

# State eyes court fight with Local Government Center

By **TOM FAHEY**  
State House Bureau Chief

**CONCORD** — State officials are notifying the Local Government Center they intend to head to court if they don't get subpoenaed documents by Friday.

Mark Connolly, chief of the Bureau of Securities Regulation, said the LGC has been dragging its feet in response to an investigation of a complaint about its operations. LGC controls the New Hampshire Municipal Association and the HealthTrust health insurance operation, which is offered to LGC-member schools and municipalities.

Connolly's office won an administrative subpoena that would let it explore the flow of money between the LGC entities. However, LGC argues that the subpoenas are so broad that it would violate federal pri-

vacy laws by releasing all the records.

Connolly said he does not buy the argument.

"To follow LGC's logic, no financial services firm would be subject to government oversight," Connolly said. "This line of reasoning is just wrong and counter to rational public policy." He is ready to press the state's case in Merrimack County Superior Court if the documents aren't in his hands this week, he said. Subpoenaed documents include all financial records from the last three years and a list of all employees and their duties with each sub-agency.

The two LGC organizations have been tied in a regulatory scheme for less than three months. A change in state law giving the secretary of state the right to demand records took ef-

fect in late July. Prior to that, no state agency had any oversight of operations such as LGC, Connolly said.

The LGC's new interim executive director, Maura Carroll, said she's trying to work with Connolly's office.

"Our position from the get-go is that we have wanted to sit and meet with them and work out what it is they need for information," she said.

Some of the data sought by the state contain personal health and proprietary business information, Carroll argued.

"We aren't fighting about information that isn't either one of those two things," she said.

The LGC is also locked in a fight with the Professional Fire Fighters of New Hampshire over access to records. The case was argued in state Supreme Court this month.