



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

RICHARD E. CONSTABLE, III
Commissioner

March 13, 2015

Dan Pagano
[REDACTED]

Re: Local Government Ethics Law
LFB Complaint #11-024
Notice of Determination

Dear Mr. Pagano:

The purpose of this letter is to apprise you of the Local Finance Board's (Board) final disposition of the above-referenced Complaint.

The Local Government Ethics Law (LGEL), N.J.S.A. 40A:9-22.1 et seq., authorizes the Board to initiate, receive, hear and review complaints, and hold hearings with regard to possible violations of the LGEL where no local ethics board has been established. Upon receipt of a complaint against a local government officer or employee, the Board determines if a complaint is within its jurisdiction, frivolous, or has no reasonable factual basis, prior to conducting a formal investigation.

You are hereby notified that the Complaint you filed against Harry Schaub, former District Administrator for Montville Fire District #2 (Towaco), was dismissed as no longer having a reasonable factual basis.

The Complaint alleged a violation of N.J.S.A. 40A:9-22.5(d), which states:

No local government officer or employee shall use or attempt to use his official position to secure unwarranted privileges or advantages for himself or others

Specifically, the Complaint alleged that Mr. Schaub "has in his employ, Alice Schaub (wife) as his secretary for several years."

The Complaint further alleged a violation of N.J.S.A. 40A:9-22.5(g), which states:

No local government officer or employee shall use, or allow to be used, his public office or employment, or any information, not generally available to the public, which he receives or acquires in the course of and by reason of his office or employment, for the purpose of securing financial gain or himself, any member of his



immediate family, or any business organization in which he is associated

Specifically, the Complaint alleged: "Mr. Schaub . . . wrote the Employee Handbook. This handbook allows him to accumulate 365 days of unused sick/vacation days and may receive a lump sum payment upon termination. The handbook also requires the fire district to provide 98.5% of the retiree's and spouse post-retirement medical insurance premium payments and also 98.5% of Medical reimbursements."

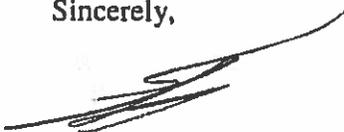
Although the ethics Complaint was originally filed in March 2011, it was held in abeyance pending the results of an investigation by the Office of State Comptroller ("OSC"). To note, the Board may not process a complaint on a matter which is pending in a court of law or administrative agency of the State. N.J.A.C. 5:25-1.1(c).

In April 2014, the OSC issued its final report and findings. One week later, Mr. Schaub passed away. Following a preliminary investigation of the facts and circumstances relevant to the ethics allegations, the Board determined at its meeting on March 11, 2015, that there is no longer a reasonable factual basis to pursue individual ethics charges against the late Mr. Schaub. Accordingly, the Board voted to dismiss the Complaint.

This case is now closed.

If you have any questions regarding this matter, please feel free to contact Shannon Hudak at (609) 292-7075.

Sincerely,



Timothy J. Cunningham, Chair
Local Finance Board