



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

80-1

press release

May 8, 1980

On May 7, 1980 the State Ethics Commission determined that there is probable cause to believe that Dr. James S. Peters II, Associate Commissioner, Department of Education, Division of Vocational Rehabilitation, has violated the Code of Ethics for Public Officials, Chapter 10, Part I, Connecticut General Statutes.

The Commission concluded that there is probable cause to believe that in 1978 Dr. Peters used his office improperly, in violation of subsection 1-84(c), Connecticut General Statutes in his participation in the awarding of a financial grant to be carried out at Camp Bennett in Glastonbury, Connecticut. A portion of the area known as Camp Bennett belongs to Dr. and Mrs. Peters. The two have a mortgage on the remainder of the Camp area. Ownership of the latter portion of the Camp is claimed by a corporation of which Mrs. Peters is president.

The State Ethics Commission also found reason to believe Dr. Peters had failed to notify his immediate superior, the Commissioner of Education, that Dr. Peters' position required him to take action affecting a financial interest of himself, his wife, and a business with which he was associated, the last the corporation claiming ownership of the bulk of Camp Bennett. The Commission found that because there is reason to believe Dr. Peters neglected to notify his immediate superior, there is probable cause to believe Dr. Peters has violated section 1-86, Connecticut General Statutes.

For further information call:
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STATE OF CONNECTICUT
STATE ETHICS COMMISSION

press release

On May 7, 1980 the State Ethics Commission determined that there was probable cause to believe that Dr. James S. Peters, II, Associate Commissioner in the State Department of Education, had violated the Code of Ethics for Public Officials, Chapter 10, Part 1, Connecticut General Statutes. The Commission decided, and Dr. Peters and his attorney agreed, to attempt to settle the matter through negotiation and stipulation, as permitted by subsection 4-177(d), Connecticut General Statutes. The attached stipulation, signed by Dr. Peters on September 26, 1980 and accepted by the Ethics Commission on October 1, 1980, resulted from these negotiations, and represents a final disposition of the Ethics Commission's complaint (Docket No. 80-1) against Dr. James S. Peters, II.

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Docket No. 80-1

IN THE MATTER OF A COMPLAINT BY
THE STATE ETHICS COMMISSION

: STATE ETHICS COMMISSION

v.

: 30 Trinity Street
Hartford, Connecticut 06115

DR. JAMES S. PETERS, II

: September , 1980

STIPULATION AND ORDER

Dr. James S. Peters, II, stipulates and the State Ethics Commission determines, that:

1. On or about September 1, 1978, the Division of Vocational Rehabilitation, of which Dr. Peters, Associate Commissioner in the State Department of Education, was in responsible charge, contracted with the United Cerebral Palsy Association of Fairfield County. Under the contract, the Division of Vocational Rehabilitation agreed to provide Twenty Thousand (\$20,000.00) Dollars in funds for a vocational training program for handicapped individuals in landscape development and maintenance to be executed by the United Cerebral Palsy Association of Fairfield County at Camp Bennett in Glastonbury, Connecticut.

2. Camp Bennett, a nonprofit organization, is an asset of a business with which Dr. Peters is associated within the meaning of Subsection 1-79(a), Connecticut General Statutes. Dr. Peters' wife, Dr. Marie Peters, is president of the Educational Rehabilitation through Better Housing Corporation, a nonprofit

organization which owns the Camp Bennett property. Dr. James Peters, II is also a member of the board of directors of this organization. Additionally, Dr. Peters and his wife hold a Fifty Thousand Dollar (\$50,000.00) mortgage on the Camp Bennett property, which was, and still is, tax exempt property prior to the effective date of the Ethics statute, and the date of the grant. These ties between Dr. Peters, the Camp Bennett property, and Educational Rehabilitation through Better Housing, Inc. existed prior to July 28, 1978, the date of the grant application, and thereafter.

3. Dr. Peters, in responsible charge of the Division of Vocational Rehabilitation, knew of the above-mentioned contract and participated in his agency's preliminary review, consideration and approval of said contract. Dr. Peters also knew that the contract's subject matter concerned the Camp Bennett property. Additionally, after acceptance of the contract by his Division, Dr. Peters knew of and participated in the monitoring of the contract. The grant was essentially for lawn tending, brush clearing, pond draining, and other services which could in no way affect the security of the mortgage interest. Furthermore, the property was then subject to a non-fee payment lease to United Cerebral Palsy for five (5) years, from 1975 to 1980.

4. At no time prior to July 28, 1978, the date of the grant application, or after October 16, 1978, the date of final approval of the funds in question or during the period July 28 to October 16, 1978, did Dr. Peters file any written statement with his immediate superior in the Department of Education, Commissioner Mark Shedd, or with the State Ethics

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Commission, or with any other responsible public official, describing the matter requiring Dr. Peters' official approval and the nature of any potential conflict of interest due to Dr. Peters' links with Camp Bennett property. Dr. Peters testified that he was absent from the state at the time the statute went into effect and had no knowledge of the filing mandated therein. He further testified that he was never provided information regarding the new provisions of the law by his superiors or subordinates.

5. Dr. Peters' failure to give written notice to his immediate superior, Commissioner Mark Shedd, of the fact that he was required, in his official capacity, to take an action affecting a financial interest of a business with which he was associated constituted a violation of the reporting requirements of Section 1-86, Connecticut General Statutes.

6. Dr. Peters' official participation in the awarding of the grant to be performed at Camp Bennett, an asset of a business with which he was associated, constituted a violation of Subsection 1-84(c), Connecticut General Statutes, which prohibits use of public office for such private financial gain. Furthermore, Dr. Peters' motivation in acting on the grant was questionable.

7. Considering his high public office, his expertise in Vocational Rehabilitation, and his 25 years of experience in grant management, Dr. Peters' official actions in this matter represent an example of unusually poor judgment. **000025**

8. All Federal and all State funds have been returned. In addition, there was no financial loss to either the federal

9. Dr. Peters waives any rights he may have under Section 1-82, Connecticut General Statutes, to further hearings in this case, and agrees with the State Ethics Commission to an informal disposition of this matter as permitted by Subsection 4-177(d), Connecticut General Statutes.

WHEREFORE, the State Ethics Commission enters, and Dr. James S. Peters, II agrees to, these orders: In lieu of any other action, it is authorized by law to take with respect to the above-captioned matter, the Commission orders Dr. James S. Peters, II hencefore to comply with the provisions of Chapter 10, Part 1, Code of Ethics for Public Officials, Connecticut General Statutes, and orders Dr. James S. Peters, II to pay a civil penalty of Seven Hundred and Fifty Dollars (\$750.00).

James S. Peters, II DATED September 26, 1980

BY ORDER OF THE COMMISSION

Thomas J. Lynd DATED October 1, 1980
CHAIRMAN, STATE ETHICS COMMISSION

Docket Number 80-1

IN THE MATTER OF A COMPLAINT BY THE)

STATE ETHICS COMMISSION

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STATE ETHICS COMMISSION

VS.

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30 TRINITY ST., HARTFORD
CONNECTICUT 06115

DR. JAMES S. PETERS II

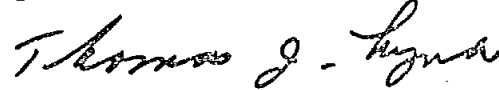
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MAY 7, 1980

ADMENDMENT OF COMPLAINT

The complainant in the above-titled action, the State Ethics Commission, hereby amends its complaint as per the appended amended complaint.

By Order of the Commission



Thomas J. Lynch, Chairman
State Ethics Commission

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Camp Bennett is an asset of a business with which Dr. James Peters is associated within the meaning of subsection (a) of section 1-79, Connecticut General Statutes. Dr. James Peters' wife, Dr. Marie Peters, is president of the Educational Rehabilitation through Better Housing Corporation (Formerly, the Independent Social Center according to the Certificate of Change of Name filed in the Glastonbury Land Records July 28, 1972) which owns the Camp Bennett property. Additionally, Dr. James Peters and his wife hold a fifty-thousand dollar (\$50,000) mortgage on the Camp Bennett property. Dr. James Peters and his wife also hold fourteen acres, more or less, of the Camp Bennett property by quit-claim deed. These ties between Dr. James Peters and the Camp Bennett property existed prior to July 28, 1978 and thereafter.

Dr. James Peters, in responsible charge of the Division of Vocational Rehabilitation, knew of the above-mentioned contract and of his Division's preliminary reviews, consideration, and negotiation of the contract, including the United Cerebral Palsy proposal dated July 28, 1978 that resulted in the contract, and he participated in them. Dr. James Peters also knew that the contract's subject matter concerned the Camp Bennett property and could reasonably be expected to increase that property's financial worth. Additionally, after the contract's acceptance by his Division, Dr. James Peters knew of and participated in his Division's administration of the contract.

At no time prior to July 28, 1978, or after October 16, 1978, or during the period from July 28 to October 16, 1978, did Dr. James Peters file any written statement with his immediate superior in the Department of Education, Commissioner Mark Shedd, describing these matters requiring Dr. Peters' action as an Associate Commissioner of the Department of Education and as head of the Division of Vocational Rehabilitation, and the nature of any potential conflict of interest due to Dr. Peters' links with the Camp Bennett property.

Dr. James Peters' knowledge and participation with respect to the above-mentioned contract, its preliminary negotiations, etc., and subsequent administration by his Division of the contract while he was in responsible charge of his Division, constitutes use of his office by him for his financial gain and the financial gain of his wife and of a business with which he is associated in violation of subsection (c) of section 1-84, Connecticut General Statutes, and his failure to file any written statement, as mentioned in the paragraph immediately above, constitutes a violation of section 1-86, Connecticut General Statutes. Wherefore the State Ethics Commission issues this complaint.

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By Order of the Commission

Thomas J. Lynch

Thomas J. Lynch, Chairman
State Ethics Commission

Dated May 7, 1980

Complainant's name and address: State Ethics Commission, 30
Trinity Street, Hartford, Connecticut.

Complainant's telephone number: 566-4472 or 566-7626.

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