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OCT 22 2012

**PRE-COMPLAINT DISPOSITION AGREEMENT**

STATE ETHICS COMMISSION

This Agreement, made this 22 day of October, 2012, by and between Michael L. Paylor, State Highway Administration, and William J. Colquhoun, Esq., Staff Counsel to the State Ethics Commission (hereinafter "Staff Counsel").

The State Ethics Commission ("the Commission") is the executive agency of the State of Maryland established by Chapter 513, Acts 1979 for the purpose of enforcing the Maryland Public Ethics Law (State of Government Article, Title 15, Annotated Code of Maryland) including the provisions of Subtitle 5, Conflicts of Interest.

**AGREED STATEMENT OF FACTS**

1. Michael L. Paylor was at all times relevant to this matter employed by the State Highway Administration, an executive agency of the State of Maryland, and an employee subject to the conflict of interest provisions of the Public Ethics Law.
2. Mr. Paylor is employed as a Division Chief in the Traffic Engineering Design Division of the Office of Traffic and Safety of the State Highway Administration. His job responsibilities include human resource-related activities; technical activities; policy and directive-relates activities; small procurement; report, plan/design review and approval; and contract procurement and management.
3. Section 15-501(a)(2)(ii)(2) of the Public Ethics Law prohibits a State employee or official from participating in a matter which involves the employer of a qualifying relative. Section 15-102(gg) of the Public Ethics Law defines "qualifying relative" as a spouse, parent, child, brother or sister.
4. Mr. Paylor's spouse is an employee of Whitman, Requardt and Associates. Mr. Paylor has disclosed his spouse's employment with Whitman, Requardt and Associates on every financial disclosure statement he has filed, beginning with the 2006 Financial Disclosure Statement.
5. During the period of October 2010 through July 2012, in his capacity as Division Chief for the State Highway Administration, Mr. Paylor participated in matters involving his wife's employer. Mr. Paylor was not employed by the State Highway Administration when the contract with Whitman, Requardt and Associates was awarded and did not participate in that procurement.
6. Mr. Paylor is voluntarily entering into this agreement to admit certain violations of the Public Ethics Law, to accept certain sanctions, and to resolve the matter

now pending against him without the issuance of a complaint and a hearing before the Commission.

**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, Michael Paylor and William J. Colquhoun, Staff Counsel, agree as follows:

- A. That Mr. Paylor stipulates that his participation in matters relating to Whitman, Requardt and Associates between October 2010 and July 2012 violated Section 15-501(a)(2)(ii)(2) of the Public Ethics Law.
- B. That Mr. Paylor understands that violations of the conflict of interest provisions of the Public Ethics Law may result in civil fines pursuant to Section 15-902 of the Public Ethics Law. Mr. Paylor further agrees to pay, in lieu of potential fines, the sum of \$1,000 for the above admitted violations of the law and that said sum will be paid by check or money order made payable to the State of Maryland in care of the State Ethics Commission on or before December 1, 2012.
- C. That the Commission will issue a reprimand to Mr. Paylor effective the date of the Commission's acceptance of the Agreement.
- D. That the Commission will transmit a copy of the Agreement to the Governor and the Administrator of the State Highway Administration.
- E. That Mr. Paylor has agreed that he will not participate in any State Highway Administration matter in which a qualifying relative has an interest. The Commission, through its published opinions, has defined "participate" as "participating as a State officer or employee in any proceeding, disapproval, decision, recommendation, the rendering of advice, investigation or otherwise" and "matter" as "any proceeding, application, submission, request for ruling or other determination, contract, claim, case or other such particular matter" (Opinion No. 80-17). Section 15-102(t) of the Public Ethics Law defines an "interest" as "a legal or equitable economic interest that is owned or held wholly or partly, jointly or severally, or directly or indirectly, whether or not the economic interest is subject to an encumbrance or condition."
- F. That Mr. Paylor waives any formal proceedings and hearing in this matter if the Commission accepts the Agreement and agrees that acceptance of this Agreement by the Commission constitutes a final action and finding of violation by the Commission.
- G. That Mr. Paylor further agrees that the Agreement and materials related

to this matter are not subject to the confidentiality provisions of the Public Ethics Law and will be public information unless otherwise protected.

H. That upon execution of this Agreement by Mr. Paylor, Staff Counsel will recommend that the Commission suspend any further proceedings against Mr. Paylor. Should Mr. Paylor fail to comply with the terms of the Agreement, and after written notice is issued to him, the Commission reserves the right to open an investigation and issue a Complaint for violation of Section 15-501(a)(2)(ii)(2) of the Public Ethics Law.

I. That in the event the Commission declines to accept the Agreement, both Mr. Paylor 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.

J. That Mr. Paylor and Staff Counsel are entering into this agreement for the sole purpose of resolving the matters involved in the Commission's Preliminary Inquiry matter and for no other purpose.

**IN WITNESS WHEREOF**, Michael L. Paylor and William J. Colquhoun, Staff Counsel, State Ethics Commission, have hereunto set their hands.

SIGNATURE APPEARS ON ORIGINAL AGREEMENT

William J. Colquhoun, Staff Counsel.  
State Ethics Commission  
45 Calvert Street, 3rd Floor  
Annapolis, Maryland 21401  
(410) 260-7770

SIGNATURE APPEARS ON ORIGINAL AGREEMENT

Michael L. Paylor, P.E.  
MD State Highway Administration  
7491 Connelley Drive  
Hanover, MD 21076  
(410) 787-7697

State of Maryland  
County of: Howard, to wit:

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Michael Paylor, who made oath in due form of law on this 20<sup>th</sup> day of Oct, 2012 that the matters and facts hereinabove set forth in the Pre-Complaint Disposition Agreement are true to the best of his knowledge, information and belief, it is his voluntary act and that he executed this document for the purpose set forth herein.

SIGNATURE APPEARS ON ORIGINAL AGREEMENT

Notary Public

Mohammad M. Ahsan  
Notary Public State of Maryland  
County of Howard

My Commission Expires: My Commission Expires 2/8/2015

(Notary Seal)

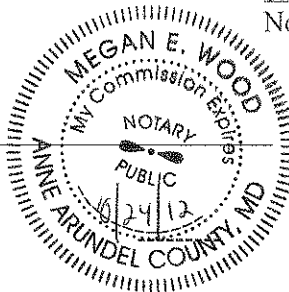
State of Maryland,  
County of: Anne Arundel, to wit:

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared William J. Colquhoun, Staff Counsel to the State Ethics Commission, who made oath on this 22 day of October, 2012 in due form of law that he executed this agreement for the purposes therein contained.

SIGNATURE APPEARS ON ORIGINAL AGREEMENT

Notary Public

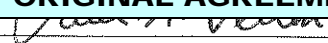
My Commission Expires:



(Notary Seal)

Accepted by the Commission

SIGNATURE APPEARS ON  
ORIGINAL AGREEMENT

  
Paul M. Vettori, Chair  
for the Commission

Date: October 25, 2012

Paul M. Vettori  
Notary Public State of Maryland  
County of Howard  
My Commission Expires 2/28/15