

Rowland, aides personally approved major state contracts

By DON MICHAEL
Journal Inquirer

Hartford — Gov. John G. Rowland and his top aides, including one at the center of a federal investigation of bribery and the steering of state contracts, for years personally approved all big contracts awarded by state agencies, according to current and former government officials and the records they kept.

Rowland's "review" of major contracts — which one participant in the process says covered all deals involving more than \$100,000 — was conducted confidentially at regular meetings between the governor and the agency commissioners he appointed.

The practice, which was extra-legal since it was not required by state statute, ceased abruptly two years ago, according to a former high-ranking Rowland administration official who spoke on the condition of anonymity.

While this practice continued, now-controversial deals, including several involving the Tomasso

Group — a New Britain-based business owned by friends and campaign contributors to the governor that has been subpoenaed in connection with the ongoing corruption probe — did not go forward without Rowland's approval.

The contract reviews by the governor's office raise questions about recent statements by Rowland's current chief of staff and spokesman, Dean C. Pagani, that distanced the governor from the award of state contracts to Tomasso companies.

Tomasso-owned businesses have been subpoenaed in connection with the ongoing federal investigation spurred in March by the criminal conviction of the governor's former deputy chief of staff, Lawrence E. Alibozek, who admitted taking bribes to help steer state contracts.

Alibozek's boss in the governor's office, former Rowland co-chief-of-staff Peter N. Ellef, whom state records show was in almost daily contact with Tomasso family members while working for the governor, also figures prominently in the probe.

Asked this week about whether improvements to Rowland's private cottage that reportedly were supervised by a Tomasso executive were illegal gifts to the governor, Pagani insisted that Rowland's office "does not award state contracts."

"That's done at the agency level, in part for that very reason" to keep politics out of it," he told the Associated Press.

Pagani was not immediately available for comment today.

The contract reviews, which apparently became institutionalized during Rowland's second term in office, continued until the spring of 2001, according to the personal calendar kept by the governor's other former co-chief of staff, Sidney J. Holbrook.

Holbrook this week refused to comment.

But an unsigned note on Holbrook's office schedule for April 10, 2001, states, "Have Sid tell Commissioners that we will no longer be approving contracts. They should do them on their own. Send us a copy of the contract once approved by the

AG."

That notation was first flagged this year by an investigator for the state Ethics Commission, who had asked the governor's office for a variety of documents during the commission's probe of Rowland's free and cut-rate rental of vacation homes, including two owned or linked to the Tomasso family.

In a formerly confidential memorandum made public after the ethics panel required the governor to pay \$9,000 to settle a complaint over his vacation rentals, the investigator wrote Rowland's legal counsel, Ross Garber, inquiring about the apparent cancellation of the April 10 commissioners meeting.

The former high-ranking administration official who spoke to the Journal Inquirer this week confirmed that while he couldn't recall if the meeting was postponed, the instruction to abruptly cease the contract reviews was nevertheless delivered to all agency heads.

The source said he could not remember who ordered the change in policy but said it was either Rowland

himself, Ellef, or someone on the governor's legal staff.

"I think it was changed because it was too much of a hassle to deal with every contract," he said.

Asked whether the policy might have been changed to try to give Rowland and other members of the governor's inner circle a legal right to accept gifts from contractors — Rowland's lawyers have argued such gifts are allowed as long as a contractor is not doing business with the "governor's office" itself — the source said the question posed "a very interesting theory."

The former official also suggested that it might have been Ellef who ordered the change because Ellef was known to parcel out assignments to Holbrook for staff or commissioners meetings, even though the two shared equal rank.

The reviews were stopped just as Rowland was preparing his successful campaign to win a third term in the 2002 election.

The governor in April 2001 also had just returned from a vacation at the Palm Beach, Fla., home of devel-

oper Robert V. Matthews, a longtime friend, who was seeking as much as \$10 million in state aid for a Pennsylvania company he had invested in and wanted to move to a property he owned in New Haven.

At that time, the state trash authority, headed by Ellef, also had laid the groundwork for two controversial deals with now-bankrupt Enron Corp., including a complex transaction that cost the agency \$220 million.

Ellef had maneuvered to put a Tomasso-linked venture into one of the deals with Enron, which in its initial stages called for the Connecticut Resources Recovery Authority to build an elaborate series of fuel-cell "farms" that would be paid for with public money but run by Enron, which would have collected a substantial management fee.

Tomasso companies have benefited from more than \$230 million of state contracts since Rowland was first elected in 1995, according to the state auditors.

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Denying any wrongdoing, Rowland again says he will not step down

From A1

said in a telephone interview, adding, "... I feel like he is hanging on by a thread."

At a Dec. 2 news conference, Rowland claimed he had paid for all of the improvements at his cottage. Ten days later, after a series of stories in The Hartford Courant — Rowland confessed. Former state employees, including several targeted by a federal corruption probe, and the Tomasso Group, a New Britain-based contractor with more than \$100 million in state contracts, had paid some of the bills.

"Dec. 2 was the worst day of my life," Rowland said at Friday's press conference. "There's no excuse. We tell our children that there is no ex-

cuse for lying. There is no excuse for me, either."

For the third time in eight days, Rowland apologized to the press and to the people of Connecticut. After his first admissions, some Democrats and at least one Republican — state Rep. Diana Urban of North Stonington — called for his resignation. Friday's revelations fanned the fire.

"When will it end?" Democratic State Chairman George Jepsen asked in a written reaction. "The day draws closer that (Rowland) will have no choice but to resign."

"The stories in The Courant and The (New York) Times are very unsettling because there just appears to be more," Shays said. "Last week we were told that's it, but there is more

to the story."

When reporters asked the governor Friday if there were more undisclosed gifts, Rowland said, "None that I know of."

State ethics laws bar Rowland from accepting gifts or favors from contractors doing business directly with the governor's office. Rowland stressed Friday, as he has in the past, that the contractors in question worked with departments other than the governor's office. Publicly, there has been no evidence linking a gift to the awarding of a specific contract.

However, even if accepting the gifts was technically legal and Rowland had no influence over the contracts, Shays and others said the favors were unacceptable. And Friday, the Journal Inquirer of Manchester

reported that up until two years ago, Rowland's office signed off on every state contract over \$100,000, a revelation that moved Rowland closer to Cocchiola Paving and the Tomasso Group, both of which helped financially to repair the Litchfield cottage.

At Friday's press conference, Rowland acknowledged that a signature from his office may have been required on contracts, but he said his office didn't have the legal authority to approve, reject or influence deals with the state.

If there was no quid pro quo, reporters asked, why would Rowland staff members and state contractors volunteer to do work on his cottage?

"The truth is, you get friends to help out when you do a project," he said, adding that he would rather

turn to people he knew than look through the Yellow Pages.

Yet just a few minutes later, Rowland denied having a personal friendship with Lawrence Alibozek, his former deputy chief of staff, who pleaded guilty to accepting kickbacks for steering state contracts.

When a reporter asked why Alibozek paid for half of a new heating system in the governor's cottage, Rowland said: "You'll have to ask him."

Alibozek did not return a phone message Friday.

The state's three Republican congressmen — Shays, Rob Simmons of the 2nd District and Nancy Johnson of the 5th District — are trying to arrange a sit-down with the governor.

"I think it is very important Nancy, Rob and I meet with the governor and talk to him face-to-face about what he is facing and what we think he should do," Shays said. "The sooner the better."

Simmons agreed. "Every day there's a new disclosure," he said of the growing scandal. "That's why it's important to have a candid conversation with the governor."

Rowland concluded Friday's press conference with holiday greetings, reminding the press and Connecticut of the season.

"This," he said, "is the time for forgiveness."

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Day Staff Writer Megan Bard contributed to this report.

Annual death toll in Israeli-Palestinian fighting shows dramatic downturn

From A1

curity forces.

The second year of the conflict, from October 2001 to September 2002, saw an unprecedented wave of Palestinian suicide bombings and Israeli military sweeps that climaxed in the spring of 2002.

During those 12 months, 1,145 people were killed on the Palestinian

side and 446 on the Israeli side. In the third year, from October 2002 to September 2003, the number of deaths fell to 658 on the Palestinian side and 241 on the Israeli side. Those figures were roughly in line with the casualties of the first year.

A similar drop is seen by comparing calendar years, January through December.

In 2002, 1,131 people were killed on

the Palestinian side and 451 on the Israeli side; as of Friday, with less than two weeks left in 2003, the year has seen 571 deaths on the Palestinian side and 207 on the Israeli side — just under half in previous years' number in both cases. Eleven Americans were killed during that period.

Much of the decline has occurred over the last six-month period,

which began with a cease-fire by Palestinian militant groups that lasted a little over a month before collapsing amid renewed fighting. Now, Palestinian Prime Minister Ahmed Qureia and Egyptian mediators, are trying to persuade militants to again halt attacks on Israelis. The last big suicide bombing was more than two months ago and a relative lull in major violence has held since.

The number of Israeli soldiers killed also dropped by almost half, from 124 in the second 12-month period of the uprising to 65 in the third, reflecting fewer major Israeli military offensives.

Suicide bombings triggered two big Israeli sweeps in April and June 2002 and the reoccupation of most of the West Bank cities that had become autonomous in the 1990s peace

process.

Data kept by think tanks and government bodies on both sides show a similar downward trend — although there are slight discrepancies in the numbers because of different counting criteria. Palestinian groups have counted people who have died of natural causes aggravated by the presence of the Israeli army and deaths whose causes were unclear.

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