COMMISSION MEETING MINUTES
AUGUST 17, 2010

Present:

Commission Members:
James C. Gatewood, Commission Chairman
Kent Alexander, Commission Member
William H. Jordan, Commission Member
Patrick N. Millsaps, Commission Member
Hilary S. Stringfellow, Commission Member

Others Present:
Stacey Kalberman, Executive Secretary
Stefan Ritter, Senior Assistant Attorney General

Call to Order:

The meeting was called to order by Mr. Gatewood at 2:05 P.M.

Opening Comments:

Mr. Gatewood welcomed new Commission Member Hillary S. Stringfellow to the Commission.
Mr. Gatewood thanked Stefan Ritter, Senior Assistant Attorney General, for his attendance to the meeting.

Meeting Minutes:

The minutes of the July 15, 2010 Commission meeting were adopted.
Motion to Accept: Moved by Mr. Alexander Seconded by Mr. Jordan Carried 5 – 0

The minutes of the March 3, 2010 Commission meeting were adopted.
Motion to Accept: Moved by Mr. Alexander Seconded by Mr. Jordan Carried 5 – 0

The minutes of the February 15, 2010 Commission meeting were adopted.
Motion to Accept: Moved by Mr. Alexander Seconded by Mr. Jordan Carried 5 – 0
Discussion Items:

• Senate Bill 17 and the Commissions ability to comply with such:

Mr. Gatewood addressed the attendees stating that the Legislature has substantially changed the law under which the Commission is governed and does business. These changes will cause a tremendous increase in business to be handled at the SEC headquarters. Mr. Gatewood expressed great concern that as the Commission is presently budgeted that the Commission will be able to handle the increased workload.

Ms. Kalberman addressed the Commission stating her concerns regarding the Commissions financial inability to hire necessary staff, on top of expected additional current fiscal year budget cuts, to cope with the added responsibilities of the Commission effective January, 2011. Ms. Kalberman referred the Commission to the State Ethics Commission Supplemental Budget Request for 2011. This report addresses the needs of the Commission in order to comply with the passage of the new Georgia Government Transparency and Campaign Finance Act effective January, 2011.

Mr. Millsaps expressed his concern that the Commission is dealing with an “unfunded mandate”.

All the Commission members joined in their agreement to do all they can to get the State Ethics Commission the support it needs to comply with the new rules effective January, 2011.

PRELIMINARY HEARINGS

In the Matter of Boyd Pettit
2010-0021
Presented by Stacey Kalberman, Executive Secretary
Issue #1: Did Respondent violate the Ethics in Government Act (Act) by reporting lobbyist expenditures in the form of tickets to the circus without identifying the individual recipients of said expenditures.
• Mr. Boyd Pettit answered questions as presented to him by the Commission.

Motion to Dismiss Complaint: Moved by Mr. Jordan Seconded by Mr. Millsaps
Carried 5 – 0

Issue #2: Alleges that the Respondent failed to list the group on behalf of whom the expenditures were made and the bill numbers corresponding to those expenditures.

• Ms. Kalberman discussed the matter and showed that the Respondent reported fully on the expenditures with the exception of a few minor technical issues.
• Mr. Rob Miller, Complainant, addressed the Commission regarding his concern that lack of individual disclosure of expenses would give opportunity for potential abuse of the reporting of such expenditures.
• Mr. Millsaps invited Mr. Miller to ask for an advisory opinion to address what seems to be vagueness in the Rule.

Motion to Dismiss Complaint: Moved by Mr. Millsaps Seconded by Mrs. Stringfellow
Carried 5 – 0
PRELIMINARY HEARINGS CONTINUED

In the Matter of Charles “Chuck” Chalk
2010-0030
Presented by Stacey Kalberman, Executive Secretary
Issue: Did the Respondent improperly accept campaign contribution from another campaign.
The language of O.C.G.A. § 21-5-33 appears to exempt campaign to campaign contributions from the
maximum allowable contribution limits of O.C.G.A. § 21-5-41. The specific language is found in subparagraph
(B) below which states that excess contributions may be used “without limitation” to any national state or local
committee of a political party or to any candidate.
• The Commission proceeded to discuss the matter. Mr. Millsaps offered his view that this situation should
be an advisory opinion; Ms. Kalberman and Mr. Ritter concurred.
• Mr. Gatewood indicated that the Commission would endeavor to evaluate this situation and provide
clarification to the public. Mr. Gatewood indicated that it would be unfair to judge Mr. Chalk regarding this
situation when it has given rise to a situation that is in need of clarity.

Motion to Dismiss Complaint: Moved by Mr. Jordan Seconded by Mr. Millsaps
Carried 5 – 0

COMPLIANCE ORDER

In the Matter of Ralph Hudgens
2010-0001
Presented by Stacey Kalberman, Executive Secretary
Issue: Did Respondent knowingly transfer his State Senate campaign funds to his Insurance Commissioner
campaign in violation of O.C.G.A. §21-5-33(b).
Conclusion: Respondent was in violation and agreed to return funds to State Senate campaign.

Motion to Accept Compliance Order: Moved by Mrs. Stringfellow Seconded by Mr. Alexander
Carried 5 – 0

CONSENT ORDERS

In the Matter of Elizabeth Archer
2010-0002
Presented by Stacey Kalberman, Executive Secretary
Conclusion – Issue #1: Respondent did fail to timely file Personal Financial Disclosures for the 2008 calendar
year constituting a violation of O.C.G.A. §21-5-50(a).
Sanction of $500.00.

Motion to Accept Consent Order: Moved by Mr. Jordan Seconded by Mr. Alexander Carried 4 – 0
Abstain: Mr. Millsaps

Issue #2: Respondent filed her lobbyist registration with a designation of state agency lobbyist and not a state
level lobbyist. Filing as a state agency lobbyist required Respondent to report six times a year as required by
O.C.G.A. §21-5-73(b) and (d).1.
Conclusion – Issue #2: Issue dismissed.

Motion to Accept Consent Order: Moved by Mr. Jordan Seconded by Mr. Alexander Carried 4 – 0
Abstain: Mr. Millsaps
CONSENT ORDERS CONTINUED

In the Matter of Tina D’Aversa
2009-0011
Presented by Stacey Kalberman, Executive Secretary
Issue: Respondent’s use of City e-mail system and computer equipment to discuss issues related to her re-election campaign.
Conclusion: Respondent did use City e-mail system and computer equipment to discuss issues related to her re-election campaign in violation of O.C.G.A. §21-5-30.2.
Sanction of $500.00.
Motion to Accept Consent Order: Moved by Mr. Jordan Seconded by Mrs. Stringfellow
Carried 5 – 0

In the Matter of Elaine Lucas
2010-0016
Presented by Stacey Kalberman, Executive Secretary
Issue: Respondent’s use of city employees to distribute information about a campaign support party for gubernatorial candidate Roy Barnes.
Conclusion: Use of city’s personnel, e-mail systems and computer equipment to promote a campaign event is a violation of O.C.G.A. §21-5-30.2 as it amounts to a contribution by a public agency to a candidate’s campaign.
Sanction of $250.00.
Motion to Accept Consent Order: Moved by Mr. Alexander Seconded by Mr. Millsaps
Carried 5 – 0

In the Matters of Committee to Elect Glenn Richardson 2010-0018PC
And MMV Alliance Fund (now MMV Alliance Fund, Inc.) 2010-0020PC
Presented by Stacey Kalberman, Executive Secretary
Issue: Whether on December 3, 2009, Respondent inappropriately transferred $219,915.13 of campaign funds to MMV, a political action committee.
Conclusion: Respondent violated O.C.G.A. §21-5-33(B)(1)(a) by improperly donating excess campaign funds to an organization not registered as a non-profit. At the time of the transfer Respondent MMV was not incorporated under the Georgia Nonprofit Code and did not meet the requirements of a charitable organization under U.S.C.S. §170(c) or 26 O.C.G.A. §50.
Sanction of 500.00. Respondent properly organized MMV as a non-profit and the Commission staff agreed to a consent order to settle the matter.
Motion to Accept Consent Order: Moved by Mr. Alexander Seconded by Mr. Jordan
Carried 5 – 0

In the Matter of Ed Harbison
2006-0032
Presented by: Stefan Ritter, Senior Assistant Attorney General
Issue: Campaign Contribution Disclosure Report (CCDR) failed to include complete end-recipient information, sufficient credit-card information or sufficient detailed purpose information on certain reported expenditures.
Conclusion: Respondent was in violation of O.C.G.A. §21-5-34. Respondent also violated O.C.G.A. §21-5-33 for the CCDRs at issue included reimbursements to the Respondent for auto-related repair and maintenance costs which are not necessarily deemed ordinary and necessary expenditures under O.C.G.A. §21-5-33.
Sanction of $1,000.00 and Respondent to reimburse his campaign for $2,799.77 regarding the auto-related expenditure issue.
Motion to Accept Consent Order: Moved by Mr. Jordan Seconded by Mrs. Stringfellow
Carried 5 – 0
CONSENT ORDERS CONTINUED

In the Matter of Griffin Lotson
2007-0029
Presented by: Stefan Ritter, Senior Assistant Attorney General
Issue #1: Respondent failed to timely file a Declaration of Intention to Accept Campaign Contributions (DOI) for his 2003 or 2007 campaigns for Mayor of Darien and his 2005 campaign for City Council of Darien. Conclusion Issue #1: Respondent violated O.C.G.A. §21-5-30(g).

Issue #2: Respondent failed to file Campaign Contribution Disclosure Reports (CCDR) for multiple races. Conclusion Issue #2: Respondent violated O.C.G.A. §21-5-34(c).

Issue #3: Respondent failed to accurately disclose and itemize all contributions on his CCDRs in multiple races. Conclusion Issue #3: Respondent violated O.C.G.A. §21-5-34(b).


Issue #5: Respondent inaccurately reported in-kind contribution in the amount of $30,000.00 for “building, staff, cars, consultants and news ads on his June 30, 2006 CCDR. Conclusion Issue #5: Respondent violated O.C.G.A. §21-5-41(a).


The Commission and Mr. Ritter discussed the small amount of the fine for multiple violations and considered the fact that Mr. Lotson had no financial resources and that he was not well educated in the law. The violations appeared not to be intentional.

Sanction of $1,000.00.

Motion to Accept Consent Order: Moved by Mr. Jordan Seconded by Mrs. Stringfellow
Carried 5 – 0

In the Matter of Milton Scott Pruitt
2008-0040
Presented by: Stefan Ritter, Senior Assistant Attorney General
Issue: Respondent failed to file his March 31, 2008 Campaign Contribution Disclosure Report, failed to report a loan and failed to report three expenditures of $101.00 or more.
Sanction of $500.00.

Motion to Accept Consent Order: Moved by Mrs. Stringfellow Seconded by Mr. Alexander
Carried 5 – 0
CONSENT ORDERS CONTINUED

In the Matter of Mitchell Seabaugh
2003-0057
Presented by: Stefan Ritter, Senior Assistant Attorney General
Issue: Respondent failed to properly account for several loans from 2000 – 2004. His Campaign Contribution Disclosure Reports (CCDR) did not accurately reflect the loans he made to his campaign or the repayments and reimbursements the campaign paid to him in the same timeframe. Respondent also failed to keep accurate accounts and therefore make accurate reports. Respondent’s 2000 – 2004 CCDRs contained several expenditures that are either not sufficiently described or do not appear to be ordinary and necessary in accordance with the Act or the Rules.
Conclusion: Respondent violated O.C.G.A. §21-5-34(b) and (c), O.C.G.A. §21-5-33(a) and SEC Rule 189-3-05
Sanction of $2,500.00 to State Ethics Commission and Respondent to pay $2,500.00 to his campaign.
Motion to Accept Consent Order: Moved by Mr. Millsaps Seconded by Mr. Alexander
Carried 5 – 0

In the Matter of Cyril “Al” Williams
2008-0003
Presented by: Stefan Ritter, Senior Assistant Attorney General
Issue: Respondent failed to disclose 11 contributions totaling $5,650.00 on various Campaign Contribution Disclosure Reports. Respondent also failed to timely file Personal Financial Disclosure Statements covering years 2004 and 2006.
Conclusion: Respondent violated O.C.G.A. §21-5-34(b)(1){A} and O.C.G.A. §21-5-50(a)(2)
Sanction of $2,500.00.
Motion to Accept Consent Order: Moved by Mr. Millsaps Seconded by Mr. Jordan
Carried 5 – 0

OTHER BUSINESS

Advisory Opinion Requests in progress
Advisory Opinion Request 2010-04 and 2010-05 are currently being worked on by Ms. Kalberman and a draft will be presented to the Commission for review before the end of August, 2010.

Resolution regarding acknowledgement of Roy H. “Sonny” Watson’s service
Resolution was read by Mr. Gatewood.
Motion to Approve Resolution: Moved by Mr. Millsaps Seconded by Mr. Alexander
Carried 5 – 0

Public Comment
Bill Bozarth, Executive Director of Common Cause Georgia, addressed the Commission regarding his concerns on the dismissal of the Charles “Chuck” Chalk case number 2010-0030.

Deputy Executive Secretary Position Vacancy:
Ms. Kalberman informed the Commission that she is expected to fill the vacant Deputy Executive Secretary position, recently vacated by Tom Plank, by mid-September.
OTHER BUSINESS continued

In the Matter of State Mutual Insurance Company 2009-0024PC and
In the Matter of Admiral Life Insurance Company 2009-0025PC
Ms. Kalberman informed the Commission that she has not received the subpoenaed documents from Statement Mutual or Admiral Life. Ms. Kalberman requested of the two companies that an auditor be allowed to come to their offices to obtain the documents. That request was denied by both companies.
Discussion amongst the Commission, Ms. Kalberman and Mr. Ritter regarding the possibility of referring the matter to a prosecutor and the possibility of a criminal investigation.

Change in Commission Members
The Commission wished Mr. Alexander the best of luck at his new job. He will resign his seat from the Commission on September 2, 2010.

Mr. Gatewood and Mr. Jordan will soon be leaving the Commission as their terms have expired. News of the appointments of the soon to be elected incoming commission members are expected in the near future.

Future Commission Meeting Date
A Commission meeting was tentatively set for Wednesday, August 1, 2010. A time will be determined at a later date.

The Meeting was adjourned at approximately 3:45 p.m.

Official Minutes Statement
The foregoing Minutes for the August 17, 2010 meeting of the State Ethics Commission were approved and adopted by the Commission at the Commission’s meeting on December 2, 2010.

Stacey Kalberman, Executive Secretary

Commission Chairman – Signature

Patrick N. Mikkups
Commission Chairman – Print Name

December 2, 2010
Date