
IN THE MATTER OF	:	STATE ETHICS COMMISSION
STEPHEN DEPALMA,	:	
BOARD OF TRUSTEE MEMBER,	:	
NEW JERSEY INSTITUTE OF	:	
TECHNOLOGY	:	Commission Case No. 27-15
	:	DECISION

BACKGROUND

New Jersey Institute of Technology (“NJIT”) requests an exception to Executive Order 14 (Corzine 2006) (“EO 14”) on behalf of NJIT’s Board of Trustee Member Stephen DePalma (“DePalma”). DePalma was employed by Bowman Consulting Ltd. (“Bowman”), a Virginia-based engineering firm, until approximately February 2015. Since then, both he and his spouse have received health insurance benefits through COBRA, paid for by Bowman. Bowman agreed to provide these healthcare benefits for eighteen months.

Recently, Bowman acquired the assets of Omland Engineering Associates (“Omland”), a consulting engineering firm that provides professional consulting services for NJIT. Omland is now referred to as “Omland Engineering Associates Inc., a Bowman Consulting Company,” (“Omland/Bowman”) and continues to do business with NJIT.

EO 14 prohibits a member of a State college or university governing board and a member’s spouse 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

The healthcare benefits provided by Bowman to DePalma and his spouse are considered a form of deferred compensation and EO 14 expressly prohibits DePalma, as an NJIT Trustee, and his spouse from receiving any compensation from Omland/Bowman because it does business with NJIT. The Commission, however, may grant an exception to this prohibition. Here, DePalma is no longer employed by Bowman and the EO 14 restriction was only triggered when DePalma’s former employer acquired a company that happened to do business with NJIT. While DePalma worked for Bowman, Bowman never contracted with or sought business from NJIT and DePalma had no financial or personal interests in Omland until it was acquired by his former employer. Finally, while the purpose of EO 14 is to ensure that members of the governing boards of State institutions of higher education in New Jersey avoid actual and potential conflicts of

interest, this concern can be adequately addressed here if DePalma recuses himself from all NJIT matters involving Bowman and Omland.

Based on the facts provided, it is in the public interest to grant an EO 14 exception to DePalma.

DECISION

The Commission grants DePalma an exception to the provisions of EO 14 to allow him and his spouse to receive healthcare benefits through Bowman for eighteen months. In his official State capacity, however, DePalma must recuse himself from any matters involving Bowman and Omland.

DECISION RENDERED BY THE
STATE ETHICS COMMISSION ON
THE 16TH DAY OF JUNE, 2015