

STATE OF RHODE ISLAND
BEFORE THE RHODE ISLAND ETHICS COMMISSION

In re: Kimberley Gaffett
Respondent

Complaint No. 2013-3

ORDER

This matter came on for hearing before the Rhode Island Ethics Commission on June 4, 2013 pursuant to Commission Regulation 1011. After consideration of the Complaint herein and the proposed Informal Resolution and Settlement, it is hereby

ORDERED, ADJUDGED and DECREED:

1. That, the Commission approves the Informal Resolution and Settlement as submitted; and

3. That, the Commission incorporates by reference herein the Findings of Fact and Admissions, and the Conclusions of Law as set forth in the Informal Resolution and Settlement; and

4. That, the Respondent violated Commission Regulation 36-14-5002(a)(2) by failing to recuse from participation when her business associate, Katherine Lewis, a member of the Board of Directors of Block Island Health Services, appeared before the New Shoreham Town Council during the meetings that involved the negotiation of the renewal of the contract between the Town and Block Island Health Services.

5. That, the Respondent is ordered to pay a civil penalty in the amount of Two Hundred Fifty (\$250.00) Dollars.

Entered as an Order of this Commission,



Chairperson

Dated: 6/4/2013

STATE OF RHODE ISLAND
BEFORE THE RHODE ISLAND ETHICS COMMISSION

**In re: Kimberley Gaffett
Respondent**

Complaint No. 2013-3

INFORMAL RESOLUTION AND SETTLEMENT

The Respondent, Kimberley Gaffett, and the Ethics Commission Prosecutor, representing the People of the State of Rhode Island, hereby agree to a resolution of the above-referenced matters, subject to the approval of the Rhode Island Ethics Commission.

A. Findings of Fact and Admissions:

1. The Respondent, Kimberley Gaffett, was first elected to the Town Council in 2006 and has continuously served on the Town Council, presently holding the position of First Warden.

2. On or about September 2, 2006, the Respondent filed a Notice of Organization (CF-1) with the Campaign Finance Unit designating Katherine P. Lewis ("Lewis") as her campaign Treasurer.

3. The Respondent's most recent filing with the Board of Elections included a Summary of Campaign Finance (CF-2) which was filed on March 4, 2013 executed by Lewis in her capacity as Treasurer.

4. Lewis has served as Treasurer for the Respondent's campaigns since 2006. Her duties as Treasurer consist primarily of filing the necessary forms with the Board of Elections and managing and paying campaign expenses during elections. Lewis does not engage in fundraising activities on behalf of the Respondent. As a result of the foregoing relationship, the Respondent and Lewis are business associates.

5. Lewis is a member of the Board of Directors (“Board”) of Block Island Health Services (“BIHS”) having been elected by the membership in 2007. She was re-elected in 2011 and presently serves as Secretary. Lewis is not compensated for her position on the Board.

6. BIHS is an independent, non-profit corporation with an interest in ensuring that medical care is available on Block Island. The BIHS Board is comprised of eleven (11) members: seven (7) elected by the membership, two (2) elected by the taxpayers and voters of the Town, one (1) appointed by the Town Council and one (1) appointed by the rescue squad with each serving a four (4) year term and until a successor is chosen and qualified.

7. The Town of New Shoreham (“Town”) owns the building that houses the Block Island Medical Center (“Medical Center”). The Town contracts with BIHS to provide support and assistance to BIHS in the providing of medical care to the Block Island community. The contract also contains terms by which the Town leases properties, for a one dollar (\$1) annual rent, to BIHS, including the Medical Center, Doctor’s House and Davidson House and BIHS maintains the properties.

8. The Town also provides funding for the Medical Center with an annual line-item budget amount. This line-item budget amount is one (1) of eight (8) Community Support line-items that are considered by the voters of the Town at the Financial Town Meeting. Per the terms of the contract, the funding provided to BIHS by the Town is used for contracting with physicians and health care providers, visiting specialists, conducting physician and staff searches, maintaining the properties and providing equipment for, planning and operating the Medical Center.

9. Neither the contract between the Town and BIHS nor the By-Laws of BIHS provide for compensation to be paid to any members of the BIHS Board.

10. In or about June, 2011, the existing contract between BIHS and the Town had expired. Following the expiration of the contract, a member of the Board, who is not an officer, engaged in preliminary discussions with the Respondent and the Town Manager relative to the agreement. The parties continued to work under the expired agreement while negotiating a new contract.

11. Thereafter, negotiations relative to the contract between the Town and BIHS were conducted during meetings before the Town Council in which the Respondent was present in her capacity as First Warden and a member of the Town Council and in which Lewis appeared in her capacity as a member of the BIHS Board.

12. Meetings were held on September 4, 2012, September 13, 2012, October 17, 2012, December 12, 2012 and January 7, 2013. The meeting minutes reflect the presence of both the Respondent and Lewis at each meeting and that the negotiations of the renewal of the contract between the Town and BIHS were conducted during the open sessions of those Town Council meetings.

13. Various members of the BIHS Board and various members of the Town Council also confirm that all discussions regarding the renewal of the contract between BIHS and the Town were held during the open sessions of the Town Council meetings with both the Respondent and Lewis present.

14. The contract between the Town and BIHS was fully executed on January 7, 2013.

15. The Respondent did not recuse from matters in which Lewis appeared before the Town Council relative to the negotiations of the renewal of the contract between the Town and BIHS.

B. Conclusions of Law

1. The Respondent, a member and First Warden of the Town of New Shoreham Town Council, a municipal elected position, was at all relevant times subject to the Rhode Island Code of Ethics in Government. R.I. Gen. Laws § 36-14-1, *et seq.*

2. By failing to recuse from participation when her business associate, Lewis, a member of the BIHS Board, appeared before the Town Council during the meetings that involved the negotiation of the renewal of the contract between the Town and BIHS, the Respondent violated Commission Regulation 5002(a)(2).

C. Settlement

Pursuant to the above Findings of Fact and Conclusions of Law, the parties hereby agree to the following:

1. The Respondent shall be ordered to pay a civil penalty in the amount of Two Hundred Fifty (\$250.00) Dollars to the State of Rhode Island pursuant to R.I. Gen. Laws § 36-14-13(d)(3).

The above terms represent a full and complete Informal Resolution and Settlement of Complaint No. 2013-3.



Nicole B. DiLibero, Esquire (No. 6749)
Rhode Island Ethics Commission
40 Fountain Street, 8th Floor
Providence, Rhode Island 02903
Dated: 6-4-13



Kimberley Gaffett, Respondent
Dated: 6-4-13