

SETTLEMENT AGREEMENT

This Settlement Agreement is by and between the Iowa Ethics and Campaign Disclosure Board and Lois Schmitz ("Schmitz").

A. WHEREAS, the parties provide the following background information:

1. Schmitz began her employment with the State of Iowa in 1999 as a Training Officer II with DAS-Human Resource Enterprise. In 2004 she was promoted to Executive Officer III with DAS-GSE Purchasing (now DAS Procurement).

2. Schmitz and her husband are co-owners of BluePrint Homes, LLC, a business engaged in commercial and residential construction. In 2009, BluePrint Homes became a registered Targeted Small Business with the State of Iowa.

3. In 2013, the Board's legal counsel filed a complaint against Schmitz alleging she violated Iowa Code section 68B.3 when BluePrint Homes, sold goods and/or services in excess of \$2,000 on numerous occasions to Woodward Resource Center (hereafter "Woodward") without public bid and without filing a report with the Board within twenty days of making the sale.

5. In 2015, the Board's legal counsel filed a Statement of Charges and Notice of Hearing. The Statement of Charges consisted of forty counts, one for each time BluePrint Homes sold goods and/or services in excess of \$2,000 to Woodward without public bid between March 2010 and July 2010.

B. WHEREAS, the Board has found the complaint against Schmitz legally sufficient and scheduled the matter to be heard on April 21, 2016.

C. WHEREAS, the parties desire to voluntarily settle this case before hearing. See Iowa Admin. Code r. 351—9.5.

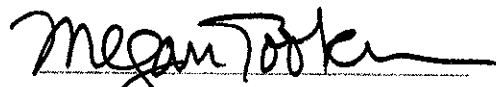
D. WHEREAS, Iowa Code section 68B.3(1) provides: "Except as part of official state duties, an official, a state employee, a member of the general assembly, or a legislative employee shall not sell, in any one occurrence, any goods or services having a value in excess of two thousand dollars to any state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding."

E. WHEREAS, Iowa Code section 68B.3(6) provides: "Except when performing official state duties, an official or a state employee making a


permissible sale under this section shall file a report with the board within twenty days of making the sale. The report shall include but not be limited to the parties to the sale, the date of the sale, the total amount of the sale, and the type of goods or services to be sold.”

F. ACCORDINGLY, the parties agree to resolve the foregoing matter in a voluntary settlement as follows:

1. The Board finds Schmitz violated Iowa Code section 68B.3.
2. Schmitz acknowledges BluePrint Homes sold goods and services in excess of \$2,000 to a state agency without public bid and without filing a report with the Board within twenty days of making the sale.
3. Schmitz denies knowingly violating section 68B.3 or being aware of that provision at all times material hereto.
4. Schmitz agrees to abide by the Board’s interpretation that section 68B.3 applies to both state employees and their closely-held businesses.
5. Schmitz will pay \$1,000 to the Iowa Ethics and Campaign Disclosure Board, which amount shall be deemed a civil administrative penalty.
6. This Settlement Agreement represents the compromise of a disputed claim within the meaning of Iowa Rule of Evidence 5.408. Accordingly, the fact of this settlement, the terms and amount of this settlement and the Settlement Agreement shall not be admissible in any administrative or judicial proceeding for any purpose.
7. This Settlement Agreement was approved by the Iowa Ethics and Campaign Disclosure Board on ~~date~~ April 21, 2016.



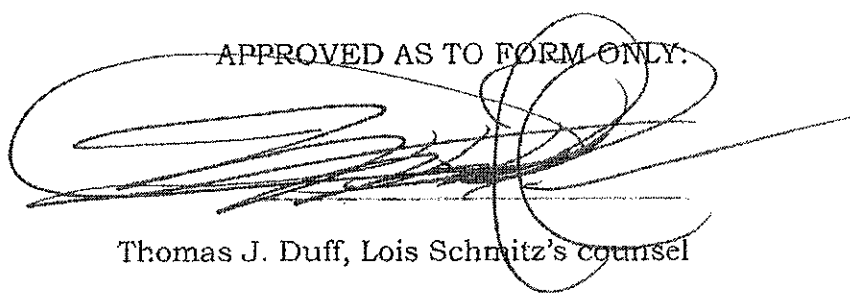
Megan Tooker, Board's counsel



Lois Schmitz

4-24-16

APPROVED AS TO FORM ONLY:

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and horizontal strokes, positioned over the text 'APPROVED AS TO FORM ONLY:' and the name 'Thomas J. Duff, Lois Schmitz's counsel'.

Thomas J. Duff, Lois Schmitz's counsel