



STATE OF CONNECTICUT

OFFICE OF STATE ETHICS

TESTIMONY PRESENTED BEFORE THE APPROPRIATIONS COMMITTEE

March 4, 2015

**Statement of Carol Carson, Executive Director
Office of State Ethics**

HB 6350 – An Act Concerning the Budget for the Biennium Ending June 30, 2015

**HB 6842 – An Act Implementing the Budget Recommendations of the Governor concerning
General Government**

Good Morning, Senator Bye, Representative Walker, Ranking Members Senator Kane, Representative Ziobron and distinguished members of the Appropriations Committee, thank you for the opportunity to present testimony today. My name is Carol Carson, and I am the Executive Director of Office of State Ethics (OSE).

The first responsibility of government is to maintain the integrity of our democratic process. In keeping with that responsibility, the OSE's goal is: "Connecticut residents will have ethical government." The OSE's 2016-2017 proposed budget is a current services budget with a few small increases that provide resources to continue work toward this goal. The proposed budget will allow the OSE to maintain the level of services public officials, state employees, lobbyists, state contractors and the citizens of Connecticut have grown to expect.

The OSE consists of the nine-member Citizen's Ethics Advisory Board supported by 15 employees divided into three divisions. The Legal Division receives an average of 25 phone calls per day seeking assistance and advice. Annually, the OSE responds in writing to over 1,000 requests for advice and thousands more requests by phone. Over 2,900 public officials, state employees and all State Marshals, file Statements of Financial Interests (SFIs), 10% of which are randomly audited. See *Attachment A – Percentage of SFI Forms with Errors or Omissions, 2008 - 2013*. The OSE oversees the filing of thousands of financial reports from over 3,000 client lobbyists, and communicator lobbyists, of which a small, random portion is audited. The Enforcement Division conducts over 150 reviews of potential violations of the Codes of Ethics annually, resolving most matters confidentially; some are resolved by consent order and involve monetary and other penalties. Eighty Uniform Administrative Procedures Act (UAPA) hearings involving late filings of SFIs and lobbyist registrations or reports were docketed and prosecuted in 2014. The OSE conducted 120 training sessions in 2014 reaching more than 2,600 individuals, nearly four times more than the previous year; thousands more benefitted from our online training.

The proposed budget for the OSE is a current services budget that supports 15 employees and funds expenses. Approximately 93% of the budget goes to salaries. The other 7% of the budget covers operating expenses, which includes expenses for phone services; office supplies; printer leases; access to legal research technology; statutory payments to Citizen’s Ethics Advisory Board members; travel for investigatory and educational purposes; and the costs associated with enforcement hearings; to name a few.

In addition to current services, the proposed budget includes an additional \$25,000 in 2016 and \$35,000 in 2017 to further develop our training program. See *Attachment B – Education and Training Budget*. The Code of Ethics mandates that the OSE provide annual education for all state employees. Currently, one staff member is primarily responsible for providing face-to-face education and creating and maintaining educational materials, including on-line training. Both experience and data indicate that education and training drive the mission of the Office of State Ethics. Through pilot projects including partnerships with state agencies to conduct training and “train the trainer” education, the OSE’s education program grew dramatically in 2014. It will be impossible to sustain this level of training without additional resources.

The OSE collects approximately \$1.2M in lobbyist registration fees every two years, which represents more than one third of the OSE’s annual budget each year. These funds go to the general fund. By law, the OSE cannot charge more than the cost of administering the lobbyist system. In 2010, lobbyist registration fees were increased by 66% to \$250 for the entire biennium and \$150 for the second year of the biennium. The proposed budget includes increases of \$16,500 in 2016 and \$24,500 in 2017 to support credit card processing. With the addition of American Express to the list of credit cards accepted to pay registration fees, nearly all registrations will now be submitted by credit card.

The OSE is a small, highly-specialized agency with independent decision-making authority, where all employees – regardless of title or position – are called upon to engage in multiple aspects of the division’s business.

The Code of Ethics does not assume that public officials, state employees, lobbyists and contractors are bad; instead it recognizes they are human. Achieving the goal of having ethical government in Connecticut requires changing the “ethical culture” of state government. Ethical culture change is achieved through consistency – in education, in providing advice, in enforcing violations and in providing transparency – and it takes time and resources to successfully change ethical culture.

I appreciate this opportunity to provide testimony. I am glad to answer any questions.

ATTACHMENT A

Percentage of SFI Forms with Errors or Omissions
2008 - 2013

	Failure to Disclose Income Source	Failure to Identify Securities with Particularity	Late Filings	Forms With Error of Any Kind
2008	15.6%	5.2%	5.9%	29.6%
2009	14.4%	1.9%	3.8%	23.2%
2010	16.9%	0.8%	3.9%	22.1%
2011	5.5%	3.0%	2.1%	11.9%
2012	5.9%	0.4%	1.7%	11.8%
2013	7.5%	0%	0.8%	8.2%
Percentage +/- from 2012-2013	+1.6%	-0.4%	-0.9%	-3.6%
Percentage +/- from 2008-2013	-12.5%	-5.2%	-5.1%	-21.4%

Office of State Ethics

Education and Training Budget

Course Development	FY 16	FY 17
E-Learning	\$2,500.00	\$4,500.00
Train-Trainer Program	\$750.00	\$2,000.00
Webinar	\$1,250.00	\$2,000.00
Evaluation / Survey	\$1,000.00	\$1,000.00
Total	\$5,500.00	\$9,500.00

Marketing	FY 16	FY 17
Top Ten Business Cards	\$500.00	\$750.00
Posters	\$750.00	\$500.00
Brochures	\$3,000.00	\$5,000.00
Guidebooks	\$2,000.00	\$2,000.00
Newsletters	\$500.00	\$500.00
Total	\$6,750.00	\$8,750.00

Information Technology	FY 16	FY 17
Learning Management	\$3,200.00	\$4,000.00
Website Development	\$1,000.00	\$2,500.00
License Software	\$1,000.00	\$750.00
Total	\$5,200.00	\$7,250.00

Equipment	FY 16	FY 17
Projector / Supplies	\$500.00	\$1,000.00
IT Equipment	\$500.00	\$2,000.00
Video Equipment	\$1,000.00	\$750.00
Audio Equipment	\$500.00	\$250.00
Total	\$2,500.00	\$4,000.00

Promotional	FY 16	FY 17
Food and Beverage	\$750.00	\$750.00
Ribbons/Plaques	\$500.00	\$500.00
Training Certificates	\$250.00	\$250.00
Total	\$1,500.00	\$1,500.00

Training Resources	FY 16	FY 17
Office Supplies	\$300.00	\$500.00
Speakers	\$1,000.00	\$1,000.00
Travel/Mileage	\$750.00	\$1,000.00
Hotel	\$1,000.00	\$1,000.00
Total	\$3,050.00	\$3,500.00

Miscellaneous	FY 16	FY 17
Other	\$500.00	\$500.00
Total	\$500.00	\$500.00

Total Expenses	Estimated	Actual
	\$25,000.00	\$35,000.00

FY 16 and FY17 Estimated Training Budget

