Before the School Ethics Commission
Docket No.: C105-25
Final Decision
Summary Disposition

Stephanie Johnson,
Complainant

v.

Melissa McCooley,
Pinelands Regional Board of Education, Ocean County,
Respondent

I. Procedural History

The above-captioned matter arises from a Complaint that was filed with the School Ethics Commission (Commission) on October 31, 2025,[1] by Stephanie Johnson (Complainant), alleging that Melissa McCooley (Respondent), Superintendent of the Pinelands Regional School District (District), violated the School Ethics Act (Act), *N.J.S.A.* 18A:12-21 *et seq*. More specifically, the Complaint alleged that Respondent violated *N.J.S.A.* 18A:12-25, as well as *N.J.S.A.* 18A:12-24(a), *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c) and *N.J.S.A.* 18A:12-24(d). Respondent filed a Written Statement on January 20, 2025.

The parties were notified by correspondence dated March 17, 2026, that the above-captioned matter would be discussed by the Commission at its meeting on March 24, 2026, in order to make a determination regarding probable cause. Following its discussion on March 24, 2026, the Commission adopted a decision at its meeting on April 28, 2026, finding that there are sufficient facts and circumstances pled in the Complaint and in the Written Statement to lead a reasonable person to believe that *N.J.S.A.* 18A:12-25 was violated as set forth in the Complaint, but insufficient facts and circumstances to lead a reasonable person to believe that *N.J.S.A.* 18A:12-24(a), *N.J.S.A.* 18A:12-24(b), *N.J.S.A.* 18A:12-24(c) and *N.J.S.A.* 18A:12-24(d) were violated as alleged in the Complaint. Additionally, in accordance with *N.J.A.C.* 6A:28-9.8(a)(1)(ii), the Commission voted to decide the above-captioned matter by summary decision and directed Respondent to file a statement setting forth the reasons (Statement of Reasons) she should not be found in violation of the Act. Respondent was also advised that if she disputes any of the facts determined by the Commission to be both material and undisputed, she should set forth the facts with which she disagrees, and why they are material to the case. Finally,

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[1] On October 22, 2025, Complainant filed a deficient Complaint, and on October 29, 2025, Complainant filed a Second Deficient Complaint; however, on October 31, 2025, Complainant cured all defects and filed an Amended Complaint that was deemed compliant with the requirements detailed in *N.J.A.C.* 6A:28-6.3.

Respondent was further advised that the Commission may then make a determination of a violation on a summary basis. Respondent filed a Statement of Reasons on June 12, 2026.

Thereafter, at its meeting on July 28, 2026, the Commission reviewed the record in this matter and, at its meeting on August 25, 2026, adopted a decision finding that Respondent violated *N.J.S.A.* 18A:12-25 and recommending a penalty of censure for Respondent's violation of the Act.

II. Summary of the Pleadings

A. *Remaining Allegations in the Complaint*

By way of background, Complainant provides that during Respondent's tenure as Superintendent in the Little Egg Harbor School District, Troy Henderson served as a principal in the same school district. Since that time, per Complainant, Respondent and Mr. Henderson cultivated a personal relationship that has yielded many benefits, which continued during Respondent's transfer to the Pinelands Regional School District in 2023.

With the above in mind, Complainant asserts that Respondent's spouse and Mr. Henderson are business partners as co-owners in a rental property. Complainant further asserts that Respondent has not disclosed the business that her spouse and Mr. Henderson have (MH Estate, LLC) on her 2025 Personal/Relative and Financial Disclosure Statement (Disclosure Statement or FDS). Complainant argues Respondent's failure to disclose this information on her FDS violates *N.J.S.A.* 18A:12-25 because she is not "disclosing accurate information" despite her responsibility to do so, and she "knowingly omits financial information on her FDS because she knows the optics of how it looks to the public especially when she flaunts her close relationship with this employee she supervises."

B. *Written Statement*

In her Written Statement, Respondent states it is true that her husband and Mr. Henderson formed an LLC, which is intended to "generate rental income, but it has never made a profit, and the rent paid by the tenant does not cover the cost of operation." Respondent notes she consulted with Board counsel regarding the LLC and whether she needed to report it on her FDS but was advised "that it was unclear if reporting was required."

C. *Statement of Reasons*

In her Statement of Reasons, Respondent asserted her husband and Mr. Henderson formed an LLC (MH Estate, LLC), which is intended to "generate rental income, but it has never made a profit, has always operated at a loss, and the rent paid by the tenant does not cover the cost of operation." Respondent notes that the LLC did meet the "threshold of $2,000 in income."

Respondent further notes she consulted with Board counsel regarding whether to report the LLC on her FDS but was advised "that it was unclear if reporting was required."[2]

Additionally, Respondent argues that "allegations related to MH Estate, LLC cannot be resolved adversely to the Respondent without a full record following a plenary hearing." Therefore, Respondent requests that the Commission dismiss the Complaint in its entirety, or in the alternative, transmit the matter to the Office of Administrative Law (OAL).

III. Findings of Fact

Based on its thorough and independent review of the record, the Commission finds the following facts to be undisputed:

1. At the times relevant to this Complaint, Respondent has been Superintendent of the Pinelands Regional School District. *Complaint* at page 1-2.
2. As a school official, Respondent is required to annually file a Disclosure Statement by April 30. *N.J.S.A.* 18A:12-26.
3. Troy Henderson is a principal within the District. *Complaint* at 1.
4. Respondent's husband, Lucas McCooley, and Troy Henderson formed an LLC named MH Estate, LLC. *Complaint* at 2; *Written Statement* at 1; *Statement of Reasons* at 1.
5. MH Estate was formed for the purpose of overseeing a rental property and generating rental income. *Complaint* at 2; *Written Statement* at 1; *Statement of Reasons* at 1.
6. The property in South Carolina was purchased by Respondent and Mr. McCooley (50%) and Mr. Henderson and his spouse (50%) in June 2022. *Exhibit (Warranty Deed).*
7. Respondent did not disclose MH Estate on her 2025 FDS. *Complaint* at 3; *Written Statement* at 2; *Statement of Reasons* at 1.
8. MH Estate has not made a profit, and the rent paid by the tenant does not cover the cost of the operation. *Written Statement* at 2; *Statement of Reasons* at 1.
9. MH Estate does not earn $2,000 in "income." *Statement of Reasons* at 1.
10. Respondent asked Board counsel if she needed to report MH Estate on her FDS and was told that "it was an unusual circumstance" and that "it was unclear if reporting was required." *Written Statement* at 2; *Statement of Reasons* at 1.

[2] Respondent also makes arguments in the Statement of Reasons regarding Respondent's spouse's other business, Jersey Shore Hydro, LLC. Such arguments are not addressed here because the Commission did not find probable cause with respect to that business because it was not operational and did not appear to have any assets.

IV. Analysis and Conclusions of Law

Complainant alleges that Respondent violated *N.J.S.A.* 18A:12-25, which, in relevant part, states:

> 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 [*N.J.S.A.* 18A:12-29]. Nothing in this subsection shall be construed to prevent or limit criminal prosecution.

Pursuant to *N.J.S.A.* 18A:12-26(a)(4), Section III, Question 4, of the FDS form requires the school official to answer the question: "In the preceding calendar year, did you or a member of your immediate family have an interest in a business organization?" Interest is defined in *N.J.S.A.* 18A:12-23, and on the FDS form, as "the ownership or control of more than 10% of the profits, assets, or stock of a business . . ." The Commission finds that regardless of whether MH Estate, LLC makes a profit, it certainly has assets, namely a rental property. Accordingly, without question, Respondent's spouse has an interest in MH Estate, LLC, which would trigger a disclosure requirement for Respondent. Additionally, despite Respondent's argument, there is not a $2,000 income threshold amount for an interest in a business organization. Such a figure refers to Section III, Question 1 of the FDS form, which asks about sources of income in excess of $2,000. Accordingly, Respondent filed a Disclosure Statement that contained inaccurate information, and as such, Respondent violated *N.J.S.A.* 18A:12-25.

While Respondent argues that she asked Board counsel if she needed to report MH Estate on her FDS, and was told that "it was an unusual circumstance" and that "it was unclear if reporting was required," the Commission seeks to make clear that Board counsel did not advise Respondent not to disclose MH Estate. Accordingly, an advice of counsel defense would not apply in this circumstance. The Commission questions why, when the Board attorney was uncertain, Respondent would choose not to disclose a business that her spouse owns with one of her subordinates, rather than simply including the information.

V. Recommended Penalty

Having found that Respondent violated *N.J.S.A.* 18A:12-25, the Commission is authorized to recommend to the Commissioner of Education (Commissioner) an appropriate penalty, which may range from reprimand to removal. *N.J.S.A.* 18A:12-29(c).

In its review, the Commission finds that a censure is the most appropriate penalty. Respondent's spouse's interest in a business organization was required to be on her FDS. It was especially important for Respondent to disclose MH Estate, LLC, because her spouse owns it with a principal in the District where she works, and that principal would report to Respondent. Such a scenario, where two school administrators share a business, is one of the precise reasons why such information should be public and noted on a Disclosure Statement. As such, the Commission finds a censure to be warranted in this matter.

VI. Decision

For the reasons set forth above, the Commission recommends that the Commissioner impose a penalty of censure for the violation of *N.J.S.A.* 18A:12-25.

Pursuant to *N.J.S.A.* 18A:12-29(c), this decision shall be forwarded to the Commissioner 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 Office 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 a 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. 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 Commission'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 in the appellant's briefs on appeal.

Dennis M. Roberts, Chairperson

Mailing Date: August 25, 2026

Resolution Adopting Decision in Connection with C105-25

Whereas, at its meeting on July 28, 2026, the School Ethics Commission (Commission) considered the Complaint, Written Statement, and Statement of Reasons submitted by Respondent, in this matter; and

Whereas, at its meeting on July 28, 2026, the Commission discussed finding a violation of *N.J.S.A.* 18A:12-25; and

Whereas, at its meeting on July 28, 2026, the Commission discussed recommending a penalty of censure for the violation of *N.J.S.A.* 18A:12-25; and

Whereas, at its meeting on August 25, 2026, the Commission reviewed and voted to approve the within decision as accurately memorializing its actions/findings from its meeting on July 28, 2026; 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.

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Dennis M. Roberts, Chairperson

I hereby certify that the Resolution was duly adopted by the School Ethics Commission at its meeting on August 25, 2026.

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Brigid C. Martens, Director
School Ethics Commission