

ARKANSAS ETHICS COMMISSION

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December 31, 2013

Hon. Mark A. Darr
Lieutenant Governor
State Capitol – Suite 270
Little Rock, Arkansas 72201

Re: Case Nos. 2013-CO-025 and 2013-CO-026

Dear Lt. Governor Darr:

Please be advised that the Ethics Commission is in receipt of the written Offer of Settlement which you signed on December 30, 2013, and returned to us. Pursuant to the terms of the Offer of Settlement, you have been issued a Public Letter of Reprimand and fined \$11,000.00. In addition, you are required to file certain debt retirement Campaign Contribution and Expenditure ("C&E") reports with the Secretary of State's office. We are enclosing a copy of the public letter.

In accordance with Ark. Code Ann. § 7-6-218(b)(1)(C), the Commission is sending this letter to give notice of the final action taken in this case together with the reasons for such action. In that regard, the final action in this matter was the issuance of a Public Letter of Reprimand and the imposition fines totaling \$11,000.00.

With respect to the payment of the \$11,000.00, it will be acceptable for you to make eleven (11) equal installments of \$1,000.00 each month payable by the last day of each month until the fine is paid in full. Your first payment will be due on January 31, 2014. As long as such payments are timely made, the Commission will not commence any collection efforts.

With respect to the filling of the debt retirement C&E reports, you will be required to file a report for the 3rd quarter of 2013 to reflect a loan repayment in the amount of \$1,500.00 and to file amendments to your debt retirement C&E reports to correct any and all

reporting deficiencies identified in issues (vi), (vii), (viii), and (iv) below. Said reports should be filed no later than January 14, 2014.

The foregoing action was taken as a result of your signing a written Offer of Settlement pursuant to which it was agreed that the Commission make a finding that you violated the following statutory provisions in your capacity as Lieutenant Governor and as a candidate for that office during the 2010 election cycle:

- (i) Ark. Code Ann. § 7-6-203(g) by making personal use of \$31,572.74 of your campaign funds;
- (ii) Ark. Code Ann. § 7-6-203(a)(2)(A) and Ark. Code Ann. § 7-6-219(a)(2) by exceeding the \$2,000.00 campaign contribution limit for debt retirement by accepting \$6,000.00 with respect to the contributions made by Matt Keil, Wesley Hana Goodson, and John Goodson in equal amounts of \$2,000.00 each;
- (iii) Ark. Code Ann. § 7-6-203(f) by accepting \$5,720.91 in campaign contributions after the amount needed to retire your 2010 campaign debt had been raised;
- (iv) Ark. Code Ann. § 7-6-203(h)(5) by accepting \$5,720.91 in campaign contributions after the November 2nd election for purposes other than retiring your 2010 campaign debt;
- (v) Ark. Code Ann. § 7-6-206 by failing to maintain sufficient records of all of the expenditures he made during the 2010 debt retirement campaign and make those records available to the Commission;
- (vi) Ark. Code Ann. § 7-6-207(b)(1)(E) and (H) by failing to itemize 6 loan repayments (totaling \$9,200.00), 18 itemized expenditures (totaling \$15,267.29), \$3,098.40 in nonitemized expenditures and provide a complete address for each payee and to disclose \$16,215.26 as the correct total of all nonitemized expenditures on your debt retirement Campaign Contribution and Expenditure ("C&E") reports;
- (vii) Ark. Code Ann. § 7-6-207(b)(1)(D) by failing to report the receipt of a nonmoney contribution from Strong Arkansas PAC in the amount of \$185.61 on his debt retirement C&E report filed for the 4th quarter of 2012;
- (viii) Ark. Code Ann. § 7-6-207(b)(1)(C) by failing to disclose on your debt retirement C&E reports the principal place of business, employer, or occupation for all of the itemized contributors;

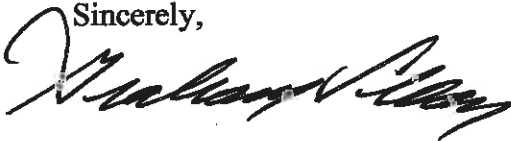
- (iv) Ark. Code Ann. § 7-6-219(c) by failing to file a debt retirement C&E report for the 3rd quarter of 2013 disclosing a loan repayment in the amount of \$1,500.00;
- (x) Ark. Code Ann. § 21-8-304(a) by making personal use of at least \$3,532.60 for expenses charged to your state-issued credit card; and
- (xi) Ark. Code Ann. § 21-8-304(a) by receiving at least \$3,577.56 in compensation from the State of Arkansas for the TR-1s you submitted for travel between Springdale – Little Rock for which you were not entitled to receive and by receiving special treatment from a member of your staff for driving you from Fayetteville – Little Rock on March 27, 2012.

It is also noted that the final action taken in this case is a dismissal of the allegations that you violated the statutory provisions of Ark. Code Ann. §§ 7-1-103(a)(3)(A) and 21-1-404(b). The Commission determined that you did not use your state-issued credit card for campaign purposes in violation of § 7-1-103(a)(3)(A). With respect to § 21-1-404(b), the Commission read that penalty of perjury provision as being intended for disclosure statements required to be furnished by constitutional officers in accordance with rules, regulations, or policies promulgated by the Director of the Department of Finance and Administration.

This letter is a public document and copies are being sent to the Complainant, Mr. Matthew Campbell, and your attorney, Mr. Dan Greenberg, to notify them of the outcome of these proceedings.

If you or Mr. Greenberg should have any questions or comments concerning this matter, please do not hesitate to contact us.

Sincerely,



Graham F. Sloan
Director

Enclosure

cc (w/enc.): Matthew Campbell
Dan Greenberg