Before the School Ethics Commission Docket No.: C79-21 Decision on Motion to Dismiss

Keith E. Benson, *Complainant*

v.

Katrina T. McCombs, Camden City Board of Education, Camden County, *Respondent*

I. Procedural History

This matter arises from a Complaint that was filed on November 11, 2021, by Keith E. Benson (Complainant), alleging that Katrina T. McCombs (Respondent), State Superintendent/Chief School Administrator of the Camden City School District (District), violated the School Ethics Act (Act), *N.J.S.A.* 18A:12-21 *et seq.* By correspondence dated November 18, 2021, Complainant was notified that the Complaint was deficient, and required amendment before the School Ethics Commission (Commission) could accept his filing. On November 19, 2021, Complainant cured all defects and filed an Amended Complaint (Complaint) that was deemed compliant with the requirements detailed in *N.J.A.C.* 6A:28-6.3. The Complaint avers that Respondent violated *N.J.S.A.* 18A:12-24(a), *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-25(a), *N.J.S.A.* 18A:12-25(b), *N.J.S.A.* 18A:12-26(a), *N.J.S.A.* 18A:12-26(b), and *N.J.S.A.* 18A:12-26(c).

On November 23, 2021, the Complaint was served on Respondent via electronic mail, notifying her that charges were filed against her with the Commission, and advising that she had twenty (20) days to file a responsive pleading. On December 17, 2021, Respondent filed a Motion to Dismiss in Lieu of Answer (Motion to Dismiss), and also alleged that the Complaint is frivolous. On January 1, 2022, Complainant filed a response to the Motion to Dismiss and allegation of frivolous filing.

The parties were notified by correspondence dated February 17, 2022, that this matter would be placed on the Commission's agenda for a special meeting on February 25, 2022, in order to make a determination regarding the Motion to Dismiss and allegation of frivolous filing. At its special meeting on February 25, 2022, the Commission considered the filings in this matter and, at its meeting on March 22, 2022, the Commission voted to grant the Motion to Dismiss in its entirety because it was untimely filed and, even if timely filed, Complainant failed to plead sufficient, credible facts to support a finding that Respondent violated *N.J.S.A.* 18A:12-24(a), *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-25(a), *N.J.S.A.* 18A:12-25(b), *N.J.S.A.* 18A:12-25(c),

¹ As a result of the ongoing Coronavirus (COVID-19) pandemic, and the implementation of electronic filing, service of process was effectuated by the Commission through electronic transmission only.

N.J.S.A. 18A:12-26(a), *N.J.S.A.* 18A:12-26(b), and/or *N.J.S.A.* 18A:12-26(c). The Commission also voted to find the Complaint not frivolous, and to deny Respondent's request for sanctions.

II. Summary of the Pleadings

A. The Complaint

By way of background, Complainant states that the District was converted to "an advisory school district" by the New Jersey Department of Education (Department) in 2013. As an "advisory school district," "the elected school board members do not have the authority to approve or reject the decisions of the [S]uperintendent." The District functions under the authority of the Superintendent (Respondent), but works "in conjunction with the [Department]." Per Complainant, Respondent is regarded as "an employee of the [S]tate of [New Jersey]."

According to Complainant, Respondent has been the Superintendent of the District since 2019, and served as Acting Superintendent in 2018. In accordance with *N.J.S.A.* 18A:12-21, State employees "are required to disclose the affiliations of their spouse and immediate relatives each year." In addition, Cooper Lanning Square Renaissance School Facilities (CLSRSF) is a registered nonprofit corporation organized under the laws of the State, and Respondent's spouse is and has been a Trustee of CLSRSF, since 2013 (excluding 2019).

Based on these facts, Complainant asserts Respondent violated *N.J.S.A.* 18A:12-24(a) because she did not disclose her spouse's affiliation (Trustee) with CLSRSF, which "provides the financing, development, construction, and operation of the facilities in which KIPP COOPER NORCROSS ACADEMY, a NJ nonprofit corporation currently operated, and will operate, the renaissance schools in the city of Camden, NJ under the NJ Urban Hope Act – and has since 2014"; violated *N.J.S.A.* 18A:12-24(b) because Respondent closed and subsequently sold Hatch Middle School to CLSRSF in 2021 "with no notification to the public or the [Camden City Board of Education (Board)] ... of her [spouse's] role as Trustee for the same organization to which [she] sold a District property"; and violated *N.J.S.A.* 18A:12-25(a), *N.J.S.A.* 18A:12-25(b), and *N.J.S.A.* 18A:12-26(c), as well as *N.J.S.A.* 18A:12-26(a), *N.J.S.A.* 18A:12-26(b), and *N.J.S.A.* 18A:12-26(c), because Respondent did not disclose her spouse's employment/role as a Trustee for CLSRSF on her Personal/Relative and Financial Disclosure Statements (Disclosure Statements) for any year she served as the Superintendent and/or in another administrator position (2013 through the present, excluding 2019), and "disclosing her [spouse's] affiliation with CLSRSF" is "mandatory."

B. Motion to Dismiss and Allegation of Frivolous Filing

Following receipt of the Complaint, Respondent filed a Motion to Dismiss and an allegation of frivolous filing. Respondent initially notes her spouse has not served as a Trustee of CLSRSF since May 16, 2019. Moreover, Respondent argues Complainant's claims "are incorrect, baseless, and were brought in bad faith."

According to Respondent, she "promptly and properly completed annual disclosure forms as required by law and fully disclosed those facts and associations for which disclosure is required." Respondent maintains the "sale of [the District] property to CLSRSF referred to in Complainant's allegations never occurred"; "the public bidding process for sale of the Hatch

[S]chool and other [D]istrict properties began in May 2020[,] and the Hatch [S]chool was purchased by KIPP, not by CLSRSF, in June 2021," and this transaction occurred "well after" her (Respondent's) spouse resigned from CLSRSF. Respondent further maintains that she "properly completed annual disclosure forms," and for each form she "fully and accurately responded to each prompt and certified" each response as required. Per Respondent, "no person related to her or ... her [spouse] is employed by the [D]istrict"; neither she nor her spouse "have ever been a party to a contract with the ... District"; neither she nor her spouse "have ever been employed by, received compensation from, or have an interest in any business which is a party to a contract with the [D]istrict"; and neither she nor her spouse have ever been employed by, received compensation from, or had an interest in CLSRSF.

As to the alleged violations of *N.J.S.A.* 18A:12-24(a) and *N.J.S.A.* 18A:12-24(b), Respondent argues that neither she nor her spouse have or had an "interest in a business organization in substantial conflict with [Respondent's] duties in the public interest for the [District]." Respondent reiterates that her spouse resigned as a Trustee for CLSRSF on May 16, 2019; however, his service was, at all times, "uncompensated and no unwarranted advantage, privilege, or employment was secured through his service or through [Respondent's] work for the [District]." Therefore, Complainant "failed to state a claim" to support violations of *N.J.S.A.* 18A:12-24(a) and/or *N.J.S.A.* 18A:12-24(b).

Regarding the purported violations of *N.J.S.A.* 18A:12-25(a), *N.J.S.A.* 18A:12-25(b), and *N.J.S.A.* 18A:12-25(c), Respondent contends these allegations "are without merit," and she "promptly and properly completed all of the annual disclosure forms and diligently reported all of the financial information and associations" required by this statute. Respondent further contends neither she nor her spouse "were employed [by] any business which is party to a contract with the [District]"; they did not "receive compensation from any business which is a party to a contract with the [District]"; nor did they have "any interest in any business which is party to a contract with the [District]." Consequently, Respondent maintains there was "no reason" to disclose her spouse's service as a Trustee for CLSRSF, and she did not violate *N.J.S.A.* 18A:12-25(a), *N.J.S.A.* 18A:12-25(b) and/or *N.J.S.A.* 18A:12-25(c).

As to the alleged violations of *N.J.S.A* 18A:12-26(a), *N.J.S.A* 18A:12-26(b), and *N.J.S.A* 18A:12-26(c), and for the reasons more detailed above, she was not required to disclose her spouse's service as a Trustee; therefore, Respondent argues that Complainant failed to state a claim for violations of *N.J.S.A* 18A:12-26(a), *N.J.S.A* 18A:12-26(b), and/or *N.J.S.A* 18A:12-26(c).

Finally, Respondent asserts the Complaint is frivolous because Complainant "made multiple representations which, if continued, cannot be supported by a good faith argument." Complainant's assertion that Respondent used her position and official capacity to "hide her [spouse's] past service as a Trustee for CLSRSF," and "oversaw the sale of a [District] property to the organization for which her [spouse] was a Trustee – was inaccurate and deceptive based on the factual record." Respondent reaffirms her spouse was not a Trustee when the Hatch School was sold, the sale was conducted through a public bidding process which began after Respondent's [spouse] resigned, and the District did not sell the school to CLSRSF. Respondent submits that because Complainant was "active" in the District, he knew or should have known that the allegations raised in the Complaint were unfounded.

Respondent further contends that Complainant's filing of this Complaint is "indicative of malice and constitute[s] harassment of Respondent," and "there is no good faith argument with which ... Complainant can rely on to proceed with this matter." Respondent additionally argues that because her spouse's service as a Trustee ended when he resigned on May 16, 2019, the filing of this Complaint is beyond the "permissible time period" and, therefore, there is "no basis to find" Respondent ever violated the Act as claimed by Complainant.

For all of these reasons, Respondent asserts the Commission should find the Complaint frivolous, and dismiss the matter with prejudice.

C. Response to Motion to Dismiss and Allegation of Frivolous Filing

In response to the Motion to Dismiss and allegation of frivolous filing, Complainant states he used documents that were "publicly available" and, as part of her filing, Respondent provided "a private email from [her spouse] to an associate of [CLSRSF] of his intent to resign in 2019 which, obviously, [Complainant] would have not had access to." Complainant notes CLSRSF's mission statement "has been to acquire properties for [KIPP], one of three renaissance providers that exist only in the City of Camden." According to Complainant, since 2013, the District and the community "have seen multiple public schools closed and turned over to" KIPP through transactions with CLSRSF and even though Respondent's spouse was a Trustee when Respondent was a District administrator "through every transaction," the information regarding Respondent's spouse's affiliation with CLSRSF was "never conveyed to the public." Complainant notes "not only was our [D]istrict seeing multiple public schools closed and turned over to [KIPP] without public input, they were turned over through [CLSRSF] while [Respondent's spouse] was a Trustee and [Respondent] was a district administrator - without public input (for periods lasting 99 years and leased for \$1)." Complainant asserts based on the stated mission of CLSRSF, the recent history of CLSRSF acquiring District buildings, and "the fact that [he] could not access contracts from [the District] and [KIPP], whereby Hatch Middle [S]chool was sold and purchased, [he] presumed Hatch was sold to [CLSRSF]," and not KIPP.

As for the allegation that the Complaint is frivolous, Complainant maintains, based on the publicly available information, "one can recognize why [he] would find there to be a clear ethical violation where the [Department] mandates that district administrators must divulge information for which a spouse has an 'interest' ... yet [Respondent] never included that her [spouse] was a Trustee for the [CLSRSF] board - a Board that acquires only [District] public schools for [KIPP]" Complainant further asserts "there was nothing frivolous about the concerns raised in" his Complaint.

Even if the Complaint is dismissed by the Commission, Complainant states such a decision "would be a reminder to me and many others that what is *legal* does not constitute *justice*, *fairness*, or *morality*; and what is legal in terms of ethics, is by no means synonymous with the 'ethics' most of us understand the meaning of the word to be"

III. Analysis

A. Standard for Motion to Dismiss

In determining whether to grant a Motion to Dismiss, the Commission shall review the facts in the light most favorable to the non-moving party (Complainant), and determine whether the allegation(s), if true, could establish a violation of the Act. Unless the parties are otherwise notified, a Motion to Dismiss and any response is reviewed by the Commission on a summary basis. *N.J.A.C.* 6A:28-8.1 *et seq.* Thus, the question before the Commission is whether Complainant has asserted sufficient facts which, if true, could support a finding that Respondent violated *N.J.S.A.* 18A:12-24(a), *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-25(a), *N.J.S.A.* 18A:12-25(b), *N.J.S.A.* 18A:12-26(c), *N.J.S.A.* 18A:12-26(c).

B. Untimeliness

In her Motion to Dismiss, and in support of her argument that the Complaint filed by Complainant is frivolous, Respondent contends that because her spouse's service as a CLSRSF Trustee ended when he resigned on May 16, 2019, any alleged violation of the Act must have occurred on or before May 16, 2019. With the filing of the within matter in November 2021, Respondent argues that the Complaint was filed beyond the "permissible time period."

In his response to the Motion to Dismiss and allegation of frivolous filing, including the contention that the Complaint was untimely filed, Complainant maintains that the facts and allegations in the Complaint were predicated on publicly available information, and he did not have access to the "private email from [Respondent's spouse] to an associate of [CLSRSF] [expressing] his intent to resign in 2019."

The Commission's regulations provide a one hundred eighty (180) day limitation period for filing a complaint. More specifically, *N.J.A.C.* 6A:28-6.5(a) provides, in relevant part:

(a) Complaints shall be filed within 180 days of notice of the events which form the basis of the alleged violation(s). A complainant shall be deemed to be notified of events which form the basis of the alleged violation(s) when he or she knew of such events or when such events were made public so that one using reasonable diligence would know or should have known (emphasis added).

As applied here, although Complainant did not file a Complaint that was deemed compliant with the Commission's regulations (*N.J.A.C.* 6A:28-6.3) until November 19, 2021, he filed his first deficient Complaint on November 11, 2021; therefore, and because Complainant's amendments relate back to the date his Complaint was first received by the Commission, even if deficient, the filing date in this matter is **November 11, 2021**. *See N.J.A.C.* 6A:28-6.7(b). Consequently, absent a compelling reason or justification for the Commission to relax its regulations, any alleged violations of the Act that occurred prior to May 14, 2021, which was one hundred eighty (180) days prior to the date the Commission first received the Complaint in this matter (November 11, 2021), would be untimely.

Boiled down to its essence, Complainant argues that Respondent violated multiple provisions of the Act because she failed to disclose her spouse's affiliation with CLSRSF on her Disclosure Statements from 2013 through the present, and disclosure of this affiliation was "mandatory." In addition, Respondent "closed and subsequently" sold a District building to the CLSRSF in June of 2021," and did so without disclosing her spouse's affiliation with CLSRSF on her Disclosure Statements or otherwise.

Although it would be patently unreasonable to charge Complainant with knowledge of the substance of private communications between Respondent's spouse and CLSRSF and/or its representatives, the uncontroverted evidence submitted indicates that, as of May 16, 2019, Respondent's spouse resigned as a CLSRSF Trustee. Consequently, and because the relationship between Respondent's spouse and CLSRSF was uncontrovertibly severed on May 16, 2019, which was nearly two (2) years prior to the filing of the within matter, the Commission finds that the allegations in the Complaint are time barred. Even though Complainant arguably did not become aware of the resignation of Respondent's spouse until he (Complainant) received a copy of Respondent's filing in the within matter, relaxation of the applicable period of limitations to a date other than May 16, 2019, would not be appropriate because, without the predicate relationship between CLSRSF and Respondent's spouse, there is no factual basis or support for any of the allegations in the Complaint.

Even if Respondent's spouse was still affiliated with CLSRSF, the Commission does not agree with Complainant that Respondent would have had an obligation to disclose her spouse's affiliation with CLSRSF (as a Trustee). The provisions applicable to the filing of Disclosure Statements, *N.J.S.A.* 18A:12-25 and *N.J.S.A.* 18A:12-26, state:

18A:12-25. Disclosure statements of employment, contracts or business with schools

- a. On a form to be prescribed by the commission and to be filed annually with the commission, each school official shall state:
 - (1) whether any relative of the school official or any other person related to the school official by marriage is employed by the school district with which the school official holds office or employment or, for officers or employees of the New Jersey School Boards Association, any school district, and, if so, the name and position of each such relative;
 - (2) whether the school official or a relative is a party to a contract with the school district with which the school official holds office or employment or, for officers or employees of the New Jersey School Boards Association, any school district, and, if so, the nature of the contract; and
 - (3) whether the school official or a relative is employed by, receives compensation from, or has an interest in any business which is a party to a contract with the school district with which the school

official holds office or employment or, for officers or employees of the New Jersey School Boards Association, any school district, and, if so, the name of each such business.

- b. Each statement shall be signed by the school official filing it, and the school official's signature shall constitute a representation of the accuracy of the contents of the statement.
- c. A school official who fails to file a statement or who files a statement containing information which the school official knows to be false shall be subject to reprimand, censure, suspension, or removal pursuant to the procedures established in section 9 of P.L.1991, c.393 (C.18A:12-29). Nothing in this subsection shall be construed to prevent or limit criminal prosecution.
- d. All statements filed pursuant to this section shall be retained by the commission as public records.

18A:12-26. Financial disclosure statement

- a. Each school official shall annually file a financial disclosure statement with the School Ethics Commission. All financial disclosure statements filed pursuant to this act shall include the following information which shall specify, where applicable, the name and address of each source and the school official's position:
 - (1) Each source of income, earned or unearned, exceeding \$2,000 received by the school official or a member of his immediate family during the preceding calendar year. Individual client fees, customer receipts or commissions on transactions received through a business organization need not be separately reported as sources of income. If a publicly traded security or interest derived from a financial institution is the source of income, the security or interest derived from a financial institution need not be reported unless the school official or member of his immediate family has an interest in the business organization or financial institution;
 - (2) Each source of fees and honorariums having an aggregate amount exceeding \$250 from any single source for personal appearances, speeches or writings received by the school official or a member of his immediate family during the preceding calendar year;
 - (3) Each source of gifts, reimbursements or prepaid expenses having an aggregate value exceeding \$250 from any single source, excluding relatives, received by the school official or a member of his immediate family during the preceding calendar year; and

- (4) The name and address of all business organizations in which the school official or a member of his immediate family had an interest during the preceding calendar year.
- b. The commission shall prescribe a financial disclosure statement form for filing purposes. Initial financial disclosure statements shall be filed within 90 days following the effective date of this act. Thereafter, statements shall be filed on or before April 30th each year.
- c. All financial disclosure statements filed shall be public records.

Based on the foregoing, and after reviewing the facts set forth in the Complaint, there is nothing to suggest, let alone establish that: Respondent had a relative (including a spouse) employed by the District; Respondent or her spouse was a party to a contract with the District; Respondent or her spouse was employed by, received compensation from, or had an interest² in a business which was a party to a contract with the District; Respondent's spouse received income from CLSRSF; Respondent's spouse received the threshold amount of fees and honorariums from CLSRSF; Respondent's spouse received the threshold amount of gifts, reimbursements, or prepaid expenses from CLSRSF; and/or that Respondent or her spouse had an "interest" in CLSRSF.³ Instead, Respondent's spouse was, by all accounts, simply an unpaid/volunteer Trustee for a non-profit organization, and no factual evidence or support was offered to the contrary. Even if CLSRSF may have had a relationship, contract, or affiliation with the District, any legal relationship was between those distinct entities, and not between the District and Respondent's spouse. Moreover, at the time the District building was purchased by an outside entity, Respondent's spouse was no longer a CLSRSF Trustee. In short, there are insufficient, credible facts to support a finding that Respondent violated N.J.S.A. 18A:12-24(a), N.J.S.A. 18A:12-24(b); N.J.S.A. 18A:12-25(a), N.J.S.A. 18A:12-25(b), N.J.S.A. 18A:12-25(c), N.J.S.A. 18A:12-26(a), *N.J.S.A.* 18A:12-26(b), and/or *N.J.S.A.* 18A:12-26(c).

Although it is clear that Complainant believes that Respondent had an "ethical" obligation or duty to disclose her spouse's affiliation with CLSRSF, and regardless of whether such disclosure may have been prudent and avoided confusion, Complainant's beliefs are not a sufficient basis upon which to levy an obligation on a school official when, by applicable law and implementing regulation, such disclosure was and is not required.

Accordingly, and granting all inferences in favor of the non-moving party (Complainant), the Commission has determined to *grant* the Motion to Dismiss in its entirety because the Complaint was untimely filed and, even if timely filed, Complainant failed to plead sufficient, credible facts to support a finding that Respondent violated *N.J.S.A.* 18A:12-24(a), *N.J.S.A.* 18A:12-25(b), *N.J.S.A.* 18A:12-25(c), *N.J.S.A.* 18A:12-26(b), and/or *N.J.S.A.* 18A:12-26(c).

² Pursuant to *N.J.S.A.* 18A:12-23, "interest" is defined as the ownership or control of more than 10% of the profits, assets, or stock of a business but shall not include the control of assets in a labor union.

³ See footnote 2.

IV. Request for Sanctions

At a special meeting on February 25, 2022, the Commission considered Respondent's request that the Commission find the Complaint frivolous, and impose sanctions pursuant to *N.J.S.A.* 18A:12-29(e). Despite Respondent's argument, the Commission cannot find evidence that might show that Complainant filed the Complaint in bad faith or solely for the purpose of harassment, delay, or malicious injury. The Commission also does not have information to suggest that Complainant knew or should have known that the Complaint was without any reasonable basis in law or equity, or that it could not be supported by a good faith argument for an extension, modification or reversal of existing law. *N.J.A.C.* 6A:28-1.2. Therefore, at its meeting on March 22, 2022, the Commission voted to find the Complaint not frivolous, and to deny the request for sanctions.

V. Decision

Based on the foregoing, and in reviewing the facts in the light most favorable to the non-moving party (Complainant), the Commission voted to *grant* the Motion to Dismiss in its entirety because the Complaint was untimely filed and, even if timely filed, Complainant failed to proffer sufficient, credible facts to support a finding that Respondent violated *N.J.S.A.* 18A:12-24(a), *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-25(a), *N.J.S.A.* 18A:12-25(b), *N.J.S.A.* 18A:12-26(c). The Commission also voted to find that the Complaint is not frivolous, and to deny Respondent's request for sanctions.

Pursuant to *N.J.S.A.* 18A:12-29(b), the Commission hereby notifies Complainant and Respondent that, for the reasons set forth above, this matter is dismissed. This decision is a final decision of an administrative agency and, therefore, it is appealable only to the Superior Court-Appellate Division. *See*, *New Jersey Court Rule* 2:2-3(a).

Robert W. Bender, Chairperson

Mailing Date: March 22, 2022

Resolution Adopting Decision in Connection with C79-21

Whereas, at a special meeting on February 25, 2022, the School Ethics Commission (Commission) considered the Complaint, the Motion to Dismiss in Lieu of Answer (Motion to Dismiss) and allegation of frivolous filing, and the response to the Motion to Dismiss and allegation of frivolous filing submitted in connection with the above-referenced matter; and

Whereas, at a special meeting on February 25, 2022, the Commission discussed granting the Motion to Dismiss because it was untimely filed and, even if timely filed, there were insufficient, credible facts to support a finding that Respondent violated N.J.S.A. 18A:12-24(a), N.J.S.A. 18A:12-24(b), N.J.S.A. 18A:12-25(a), N.J.S.A. 18A:12-25(b), N.J.S.A. 18A:12-25(c), N.J.S.A. 18A:12-26(a), N.J.S.A. 18A:12-26(b), and/or N.J.S.A. 18A:12-26(c); and

Whereas, at a special meeting on February 25, 2022, the Commission discussed finding the Complaint not frivolous, and denying Respondent's request for sanctions; and

Whereas, at its meeting on March 22, 2022, the Commission reviewed and voted to approve the within decision as accurately memorializing its actions/findings from its special meeting on February 25, 2022; and

Now Therefore Be It Resolved, that the Commission hereby adopts the decision and directs its staff to notify all parties to this action of its decision herein.

Robert W. Bender, Chairperson

I hereby certify that the Resolution was duly adopted by the School Ethics Commission at its public meeting on March 22, 2022.

Kathryn A. Whalen, Esq. Director, School Ethics Commission