

**CONFIDENTIAL**

**Office of State Ethics  
18-20 Trinity Street, Suite 205  
Hartford, Connecticut 06106-1660**

**COMPLAINT**

I wish to register a complaint alleging a violation of:

- The Code of Ethics for Public Officials and State Employees, Chapter 10, Part I, General Statutes (if possible, please note the specific code section here: Conn. Gen. Stat. secs. 1-85, 1-86 )
- The Code of Ethics for Lobbyists, Chapter 10, Part II, General Statutes (if possible, please note the specific code section here: )
- The Code of Ethics for State Contractors, Chapter 10, Part IV, General Statutes (if possible, please note the specific code section here: )

Name(s) and address(es) of respondent(s) (i.e., person(s) or organization(s) in alleged violation of the Code of Ethics):

Name: Katharine Wade, Insurance Commissioner

Street Address: 153 Market Street, 7th Floor

City: Hartford

State: CT

Zip: 06103

Name:

Street Address:

City:

State:

Zip:

Name:

Street Address:

City:

State:

Zip:

The respondent(s) allegedly violated the Code of Ethics as follows (please be as specific as possible with regard to time, place, actions, and other persons involved):

The Connecticut Insurance Department will consider the proposed merger between to insurers, Anthem and Cigna. According to news reports, Insurance Commissioner Kartharine Wade has not recused herself from the review, but more importantly refuses to do so. See Ana Radelat, Aetna-Humana, Anthem-Cigna Mergers Spark D.C. Lobbying War, The CT Mirror, August 31, 2015 (Attached as Exhibit A). It appears, however, that Commissioner Wade has a substantial conflict of interest and should not be permitted to take action on the Anthem-Cigna merger. Commissioner Wade was previously employed by Cigna and her husband is currently employed by Cigna. See id. Moreover, both Commissioner Wade and her husband own common stock in Cigna and have a Cigna 401(k) account, which is disclosed on Commissioner Wade's Statement of Financial Interest. In determining whether Commissioner Wade has a substantial conflict of interest, both Commisisoner Wade and her spouse's interests are considered. See Conn. Gen. Stat. secs. 1-85; see also id. sec. 1-86 (potential conflict of interest). A public official must abstain from taking official action on the matter that presents a substantial conflict of interest for her or her spouse. Office of State Ethics, Public Officials and State Employees Guide to the Code of Ethics, pg. 10. In this case, it appears the issue before the Insurance Department will directly affect Commissioner Wade's husband's employer, as well as directly effect both Commissioner Wade and her spouse's financial interests because they both own Cigna common stock and 401(k) accounts. We request the Office of State Ethics investigate this issue and take appropriate action.

**Complainant's contact information:**

Name: Matthew G. Whitaker, Executive Director of Foundation for Accountability & Civic Trust

Street Address: 1717 K Street NW, Suite 900

City: Washington.DC

State:

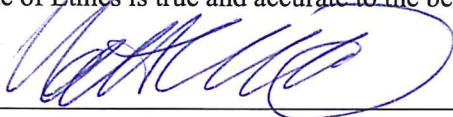
Zip: 20006

E-mail: info@factdc.org

Phone: 202-787-5860

I hereby certify under penalty of false statement that the foregoing statement describing a possible violation of the designated Code of Ethics is true and accurate to the best of my knowledge and belief.

Signature: \_\_\_\_\_



Date: \_\_\_\_\_

9/16/15

**NOTE:**

- 1) This complaint will not be considered filed without the name, address, and original signature of the Complainant. Mail or hand-deliver this complaint to:

Office of State Ethics  
18-20 Trinity Street, Suite 205  
Hartford, CT 06106

Complaints will **not** be accepted electronically or by fax.

- 2) Once filed, this complaint may not be withdrawn by the Complainant except with permission of the Citizen's Ethics Advisory Board.
- 3) In addition to the criminal penalties that may be imposed upon a Complainant who, under penalty of false statement, knowingly files a false complaint, the Code of Ethics provides that if any complaint is made with the knowledge that it is without foundation in fact, the person against whom the complaint is made (the Respondent) has a cause of action against the Complainant for double the amount of damages caused. If the Respondent prevails in the action, the cost of the action together with reasonable attorney fees may also be awarded to the Respondent by the court.
- 4) The Office of State Ethics' preliminary investigation of a complaint is confidential unless the Respondent requests that it be open. Unless the Office of State Ethics advises you otherwise, the allegations in the complaint and any information supplied to or received from the Office of State Ethics may not be disclosed to any third party by the Complainant, Respondent, witness, designated party, Office of State Ethics staff member(s), or the Citizen's Ethics Advisory Board.

The CT Mirror (<https://ctmirror.org/2015/08/31/aetna-humana-anthem-cigna-mergers-spark-d-c-lobbying-war/>)

# Aetna-Humana, Anthem-Cigna mergers spark D.C. lobbying war

By: [ANA RADELAT](#) | August 31, 2015

**Washington** – With high stakes in play, Aetna has hired four high-powered Washington lobbying firms to help the health insurer win federal approval of a merger with Humana. Cigna followed by hiring three D.C. lobbying firms this week to press its case to merge with Anthem.

To help counter criticisms of its proposed merger, [Aetna on Aug. 14 hired](#) ([http://www.senate.gov/legislative/Public\\_Disclosure/LDA\\_reports.htm](http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm)) Bloom Strategic Counsel, CGCN Group, The Gibson Group and West Front Strategies. They will join two other lobbying firms Aetna already had working on its behalf, Capitol Hill Consulting Group and Sidley Austin.

Meanwhile [Cigna last week hired](#) ([http://www.senate.gov/legislative/Public\\_Disclosure/LDA\\_reports.htm](http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm)) Polaris Government Relations, Heather Podesta + Partners and Wilmer Cutler Pickering Hale and Dorr, giving the company representation with ties to both Democratic and Republican lawmakers.

Humana and Anthem have not, as yet, hired any new representation in the nation's capital. But they both have long-term relations with Washington lobbyists.

Seth Bloom, a former general counsel to the Senate Judiciary Committee, a panel that has planned hearings on the mergers in September, is among Aetna's new stable of lobbyists. So is Joseph Gibson, a former attorney with the House Judiciary Committee, which also plans to scrutinize the proposed mergers in a series of hearings beginning next month.

Both Bloom and Gibson have close ties to GOP lawmakers.

Meanwhile, one of Cigna's new lobbyists is Heather Podesta, a major fundraiser for the Democratic Party.

The insurers' moves to supersize their lobbying presence in Washington comes after the American Hospital Association and the [American Medical Association](#) (<http://www.ama-assn.org/ama>), two medical groups with political clout, launched a campaign to try to press the Justice Department's Antitrust Division (<http://www.justice.gov/atr>) and the Federal Trade Commission to carefully scrutinize the mergers for possible antitrust problems.

Neither Aetna nor Cigna responded to requests for comments on their new lobbying hires

[Aetna](https://www.aetna.com/) (<https://www.aetna.com/>) and [Cigna](http://www.cigna.com/) (<http://www.cigna.com/>) are headquartered in Connecticut. Anthem also has a presence in the state.



(<http://3xa3sn2xtr6117bb6o2m6zvf8ea.wpengine.netdna-cdn.com/files/2013/08/aetna-courtesy-photo.jpg>)

AETNA

## Aetna headquarters in Hartford

Aetna struck a deal to buy Humana for \$37 billion, which would cover 33 million members. Anthem, a Blue Cross and Blue Shield insurer, wants to buy all of Cigna's shares in a cash and stock transaction that would cost \$54 billion and cover 53 million members.

The future of both deals is now in the hands of federal regulators, who face a complex review process given the size of the insurers and the markets they serve.

With billions of dollars at stake, the proposed mergers have launched a classic lobbying war in Washington.

The nation's doctors and hospitals say the mergers could result in a dangerous consolidation in the health insurance world that would hurt both patients and health care providers.

"To give commercial health insurers virtually unlimited power to exert control over an issue as significant and sensitive as patient health care is bad for patients and not good for the nation's health care system," said AMA President Steven Stack in a statement. "The U.S. Department of Justice has recognized that patient interests can be harmed when a big insurer has a stranglehold on a local market."

Merging with Humana would give Aetna more than one-quarter of the total Medicare Advantage market, [analysts say](http://kff.org/medicare/issue-brief/data-note-medicare-advantage-enrollment-by-firm-2015/) (<http://kff.org/medicare/issue-brief/data-note-medicare-advantage-enrollment-by-firm-2015/>). The companies hope to complete their merger at the end of next year.

The insurers say the mergers will give them more bargaining power with hospitals, doctor groups and pharmaceutical companies, and the savings would be passed on to their policyholders.

Anthem spokeswoman Sarah Yeager said the insurers are meeting with hospitals and other "stakeholders" to try to allay concerns.

"Our commitment to ensuring consumers have access to affordable health coverage and quality care is the foundation of the proposed transaction and will remain Anthem's top priority along with our commitment to provider collaboration," Yeager said.

Aetna spokeswoman Cynthia Michener also said her company's proposed mergers would result in improved medical services.

"Both Aetna and Humana are focused on developing new technologies that strengthen the partnership between consumers and their providers, which will help us move toward a more value-based health care system," she said. "Together we will have a more comprehensive spectrum of provider solutions, including a robust offering of member-centered provider services, clinical intelligence, and data integration and analytics solutions."

The mergers are being considered in tandem, the Justice Department says. On Aug. 19, Aetna and the Justice Department agreed to extend the review process for another 30 days — a process that is likely to repeat itself. Review of the Anthem-Cigna deal is also expected to be extended.

Aetna and Humana [shareholders will be able to vote](http://www.businesswire.com/news/home/20150828005058/en/Aetna-Announces-Special-Shareholder-Meeting-Held-October#.VeDV5ZdcKVA) (<http://www.businesswire.com/news/home/20150828005058/en/Aetna-Announces-Special-Shareholder-Meeting-Held-October#.VeDV5ZdcKVA>) on the merger at separate meetings on Oct. 19 in Connecticut and New York.

If both mergers go through, the list of the top seven health insurers in the nation would shrink to five.



(<http://3xa3sn2xtr6117bb6o2m6zwf8ea.wpengine.netdna-cdn.com/files/2015/08/Cigna-headquarters.jpg>)

CIGNA CORP.

**Cigna headquarters in Bloomfield**

The American Hospital Association says that “could substantially reduce competition and substantially diminish the insurers' willingness to be innovative partners with providers and consumers in transforming care.”

Because the proposed mergers are so complex, the AHA decided to detail its concerns with each in separate letters to William Baer, the head of the Justice Department's Antitrust Division – starting with Anthem and Cigna. That letter says that in order to pass antitrust scrutiny, Anthem and Cigna may need to explore divestitures in markets that serve 45 million customers throughout 817 geographic areas.

The letter also says about 55 percent of those covered live in markets where there is no “viable divestiture candidate” for those assets.

Republicans in Congress are blaming the wave of mergers in the health field, which also includes hospital and pharmaceutical mergers, on the Affordable Care Act.

“The sale is the inevitable result of Obamacare's push toward consolidation as doctors, hospitals, and insurers merge in response to an ever-growing government,” Senate Majority Leader Mitch McConnell said [in a recent op-ed \(http://www.courier-journal.com/story/opinion/contributors/2015/07/15/mcconnell-humana-sale-connected-obamacare/30196563/\)](http://www.courier-journal.com/story/opinion/contributors/2015/07/15/mcconnell-humana-sale-connected-obamacare/30196563/) article. “And the resulting consolidation means less competition among insurers, which could leave consumers with even fewer choices and lower-quality care.”

To McConnell, and other congressional Republicans [who have called for hearings \(http://judiciary.house.gov/index.cfm/2015/7/goodlatte-marino-convers-and-johnson-announce-hearings-on-competition-in-the-health-care-marketplace\)](http://judiciary.house.gov/index.cfm/2015/7/goodlatte-marino-convers-and-johnson-announce-hearings-on-competition-in-the-health-care-marketplace) on the mergers, the ACA has made it more expensive to do business in the health care market and spawned an avalanche of new requirements for insurers to deal with.

“Merging into bigger firms, which are better able to absorb the costs of Obamacare and comply with the maze of regulations, has become the answer,” McConnell said.

The Obama administration says the Affordable Care Act has helped slow the growth in health care costs and improved the quality of medicine in the United States.

Debate over the mergers is expected to escalate in September when the AMA releases its latest study of competitiveness in the health insurance industry.

[Last year's report said \(http://www.ama-assn.org/ama/pub/news/news/2014/2014-10-09-wellpoint-competition-health-insurance-market.page\)](http://www.ama-assn.org/ama/pub/news/news/2014/2014-10-09-wellpoint-competition-health-insurance-market.page) Anthem is the dominant insurer in the country with dominance in 82 of 388 metropolitan areas examined.

The proposed Aetna-Humana deal will also be considered by the Connecticut Insurance Department and the Wisconsin Office of the Commissioner of Insurance. The Connecticut Insurance Department is also considering the Anthem-Cigna merger.

Although Connecticut Insurance Commissioner Katharine Wade is a former Cigna in-house lobbyist, and her husband currently works for the insurer, she has not recused herself from the reviews.

“It has been nearly two years since I was an employee at Cigna, and I have no financial interest in the company,” Wade said in a statement. “I am prepared to recuse myself from any matter involving Cigna with which I had an active involvement. This merger is not a matter in which I was involved in any way.”

## Comments

1 comments

# Statement of Financial Interests for 2014



Departure Date :

## PERSONAL INFORMATION

<b>First Name and Middle initial:</b>		<b>Last Name:</b>	
Katharine L		Wade	
<b>Street Address 1:</b>		<b>Street Address 2:</b>	
3 East Weatogue Street			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	
Simsbury	CONNECTICUT	06070	
<input type="checkbox"/> If you are claiming an exemption from disclosure for this property under FOIA			
<b>Phone Number:</b>		<b>Email Address:</b>	
(860) 297-3801		Katharine.Wade@ct.gov	

## OCCUPATION

<input type="checkbox"/> Current Dual Employment	
<b>Current State Position:</b>	<b>Membership:</b>
Executive Branch	Public Agency
<b>Name of Agency:</b>	<b>Title/Position:</b>
Department of Insurance	Commissioner
<input type="checkbox"/> If you have held a different state position or left state service in 2014	
<input type="checkbox"/> Previous Dual Employment	
<b>Previous State Position:</b>	<b>Membership:</b>
<b>Name of Agency:</b>	

**SPOUSE**

If you do not have a Spouse

Spouse First Name and Initial: Spouse Last Name:

Michael T Wade

**FAMILY MEMBERS (CHILDREN)**

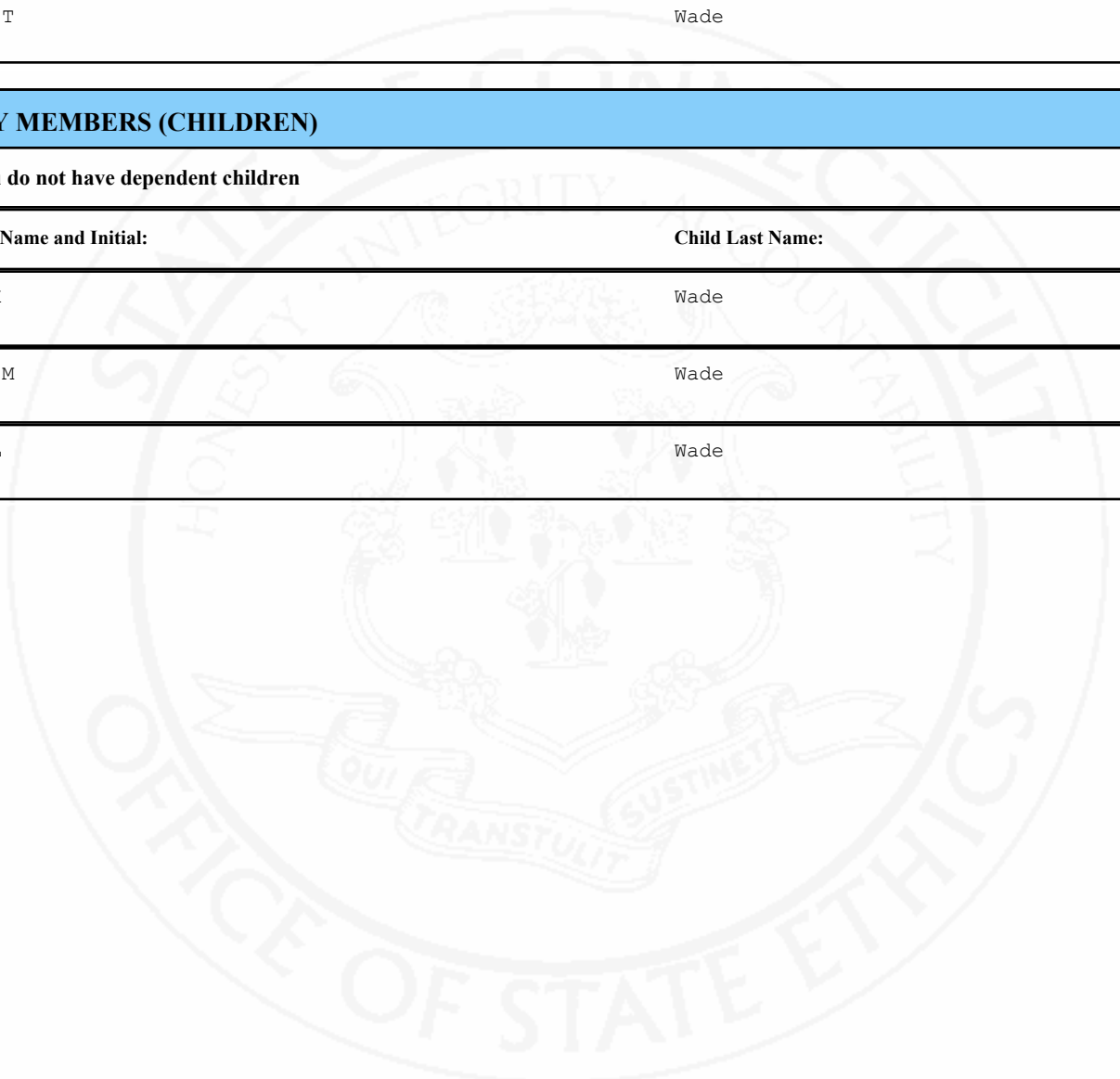
If you do not have dependent children

Child First Name and Initial: Child Last Name:

Daniel H Wade

Abigail M Wade

Samuel L Wade



**REAL PROPERTY**

If you do not own a property

If you are claiming an exemption from disclosure for this property under FOIA

Street Address 1:

Street Address 2:

3 East Weatogue Street

City:

State:

Zip:

Simsbury

CONNECTICUT

06070

Country:

Owner or Beneficiary:

Michael T. and Katharine L. Wade

Held Directly?:

**Held By:** Note: If the property is not held directly, please list the corporation, partnership, or trust that holds the property for the benefit of you, your spouse, or dependent children residing with you.



**BUSINESSES****BUSINESS (WITH WHICH ASSOCIATED)** If you are not associated with any business**Name of Business:**

Cigna Corporation

**Street Address 1:**

900 Cottage Grove Road

**Street Address 2:****City:**

Hartford

**State:**

CONNECTICUT

**Zip:**

06152

**Nature of Business:**

Insurance

**Nature of Interest:**

Employee

**Interest Held By:**

Spouse

**Business Affiliation****Category of Affiliated Business/Individual:**

(2) A person that the filer knows or has reason to know is doing business with, or seeking to do business with the state

**Name of Business/Individual:**

Cigna Companies

**Street Address 1:**

900 Cottage Grove Road

**Street Address 2:****City:**

Hartford

**State:**

CONNECTICUT

**Zip:**

06152

**Type of Business Affiliation:**

Employee

**Date Business Affiliation was Created:**

11/11/2001

<b>Name of Business:</b>		
Cigna Corporation		
<b>Street Address 1:</b>		<b>Street Address 2:</b>
900 Cottage Grove Road		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
Hartford	CONNECTICUT	06152
<b>Nature of Business:</b>		<b>Nature of Interest:</b>
Insurance		Employee
<b>Interest Held By:</b>		
Spouse		

### Business Affiliation

<b>Category of Affiliated Business/Individual:</b>		
(3) A person that the filer knows or has reason to know is engaged in activities that are directly regulated by the department or agency in which the filer is employed		
<b>Name of Business/Individual:</b>		
Cigna Companies		
<b>Street Address 1:</b>		<b>Street Address 2:</b>
900 Cottage Grove Road		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
Harford	CONNECTICUT	06152
<b>Type of Business Affiliation:</b>		<b>Date Business Affiliation was Created:</b>
Employee		11/11/2001

### BUSINESSES

### TRUSTS

<input checked="" type="checkbox"/> If you are not part of a trust
--

**INCOME SOURCES**

If you do not have an Income Source(s)

**Description of Source:**

Salary/Wages

**Name of Employer or Other Source:**

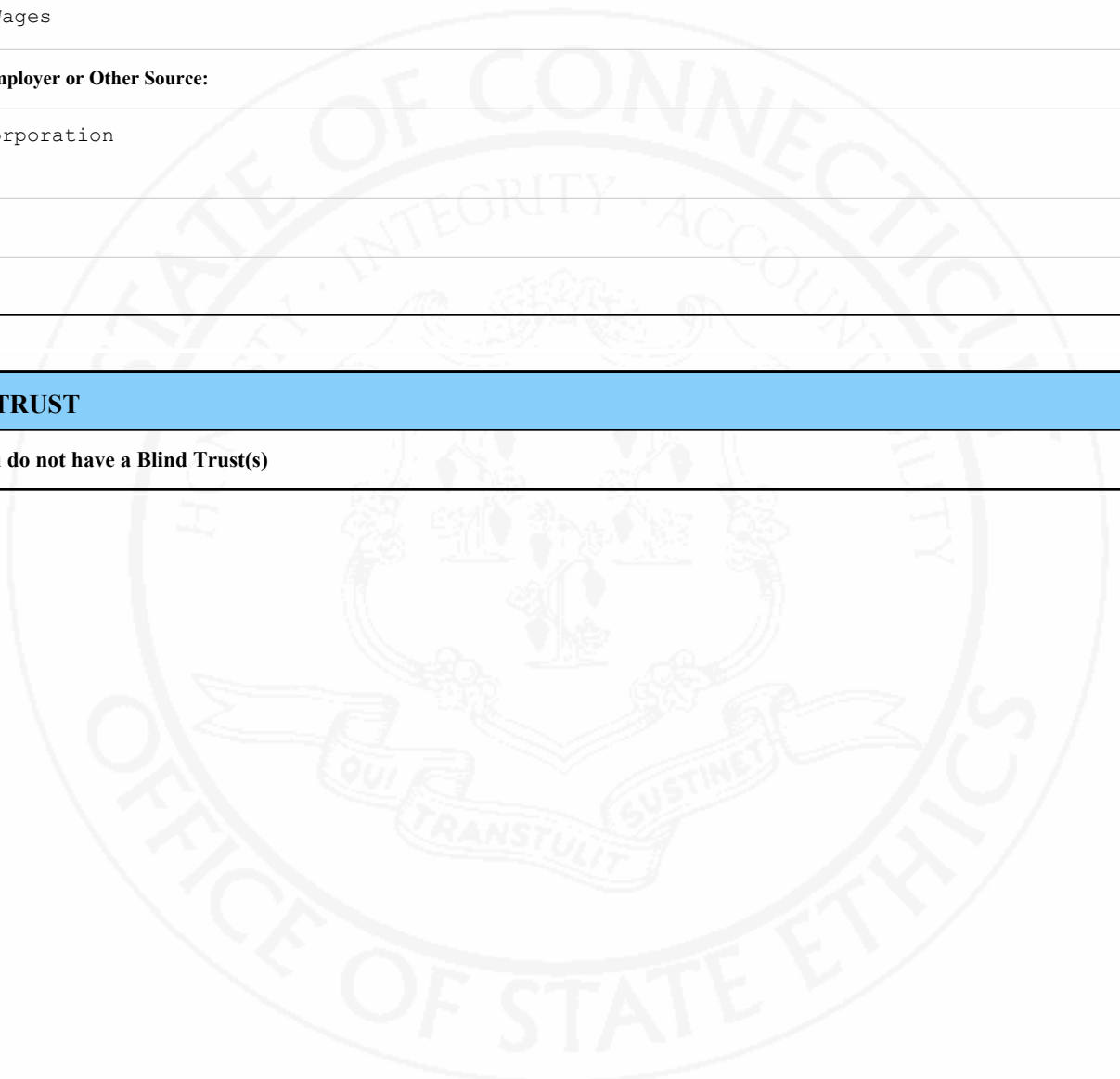
Cigna Corporation

**Recipient:**

Spouse

**BLIND TRUST**

If you do not have a Blind Trust(s)



**SECURITIES**

If you had no interest in securities with a fair market value in excess of \$5,000 at any time during the calendar year

**Security Name:**

CIGNA 401K Plan (Assorted Fund & CIGNA Stock)

**Owner or beneficiary if held by another:**

Spouse

**Held Directly?:**

**Held By:**

Note: If the Security is not held directly, list the trustee, corporation, etc.

**Security Name:**

CIGNA 401K Plan (Assorted Fund & CIGNA Stock)

**Owner or beneficiary if held by another:**

Self

**Held Directly?:**

**Held By:**

Note: If the Security is not held directly, list the trustee, corporation, etc.

**Security Name:**

CIGNA Common Stock

**Owner or beneficiary if held by another:**

Self

**Held Directly?:**

**Held By:**

Note: If the Security is not held directly, list the trustee, corporation, etc.

<b>Security Name :</b>
CIGNA Common Stock
<b>Owner or beneficiary if held by another:</b>
Spouse
<input checked="" type="checkbox"/> <b>Held Directly?:</b>
<b>Held By:</b>
Note: If the Security is not held directly, list the trustee, corporation, etc.

**LEASES**

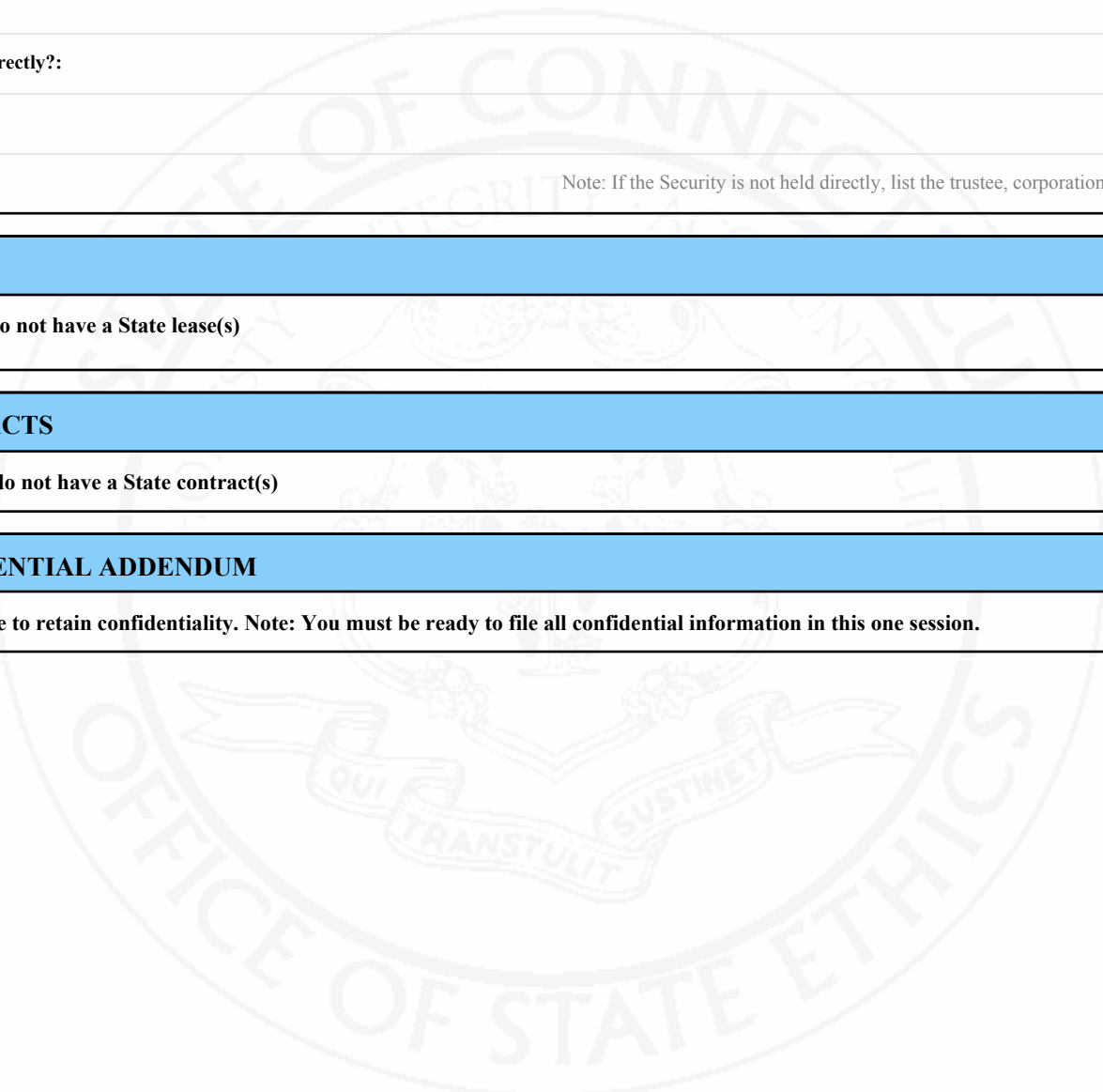
**If you do not have a State lease(s)**

**CONTRACTS**

**If you do not have a State contract(s)**

**CONFIDENTIAL ADDENDUM**

**I choose to retain confidentiality. Note: You must be ready to file all confidential information in this one session.**



## CERTIFICATION

- I UNDERSTAND that if I fail to file this statement timely and accurately, I may be subject to a penalty of up to \$10,000.
- I UNDERSTAND that all information I provide on this form shall be a matter of public record and may be disclosed by the Office of State ethics upon request, unless exempt from disclosure by General Statutes 1-83(c) or the Freedom of Information Act, Connecticut General Statutes 1-200 *et. seq* if I chose to retain confidentiality on my addendum.
- I UNDERSTAND that if, by reason of impossibility, I am unable to provide the information required by this form, I may petition the Citizen's Ethics Advisory Board for a waiver.
- I UNDERSTAND that I must file with the Office of State Ethics, a report of the payment or reimbursement of "necessary expenses" for lodging and/or out-of-state travel incurred by me, in my capacity as a public official or state employee, for an article, appearance, speech, or for my participation at an event, unless the payment or reimbursement is provided by the State of Connecticut, the federal government or another state government. I FURTHER UNDERSTAND that if, either intentionally or due to gross negligence, I fail to file such a report within thirty(30) days after receiving the payment or reimbursement, I will be required to return the payment or reimbursement and may be subject to a penalty for up to \$10,000.
- I CERTIFY, UNDER PENALTY OF FALSE STATEMENT, that this Annual Statement of Financial Interests, including the Confidential Addendum, is a complete and accurate statement of financial interests, as defined by Connecticut General Statutes 1-83(b)(1), for myself, my spouse, and dependent residing in my household, during the calendar year 2014

**I have read and agree to all above certifications.**

<b>Name:</b>	Katharine L Wade
<b>Filed Date and Time:</b>	04/30/2015 7:05 AM