



Department of Economic and  
Community Development

Connecticut

October 30, 2019

The Honorable Kevin Lembo, Comptroller  
State of Connecticut  
55 Elm Street  
Hartford, CT 06106

Dear Comptroller Lembo:

Thank you for your letter dated October 28, 2019, in reference to the CT Port Authority's (CPA) fiscal year 2018 expenditure summary. After reading your letter, and the related article in the New London Day (which appeared on the same day of your letter), it appears that there is some confusion, and I welcome this opportunity to clear it up.

First and foremost, as you know, on July 30, 2019, Governor Ned Lamont directed me, as the Acting Chair of the CPA, the Office of Policy and Management (OPM), and the outside resources we have brought on board to take all actions necessary to ensure that the CPA operates in a fully transparent and professional manner. This corrective action was ordered as a direct result of the Governor's assessment that the CPA was not operating in a professional manner – resulting in the removal and resignation of board members and professional staff. In addition to inserting ourselves into the day to day operations of the CPA, the Governor also directed us to perform an audit of any and all previous actions of the CPA, in addition to support the efforts of the Connecticut State Auditors of Public Accounts, who are conducting an biennial audit of the Connecticut Port Authority and are reviewing a whistleblower complaint concerning management misuse of funds.

The immediate results of the Lamont Administration's findings were publicly provided to the Connecticut General Assembly's Transportation Committee on August 20<sup>th</sup>, 2019 where I testified along with the Governor's Chief Operating Officer, as well as an updated progress and findings summary to the Transportation Committee on October 18<sup>th</sup>, 2019. Within that summary, we identified that the submittal to your office of checkbook level detail regarding the operating expenditures for fiscal year 2018, was incomplete. OPM staff, along with CPA staff at my direction, set about to rectify the problems with the original submission. This included OPM staff notifying your office on September 30<sup>th</sup> about this matter as soon as the problem was determined. As a result, a revised submittal for the fiscal year 2018 period was sent to Mr. Joshua Wojcik, Assistant Comptroller and lead contact for OpenCheckbook CT, at my direction, on October 24, 2019. It is attached here again for your convenience.

For additional background (all of which provided to your staff), during fiscal year 2018, payments to CPA vendors were being made out of Core-CT by DECD who was then assisting CPA on administrative matters, and out of a checkbook opened by the CPA. In an apparent oversight by the former management of the CPA, the Core-CT payments, totaling \$698,377 were not included in the original submission to your office. In addition, a significant portion of the payments in Core-CT involve capital-type expenditures, many funded through State bond funds. While we understand the open checkbook

only pertains to operating costs, the CPA's fiscal year 2018 independent audit classified a significant portion of capital-type expenditures under operating expenditures. This was incorrect, and has been rectified. Nevertheless, to err on the side of complete transparency, we have included both these capital-type expenditures and more traditional operating expenditures paid through Core-CT during the period of July 5, 2017 to June 29, 2018 in our revised submittal sent on October 24, 2019. A separate list of the vendor payments made in Core-CT for this period is also attached.

In addition to the above-referenced apparent oversight, our internal audit also determined that the former management at the CPA selectively omitted payments made through CPA's checkbook from their submission to your office. Attached are both the complete list of expenditures from CPA's checkbook – submitted to your office last week – and the original submission to your office. The first involves the full list of payments reported out of QuickBooks for the period of July 3, 2017 to June 30, 2018 totaling \$418,460. The second is a shorter list of payments for this period that was submitted to your office in response to a request for check-level detail related to fiscal year 2018 totaling approximately \$382,576. We are still working to determine exactly how the decision was made by prior management to selectively omit expenditures resulting in their prior submission.

We understand that missing payments in CPA's original submittal to your vital window on spending by State agencies, including the CPA, is fully unacceptable. As Acting Chair, I, along with OPM and other resources that the Governor has dedicated to addressing these and other matters at the CPA, are fully committed to working with your office and others to ensure transparency, accountability and best-practices in the operations of the CPA. This is exactly why we brought this issue to your office's attention and proactively rectified it through a modified submission last week. We continue to be available to meet with you and your staff to discuss and review the CPA's revised submittal and issues associated original submittal. We are also offering to enter into a Memorandum of Understanding (MOU) with your office comparable to that which a number of other quasi-public agencies have executed regarding the annual submittal of financial information.

Once again, I thank you for your letter, and please feel free to contact me directly regarding any questions or additional information you or your staff may have.

Sincerely,



David Kooris

Acting Chair of the Connecticut Port Authority

Deputy Commissioner, Connecticut Department of Economic Development

Cc: Secretary Melissa McCaw, Office of Policy and Management  
Robert Dakers, Office of Policy and Management  
Casandra Berthiaume, Connecticut Port Authority