



Testimony of Eric W. Gjede
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Before the Committee on Government Administration & Elections
Hartford, CT
March 7, 2016

**Testifying in support (with modifications) to HB 5229:
AN ACT CHANGING CERTAIN REPORTING REQUIREMENTS IN THE STATE CODES OF ETHICS**

Good afternoon Senator Cassano, Representative Jutila, Senator McLachlan, Representative Smith and members of the Government Administration & Election Committee. My name is Eric Gjede and I am assistant counsel at the Connecticut Business and Industry Association (CBIA), which represents more than 10,000 large and small companies throughout the state of Connecticut.

CBIA supports HB 5229, but seeks the attached clarifying modifications to the bill proposed by the Office of State Ethics. We would also suggest you change the effective date to "effective from passage".

We thank the committee for raising this important bill which, if enacted, will promote greater public official transparency and accountability for Connecticut's citizens. This bill addresses two issues related to the reports lobbying organizations must file after a public official attends and actively participates in an event hosted by such organization.

Under current law, lobbyists must report any instance in which they have waived the cost of admitting a public official to an event. This makes perfect sense when the public official is simply sitting in the audience at the event as they are receiving a benefit. However, lobbyists must also report public officials that sit on a panel or give a speech at an event - unless the public official is giving the keynote address. In the latter instance, the public official is deriving no benefit from this active participant, rather the lobbying organization is the one receiving the benefit.

As a result of this report mandated by state law, we are finding that public officials are becoming increasingly hesitant to sit on panels or speak at our events because they are concerned about being reported to the Office of State Ethics. The result is less government transparency and less accountability. This bill eliminates the requirement to report public officials that actively participate in events. Further, the attached language from the Office of State Ethics defines and narrows what would be considered "active participation".

This bill also helps to resolve an inconsistency in reporting requirements that could inadvertently cause lobbying organizations to be in violation of the law for up to 9 days in a month. Under current law, a lobbying organization must report any expenses related to a public official that was an active participant at an event within thirty days from the date of the event. However, monthly lobbying reports are not due until the tenth day each month. As a result, if a lobbying organization incurred expenses related to a public official attending an event during the first few days of the month, they would be in violation of the law if they waited until the tenth of the following month to report it to the office of state ethics.

Lobbying reports require a considerable number of hours to prepare and file, and presumably the Office of State Ethics invests a significant amount of time reviewing them. In lieu of filing an amended report, it would be easier on both the lobbying organizations and the Office of State Ethics to simply push this reporting date out for consistency purposes. While the language in HB 5229 would adequately resolve that problem, we ask the committee to adopt the attached language submitted by the Office of State Ethics instead.

We thank the committee for raising this bill, and we urge the members to support this bill with the attached modification.

Subsection (k) of section 1-84 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2016):

(k) No public official, spouse of the Governor or state employee shall accept a fee or honorarium for an article, appearance or speech, or for participation at an event, in the public official's, spouse's or state employee's official capacity, provided a public official, Governor's spouse or state employee may receive payment or reimbursement for necessary expenses for any such activity in his or her official capacity. If a public official, Governor's spouse or state employee receives such a payment or reimbursement for lodging or out-of-state travel, or both, the public official, Governor's spouse or state employee shall, not later than thirty days thereafter, file a report of the payment or reimbursement with the Office of State Ethics, unless the payment or reimbursement is provided by the federal government or another state government. If a public official, Governor's spouse or state employee does not file such report within such period, either intentionally or due to gross negligence on the public official's, Governor's spouse's or state employee's part, the public official, Governor's spouse or state employee shall return the payment or reimbursement. If any failure to file such report is not intentional or due to gross negligence on the part of the public official, Governor's spouse or state employee, the public official, Governor's spouse or state employee shall not be subject to any penalty under this chapter. When a public official, Governor's spouse or state employee attends an event in this state in the public official's, Governor's spouse's or state employee's official capacity and as a [principal speaker] an active participant at such event and receives admission to or food or beverage at such event from the sponsor of the event, such admission or food or beverage shall not be considered a gift and no report shall be required from such public official, spouse or state employee or from the sponsor of the event. As used in this subsection, "active participant" means a speaker, panelist, moderator of a panel or presenter of an award who provides substantive official service to the sponsor of the event.

Section 1-96e of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2016):

Each registrant who pays or reimburses a public official or state employee ten dollars or more for necessary expenses, as defined in section 1-79, shall, within [thirty] forty-five days, file a statement with the Office of State Ethics indicating the name of such individual and the amount of the expenses.