Before the School Ethics Commission OAL Docket No.: EEC-02707-23 SEC Docket No.: C109-22 Final Decision

In the Matter of Sharnell Morgan, Pleasantville Board of Education, Atlantic County, Respondent

I. Procedural History

The above-captioned matter arises from a Complaint that was filed on November 22, 2022, ¹ by Dr. Natakie Chestnut-Lee (Complainant), alleging that Sharnell Morgan (Respondent), a member of the Pleasantville Board of Education (Board), violated the School Ethics Act (Act), *N.J.S.A.* 18A:12-21 *et seq.* More specifically, 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:12-24(c), *N.J.S.A.* 18A:12-24(d), *N.J.S.A.* 18A:12-24(f), and *N.J.S.A.* 18A:12-26(a)(4). On January 9, 2023, Respondent filed an Answer to Complaint (Answer), and also alleged that the Complaint is frivolous. On January 23, 2023, Complainant filed a response to the allegation of frivolous filing.

The parties were notified by correspondence dated February 13, 2023, that the above-captioned matter would be placed on the Commission's agenda for its meeting on February 21, 2023, in order to make a determination regarding probable cause and the allegation of frivolous filing. At its meeting on February 21, 2023, the Commission considered the filings and, at its meeting on March 21, 2023, the Commission adopted a decision finding probable cause does not exist for the purported violation of *N.J.S.A.* 18A:12-24(a), but finding probable cause for the stated violations of *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c), *N.J.S.A.* 18A:12-24(d), *N.J.S.A.* 18A:12-24(f), and *N.J.S.A.* 18A:12-26(a)(4). The Commission also voted to find the Complaint not frivolous, and to deny Respondent's request for sanctions.

Based on its finding of probable cause, the Commission voted to transmit the within matter to the Office of Administrative Law (OAL) for a hearing for those allegations in the Complaint for which the Commission found probable cause to credit. *N.J.A.C.* 6A:28-10.7(b)(1).

At the OAL, or about June 23, 2023, Respondent filed a motion to place the matter on the inactive list. By Order dated August 21, 2023, the application was granted, and the matter was placed on the inactive list for a period of six months. The matter came off the inactive list in March 2024, and after several status calls, Petitioner filed the instant Motion for Summary Decision on February 28, 2025. The record closed on May 5, 2025, and the Administrative Law Judge (ALJ) issued her Initial Decision on May 16, 2025, concluding Respondent violated

¹ On November 10, 2022, Complainant filed a deficient Complaint; however, on November 22, 2022, Complainant filed an Amended Complaint, which cured all defects and was deemed compliant with the requirements detailed in *N.J.A.C.* 6A:28-6.3.

N.J.S.A. 18A:12-24(b), *N.J.S.A.* 18A:12-24(c), *N.J.S.A.* 18A:12-24(d), and *N.J.S.A.* 18A:12-24(f) and *N.J.S.A.* 18A:12-26(a)(4) and recommending a penalty of censure. Neither party filed exceptions.

At its meeting on July 22, 2025, the Commission considered the full record in this matter. Thereafter, at its meeting on August 19, 2025, the Commission voted to adopt the ALJ's findings of fact, the legal conclusion that Respondent violated *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(f) and *N.J.S.A.* 18A:12-26(a)(4), rejected the legal conclusion that Respondent violated *N.J.S.A.* 18A:12-24(d), and adopted the recommended penalty of censure.

II. Initial Decision

The ALJ issues the following findings of fact:

- "Queen's TRY" is a 501(c)(3) organization based in Galloway, New Jersey, which Respondent founded in September 2021. Respondent is one of the trustees/officers of the entity.
- The Board passed a Resolution to approve the attendance of several Board members, including Respondent, to attend the New Jersey School Boards Association (NJSBA) annual workshop, and the Board would pay the registration cost for the workshop.
- In October 2022, Respondent attended the workshop, wore an identity badge with her Board credentials and a shirt promoting her non-profit "Queen's TRY."
- While attending the workshop, Respondent live streamed her interactions with vendors.
- Respondent introduced herself to three vendors in particular stating, in part, that she was the Board Vice President, she owned her own non-profit, the name of her non-profit with a brief explanation of the program, and the mission of her non-profit.

Initial Decision at 3-4.

The ALJ notes that regardless of Respondent's intent, her actions while attending the workshop violated *N.J.S.A.* 18A:12-24(b). According to the ALJ, "the public could and would likely infer that she used her position on the Board to secure free attendance at the workshop to promote her non-profit organization." *ID.* at 8. Respondent wore a shirt with her non-profit named on it, and although that alone would not violate *N.J.S.A.* 18A:12-24(b), Respondent then livestreamed her conversations with vendors, first introducing herself as a Board member and then promoting her company to procure services/benefits on behalf of her non-profit. The ALJ notes, as *in I/M/O Frederick Confessore*, C17-99, Initial Decision (Apr. 25, 2000), aff'd, Comm'n (June 16, 2000), aff'd, Bd. (Oct. 3, 2001), "a reasonable person could infer that respondent used her position as a Board member as a vehicle or entryway to secure professional relationships with vendors for the benefit of her non-profit organization." *Ibid.* Therefore, the ALJ concludes that Respondent violated *N.J.S.A.* 18A:12-24(b).

Regarding a violation of *N.J.S.A.* 18A:12-24(c), the ALJ asserts that considering "the totality of the events that transpired on October 25, 2022, it appears that [R]espondent had an agenda when she attended the workshop that had been paid for by the Board." *ID.* at 10. The

ALJ further asserts "when discussing her own program, [R]espondent criticized the very [B]oard she was supposed to be representing to one vendor, saying that the Board was 'not offering our children really nothing." *Ibid.* The ALJ maintains Respondent's actions at the workshop "clearly raise the question of her ability to be objective or independent should any of the vendors that she spoke to attempt to contract with the district for services or goods." *Ibid.* The ALJ further maintains Respondent was "[c]learly" promoting her non-profit and "made it clear that if the district didn't procure the services/products, her non-profit would seek to do so." *Ibid.* Therefore, the ALJ concludes that Respondent violated *N.J.S.A.* 18A:12-24(c).

As to a violation of *N.J.S.A.* 18A:12-24(d), the ALJ contends that Respondent's "conduct at the workshop on October 25, 2022, serves as a specific public example of the inherent conflict between her position on the Board and as the principal of Queen's TRY." *Ibid.* According to the ALJ, "at an event that she was approved to attend in her official capacity as a [B]oard member, [R]espondent spent quite a lot of time and energy 'representing' her non-profit organization." *ID.* at 12. The ALJ notes the livestream is evidence of her conflict of interests, and notably "a conflict of interest could just as easily arise should [R]espondent's non-profit share a vendor with the district or bid for the same services/program or products." *Ibid.* As such, the ALJ concludes Respondent violated *N.J.S.A.* 18A:12-24(d).

Regarding a violation of *N.J.S.A.* 18A:12-24(f), the ALJ argues that the "[w]aiver of a board member's financial responsibilities can constitute a financial benefit." *Ibid.* The ALJ notes, here, as in <u>Holstein v. Raftopoulos-Johnson</u>, EEC 15030-15 and EEC 15136-16 (Consolidated), final decision, Comm'n (Feb. 25, 2020), OAL DKT. NO. EEC 02707-23 aff'd, Comm'r (June 22, 2021), Respondent "took affirmative action to ensure that the Board would cover her registration fee at the workshop by seconding the vote to appropriate the funds." *ID.* at 13. The ALJ further notes that although it is undisputed that the registration fee was a group fee and not solely for Respondent, she, regardless of its value, used her entry into the workshop to promote her non-profit instead of purchasing a separate pass to get into the event and attend on a different day on behalf of her organization. *Ibid.* Therefore, the ALJ concludes that Respondent violated *N.J.S.A.* 18A:12-24(f).

Finally, as to a violation of *N.J.S.A.* 18A:12-26(a)(4), the ALJ asserts that when Queen's TRY was first set up, it was erroneously established as a for-profit organization. When the error was realized, the entity was changed to a non-profit. The ALJ states that Respondent explained that she "did not disclose the organization because she was not actively using it." *Ibid.* The ALJ finds that "the definition of 'interest' under the statute does not require that an owner must be aware of the specific type of interest they hold or that they use the organization." *ID.* at 14. Therefore, the ALJ concludes that Respondent's failure to disclose Queen's TRY on her 2022 Personal/Relative and Financial Disclosure Statement (FDS) violated *N.J.S.A.* 18A:12-26(a)(4).

III. Analysis

Upon a careful, thorough, and independent review of the record, the Commission agrees with the ALJ's findings of fact, the legal conclusion that Respondent violated *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c), and *N.J.S.A.* 18A:12-24(f) and *N.J.S.A.* 18A:12-26(a)(4), rejects

the conclusion that Respondent violated *N.J.S.A.* 18A:12-24(d), and adopts the recommended penalty of censure.

At the outset, the Commission notes that, while a Board member's simultaneous service both on the Board and on a nonprofit, including in a leadership role, is not a *per se* conflict of interest, situations or circumstances may arise based on the dual positions that result in violations of the Act. *See Advisory Opinion A07-00* (A07-00) and *Advisory Opinion A15-18* (A15-18). Accordingly, Respondent has not engaged in a violation of the Act simply due to her membership on both the Board and as the founder/principal of Queen's TRY. Therefore, the Commission disagrees with the ALJ that a violation has occurred with respect to *N.J.S.A.* 18A:12-24(d), and therefore, dismisses this violation.

N.J.S.A. 18A:12-24(b) prohibits a school official from using or attempting to use her official position to secure unwarranted privileges, advantages or employment for herself, members of her immediate family or others. The Commission finds that here, Respondent attempted to use her official Board position to secure business relationships with vendors for her separate nonprofit when during the workshop for which the Board paid, Respondent introduced herself to multiple vendors as a Board member and then proceeded to promote her nonprofit in an effort to market and/or procure services/benefits/programs on behalf of her nonprofit. Therefore, a violation of *N.J.S.A.* 18A:12-24(b) has been established.

N.J.S.A. 18A:12-24(c) prohibits a school official from acting in her official capacity in a matter where she, a member of her immediate family, or a business organization in which she has an interest, has a direct or indirect financial involvement that might reasonably be expected to impair her objectivity or independence of judgment, and from acting in her official capacity in a matter where she or a member of his immediate family has a personal involvement that is or creates some benefit to her or a member of her immediate family. The standard for evaluating whether N.J.S.A. 18A:12-24(c) has been violated are the "same standards set forth by our Supreme Court in [Wyzykowski v. Rizas, 132 N.J. 509 (1993).]" Friends Retirement Concepts v. Board of Education of the Borough of Somerville, 356 N.J. Super. 203, 214 (Law Div. 2002). In Wyzykowski, the Supreme Court recognized four situations involving conflicts of interest that require disqualification from voting, two of which are relevant to the instant matter:

"Direct personal interest," when an official votes on a matter that benefits a blood relative or close friend in a non-financial way, but a matter of great importance, as in the case of a councilman's mother being in the nursing home subject to the zoning issue; and . . "Indirect Personal Interest," when an official votes on a matter in which an individual's judgment may be affected because of membership in some organization and a desire to help that organization further its policies.

[Wyzykowski, 132 N.J. at 525-26 (emphasis added) (citing Michael A. Pane, Conflict of Interest: Sometimes a Confusing Maze, Part II, New Jersey Municipalities, March 1980, at 8, 9.]

Essentially, "[t]he question will always be whether the circumstances could reasonably be interpreted to show that they had the likely capacity to tempt the official to depart from his sworn public duty." *Friends*, 356 N.J. Super. at 214.

The Commission has found, "in determining whether there is a violation of *N.J.S.A.* 18A:12-24(c), the determinative factor is the public's perception and not the school official's belief as to whether he could participate in a matter objectively." *I/M/O James Famularo*, Docket No. C23-96 (February 24, 1998). The violation is "based on an actual relationship that a reasonable person would expect to create a conflict of interest." *Ibid.* Further, "if the public would reasonably expect that the motion and vote were tainted by" a school official's involvement, then the school official should abstain from the discussion and vote. *Ibid.* In the current matter, the Commission agrees with the ALJ that a reasonable person would view Respondent as lacking objectivity or independence while performing her responsibilities as a Board member when she was also promoting her nonprofit. Therefore, the Commission agrees that a violation of *N.J.S.A.* 18A:12-24(c) has been substantiated.

N.J.S.A. 18A:12-24(f) prohibits a school official from using, or allow to be used, her public office or employment, or any information, not generally available to the members of the public, which she receives or acquires in the course of and by reason of her office or employment, for the purpose of securing financial gain for herself, any member of his immediate family, or any business organization with which she is associated. In the current matter, the Board paid for Respondent's entry into the workshop and then Respondent used her official Board position to secure business relationships with vendors for her separate nonprofit. Therefore, a violation of *N.J.S.A.* 18A:12-24(f) has been established.

N.J.S.A. 18A:12-26(a)(4) requires that school officials disclose 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. An "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" pursuant to N.J.S.A. 18A:12-23. The Commission agrees with the ALJ that Respondent should have listed the organization on her 2022 FDS as at the time, Queen's TRY was not a nonprofit and Respondent had an interest in the organization. Therefore, a violation of N.J.S.A. 18A:12-26(a)(4) has been substantiated.

With respect to a penalty, the Commission accepts the ALJ's recommendation of a penalty of censure for the violations of *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c), and *N.J.S.A.* 18A:12-24(f) and *N.J.S.A.* 18A:12-26(a)(4). The Commission finds that given the very serious nature of Respondent's violations of the Act, a penalty of censure is warranted for the violations of *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c), and *N.J.S.A.* 18A:12-24(f) and *N.J.S.A.* 18A:12-26(a)(4).

V. Decision

For the aforementioned reasons, the Commission adopts the ALJ's findings of fact, the legal conclusion that Respondent violated *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c), and

N.J.S.A. 18A:12-24(f) and *N.J.S.A.* 18A:12-26(a)(4), rejects the conclusion that Respondent violated *N.J.S.A.* 18A:12-24(d), and adopts the recommended penalty of censure.

Pursuant to *N.J.S.A.* 18A:12-29(c), this decision shall be forwarded to the Commissioner of Education for review of the Commission's recommended penalty. The parties may either: 1) file exceptions to the recommended sanction; 2) file an appeal of the Commission's finding of a violation; or 3) file both exceptions to the recommended sanction together with an appeal of the finding of a violation.

Parties taking exception to the recommended sanction of the Commission but *not disputing* the Commission's finding of a violation may file, **within thirteen (13) days** from the date the Commission's decision is forwarded to the Commissioner, written exceptions regarding the recommended penalty to the Commissioner. The forwarding date shall be the mailing date to the parties, as indicated below. Such exceptions must be forwarded to: Commissioner of Education, c/o Bureau of Controversies and Disputes, P.O. Box 500, Trenton, New Jersey 08625, marked "Attention: Comments on Ethics Commission Sanction," as well as to (ControversiesDisputesFilings@doe.nj.gov). A copy must also be sent to the Commission (school.ethics@doe.nj.gov) and all other parties.

Parties seeking to appeal the Commission's finding of violation *must* file an appeal pursuant to the standards set forth at *N.J.A.C.* 6A:4:1 *et seq.* within thirty (30) days of the filing date of the decision from which the appeal is taken. The filing date shall be three (3) days after the date of mailing to the parties, as shown below. In such cases, the Commissioner's review of the Commissioner's recommended sanction will be deferred and incorporated into the Commissioner's review of the finding of violation on appeal. Where a notice of appeal has been filed on or before the due date for exceptions to the Commission's recommended sanction (thirteen (13) days from the date the decision is mailed by the Commission), exceptions need not be filed by that date, but may be incorporated into the appellant's briefs on appeal.

Robert W. Bender, Chairperson	

Mailing Date: August 19, 2025

Resolution Adopting Decision in Connection with C109-22

Whereas, at its meeting on March 21, 2023, the School Ethics Commission (Commission) voted to transmit the above-captioned matter to the Office of Administrative Law (OAL) for a hearing; and

Whereas, the Administrative Law Judge (ALJ) issued an Initial Decision dated May 16, 2025; and

Whereas, the ALJ found that Respondent violated *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c), *N.J.S.A.* 18A:12-24(d), and *N.J.S.A.* 18A:12-24(f) and *N.J.S.A.* 18A:12-26(a)(4), and recommended a penalty of censure; and

Whereas, neither party submitted exceptions; and

Whereas, at its meeting on July 22, 2025, the Commission reviewed the record in this matter, discussed adopting the ALJ's findings of fact, the legal conclusion that Respondent violated *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c), and *N.J.S.A.* 18A:12-24(f) and *N.J.S.A.* 18A:12-24(d), and adopting the recommended penalty of censure; and

Whereas, at its meeting on August 19, 2025, the Commission reviewed and voted to approve the within decision as accurately memorializing its actions/findings from its meeting on July 22, 2025; and

Now Therefore Be It Resolved, the	e Commission hereby adopts the within decision
	Robert W. Bender, Chairperson
I hereby certify that this Resolution was duadopted by the School Ethics Commission meeting on August 19, 2025	
Dana C. Jones School Ethics Commission	<u>—</u>