

In the Matter of
Sarah McDermott
Respondent

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Before the
State Ethics Commission
Complaint No. C-10-24

ORDER

Having considered the Stipulation of Settlement Agreement entered into between the Respondent, Sarah McDermott, and Katherine P. Thompson, Staff Counsel to the State Ethics Commission, on March 27, 2025, the State Ethics Commission hereby determines that the matter complained of herein has been settled by the Respondent's execution of the Stipulation of Settlement Agreement, attached hereto and made part hereof.

ORDERED, that the Respondent is reprimanded, and that this Order and the Stipulation of Settlement Agreement are public documents.

STATE ETHICS COMMISSION

Date: March 27, 2025

By:


Craig D. Roswell, Chair

In the Matter of:

SARAH McDERMOTT

Respondent

Before the State Ethics Commission

Complaint No. C-10-24

STIPULATION OF SETTLEMENT AGREEMENT

This Stipulation of Settlement Agreement (hereinafter "Agreement") was made on the 27th day of March, 2025, between Sarah McDermott, Respondent, and Katherine P. Thompson, Staff Counsel to the State Ethics Commission ("Staff Counsel").

STIPULATIONS

1. The State Ethics Commission ("the Commission") is an executive agency of the State of Maryland established for the purpose of enforcing the Maryland Public Ethics Law (General Provisions Article, Title 5, Annotated Code of Maryland, (hereinafter the "Ethics Law")).
2. Sarah McDermott (the "Respondent") was, at all times relevant to this matter, employed by the Maryland Department of Labor ("MDOL"), an executive agency of the State of Maryland, and an employee subject to the conflicts of interest provisions of the Ethics Law.
3. Ms. McDermott is employed as Assistant Commissioner within the Division of Occupational and Professional Licensing for MDOL. The Division of Occupational and Professional Licensing oversees twenty-one licensing boards, commissions and programs appointed by the Governor and is responsible for regulating the activities of more than 255,000 individuals and businesses across 25 professions. Part of Ms. McDermott's work duties include seeking people to serve on State Boards. She regularly communicates with persons and organizations in licensed industries such as unions to recommend candidates to serve.
4. Ms. McDermott proactively contacted the Commission for approval to become a candidate for election to the Anne Arundel County Board of Education. On February 1, 2024, Ms. McDermott obtained secondary employment advice and approval from the Commission to become a candidate for the Anne Arundel County Board of Education.
5. On August 26, 2024, the Commission received correspondence from an individual (the "Complainant") requesting that a complaint be issued against the Respondent for intentionally using their public position for private political gain. The Commission met on November 14, 2024, and authorized the issuance of the complaint. Staff Counsel was directed to perform a preliminary investigation into

the allegations.

6. On December 4, 2024, a copy of the foregoing Complaint issued in proceeding C-10-24 was forwarded via both regular mail and electronic mail to the Respondent.
7. Ms. McDermott, in her capacity as Assistant Commissioner for MDOL, communicated with two labor union officials for the purpose of seeking qualified candidates to serve on State Boards. Ms. McDermott was introduced to these two union individuals by a colleague at MDOL. The two unions raised the idea of endorsing and later endorsed Ms. McDermott. One of the unions contributed \$250.00 to Ms. McDermott's campaign.
8. During the election, Ms. McDermott posted the two union endorsements on her election campaign website. The union endorsements, which Ms. McDermott assisted in drafting, mentioned that they supported Ms. McDermott because of her background overseeing professional licensing and referenced her State position. The unions' statements could be interpreted as an appearance that Ms. McDermott used the prestige of her office related to the endorsements.
9. Section 5-506(a)(1)(i) of the Ethics Law prohibits a State employee or official from intentionally using the prestige of his or her office for his or her own private gain or that of another. The unions' statements give the appearance that Ms. McDermott used the prestige of her office related to the endorsements. Staff Counsel found no additional violations under this provision related to Ms. McDermott's campaign.
10. Ms. McDermott has been forthright in her cooperation in Staff Counsel's review of this matter.
11. Ms. McDermott is voluntarily entering into this Agreement to admit certain violations of the Ethics Law, to accept certain sanctions, and to resolve the matter now pending against her without a hearing before the Commission.
12. Ms. McDermott has been represented throughout these proceedings by counsel, Ronald H. Jarashow, Esquire, as indicated by his signature on this Agreement.

NOW THEREFORE, in consideration of the agreed facts contained herein, and effective on the date of the Commission's acceptance of the terms of this Agreement, Sarah McDermott, Respondent, and Katherine P. Thompson, Staff Counsel, agree as follows:

- A. The Respondent stipulates that political gain through contacts only gained in the course of her State position is a violation of the prohibition against using the prestige of one's office for their private gain or that of another contained in § 5-506(a)(1)(i) of the Ethics Law.

- B. The Respondent understands that violations of the conflict of interest provisions of the Ethics Law may result in civil fines pursuant to § 5-902 of the Ethics Law. The Respondent further agrees to pay, in lieu of potential fines, the sum of ONE HUNDRED and 00/100 DOLLARS (\$100.00) for the above admitted violations of the Ethics Law. That said sum will be paid by check or money order made payable to the "State of Maryland" in care of the Commission on or before March 26, 2025. The fee shall be distributed to the Fair Campaign Financing Fund established under § 15-103 of the Fair Campaign Finance Article. If the fee is not paid, it is agreed that the matter will be transferred to the Maryland State Central Collection Unit for the purpose of collecting the monies owed.
- C. This Agreement will serve as a reprimand to the Respondent for the above admitted violations of the Ethics Law effective the date of the Commission's acceptance of this Agreement.
- D. The Commission will transmit a copy of this Agreement to the Complainant, the Governor, and the Secretary of MDOL.
- E. The Respondent waives any formal proceedings and hearing in this matter if the Commission accepts this Agreement and agrees that acceptance of this Agreement by the Commission constitutes a final action and finding of violation by the Commission.
- F. The Respondent further agrees that this Agreement is not subject to the confidentiality provisions of the Ethics Law and will be public information unless otherwise protected.
- G. Upon execution of this Agreement by the Respondent, Staff Counsel will recommend that the Commission suspend any further proceedings against the Respondent, and recommend further that the Commission issue a Final Order consistent with the terms of this Agreement. Should the Respondent fail to comply with the terms of this Agreement, and after written notice to her, the Commission reserves the right to issue a further order regarding this matter or to schedule a hearing in this matter.
- H. In the event that the Commission declines to accept this Agreement, both the Respondent and Staff Counsel are relieved of their respective obligations hereunder, and neither this Agreement, nor any admission it may contain, shall be admissible in any subsequent proceeding by the Commission.
- I. The Respondent and Staff Counsel are entering into this Agreement for the sole purpose of resolving this matter and for no other purpose.

IN WITNESS WHEREOF, Sarah McDermott, Respondent, and Katherine P. Thompson, Staff Counsel, State Ethics Commission, have hereunto set their hands.



Katherine P. Thompson, Staff Counsel
State Ethics Commission
45 Calvert Street, 3rd Floor
Annapolis, Maryland 21401
(410) 260-7770



Sarah McDermott



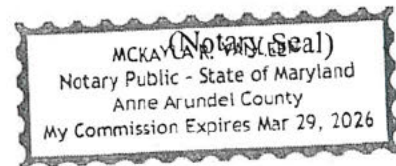
Ronald H. Jarashow, Esquire
Bowman Jarashow Law LLC
Attorneys at Law
162 West Street
Annapolis, MD 21401

State of Maryland
County of: Anne Arundel, to wit:

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Sarah McDermott, who made oath in due form of law on this 24th day of March, 2025, that the matters and facts hereinabove set forth in the Stipulation of Settlement Agreement are true to the best of her knowledge, information and belief and it is her voluntary act and that she executed this Agreement for the purposes set forth herein.

[Redacted Signature]
Notary Public

My Commission Expires: 03/29/2026



State of Maryland,
County of: Anne Arundel, to wit:

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Katherine P. Thompson, Staff Counsel to the State Ethics Commission, who made oath on this 27th day of March, 2025, in due form of law that she executed this Agreement for the purposes therein contained.

[Redacted Signature]
Notary Public

My Commission Expires: June 20, 2025



Accepted by the Commission

[Redacted Signature]

Craig D. Roswell, Chair
for the Commission

Date: March 27, 2025