

STATE ETHICS COMMISSION

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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

Issue #1: Respondent failed to timely file Personal Financial Disclosures for 2008 pursuant to O.C.G.A. §21-5-50(a).

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 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 #4: Respondent failed to accurately disclose and itemize all expenditures on his CCDRs and 6-Day-Before-Primary-Run-Off report in multiple races.

Conclusion Issue #4: 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).

Issue #6: Respondent failed to disclose five fiduciary positions on his Personal Financial Disclosure Statements filed in 2004, 2005 and 2006.

Conclusion Issue #6: Respondent violated O.C.G.A. §21-5-50(b)(2).

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.

Conclusion: Respondent violated O.C.G.A. §21-5-34(c), O.C.G.A. §21-5-34(b)(1)(C) and O.C.G.A. §21-5-34(b)(1)(B).

Sanction of \$500.00.

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

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

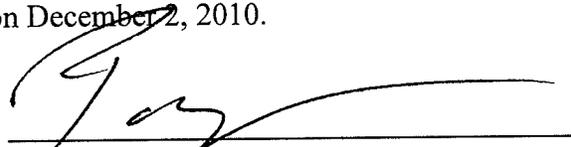
A Commission meeting was tentatively set for Wednesday, August 1, 2010. A time will be determined at a later date.

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. Millsaps
Commission Chairman – Print Name

December 2, 2010
Date