

**CITY OF BETHEL, ALASKA**

**BOARD OF ETHICS**

In the Matter of

CITY OF BETHEL ETHICS COMPLAINT  
NO. EC 22-01

**DECISION ON COMPLAINT**

**I. Introduction**

Former City Finance Director Duane Wright filed a complaint against City of Bethel (City) Grants Manager John Sargent, alleging various violations of the City Ethics Code set out in Bethel Municipal Code (BMC) Chapter 2.05. The City referred the complaint to the Office of Administrative Hearings (OAH) and Administrative Law Judge Lisa M. Toussaint (ALJ) to conduct a preliminary probable cause screening process as required by Code

Following an initial screening in accordance with BMC 2.06.040(C), the ALJ accepted some of the allegations for further investigation and a probable cause determination under BMC 2.06.050. Specifically, the ALJ investigated Mr. Sargent's part-time employment with the Bethel Evangelical Covenant Church and his involvement in the City's approval of three Community Action grants to the church.

The OAH interviewed four people in the course of its investigation: Mr. Sargent; Community Action Grant Committee Member and former City Council Member Leif Albertson; City Manager Peter Williams; and City Clerk Lori Strickler. The ALJ also reviewed documents provided by the complainant, Mr. Sargent, and Ms. Strickler. Based on the investigation, the undersigned on behalf of the Ethics Board (Board) finds that, based on a preponderance of the evidence, Mr. Sargent committed a technical violation of the disclosure requirement in BMC 2.05.070 concerning outside employment, but not that he had an impermissible conflict of interest under that section. Additionally, the Board finds that a preponderance of the evidence shows that Mr. Sargent committed a technical violation of the disclosure requirement in BMC 2.05.050(C) concerning financial interests in City grants, but not that he improperly influenced grants to

the church in violation of BMC 2.05.050(A).

## **II. Background**

On August 29, 2022, then-City Finance Director Duane Wright filed an amended ethics complaint against respondent, John Sargent. The Complaint, originally filed on August 22, 2022, alleges as amended:

1. The respondent deliberately violated Titles 4 and Title 5 of the Bethel Municipal Code (BMC).
2. The respondent violated his fiduciary duty to the City of Bethel by failing to disclose his financial interest (wages being paid to him) by the Bethel Evangelical Convent Church.
3. The respondent failed to disclose his outside employment.

On August 29, 2022, the OAH accepted assignment as hearing examiner in the manner described in BMC 2.06.040 and .050.

On September 6, 2022, with a correction distributed September 9, 2022, ALJ Toussaint, issued an Order detailing the findings of the initial screening. In accordance with BMC 2.06.040 and 2.06.050, the ALJ determined whether the allegations in the complaint, if true, would constitute a violation of the Ethics Code. The ALJ's findings are summarized below:

1. Allegations regarding potential sales tax and business licensing requirements.

Although the information supplied by Mr. Wright involves potentially serious matters, it does not contend that Mr. Sargent used or attempted to manipulate his municipal position, as contemplated by BMC 2.05.040, to avoid paying taxes or compliance with business licensing requirements. Thus, while Mr. Sargent's actions could conceivably constitute violations of Title 4 and Title 5, they do not implicate the Code of Ethics. Accordingly, the complaint is rejected with respect to the allegations concerning the sales tax and license matters, and these allegations will not be investigated further in this forum.

2. Allegations concerning grants to BECC.

These allegations, if true, could potentially violate several provisions of the Ethics Code: BMC 2.05.050(A), which prohibits a municipal employee from taking official action that may affect the award or execution of a municipal grant in which he or she has a substantial personal or financial interest; BMC 2.05.050(C), which requires a municipal employee to report any personal or financial interests he or she may have in a potential grant or contract awarded, executed or administered by the employee's department; and BMC 2.05.05.070, which requires a municipal employee to obtain the approval of the City Manager prior to

engaging in outside employment for a determination of whether the employment would be incompatible with the employee's municipal duties.<sup>4</sup> Accordingly, the complaint is accepted for further investigation regarding the allegations concerning the grants issued to BECC.

On October 13, 2022, ALJ Toussaint issued an Order on Probable Cause. Section III of this Order makes the following Conclusions and Recommendations:

Based on the evidence obtained during the course of the investigation, the undersigned finds there is probable cause to believe that Mr. Sargent committed a technical violation of the disclosure requirement of BMC 2.05.070 by failing to request and obtain his supervisor's approval regarding his outside employment with the BECC. But there is not probable cause to believe he violated the substantive, conflicts of interest prohibition in that section, because his part-time custodial work for the BECC was not incompatible or in conflict with his municipal duties as the Grant Manager. Thus, his work for the BECC did not create an impermissible conflict of interest with his municipal duties.

Further, the undersigned ALJ finds there is probable cause to believe that Mr. Sargent committed a technical violation of the disclosure requirement of BMC 2.05.050(C) by failing to report his financial interest in the 2021 and 2022 CAGs to his supervisor for a determination of whether the interests were substantial. But there is not probable cause to believe that he violated the substantive, conflict of interest prohibition under BMC 2.05.050(A), because he did not take official action on the CAGs and thus, did not improperly influence them.

On October 30, 2022, respondent John Sargent submitted as part of the Hearing Record a Declaration stating:

1. Mr. Sargent resigned the part-time custodian position held for the Bethel Evangelical Covenant Church in Bethel.
2. Mr. Sargent is no longer a city check signer for the City of Bethel.
3. Mr. Sargent has taken a keen interest in conflict-of-interest cases and educated himself on the topic.

### **III. BOARD HEARING AND FINDINGS**

On November 30, 2022, the Board of Ethics held a hearing on the complaint, numbered as Ethics Complaint 22-01. The Board Members Present were Jennifer Dobson, Alicia Miner, Michael Husa, James Platts, and Board Chair Gerald Domnick. Also present were the following City staff: City Attorney, Libby Bakalar; City Clerk, Lori Strickler; and Deputy City Clerk, Kevin Morgan. Complainant Duane Wright was not present. Respondent, John Sargent, and his witness, Adam London, were present.


Following the hearing, Board Member Michael Husa moved to adopt the findings and conclusions in ALJ Toussaint's October 13, 2022, Order on Probable Cause. The Board concluded that Respondent John Sargent, did not substantively violate the City of Bethel Code of Ethics and that the technical violations could have been prevented through municipal training and outreach. In addition to adopting the ALJ's findings and conclusions, the Board makes the following recommendations:

- Administration takes no disciplinary action against Respondent.
- Administration ensures municipal check signers do not sign checks where there is an actual or apparent conflict of interest.
- Administration provides an annual opportunity for employees to report any conflict of interest to the City for review and determination.
- Administration provides regular training on and reminders of BMC conflict of interest provisions to employees.

## **VI. NOTICE OF RIGHT TO APPEAL**

Pursuant to BMC 2.06.100(G), this decision constitutes the final decision of the Bethel Board of Ethics in this matter. This Decision may be appealed to Superior Court within 30 days of the date of the Certificate of Service of the Decision, per the Alaska Rules of Appellate Procedure.

Decided on the 30<sup>th</sup> Day of November 2022 and Signed on the 12<sup>th</sup> day of December 2022

  
Gerald S. Domnick (Dec 12, 2022 12:19 AKST)

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Gerald Domnick, Board Chair  
For the Board of Ethics

## **CERTIFICATE OF SERVICE**

I, Lori Strickler, Clerk of the City of Bethel, do hereby certify that, I served the foregoing notice via email.

X   
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Dated this 12<sup>th</sup> day of December 2022. Signature

*Complainant:*  
Duane Wright

*Respondent:*  
John Sargent










# 22-01 Board of Ethics Decision

Final Audit Report

2022-12-12

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