



State of Connecticut

SENATOR LEONARD A. FASANO
SENATE REPUBLICAN LEADER

34TH DISTRICT

LEGISLATIVE OFFICE BUILDING
300 CAPITOL AVENUE, SUITE 3400
HARTFORD, CONNECTICUT 06106-1591
www.SenatorFasano.com

HARTFORD: (860) 240-8800
TOLL FREE: (800) 842-1421
FAX: (860) 240-8306
Len.Fasano@cga.ct.gov

**Government Administration and Elections Committee public hearing
Friday, February 15, 2019
11:00 AM. in Room 2A of the LOB**

- SB-604 AN ACT REQUIRING EXECUTIVE AND LEGISLATIVE REVIEW OF CERTAIN QUASI-PUBLIC AGENCY CONTRACTS AND AGREEMENTS.

Senator Flexer, Representative Fox, Representative Sampson and Representative France, thank you for the opportunity to testify on Senate Bill 604 An Act Requiring Executive and Legislative Review of Certain Quasi-Public Agency Contracts and Agreements.

This bill would bring more transparency to the state's quasi-public agencies. By requiring the submission of certain contracts to the Attorney General and the legislature when appropriate, I believe this legislative proposal will help to ensure that all quasi-public agency employment contracts, consulting contracts and separation agreements be reviewed in great detail and be in the best interest of the state of Connecticut.

This bill would require submission of quasi-public agency contracts to the Attorney General for review and comment before entering into or renewing any such contracts. If a contract is over \$100,000 annually, the General Assembly will also be provided with a copy of such contract to review.

In recent years some specific contracts and agreements have raised concerns amongst lawmakers including:

- Over \$376,000 in severance payments made to four senior level managers at Access Health CT who were secretly "involuntarily termina[ed]" by CEO James Wadleigh between 2015 and 2017. Each of them received at least six months of salary and benefits pursuant to separation agreements that were not reviewed by any other state entity. Some of these agreements also reportedly included nondisclosure language, calling for employees to not disclose the terms of their settlement and to "not make any disparaging or defamatory statements" about Access Health CT.
- The \$250,000 severance payment made to the former president and executive director of the Connecticut Housing Finance Authority that was revealed and questioned in a review by the Auditors of Public Accounts.

- The severance agreement made between Anne Noble and the Connecticut Lottery Corporation including a continued role at the Lottery Corp. following the hacking of the 5 Card Cash game and Noble's resignation. Multiple questions surrounding this agreement have been raised regarding who currently employs Ms. Noble, whether she holds the license necessary to work for the Lottery Corp., and what is the basis for a severance arrangement that allows an individual to continue to earn employment credit to become fully vested and receive retirement benefits. Questions have also come up following the release of emails through a Freedom of Information request which refer to a related Department of Consumer Protection Investigation being kept "under wraps."
- In their 2016 Annual Report, the state auditors referenced payments, some exceeding \$100,000, made to state employees as part of non-disparagements and non-litigation agreements for the purposes of avoiding litigation. According to the report, these agreements were neither reviewed nor approved by the state Attorney General or the Governor. However, [Connecticut General Statute Sec. 3-7](#) (c), states that the Attorney General must recommend and the Governor must authorize the compromise of any claim against the state or any agency or department of the state. While I believe the auditors' findings appear to be limited to state agencies, this certainly raises questions about not only what is occurring in state agencies, but also in quasi-public agencies that have less oversight. This bill before the committee today would help ensure that any future separation agreement that is similar to what the auditors have found occurring behind closed doors before will have proper oversight moving forward.

Again, I thank you for the opportunity to submit my concerns and thoughts about this proposal to increase transparency and ensure the interests of Connecticut residents are always at the forefront of any and all actions engaged in by quasi-public agencies.

Len Fasano
Senate Republican Leader