

**OHIO ETHICS COMMISSION**

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SETTLEMENT AGREEMENT

**In the Matter of Dr. Lance Talmage
Inquiry No. 12-Q-1025-055
January 30, 2014**

This agreement is entered into between the Ohio Ethics Commission (Commission) and Dr. Lance Talmage pursuant to the Commission's authority under Ohio Revised Code Section 102.06(G)(1).

SUMMARY: The Commission opened an investigation into potential ethics violations by Dr. Lance Talmage, Board Member for the State Medical Board of Ohio (SMBO). The Commission received an allegation that Dr. Talmage violated the conflict of interest and supplemental compensation provisions of the Ethics Law. Specifically, it was alleged that, as Chair-Elect and Chair of the Federation of State Medical Boards (FSMB), a private non-profit national organization consisting of member state medical boards, Dr. Talmage received a stipend from the FSMB and also advocated in favor of FSMB projects, including the Maintenance of Licensure Pilot Program (MOL), before the SMBO. Because the Office of the Ohio Inspector General also opened an investigation, the Commission has coordinated with that office to avoid duplication of investigative efforts and resources.

FACTS: The investigation revealed that, while serving as a Board Member of the SMBO, Dr. Talmage served as the Chair-Elect, Chair, and now Past-Chair of the FSMB. Dr. Talmage was only able to campaign for and accept the positions of FSMB Chair-Elect, Chair,

Exhibit 3

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and Past-Chair because of his position as a Board Member with the SMBO. As Chair-Elect of the FSMB, Dr. Talmage received a stipend in the amount of \$32,000.00 from the FSMB for his time conducting FSMB business such as participating in telephone conferences and attending FSMB meetings and events. At the same time as he was receiving the stipend from the FSMB, Dr. Talmage was receiving per diem payments from the SMBO for his attendance at FSMB meetings and events.

When the SMBO Board Members discussed Dr. Talmage's anticipated term as Chair-Elect and Chair of the FSMB, at their meeting on March 10, 2011, it was stated that it would be a significant opportunity for the SMBO. The SMBO Per Diem Policy states that Board members shall be paid a per diem for attendance at meetings and conferences related to SMBO business. The SMBO provides per diem reimbursements to Dr. Talmage and other members of the SMBO for attendance at annual FSMB Conferences and other FSMB functions.

Staff reviewed the results of this investigation with the Commission at its regularly scheduled meeting, in Executive Session, on August 15, 2013. The Commission found that the facts support a violation of R.C. 102.03(E) of the Ethics Law because Dr. Talmage, between July 19, 2011 and April 29, 2012, while serving as Chair-Elect of the FSMB and receiving a stipend from the FSMB for attending FSMB meeting and events, submitted 27 per diem requests for payment through the SMBO, while attending FSMB functions. During that time, the SMBO paid Dr. Talmage \$4894.56 while attending FSMB functions. Dr. Talmage acknowledges the facts demonstrate a violation, but he does not admit guilt. The Commission determined that these matters should be addressed through its settlement authority under 102.06(G) based upon the following factors in mitigation.

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MITIGATION: In mitigation of any violation, pursuant to R.C. 102.06(G), Dr. Talmage served on the FSMB as a member of the SMBO; Dr. Talmage's advocacy in support of the FSMB MOL provided no direct pecuniary benefit to the FSMB or himself due to the SMBO deciding not to participate in the MOL. When Dr. Talmage started his position as Chair of the FSMB he stopped submitting SMBO per diem payment requests and has stated he will not request per diem payments when he is the Past-Chair. Finally, Dr. Talmage was cooperative with Commission staff during the course of the investigation.

RESOLUTION: Per the terms of this Settlement Agreement, Dr. Lance Talmage agrees to reimburse the SMBO for the per diem payments he received when he was Chair-Elect of the FSMB, in the amount of \$4894.56, in lieu of a referral of this matter to the local prosecuting attorney. Further, Dr. Talmage agrees to not engage in this type of activity in the future. Additionally, effective January 10, 2013, and as a result of this investigation, the SMBO updated the Board Member Per Diem Policy. Dr. Talmage agrees to enter into this settlement agreement to resolve the Commission's investigation. A copy of this agreement will be shared with the SMBO, the Ohio Inspector General, and the Columbus City Attorney's Office. This agreement will be a public record. Finally, Dr. Talmage acknowledges that any future alleged violations brought to the Commission or Prosecutor's Office will be fully investigated and, if warranted by the facts, recommended to be prosecuted to the full extent of the law.

Pursuant to 102.06(G)(3), if Dr. Lance Talmage breaches this Settlement Agreement, the Commission, in its discretion, may rescind the Agreement and reinstitute any investigation, hearing, or refer the matter for prosecution and Dr. Lance Talmage hereby voluntarily waives any statute of limitations related to those potential charges.

Exhibit 3

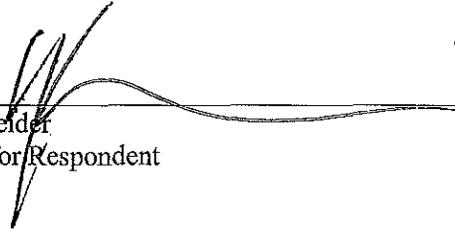
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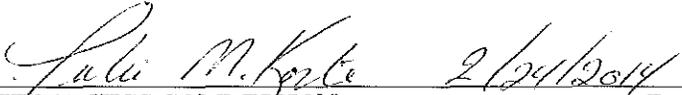
Per the terms of this Settlement Agreement, the Commission will hereby close its review of this matter in lieu of any referral of this matter for prosecution.

 2-12-14

Dr. Lance Talmage Date
Respondent

 2-12-14

Karl Schneider Date
Attorney for Respondent

 2/24/2014

OHIO ETHICS COMMISSION: Date
By Julie M. Korte, Chief Investigative Attorney