division of Special Revenue
624 public official or state employee or other public official or state
625 employee described in subdivision (2) of subsection (d) of this section,
626 in a position designated by the Office of State Ethics, shall negotiate
627 for, seek or accept employment with (A) a business entity (i) engaged
628 in Indian gaming operations in the state, and (ii) in which a federally-
629 recognized Indian tribe in the state owns a controlling interest, or (B) a
630 governmental agency of a federally-recognized Indian tribe engaged in
631 Indian gaming operations in the state.

632 (2) No former Gaming Policy Board or Division of Special Revenue
633 public official or state employee or other former public official or state
634 employee described in subdivision (2) of subsection (d) of this section,
635 who held such a position shall, within two years after leaving such
636 agency, accept employment with (A) a business entity (i) engaged in

637 Indian gaming operations in the state, and (ii) in which a federally-
638 recognized Indian tribe in the state owns a controlling interest, or (B) a
639 governmental agency of a federally-recognized Indian tribe engaged in
640 Indian gaming operations in the state.

641 (f) (1) No former public official or state employee [(1)] (A) who
642 participated substantially in the negotiation or award of [(A)] (i) a state
643 contract valued at an amount of fifty thousand dollars or more, or [(B)]
644 (ii) a written agreement for the approval of a payroll deduction slot
645 described in section 3-123g, or [(2)] (B) who supervised the negotiation
646 or award of such a contract, [or] agreement or negotiation, shall accept
647 employment with a party to the contract or agreement other than the
648 state for a period of one year after [his] the public official's or state
649 employee's resignation from [his] state office or [position if his] state
650 employment if such resignation occurs less than one year after [the
651 contract or agreement is signed] the earlier of (i) the date the contract
652 or agreement is signed, or (ii) the date the official or employee ceases
653 to supervise or participate substantially in the negotiation or award of
654 the contract or agreement, as determined by regulations adopted by
655 the Citizen's Ethics Advisory Board in accordance with the provisions
656 of chapter 54.

657 (2) No party to the contract may employ a public official or state
658 employee if such employment would violate the provisions of
659 subdivision (1) of this subsection.

660 (g) (1) No member or director of a quasi-public agency who
661 participates substantially in the negotiation or award of a contract
662 valued at an amount of fifty thousand dollars or more, or who
663 supervised the negotiation or award of such a contract, shall seek,
664 accept, or hold employment with a party to the contract or negotiation
665 or derive any benefit from the contract for a period of one year after
666 the [signing of the contract] earlier of (A) the date the contract is
667 signed, or (B) the date the member or director ceases to participate
668 substantially in the negotiation or award of the contract, as determined
669 by regulations adopted by the Citizen's Ethics Advisory Board in

670 accordance with the provisions of chapter 54.

671 (2) No party to such contract may employ a member or director if
672 such employment would violate the provisions of subdivision (1) of
673 this subsection.

674 (h) The provisions of subsections (a), (b) and (f) of this section shall
675 not apply to any employee of a quasi-public agency who leaves such
676 agency before July 1, 1989.

677 (i) No Treasurer who authorizes, negotiates or renegotiates a
678 contract for investment services valued at an amount of fifty thousand
679 dollars or more shall negotiate for, seek or accept employment with a
680 party to the contract prior to one year after the end of the Treasurer's
681 term of office within which such contract for investment services was
682 authorized, negotiated or renegotiated by such Treasurer.

683 (j) No former executive, judicial or legislative branch or quasi-public
684 agency official or state employee convicted of any felony involving
685 corrupt practices, abuse of office or breach of the public trust shall seek
686 or accept employment as a lobbyist or act as a registrant pursuant to
687 this chapter.

688 (k) No former Governor shall seek or accept employment, including,
689 but not limited to, acting as a registrant pursuant to the provisions of
690 this chapter, for one year after leaving state service, on behalf of any
691 business that is subject to regulation by any department or agency of
692 the state or that does business or is seeking to do business with any
693 department or agency of the state. No business shall employ a former
694 governor in violation of this subsection.

695 Sec. 10. Section 1-85 of the general statutes is repealed and the
696 following is substituted in lieu thereof (*Effective July 1, 2006*):

697 A public official, including an elected state official, or state
698 employee has an interest which is in substantial conflict with the
699 proper discharge of his duties or employment in the public interest
700 and of his responsibilities as prescribed in the laws of this state, if he

701 has reason to believe or expect that he, his spouse, a dependent child,
702 his outside employer or a business with which he is associated will
703 derive a direct monetary gain or suffer a direct monetary loss, as the
704 case may be, by reason of his official activity. A public official,
705 including an elected state official, or state employee does not have an
706 interest which is in substantial conflict with the proper discharge of his
707 duties in the public interest and of his responsibilities as prescribed by
708 the laws of this state, if any benefit or detriment accrues to him, his
709 spouse, a dependent child, his outside employer or a business with
710 which he, his spouse or such dependent child is associated as a
711 member of a profession, occupation or group to no greater extent than
712 any other member of such profession, occupation or group. A public
713 official, including an elected state official or state employee who has a
714 substantial conflict may not take official action on the matter,
715 including, but not limited to, any official action during any session of
716 the General Assembly.

717 Sec. 11. Subsection (a) of section 1-97 of the general statutes is
718 repealed and the following is substituted in lieu thereof (*Effective July*
719 *1, 2006*):

720 (a) No registrant or anyone acting on behalf of a registrant shall
721 knowingly give a gift, as defined in subsection (g) of section 1-91, as
722 amended, to any state employee, public official, candidate for public
723 office or a member of any such person's staff or immediate family,
724 during the official's, employee's or staff member's state service or such
725 candidacy and for one year after (1) such official, employee or staff
726 member leaves state service, or (2) the termination of such candidacy.
727 For the purposes of this subsection, the exclusion to the term "gift" in
728 subdivision (12) of subsection (g) of section 1-91 of the 2006
729 supplement to the general statutes for a gift for the celebration of a
730 major life event, and regulations adopted by the Citizen's Ethics
731 Advisory Board pursuant to subsection (a) of section 1-92 of the 2006
732 supplement to the general statutes concerning such events, shall not
733 apply. Nothing in this section shall be construed to permit any activity
734 prohibited under section 53a-147 or 53a-148.

735 Sec. 12. Section 1-225 of the general statutes is repealed and the
736 following is substituted in lieu thereof (*Effective July 1, 2006*):

737 (a) The meetings of all public agencies, except executive sessions, as
738 defined in subdivision (6) of section 1-200, shall be open to the public.
739 The votes of each member of any such public agency upon any issue
740 before such public agency shall be reduced to writing and made
741 available for public inspection within forty-eight hours and shall also
742 be recorded in the minutes of the session at which taken. [which] Not
743 later than seven days after the session to which such minutes refer,
744 minutes shall be available for public inspection [within seven days of
745 the session to which they refer] and posted on the agency's web site, if
746 available.

747 (b) Each such public agency of the state shall file not later than
748 January thirty-first of each year in the office of the Secretary of the
749 State the schedule of the regular meetings of such public agency for the
750 ensuing year and shall post such schedule on the agency's web site, if
751 available, except that such [provision] requirements shall not apply to
752 the General Assembly, either house thereof or to any committee
753 thereof. Any other provision of the Freedom of Information Act
754 notwithstanding, the General Assembly at the commencement of each
755 regular session in the odd-numbered years, shall adopt, as part of its
756 joint rules, rules to provide notice to the public of its regular, special,
757 emergency or interim committee meetings. The chairperson or
758 secretary of any such public agency of any political subdivision of the
759 state shall file, not later than January thirty-first of each year, with the
760 clerk of such subdivision the schedule of regular meetings of such
761 public agency for the ensuing year, and no such meeting of any such
762 public agency shall be held sooner than thirty days after such schedule
763 has been filed. The chief executive officer of any multitown district or
764 agency shall file, not later than January thirty-first of each year, with
765 the clerk of each municipal member of such district or agency, the
766 schedule of regular meetings of such public agency for the ensuing
767 year, and no such meeting of any such public agency shall be held
768 sooner than thirty days after such schedule has been filed.

769 (c) The agenda of the regular meetings of every public agency,
770 except for the General Assembly, shall be available to the public [and
771 shall be filed,] and posted on the agency's web site, if available, not less
772 than twenty-four hours before the meetings to which such agenda
773 refer and filed not less than twenty-four hours before the meetings to
774 which they refer, in such agency's regular office or place of business or,
775 if there is no such office or place of business, in the office of the
776 Secretary of the State for any such public agency of the state, in the
777 office of the clerk of such subdivision for any public agency of a
778 political subdivision of the state or in the office of the clerk of each
779 municipal member of any multitown district or agency. Upon the
780 affirmative vote of two-thirds of the members of a public agency
781 present and voting, any subsequent business not included in such filed
782 agendas may be considered and acted upon at such meetings.

783 (d) Notice of each special meeting of every public agency, except for
784 the General Assembly, either house thereof or any committee thereof,
785 shall be posted on the agency's web site, if available, not less than
786 twenty-four hours before the meeting to which such notice refers and
787 given not less than twenty-four hours prior to the time of such meeting
788 by filing a notice of the time and place thereof in the office of the
789 Secretary of the State for any such public agency of the state, in the
790 office of the clerk of such subdivision for any public agency of a
791 political subdivision of the state and in the office of the clerk of each
792 municipal member for any multitown district or agency. The secretary
793 or clerk shall cause any notice received under this section to be posted
794 in his office. Such notice shall be given not less than twenty-four hours
795 prior to the time of the special meeting; provided, in case of
796 emergency, except for the General Assembly, either house thereof or
797 any committee thereof, any such special meeting may be held without
798 complying with the foregoing requirement for the filing of notice but a
799 copy of the minutes of every such emergency special meeting
800 adequately setting forth the nature of the emergency and the
801 proceedings occurring at such meeting shall be filed with the Secretary
802 of the State, the clerk of such political subdivision, or the clerk of each
803 municipal member of such multitown district or agency, as the case

804 may be, not later than seventy-two hours following the holding of such
805 meeting. The notice shall specify the time and place of the special
806 meeting and the business to be transacted. No other business shall be
807 considered at such meetings by such public agency. In addition, such
808 written notice shall be delivered to the usual place of abode of each
809 member of the public agency so that the same is received prior to such
810 special meeting. The requirement of delivery of such written notice
811 may be dispensed with as to any member who at or prior to the time
812 the meeting convenes files with the clerk or secretary of the public
813 agency a written waiver of delivery of such notice. Such waiver may be
814 given by telegram. The requirement of delivery of such written notice
815 may also be dispensed with as to any member who is actually present
816 at the meeting at the time it convenes. Nothing in this section shall be
817 construed to prohibit any agency from adopting more stringent notice
818 requirements.

819 (e) No member of the public shall be required, as a condition to
820 attendance at a meeting of any such body, to register the member's
821 name, or furnish other information, or complete a questionnaire or
822 otherwise fulfill any condition precedent to the member's attendance.

823 (f) A public agency may hold an executive session, as defined in
824 subdivision (6) of section 1-200, upon an affirmative vote of two-thirds
825 of the members of such body present and voting, taken at a public
826 meeting and stating the reasons for such executive session, as defined
827 in section 1-200.

828 (g) In determining the time within which or by when a notice,
829 agenda, record of votes or minutes of a special meeting or an
830 emergency special meeting are required to be filed under this section,
831 Saturdays, Sundays, legal holidays and any day on which the office of
832 the agency, the Secretary of the State or the clerk of the applicable
833 political subdivision or the clerk of each municipal member of any
834 multitown district or agency, as the case may be, is closed, shall be
835 excluded.

836 Sec. 13. Subsection (g) of section 22a-261 of the general statutes is

837 repealed and the following is substituted in lieu thereof (*Effective from*
838 *passage*):

839 (g) Six directors of the authority shall constitute a quorum for the
840 transaction of any business or the exercise of any power of the
841 authority, provided, two directors from municipal government shall be
842 present in order for a quorum to be in attendance. For the transaction
843 of any business or the exercise of any power of the authority, and
844 except as otherwise provided in this chapter, the authority shall have
845 power to act by a majority of the directors present at any meeting at
846 which a quorum is in attendance. If the legislative body of a
847 municipality that is the site of a facility passes a resolution requesting
848 the Governor to appoint a resident of such municipality to be an ad
849 hoc member, the Governor shall make such appointment upon the
850 next vacancy for the ad hoc members representing such facility. The
851 Governor shall appoint with the advice and consent of the General
852 Assembly ad hoc members to represent each facility operated by the
853 authority provided at least one-half of such members shall be chief
854 elected officials of municipalities, or their designees. Each such facility
855 shall be represented by two such members. The ad hoc members shall
856 be electors from a municipality or municipalities in the area to be
857 served by the facility and shall vote only on matters concerning such
858 facility. The terms of the ad hoc members shall be four years. Such ad
859 hoc members shall be allowed to attend any executive session of the
860 board of directors.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	9-333x(11)
Sec. 2	<i>from passage</i>	9-333x
Sec. 3	<i>July 1, 2006</i>	New section
Sec. 4	<i>July 1, 2006</i>	New section
Sec. 5	<i>from passage</i>	4-61dd
Sec. 6	<i>July 1, 2006</i>	1-79(k)
Sec. 7	<i>July 1, 2006</i>	1-83
Sec. 8	<i>July 1, 2006</i>	1-84

Sec. 9	<i>July 1, 2006</i>	1-84b
Sec. 10	<i>July 1, 2006</i>	1-85
Sec. 11	<i>July 1, 2006</i>	1-97(a)
Sec. 12	<i>July 1, 2006</i>	1-225
Sec. 13	<i>from passage</i>	22a-261(g)

GAE *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect
Comptroller Misc. Accounts (Fringe Benefits)	State Employees Retirement Fund - See Below

Municipal Impact:

Municipalities	Effect
Various Municipalities	See Below

Explanation

The revocation or reduction of retirement benefits permitted under the bill may result in a savings to the state employee retirement system and municipal employee retirement system that are administered by the Office of the State Comptroller (OSC). Any savings would be dependent upon the degree to which retirement benefits are reduced. The OSC has indicated that there may be administrative and actuarial costs associated with the implementation of any reductions or revocations of retirement benefits that cannot be determined at this time. The bill also makes a number of changes to the State Ethics Code which will have no fiscal impact to the state.

The Out Years

The future savings would be dependent upon the degree to which retirement benefits are reduced.

OLR Bill Analysis**sSB 487*****AN ACT CONCERNING ETHICS IN STATE GOVERNMENT.*****SUMMARY:**

With one exception, this bill permits courts to revoke or reduce any retirement or other benefit due to public officials or employees when sentencing them for certain crimes related to their employment. The court cannot revoke or reduce state health insurance benefits that officials, employees, or their dependents are entitled to receive upon the officials' or employees' retirement.

It makes numerous changes to the State Ethics Code. Primarily, it expands the code's application and list of prohibited activities, tightens gift restrictions, and extends revolving door laws.

It expands the prohibitions against soliciting campaign contributions.

The bill extends (1) whistleblower protection to employees of large state contractors who file internal complaints; (2) the time whistleblowers have to file complaints of retaliation; and (3) from one to three years, the rebuttable presumption that negative personnel actions against whistleblowers are retaliatory.

It requires public agencies to post, on available web sites, meeting dates, times, agendas, and minutes required by law to be publicly disclosed. They must be posted by the same time the law requires the information to be available to the public.

The bill mandates that ad hoc members on the Connecticut Resources Recovery Authority's board of directors be allowed to attend executive sessions. By law, the governor must appoint, with the

advice and consent of the General Assembly, ad hoc members to represent each facility the authority operates.

EFFECTIVE DATE: July 1, 2006, except for the provisions on soliciting campaign contributions, whistleblowers, and the Connecticut Resources Recovery Authority, which are effective upon passage.

§§ 3-4 — REVOKING OR REDUCING CORRUPT OFFICIALS' BENEFITS

The bill permits courts to revoke or reduce the retirement or other benefits or payments due to public officials or state employees when sentencing them for certain crimes related to their employment (see COMMENT). The bill specifies the factors courts must consider when making this decision.

“Public officials” are statewide elected officers; legislators and legislators-elect; gubernatorial appointees, including appointees’ appointees; public members and union representatives on the Investment Advisory Council; quasi-public agency members and directors; and people appointed or elected by the General Assembly or either house. The term does not include judges, advisory board members, or members of Congress. “Municipal employees” mean full-time employees of a municipality or district, but not municipal officials.

“Quasi-public agency” means the Connecticut Development Authority; Connecticut Innovations, Incorporated; Connecticut Health and Education Facilities Authority; Connecticut Higher Education Supplemental Loan Authority; Connecticut Housing Finance Authority; Connecticut Housing Authority; Connecticut Resources Recovery Authority; Connecticut Hazardous Waste Management Service; Lower Fairfield County Convention Center Authority; Capital City Economic Development Authority; and Connecticut Lottery Corporation.

Public Corruption Crimes

The bill allows courts to revoke or reduce the benefits of any public

official or state or municipal employee who is convicted or pleads guilty or *nolo contendere* (no contest) to:

1. committing or aiding or abetting the embezzlement of at least an aggregate of \$1,000 in public funds from the state or a quasi-public or municipal agency;
2. committing, aiding, or abetting any felonious theft from the state or a quasi-public or municipal agency;
3. bribery connected to his role as a public official or state or municipal employee; or
4. felonies committed willfully and with intent to defraud, to obtain, or attempt to obtain at least a \$1,000 advantage for himself or others through the use or attempted use of his office.

Sentencing Determinations

When determining whether to revoke or reduce a public official's or state employee's benefits or payments and the amount of the reduction, the bill requires the court to consider (1) the severity of the crime; (2) the amount of money the state, quasi-public or municipal agency, or anyone else lost as a result of the crime; (3) the degree of public trust reposed in the person by virtue of his position; and (4) any other factors the court determines justice requires.

After making its determination, the court may order that all or part of the reduced benefits be paid to the official's or employee's innocent spouse, dependent, or beneficiary based on need.

Recovery Process

If a court decides in favor of a revocation or reduction, the entity responsible for paying the retirement or other benefit must return to the General Fund the portion of the payment that exceeds the court-ordered reduction or revocation until the state or quasi-public or municipal agency has received full restitution.

Decision Not to Reduce

If the court decides against a revocation or reduction of a public official's or state employee's retirement or other benefit, the attorney general may initiate a civil action to reduce or revoke it. In any civil action, the court must consider the same factors as the criminal court and the reduction and revocation process would be the same.

§§ 6-11 — STATE ETHICS CODE

§ 6 — *Expanded Application*

The bill makes the governor's spouse subject to the State Ethics Code by extending the definition of "public official" to include him.

§ 7 — *Statement of Financial Interests*

By November 1, annually, the bill requires public officials and state employees to file a statement with their agency head and the Office of State Ethics (OSE) if they (1) are not required to file an annual statement of financial interest and (2) participate substantially in state or quasi-public agency contract negotiations and awards. OSE must prescribe the form for the statement. The statement must disclose:

1. outside employment;
2. the employers of immediate family members residing in the official's or employee's household; and
3. the names of all businesses with which the official, employee, or immediate family member is associated.

OSE regulations define "substantial participation" as participation that was direct, extensive, and substantive, not peripheral, clerical, or ministerial. By law, an "associated business" generally means a business that the person owns; of which he serves as a director, officer, or limited or general partner; or of which he owns at least 5% of the total outstanding stock in any class.

§§ 8 and 10-11 — *Prohibited Activities*

Personal Benefit from a Contractor. The bill prohibits public officials and state employees from knowingly deriving a personal

financial benefit, unavailable to the general public, from a contract with a contractor for, or a person seeking to do business with, their agency.

Gifts. The bill expands the prohibition against public officials, state employees, or candidates for public office accepting a gift with the understanding that an official's or employee's official action or judgment had been or would be influenced. It accomplishes this by prohibiting the gift for up to one year after a public official or state employee leaves state service or terminates his candidacy, as appropriate.

The bill allows gifts of up to \$100 to be exchanged between other donors and a public official and a state employee because of the official's or employee's position. This limit applies to gifts that are not otherwise prohibited. It does not apply to gifts normally and customarily exchanged between the official or employee and the donor before state service.

The law prohibits public officials, candidates for public office, and state employees from accepting gifts from lobbyists. It also prohibits public officials and state employees from accepting gifts, including gifts for major life events, from people doing, or seeking to do, business with their agency; people engaged in activities regulated by their agency; or prequalified state contractors. The law also prohibits these people from giving gifts to public officials and employees. The bill expands the prohibition by banning the officials, state employees, and candidates from accepting gifts valued at \$100 or more for one year after leaving state service or terminating their candidacy, as appropriate. It also extends the prohibition to the immediate family members of public officials and employees.

Employer Benefit. The bill prohibits a public official or state employee from taking official action, including any action during a legislative session, on any matter that benefits his outside employer to a greater extent than it does other members of the same profession, occupation, or group.

§ 9 — Revolving Door

Agency Representation. The bill broadens the prohibition against former executive branch or quasi-public agency officials or state employees being paid to represent anyone, other than the state, before any agency in which they served. It makes the prohibition applicable to any agency where the official or employee served or worked during the year before, rather than just when, he terminated state service. The bill also extends the prohibition to cover legislative-branch state employees. The prohibition continues to run for one year after state service.

Contract Participation. The bill prohibits former officials, state employees, and quasi-public agency directors or members who substantially participated in a state contract valued at \$50,000 or more from accepting a job with a party to any contract negotiation. It also makes the prohibition applicable to former officials and state employees, and quasi-public agency directors or members, who supervised the contracting process. It makes this prohibition, and the prohibition already in law against taking a job with a party to any contract or agreement, applicable to officials and employees who resign less than one year after the contract is signed or one year after the person stops participating, whichever is earlier. It requires the Citizen's Ethics Advisory Board to adopt implementing regulations. Under current law, the prohibition against taking a job with a party to any contract or agreement applies only for one year after the contract is signed.

The bill also prohibits any party to a contract from hiring the public official, quasi-public agency director or member, or state employee in violation of the bill or law.

Governor. The bill prohibits a former governor from seeking or accepting employment, including work as a lobbyist, with a business that (1) a state agency regulates or (2) does work for or is seeking to do work for a state agency or department. It also prohibits such a business from violating its provisions by employing a former

governor. The ban lasts for one year after state service.

§§ 1-2 — CAMPAIGN CONTRIBUTION SOLICITATIONS

By law, it is an illegal campaign finance practice for state department heads and their deputies to solicit political contributions at any time. The bill defines “department head” as an employee who heads a state department and who has substantial, permanent, supervisory control over other state employees.

The bill make members of the governor’s staff or Legislative Management employees guilty of this crime if they solicit campaign contributions while on duty or during any time they are paid to be on duty. By law, campaign finance violators are subject to criminal penalties of up to five years in prison, a \$5,000 fine, or both for knowing and willful violations. They are also subject to civil penalties of up to \$2,000 per offense.

§ 5 — WHISTLEBLOWER

By law, anyone who knows of any corruption, unethical practices, state law or regulation violations, mismanagement, gross waste of funds, abuse of authority, or danger to public safety occurring in any state or quasi-public agency or large state contract may send information to the state auditors. State officers, employees, and appointing authorities; quasi-public agency officers or employees; and large state contractors are prohibited from taking or threatening to take any personnel action in retaliation for the disclosure. Any negative personnel action that occurs within one year after the report is presumed to be retaliatory. The presumption is rebuttable. An employee who believes he has been retaliated against has 30 days to file a complaint with the chief human rights referee at the Commission on Human Rights and Opportunity (CHRO). Alternatively and within the same period of time, a (1) state or quasi-public agency employee can file an appeal to the Employees’ Review Board and (2) large state contractor’s employee can bring a civil action after exhausting all administrative remedies (CGS § 4-61dd).

The bill extends the whistleblower protection to employees of large state contractors who report violations to the contractor, rather than just to the state contracting agency. It extends, from 30 to 90 days, the amount of time a whistleblower who believes he is a victim of retaliation has to file a complaint with CHRO. The bill does not extend the time for state or quasi-public agency employees who opt to file an appeal with the Employees' Review Board or a large state contractor's employees who opt to bring a civil action after exhausting all administrative remedies.

The bill also extends, from one to three years, the rebuttable presumption that a negative personnel action is retaliatory.

BACKGROUND

Major Life Event

OSE must adopt regulations defining "major life event." Under current regulations, the term "major life event" is limited to "...a ceremony commemorating an individual's induction into religious adulthood such as a confirmation or bar mitzvah; a wedding; a funeral; and the birth or adoption of a child..."(Conn. State Agencies Regulations § 1-92-53).

COMMENT

Corrupt Officials' Benefits

Although the bill makes the criminal activity that subjects state and quasi-public agency officials and employees to benefit revocation or reduction applicable to municipal officials, it does appear to authorize courts to revoke or reduce the benefits of municipal employees.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/24/2006)