

State of Nebraska

Accountability and Disclosure Commission

P.O. BOX 95086
Lincoln, Nebraska 68509
www.nadc.nebraska.gov



11th Floor, State Capitol
Phone (402) 471-2522
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Synopsis Case #16-30

Action Taken on March 3, 2017

Respondent: Jeff Schelkopf

The Respondent is a member of the Sutton City Council. An investigation was commenced by the Executive Director on December 5, 2016 based upon a report of the Auditor of Public Accounts. The Commission's Notice of Preliminary Investigation alleged that the Respondent:

- a) Failed to cause a contract with the City of Sutton in which he had an interest to be made an agenda item at a city council meeting in violation of §49-14,103.01 of the NPADA;
- b) Failed to disclose an interest in a contract with the City of Sutton prior to consideration by the city council in violation of §49-14,103.01 of the NPADA;
- c) Failed to cause a second contract with the City of Sutton in which he had an interest to be made an agenda item at a city council meeting, failed to disclose an interest in a contract with the city prior to consideration by the city council, and voted to make payment under the contract in violation of §49-14,103.01; and
- d) Failed to cause a third contract with the City of Sutton in which he had an interest to be made an agenda item at a city council meeting, failed to disclose an interest in a contract with the city prior to consideration by the city council, and voted to make payment under the contract in violation of §49-14,103.01.

The first two allegations arose in connection with the construction of a concession stand by the City of Sutton at its baseball field complex. The city council determined that bids obtained by an engineering firm were too high. The matter was later informally rebid with the respondent taking a leading role. Quality Builders, LLC and Reliant Heating, both companies owned by the Respondent, did much of the work for the project which cost the city more than \$100,000. The third allegation related to a contract for roof repair between the City of Sutton and Quality Builders. The city paid Quality Builders \$1,333.25 for this work. The fourth allegation involved a contract for repairs to a community center door between the city and Quality Builders for which the city paid \$512.00.

The parties entered into a settlement agreement by the terms of which the Commission could find a violation of §49-14,103.01 as to the first, third and fourth allegations and assess a civil penalty of not more than \$6,000.00. The second allegation would be dismissed as the Commission noted that the Respondent had filed disclosure statements with the City Clerk as to the concession stand contract. The Commission approved the Settlement Agreement, found three violations and assessed a civil penalty of \$2,000.00 with six Commissioners concurring, no Commissioners dissenting, and no Commissioners abstaining.

Violation: Pursuant to the Settlement Agreement, the Commission found that the Respondent had:

- 1) Failed to cause the matter of a contract in which he had an interest to be made an agenda item in violation of §49-14,103.01;
- 2) Failed to disclose an interest in a second contract with the City of Sutton, failed to cause the matter of the contract to be made an agenda item, and voted in favor of payment under the contract in violation of section 49-14,103.01 of the NPADA; and
- 3) Failed to disclose an interest in a third contract with the City of Sutton, failed to cause the matter of the contract to be made an agenda item, and voted in favor of payment under the contract in violation of section 49-14,103.01 of the NPADA.

Civil Penalty: \$2,000.00

Attorney for Commission: Neil Danberg

Synopsis Prepared by: Frank Daley
Executive Director
Nebraska Accountability & Disclosure Commission
P.O. Box 95086
Lincoln, NE 68509
402-471-2522

BEFORE THE NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

In the Matter of)	Case #16-30
)	
Jeff Schelkopf)	Order
Respondent)	
)	

Now on this 3rd day of March, 2017, this matter comes before the Nebraska Accountability and Disclosure Commission. Commissioners Davis, Enenbach, Gale, Hegarty, Peetz, and Schulz are present with Commissioner Schulz presiding as Chairman. Respondent is not present. Neil Danberg appears on behalf of the Commission. The submission of a proposed Settlement Agreement is noted.

Whereupon, the Commission with six (6) Commissioners concurring, no Commissioners dissenting, and no Commissioners abstaining, finds that in accordance with the Settlement Agreement there is sufficient evidence from which the Commission could find, and the Commission does so find as follows:

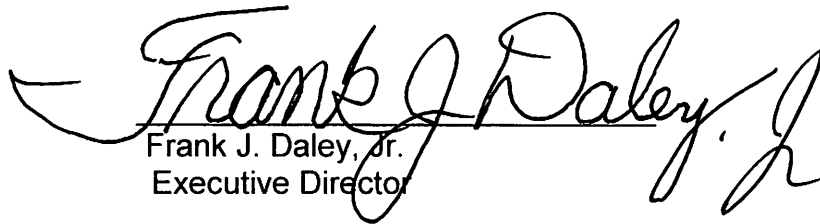
- 1) A violation of §49-14,103.01 of the Nebraska Political Accountability and Disclosure Act in that in 2015 the respondent, a Sutton City Council Member, had an interest in a contact with the city involving the construction of a concession stand and failed to cause the matter of the contract to be an agenda item at a meeting of the city council;
- 2) A violation of §49-14,103.01 of the Nebraska Political Accountability and Disclosure Act in that in 2015 the respondent, a Sutton City Council Member, had an interest in a roofing contact with the city and failed to cause the matter of the contract to be an agenda item at a meeting of the city council, failed to disclose his interest in the contract, and voted to make payment under the contract; and
- 3) A violation of §49-14,103.01 of the Nebraska Political Accountability and Disclosure Act in that in 2015 the respondent, a Sutton City Council Member, had an interest in a contract with the city to repair a door and failed to cause the matter of the contract to be an agenda item at a meeting of the city council, failed to disclose his interest in the contract, and voted to make payment under the contract;

In accordance with the terms of the Settlement Agreement, a separate allegation of a violation of §49-14,103.01 is dismissed.

The Commission, pursuant to the terms of the Settlement Agreement, assesses a total civil penalty in the amount of \$2,000.00. The attached Settlement Agreement, and the terms thereof are approved and incorporated into this Order as if fully set forth herein.

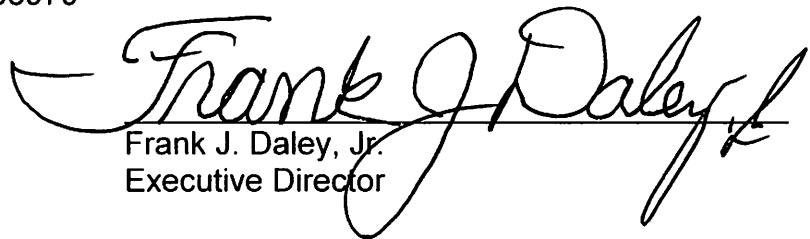
Issued this 3rd day of March, 2017

Nebraska Accountability and Disclosure Commission


Frank J. Daley, Jr.
Executive Director

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 3rd day of March, 2017 to Jeff Schelkopf, 811 South Maltby Ave., Sutton, NE 68979


Frank J. Daley, Jr.
Executive Director

02/16/17

BEFORE THE NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

IN THE MATTER OF

JEFF SCHELKOPF

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)
) **CASE No. 16-30**
) **2017 FEB 21**
) **SETTLEMENT AGREEMENT**
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- 1) Parties: The parties to this Settlement Agreement (hereinafter “Agreement”) are the Nebraska Accountability and Disclosure Commission, hereinafter referred to as the “Commission,” and Jeff Schelkopf, a member of the City Council of Sutton, Nebraska, hereinafter referred to as the “Respondent”.
- 2) Jurisdiction: The Respondent acknowledges the jurisdiction of the Commission pursuant to the Nebraska Political Accountability and Disclosure Act (“NPADA”).
- 3) Intention: The parties hereby agree and intend that this Agreement shall constitute a waiver of a formal hearing on the alleged Violations as described in Paragraph 4 of this Agreement, thereby resolving the matter without further delay and expense to the parties.
- 4) The Four Alleged Violations: In its Notice of Preliminary Investigation in this case, the Commission alleged the Respondent committed four separate violations of the NPADA, each of which is alleged as a violation of Section 49-14,103.01 of the NPADA, which generally prohibits officers (such as City Councilmen) from having an interest in a contract with their own governing body unless certain specific conditions are met. It is alleged that the Respondent committed the following violations of said statute:

The First alleged Violation is that on or about April, 2015, the Respondent, through Quality Builders, Inc., a business with which he was associated, proposed to enter into a contract with his own governing body to perform work on a concession stand for the City of Sutton, but he did not make the contract an agenda item—which would have ensured public discussion and action on said contract;

The Second alleged Violation is that on or about April, 2015, the Respondent failed to make a declaration on the record to the governing body responsible for approving the contract, concerning the nature and extent of the contract between Quality Builders, LLC, (a business with which he was associated) and the City of Sutton concerning the concession stand contract;

The Third alleged Violation is that on or about March, 2015, the Respondent, through Quality Builders, LLC, a business with which he was associated, entered into a contract with his own governing body, the City

of Sutton, but failed to make the contract, in the amount of \$1,333.25 a separate agenda item, failed to make a declaration on the record to the governing body responsible for approving the contract concerning the nature and extent of his interest prior to official consideration of the contract, and voted to grant payments to Quality Builders, LLC, pursuant to said contract;

The Fourth alleged Violation is that on or after March 2015, the Respondent, through Quality Builders, LLC a business with which he was associated, entered into a contract with his own governing body, the City of Sutton, but failed to make the contract in the amount of \$512.00 a separate agenda item, failed to make a declaration on the record to the governing body responsible for approving the contract concerning the nature and extent of his interest prior to official consideration of the contract, and voted to grant payments to Quality Builders, LLC, pursuant to said contract.

- 5) Dismissal of the Second Alleged Violation. As part of this Agreement, and at the time this Agreement is accepted and becomes effective, the Second Allegation, as described in Paragraph 4, above, will be dismissed. The Commission notes the facts that the Respondent filed a C-2A Potential Conflict of Interest Statement and a C-3 Contractual Interest Statement in June 2015 with the City Clerk of Sutton, Nebraska. This Second alleged violation relates to the Respondent's failure to make a declaration concerning the nature and extent of his interest in the contract for the concession stand. A summary and a description of the Second alleged violation has been stated above in Paragraph 4.
- 6) The First, Third and Fourth Alleged Violations: Stipulations and Agreements. With respect to the First, Third and Fourth alleged Violations, as described above in Paragraph 4 as well as in the Notice of Preliminary Investigation, the Respondent and the Commission stipulate and agree that: (a) At the time of each of said alleged violations, the Respondent was a member of the City Council of Sutton, Nebraska; (b) The Respondent had a direct financial interest in the contracts identified in the First, Third, and Fourth alleged Violations since he is the owner of Quality Builders, LLC, and it is a business with which he is associated; and (c) he did not make the contracts described in the First, Third and Fourth allegations agenda items, and with respect to the Third and Fourth Allegations, he failed to make declarations concerning the nature and extent of his interest in said contracts, and he did vote to approve payments for said contracts.
- 7) The First, Third and Fourth Alleged Violations: Findings The First, Third and Fourth alleged violations, as identified and as stated above, in Paragraphs 4 and 6, relate to alleged violations of Section 49-14,103.01 of the NPADA by the Respondent. For his part, the Respondent states that it was not his intention to violate Nebraska law as alleged. Nonetheless, the Respondent agrees and stipulates that if this matter proceeded to a hearing, there is sufficient evidence from which the Commission could make a finding, with respect to the First, Third and Fourth

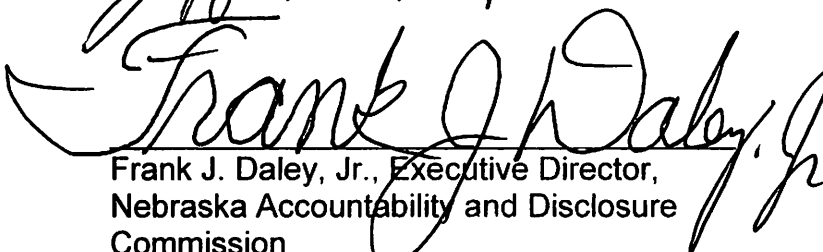
alleged violations, that there have been violations as alleged. The Commission may enter an order in accordance with said findings, and he would not contest such a finding.

- 8) Civil Penalty: The parties have agreed that, upon acceptance of this Agreement by the Commission, the Commission may, but is not required to, impose a civil penalty upon the Respondent. The parties further agree that In the event the Commission elects to impose a civil penalty, such penalty will not exceed the amount of \$6,000.00.
- 9) 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.
- 10) Effective Date of Agreement: This Agreement shall not be binding upon the parties until the date it is approved by the Commission and the Commission issues an order in accordance with the terms of this Agreement. 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.
- 11) Right to Address the Commission: The Respondent has a right to address the Commission on the subject of the civil penalty and approval of this Settlement Agreement.



Jeff Schelkopf, Respondent

Feb 17, 2017
Date



Frank J. Daley, Jr., Executive Director,
Nebraska Accountability and Disclosure
Commission

3-3-17
Date