

**BEFORE THE
MISSOURI ETHICS COMMISSION**

MISSOURI ETHICS COMMISSION,)	
)	
)	
Petitioner,)	
)	Case No. 11E005
v.)	
)	
PHYLLIS PARO,)	
)	
)	
Respondent.)	

Filed
DEC 30 2011
Missouri Ethics
Commission

**JOINT STIPULATION OF FACTS, WAIVER OF HEARINGS
BEFORE THE MISSOURI ETHICS COMMISSION, AND
CONSENT ORDER WITH JOINT PROPOSED
FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The undersigned parties jointly stipulate to the facts and consent to the action set forth below.

The undersigned Respondent, Phyllis Paro, acknowledges that she has received and reviewed a copy of the Complaint filed by the Petitioner in these cases, and the parties submit to the jurisdiction of the Missouri Ethics Commission.

The undersigned Respondent further acknowledges that she is aware of the various rights and privileges afforded by law, including but not limited to: the right to appear and be represented by counsel; the right to have all charges against Respondent be proven upon the record by competent and substantial evidence; the right to cross-examine any witness appearing at the hearing against Respondent; the right to present evidence on Respondent's behalf at the hearing; and the right to a decision upon the record of the hearing. Being aware of these rights provided to Respondent by operation of law, the undersigned Respondent knowingly and voluntarily waives each and every one of these rights and freely enters into this Joint Stipulation of Facts, Waiver of Hearings before the Missouri Ethics Commission, and Consent Order with

Joint Proposed Findings of Fact and Conclusions of Law, and agrees to abide by the terms of this document.

I.

Based upon the foregoing, the Petitioner and the undersigned Respondent jointly stipulate to the following and request that the Missouri Ethics Commission adopt as its own the Joint Proposed Findings of Fact and the Joint Proposed Conclusions of Law, as follows:

JOINT FINDINGS OF FACT

1. The Missouri Ethics Commission (“the Commission”) is an agency of the State of Missouri established pursuant to Section 105.955, RSMo, in part for the purpose of enforcing the provisions of Chapter 105, RSMo.
2. Respondent Steven Paro is, and was at all relevant times, Chairman of the Board of Trustees of the Village of Riverview, Missouri, which is a political subdivision of the State of Missouri.
3. Respondent Phyllis Paro is, and was at all relevant times, a member of the Board of Trustees of the Village of Riverview, Missouri.
4. Michael Paro is the brother of Respondent Steven Paro and the husband of Respondent Phyllis Paro.
5. Respondents Steven Paro owns 50% of Certified Motors, Inc. the other 50% of which is jointly owned by Phyllis and Michael Paro.
6. Respondent Steven Paro is, and was at all relevant times, Vice-President of Certified Motors, Inc.
7. Respondent Phyllis Paro is, and was at all relevant times, Corporate Secretary of Certified Motors, Inc.

8. Respondent Steven Paro was an incorporator of Certified Motors, Inc.
9. Certified Motors is a corporation formed under the laws of the State of Missouri.
10. Riverview is a Village governed by a Board of Trustees, which is vested with the corporate powers and duties of the village established by Chapter 80, RSMo. § 80.040, RSMo.
11. Pursuant to Section 109.961, RSMo, the Commission's staff has investigated a complaint filed with the Commission and reported those findings to the Commission.
12. Based on the report of the Commission's staff, the Commission determined that there are reasonable grounds to believe that violations of law occurred, and it therefore authorized a hearing in this matter pursuant to Section 105.961.3, RSMo.

COUNT I

- Special Monetary Benefit

13. On October 28, 2010, Respondents voted on a motion to purchase a rebuilt transmission *from GM* and have it installed by a private mechanic.
14. The next day, the Village did not purchase a transmission from GM.
15. Rather, Respondents' company, Certified Motors, purchased a transmission from Weir/GMC, Inc.
16. Respondents' company, Certified Motors, then installed that transmission in a dump truck for the Village of Riverview.
17. Respondents' company, Certified Motors, marked up the transmission and parts by \$45.24, and charged \$388.00 in total labor.
18. On December 23, 2010, Respondents voted to approve the payment of bills, which included the invoice from their company, Certified Motors, in the amount of \$2,941.92, for "Replacement Transmission – Dump Truck."

19. By voting on the motion to approve payment of the Certified Motors invoice, which included a markup of \$45.52 which would not have occurred had the transmission been purchased directly from GM as originally authorized by the full Board of Trustees, Respondents favorably acted to give a special monetary benefit to themselves, because they were the sole owners of Certified Motors, and Respondent Phyllis Paro favorably acted to give her spouse a special monetary benefit for the same reasons.

COUNT II

Paid Services Without a Bid Contract

20. Respondents are coparticipants or owners in excess of ten percent of the outstanding shares of stock of Certified Motors.

21. Respondents' company, Certified Motors, performed services and sold property to the Village of Riverview for which Certified Motors was paid \$2,941.92 in a single transaction.

22. The transaction was not made pursuant to an award on a contract let or sale made after public notice and competitive bidding.

JOINT CONCLUSIONS OF LAW

COUNT I

Special Monetary Benefit

23. Under Section 105.452.1(4), RSMo:

No elected or appointed official or employee of the state or any political subdivision thereof shall: Favorably act on any matter that is so specifically designed so as to provide a special monetary benefit to such official or his spouse or dependent children . . . whether received from the state of Missouri or any third party by

reason of such act. For the purposes of this subdivision, "special monetary benefit" means being materially affected in a substantially different manner or degree than the manner or degree in which the public in general will be affected or, if the matter affects only a special class of persons, then affected in a substantially different manner or degree than the manner or degree in which such class will be affected. In all such matters such officials must recuse themselves from acting

24. There is probable cause to believe that Respondents Steven Paro and Phyllis Paro violated Section 105.452.1(4), RSMo, by voting to approve the payment of an invoice from their company, Certified Motors, for \$2,941.92, which included a markup on parts of \$45.52, when the original motion by the Board of Trustees was to purchase the transmission directly from GM.

COUNT II

Paid Services Without a Bid Contract

25. Under Section 105.458.2, RSMo:

No sole proprietorship, partnership, joint venture, or corporation in which any member of any legislative body of any political subdivision is . . . a partner having more than a ten percent partnership interest, or a coparticipant or owner of in excess of ten percent of the outstanding shares of any class of stock, shall:

(1) Perform any service for the political subdivision or any agency of the political subdivision for any consideration in excess of five hundred dollars per transaction or five thousand dollars per annum,

or in the case of a school board five thousand dollars per annum, unless the transaction is made pursuant to an award on a contract let after public notice and competitive bidding, provided that the bid or offer accepted is the lowest received;

(2) Sell, rent or lease any property to the political subdivision or any agency of the political subdivision where the consideration is in excess of five hundred dollars per transaction or five thousand dollars per annum, or in the case of a school board five thousand dollars per annum, unless the transaction is made pursuant to an award on a contract let or a sale made after public notice and in the case of property other than real property, competitive bidding, provided that the bid or offer accepted is the lowest received.

26. The Board of Trustees of a Village is the legislative body of a political subdivision of the state. § 80.090, RSMo.

27. Members of the Board of Trustees of a Village are elected or appointed officials. § 80.040, RSMo.

28. There is probable cause to believe that Respondents Steven Paro and Phyllis Paro violated Section 105.458.2, RSMo, by performing a service for the political subdivision for payment of \$2,941.92 in a single transaction, and/or owning more than ten percent of the outstanding shares of stock of Certified Motors, a company which performed a service and/or sold property to the Village of Riverview in a single transaction, and the transaction was not made pursuant to an award on a contract let after public notice and competitive bidding in which they were the lowest bid or offer received.

II.

Based on the foregoing, the parties hereto mutually agree and stipulate that the following shall constitute the order entered by the Missouri Ethics Commission in this matter. This order will be effective immediately upon the issuance of the Consent Order of the Missouri Ethics Commission without further action by any party:

1. The parties to this Joint Stipulation understand that the Petitioner will maintain this Joint Stipulation as an open and public record of the Missouri Ethics Commission.
2. The Commission shall issue its Consent order in the form attached hereto as Exhibit A.
 - a. Respondent agrees that she will comply with all relevant sections of Chapter 105, RSMo.
 - b. It is the order of the Missouri Ethics Commission that a fee is imposed against Respondents Steven Paro and Phyllis Paro, in the amount of \$2,941.92, pursuant to Section 105.961.4(6), RSMo. However, if either Respondent pays \$588.38 of that fee within 45 days after the date of the Order, the remainder of the fee will be stayed for two years, subject to the provisions below. The fee will be paid by check or money order made payable to the Missouri Ethics Commission and sent to the Missouri Ethics Commission at the time of execution of this Joint Stipulation.
 - c. If either of Respondents Steven Paro or Phyllis Paro commits any further violations of the conflict of interest laws under Chapter 105, RSMo, during the two year stay, then Respondents will be required to pay the remainder of the fee. The fee will be due immediately upon final adjudication finding either Respondent has committed such a violation.

d. Respondents Steven Paro and Phyllis Paro shall be jointly and severally liable for all fees imposed under this order.

3. The parties consent to the entry of record and approval of this Joint Stipulation and to the termination of any further proceedings before the Commission based upon the Complaint filed by the Petitioner in the above action.

4. Respondent, together with her heirs, successors and assigns, does hereby waive, release, acquit and forever discharge the Missouri Ethics Commission and its attorneys of or from any liability, claim, actions, causes of action, fees, costs and expenses, and compensation, including but not limited to, a claim for attorney's fees whatsoever which Respondent and Respondent's attorney now have or which they may hereafter have, which are based upon or arise out of the above cases.

5. This joint stipulation does not settle, release, waive, or otherwise relieve Respondent from any late filing fees due to the appropriate filing authority, including Petitioner Missouri Ethics Commission. Respondent understands that late filing fees accrue automatically under Section 105.963, RSMo.

RESPONDENT PHYLLIS PARO

By: Phyllis Paro 12-27-11
Phyllis Paro Date

PETITIONER

By: Julie A. Allen 12/30/11
Julie A. Allen Date
Executive Director

By: Curtis R. Stokes 12/30/2011
Curtis R. Stokes Date
Staff Attorney
Missouri Ethics Commission
3411-A Knipp Drive
Jefferson City, MO 65109
Telephone: (573) 751-2020
Attorney for Petitioner

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CONSENT ORDER

The parties having filed a Joint Stipulation of Facts, Waiver of Hearing before the Missouri Ethics Commission, and Consent Order with Proposed Findings of Fact and Conclusions of Law (“Joint Stipulation”) with the Missouri Ethics Commission in this matter, the Missouri Ethics Commission hereby accepts as true the facts stipulated and finds that Respondent Phyllis Paro violated Sections 105.452.1(4), and 105.458.2, RSMo as stated in the Joint Stipulation.

The Commission directs that all terms and orders of the Joint Stipulation be adopted herein and implemented.

- a. Respondent agrees that she will comply with all relevant sections of Chapter 105, RSMo.
- b. It is the order of the Missouri Ethics Commission that a fee is imposed against Respondents Steven Paro and Phyllis Paro, in the amount of \$2,941.92, pursuant to Section 105.961.4(6), RSMo. However, if either Respondent pays \$588.38 of that fee within 45 days after the date of the Order, the remainder of the fee will be stayed for two years, subject to the provisions below. The fee will be paid by check or money order made payable to the Missouri Ethics

Commission and sent to the Missouri Ethics Commission at the time of execution of this Joint Stipulation.

- c. If either of Respondents Steven Paro or Phyllis Paro commits any further violations of the conflict of interest laws under Chapter 105, RSMo, during the two year stay, then Respondents will be required to pay the remainder of the fee. The fee will be due immediately upon final adjudication finding either Respondent has committed such a violation.
- d. Respondents Steven Paro and Phyllis Paro shall be jointly and severally liable for all fees imposed under this order.

SO ORDERED this 30th day of **December, 2011**

By:



Jim Wright