



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

ADVISORY OPINION NUMBER 84-7

Business with which State Employee is Associated
Contracting with Employee's State Institution

A community college and a hospital have entered into a contract under which the parties agree to establish and operate jointly an instructional program leading to associate degrees in various disciplines of radiologic technology. The hospital, for a period of one year, is to provide specialized and clinical instruction in the program. The agreement may be renewed, at the option of the college, for one year. Other institutions in the region may become affiliated with the program.

Since the agreement was reached, the president of the community college has been elected to the board of directors of the hospital. The directors of the hospital, a nonprofit corporation, are not paid for their services. The Ethics Commission has been asked how the Code of Ethics for Public Officials, Chapter 10, Part I, General Statutes, applies to the situation.

The president of a regional community college is a State employee, subject to the Code of Ethics for Public Officials. Subsection 1-79(k), General Statutes. Since the president is not paid for acting as a director of the hospital, it is not "employment" for purposes of the Code. Advisory Opinion Number 80-18, 42 Conn. L. J. No. 22, p. 23 (November 25, 1980). Therefore, the provisions of subsection 1-84(b), General Statutes concerning outside employment are not applicable. The corporation of which the president is a director is a "business with which he is associated," subsection 1-79(a), General Statutes, even though the hospital is nonprofit and the president, as a director of it, is unpaid. Cf. Advisory Opinions Number 79-18, 41 Conn. L.J. No. 1, p. 22 (July 3, 1979); 80-7, 41 Conn. L.J. No. 37, p. 21 (March 11, 1980); and 82-2, 43 Conn. L.J. No. 35, p. 12B (March 2, 1982). As a consequence, the president must refrain from using his public position, or confidential information received through holding it, to obtain financial gain for the hospital. Subsection 1-84(c), General Statutes. If he is required to take official action which would have a consequential affect on the financial interests of the hospital he must inform his superior in writing; his superior assigns the matter to another. Section 1-86, General Statutes.

Phone: (203) 566-4472

30 Trinity Street • Hartford, Connecticut 06115

An Equal Opportunity Employer

The contract with one of the State's regional community colleges is a contract with the State, for purposes of subsection 1-84(i), General Statutes. When the contract between the community college and the hospital was signed the president was not a member of the hospital's board of directors. There is no indication that any public official, State employee, or member of either's immediate family bore a relationship to the hospital which would make it a "business with which he is associated". See subsection 1-79(a), above. Therefore, the contract, which has a value far in excess of \$100, could be reached without regard to the procedures of subsection 1-84(i), above. Simply extending the contract for a year, as its terms permit, would not be considered "entering into" a contract with the State. However, if the community college is still the only educational institution involved in the program and wishes to enter into a successor contract for specialized and clinical instruction in the field of radiologic technology, and the president is still a director of the hospital currently obligated to provide the instruction, the contract must be awarded through the open and public process required by subsection 1-84(i), above. The community college will have to make a public offer. All institutions capable of providing the second party's contribution to the joint instructional program will have to be eligible to compete to furnish the services. (The hospital presently under contract, if otherwise qualified, may seek the new one.) Proposals by those willing to provide the services, and the contract awarded, will have to be publicly disclosed. Subsection 1-84(i), General Statutes.

By order of the Commission,

Lucille E. Brown

Lucille E. Brown
Chairperson

Date 4 April 1984