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STATE ETHICS COMMISSION

COMMONWEALTH OF MASSACHUSETTS  
STATE ETHICS COMMISSION

2011 JAN 20 AM 10:13

SUFFOLK, ss.

COMMISSION ADJUDICATORY  
DOCKET NO.

11-0002

IN THE MATTER  
OF  
WILLIAM SCHMIDT

**ORDER TO SHOW CAUSE**

1. The State Ethics Commission is authorized to enforce G.L. c. 268B, the Financial Disclosure Law, and in that regard to initiate and conduct adjudicatory proceedings.
2. On November 19, 2010, the Commission found reasonable cause to believe that William Schmidt violated G.L. c. 268B, § 5 and authorized the initiation of adjudicatory proceedings.
3. Schmidt served as the Executive Office of Health and Human Services Director of Planning and Control for more than 30 days in 2009. As the Executive Office of Health and Human Services Director of Planning and Control, Schmidt was a state employee as that term is defined in G.L. c. 268A, § 1.
4. In accordance with G.L. c. 268B and 930 CMR 2.00, Schmidt's position of Executive Office of Health and Human Services Director of Planning and Control was designated as a major policy-making position for calendar year 2009. As such, Schmidt was required to file a Statement of Financial Interests ("SFI") for calendar year 2009 in accordance with G.L. c. 268B and 930 CMR 2.00.

5. The SFI was required to be filed by May 17, 2010, in accordance with G.L. c. 268B and 930 CMR 2.00. Schmidt was informed of his obligation to file an SFI for calendar year 2009.

6. Schmidt did not file an SFI on or before May 17, 2010. On June 14, 2010, the Commission sent by first class mail a Formal Notice of Lateness ("Notice") to Schmidt. The Notice advised Schmidt that his SFI had not been filed and was, therefore, delinquent. The Notice further advised Schmidt that failure to file his 2009 SFI within 10 days of receipt of such Notice would result in the imposition of civil penalties. The Commission allows three days for receipt of the Notice if sent by first class mail. Therefore, Schmidt would not incur a civil penalty if he filed his SFI by June 27, 2010.

7. Schmidt filed an SFI with the Commission on July 26, 2010.

8. Schmidt failed to timely file his SFI after receiving the Notice, and, therefore, violated G.L. c. 268B, § 5.

9. General Laws c. 268B, § 4 authorizes the Commission to impose a civil penalty of up to \$10,000 for each violation of c. 268B. During the relevant time, the Commission had two schedules of penalties for SFIs filed more than 10 days after the receipt of the Notice.

**For first time late submission of an SFI:**

1-10 Days Late: \$100  
11-20 Days Late: \$200  
21-30 Days Late: \$400  
31 or More Days Late: \$1,000  
Non-filing of an SFI: \$10,000

**For the repeated late submission of an SFI:**

1-10 days delinquent: \$200  
11-20 days delinquent: \$400  
21-30 days delinquent: \$800  
31 days or more: \$2,000  
Non-filing of an SFI: \$10,000

10. This is the first time Schmidt submitted his SFI late.
11. Schmidt's SFI was 29 days late, and based on the Commission's fine schedule for first time late submission of an SFI, the civil penalty is \$400.

WHEREFORE, Petitioner asks that the Commission:

- a) find that William Schmidt violated G.L. c. 268B, § 5 by failing to file his 2009 SFI within ten (10) days of receiving the Formal Notice of Lateness; and
- b) impose a \$400 civil penalty pursuant to G.L. c. 268B, § 4(j).

Respectfully submitted,  
Petitioner State Ethics Commission  
By its attorney,

Date: January 20, 2011

*/s/ Karen Beth Gray*  
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