STATE OF NEW YORK
JOINT COMMISSION ON PUBLIC ETHICS

540 Broadway
Albany, New York 12207

IN THE MATTER OF DAN STEFANICA,

PROFESSOR, BARUCH COLLEGE OF THE CITY UNIVERSITY OF NEW YORK.

SUBSTANTIAL BASIS INVESTIGATION REPORT
AND SETTLEMENT AGREEMENT
CASE NO. 19-134

WHEREAS, the Joint Commission on Public Ethics ("Commission") is authorized by Executive Law § 94 to conduct an investigation to determine whether a substantial basis exists to conclude that any violations of the Public Officers Law have occurred, to issue a report of its findings of fact and conclusions of law, and to impose penalties for any violation;

WHEREAS, Dan Stefanica ("Respondent"), is employed as a professor by Baruch College, part of the City University of New York, and has been at all times relevant to this agreement, and currently serves as the Co-Chair of the Masters in Financial Engineering, ("MFE"), Program;

WHEREAS, on July 17, 2020, a letter was sent to Respondent alleging violations of Public Officers Law §§ 73-a, and 74 (3) (d) and (h), which afforded Respondent fifteen (15) days in which to respond;

WHEREAS, Respondent has voluntarily produced information and documents to the Commission and cooperated fully with the Commission's inquiry;

WHEREAS, Respondent and the Commission, the parties to this Settlement Agreement ("Agreement"), have agreed to resolve this matter in a manner that avoids additional administrative and/or adjudicatory proceedings;

NOW THEREFORE, in consideration of the mutual covenants made herein, as the final settlement of this matter, the parties stipulate and agree that:

1. Respondent is and at all relevant times was employed as a professor in the Mathematics Department and co-director of the MFE program at Baruch College. Respondent also operates FE Press, LLC ("FE Press"), a publishing company which sells books authored by Respondent and other Baruch faculty members, related to the subject matter of the MFE program. Each year from 2012 to 2017, FE Press generated income in excess of $1000 and, additionally, authors who published with FE Press, including Respondent, earned royalties

from the sale of FE Press published materials. FE Press also contracted with a website to provide educational materials created by Respondent.

2. Respondent admits that he failed to disclose his position with FE Press and income which he personally accrued through FE Press, on his Annual Statements of Financial Disclosure ("FDS") for the years 2012 to 2018.

3. Respondent admits that his conduct described in Paragraphs 1 and 2 violated Public Officers Law § 73-a, which provides that a reporting individual who knowingly and willfully fails to file a FDS report or who knowingly and willfully with intent to deceive makes a false statement or gives information which such individual knows to be false on such FDS report, shall be subject to a civil penalty in an amount not to exceed forty thousand dollars.

4. Respondent agrees to pay the Commission the amount of six thousand dollars ($6,000.00) in settlement of the said violation within thirty (30) days of execution of this Agreement.

5. Respondent agrees to amend his Annual Statements of Financial Disclosures to accurately reflect his and his spouse's positions and compensation for the years 2012-2018.

6. Respondent agrees to follow the procedures promulgated under 19 NYCRR Part 932, the Commission regulations on outside activity restrictions and approval procedures, for his future engagement in the business of FE Press.

7. The Commission has agreed to the terms of this Agreement based on, among other things, the representations made by the Respondent. To the extent that such representations made by the Respondent are later found by the Commission to be materially incomplete or inaccurate, the Respondent shall be in breach of this Agreement.

8. If the Respondent fails to timely perform any conditions set forth in the Agreement, Respondent shall be in breach of this Agreement.

9. Respondent agrees not to take any action or to make, permit to be made, authorize, or agree to any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this paragraph affects Respondent's: (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Commission is not a party. A violation of this Paragraph constitutes a breach of this Agreement by Respondent.

10. Upon a breach of this Agreement, the Commission shall have sole discretion to deem the Agreement null and void in its entirety, issue a Notice of Substantial Basis Investigation and Hearing, which may include additional charges against Respondent and proceed with an enforcement action, and then issue a new Substantial Basis Investigation Report; or to deem the Respondent in breach of this Agreement and pursue, in court, any other remedy to which the Commission is entitled at law or in equity, including but not limited to, specific performance or injunction. As to any new Notice of Substantial Basis Investigation and Hearing or enforcement action by the Commission pursuant to this paragraph: (1) Respondent waives any claim that such action is time-barred by a statute of limitations or any other time-related defenses; and (2) Respondent expressly acknowledges and agrees

that the Commission may use any statements herein, or any other statements, documents or materials produced or provided by Respondent prior to or after the date of this Agreement.

11. Respondent shall upon request by the Commission provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.

12. Respondent understands and acknowledges that the Commission may investigate any other conduct not covered by this Agreement by Respondent and take any appropriate action.

13. Respondent waives the right to assert any defenses or any challenges to this Agreement, as well as any right to appeal or challenge the determination or conduct of the Commission relating to this matter in any forum.

14. This Agreement and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

15. Respondent consents to the jurisdiction of the Commission in any proceeding to enforce this Agreement.

16. It is understood that this Agreement is not confidential and will be made public within 45 days of its execution in accordance with Executive Law §§ 94(14) & (19).

17. This Agreement constitutes the entire agreement between the parties and supersedes any prior communication, understanding, or agreement, whether oral or written, concerning the subject matter of this Agreement. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Agreement has been relied upon by any party to this Agreement.

18. Any amendment or modification to this Agreement shall be in writing and signed by both parties.

19. This Agreement shall become effective upon execution by the Commission or its designee.

20. In the event that one or more provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

21. By signing below, Respondent acknowledges reading this Agreement in its entirety, understanding all terms and conditions of this Agreement, and having done so, knowingly, voluntarily, and freely enters into this Agreement. Electronic signatures shall be deemed original for this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed original, but all of which together shall constitute one and the same instrument. Respondent was represented by Mark Glaser and Joshua Oppenheimer of Greenberg Traurig, LLP.

Dated: December 22, 2020

Monica Stamm
General Counsel
New York State Joint Commission on Public Ethics

ACCEPTED AND AGREED TO

THIS 17 DAY OF December, 2020

Respondent
By:

Dan Stefanica

Approved: Michael K. Rozen, Chair

Robert Cohen
James E. Dering
Colleen C. DiPirro
William P. Fisher
Daniel J. Horwitz
Marvin E. Jacob
Gary J. Lavine
James W. McCarthy
David J. McNamara
George H. Weissman
James A. Yates

Members