

## NOTICES

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### Notice of Reinstatement to the Bar

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Pursuant to Practice Book § 2-54(b), notice is hereby given that on March 28, 2019 in docket number FBT-CV12-603-01-31s the application for reinstatement to the practice of law in Connecticut of Joseph Colbert, juris number 407611, of Wilton, CT was GRANTED.

The Court (Bellis, J.)

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### Notice of Disbarment of Attorney

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Pursuant to § 2-54 of the Connecticut Practice Book, notice is hereby given that on April 24, 2019, in Docket Number HHD-CV-18-6095358, Dale James Morgado, juris number 427675, was ordered disbarred for a period of seven years effective November 29, 2018 and subject to any further orders of the Appellate Division of the Supreme Court held in and for the First Judicial Department in the County of New York.

Respondent shall comply with Practice Book § 2-47B (Restrictions on the Activities of Deactivated Attorneys). Should respondent seek reinstatement to the Connecticut bar he must do so pursuant to Practice Book Section 2-53 but shall not be eligible to do so until he is eligible for reinstatement to the bar of the State of New York.

David Sheridan  
*Presiding Judge*

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### Notice of Suspension of Attorney

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Pursuant to § 2-54 of the Connecticut Practice Book, notice is hereby given that on April 24, 2019, in Docket Number HHD-CV-18-6094442, Seth T. Carey, juris number 424757, was ordered suspended for a period of three years effective December 20, 2018 and subject to any further orders of the Maine Supreme Judicial Court

Respondent shall comply with Practice Book § 2-47B (Restrictions on the Activities of Deactivated Attorneys). Should respondent seek reinstatement to the Connecticut bar he must do so pursuant to Practice Book Section 2-53 but shall not be eligible to do so until he is eligible for reinstatement to the bar of the State of Maine.

David Sheridan  
*Presiding Judge*

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**Notice of Suspension of Attorney**

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DOCKET NO. CV-19-6089704-S. DISCIPLINARY COUNSEL VS. KAREN SOUZA. SUPERIOR COURT, JUDICIAL DISTRICT OF NEW HAVEN, MAY 2, 2019.

ORDER: Respondent, Karen Souza, juris number 308197, is suspended, effective immediately, from the practice of law in Connecticut for 42 months.

The court will not appoint a trustee as the respondent has no active files and no IOLTA account.

The Respondent shall comply with all terms and conditions of Practice Book Section 2-47B; Restrictions on the Activities of Deactivated Attorneys.

Should the respondent seek reinstatement following her term of suspension she must do so pursuant to Practice Book Section 2-53.

Approved and so ordered,  
Abrams, J

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## OFFICE OF STATE ETHICS

*Office of State Ethics advisory opinions are published herein pursuant to General Statutes Sections 1-81 (3) and 1-92 (5) and are printed exactly as submitted to the Commission on Official Legal Publications.*

Advisory Opinion No. 2019-2, May 16, 2019

**Question Presented:**      **The petitioner’s inquiry, as set forth in five specific questions discussed herein, is whether Governor Lamont and his wife have taken adequate steps concerning their businesses and financial assets in order to be in compliance with the Code of Ethics for Public Officials.**

**Brief Answer:**              **We conclude that the steps taken by Governor Lamont and his wife (or to be taken promptly upon the issuance of this opinion), as described in this opinion, are adequate to better ensure compliance.**

At its March 21, 2019 regular meeting, the Citizen’s Ethics Advisory Board (Board) granted the petition for an advisory opinion submitted by Robert W. Clark, General Counsel of the Office of the Governor, on behalf of Governor Ned Lamont (Governor Lamont).<sup>1</sup> The Board now issues this advisory opinion in accordance with General Statutes § 1-81 (a) (3) of the Code of Ethics for Public Officials (Code).<sup>2</sup>

### BACKGROUND

The following background information, as set forth by the petitioner, is relevant to this opinion:

#### A. MRS. LAMONT’S BUSINESS ACTIVITIES

Governor Lamont’s wife, Ann H. Lamont (Mrs. Lamont) is the co-founder and the executive managing member of Oak HC/FT Management Company, LLC (Oak HC/FT) and certain general partnerships for private investment funds managed by Oak HC/FT (the General Partners). These funds invest in various portfolio companies, primarily in the health care and financial technology business sectors. Currently, funds managed by Oak HC/FT are invested in approximately thirty portfolio companies. Mrs. Lamont has a greater than five percent (5%) financial interest in Oak HC/FT and in each of the General Partners. Accordingly, Oak HC/FT and each of the General Partners falls within the definition of “associated business” [pursuant to General Statutes § 1-79 (2)] because Mrs. Lamont is an officer and owner holding a greater than five

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<sup>1</sup> On May 1, 2019, Attorney Clark filed an amended petition for an advisory opinion by adding three questions regarding the financial assets currently held by Governor Lamont and his wife Ann H. Lamont. The background information concerning these additional questions has been provided in the amended petition.

<sup>2</sup> General Statutes § 1-79 *et. seq.*

percent interest in Oak HC/FT. Each of those Oak HC/FT portfolio companies in which Mrs. Lamont serves as a director also is an “associated business”.<sup>3</sup>

In addition to her involvement with Oak HC/FT, Mrs. Lamont serves in similar capacities with Oak Management Corporation, its related general partners and the Oak Investment Partners’ funds managed by them (OIP). OIP similarly invests in portfolio companies in various industry sectors, including in the health care and financial technology sectors. Mrs. Lamont is not making any new investments through OIP, but there currently are three OIP portfolio companies that constitute associated businesses because Mrs. Lamont serves on their Boards of Directors.

The petitioner anticipates two possible scenarios in which a “substantial conflict of interest” regarding Oak HC/FT, OIP or a related “associated business” might arise. The first would be if one of these entities engaged in negotiations for a State contract or entered into such a contract. A search of the State’s public contracting portal indicates that none of Oak HC/FT, OIP or any of the portfolio companies has a current contract with the State. There is, however, the possibility that during Governor Lamont’s tenure, a fund managed by Oak HC/FT, OIP or a current (or future) Oak HC/FT or OIP portfolio company might negotiate for or enter into such a contract. In the ordinary course of State business, neither the Governor nor Mrs. Lamont would be involved in such contract negotiations, enter into any contracts on behalf of the State, nor be responsible for their implementation or oversight. Such responsibilities are generally managed by agency commissioners and their staff. In such instances, neither a “substantial conflict of interest” for the Governor or Mrs. Lamont or any of their associated businesses, nor a “potential conflict of interest” for Mrs. Lamont, would arise because neither the Governor nor Mrs. Lamont would take any official action in connection with awarding such a contract.

Second, a “substantial” conflict might arise if the State were to pass legislation, issue a regulation or alter its policies in some way that benefited Oak HC/FT, OIP or a related “associated business” but only if such entity was affected to a comparatively greater degree than others in the class affected by such act. Conn. Gen. Stat § 1-85 makes clear that such a conflict does *not* exist if the benefit or detriment resulting from such official action accrues equally to all “member[s] of such profession, occupation or group.”

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The Governor and Mrs. Lamont intend to take proactive measures to eliminate any possibility of a “substantial conflict of interest” or a “potential conflict of interest” in the case of Mrs. Lamont. Specifically, Governor Lamont and Mrs. Lamont intend to proactively recuse themselves from taking any official action that directly and specifically involves Oak HC/FT, OIP or any of their respective portfolio companies. To facilitate this recusal process, Oak HC/FT will provide the Governor’s Office with a list of all its portfolio companies and timely update the list as additional companies are added to or withdrawn

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<sup>3</sup> The remaining Oak HC/FT and OIP portfolio companies, *i.e.*, those where Mrs. Lamont is not a director or officer, are not themselves “associated businesses,” as Mrs. Lamont and Governor Lamont would never directly own five percent or more of the stock of these companies nor would they otherwise be “associated” with the companies in any of the other ways that are identified under § 1-79 (2). Further, [under General Statutes § 1-85] any financial benefit to Governor Lamont, Mrs. Lamont, Oak HC/FT or OIP resulting from an official act relating to a related portfolio company would most likely not be direct, but rather indirect and require the intervention of an event.

from the portfolio (such list, a “Recusal List”). Mrs. Lamont will likewise provide a list of all OIP portfolio companies, and update that list accordingly. Governor and Mrs. Lamont will agree to take no official action that directly and specifically relates to Oak HC/FT, OIP or any of their respective portfolio companies, exercise no oversight responsibilities for matters relating to any of these companies, and take no steps to attempt to influence the outcome of any actions regarding any of them. This recusal arrangement would be documented in a letter from the Governor and Mrs. Lamont to the Governor’s General Counsel and Chief of Staff.

Governor Lamont, Mrs. Lamont, their immediate family and associated businesses are barred from entering into any State contracts “unless the contract has been awarded through an open and public process, including prior public offer and subsequent public disclosure of all proposals considered and the contract awarded.” Conn. Gen. Stat. § 1-84 (i)(1). . . . The Governor will direct OPM to not approve any sole source contracts with any business on the Recusal List. Furthermore, because some State sole source contracts may not require OPM approval, Mrs. Lamont will also notify Oak HC/FT, OIP and those related portfolio companies that constitute “associated businesses” ( *i.e.* those on which she serves as a director) that they should abstain from entering into such sole source contracts with the State because of the prohibitions contained in Conn. Gen. Stat. § 1-84 (i)(1) .

#### B. RECUSALS

The Governor and Mrs. Lamont would commit to recusing themselves from taking any official action that could reasonably be expected to result in a direct financial benefit or harm to themselves, or to an associated business, to a degree that is different from or greater than the universe of individuals or businesses that would be affected generally by such official action. *See, e.g.*, Conn. Agencies Regs. 1-81-28(a)-(b). Such recusal would include both refraining from exercising oversight responsibilities for governmental matters relating to any of the investments of the Governor, Mrs. Lamont or any associated business that have not been made subject to the control of an independent intermediary (as described below) and taking no steps to attempt to influence the outcome of any governmental actions regarding any of such investments. It would apply to such matters as participating in any decision to award a state contract, to issue or reject a state license or certificate of need, to adopt any regulations or to influence the adoption of any legislation in any case where the conditions described above were present.

To better identify the need for any necessary recusal, the Governor would periodically arrange to provide his office with a list of individual investments held by himself, Mrs. Lamont or any associated business that have not already been made-subject to the exclusive control of an independent intermediary. The Governor’s office would use that list as a checklist on a case-by-case basis to assist in identifying instances where recusal by the Governor or Mrs. Lamont would be necessary.

#### C. USE OF AN INDEPENDENT INTERMEDIARY TO MANAGE ASSETS

To minimize the need for any such recusals, each of the Governor and Mrs. Lamont (each a “Grantor” and, collectively, the “Grantors”) intends to grant a durable power of attorney for the duration of the Governor’s time in office to an independent intermediary. The intermediary would be granted, with certain limited exceptions further described herein, the exclusive right to manage the

interests of each Grantor in the majority of the Grantor's investments, investment funds, hedge funds, real estate funds, fixed income funds, directly owned domestic and foreign equities, private equity funds, limited liability companies and partnerships (each a "Managed Investment" and, collectively, the "Managed Investments"), in each case without any Grantor's knowledge regarding or control over such Managed Investments. (For the avoidance of doubt, Oak HC/FT, OIP, their portfolio companies and other entities addressed in Section A above would not be Managed Investments and are not covered by this Section C.) By this means, neither the Governor nor Mrs. Lamont would be required to recuse themselves from any official action regarding such Managed Investments, since neither would be aware of what investments were, in fact, under the control of the intermediary. Such an approach would be similar to those taken by Governor Bruce Rauner in Illinois and Mayor Michael Bloomberg in New York City and would be structured so that neither Grantor would have any knowledge regarding or control over any such Managed Investment, much as if such Managed Investments were placed in a blind trust but without the delays and administrative and legal complications of formally transferring legal title to such investments into a trust and without triggering possible premature taxation of such investments.

In line with those approaches, the independent intermediary would be granted full discretionary authority to make all investment decisions with respect to all such Managed Investments in its care as a fiduciary for the Grantors, including without limitation the power to dispose of all or any part of such Managed Investment(s) and to substitute any other Managed Investment(s) therefor. The intermediary would act as a principal with respect to all such Managed Investments and would not report to any Grantor any information regarding any such Managed Investment, including information regarding the operations of such Managed Investment and whether or not such Managed Investment is being disposed of, replaced or retained for the benefit of the Grantor. The only exceptions are that (i) a Grantor would be allowed to advise the intermediary from time to time as to that Grantor's general investment parameters such as income vs. growth, risk tolerance, classes of prohibited investments, etc., (ii) each Grantor would be allowed to obtain from the intermediary out of the Managed Investments distributions of cash from time to time upon the Grantor's request, including without limitation for the purpose of making gifts, and (iii) the intermediary could provide the Grantors with anonymized and aggregated results for purposes of reporting on the overall performance of all Managed Investments under the intermediary's control; filing tax returns and paying taxes; complying with applicable requirements for filing financial statements; and conforming to similar legal obligations.

The intermediary would inform the broker, manager or general partner of each account, fund or partnership holding Managed Investments for which such intermediary is responsible that all communications regarding the investments (or future investments by such broker, partnerships or funds in Managed Investments) should be exchanged solely with the intermediary or the intermediary's designee (other than a Grantor), that the intermediary has plenary authority to act with respect to any investments in such account, fund or partnership and that, for the duration of the power of attorney, the Grantor would have no such communications or authority. For such purpose the intermediary would be authorized to disclose to such broker, manager or general partner the power of attorney (or relevant portions thereof). Lastly, the intermediary would be substituted for Governor or Mrs. Lamont, as applicable, as the investment advisor, manager or trustee, as applicable, of each limited liability company

and trust established solely for the benefit of the descendants of Governor and Mrs. Lamont.

#### D. NEW INVESTMENTS

The independent intermediary would be free to invest in any type of security or other property during the Governor's time in office (to the extent consistent with the general guidelines provided at any time and from time to time by the Grantor regarding asset allocation, risk tolerance and classes of investments prohibited by the Grantors as part of the Grantors' general investment parameters discussed above), provided that the intermediary does so without any Grantor's knowledge or control. Any such investment would become a Managed Investment. Should any Grantor make any new investments themselves during this period, such investments would be limited to Exchange-Traded Funds ("ETFs") and broad-based mutual funds.

#### E. RESIGNATIONS

Other than the arrangements described in Part A, above, with respect to Mrs. Lamont's continued involvement in Oak HC/FT and OIP, both the Governor and Mrs. Lamont would resign from any board memberships and trusteeships they currently hold. In addition, Mrs. Lamont would resign as a trustee of any Oak HC/FT or OIP pension fund for the duration of the Governor's time in office.

#### F. EXCEPTIONS TO DIVESTITURE OF CONTROL AND KNOWLEDGE OF ASSETS

As noted above in Section B, the Governor and Mrs. Lamont wish to retain direct ownership and control of a handful of investments as to which they have special knowledge and background. All such investments would be listed on the schedule delivered to a designated official in the Governor's office, which schedule would be periodically updated as necessary, in order that the Governor and his staff may better "police" whether any official action that either the Governor or Mrs. Lamont may contemplate could reasonably be expected to result in a direct financial benefit or harm to themselves or to an associated business to a degree that is different from or greater than the universe of individuals or businesses that would be affected generally by such official action and, therefore, require recusal by the Governor and Mrs. Lamont.

#### G. STATEMENT OF FINANCIAL INTERESTS

Governor and Mrs. Lamont are aware of the requirements set forth in General Statutes § 1-83 that he file with the Office of State Ethics an annual Statement of Financial Interests (the "Statement") with respect to himself and Mrs. Lamont. His first report was filed on May 1, 2019, providing the required information for the calendar year 2018. Further, the Governor and Mrs. Lamont are aware that a similar Statement will be due on or prior to May 1, 2020 with respect to (a) similar information for the period in 2019 prior to the grant to the intermediary of a durable Power of Attorney over Managed Investments as described in this letter, and (b) for the balance of 2019 as to those securities and other property not included within the category of Managed Investments placed under the control of the intermediary. The Governor interprets the applicable regulations such that, during the period when Managed Investments are under the control of an intermediary, they need not be individually reported on future Statements since the Power of Attorney arrangements proposed above are the functional equivalent of a blind trust under relevant statutes.

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Those Statements filed with respect to any period when the Power of Attorney is in force must identify the existence of the Power of Attorney and name the intermediary just as it would have to identify any blind trust and the trustee thereof. However, the Governor and Mrs. Lamont need not identify any specific investments under the control of the intermediary holding the Power of Attorney since, by definition, they will be without knowledge of or control over such holdings.

#### H. CONFIDENTIALITY

The Governor and Mrs. Lamont also are aware of the “use of office” prohibition set out in General Statutes § 1-84(c) and Declaratory Ruling 2011-A, and will not use his or her office or any confidential information acquired by his or her office for the financial benefit of either of them, their covered family members or any associated business. Further, the Governor and Mrs. Lamont will instruct each other, each covered member of their family, any fiduciary handling any of such members’ investments and the senior executives of any associated business not to reveal to the Governor or Mrs. Lamont, directly or indirectly, information regarding any investments held by or for the benefit of such family member or any transaction or contemplated transactions therein.

#### QUESTIONS PRESENTED

1. Whether Governor Lamont and Mrs. Lamont’s recusal as outlined above constitutes a sufficient basis to establish that the Governor and Mrs. Lamont will have taken no “official acts” with respect to Oak HC/FT, OIP or any of their respective portfolio companies, and thereby avoid the creation of any “substantial” or “potential” conflicts of interest with these companies, as those terms are defined in the Code of Ethics?
2. Whether the Governor’s instruction to OPM not to approve any sole source contracts with Oak HC/FT, OIP or any of the respective portfolio companies, combined with Mrs. Lamont’s similar notification to Oak HC/FT, OIP, and any associated businesses, constitute sufficient and adequate steps to ensure compliance with General Statutes § 1-84 (i) (1)?
3. Whether the Governor’s and Mrs. Lamont’s plans to relinquish knowledge and control over the bulk of their own financial assets and those of any associated business and to recuse themselves from matters that could result in a direct and disproportionate financial benefit or harm with respect to the few assets over which they do retain control, as outlined above, are adequate to ensure that the Governor and Mrs. Lamont will avoid “substantial” or “potential” conflicts of interest, as those terms are used in the Code of Ethics?
4. Whether the Governor’s and Mrs. Lamont’s proposed manner of filing any Statements filed during the Governor’s term are appropriate and sufficient under the Code of Ethics?
5. Whether the Governor’s and Mrs. Lamont’s plans for avoiding the misuse of confidential information obtained by reason of his or her office are adequate for compliance with the Code of Ethics?



## RESPONSE TO QUESTION 1

As “Public official[s]”, as that term is defined in General Statutes § 1-79 (11), both the Governor and Mrs. Lamont<sup>4</sup> are subject to the “substantial” conflicts of interest provision, set forth in General Statutes § 1-85.

Under that provision, “[a] public official, including an elected state official . . . has an interest which is in substantial conflict with the proper discharge of his duties . . . if he has reason to believe or expect that he, his spouse, a dependent child, or a business with which he is associated will derive a *direct* monetary gain or suffer a *direct* monetary loss, as the case may be, by reason of his official activity. A public official, including an elected state official . . . does not have an interest which is in substantial conflict with the proper discharge of his duties . . . if any benefit or detriment accrues to him . . . or a business with which he . . . is associated as a member of a profession, occupation or group to no greater extent than any other member of such profession, occupation or group. A public official . . . who has a substantial conflict may not take official action on the matter.” (Emphasis added.)

For purposes of § 1-85, a public official “has reason to believe or expect,” “when there is a written contract, agreement, or other specific information available to the individual which would clearly indicate to a reasonable person that such a direct benefit or detriment would accrue or when the language of the legislation, regulation or matter in question would so indicate.” Regs., Conn. State Agencies § 1-81-28 (c). In addition, the term “direct,” as used in § 1-85, has been defined to mean “absolute, immediate, or without intervening conditions.” Declaratory Ruling 92-C. “Direct” financial impact has been illustrated by the following two examples in § 1-81-28 (a) of the Regulations of Connecticut State Agencies: First, “a state employee required, in the course of his or her official duties, to determine whether a consulting contract should be awarded to his or her spouse . . . .” Second, a legislator who is called upon to vote on the “specific bonding request” of a “for-profit corporation” on whose board of directors the legislator sits.

Finally, the term “a business with which he is associated” applies to “any sole proprietorship, partnership, firm, corporation, trust or other entity through which business for profit or not for profit is conducted in which the public official . . . or member of his or her immediate family is a director, officer, owner, limited or general partner, beneficiary of a trust or holder of stock constituting five per cent or more of the total outstanding stock of any class, provided, a public official . . . or member of his or her immediate family, shall not be deemed to be associated with a not for profit entity solely by virtue of the fact that the public official . . . or member of his or her immediate family is an unpaid director or officer of the not for profit entity. ‘Officer’ refers only to the president, executive or senior vice president or treasurer of such business.” General Statutes § 1-79 (2).

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<sup>4</sup> “ ‘Public official’ means any state-wide elected officer, any member or member-elect of the General Assembly, any person appointed to any office of the legislative, judicial or executive branch of state government by the Governor or an appointee of the Governor . . . and the spouse of the Governor.” (Emphasis added.) General Statutes § 1-79 (11).

As a non-elected public official, Mrs. Lamont is also subject to the “potential conflicts of interest” provision in General Statutes § 1-86 (a), which provides as follows: “[a]ny public official . . . other than an elected state official, who, in the discharge of such official’s . . . official duties, would be required to take an action that would affect a financial interest of such official . . . such official’s . . . spouse, parent, brother, sister, child or the spouse of a child or a business with which such official is associated, other than an interest of a de minimis nature, an interest that is not distinct from that of a substantial segment of the general public or an interest in substantial conflict with the performance of official duties as defined in section 1-85 has a potential conflict of interest. . . .”

In providing background information regarding Mrs. Lamont’s business activities at Oak HC/FT, OIP and their respective portfolio companies, the petitioner identifies which of these entities would meet the definition of an “associated business” under General Statutes § 1-79 (2) and thus be subject to §§ 1-85 and 1-86 (a).

The petitioner also identifies two possible scenarios in which substantial conflicts of interest might arise regarding Governor Lamont’s and Mrs. Lamont’s “associated businesses” and provides proactive measures to eliminate any possibility of both substantial and potential conflicts of interest, by having Governor Lamont and Mrs. Lamont recuse themselves from taking official action that directly and specifically involves Oak HC/FT, OIP and any of their respective portfolio companies.

Under the proposed recusal process, which includes the creation of a regularly updated recusal list with respect to Oak HC/FT, OIP and any of their respective portfolio companies, Governor Lamont and Mrs. Lamont will (1) abstain from any official action that directly and specifically relates to such companies, (2) exercise no oversight responsibilities for matters relating to any such companies, and (3) take no steps to attempt to influence the outcome of any actions regarding any such companies.

Because recusal is the remedy for both substantial and potential conflicts, the proposed recusal process to which the Governor and Mrs. Lamont will adhere is appropriate under the Code and should engender compliance with its provisions.

#### RESPONSE TO QUESTION 2

General Statutes § 1-84 (i) (1) provides, in relevant part, that “no public official . . . or member of the official[’] . . . immediate family or a business with which he is associated shall enter into any contract with the state, valued at one hundred dollars or more . . . unless the contract has been awarded through an open and public process . . . .” The petitioner acknowledges that Governor Lamont and Mrs. Lamont and any of their “associated businesses” are barred from entering into state contracts unless such contracts are subject to “open and public” process required under § 1-84 (i) (1).

Although the State enters into contracts on a noncompetitive basis, defined under the Office of Policy and Management (OPM) Procurement Standards as “sole source contracts,” the former State Ethics Commission concluded in an informal opinion that the “open and public” requirement of § 1-84 (i) (1) may not be waived for such contracts. Request for Advisory Opinion No. 0283 (1987).

Nevertheless, we confirm that the Governor’s proposed instruction to the OPM not to approve sole-source contracts with Oak HC/FT, OIP and any of their respective portfolio companies listed on the recusal list, combined with Mrs. Lamont’s similar

instruction to Oak HC/FT, OIP and those related portfolio companies that constitute “associated businesses,” will better ensure compliance with § 1-84 (i) (1).

### RESPONSE TO QUESTION 3

The Governor’s and Mrs. Lamont’s proposed plan to use an independent intermediary to manage the bulk of their assets for the purpose of divesting control over and knowledge of such assets and, therefore, minimizing the need for recusals under the conflict of interests provisions of the Code is functionally similar to the use of a blind trust. Under the Code, a blind trust is “a trust established by a public official . . . for the purpose of divestiture of all control and knowledge of assets.” (Emphasis added.) General Statutes § 1-79 (1). The former State Ethics Commission recognized the blind trust “as an appropriate device for avoidance of conflicts.” Advisory Opinion No. 96-24.

Because divestiture of all control and knowledge of assets is the critical element required for the avoidance of substantial and potential conflicts of interests, a management vehicle that contains this element will be treated in a similar fashion as a blind trust under the Code. See Conflicts of Interest Board Advisory Opinion No. 2007-4 (Dec. 26, 2007) regarding New York City Mayor Michael Bloomberg’s arrangement to divest knowledge and control for his investments.

Nevertheless, the divestiture of knowledge and control requirement cannot extend to investments or assets in which the holder’s ownership right or interest is required to be recorded in a public office or those assets whose permanency makes transfer by the intermediary improbable or impractical, e.g., a business or real property. In fact, the Governor and Mrs. Lamont’s “associated businesses” discussed in the responses to questions 1 and 2, above, (i.e., Oak HC/FT, OIP and certain portfolio companies), would not be subject to divestiture because of the active role that Mrs. Lamont plays in them as the owner, officer or director.

Further, the proposed grant of a durable power of attorney to an independent intermediary to effectuate the divestiture of all control and knowledge of assets must be in place for the duration of the Governor’s time in office. During this period, for those assets that are managed by the independent intermediary, to which the petitioner refers as Managed Investments, neither the Governor nor Mrs. Lamont would be required to recuse themselves from any official action regarding such investments, because they would have no knowledge or control regarding them. If, however, the Governor or Mrs. Lamont subsequently gains knowledge or control over an asset or investment that has been placed under the management of the independent intermediary, such asset or investment will become subject to the recusal process outlined by the petitioner for the purpose of compliance with §§ 1-85 and 1-86 (a).

Further, the proposed intermediary’s instructions to the broker, manager or general partner of each account, fund or partnership holding Managed Investments that all communications regarding such investments should be exchanged solely with the intermediary or the intermediary’s designee is consistent with the divestiture of all control and knowledge of assets requirement.

The proposed exceptions to interactions between the intermediary and the Governor or Mrs. Lamont described in your letter concerning (i) general investment parameters, (ii) cash disbursements, and (iii) the provision of general information as to the overall performance of all Managed Investments under the intermediary’s

control and for the purpose of preparing tax returns, among other legal obligations, are acceptable, provided such excepted interactions adhere to the non-disclosure of specific identifiable assets that are subject to the divestiture of all control and knowledge.

Finally, Governor Lamont and Mrs. Lamont must provide the Office of State Ethics with a copy of the executed agreement granting the Power of Attorney to an independent intermediary.

#### RESPONSE TO QUESTION 4

As a state-wide elected officer, the Governor is a required filer of a Statement of Financial Interests (SFI), as set forth in General Statutes § 1-83. The Governor filed his first report on May 1, 2019, providing information for calendar year 2018, as required under that provision.

With respect to the Governor's filing for calendar year 2019 - which will be due on or prior to May 1, 2020, and which will contain all required information prior to the date of the grant to the intermediary of a durable power of attorney over Managed Investments, as discussed above, and, thereafter, only those securities and other property not under the control of the intermediary - such manner of filing will be treated similarly as the disclosure of a blind trust.

Because the proposed power of attorney arrangement is being recognized as a functional equivalent of a blind trust under the Code, the SFI filing for calendar year 2019 and any subsequent filing for the period in which the Governor is in office must identify the existence of the Power of Attorney and name the intermediary in a manner similar to that required for the identification of a blind trust, without the disclosure of any specific assets over which the Governor and Mrs. Lamont have no control or knowledge and which are under the control of the intermediary holding the Power of Attorney.

In sum, the proposed disclosures for the Governor's SFIs are consistent with the filing requirements set forth in § 1-83 and the reporting provisions outlined in §§ 1-81-2 through 1-81-11 of the Regulations of Connecticut State Agencies.

#### RESPONSE TO QUESTION 5

As public officials, Governor Lamont and Mrs. Lamont are also subject to the "use of office" prohibition, under which a public official may not use his or her office or any confidential information acquired by virtue of his or her office for personal financial benefit or the financial benefit of certain family members or any associated businesses. General Statutes § 1-84 (c). This "use of office" prohibition restricts, for example, exploitation of a public official's state authority or contacts, or confidential information acquired in state service, to advance or facilitate private business interests. See Declaratory Ruling 2011-A.

We confirm that the Governor's and Mrs. Lamont's plans for avoiding the misuse of confidential information obtained by reason of his or her office as outlined by the petitioner are adequate and should better ensure compliance with § 1-84.

Before closing, we recommend that if there are any substantive changes to the steps taken by Governor Lamont and Mrs. Lamont concerning their financial assets and associated businesses, the petitioner should contact the Office of State Ethics for further advice.

CONCLUSION

We conclude that the steps taken by Governor Lamont and Mrs. Lamont concerning their financial assets and associated businesses, as set forth in this opinion, are adequate to better ensure compliance with the Code, particularly its conflict-of-interests provisions and disclosure requirements.

Dated 5/16/19

By order of the Board,  
/s/Dena M. Castricone  
Chairperson ~~Vice-Chairperson~~