



— STATE COMPTROLLER —
SEAN SCANLON

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COMPTROLLER SEAN SCANLON ANNOUNCES FINDINGS AND RECOMMENDATIONS FROM SOCIAL EQUITY COUNCIL AUDIT

(HARTFORD, CT) – Comptroller Sean Scanlon today announced the findings and recommendations of the Office of the State Comptroller’s (OSC) special examination of the Social Equity Council (SEC).

At the request of Governor Lamont in May, OSC reviewed the activities of the SEC occurring in, but not limited to, the fiscal years ended June 30, 2023 and 2024. The focus of this examination was on the SEC’s financial management and governance practices, including adherence to relevant statutes and regulations; the process of awarding licenses, grants, and loans; and program effectiveness.

“As Connecticut’s fiscal watchdog, it is my job to ensure taxpayer dollars are being spent effectively and responsibly,” **said Comptroller Scanlon**. “Over the past four months, my office has thoroughly examined the Social Equity Council, and this morning we are presenting both our findings and ten recommendations for how we can strengthen the integrity and effectiveness of this important program.”

During this examination, OSC reviewed more than a thousand documents provided by the SEC and interviewed applicants and licensees who came before the SEC. While the OSC does not possess subpoena power, the Office found no evidence of criminal wrongdoing that warranted a referral to law enforcement.

As a result of examining governance practices, decision-making processes, financial management, program effectiveness, criteria used in awarding grants and contracts, stakeholder engagement, and adherence to relevant statutes and regulations, the OSC has recommended the following to improve the business of the SEC.

Legislative Recommendations

1. Eliminate subjectivity by establishing objective, clear criteria and consistent procedures to evaluate applicants.
2. Strengthen internal controls.
3. Require annual ethics training for Council members and staff, and establish an ethics code.
4. Draft a strategic plan.
5. Statutorily define how the Council shall use appropriated funds.
6. Create a review timeframe for the Canna-business Revolving Loan Program.

Operational Recommendations

1. Formalize the review process to increase transparency and remove ambiguity.
2. Increase internal communication.
3. Retain all supporting documentation related to the contracting process.
4. Increase communication with external stakeholders.

Social Equity Council members and staff cooperated throughout the examination process, including providing request documentation and participating in interviews. Potential and awarded licensees and grantees participated in interviews on a voluntary basis. The Office of the State Comptroller is committed to supporting the SEC in implementing these recommendations.

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