State of Nebraska Accountability and Disclosure Commission

P.O. BOX 95086 Lincoln, Nebraska 68509 nadc.nol.org



11th Floor, State Capitol Phone (402) 471-2522 Fax (402) 471-6599

Synopsis of Case 13-06 Action Taken September 13, 2013

Respondent: Alisha Bartling

The respondent, Alisha Bartling, is the Former Clerk/Treasurer of the Village of Verdigre, Nebraska. An audit of the Village of Verdigre by the Auditor of Public Accounts disclosed what appeared to be issues related to loans made by the Village Housing Rehabilitation Board (VHRB) of Verdigre to Alisha Bartling and her husband and to her husband's business. A preliminary investigation was commenced on June 28, 2013 as to allegations that the respondent: a) used her public office for financial gain or that of an immediate family member in violation of §49-14,101.01(1) of the Nebraska Political Accountability and Disclosure Act; and b) used resources under her official care and control other than in accordance with law in violation of §49-14,101.01(2) of the Nebraska Political Accountability and Disclosure Act. The parties reached a settlement agreement. By the terms of the agreement the respondent agrees that the Commission may find as follows:

- That the respondent and husband received a housing loan in the amount of \$15,980 and she used her public office for personal financial gain by failing to keep accurate records as to the loan, follow any repayment schedule, enforce or make timely payments on the loan in violation of 49-14,101.01(1);
- 2. The business of the Respondent's husband received a loan in the amount of \$12,000 and she used her public office for personal financial gain or that of an immediate family member by failing to keep accurate records as to the loan, follow any repayment schedule, enforce or make timely payments in violation of §49-14,101.01(1);
- 3. Respondent used her public office for personal financial gain as to the housing loan by concealing the status of the loan, including the nonpayment status to the appropriate public officials in violation of §49-14,101.01(1);
- 4. Respondent used her public office for personal financial gain or that of an immediate family member as to the business loan by concealing the status of the loan, including the nonpayment status to the appropriate public officials in violation of §49-14,101.01(1);

5. Respondent used public resources under her official control other than in accordance with law by distributing to her brother-in-law \$2,386 in excess of the authorized loan amount in violation of §49-14,101.01(2).

The settlement agreement provides for a civil penalty of up to \$6,000.

The Commission approved the settlement agreement with eight Commissioners concurring, none dissenting and none abstaining from participating and voting.

Violation: The Commission found as to the respondent four violations of §49-14,101.01(1) (use of public office for personal financial gain or that of an immediate family member) and one violation of §49-14,101.01(2) (use of public resources other than in accordance with law) of the Nebraska Political Accountability and Disclosure Act.

Civil Penalty: \$6,000.00

Attorney for the Respondent: Clarence Mock, Oakland, Nebraska

Attorney for the Commission: Neil Danberg

Synopsis Prepared by: Frank Daley

Executive Director

Nebraska Accountability & Disclosure Commission

11th Floor State Capitol, P.O. Box 95086

Lincoln, NE 68509 402-471-2522

BEFORE THE NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

In the Matter of))	CASE No. 13-06
Alisha Bartling)	ORDER
)	

Now on this 13th day of September, 2013, this matter comes before the Nebraska Accountability and Disclosure Commission. Commissioners Brostrom, Grant, Hosford, Loudon, Mumm, Schulz, Conway and Von Gillern are present with Commissioner Hosford presiding. The Respondent, Alisha Bartling, does not appear. Neil Danberg appears on behalf of the Commission. The Commission notes the submission of a proposed Settlement Agreement.

Whereupon, the Commission with eight Commissioners concurring, no Commissioners dissenting, and no Commissioners abstaining, finds that there have been four violations of the NPADA, Section 49-14,101.01(1) and one violation of the NPADA, Section 49-14,101.01(2), as reflected in the Preliminary Investigation, Counts 1 through 5, as shown in Exhibit "A", attached to the subject Settlement Agreement. Count 6, as shown in said Exhibit "A", will be dismissed pursuant to the terms of the Settlement Agreement.

The Commission hereby approves the attached Settlement Agreement, and the terms thereof are incorporated into this Order as if fully set forth herein. With respect to the civil penalty to be assessed in this case, the Commissioners, with eight Commissioners concurring and none dissenting, find that a civil penalty in the amount of \$6,000.00 should be paid by the Respondent.

ssued this _____ day of September, 2013.

Nebraska Accountability and Disclosure Commission

Paul Hosford Chairman

Certificate of Service

I hereby certify that a copy of this Order was sent by certified U.S. Mail, postage prepaid, return receipt requested on this day of September, 2013 to the following person at the following address: Alisha Bartling, 109 2nd Street, Verdigre, Nebraska 68783; and by regular U.S. Mail, postage prepaid to the following person: Clarence E. Mock III, Johnson & Mock, 307 North Oakland Avenue, Oakland, Nebraska 68045

Frank J. Daley, Jr. Executive Director

BEFORE THE NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

) CASE No. 13-06	
SETTLEMENT AGREEMENT	
2013 2017 11 All 3: 51	

- 1) <u>Parties:</u> The parties to this Settlement Agreement (hereinafter "Agreement") are the Nebraska Accountability and Disclosure Commission, hereafter referred to as the "Commission" and Alisha Bartling, hereinafter referred to as the "Respondent".
- 2) <u>Jurisdiction:</u> The Respondent acknowledges the jurisdiction of the Commission pursuant to the Nebraska Political Accountability and Disclosure Act ("NPADA").
- 3) <u>Intention:</u> The parties enter into this Agreement during the pendency of a Preliminary Investigation in this matter, and intend and agree that this Agreement shall constitute a waiver of findings concerning probable cause or a formal hearing on the alleged violations as described in Paragraph 6 of this agreement, thereby resolving the matter without further delay and expense to the parties.
- 4) Statutes involved in the Alleged Violations. In its Notice of Preliminary Investigation, the Commission alleged Respondent violated six Sections of the NPADA: a) Four (4) Alleged violations of Section 49-14,101.01(1) use of public office for financial gain; and b) Two (2) alleged violations of Section 49-14,101.01(2) unauthorized expenditure of public funds.
- Admissions. The Respondent admits that she was the full-time Clerk and Treasurer of the Village of Verdigre during all of 2010 until August of 2011, at which time she served in a part-time capacity in those positions until April, 2012. The period of time from January 1, 2010 to April 2012 will be referred to as the "time in question". The Respondent and her husband had, previous to the time in question, taken out a housing loan from the Village of Verdigre, and her husband had previously taken out a business loan from the Village of Verdigre. Both loans utilized public funds, and neither loan had been repaid.
- 6) The Nature and Basis of the Allegations. The Notice of Preliminary Investigation alleged that the Respondent committed four alleged violations of Section 49-14,101.01(1). These four violations may be summarized as follows: (a) Allegations (1) and (2): with respect to both the housing loan and the business loan, respectively, Respondent utilized her public office for personal financial gain by failing to administer either of the loans properly, including failing to record and enforce repayment obligations; and (b) Allegations (3) and (4): with respect to both the housing and business loan respectively, Respondent concealed this lack of administration, including absence of timely payments with respect to said loans, from public officials. A fifth allegation was that the Respondent utilized public funds without authority by disbursing public loan funds to her brother-in-law which were \$2,386.00 in excess of what had been authorized. A copy of the alleged Counts of allegations under the NPADA, as found in the Notice of Preliminary Investigation, has been attached hereto as Exhibit "A".

- 7) Findings of Violations of the NPADA. While the Respondent does not admit to the five alleged counts of violating the NPADA, as stated above and as detailed in Exhibit "A", attached hereto, the Respondent does not contest that: a) if this matter proceeded to a hearing, there is sufficient evidence from which the Commission may find a violation of Counts 1-5, inclusive, as stated in Exhibit "A", attached hereto, and summarized above; b) the Commission may find that the Respondent violated Counts 1-5, inclusive, as stated in Exhibit "A" attached hereto; and c) that the Commission may enter an order in accordance with said finding.
- 8) <u>Dismissal of Sixth Alleged Violation.</u> As part of this Agreement and contingent upon the Commission accepting the Agreement, the Commission agrees to dismiss the sixth alleged violation under Section 49-14,101.01(2) of the NPADA.
- 9) <u>Civil Penalty.</u> The parties have agreed that the Respondent will pay a civil penalty in an amount to be determined by the Commission, but that, in consideration for this Respondent entering into this Settlement Agreement, the maximum amount of the civil penalty to be assessed by the Commission in this case, may not exceed \$6,000.
- 10) The NADC must approve this Agreement in order for it to be Effective. The parties agree that in order for this Agreement to become effective, the Commission must approve it and shall, if it approves the Settlement, enter an Order in accordance with the terms of this Agreement.
- 11) Effective Date of Agreement: This Agreement shall not be binding upon the parties until approved by the Commission. The date upon which the Commission enters its Order approving this Agreement shall be deemed its effective date. If this Agreement is not approved in whole by the Commission, this Settlement Agreement shall be void and may not be used in this or any other proceeding. The parties acknowledge that this Settlement Agreement and any subsequent Order shall be announced at an open public meeting of the Commission and that the vote on such matters shall take place during the Closed Session portion of the meeting. The parties acknowledge that upon adoption, this Settlement Agreement, the Order and the Commission's file pertaining to this matter shall become open and public.
- 12) Right to Address the Commission: The Respondent retains her right to address the Commission on the matter of the amount of the civil penalty and approval of this Settlement Agreement.
- Limitation of Release and Reservation of Rights. This Agreement only applies to the alleged violations as described above in Paragraphs 4, 5, and 6 of this Agreement, together with the more detailed statement of violations in Exhibit "A", attached hereto, or any other civil violations of the NPADA stemming from the same alleged violations or other violations known to or investigated by the Commission at the time of executing this Agreement. The Commission agrees to release the Respondent from liability with respect only to the civil penalties and civil violations of those alleged violations of the NPADA which have been or could have been undertaken by the Commission and over which this Commission has jurisdiction. This release from the Commission is specifically limited only to those said civil violations and does not apply to any other party, governmental agency or

- entity, and this Release hereby reserves any and all other rights with respect to the Respondent, excepting only those specifically released herein by the Commission.
- 14) Advice of Counsel: The Respondent acknowledges that she has had an opportunity to seek the advice of an attorney in connection with the terms of this agreement.
- 15) Failure to Pay Settlement Amount: The parties agree that payment by the Respondent to the Commission of the amount called for in this Agreement is a material provision of this Agreement and failure to pay said amount within thirty (30) days of the date of the approval of this Agreement by the Commission, or within such other time agreed upon by the parties hereto, will render this Agreement voidable at the election of the Commission.

Misha Bartling, Respondent

09-09-2013 Date

Frank J. Daley Jr./ Executive Director 1//
NE Accountability and Disclosure/Commission

State of Nebraska Accountability and Disclosure Commission

P.O. BOX 95086 Lincoln, Nebraska 68509 nadc.nol.org



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NOTICE OF PRELIMINARY INVESTIGATION

Case #13-06

To: Alisha Bartling

Pursuant to the provisions of Section 49-14,124, Revised Statutes of Nebraska, also known as the Nebraska Political Accountability and Disclosure Act, notice is hereby given that a preliminary investigation is commenced on this date based upon the recommendation of the Executive Director alleging violations of the Nebraska Political Accountability and Disclosure Act. The alleged violations to be investigated are as follows:

Count 1: That Alisha Bartling violated §49-14,101.01(1) Revised Statutes of Nebraska on or about July 2010 through April 20, 2012, as the Village Clerk of Verdigre, Nebraska, by using her public office for financial gain with respect to a housing loan, in the original principal amount of \$15,980.00, which was made to Tim and Alisha Bartling (Loan #1) by the Village Housing Rehabilitation Board (VHRB) of Verdigre, Nebraska as part of a program of loans from the Nebraska Department of Economic Development, in that said Respondent used her office to avoid her repayment obligations under said loan including but not limited to failing: (a) to keep accurate records with respect to said loan; (b) to follow any repayment schedule with respect to said loan; (c) to monitor or enforce timely repayment under said loan; and (d) to make timely payments with respect to said loan.

Count 2: That Alisha Bartling violated §49-14,101.01(1) Revised Statutes of Nebraska on or about July 2010 through April 20, 2012, as the Village Clerk of Verdigre, Nebraska, by using her public office for financial gain with respect to a certain business loan, in the original principal amount of \$12,000.00 which was made to a member of her immediate family, to wit: her spouse, Tim Bartling (Loan #2) by the Village Housing Rehabilitation Board (VHRB) of Verdigre, Nebraska as part of a program of loans from the Nebraska Department of Economic Development, in that said Respondent used her office to avoid the repayment obligations of said loan including but not limited to failing: (a) to keep accurate records with respect to said loan; (b) to ensure that a repayment



schedule was followed with respect to said loan; (c) to monitor or enforce timely repayment under said loan; and (d) to ensure timely payments were made with respect to said loan.

Count 3: That Alisha Bartling violated §49-14,101.01(1) Revised Statutes of Nebraska, on or about July 2010 through April 20, 2012, as the Village Clerk of Verdigre, Nebraska, by using her public office for financial gain with respect to a certain housing loan which was made to Tim and Alisha Bartling (Loan #1) by the Village Housing Rehabilitation Board (VHRB) of Verdigre, Nebraska as part of a program of loans from the Nebraska Department of Economic Development, in that said Respondent used her office to conceal the status and non-payment of said loan by: (1) failing to disclose and report the status of said loan; (2) failing to prepare and present information to the VHRB or other public officials or employees in Verdigre on the existence, status, or default of said loan; (3) by failing to prepare, deleting or otherwise altering reports on the status of said loan; and (4) by preparing false reports concerning the existence or repayment status of said loan.

Count 4: That Alisha Bartling violated §49-14,101.01(1) Revised Statutes of Nebraska, on or about July 2010 through April 20, 2012, as the Village Clerk of Verdigre, Nebraska, by using her public office for financial gain with respect to a certain business loan which was made to a member of her immediate family, to wit: her spouse, Tim Bartling (Loan #2) by the Village Housing Rehabilitation Board (VHRB) of Verdigre, Nebraska as part of a program of loans from the Nebraska Department of Economic Development, in that said Respondent concealed the status of said loan, by: (1) failing to disclose and report the status of said loan; (2) failing to prepare and present information to the VHRB or other public officials or employees in Verdigre on the existence, status, or default of said loan; (3) by failing to prepare, deleting or otherwise altering reports on the status of said loan; and (4) by preparing false reports concerning the existence or repayment status of said loan.

Count 5: That Alisha Bartling violated §49-14,101.01(2) Revised Statutes of Nebraska, on or about October 2010 through April, 2011, as the Village Clerk of Verdigre, Nebraska, by expending public funds under her control for purposes other than authorized by statute, constitution or regulation, by distributing loan funds in excess of those authorized to Jeff Bartling, her brother-in-law, in the amount of \$2,386.00.

Count 6: That Alisha Bartling violated §49-14,101.01(2) Revised Statutes of Nebraska, on or about August 2010 to September 2010, as the Village Clerk of Verdigre, Nebraska, by expending public funds under her control for purposes other than authorized by statute, constitution or regulation, by making payments to her husband in the amount of \$360.00.

Upon completion of the preliminary investigation, the matter will be submitted to the Nebraska Accountability and Disclosure Commission for a determination as to whether there is probable cause to believe that the provisions of the Nebraska Political Accountability and Disclosure Act have been violated. If the Commission finds probable cause, a hearing will be held. You will be notified thereof and may appear, present evidence, and be represented by an attorney. If, after hearing, the Commission finds that you have violated the Nebraska Political Accountability and Disclosure Act, you may be ordered and required to comply with the Act, and to pay a civil penalty of up to \$2,000 for each violation.

If the Commission finds that the preliminary investigation fails to indicate probable cause, the investigation will be terminated and there will be no hearing.

You may submit statements of explanation or other documentation to be made a part of the preliminary investigation. Please do so within ten (10) days from the date of this notice.

All Commission proceedings, records and actions relating to investigations and hearings, in which a violation of the Act is alleged, are to remain **confidential** unless the person alleged to be in violation requests that they be public, or until the Commission makes a final determination after hearing that the Act has been violated. [See Sections 49-14,124, 49-14,124.01 and 49-14,125 of the Nebraska Statutes, and Commission Rule 1.]

DATED this day of June, 2013.

Frank J. Daley, گر Executive Director

CERTIFICATE OF SERVICE

A copy of this Notice was sent by certified U.S. Mail, postage prepaid, return receipt requested, on this day of June, 2013 to the following person at the following address: Alisha Bartling, 109 2nd Street, Verdigre, NE 68783; and by First Class U.S. Mail, postage prepaid to Clarence E. Mock III, Johnson & Mock, 307 North Oakland Avenue, Oakland, NE 68045

Frank J. Daley,