



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

CONFIDENTIAL

DOCKET NUMBER 2003-7) STATE ETHICS COMMISSION
IN THE MATTER OF A) 20 TRINITY STREET
COMPLAINT AGAINST) HARTFORD, CT 06106
LAWRENCE E. ALIBOZEK) MAY 12, 2003

COMPLAINT

COUNT ONE

1. At all pertinent times relevant hereto, Lawrence E. Alibozek ("the Respondent") was a state employee as that term is defined in Conn. Gen. Stat. § 1-79(m).
2. At all pertinent times relevant hereto, the Respondent was the Deputy Chief of Staff at the Governor's Office.
3. Pursuant to Conn. Gen. Stat. § 1-84(c), no state employee shall use his position to obtain financial gain for himself.
4. The Respondent took checks, gold bullion coins, cash, and other things of value in return for steering large state contracts to certain individuals and/or their companies.
5. The Respondent took kickbacks through a corporation called TREA, LLC for directing state contracts to certain individuals and/or companies.
6. By virtue of the above, the Respondent violated § 1-84(c).
7. In part, subsection (d) of § 1-88 provides that any person who knowingly acts in his financial interest in violation of § 1-84 or any person who knowingly receives a financial advantage resulting from a violation of said section "shall be liable for damages in the amount of such advantage."
8. The Respondent knowingly acted in his financial interest in violation of § 1-84(c), or knowingly received a financial advantage resulting from a violation of § 1-84(c).

9. As set forth in Count 3 of this Complaint, the Respondent fraudulently concealed his violations of § 1-84(c).

COUNT TWO

1. Paragraphs 1 and 2 of the First Count are incorporated herein as paragraphs 1 and 2 of this, the Second Count, as if fully set forth herein.

3. Pursuant to Conn. Gen. Stat. § 1-84(g), no state employee shall solicit or accept anything of value, including but not limited to a gift or reward, based on any understanding that official action or judgment of the state employee would be or had been influenced thereby.

4. The Respondent took checks, gold bullion coins, cash, and other things of value in return for steering large state contracts to certain individuals and/or their companies.

5. The Respondent took kickbacks through a limited liability corporation called TREA, LLC for directing state contracts to certain individuals and/or companies.

6. On March 10, 2003, the Respondent pled guilty in Federal District Court to conspiracy to accept corrupt payments.

7. In so pleading, the Respondent admitted that he knowingly, willfully and corruptly conspired to accept things of value intending to be influenced and rewarded in connection with the business of the State of Connecticut, and that he did take gold, cash and things of value with the intent to be influenced and rewarded by taking favorable action in connection with state business.

8. By virtue of the above, the Respondent violated § 1-84(g).

9. In part, subsection (d) of § 1-88 provides that any person who knowingly acts in his financial interest in violation of § 1-84 or any person who knowingly receives a financial advantage resulting from a violation of said section "shall be liable for damages in the amount of such advantage."

10. The Respondent knowingly acted in his financial interest in violation of § 1-84(g), or knowingly received a financial advantage resulting from a violation of § 1-84(g).

11. As set forth in Count 3 of this Complaint, the Respondent fraudulently concealed his violations of § 1-84(g).

COUNT THREE

1. Paragraphs 1 and 2 of the First Count are incorporated herein as paragraphs 1 and 2 of this, the Third Count, as if fully set forth herein.

3. As the Deputy Chief of Staff, the Respondent was in a fiduciary relation to the citizens of the State of Connecticut in that in carrying out his job, he had a duty to act for their benefit.

4. On March 10, 2003, the Respondent pled guilty in Federal District Court to conspiracy to accept corrupt payments and to impair and impede the functions of the Internal Revenue Service (IRS).

5. In so pleading, the Respondent admitted that he knowingly, willfully and corruptly conspired to accept things of value intending to be influenced and rewarded in connection with the business of the State of Connecticut, and that he did take gold, cash and things of value with the intent to be influenced and rewarded by taking favorable action in connection with state business.

6. In pleading guilty, the Respondent admitted that he took steps to conceal the cash, gold bullion coins, checks, and other things of value that he took in exchange for steering large state contracts.

7. Pursuant to Conn. Gen. Stat. § 1-83, the Respondent had a duty to annually file with the Connecticut State Ethics Commission a Statement of Financial Interests.


8. The Respondent did not disclose as sources of income on his 1999 Statement of Financial Interests the cash, gold bullion coins, checks, and other reportable things of value that he took in violation of Conn. Gen. Stat. §§ 1-84(c) and (g), as set forth in Counts One and Two of this Complaint, and therefore concealed said violations from the Commission and the public which has the right to see all Statements of Financial Interests.

9. Pursuant to the Connecticut Income Tax laws, the Respondent had the duty to disclose all sources of income.

10. On information and belief, the Respondent did not disclose on his 1999 Connecticut Income Tax Return the cash, gold bullion coins, checks, and other reportable things of value that he took in violation of Conn. Gen. Stat. §§ 1-84(c) and (g), as set forth in Counts One and Two of this Complaint, and therefore concealed said violations from the State.

11. Because of the Respondent's fraudulent concealment of his illegal acts, the statute of limitations set forth in Conn. Gen. Stat. § 1-82(d) has been tolled by virtue of Conn. Gen. Stat. § 52-595.

May 13, 2003
Date)


Denise Rodosevich
Commission Attorney



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

DOCKET NO. 2003-7

IN THE MATTER OF A

COMPLAINT AGAINST

LAWRENCE E. ALIBOZEK

STATE ETHICS COMMISSION

20 TRINITY STREET

HARTFORD, CT 06106

JULY 15, 2003

NOTICE OF TERMINATION OF PRELIMINARY INVESTIGATION:
PROBABLE CAUSE FINDINGS AND REASONS THEREFORE

Preliminary to its Statement of Findings, the Commission notes for the record the applicable legal standard in this matter:

Probable cause: Probable cause is more than a mere suspicion but less than a preponderance of the evidence. The term "reasonable grounds" can be equated with the term "probable cause." To find probable cause there must be knowledge of the facts sufficient to justify a reasonable person in the belief that there are reasonable grounds for prosecuting the complaint. Vandersluis v. Weil, 176 Conn. 353, 356 (1978); Delaurentis v. New Haven, 220 Conn. 225, 256 (1991).

PROBABLE CAUSE FINDINGS RE: STATUTE OF LIMITATIONS

The substantive allegations in Counts One and Two of the Complaint (copy attached) reference events occurring more than three years before the filing of said Complaint. As a consequence, preliminary to any consideration of these allegations, the Commission must determine whether there exists sufficient grounds to toll the Ethics Code's Statute of Limitations in this matter.

Finding: The Commission finds probable cause to toll the statute of limitations in this matter.

Reasons: Under Connecticut Law, fraudulent concealment of a cause of action provides a legal basis for tolling a statute of limitations. Conn. Gen. Stat. §52-595.

Based on the exhibits and cited case law, the Commission finds that the Respondent, as Deputy Chief of Staff to the Governor, owed a fiduciary duty to the State and its citizens. As a result, under the cited cases, the Respondent had the legal burden of establishing that he did not fraudulently conceal his wrongdoing from the Commission.

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Given that the Respondent, after notice, declined to participate in the probable cause hearing, this burden has not been met. Therefore, the Commission finds that the statute of limitations is tolled in this matter.

Separate and distinct from the conclusion that the Respondent was a fiduciary, the Commission also finds, based on the exhibits and cited cases, that the Complainant has established all necessary elements to toll the statute of limitations in this matter: 1. the Respondent's actual awareness of the facts necessary to establish the Complainant's cause of action; 2. the Respondent's intentional concealment of these facts from the Commission; and 3. that the Respondent's concealment was for the purpose of delaying the filing of a complaint.

Moved by Commissioner Jenkins; seconded by Commissioner Smith. Adopted 5-0.

PROBABLE CAUSE FINDINGS RE: ALLEGATIONS IN COMPLAINT

Finding: The Commission finds probable cause to believe the Respondent violated §1-84 of the Code as alleged in the Complaint.

Reasons: Based on the exhibits, and in particular based on the Respondent's written and oral admissions incident to his plea agreement in United States of America v. Lawrence E. Alibozek, No. 3: 03CR00063(RNC) (March 10, 2003), the Commission finds the Respondent violated Conn. Gen. Stat. §§1-84(c) and (g).

Finding: The Commission finds probable cause to believe the Respondent knowingly acted in his financial interest in violation of §1-84 or knowingly received a financial advantage resulting from a violation of §1-84. As a consequence, the Commission further finds probable cause that the Respondent is liable for damages as provided for in Conn. Gen. Stat. §1-88(d).

Reasons: Again based on the exhibits, and in particular based on the Respondent's above referenced admissions, the Commission finds the Respondent knowingly benefited financially from his violation of §1-84. Furthermore, although the Commission does not interpret the language of §1-88(d) to require that the Respondent also knowingly violated §1-84, the Commission finds that the Respondent did, in fact, knowingly violate §§1-84(c) and (g).

Moved by Commissioner Smith; seconded by Commissioner O'Connor. Adopted 5-0.

ACTIONS RESULTANT FROM THE COMMISSION'S FINDINGS

Pursuant to Conn. Gen. Stat. §1-88(d), the Commission directs staff to refer this matter to the Attorney General for action, as he deems appropriate, pursuant to Conn. Gen. Stat. §1-89(c).

The Commission finds no further action by this Agency is necessary or appropriate, and directs staff to close the file in this matter.

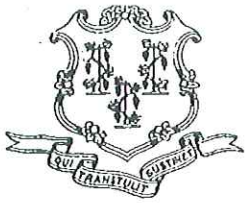
Moved by Commissioner O'Connor; seconded by Commissioner Smith. Adopted 5-0.

By order of the Commission,

A handwritten signature in cursive script that reads "Cindy Carmata". The signature is written in black ink and is positioned above the printed name.

Cindy Carmata

Clerk of the Commission



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

July 15, 2003

Hon. Richard Blumenthal
Attorney General
55 Elm Street
Hartford, CT 06106

Dear Attorney General Blumenthal:

I am writing, on behalf of the Ethics Commission, in response to your letter of April 25, 2003.

Having found probable cause that Lawrence E. Alibozek violated Conn. Gen. Stat. §§1-84(c) and (g), and having found that he knowingly acted in his financial interest in violation of §1-84 or knowingly received a financial advantage resulting from such violation, the Ethics Commission is hereby referring the Alibozek matter (Ethics Commission Docket No. 2003-7) to your Office pursuant to Conn. Gen. Stat. §1-88(d), and per your request. Specifically, the Commission directed that this case be transferred to the Attorney General for action as you deem appropriate pursuant to Conn. Gen. Stat. §1-89(c). The Commission, in making this referral, also respectfully requests that as your Office proceeds it seek to do so in a manner consistent with the ongoing concerns of the Office of the U.S. Attorney.

The Ethics Commission is, of course, most willing to provide your staff with any assistance possible in bringing this matter to resolution.

By order of the Commission,


Alan S. Plofsky
Executive Director and General Counsel