

**STATE OF RHODE ISLAND
BEFORE THE RHODE ISLAND ETHICS COMMISSION**

**In re: Steven Merolla,
Respondent**

Complaint No. 2020-6

ORDER

This matter having been heard before the Rhode Island Ethics Commission on November 16, 2021, pursuant to 520-RICR-00-00-3.16 Informal Disposition (1011), and the Commission having considered the Complaint herein, the Respondent's Answer, the Investigative Report, the arguments of counsel, and the proposed Informal Resolution and Settlement, which is incorporated by reference herein, it is hereby

ORDERED, ADJUDGED AND DECREED

THAT, the Commission approves the Informal Resolution and Settlement as submitted;

THAT, the Commission incorporates by reference herein the Findings of Fact and Admissions, and the Conclusions of Law, set forth in the Informal Resolution and Settlement;

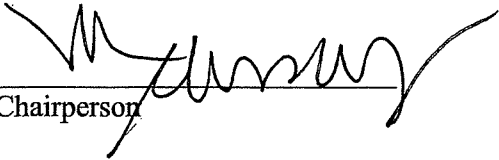
THAT, by participating in the Warwick City Council's votes on: April 22, 2019, to approve the first extension of the Council's contract with YKSM and an increase in funding in the amount of \$30,000; and on June 17, 2019, to approve the second extension of the Council's contract with YKSM and an increase in funding in the amount of \$165,000, respectively, the Respondent violated Rhode Island General Laws § 36-14-5(a) and (d);

THAT, by taking official actions, including signing five invoices authorizing payments to YKSM; signing an engagement letter with YKSM for services to be performed for the City Council from January 1, 2019, through December 31, 2019; signing a letter on February 1, 2019, to the City's Finance Director and a letter on April 4, 2019, to the City's Purchasing Division requesting and authorizing a contract extension and additional funds; and directing City personnel to make payments to YKSM, all of which actions resulted in a direct financial impact upon the Respondent's business associates, YKSM and Thomas Lisi, and constituted the Respondent's use of public office, the Respondent violated Rhode Island General Laws § 36-14-5(a) and (d);

THAT, the Investigative Report filed by the Commission Prosecutor in the instant matter will be made public along with the Informal Resolution and Settlement; and

THAT, the Respondent is ordered to pay a civil penalty in the amount of Three Thousand Five Hundred Dollars (\$3,500).

Entered as an Order of this Commission,


Chairperson

Dated: November 16, 2021

**STATE OF RHODE ISLAND
BEFORE THE RHODE ISLAND ETHICS COMMISSION**

**In re: Steven Merolla,
Respondent**

Complaint No. 2020-6

INFORMAL RESOLUTION AND SETTLEMENT

The Respondent, Steven Merolla, and the Rhode Island Ethics Commission (“Commission”) hereby agree to a resolution of the above-referenced matter as follows:

I. FINDINGS OF FACT AND ADMISSIONS

1. On August 20, 2021, the Commission conducted a probable cause hearing at which it considered the Complaint, the Respondent’s Answer, the Commission Prosecutor’s Investigative Report, and the arguments of counsel. Christopher S. Gontarz, Esq., appeared and argued on behalf of the Respondent.

2. At the conclusion of the Probable Cause hearing, the Commission issued an Order reflecting its findings of probable cause.¹

3. The Investigative Report and the Order became public records available upon request immediately after the probable cause hearing concluded.

4. The results of the investigation as set forth in Section III of the Investigative Report and the Commission’s findings of probable cause set forth in the Order are hereby incorporated by reference and are part of the terms of this Informal Resolution and Settlement.

¹ The original “Order” was modified to reflect the title “Amended Order and Finding of Probable Cause” and issued also on August 20, 2021. Hereinafter, references to the “Order” shall refer to said “Amended Order and Finding of Probable Cause.”

5. In addition to the results set forth in the Investigative Report, the investigation did not reveal evidence that the Respondent's official actions with respect to the Warwick City Council's contract with YKSM resulted in a financial benefit to himself.

II. CONCLUSIONS OF LAW

1. As a municipal elected official, the Respondent was, at all relevant times, subject to the Rhode Island Code of Ethics in Government, pursuant to R.I. Gen. Laws § 36-14-4(1).

2. By participating in the Warwick City Council's votes: on April 22, 2019, to approve the first extension of the City Council's contract with YKSM and an increase in funding in the amount of \$30,000 for said extension; and on June 17, 2019, to approve the second extension of the City Council's contract with YKSM and an increase in funding in the amount of \$165,000 for said extension, the Respondent violated Rhode Island General Laws § 36-14-5(a) and (d).

3. By taking official actions through his public office, including signing five invoices authorizing payments to YKSM; signing an engagement letter with YKSM for services to be performed for the City Council from January 1, 2019, through December 31, 2019; signing a letter on February 1, 2019, to the City's Finance Director and a letter on April 4, 2019, to the City's Purchasing Division requesting and authorizing a contract extension and additional funds; and directing City personnel to make payments to YKSM, all of which actions resulted in a direct financial impact upon the Respondent's business associates, YKSM and Thomas Lisi, the Respondent violated Rhode Island General Laws § 36-14-5(a) and (d).

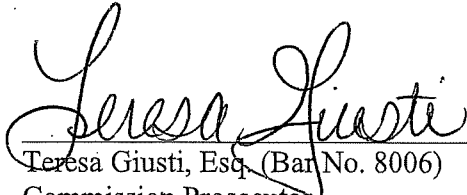
III. SETTLEMENT

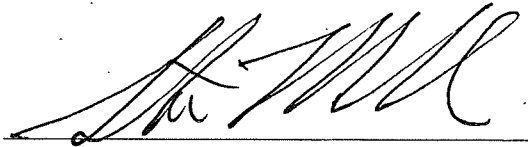
Pursuant to the above Findings of Fact and Conclusions of Law, the parties hereby agree, subject to the approval of the Commission, to the following, pursuant to R.I. Gen. Laws § 36-14-13(d) and 520-RICR-00-00-3.16 Informal Disposition (1011):

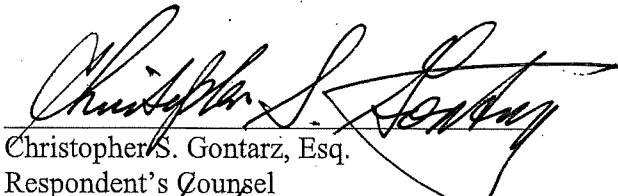
1. The Commission shall enter an Order and Judgment adopting the Findings of Fact, Conclusions of Law, and terms of the Settlement herein;

2. The Respondent agrees that, pursuant to the above Findings of Fact and Conclusions of Law, the Prosecution will recommend the imposition of a civil penalty in the amount of Three Thousand Five Hundred Dollars (\$3,500.00). The Respondent agrees to the payment of said civil penalty.

3. The above terms represent the full and complete Informal Resolution and Settlement for Complaint No. 2020-6.


Teresa Giusti, Esq. (Bar No. 8006)
Commission Prosecutor
Dated: 11/4/21


Steven Merolla
Respondent
Dated: 11/3/21


Christopher S. Gontarz, Esq.
Respondent's Counsel
Dated: 11/4/21