



# STATE OF CONNECTICUT

## STATE ETHICS COMMISSION

DOCKET NUMBER 2000-4

STATE ETHICS COMMISSION

IN THE MATTER OF A

20 TRINITY STREET

COMPLAINT AGAINST

HARTFORD, CT 06106

ORVILLE C. KARAN

NOVEMBER 29, 2000

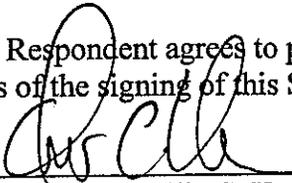
### STIPULATION AND ORDER

Pursuant to Connecticut General Statutes §4-177(c), the State Ethics Commission and the Respondent agree to settle this matter in the manner described below:

1. The Commission finds that the Respondent violated the Code of Ethics for Public Officials by accepting \$24,000 in payments as alleged in Paragraphs 7 and 15 of the Complaint dated February 24, 2000. The Commission finds that the Respondent did not violate the Code of Ethics for Public Officials as alleged in Paragraph 14 of the Complaint.
2. The Respondent states that he denies that he violated the Code of Ethics for Public Officials in accepting compensation for consulting work performed for a private non-profit agency, but has agreed to settle this matter in the interest of avoiding lengthy and costly litigation.
3. The Respondent waives any rights he may have under Conn. Gen. Stat. §§1-82, 1-82a, 1-87 and 1-80, including any right to any further hearing or appeal in this case, and agrees with the Commission to an informal disposition of this matter as authorized by Conn. Gen. Stat. §4-177(c).

WHEREFORE, the State Ethics Commission enters and the Respondent agrees to the following order in lieu of any other action regarding this matter:

The Respondent agrees to pay \$15,000 to the Ethics Commission within thirty days of the signing of this Stipulation and Order.

  
Respondent, Orville C. Karan

11/29/00  
Dated

  
State Ethics Commission  
By: Rosemary Giuliano  
Its Chairperson

30 NOV 00  
Dated

okstiporder



# STATE OF CONNECTICUT

## STATE ETHICS COMMISSION

CONFIDENTIAL

DOCKET NUMBER 2000-4

IN THE MATTER OF A

COMPLAINT AGAINST

ORVILLE C. KARAN

STATE ETHICS COMMISSION

20 TRINITY STREET

HARTFORD, CT 06106

FEBRUARY 22, 2000

### COMPLAINT

1. At all times relevant to this complaint, the Respondent Orville Karan was a state employee as that term is used in the Code of Ethics for Public Officials, Conn. Gen. Stat. §1-79 et seq., employed at one time as Director of the University of Connecticut's A.J. Pappanikou Center on Special Education and Rehabilitation, and at all times as a professor in the School of Education at the University of Connecticut.
2. During his tenure as Director of the Pappanikou Center, the Respondent supervised and was substantially involved in the establishment of Directions, Inc., a non-profit corporation.
3. In pertinent part, Connecticut General Statutes §1-84(c) prohibits a state employee from using his public position to obtain financial gain for himself.
4. On January 10, 1997, the Ethics Commission issued an advisory opinion which held that, because of the Respondent's involvement in his official capacity with Directions, Inc., his acceptance of any remuneration from Directions, Inc. would violate Conn. Gen. Stat. §1-84(c). The Commission stated that the Respondent "may not accept outside employment with a corporation which, in his official capacity, he was substantially responsible for creating, privatizing and funding."
5. In June of 1997, a second corporation, Directions of Rhode Island, was formed.
6. On June 30, 1997, Directions, Inc. transferred \$30,000 to Directions of Rhode Island. No other funds were provided to Directions of Rhode Island from any other source.
7. Beginning in November of 1997, the Respondent was paid \$2000 per month by Directions of Rhode Island as a "consulting fee." In all, the Respondent was paid \$24,000 by Directions of Rhode Island.

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8. Directions of Rhode Island never provided any services in Rhode Island or elsewhere.

9. The last \$2000 payment to the Respondent from Directions of Rhode Island was made on June 30, 1998.

10. By letter dated July 23, 1998, the Respondent's attorney Andrew Feinstein asked the Ethics Commission to reconsider Advisory Opinion No. 97-1, the ban on fee payments from Directions, Inc. to the Respondent.

11. On October 2, 1998, the Ethics Commission met and reconsidered Advisory Opinion No. 97-1, agreeing to allow the Respondent to accept employment "prospectively" from Directions, Inc.

12. Directions of Rhode Island has lain dormant since its last payment to the Respondent.

13. In June of 1995, the Respondent asked for and received an Ethics Commission staff opinion that he could accept out-of-pocket reimbursements from Directions, Inc., although he could not accept compensation from that corporation for consulting work.

14. In September and December of 1997, the Respondent received office furniture in excess of \$1000, paid for by Futures/Directions, Inc., in contravention to the rulings of the Ethics Commission.

15. Each and every payment described in Paragraph 7 and each and every benefit described in Paragraph 14 constitute a violation of Conn. Gen. Stat. §1-84(c).

2/24/00  
Date

Brenda M Bergeron  
Brenda M. Bergeron  
Ethics Commission Attorney

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# STATE OF CONNECTICUT

## STATE ETHICS COMMISSION

November 30, 2000

### PRESS RELEASE

On February 24, 2000, Ethics Commission Principal Attorney Brenda M. Bergeron filed a Complaint alleging a violation of the Code of Ethics for Public Officials, Conn. Gen. Stat. §1-79 et seq., against Orville C. Karan, a professor at the University of Connecticut. The Complaint alleged that Dr. Karan used his state position for financial gain by accepting \$24,000 in payments from Directions of Rhode Island, an entity initiated and funded by Directions, Inc., a Connecticut corporation, after the Ethics Commission had issued an advisory opinion prohibiting Dr. Karan from accepting compensation from Directions, Inc.

On November 30, 2000, the Ethics Commission and the Respondent settled this matter by entering into a Stipulation and Order. The Commission found that the Respondent had violated the Code of Ethics as alleged and the Respondent agreed to pay a civil penalty of \$15,000, which represents the \$24,000 he received, less taxes.

Copies of the Complaint and the Stipulation and Order are attached.

#### FOR MORE INFORMATION CALL:

Alan S. Plofsky  
Executive Director and General Counsel

Or

Brenda M. Bergeron  
Principal Attorney

566-4472

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