
**IN THE MATTER OF
MARY DIMARTINO,
MEMBER, BOARD OF GOVERNORS,
RUTGERS, THE STATE UNIVERSITY
OF NEW JERSEY**

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STATE ETHICS COMMISSION

Commission Case No. 35-19

DECISION

BACKGROUND

Rutgers, The State University of New Jersey (Rutgers) requests an exception to Executive Order 14 (Corzine 2006) (EO 14) on behalf of Mary DiMartino (DiMartino), who serves as a member of the Rutgers Board of Governors. DiMartino is also employed as an Executive Director of the Northeast Team within J.P. Morgan's Public Finance Banking group.

EO 14 prohibits a member of a State college or university governing board from being employed by or deriving or receiving any compensation from a firm, association, or partnership that does business with the institution that the board member governs. The term "doing business with" is defined to mean "providing or receiving any goods or services or otherwise engaging in a transaction involving the exchange of anything of value." Pursuant to paragraph 5 of EO 14, however, the State Ethics Commission is authorized to grant exceptions from this prohibition if "in the judgment of the Executive Director, the entity that is doing business with the institution is doing so pursuant to a contract awarded in accordance with the competitive bidding laws applicable to that institution or the public interest requires an exception to be made."

APPLICATION

According to the information provided, in June of 2019, J.P. Morgan was selected by Rutgers to be a member of Rutgers' bond underwriting syndicate within the co-manager pool. Based on this designation, J.P. Morgan is eligible to participate on future bond deals for Rutgers. Rutgers selects firms from within the syndicate to assist with specific bond matters at the time of issuance based on the structure of the deal and the skills of the firm that would best match the services needed. In addition, Rutgers has custody accounts with J.P. Morgan that include funds held in trust for the benefit of Rutgers. Rutgers does not exercise any control over these accounts.

According to Rutgers, J.P. Morgan's business dealings with Rutgers have been established in accordance with the competitive bidding laws applicable to Rutgers. In addition, all agreements between Rutgers and J.P. Morgan predated DiMartino's appointment to the Rutgers University Board of Governors, so DiMartino was not involved on behalf of Rutgers in any of the Rutgers business arrangements with J.P. Morgan. Furthermore, J.P. Morgan has a separate team responsible for its relationships with institutions of higher education such as Rutgers. DiMartino is not a member of that team, so she has also not been involved on behalf of J.P. Morgan in any of J.P. Morgan's business dealings with Rutgers.

In this situation, an EO 14 exception is warranted because J.P. Morgan was selected to provide banking/trust account services and to be a part of Rutgers' bond underwriting syndicate pursuant to agreements made in accordance with the competitive bidding laws applicable to Rutgers. Furthermore, the selection of J.P. Morgan to provide these services was made prior to DiMartino's appointment to the Rutgers University Board of Governors. Under these circumstances, an EO 14 exception also serves the public interest because granting the exception will allow Rutgers to continue doing business with J.P. Morgan, a company it previously determined to be most suited to provide these services to the University.

DECISION

The Commission grants DiMartino an exception to the provisions of EO 14 with respect to the services between Rutgers and J.P. Morgan identified above. In her official State capacity, however, DiMartino must recuse herself from any matters involving J.P. Morgan and have no involvement on behalf of J.P. Morgan in any matters involving Rutgers.

DECISION RENDERED BY THE
STATE ETHICS COMMISSION ON
THE 3rd DAY OF DECEMBER 2019