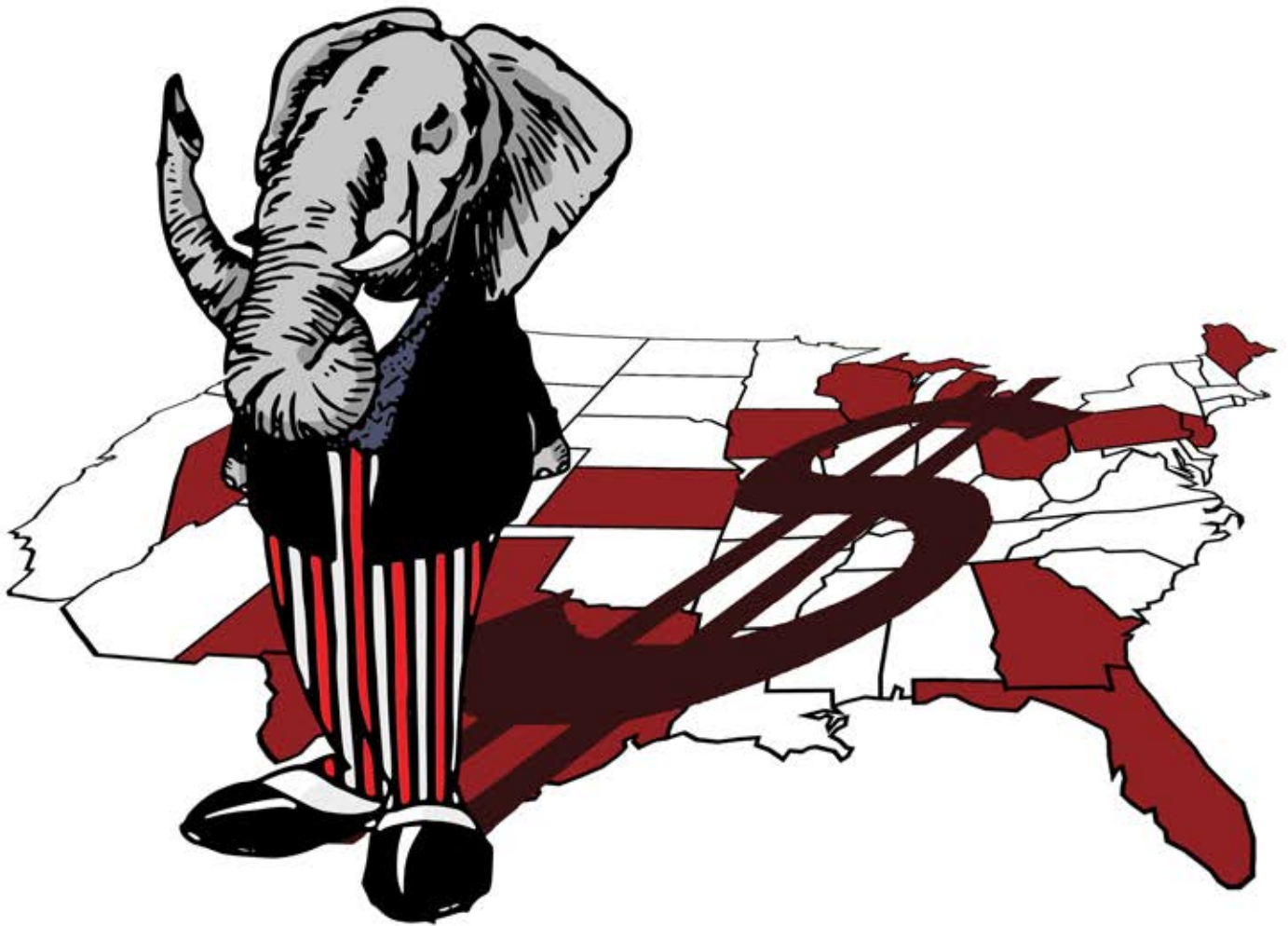


# CROOKED CHIEFS

AN OVERVIEW OF THE SCANDALS FACING  
NEARLY HALF OF GOP GOVERNORS



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## Executive Summary

The Republican Governors Association says “the future of the GOP rests in the hands of the Republican governors.” Given the Tea Party antics and extreme agenda of Republicans in Congress, that very well may be true. But if it is, Republicans have a serious problem on their hands because nearly half of all current Republican governors nationwide are facing corruption charges or other scandals. Nowhere has this been more apparent than in the political rise and fall of former Virginia Governor Bob McDonnell, newly convicted on eleven counts of corruption in a scandal with a wealthy donor and benefactor all of his own making.

Investigation cover ups. Illegal gifts. Cronyism. Pay to play schemes. Taxpayer dollars going to campaign purposes. Using their office to exact political revenge on their own constituents. The list of allegations goes on and on and on. From Georgia to Wisconsin to Kansas to New Jersey, the headlines are piling up. American Bridge has conducted extensive research on each of these Republican governors, diving deep into their records to bring these allegations to light. Our new collection of research on the Republican Party's best hope for its future shows just how dim that future may really be. For example:

- ✓ Under Rick Scott, the State of Florida provided contracts potentially worth billions of dollars to a company run by Scott's former finance chair. Scott set aside \$230 million in state money to benefit a “privately funded” rail line linked to former staffers. Additionally, Scott used his official office to promote his reelection campaign, spending taxpayer money on letters containing campaign talking points.
- ✓ In Georgia, Nathan Deal's office pressured the head of the state ethics commission to make complaints against the governor “go away.” The Governor's attorney threatened her office and attacked her reputation. The state agreed to pay nearly \$3 million to settle lawsuits by former commission employees who claimed they were fired or forced from office over the Deal investigation.
- ✓ Iowa's Terry Branstad appointed donors to Iowa state boards and commissions that oversaw their business interests. In addition, Branstad tried to force out the Iowa Workers' Compensation commissioner on behalf of a business group.
- ✓ The FBI investigated possible pay to play deals regarding Kansas Governor Sam Brownback's privatization of Medicaid that awarded KanCare contracts to three private insurance companies who hired a lobbying firm with ties to the governor.
- ✓ After giving taxpayer-funded jobs to his brother-in-law and daughter, Maine's Paul LePage used taxpayer dollars to publish literature and palm cards about his accomplishments as governor.
- ✓ Michigan Governor Rick Snyder's NERD Fund received secret corporate contributions; Snyder's pick for Detroit emergency manager received payments from the NERD Fund for his condo and Cadillac, then proceeded to give no bid contracts to the NERD Fund's corporate donors.
- ✓ Nevada Governor Brian Sandoval's underfunded mental health system shipped 1,500 mental health patients to California on Greyhound buses so they would become California's responsibility. Sandoval did not fire any employees.
- ✓ New Jersey Governor Chris Christie's top aide ordered lanes to be shut down on the George Washington Bridge, likely as political retribution against a local mayor. In addition, another mayor accused Christie's administration of pressuring her to support a private development project in order to receive disaster relief funds for Hurricane Sandy damage. Christie also used Hurricane Sandy relief money to produce ads featuring himself, and is under investigation for allegedly using his office to kill a criminal investigation into a political ally.
- ✓ A whistleblower suit filed by state Republicans alleged that New Mexico Governor Susan Martinez's political appointees engaged in corruption and intimidation, along with ordering circumvention of state public records laws. Martinez appointees ordered whistleblowers fired after their intentions came to light.
- ✓ Ohio's John Kasich approved tax credits for Worthington Industries while receiving deferred compensation from the company – which had also contributed over \$100,000 to Kasich. In addition, Kasich's JobsOhio program gave millions in incentives to companies affiliated with members of its own board.

- ✓ Pennsylvania's Tom Corbett received over \$23,000 in gifts as governor, including a trip to South America, tickets to the US Open, dinners, concerts and sporting events. \$18,000 of these gifts came from corporations doing business with the state.
- ✓ Texas's Rick Perry was indicted on two counts of felony Abuse of Official Capacity and Coercion of a Public Servant. In addition, Perry used public-private economic development funds to pay for hundreds of thousands of dollars of his own travel; these funds also provided lavish tax credits and incentives to businesses that supported Perry's campaign for governor.
- ✓ A John Doe investigation into Wisconsin Governor Scott Walker's previous position as Milwaukee County Executive resulted in charges against six people – three were former Walker aides, one was an appointee, and another was a major campaign contributor. Walker employees were found to be engaging in campaign activities while working at taxpayer funded jobs and embezzling funds from a veterans charity. A second John Doe investigation focused on efforts by Walker's recall campaign to direct spending by outside groups on the governor's behalf – in violation of Wisconsin campaign finance disclosure laws.

### RICK SCOTT'S CAMPAIGN FINANCE CHAIRMAN RECEIVED STATE MEDICAID CONTRACTS WORTH BILLIONS

#### **Companies Owned By Finance Chairman Of Scott's Re-Election Campaign Won Medicaid Managed Care**

**Contracts Potentially Worth Billions.** According to the Florida Times-Union, "Two companies partly owned by the finance chairman of Gov. Rick Scott's re-election campaign have won contracts worth potentially billions to serve Medicaid patients in regions across the state. The contracts are part of Florida's transition to so-called Medicaid 'managed care,' which dices the state into 11 regions. Private insurers compete for contracts to serve Medicaid patients in those regions. The average estimated first year-value of those 11 contracts is \$1 billion." [Times-Union, [1/24/14](#)]

- **Contracts Were Given To Better Health And Clear Health Alliance; Companies Were Owned By Mike Fernandez, Who Was Announced As Scott's Campaign Finance Director In January 2014.** According to the Florida Times-Union, "The two companies are owned largely by Mike Fernandez, a South Florida health-care executive. Last week he was formally announced as Scott's finance director [...] The first company that Fernandez has a stake in is Better Health. It won three contracts allowing it to serve regions in the Panhandle, Central Florida and South Florida. The company is known as a Provider Service Network, which must be majority-owned by a health-care provider. Fernandez owns 49 percent, while Barbara Cowley, a Coral Gables doctor, owns the remainder. In one district, the company will compete with one other company, in another there are six additional companies, and in the third there are three other companies. The estimated first-year value of those contracts is \$2.7 billion, according to agency records. The second company, Clear Health Alliance, has won 'specialty' contracts to serve HIV and Aids [sic] Medicaid patients in every region but the one covering Northeast Florida. The agency did not respond to Times-Union requests for the value of those specialty contracts." [Times-Union, [1/24/14](#)]
- **Fernandez And His Companies Gave \$1.8 Million To Scott's Reelection, Including A \$1 Million Check From Fernandez.** According to the Florida Times-Union, "Fernandez and companies he controls have given nearly \$1.8 million to a committee supporting Scott's re-election. That includes a single \$1 million check from Fernandez to Scott's committee. Before Fernandez, an individual had never given a check of \$1 million or more to a candidate-aligned committee." [Times-Union, [1/24/14](#)]

### SCOTT USED HIS OFFICIAL OFFICE TO PROMOTE HIS REELECTION CAMPAIGN

#### **Scott Used Government Employees And Resources To Promote His Reelection**

*Scott Spent Over \$11,000 Of Taxpayer Money On Letters Containing Campaign Talking Points*

**Scott's Letters Echoing Campaign Rhetoric Cost The State \$11,370.** According to the News Service of Florida, "Gov. Rick Scott has sent congratulatory letters to law-school grads, lottery winners, new business owners and others that tout the state's advances under his watch, at a cost to taxpayers of at least \$11,370." [News Service of Florida, [11/27/13](#)]

#### **Scott Claimed That His Letters That Resembled Campaign Talking Points Were His Office's Way Of Congratulating Floridians Who Were Doing A Great Job.**

According to PolitiJax, "Gov. Rick Scott said Tuesday that taxpayer-funded letters full of campaign-style talking points are his office's way of congratulating residents who are doing a 'great job.' The letters have gone to those who receive or renew business license, law students who recently passed the bar exam, parents of Florida school children and new mothers. 'I think every Floridian should brag about our state,' Scott said during an availability with reporters. 'I want to congratulate everyone in our state who doing a great job.'" [PolitiJax, [11/19/13](#)]

#### **Rick Scott Used On Duty Law Enforcement Officers As Props At Campaign Event, Then When Questioned On Legality, He Refused To Answer**

**On-Duty Uniformed Law Enforcement Officers Appeared At Scott Campaign Event, Despite Law Prohibiting Campaign Activity During Working Hours.** According to the Tampa Tribune, “At least a half-dozen on-duty law officers in uniform took part in a re-election event Monday for Gov. Rick Scott despite Florida laws saying public employees must avoid political activity during working hours.” [Tampa Tribune, [7/7/14](#)]

- **Law Enforcement Officers Thought They Were There To Provide Security Or That The Event Was Official Business.** According to the Tampa Tribune, “Hillsborough Sheriff David Gee wasn’t available for comment, but Chief Deputy José Docobo said [Hillsborough sheriff’s Col. James] Previtara was unaware the gathering was a political campaign event. ‘When he got back he briefed me that to his surprise it was a campaign stop as opposed to just the governor holding a press conference on crime, which is what Col. Previtara understood when he went,’ Docobo said. ‘Under those circumstances neither he nor the deputies would have been there. It is our policy not to attend political events in uniform or on duty.’ Craig Baker, an enforcement officer with the Florida Fish and Wildlife Commission, said he was on duty and attending the event at the order of his captain. Fish and Wildlife spokeswoman Wendy Purcell said Baker attended because his superiors thought the invitation was a request for an officer to assist the Florida Department of Law Enforcement, which normally provides security for the governor.” [Tampa Tribune, [7/7/14](#)]

**Jeff Marano Of Florida Police Benevolent Association Filed An Election Complaint Over Scott’s Use Of On-Duty Officers At Campaign Event.** According to the Tampa Bay Times, “A police union official filed a complaint Thursday with the Florida Elections Commission, accusing Gov. Rick Scott of illegally coercing on-duty police officers to attend a campaign event in Tampa on Monday. The complaint was filed by Jeff Marano of the Florida Police Benevolent Association, a union supporting Scott’s leading Democratic challenger, Charlie Crist. Marano is president of the PBA’s Broward County chapter. Under Florida law, it’s a first-degree misdemeanor for a public official to ‘directly or indirectly coerce’ any employee to engage in political activity, and employees are prohibited from doing so while working.” [Tampa Bay Times, [7/10/14](#)]

## **SCOTT SPENT \$230 MILLION THAT BENEFITED CONTROVERSIAL RAIL PLAN LINKED TO ALLIES**

**Railway “All Aboard Florida” Was Supposedly Privately Financed, Requested \$1.5 Billion In Federal Loans And Benefited From \$230 Million In State Spending.** According to the Naples Daily News, “All Aboard Florida’s 256-mile rail service has been touted from the beginning as a completely privately financed project that will not cost the state a dime, which is the reason Scott said he supports the plan. At this point, though, the project is seeking \$1.5 billion in federal loans that could be key to refinancing its existing debt, and more than \$230 million in state dollars have already been set aside for projects that will either directly or indirectly benefit All Aboard Florida’s rail line.” [Naples Daily News, [7/5/14](#)]

**Scott’s Former Chief Of Staff Adam Hollingsworth Used His Relationship With Scott To Lobby For A Rail Project That Benefited His New Employers.** According to the Naples Daily News, “Hollingsworth became one of Scott’s most trusted advisers, a position he used to influence the administration’s rejection of billions in federal high-speed rail money, then later lobby for a rail project that would benefit his employer, emails, text messages and administration documents obtained by the Scripps/Tribune Capital Bureau show.” [Naples Daily News, [7/5/14](#)]

- **Hollingsworth Accepted Job At Parallel Infrastructure, Company Pushing Miami To Orlando Rail Project; Conversation About Employment Likely Happened While Hollingsworth Was Advising Scott.** According to the Naples Daily News, “After the state rejected the federal money, Hollingsworth became an executive at Parallel Infrastructure, a company owned by Florida East Coast Industries. That company also owns All Aboard Florida, now pushing a Miami to Orlando rail project. Julie Edwards, All Aboard Florida’s chief marketing officer, said Hollingsworth working to reject the federal money didn’t help All Aboard Florida. ‘It is completely different market, a completely different way to think about transportation,’ she said of the different route proposals. Because it’s a ‘small transportation world,’ employment conversations between Hollingsworth and Parallel Infrastructure were likely occurring while he was advising Scott, Edwards said. She said no one should ‘infer’ those conversations included talk about the project.” [Naples Daily News, [7/5/14](#)]
- **Hollingsworth Began Advising Scott To Be Pro-Rail After Becoming Employed By Parallel.** According to the Naples Daily News, “After accepting a job with Parallel Infrastructure, Hollingsworth’s rail advice to Scott changed. Almost immediately, he started lobbying the administration to support his employer’s new project, which now is being

helped by millions in state taxpayer dollars and is expected to generate more than \$170 million in revenue annually.” [Naples Daily News, [7/5/14](#)]

**Scott Set A One Year Lobbying Ban For Members Of His Transition Team.** According to Sunshine State News, “Members of Rick Scott’s transition team will be barred from lobbying state agencies for one year once he takes office, the governor-elect announced Wednesday from his transition headquarters in Fort Lauderdale.” [Sunshine State News, [11/11/10](#)]

- **Ban Extended To Lobbying Agency Heads.** According to Sunshine State News, “The ban will not be extended to other elected officials, such as incoming Attorney General Pam Bondi or Chief Financial Officer Jeff Atwater, who will have to make up their own rules, but Scott said the ethical code of conduct will govern and be signed by all members and agency heads he appoints to prepare for his succession in January.” [Sunshine State News, [11/11/10](#)]

**Hollingsworth Helped Pick Transportation Secretary Who Signed Off On All Aboard Florida Deal.** According to the Naples Daily News, “Back in 2010 in his advisory role to Scott, Hollingsworth helped assemble the state Department of Transportation that later signed off on the All Aboard Florida project. Hollingsworth vetted candidates for transportation secretary, including current Secretary Ananth Prasad, helped shape policy decisions and received internal assessments of the department shortly after Scott was elected. ‘We will have our DRAFT agency review document to you no later than midnight tonight,’ wrote Doug Callaway, president of Floridians for Better Transportation, an industry trade group, in a December 2010 email to Hollingsworth and another adviser. That was two weeks before Scott was sworn into office. The Florida Transportation Commission proposes a slate of three secretary candidates for the governor to choose, a process that involved Hollingsworth.” [Naples Daily News, [7/5/14](#)]

## Georgia: Nathan Deal

### **DEAL’S OFFICE ALLEGEDLY PRESSURED THE HEAD OF THE STATE ETHICS COMMISSION TO MAKE COMPLAINTS AGAINST THE GOVERNOR DISAPPEAR**

**Memo: Head Of The State Ethics Commission Said She Was Threatened And Pressured By Deal’s Office To “Make The Complaints” Against The Governor “Go Away.”** According to the Atlanta Journal-Constitution, “The head of the state ethics commission said she was threatened and pressured by Gov. Nathan Deal’s office in 2012 to ‘make the complaints’ against the governor ‘go away,’ according to a memo obtained by The Atlanta Journal-Constitution.” [Atlanta Journal-Constitution, [7/14/14](#)]

### **FBI And State Auditor Were Investigating The Commission**

**Both The FBI And The State Auditor Were Given Copies Of LaBerge’s Memo And Both The Auditor And The State Inspector General Were Each Investigating The Commission.** According to the Atlanta Journal-Constitution, “Meanwhile, the AJC has learned that both the FBI and the state auditor have been given copies of the memo. The auditor and the state Inspector General are each investigating the commission.” [Atlanta Journal Constitution, [7/14/14](#)]

### **Deal’s Chief Counsel And Chief Of Staff Allegedly Contacted LaBerge Regarding Dealing With The Complaints**

**State Ethics Commission Director Holly LaBerge Said She Received A Call From Ryan Teague, Deal’s Chief Counsel, And Texts From Chief Of Staff Chris Riley.** According to the Atlanta Journal-Constitution, “While on vacation in July 2012, state ethics commission director Holly LaBerge says she received a call from Ryan Teague, Deal’s chief counsel, and texts from chief of staff Chris Riley, according to the memo released by Attorney General Sam Olens’ office in response to an Open Records Act request.” [Atlanta Journal-Constitution, [7/14/14](#)]



## **2012: DAYS AFTER BEING CONTACTED BY DEAL'S OFFICE, ETHICS COMMISSION VOTED TO DISMISS THE MAJOR COMPLAINTS AGAINST DEAL**

**2012: Days After Being Pressured By Deal's Office, The Commission Voted During A Public Hearing To Dismiss The Major Complaints Against Deal, Who Agreed To Pay \$3,350 In Fees For Technical Defects To His Campaign Disclosures.** According to the Atlanta Journal-Constitution, "While on vacation in July 2012, state ethics commission director Holly LaBerge says she received a call from Ryan Teague, Deal's chief counsel, and texts from chief of staff Chris Riley, according to the memo released by Attorney General Sam Olens' office in response to an Open Records Act request. [...] Days later, the commission voted during a public hearing to dismiss the major complaints against Deal, who agreed to pay \$3,350 in fees for technical defects to his campaign disclosures." [Atlanta Journal-Constitution, [7/14/14](#)]

### **Commission Employees Claimed LaBerge Bragged About Making Deal's Problems "Go Away" And That The Governor Owed Her**

**During Depositions For Kalberman's And Streicker's Cases, Staff Attorney Elisabeth Murray-Obertein And Media Specialist John Hair, Both Commission Employees, Claimed LaBerge Bragged That She Made Deal's Problems "Go Away" And Said The Governor Owed Her.** According to the Atlanta Journal-Constitution, "LaBerge took over in September 2011. During depositions for Kalberman's and Streicker's cases, commission employees — staff attorney Elisabeth Murray-Obertein and media specialist John Hair — claimed LaBerge bragged that she made Deal's problems 'go away' and said the governor owed her." [Atlanta Journal-Constitution, [7/14/14](#)]

- **Deal Wrote A Letter Recommending LaBerge's Inclusion In The Elite Leadership Georgia Program, Despite Saying He Does Not Really Know Her.** According to the Atlanta Journal-Constitution, "Less than a year after Georgia's ethics commission director said she felt pressured to make complaints against Gov. Nathan Deal 'go away,' the governor wrote a letter recommending her inclusion in the elite Leadership Georgia program. The governor wrote the recommendation despite the fact that he's said he doesn't really know the ethics commission's executive director, Holly LaBerge." [Atlanta Journal Constitution, [7/29/14](#)]

## **2014: LABERGE, FEARING NEW PURGE, CLAIMED THE GOVERNOR'S COUNSEL THREATENED HER OFFICE AND KILLED HER REPUTATION**

**LaBerge Went Public Because She Feared Another Purge Of The Office Was Underway And That She Was Target.** According to the Atlanta Journal-Constitution, "Last Friday, a letter from LaBerge's attorney, Lee Parks, was sent to the state ethics commission, explaining why LaBerge was going public. Parks wrote that LaBerge feared that another purge was underway, and she was the target." [Atlanta Journal-Constitution, [7/14/14](#)]

**LaBerge: "My Reputation Has Been Destroyed. I Am Toxic."** According to the Atlanta Journal-Constitution, "Parks said LaBerge decided to give an interview to Atlanta's WAGA television station to tell her side of the story. 'My reputation has been destroyed,' LaBerge told Fox 5's Dale Russell. 'I am toxic.'" [Atlanta Journal-Constitution, [7/14/14](#)]

**LaBerge's Lawyer Said LaBerge Has Been "Isolated In Her Duties At The Commission And She Appears To [Sic] The Sole Target Of An Unorthodox Performance Audit Of The Commission That Is Focused On The Deal Complaints."** According to the Atlanta Journal-Constitution, "Parks, in his letter, said LaBerge has been 'isolated in her duties at the commission and she appears to [sic] the sole target of an unorthodox performance audit of the commission that is focused on the Deal complaints.'" [Atlanta Journal-Constitution, [7/14/14](#)]

## **STATE AGREED TO PAY NEARLY \$3 MILLION TO SETTLE LAWSUITS BY FORMER COMMISSION EMPLOYEES WHO CLAIMED THEY WERE FIRED OR FORCED FROM OFFICE OVER THE DEAL INVESTIGATION**

**The State Agreed To Pay Nearly \$3 Million To Settle Three Lawsuits, And A Threatened Fourth, Brought By Former Commission Employees Who Claim They Were Fired Or Forced From Office Over The Deal Investigation Or Its Aftermath.** According to the Atlanta Journal-Constitution, “The state has agreed to pay nearly \$3 million to settle three lawsuits, and a threatened fourth, brought by former commission employees who claim they were fired or forced from office over the Deal investigation or its aftermath.” [Atlanta Journal-Constitution, [7/14/14](#)]

### **LaBerge Claimed Her Memo Was Never Given To The Plaintiff’s Lawyers During Discovery Of The Cases Under Instruction From Attorney General**

**LaBerge’s Memo About The Calls And Texts From Deal’s Staff Was Never Sent To The Plaintiffs’ Lawyers During The Discovery Phase Of The Cases.** According to the Atlanta Journal-Constitution, “LaBerge’s memo about the calls and texts from Deal’s staff was never sent to the plaintiffs’ lawyers during the discovery phase of the cases.” [Atlanta Journal-Constitution, [7/14/14](#)]

**LaBerge’s Attorney Claimed That Attorney General’s Office Had Instructed Her To Not Mention Memo.** According to the Atlanta Journal-Constitution, “[LeBerge’s attorney Lee] Parks also claims that [Attorney General Sam] Olens’ office instructed LaBerge not to mention the memo during testimony in a series of whistleblower lawsuits filed by former commission employees. Olens’ spokeswoman, Lauren Kane, said no one in the attorney general’s office told anyone to do anything improper.” [Atlanta Journal-Constitution, [7/14/14](#)]

### **Former Commission Director And Top Deputy Were Investigating Complaints Against Deal When They Were Told Of Salary Reduction And Job Elimination**

**Former Commission Director Stacey Kalberman And Her Top Deputy, Sherilyn Streicker, Were Investigating The Complaints Against Deal’s Campaign When They Drafted Subpoenas For Records In 2011.** According to the Atlanta Journal-Constitution, “Former commission director Stacey Kalberman and her top deputy, Sherilyn Streicker, were investigating the complaints against Deal’s campaign when they drafted subpoenas for records in 2011.” [Atlanta Journal-Constitution, [7/14/14](#)]

- **Weeks After Presenting The Drafts To Commissioners, Kalberman Was Told Her Salary Was Being Cut Deeply And Streicker’s Job Was Being Eliminated.** According to the Atlanta Journal-Constitution, “Weeks after presenting the drafts to commissioners, Kalberman was told her salary was being cut deeply and Streicker’s job was being eliminated.” [Atlanta Journal-Constitution, [7/14/14](#)]
- **Kalberman Later Agreed To Resign And Both Kalberman And Streicker Filed Lawsuits.** According to the Atlanta Journal-Constitution, “Kalberman later agreed to resign. Both later filed lawsuits.” [Atlanta Journal-Constitution, [7/14/14](#)]

## **Iowa: Terry Branstad**

### **APPOINTED DONORS TO THE IOWA BOARD OF REGENTS**

#### **Branstad Appointed Top Donor Bruce Rastetter The Iowa Board Of Regents And His Brother Brent Rastetter To Iowa Environmental Protection Commission**

**Branstad Appointed Top Campaign Donor Bruce Rastetter To Iowa Board Of Regents.** In February of 2011, Branstad named Bruce Rastetter to the Iowa Board of Regents. According to Omaha.com, “Rastetter was the top donor to Branstad’s 2010 comeback campaign, and is credited with urging the governor to come out of political retirement. Branstad appointed him to the board after taking office, and soon supported an unusual leadership shake up that put Lang and Rastetter in charge.” [Office of Governor Branstad, [2/11](#); Omaha.com, [6/5/13](#)]

**Branstad Appointed Brent Rastetter, Bruce’s Brother, To Iowa Environmental Protection Commission; Brent Had Business Interests Overseen By The Commission.** According to the Des Moines Register, “Iowa Citizens for Community

Improvement on Tuesday filed a formal state ethics complaint claiming that a member of a state environmental rule-making panel has a conflict of interests. CCI says Brent Rastetter, appointed by Gov. Terry Branstad in May, should resign from the Iowa Environmental Protection Commission or sell his stake in his Alden-based confinement construction company, Quality Ag. The nonprofit activist group claims Rastetter directly benefits from actions the commission has taken to reduce regulations, including the shelving of clean-water rules in June. Rastetter, an Ames Republican, is scheduled to serve on the Iowa Environmental Protection Commission through 2015. He holds a seat reserved for farmers. Rastetter's brother, Bruce, is one of Branstad's top donors. CCI said Brent is a major Branstad supporter, too." [Des Moines Register, [8/16/14](#)]

### **Bruce Rastetter Had Previously Been Accused Of Using His Position To Stifle Academic Freedom And Promote A Pro-Agriculture Agenda**

**Rastetter Was Previously Accused Of Using Position To Stifle Academic Freedom And Promote Pro-Agriculture Agenda.** According to Omaha.com, "Democrats accused Lang and Rastetter, the previous president pro tem, of stifling academic freedom to support a pro-agriculture agenda at the state's three universities, a charge they rejected. Supporters of Lang and Rastetter said the duo had helped reverse a trend of budget cuts by improving relationships with lawmakers and Gov. Terry Branstad and helped freeze undergraduate tuition for the first time in 30 years." [Omaha.com, [6/5/13](#)]

## **FORCED OUT IOWA WORKERS' COMPENSATION COMMISSIONER**

### **Branstad Attempted To Force Out Iowa Workers' Compensation Commissioner Chris Godfrey By Reducing His Pay**

**Branstad Attempted To Force Out Iowa Workers' Compensation Commissioner Chris Godfrey By Reducing His Pay From \$109,000 To \$73,259 A Year.** According to the Des Moines Register, "On Monday Boeyink and other Branstad staff members again asked Godfrey – first appointed by former Gov. Tom Vilsack in 2006 to complete the term of retired commissioner Mike Trier– to resign. When Godfrey refused they told him they were dropping his salary from \$109,000 to \$73,259 a year, the lowest level of his pay grade. It's a salary that is roughly \$35,000 lower than the 12 deputy workers' compensation commissioners he supervises." [Des Moines Register, [7/12/11](#)]

### **Branstad Claimed The Iowa Association Of Business And Industry Asked Him To Remove Godfrey**

**Branstad Admitted That He Was Asked To Remove Godfrey By The Iowa Association Of Business And Industry.** According to the Des Moines Register, "Branstad asked Godfrey and most other state directors to resign shortly after he was elected in November. Godfrey refused. On Monday Branstad's staff informed Godfrey they had knocked his annual salary from \$109,000 to \$73,259 a year, the lowest level of his pay grade. The Des Moines Register reported the cut Tuesday and that night the governor addressed the issue on a WHO-Radio program. "Talk to the Iowa Association of Business and Industry, they are the ones that encouraged me to make a change there," Branstad said to one caller who challenged his reasoning for trying to rid the commission of Godfrey." [Des Moines Register, [7/13/14](#)]

## **FLOUTED STATE SPEED LIMIT LAWS BY ALLOWING HIS STATE TROOPER DRIVER TO TRAVEL 90 MPH ON STATE HIGHWAYS**

### **Criminal Investigator Larry Hedlund Claimed He Was Fired After Complaining About Branstad's Vehicle Speeding**

**Criminal Investigator Larry Hedlund Claimed He Was Fired After Complaining About Governor's Vehicle Speeding.** According to the Associated Press, "A veteran Iowa criminal investigator said he was fired Wednesday in retaliation for complaining about the governor's vehicle speeding through highway traffic, an assertion state officials rejected. Special Agent in Charge Larry Hedlund of the Iowa Division of Criminal Investigation learned of his termination during a meeting in Des Moines, following a 2 1/2 -month personnel investigation launched days after he filed an April 29 complaint about Gov. Terry Branstad's SUV traveling 90 mph." [Associated Press, [7/17/13](#)]

**Hedlund Had Asked A State Trooper To Stop A Vehicle Traveling 90 MPH, Trooper Did Not Stop Vehicle After He Saw A Fellow Trooper Was Driving.** According to the Associated Press, “Hedlund, 55, initiated an April 26 pursuit of an SUV that zipped past him doing “a hard 90” mph on Highway 20 in northern Iowa. He pursued the vehicle and asked dispatchers to send a trooper to make a stop. A trooper clocked the SUV at 84 mph and raced to catch up, but ultimately didn't stop the vehicle after seeing it was another trooper who was driving Branstad and Lt. Gov. Kim Reynolds.” [Associated Press, [7/17/13](#)]

## **Kansas: Sam Brownback**

### **FBI INVESTIGATED PAY TO PLAY ALLEGATIONS ABOUT COMPANY RECEIVING MEDICAID PRIVATIZATION CONTRACTS**

#### **FBI Investigated Brownback-Connected Lobbying Firm Parallel Strategies**

**The FBI Investigated Pay To Play Lobbying That Awarded KanCare Contracts To Three Private Insurance Companies.** According to the Topeka Capital-Journal, “The Topeka Capital-Journal was the first news outlet in April to report existence of a Federal Bureau of Investigation inquiry into allegations of a pay-to-play lobbying environment at the Capitol that included awarding of KanCare contracts to Amerigroup Corp., of Virginia Beach, Va.; Centene Corp., of St. Louis; and United Healthcare, of Minneapolis.” [Topeka Capital-Journal, 6/1/14]

**FBI Focused On Brownback’s \$3 Billion Privatization Of Medicaid.** According to the Garden City Telegram, “Of concern to the FBI were behind-the-scenes financial arrangements related to Brownback’s privatization of the state’s \$3 billion Medicaid program. The governor’s branding of KanCare handed to three for-profit insurance companies exclusive contracts to provide Medicaid services to 380,000 of Kansas’ disabled and poor.” [Garden City Telegram, 4/28/14]

**FBI Investigated If Brownback-Aligned Lobbying Firm Operated Influence Peddling Operations.** According to the Garden City Telegram, “The Federal Bureau of Investigation is exploring whether confidantes of Gov. Sam Brownback operated influence-peddling operations in Kansas pivoting on personal access to the Republican governor and top administration officials. The Topeka Capital-Journal learned the months-long inquiry involves Parallel Strategies, a rapidly expanding Topeka consulting and lobbying firm created in 2013 by a trio of veteran Brownback employees who left government service to work in an environment where coziness with former colleagues could pay dividends.” [Garden City Telegram, 4/28/14]

**Investigation Questioned If Brownback Representatives Pressed Companies To Hire Specific Lobbyists.** According to the Garden City Telegram, “Questions center on whether Brownback representatives pressed companies or organizations to hire specific lobbying firms or whether entities that showed inadequate deference were targeted for political or financial punishment.” [Garden City Telegram, 4/28/14]

### **LOBBYING FIRM HAD CLOSE BROWNBACK TIES**

**Parallel Strategies Was Founded By Three Former Brownback Staffers.** According to the Garden City Telegram, “Parallel Strategies was founded by David Kensinger, Brownback’s former chief of staff and campaign manager and current director of the governor’s political organization Road Map Solutions; George Stafford, a longtime fundraiser, employee and adviser to Brownback; and Riley Scott, a senior staff member to Brownback while he was in the U.S. Senate and son-in-law of Kansas Senate President Susan Wagle, R-Wichita.” [Garden City Telegram, 4/28/14]

**All Three Founding Members Of Parallel Strategies Worked For Brownback In The U.S. Senate; David Kensinger Was Brownback’s Chief Of Staff As Senator And As Governor.** According to the Wichita Eagle, “The Capital-Journal reported over the weekend about a months-long inquiry by the FBI related to Parallel Strategies, a self-described ‘values-driven’ public affairs lobbying and consulting firm founded last year by former Brownback staffers David Kensinger, Riley Scott and George Stafford. All three served Brownback during his U.S. Senate tenure, aided his 2010 run for governor and have their own solo lobbying shops. Kensinger served as Brownback’s chief of staff in both Washington, D.C., and Topeka

and also directs Road Map Solutions, the governor's political organization. Scott is the son-in-law of Senate President Susan Wagle, R-Wichita." [Wichita Eagle, 4/29/14]

**Kensinger Left Chief Of Staff Role Two Months Before KanCare Contracts Were Signed.** According to the Wichita Eagle, "Kensinger reportedly left as chief of staff two months before contracts were signed with the three KanCare contractors, which now employ as lobbyists Scott, former Kensinger partner Matt Hickam and former Brownback deputy Cabinet secretary Gary Haulmark. In addition, Parallel Strategies is now lobbying for the Kansas Coalition Against the Death Penalty – after the Governor's Office helped direct the coalition in choosing a firm, according to Sen. Carolyn McGinn, R-Sedgwick, who said she 'questioned the pool of people and the logic of hiring the firm they did.' The FBI probe reportedly has extended to legislators and lobbyists unaffiliated with Parallel Strategies." [Wichita Eagle, 4/29/14]

### *Brownback Response*

**Brownback Called The FBI Investigation A "Smear Campaign."** According to Bond Buyer, "Brownback, in comments to the Wichita Eagle, called the allegations a smear campaign. 'I'm not seeing the allegations of criminal activity. I'm seeing a lot of efforts to try to smear people,' Brownback told the Eagle in his first public comments on the topic May 5." [Bond Buyer, 5/7/14]

**Brownback Defended The Contract Bids For KanCare.** According to Bond Buyer, "Brownback said the contracts were bid properly. 'We bid everything out on KanCare. And you've got to be qualified, and you've got to get the lowest bid on it,' he said." [Bond Buyer, 5/7/14]

### **Phil Hermanson Appointment**

**Phil Hermanson Was Appointed Inspector General For KanCare.** According to the Topeka Capital-Journal, "The secretary of the Kansas Department of Health and Environment was responsible for appointing former House member Phil Hermanson to be inspector general of the federal-state program serving 400,000 poor and disabled Kansans. Hermanson, of Wichita, previously worked in commercial real estate and has a background that includes a business bankruptcy, personal financial problems, DUI conviction and campaign finance violations. The 49-year-old has no college degree or career experience in insurance, legal, accounting, health care or law enforcement fields applicable to examining conduct of clients and service providers interacting with three insurance companies awarded Medicaid contracts by the administration of Gov. Sam Brownback." [Topeka Capital-Journal, 6/1/14]

- **The Inspector General's Role Was To Serve As Watchdog For KanCare.** According to the Wichita Eagle, "The inspector general serves as a watchdog over the state's privatized Medicaid program, performing investigations and ensuring accountability of the \$3 billion KanCare." [Wichita Eagle, 6/6/14]

**Brownback Did Not Present Hermanson's Nomination To The Legislature.** According to the Topeka Capital-Journal, "It is unclear why Hermanson's appointment by the administration of Gov. Sam Brownback wasn't presented to the Legislature for confirmation when lawmakers were in Topeka for the veto session April 30 to May 3 or at final adjournment May 30. The Legislature doesn't return to Topeka until January for the 2015 session, but an interim Senate committee could take up Hermanson's appointment to the post at KDHE [Kansas Department of Health & Environment]. No hearing has been scheduled for the committee. 'This is one of the more bizarre appointments I've seen,' said Senate Minority Leader Anthony Hensley, D-Topeka. 'It's as if Hermanson, who is grossly unqualified for this position, was secretly snuck in the back door, and the Brownback administration hoped no one would notice. Now that this is public, they're once again playing Kansans for fools and covering it up.'" [Topeka Capital-Journal, 6/6/14]

**Top Republican And Democrat Legislators Who Oversaw KanCare Called For Special Scrutiny Of Phil Hermanson.** According to the Topeka Capital-Journal, "The top Republican and Democrat on the legislative committee with oversight of Kansas' privatized Medicaid system called for special scrutiny of the person hired by the state to identify fraud in the \$3 billion-a-year health care network." [Topeka Capital-Journal, 6/1/14]

**Hermanson Resigned From The Inspector General Position.** According to the Leavenworth Times, "The acting inspector general for Kansas' privatized Medicaid program abruptly resigned Friday, facing questions about whether he was

qualified for the job and still unable to perform all of his duties because he was awaiting state Senate confirmation. Sara Belfry, a spokeswoman for the Kansas Department of Health and Environment, said former state Rep. Phil Hermanson stepped down Friday afternoon. He'd been appointed acting inspector general in April by department Secretary Robert Moser." [Leavenworth Times, 6/7/14]

**Senate Minority Leader Faulted Brownback For Appointing Hermanson.** According to the Leavenworth Times, "I don't fault Phil Hermanson for being appointed to that position. I fault Secretary Moser or the Brownback administration for putting him in that position, because he wasn't qualified for it," Senate Minority Leader Anthony Hensley, a Topeka Democrat, told The Associated Press after the resignation. Hensley added: "It looks more like a political appointment to reward, you know, a loyal Republican, as opposed to finding the best-qualified person." [Leavenworth Times, 6/7/14]

### *Phil Hermanson*

**Hermanson Resigned From The Kansas House After Two And A Half Terms To Be Inspector General.** According to the Topeka Capital-Journal, "Hermanson, a Republican who resigned from the House in 2013 after 2-1/2 terms, started at KDHE as inspector general in late April. His annual salary is \$77,000. The agency didn't announce his appointment." [Topeka Capital-Journal, 6/1/14]

**Hermanson Had No College Degree Or Career Experience Related To The Position Of Inspector General.** According to the Topeka Capital-Journal, "The 49-year-old has no college degree or career experience in insurance, legal, accounting, health care or law enforcement fields applicable to examining conduct of clients and service providers interacting with three insurance companies awarded Medicaid contracts by the administration of Gov. Sam Brownback." [Topeka Capital-Journal, 6/1/14]

**Hermanson Said His Time In The Legislature And Owning A Small Business Prepared Him To Be Inspector General.** According to the Topeka Capital-Journal, "In response to one of those questions, Hermanson said his preparation for the inspector general's post was derived from time in the U.S. Navy and private business, as well as five years in the House, including service on the chamber's health committee. 'I look forward to continuing to serve the people of Kansas,' he said." [Topeka Capital-Journal, 6/1/14]

### *Previous Scandals*

**Hermanson Declared Bankruptcy In 1998.** According to the Topeka Capital-Journal, "In 1998, Hermanson and his wife declared Chapter 7 bankruptcy amid closure of their print company called Aeroscreen. A filing in federal court listed claims from creditors of \$355,000. NationsBank seized and sold Aeroscreen's assets with proceeds applied to outstanding debt on a \$102,000 loan. 'I worked very hard to keep my business running,' he said. 'Like many other small businesses, it didn't work in the end. It was a challenge I have learned a lot from.'" [Topeka Capital-Journal, 6/1/14]

**Hermanson's Home Was Almost Foreclosed On In 2009.** According to the Topeka Capital-Journal, "Wells Fargo Bank filed for foreclosure on a mortgage on Hermanson's home during 2009 after he stopped making payments. He had borrowed \$83,000 from Webster Bank, which transferred the loan to Wells Fargo. Three days before the scheduled foreclosure sale, Wells Fargo canceled the auction." [Topeka Capital-Journal, 6/1/14]

**Hermanson Had A Tax Warrant Issued Against Him In 2010.** According to the Topeka Capital-Journal, "During his first term in the House, state and court records show, a tax warrant was issued against Hermanson for \$1,100 in unpaid income taxes. He paid the taxes in 2010." [Topeka Capital-Journal, 6/1/14]

**Hermanson Injured Two Women In Car Accident In 2009, Which He Blamed On His Prescription Drugs.** According to the Topeka Capital-Journal, "In November 2009, Hermanson rear-ended a car at a red light in Wichita. Two women in the other vehicle were injured. Witnesses said Hermanson was driving at a high speed in a 30 mph zone and didn't brake before hitting the second car. Hermanson, who was barefoot, submitted to a field sobriety test but refused a Breathalyzer exam. He reportedly blamed his faulty driving on prescription medicine taken for an injury. His attorney said in court the medication was for high blood pressure. Hermanson entered a plea of no contest in 2010 to a charge of driving under the influence of prescription drugs and was sentenced to probation." [Topeka Capital-Journal, 6/1/14]

**Hermanson's Campaign Was Fined For Questionable Transactions.** According to the Topeka Capital-Journal, "The Kansas Governmental Ethics Commission in 2012 fined Hermanson's campaign treasurer \$500. The case involved \$3,700 in questionable transactions during the representative's 2010 re-election campaign. A commission investigation revealed \$2,700 in undocumented campaign expenditures and checks for cash. In addition, \$1,000 from his political account was reported as spent on repayment of a loan when no loan existed. Hermanson paid the fine assessed against his treasurer and reimbursed his campaign for expenditures not substantiated by a receipt." [Topeka Capital-Journal, 6/1/14]

### *Media Reaction*

**Editorial: Brownback Picked Hermanson Because He Was A Loyal Republican Insider.** According to the Wichita Eagle Editorial, "Why would the Brownback administration appoint former Wichita state Rep. Phil Hermanson to be acting inspector general of KanCare, the state's \$3 billion Medicaid program? After all, Hermanson has no college degree or career experience in insurance, accounting or health care, and his past problems include a business bankruptcy, a DUI conviction and campaign-finance violations. Here's likely why: He's a loyal Republican insider." [Editorial: Wichita Eagle, 6/6/14]

## **Maine: Paul LePage**

### **USED TAXPAYER MONEY TO PRODUCE MATERIALS SUPPORTING HIS REELECTION BID**

#### **For His 2014 Re-Election Campaign, LePage Used Taxpayer Dollars To Mass-Produce Thousands Of Pieces Of Self-Promoting Literature**

*LePage Published A Twenty-Six-Page Booklet And 2,000 Palm Cards That Featured His Accomplishments As Governor*

**LePage Published A Twenty-Six-Page Booklet That Listed His Accomplishments And Received Criticism From Independent Candidate Eliot Cutler's Campaign Regarding The Use Of Taxpayer Money To Support His Re-Election.** According to the Sun Journal, "Gov. Paul LePage's publication of a 26-page booklet listing his accomplishments has triggered accusations from Independent Eliot Cutler's campaign that taxpayers are supporting his re-election bid." [Sun Journal, 11/26/13]

**LePage's Communications Director Said That The Book Was Published To Mark LePage's 1,000 Days In Office And It Was Not Different From The Letters That Lawmakers Send To Constituents.** According to the Sun Journal, "Peter Steele, LePage's communications director, countered that the booklet, which he said was published last week to mark the governor's first 1,000 days in office, does not ask for votes for LePage and is no different than newsletters legislators regularly send to constituents. Senators are given \$2,000 annually for constituent services and House members receive \$1,500." [Sun Journal, 11/26/13]

**The Department Of Transportation Printed 2,000 Palm Cards Featuring LePage's Accomplishments That Were Distributed By The Governor And His Staff While He Traveled.** According to the Sun Journal, "In addition to the booklet published 500 days into LePage's term, the DOT printed about 2,000 palm cards last month that list LePage's accomplishments. They are being distributed by the governor and his staff during his travels. Steele said the printing bill for the palm cards hasn't come in, either." [Sun Journal, 11/26/13]

## **NEPOTISM**

### **Brother-In-Law Was Given A \$68,577 Per Year Job**

**LePage's Brother-In-Law, Jody Ledoux, Was Hired As The Director Of Administrative Services At The State Planning Office And Began Work In February 2012 With A Salary Of \$68,577.** According to the Bangor Daily News, "A brother-in-law of Gov. Paul LePage has been hired as director of administrative services at the State Planning Office. Jody

Ledoux, who is married to a sister of LePage's wife, began work Feb. 13 at an annual salary of \$68,577." [Bangor Daily News, [3/17/12](#)]

**Ledoux Was The Second Member Of The LePage Family To Work In The Executive Branch.** According to the Bangor Daily News, "Ledoux is the second LePage family member to work in the executive branch. When the governor's daughter was hired as assistant to the governor's chief of staff, her hiring drew criticism because she was a recent college graduate and some didn't view her as qualified." [Bangor Daily News, [3/17/12](#)]

### **Daughter Was Given A \$41,000 Taxpayer-Funded Job**

**Lauren LePage Was An Assistant To The Governor's Chief Of Staff, John McGough, Which Was A Position That Administration Officials Called Entry Level.** According to the Bangor Daily News, "Lauren LePage, 22, will serve as assistant to the governor's chief of staff, John McGough — a position that administration officials describe as entry-level and is commensurate with her experience, work history and education." [Bangor Daily News, [12/22/10](#)]

**Lauren LePage Was Salaried At \$41,000 Per Year.** According to the Bangor Daily News, "LePage, a recent college graduate, will be a salaried political appointee earning approximately \$41,000 a year, According to Dan Demeritt, incoming director of communications in the LePage administration." [Bangor Daily News, [12/22/10](#)]

### **Expert Considered LePage's Nepotism To Be Unethical**

**Sandy Maisel, Political Scientist At Colby College In Waterville, Said That Lauren LePage's Hire Was Illegal In Most States.** According to the Portland Press Herald, "Sandy Maisel, a political scientist at Colby College in Waterville, said it may be legal in Maine, but it is illegal in most states." [Portland Press Herald, 12/24/10]

- **Maisel Said That Nepotism Was Common In The U.S House Of Representatives But It Was No Longer Allowed.** According to the Portland Press Herald, "He said nepotism was once common in the U.S. House of Representatives, but it is no longer allowed." [Portland Press Herald, 12/24/10]
- **Maisel: "It Almost Takes Your Breath Away That LePage Did Not Understand The Problem."** According to the Portland Press Herald, "It almost takes your breath away that [LePage] doesn't understand the problem here,' Maisel said." [Portland Press Herald, 12/24/10]

## **Michigan: Rick Snyder**

### **SNYDER'S NERD FUND WAS BACKED BY SECRET CORPORATE DONORS; PAID LIVING COSTS FOR MANAGER IN CHARGE OF NO-BID CONTRACTS**

#### **Snyder Picked Kevyn Orr As Emergency Manager For The City Of Detroit**

**Snyder Chose Kevyn Orr As Emergency Manager For Detroit.** According to the New York Times, "Michigan officials on Thursday appointed the lawyer, Kevyn Orr, a partner in the Jones Day law firm, as an emergency manager to oversee operations in Detroit, one of the largest cities to ever receive such intervention. 'This is the Olympics of restructuring,' Mr. Orr said during a news conference in Detroit as he stood near Gov. Rick Snyder, who chose him, and Mayor Dave Bing, who, like all city officials in such situations, will be forced to cede significant powers to Mr. Orr under the state's plan to save the city." [New York Times, [3/15/13](#)]

#### **Snyder's NERD Fund Paid For Administrator Living And Commuting Expenses**

*Expenses Included A \$4,200-A-Month Condo And Flights Between Maryland And Michigan*



### **Snyder's NERD Fund Paid Rent For Kevyn Orr's Two-Room Condominium At The Westin Book Cadillac.**

According to the Detroit Free Press, "Gov. Rick Snyder's secretive nonprofit foundation is paying for Detroit emergency manager Kevyn Orr's condominium and other expenses in a previously undisclosed financial arrangement. Snyder's NERD Fund, which stands for New Energy to Reinvent and Diversify Fund, is footing the rental bill for Orr's two-room condo at the Westin Book Cadillac in downtown Detroit, Orr spokesman Bill Nowling confirmed." [Detroit Free Press, [9/23/13](#)]

- **NERD Fund Paid \$4,200 A Month For Orr's Condo And Commuting Expenses For Flights To Maryland.**

According to the Detroit Free Press, "Sara Wurfel, a spokeswoman for Snyder, confirmed Monday the NERD Fund has paid \$4,200 a month for Orr's condo since April. She said the fund will also cover Orr's commuting expenses to visit his family in Maryland and return to work in Detroit." [Detroit Free Press, [9/23/13](#)]

*Snyder's NERD Fund Paid For The Salary Of His Adviser Richard Baird, Who Recruited Orr And Received A \$100,000 Salary*

**Snyder's NERD Fund Funded The Salary Of Snyder Adviser Rich Baird, Who Helped Recruit Orr To Serve As Emergency Manager.** According to Detroit Free Press, "The NERD Fund, which raises money from private donors who are not legally required to disclose their identities, has come under scrutiny because of its role in funding the governor's operations. For example, the organization is funding the salary of Snyder adviser Rich Baird, who helped recruit Orr to serve as emergency manager." [Detroit Free Press, [9/23/13](#)]

- **Baird Received A \$100,000-A-Year Salary.** According to the Detroit Free Press, "Baird has been in the news this year because of his involvement with the recruitment of Detroit emergency manager Kevyn Orr, a disputed education program and because his \$100,000-a-year salary was originally paid out of Snyder's controversial nonprofit NERD Fund, whose donors were never disclosed. Baird was recently placed on the state payroll as transformation manager." [Detroit Free Press, 11/24/13]

### **CVS Donated \$1,000 To The NERD Fund**

**CVS Donated To Snyder's New Energy To Reinvent And Diversity Fund.** According to the Center For Public Integrity: "But the Center for Public Integrity has identified at least one corporate powerhouse that has lent financial support to the group: retail pharmaceutical giant CVS Caremark Corp. In March 2012, CVS donated \$1,000 to Snyder's New Energy to Reinvent and Diversify Fund, a company document shows. The voluntary disclosure offers a rare, if small, glimpse into the flow of corporate money into politically active nonprofit organizations." [Center For Public Integrity, [8/10/13](#)]

*Orr Awarded CVS Caremark A \$60 Million No-Bid Contract, Despite Receiving A Better Offer*

**Orr Unilaterally Awarded A \$60 Million No-Bid Contract To Caremark To Be Pharmacy Benefit Manager.** According to the Michigan Chronicle, "Kevyn Orr unilaterally awarded a \$60 million no-bid contract to Caremark that seemingly mocks the contract-bidding process. There are serious questions about whether or not the city and its workers got the best deal that saves money while still providing better benefits. As part of cost savings in Detroit's bankruptcy proceedings, the companies Jones Day, Ernst and Young, and Milliman designed a new health care benefit for city employees. That plan was approved by Orr and lists Caremark as the pharmacy benefit manager. Caremark has Jones Day as its outside council, Ernst and Young as its outside audit firm, and Caremark is a business partner with a Milliman product called Intelliscript." [Michigan Chronicle, 10/30/13]

### **ScriptGuide Proposed An Alternative Proposal For A Pharmacy Benefit Manager That Generated Greater Savings.**

According to the Michigan Chronicle, "An alternative proposal for a pharmacy benefit manager was submitted to the emergency manager by ScriptGuide that generated a greater savings, and a better benefit for city workers than the Caremark proposal. ScriptGuide is also owned by a Detroit resident." [Michigan Chronicle, 10/30/13]

*Detroit Awarded Orr's Old Law Firm A Multi-Million Dollar Contract*

### **Detroit Gave Orr's Old Law Firm Jones Day A \$3.3 Million Contract And They Could Be Paid Up To \$18 Million.**

According to the Detroit Free Press, "Two firms — restructuring consultant Conway MacKenzie of Birmingham and Jones Day, the Washington, D.C., law firm from which Orr resigned when he was appointed emergency manager in March — were given contract extensions as Detroit moved from a position of trying to avoid bankruptcy to capitulating and filing a Chapter 9 petition in July. Conway MacKenzie's contract grew to \$19.3 million from an initial \$4.2 million. Jones Day, originally contracted for \$3.3 million, now may be paid up to \$18 million, according to previously undisclosed documents obtained by the Free Press." [Detroit Free Press, [9/29/13](#)]

## **DETROIT PROCUREMENT OFFICER RESIGNED DUE TO TRANSPARENCY ISSUES**

**Detroit Chief Procurement Officer Andre DuPerry Resigned Because Of Concerns Over The Way Lucrative Consulting Contracts Were Awarded Under Kevyn Orr.** According to the Detroit Free Press, "A former top official in Detroit Mayor Dave Bing's administration said he could no longer work for the city because of concerns over the way lucrative consulting contracts were awarded under emergency manager Kevyn Orr, according to his resignation letter obtained by the Free Press. The resignation of Detroit chief procurement officer Andre DuPerry, whose last day on the job was Oct. 11, surprised many in city hall. He'd been recruited by Bing in 2009 to work as part of a crisis turnaround team to restore Detroit's finances." [Detroit Free Press, [10/25/13](#)]

- **DuPerry: "The Actions Of The Emergency Manager (EM), His Staff And Consultants Have Made It Impossible For Me To Feel Confident That There Is Currently Transparency, Fairness And Good Judgment Being Exercised In The Best Interests Of The People."** According to the Detroit Free Press, "The actions of the emergency manager (EM), his staff and consultants have made it impossible for me to feel confident that there is currently transparency, fairness and good judgment being exercised in the best interests of the people I serve,' DuPerry's letter says. 'The emergency manager's inconsistency and lack of compliance with the competitive bid and contract approval processes is extremely concerning to me. ... I have on numerous occasions raised my concerns both verbally and in writing regarding the lack of contract management with regards to the consultants involved in restructuring. While there is no question that Detroit's city government requires significant change,' the letter says, 'what I have observed is an abuse of authority leading to waste of taxpayer dollars.'" [Detroit Free Press, [10/25/13](#)]

## **NERD FUND SHUT DOWN WITHOUT DISCLOSING ITS DONORS**

**NERD Fund Was Shut Down Without Disclosing Its Donors.** According to WXYZ, "Governor Rick Snyder's controversial NERD Fund will be dissolved, according to the fund's president. 'We're shutting her down,' said Charlie Secchia, who heads up the non-profit. The non-profit's final meeting will be this week. He said a formal announcement is planned for tomorrow or Wednesday. [...] Secchia did not indicate that the fund would be disclosing its past donors, who gave nearly \$1.7 million in 2010 and 2011." [WXYZ, [10/21/13](#)]

*Detroit Free Press Editorial Said "Voters Have Every Reason To Question" Where Snyder's Allegiance Lies*

### **Detroit Free Press Editorial: "As Long As Snyder Refuses To Say Who Picked Up The Tab For The NERD Fund, Or Why, The State's Voters Have Every Reason To Question Where Their Governor's Primary Allegiance Lies."**

According to a Detroit Free Press editorial, "It was always a bad idea to run any government operation off the books; the public's business is simply the public's business. We are encouraged that Snyder appears to have accepted this principle, however grudgingly. But whatever pledges of anonymity he made to secure private financing for the NERD Fund, it is trumped by his obligations to Michigan voters. As long as Snyder refuses to say who picked up the tab for the NERD Fund, or why, the state's voters have every reason to question where their governor's primary allegiance lies." [Editorial – Detroit Free Press, [10/23/13](#)]

## **NEPOTISM**

## **Rick Snyder's Cousin George Contacted Snyder's Adviser Regarding A Senate Bill With Furniture Language He Opposed**

*George Snyder Owned DBI Business Interiors, Which Installed New Furniture For Haworth Inc.*

**George Snyder's DBI Business Interiors Installed New Furniture For Holland-Based Haworth Inc. As A Subcontractor.** According to Detroit News, "The records, obtained through a Freedom of Information Act request, show the Republican governor's cousin, George Snyder, sought Baird's advice on how to get the Legislature to keep in place a contract for new furniture that benefited his company. George Snyder's DBI Business Interiors installs new furniture for Holland-based Haworth Inc. as a subcontractor." [Detroit News, 3/26/14]

*George Snyder Contacted Snyder's Adviser Regarding Furniture Language In A Senate Bill*

**George Snyder Contacted Snyder's Adviser Richard Baird Saying That He Was "Very Upset And Nervous About The Language In The Senate Budget Bill On Furniture."** According to Politico, "In an April 2011 email, documents show, George Snyder contacted Richard Baird, a top Snyder adviser, saying that he was 'very upset and nervous about the language in the Senate budget bill on furniture.'" [Politico, [3/25/14](#)]

- **Baird Forwarded The Email To John Nixon, Then Michigan's State Budget Director, Who Responded, "We Are On It."** According to Politico, "Baird forwarded the email to John Nixon, then Michigan's state budget director, who responded, 'we are on it.'" [Politico, [3/25/14](#)]

*Proposed State Senate Bill Prohibited State Agencies From Hiring DBI*

**Proposed Language Capped New Furniture Expenses At \$1 Million And Prohibited State Agencies From Hiring DBI Because Of Its Partnership With Haworth Inc. Installing New Office Desks And Cubicles.** According to Detroit News, "In the spring of 2011, Kentwood Office Furniture's lobbyist got senators to add language to a budget bill that capped new furniture expenses at \$1 million and prohibited state agencies from hiring DBI because of its partnership with Haworth Inc. installing new office desks and cubicles, Nixon said." [Detroit News, 3/26/14]

**Democrats Said Proposed Cuts Were Part Of Republican Bill In Response To Budget Crisis.** According to a press release from the Michigan Democratic Party obtained via Targeted News Service, "Snyder administration officials and the controversial NERD Fund intervened in the midst of the state's 2011 budget crisis to protect the Governor's cousin and a major financial contributor from what could have been an \$18-million loss. Snyder officials were acting to protect a lucrative state contract that was threatened by Senate Republicans who had put a \$1 million cap on the purchase of state office furniture." [Michigan Democratic Party, 5/25/14]

*Snyder's Adviser Identified George Snyder As The Governor's Cousin*

**In A Subsequent Email Baird Identified That George Snyder Was The Republican Governor's Cousin, Forwarding Along A Second Request For Information About The State's "Furniture Process."** According to Politico, "In a subsequent email between Baird and Nixon, Baird identifies that George Snyder is the Republican governor's cousin, forwarding along a second request for information about the state's 'furniture process.'" [Politico, [3/25/14](#)]

*George Snyder's Family And Employees Were Donors To Rick Snyder's Campaign*

**George Snyder, His Wife, And DBI Employees Contributes More Than \$15,350 To Rick Snyder's Campaign Fund Since 2009.** According to Detroit News, "Since 2009, George Snyder, his wife and DBI employees have contributed more than \$15,350 to Rick Snyder's campaign fund." [Detroit News, 3/26/14]

**Haworth Company Officials Contributed A Combined \$34,200 To Snyder's Re-Election Campaign, While The Company Donated \$25,000 To Snyder's Governor's Club.** According to Detroit News, "Haworth company officials have

contributed a combined \$34,200 to Snyder's re-election campaign, while the company donated \$25,000 to Snyder's Governor's Club, another federal nonprofit controlled by Snyder, according to records." [Detroit News, 3/26/14]

*Rick Snyder Increased The Amount Of Furniture That Was Purchased By 76%*

**After The Republican-Run House Removed The \$1 Million Spending Cap For New Furniture, The State Bought \$6.6 Million In New Furniture From Haworth Inc. In The 2013 Fiscal Year, A 76 Percent Increase From The Year Before.** According to Detroit News, "In May 2011, the Republican-run House removed the \$1 million spending cap for new furniture. The state bought \$6.6 million in new furniture from Haworth Inc. in the 2013 fiscal year, a 76 percent increase from the year before. DTMB [Department of Technology, Management, and Budget, which handles procurement and contracts] spokesman Kurt Weiss said the state is spending more on new furniture because it is filling in vacant space in state-owned office buildings, while it cancels leases to save money on rented office space." [Detroit News, 3/26/14]

**During Snyder's Three Years In Office, DBI Did \$873,267 In Refurbishing Work.** According to Detroit News, "DBI's furniture spending is up under Gov. Snyder. The firm's refurbishing work during the last three fiscal years of Democratic Gov. Jennifer Granholm's administration totaled \$601,843. During Snyder's three years in office, DBI has done \$873,267 in refurbishing work, DTMB records show." [Detroit News, 3/26/14]

*George Snyder Thanked Rick Snyder's Adviser For Helping His Accountant's Daughter Get A State Job*

**Snyder Thanked Baird For Helping His Accountant's Daughter Get A Job With The Michigan Department Of Human Services.** According to Detroit Free Press, "Messages left with George Snyder were not returned. In one of the July e-mails to Baird, Snyder also thanked Baird for helping his accountant's daughter get a job with the Michigan Department of Human Services." [Detroit Free Press, 3/26/14]

## SALARIES

### Snyder Granted Enormous Pay Raises To Treasury Department Employees...

**Jon Braeutigam Received A 90% Pay Raise From \$175,000 Per Year To \$330,000 Per Year.** According to the Detroit Free Press, "The state of Michigan quietly increased the salaries of its top investment officials in the Treasury Department by more than 80% this year, saying it was too difficult to attract and keep qualified people under the former pay rates. Jon Braeutigam, the state's chief investment officer, got a 90% pay raise to \$333,000 a year from \$175,000, department spokesman Terry Stanton confirmed Friday." [Detroit Free Press, 11/24/13]

**Robert Brackenbury And Greg Parker Received 82% Pay Raises From \$128,000 Per Year To \$233,000 Per Year.** According to the Detroit Free Press, "Treasury's two senior directors of investment - Robert Brackenbury and Greg Parker - received 82% pay increases, boosting them from \$128,000 to \$233,000 a year." [Detroit Free Press, 11/24/13]

### ...And Allowed The Former Treasurer To Retain His Full Salary Even After Resigning

**Former State Treasurer Andy Dillon Collected His Full Salary Of \$175,000 Even After Resigning.** According to the Detroit Free Press, "More than two months after he stepped down as state treasurer in a move intended to quiet ongoing controversies in his personal and political life, Andy Dillon sparked a new uproar Wednesday after officials revealed he is still collecting his full salary of nearly \$175,000. Dillon started Nov. 1 — the day his resignation as treasurer became effective — as a senior adviser to his successor, Kevin Clinton, Treasury Department spokesman Terry Stanton said." [Detroit Free Press, [1/8/14](#)]

- **Snyder Made No Mention Of Dillon Retaining A Full-Time Salary When Announcing Dillon's Resignation.** According to the Detroit Free Press, "Snyder, in announcing Dillon's resignation Oct. 11, said Dillon would assist the incoming treasurer with transition issues. But he made no mention of Dillon retaining a full-time salary or staying on for several months." [Detroit Free Press, [1/8/14](#)]

- **Snyder Spokeswoman Said Retaining Dillon Was “Instrumental And Appropriate.”** According to the Detroit Free Press, “Snyder spokeswoman Sara Wurfel said retaining Dillon was ‘instrumental and appropriate’ because of the ‘complexity and urgency of local government fiscal health issues under way in Detroit and other parts of the state.’” [Detroit Free Press, [1/8/14](#)]

## Nevada: Brian Sandoval

### **SANDOVAL ADMINISTRATION UNDERFUNDED MENTAL HEALTH SYSTEM; PLACED PATIENTS ON GREYHOUND BUSES TO OTHER STATES INSTEAD OF PROVIDING TREATMENT**

#### Underfunded Mental Health System

**Nevada’s Mental Health System Was “Understaffed, Underfunded, And Inadequate.”** According to Today News 3, “Understaffed, underfunded and inadequate is how a new report describes the mental health system in Nevada. Today News 3 is asking Governor Brian Sandoval about the shortfalls and the patient dumping scandal at one of Las Vegas’s major mental health clinics. Gov. Sandoval says he’s confident his new mental health care council will examine potential solutions for all that ails the system. Some of those solutions can be found in a new report from the state department of health and human services. The goal is to eliminate problems like those found at the Rawson-Neal Psychiatric.” [Today News 3, [12/19/13](#)]

#### Sent Patients Out Of State On Greyhound Buses

**1,500 Lonely And “Sometimes Heavily Medicated” Patients Were Sent Away From Nevada’s Rawson-Neal Hospital Via Greyhound Buses.** According to the Sacramento Bee, “Monday’s announcement marked the latest in a series of steps Sandoval has taken since the controversial busing program came to light. The Bee reported in April that Rawson-Neal had sent about 1,500 patients via Greyhound bus to destinations across the lower 48 states over the last five years, including about 500 to California. Patients typically were dispatched by taxi to a Las Vegas Greyhound station and put on buses, alone and sometimes heavily medicated, for journeys that in many cases spanned multiple states and several days.” [Sacramento Bee, [12/17/13](#)]

- **Sandoval Created The Council To Examine Nevada’s Mental Health System After Patients From A Psychiatric Hospital Were Given “One-Way Bus Tickets” Out Of Nevada.** According To KTVN, “Nevada Gov. Brian Sandoval is creating a new council to examine the state’s mental health system. The first-term Republican governor announced the Behavioral Health and Wellness Council on Monday, established by executive order. It follows a series of investigations by The Sacramento Bee newspaper that detailed incidents of patients at Nevada’s primary psychiatric hospital in Las Vegas being provided one-way bus tickets.” [KTVN, [12/16/13](#)]

### **SANDOVAL REFUSED TO FIRE ANYONE FOR FAILURES**

**Sandoval Said That No Employees Would Be Fired From The Rawson-Neal Psychiatric Hospital Despite “Failed Patient-Care Standards.”** According to the Las Vegas Sun, “No employee firings are planned at the state-operated Rawson-Neal Psychiatric Hospital in Las Vegas, where failed patient-care standards again threaten federal funding. Gov. Brian Sandoval said Tuesday he visited the hospital twice in the past several months and found the staff ‘dedicated and hardworking.’ Asked if he thought the hospital was living up to care standards, he replied, ‘I’m not an inspector.’ [...]After the details were made public last year, some employees were fired and others disciplined. But Sandoval said Tuesday there would not be any dismissals as a result of the most recent inspection.” [Las Vegas Sun, [1/14/14](#)]

### **SANDOVAL WAS ROUNDLY CRITICIZED BY THE MEDIA FOR MENTAL HEALTH FAILURES**

**News Review Editorial: Sandoval Involved In “Whitewashing” Nevada’s Practice Of Shipping Mentally Ill Patients To States Around The Country.** In an editorial, the News Review wrote, “The Sacramento Bee, which broke the story of Nevada’s practice of busing mental patients out of state, has published an editorial calling subsequent investigations a whitewash. Nevada Gov. Brian Sandoval, U.S. Health and Human Services Secretary Kathleen Sebelius and the agencies that should be overseeing mental health care are whitewashing Nevada’s practice of busing its mentally ill patients to all corners of the continental United States. ... Not surprisingly, the consultants [hired by Nevada] last month praised the care provided by Rawson-Neal [Hospital] and said busing patients to their home states ‘is a kindness to them and to their families.’ [...] The editorial continued, “Too many of us would prefer that severely mentally ill people simply go away. Treatment is hard for the sickest individuals. So we conclude they have the right to be ill, and avert our eyes rather than see them forage through dumpsters. Nevada’s use of Greyhound therapy was one step on that path of studied indifference. The federal agency that is supposed to oversee the use of federal money for the treatment of mentally ill people took more steps.” [News Review, [7/4/13](#)]

**Sacramento Bee Editorial: Sandoval Was “Incurious” About What Happened To The Patients After They Were Bused Out Of Nevada.** According to an editorial published in the Sacramento Bee, “Worse, Sandoval has shown himself to be incurious about the fate of the patients. Perhaps, we now know why. On Sunday, The Bee detailed how reckless Nevada’s policy was of busing Rawson-Neal Psychiatric Hospital patients from Las Vegas to all corners of the country. Having obtained the names of 1,000 of the 1,500 bused between 2008 and early this year, The Bee’s Cynthia Hubert and Phillip Reese found numerous instances in which ex-patients committed crimes after getting off the buses. Among the more troubling findings, Nevada apparently bused as many as 50 patients out of state who had criminal charges pending against them in Clark County, Nevada. Helping individuals flee criminal charges is called accessory after the fact; it’s a crime. ... So far, Sandoval has been minimizing the problem and seeking to whitewash it. We remain skeptical that he will confront his state’s neglect of mentally ill people, and fix the system.” [Sacramento Bee – Editorial, [12/17/13](#)]

**Dan Morian Op-Ed: Sandoval Only Stopped Nevada’s Mental Patient Policy When It Was Exposed By The Sacramento Bee.** According to an opinion piece by Dan Morian published in the Sacramento Bee, “Fourteen months later, William P. Spencer remains angry about being discarded by the therapists and psychiatrists at Rawson-Neal Psychiatric Hospital in Las Vegas. ... Unlike many other former Rawson-Neal patients, Spencer is able to tell the story of Nevada’s reckless practice of using Greyhound buses to rid itself of 1,500 mentally ill patients between 2008 and 2013. ‘They’re dumping their responsibility,’ Spencer told me by phone from the Mojave Desert town of Hesperia, where he has lived since his half-sister took him in a year ago. ... The responsibility rests with Nevada Gov. Brian Sandoval. Sandoval ended Nevada’s busing policy after The Bee exposed it.” [Dan Morian – Sacramento Bee, [12/15/13](#)]

- **Dan Morian Op-Ed: Sandoval Claimed The Busing Policy Was Designed To “Help” Out-Of-State Mental Patients Get Home.** According to an opinion piece by Dan Morian published in the Sacramento Bee, “On Friday, he announced an investigation in response to Hubert and Reese’s findings. But he has kept on the job top officials on whose watch the policy was carried out. Until recently, Sandoval and other Nevada officials defended the busing policy, saying it helped out-of-towners get home. Who did they think they were kidding? They sought to ease the burden of treating vulnerable, fragile and difficult people. Greyhound therapy was so much more convenient.” [Dan Morian – Sacramento Bee, [12/15/13](#)]

## **U.S. COMMISSION ON CIVIL RIGHTS HEARING ABOUT MENTAL HEALTH SCANDAL**

**The U.S. Commission On Civil Rights Hosted A Hearing To Examine The Extent Of Neglect And Health Care Denial For Psychiatric Patients.** According to the Las Vegas Sun, “The U.S. Commission on Civil Rights will have a hearing today on an issue that has put Nevada in the spotlight since last year — patient dumping. The commission will hear from the American Civil Liberties Union of Nevada, as well as government officials and a variety of academics. Although it did not single out Nevada, the commission has said the focus of the hearing is to examine ‘the extent to which patients with a psychiatric disability are denied adequate care and whether there has been systemic neglect of this group.’” [Las Vegas Sun, [3/14/14](#)]

- **Sandoval Defended The Rawson-Neal Psychiatric Hospital Despite The Reports.** According to the Las Vegas Sun, “Reports by the Sacramento Bee precipitated lawsuits from the city of San Francisco and from James Flavy Coy Brown, a patient who says he was sent by bus from Rawson-Neal to California. Nevada Gov. Brian Sandoval has defended Rawson-

Neal, the state facility at the center of the reports. And Nevada has been vindicated by at least one court: On Feb. 13, U.S. District Court Judge James C. Mahan rejected the lawsuit that claimed Brown's civil rights had been violated. Mahan ruled that the state had not forced Brown to leave the state — it had simply paid for his bus ticket.” [Las Vegas Sun, [3/14/14](#)]

- **Sandoval’s Office Took Action Only After The Allegations Surfaced.** According to the Las Vegas Sun, “Sandoval’s office has taken various measures since the allegations first surfaced, including bringing in outside evaluators, hiring additional staffers and increasing the number of beds available at Rawson-Neal. The hospital remains accredited at least through early April.” [Las Vegas Sun, [3/14/14](#)]
- **Las Vegas Rawson-Neal Psychiatric Hospital Put Patients On Buses And Shipped Them Away From The State With Only Food And Medicine For One Day.** According to the Las Vegas Sun, “In May 2013, federal inspectors found Rawson-Neal Psychiatric Hospital in Las Vegas was discharging patients without adequate plans to follow up with treatment once they reach their destinations. The patients were placed on buses and given enough food to last through the one-way trip, but they didn’t have adequate discharge plans.” [Las Vegas Sun, [3/14/14](#)]

## New Jersey: Chris Christie

### BRIDGEGATE

**A Top Christie Aide Ordered George Washington Bridge Lane Closures As Political Retribution Against Local Mayor.** According to the New York Times, “The mystery of who closed two lanes onto the George Washington Bridge — turning the borough of Fort Lee, N.J., into a parking lot for four days in September — exploded into a full-bore political scandal for Gov. Chris Christie on Wednesday. Emails and texts revealed that a top aide had ordered the closings to punish the town’s mayor after he did not endorse the governor for re-election. ‘Time for some traffic problems in Fort Lee,’ Bridget Anne Kelly, a deputy chief of staff to Mr. Christie, emailed David Wildstein, a high school friend of the governor who worked at the Port Authority of New York and New Jersey, which runs the bridge.” [New York Times, [1/8/14](#)]

**Christie Aides Were "Intimately Involved" In The Lane Closures, "Contrary To Mr. Christie's Repeated Avowals That No One In His Office Or Campaign Knew About Them."** According to the New York Times, “While the emails do not establish that the governor himself called for the lane closings, they show his staff was intimately involved, contrary to Mr. Christie’s repeated avowals that no one in his office or campaign knew about them. In fact, the emails show, several staff members and appointees worked to cover up the scheme under the ruse that it was a traffic study.” [New York Times, [1/8/14](#)]

### HOBOKEN SCANDAL

**Hoboken Mayor Dawn Zimmer Accused Christie Administration Of Telling Her To Approve A Private Development Project In Order To Receive Sandy Relief Money.** According to the Asbury Park Press, “Mayor Dawn Zimmer says she was told by top officials in Gov. Chris Christie’s administration that she would have to go along with a private development project the governor wanted in order for her city to receive superstorm Sandy relief money. Zimmer, a Democrat who had previously supported Christie, a Republican, made the allegation Saturday on MSNBC.” [Asbury Park Press, 1/18/14]

**Zimmer Said That Lt. Gov. Kim Guadagno And Christie’s Community Affairs Commissioner, Richard Constable, Delivered The Message From Christie.** According to the Asbury Park Press, “She named Lt. Gov. Kim Guadagno and Richard Constable, Christie’s community affairs commissioner, as the two officials who delivered messages on behalf of the governor.” [Asbury Park Press, 1/18/14]

**Zimmer Said Guadagno Stated That Her Message On The Rockefeller Development Came Directly From Governor Christie.** According to the Star-Ledger, “‘She said that she had been with him on Friday night and this was a direct message from the governor.’ --Hoboken Mayor Dawn Zimmer, ... relating Lt. Gov. Kim Guadagno’s alleged threat to delay the city’s Hurricane Sandy aid if Zimmer did not approve a redevelopment project.” [Star-Ledger, 1/26/14]

## SANDY RECOVERY AD CAMPAIGN

### **Inspector General Of U.S. Department Of Housing And Urban Development Was Investigating Use Of Sandy Funds And The Decision To Award Contract To Firm That Charged \$2.2 Million More Than Other**

**Vendor.** According to the Asbury Park Press, “The Office of the Inspector General at the U.S. Department of Housing and Urban Development is auditing the state’s decision to award the advertising contract to a firm that charged \$2.2 million more than a comparable bidder for similar work, said Rep. Frank J. Pallone Jr., D-N.J. ... Pallone said at his request the inspector general conducted a preliminary review of the spending and concluded last week that there is enough evidence to launch a full-scale investigation into the state’s use of federal funds. The findings will be made public in several months, Pallone said.” [Asbury Park Press, 1/14/14]

**Proposal From MWW, The Company That Won The Contract, Was \$2 Million More Than Proposal From Other Bidding Company Sigma.** According to the Star-Ledger, “Morris said neither Sigma’s nor eventual winner MWW’s initial proposal included the governor. ... Her gripe, Morris said, is with the eventual awarding of a contract that was \$2 million more expensive than her firm’s proposal. ‘I have never been satisfied with the answer or the decision from the state as to how they placed a value on the \$2 million difference,’ she said. ‘What about the plan was a better plan that equated to \$2 million.’” [Star-Ledger, 1/16/14]

**Losing Ad Contractor Said Bidding Process To Decide Vendor For New Jersey Tourism Campaign Was Unfair.** According to the Star-Ledger, “The losing bidder for the state post-Sandy tourism campaign said she doesn’t believe that the bidding process was fair but that she doesn’t think the inclusion of Gov. Chris Christie in the ad campaign was the deciding factor.” [Star-Ledger, 1/16/14]

**Presenter For Losing Ad Contractor Sigma Said She Was Asked If She Would Use Christie In Ads.** According to the Star-Ledger, “Shannon Morris of the Oradell-based Sigma Group said yesterday she was asked about whether she was open to using the governor in the campaign, but nobody pushed it and she did not get the feeling at the time it was a make-or-break question. ‘We were asked if we would consider using the governor in the campaign, but I didn’t think that was unusual,’ Morris said. ‘He was a very strong voice in the recovery.’” [Star-Ledger, 1/16/14]

## CHRISTIE ADMINISTRATION ALLEGEDLY HAD CHARGES AGAINST POLITICAL ALLY THROWN OUT

**In 2010, Hunterdon County Prosecutors Indicted Republican Hunterdon County Sheriff Deborah Trout And Two Deputies On 43 Counts Including Forgoing Proper Background Checks, Threatening Critics, And Making A Fake Police ID Badge For A Christie Donor.** According to the New York Times, “Prosecutors sent tremors through rural Hunterdon County when they announced a sweeping indictment of the local Republican sheriff and her two deputies in 2010. The 43-count grand jury indictment read like a primer in small-town abuse of power. It accused Sheriff Deborah Trout of hiring deputies without conducting proper background checks, and making employees sign loyalty oaths. Her deputies, the indictment charged, threatened one of their critics and manufactured fake police badges for a prominent donor to Gov. Chris Christie.” [New York Times, [10/10/13](#)]

- **Undersheriff Michael Russo Said That Christie Would “Have This Whole Thing Thrown Out” Before State Killed Case.** According to the New York Times, “When the charges became public, the indicted undersheriff, Michael Russo, shrugged it off. Governor Christie, he assured an aide, would ‘have this whole thing thrown out,’ according to The Hunterdon County Democrat. That sounded like bluster. Then the state killed the case.” [New York Times, [10/10/13](#)]

**On The Day Of The Indictment, State Attorney General Took Over Prosecutor’s Office; Within Months, Fired Prosecutors And Removed Indictments.** According to the New York Times, “On the day the indictment was unsealed, the state attorney general, a Christie appointee, took over the Hunterdon prosecutor’s office. Within a few months, three of its most respected veterans lost their jobs there, including the one who led the case. Not long after, a deputy attorney general walked into a local courtroom and handed in papers that, with little explanation, declared that the indictments were littered with ‘legal and factual deficiencies.’” [New York Times, [10/10/13](#)]



### **Dismissed Prosecutor Filed Suit Claiming Attorney General Killed Indictment To Protect Christie Political Allies.**

According to the New York Times, “In August, a New Jersey judge ordered the attorney general to release the grand jury records to Mr. Barlyn, who said the records would detail the considerable strength of the now-dead case. The state has appealed the decision. ‘I was frog-marched out of the prosecutor’s office,’ Mr. Barlyn said, ‘because I objected to the dismissal of a viable case against an important local official.’” [New York Times, [10/10/13](#)]

### **Republican Town Freeholder: “If I Had The Governor Standing Here In Front Of Me, I’d Ask Him What Happened, Because That’s Where It Goes Back To: Trenton”**

According to the New York Times, “‘If I had the governor standing here in front of me, I’d ask him what happened,’ said George B. Melick, a Republican freeholder. ‘Because that’s where it goes back to: Trenton.’” [New York Times, [10/10/13](#)]

## **New Mexico: Susana Martinez**

### **WHISTLEBLOWER SUIT ALLEGED CORRUPTION, CRONYISM, AND AFFAIRS IN GOV. SUSANA MARTINEZ’S ADMINISTRATION**

#### **Whistleblowers Were Republicans Who Were Appointed By Martinez, And Allegedly Fired After Announcing Their Intentions To Whistleblow**

**Whistleblowers Were Republicans Kurt Saenz And Brent Eastwood, Who Were Both Appointed By Martinez; Eastwood’s Wife Worked For Martinez’s Gubernatorial Campaign.** According to Mother Jones, “The whistleblowers are Kurt Saenz, the former chief financial officer at the New Mexico Economic Development Department, and Brent Eastwood, a former Army infantry officer and RAND Corporation analyst who ran the department’s international trade and business advocacy divisions. Both men are Republicans and were appointed by Martinez. Eastwood’s wife, Melanie Sanchez-Eastwood, worked as a scheduler on Martinez’s 2010 gubernatorial campaign.” [Mother Jones, [5/8/14](#)]

**Eastwood And Saenz Were Fired After Telling Their Bosses Of Plans To Whistleblow.** According to Mother Jones, “Eastwood, according to the lawsuit, told his bosses in December 2011 that he planned to blow the whistle, and Saenz and Eastwood claim their whistleblowing led to their eventual dismissal. On April 11, 2012, the complaint says, [Eastwood’s boss, Jon] Barela confronted Eastwood in Eastwood’s office, pointing a finger at him and saying, ‘Come and get me.’ Then, the lawsuit alleges, Barela grabbed an American flag and slammed it onto Eastwood’s desk in what the complaint calls ‘an attempt to bait Eastwood into a physical confrontation.’ Barela fired Eastwood that day, and state troopers were called to oversee his departure. Saenz was fired the following August.” [Mother Jones, [5/8/14](#)]

#### **Martinez Allegedly “Requested” Payments To Web Developer Who Was Close With Her Administration Outside Of Normal Procurement Process**

#### **Saenz Discovered The Economic Development Department Was Paying Politically-Related Real Time Solutions More Than \$30,000 To Build Its New Website Without A Contract, A Violation Of State Procurement Code.**

According to Mother Jones, “That summer, his suit alleges, Saenz discovered the department was paying a web developer more than \$30,000 to build its new website without a contract—a violation of state procurement code. The company, Real Time Solutions, employed a web architect who was the wife of an Albuquerque lawyer and former Republican National Committeeman, Pat Rogers. Rogers has worked for Martinez’s gubernatorial campaign and is close to her administration.” [Mother Jones, [5/8/14](#)]

**Saenz Alleged Jon Barela Said Real Times Solutions Was “Requested By The Governor.”** According to Mother Jones, “When Saenz alerted Barela to the contracting problem, Barela, the complaint says, dismissed Saenz’s concerns. Hiring Real Time Solutions, Barela told Saenz, was ‘requested by the governor,’ according to the complaint.” [Mother Jones, [5/8/14](#)]

#### **Martinez Appointees Allegedly Intimidated Employees On Whistleblowing**

**Complaint Stated That Barela And His Deputy, Brazil, Pressured Saenz To Keep Quiet About Possible Contracting Irregularities.** According to Mother Jones, “The complaint states that Barela and Brazil, his deputy, pressured Saenz to keep quiet about possible contracting irregularities, telling him not to use the words ‘procurement code violation’ around his colleagues or in emails and ordering him never to discuss the workings of the department with other state agencies. The complaint accuses Brazil of ‘engaging in a cover-up’ and trying to ‘silence Saenz regarding the procurement code violations and his whistleblowing.’” [Mother Jones, [5/8/14](#)]

### **Martinez Aides Allegedly Ordered Circumvention Of The State’s Public Records Laws**

**Complaint Alleged Two Martinez Aides Instructed Eastwood To Use His Personal Email To Discuss “Sensitive Information” In Order To Circumvent The State’s Public Records Law.** According to Mother Jones, “Eastwood, the other whistleblower, makes similar charges. According to the complaint, two aides to Martinez—spokesman Scott Darnell and deputy chief of staff Ryan Cangiolosi—instructed Eastwood to use his personal email to discuss ‘sensitive information’ in order to circumvent the state’s public records law. (Cangiolosi and a Martinez spokesman did not respond to requests for comment.)” [Mother Jones, [5/8/14](#)]

### **Martinez Appointees Allegedly Engaged In Extramarital Affairs, Exposing The Department To Potential Sexual Harassment Lawsuits**

**Complaint Accused Barela And Wade Jackson Of Each Engaging In Extramarital Affairs With Subordinates In The Department, Which Could Expose The Department To Potential Sexual Harassment Lawsuits.** According to Mother Jones, “The complaint also accuses Barela and Wade Jackson, the department’s general counsel and human resources director, of each engaging in extramarital affairs with subordinates in the department. Saenz says he told Barela that these affairs could expose the department to potential sexual harassment lawsuits. (Jackson did not respond to a request for comment.)” [Mother Jones, [5/8/14](#)]

### **Martinez Appointee Jon Barela Allegedly Secretly Benefitted From A State Tax Credit Program**

**Cerelink Appeared On A List For The Department’s Angel Investment Tax Credit; Barela Was The Co-Founder And Part Owner Of Cerelink.** According to Mother Jones, “In March 2012, according to the lawsuit, Saenz and a colleague at the Economic Development Department gave Eastwood an internal spreadsheet containing details about the department’s Angel Investment Tax Credit, which rewarded investors in New Mexico tech and research companies with tax breaks. Eastwood, the complaint notes, reviewed the spreadsheet and one name popped out: Cerelink, a local high-tech company that specialized in cloud computing. Barela was its co-founder and a part owner when he was tapped in December 2010 to head the Economic Development Department. Saenz and his EDD colleague could find no mention of Cerelink in the department’s records, creating the appearance that the firm’s investors has [sic] received off-the-books tax breaks.” [Mother Jones, [5/8/14](#)]

**Eastwood Said He Found That Barela Sought Investments To Boost Cerelink And Dangled The State’s Angel Investment Credit In Front Of Prospective Investors To Entice Them Into Financing Cerelink.** According to Mother Jones, “Eastwood did some digging. According to the complaint, he found that in 2011 Barela sought investments to boost Cerelink, which was struggling to stay afloat. So, the lawsuit claims, Barela dangled the state’s angel investment credit in front of prospective investors to entice them into financing Cerelink.” [Mother Jones, [5/8/14](#)]

**Complaint Claimed That Four People Who Eventually Invested In Cerelink Received \$34,000 In Tax Credits.** According to Mother Jones, “The complaint claims that four people who eventually invested in Cerelink received \$34,000 in tax credits; several of those investors, the complaint says, were donors to Barela’s failed 2010 congressional campaign. (The investors’ names are not listed in the suit.)” [Mother Jones, [5/8/14](#)]

### **Martinez Appointees Allegedly Ran A “Slush Fund”**

**Eastwood Said Barela And Brazil Gave Him An Unusual Assignment: To Drive To Mexico And Solicit Money From Businesses To Pay For Efforts To Market The Economic Benefits Of The Border Region For A “Slush Fund.”**

According to Mother Jones, “Around the time Eastwood says he discovered the Cerelink tax credits, Barela and Brazil, he alleges, gave him an unusual assignment: Drive south to Chihuahua, Mexico, and solicit money from businesses to pay for efforts to market the economic benefits of the border region. The suit says that Barela and Brazil called this a ‘slush fund.’ Eastwood notes that he told the pair he thought such a fund was illegal and feared being kidnapped or killed by Mexican drug cartels operating on the border.” [Mother Jones, [5/8/14](#)]

**Martinez Appointee Barbara Brazil Allegedly Moved State Office So That She Could Be Closer To Side Job**

**Eastwood Claimed To Have Witnessed Brazil “Working Three (3) Dairy Queen Franchises Which She Had A Personal Interest In While Simultaneously Being Paid By The State Of New Mexico” And Moved The Department’s Office To A Location Next To One Of Brazil’s Dairy Queens.** According to Mother Jones, “The lawsuit contains other allegations of mismanagement and dysfunction. Eastwood claims to have witnessed Brazil ‘working three (3) Dairy Queen franchises which she had a personal interest in while simultaneously being paid by the State of New Mexico.’ Barela and Brazil also allegedly moved the Economic Development Department’s Albuquerque office to a location next to one of Brazil’s Dairy Queens ‘in order for Brazil to be able to work at the business while being paid by the State of New Mexico.’” [Mother Jones, [5/8/14](#)]

**Ohio: John Kasich**

**WORTHINGTON INDUSTRIES**

**Under Kasich, State Approved Tax Credits For Worthington Industries While He Received Deferred Compensation For Previously Serving On Its Board**

*State Approved \$619,000 In Tax Breaks For Worthington Industries*

**Worthington Industries Inc. Received More Than \$619,000 In Tax Breaks From Ohio.** According to the Associated Press, “Subsidiaries of a company that’s helped sustain Ohio Gov. John Kasich’s political career and contribute to his personal bank account have received tax breaks worth more than \$619,000, brokered by the new job creation board he appoints. Longstanding and extensive financial ties between Kasich and Worthington Industries, a Fortune 500 steel processor in central Ohio, are raising new ethics questions in the era of JobsOhio, a semi-private panel of business leaders appointed by the governor and largely shielded from Ohio ethics and public records laws.” [Associated Press [8/15/13](#)]

*Kasich Received Deferred Compensation From Worthington Industries While Tax Credits Were Being Deliberated*

**2010-2012: Kasich Collected Deferred Compensation From Worthington Company.** According to Business First of Columbus, “But Kasich did collect deferred compensation owed him in 2010, 2011 and 2012 although it was not tied to the performance of Worthington stock, [chief legal counsel to the governor Michael] Grodhaus said.” [Business First of Columbus, 8/20/13]

- **Kasich Received Deferred Compensation From Worthington For His Time On The Company’s Board From 2005 To 2008.** According to the Columbus Dispatch, “The money Kasich got in 2011 and 2012 represents payment for serving on the company’s board from 2005 to 2008, the lawyer said. Nothing Kasich did or could have done related to Worthington Industries would have affected those previously agreed-to payments, Grodhaus said. ‘It has been suggested that because two Worthington-affiliated companies received certain tax credits from a state board during his tenure as governor he has a conflict of interest. Nothing could be further from the truth,’ Grodhaus wrote.” [Columbus Dispatch, 8/16/13]

## Worthington Industries Contributed Over \$100,000 To Kasich

**2009-2010: Kasich Received \$13,300 From Worthington Industries.** According to campaign finance data obtained via Influence Explorer, Kasich's gubernatorial campaign received \$13,300 from Worthington Industries, between 2009 and 2010. [Influence Explorer, Accessed [4/21/14](#)]

**1989-2012: Kasich Received \$111,500.66 From Worthington Industries Associates.** According to campaign finance data obtained via Influence Explorer, Kasich received \$111,500.66 from people associated with Worthington Industries, from 1988 to 2012. [Influence Explorer, Accessed [4/21/14](#)]

## **JOBSONIO AWARDED INCENTIVES TO BUSINESSES LED BY MEMBERS OF JOBSONIO'S BOARD**

### Bob Evans Received Millions In Incentives; Its CEO Was A JobsOhio Board Member

**Bob Evans Received Millions Worth Of Incentives One Month Later CEO Steven Davis Was Appointed To JobsOhio's Board Of Directors.** According to Dayton Daily News, “. A month after the Ohio Tax Credit Authority granted Bob Evans millions of dollars worth of incentives, Kasich named Bob Evans CEO Steven Davis to the JobsOhio board of directors. Gary Heminger, CEO of incentives recipient Marathon Petroleum was also named to the board at the same time.” [Dayton Daily News, 10/7/12]

**Bob Evans Director [Gordon] Gee, Was Paid \$156,700 In Cash And Stock Worth \$533,074.** According to the Cleveland Plain Dealer, “As a Bob Evans director, Gee has been paid \$156,700 in cash and stock worth \$533,074 over the past three years, according to filings with the federal Securities and Exchange Commission. Davis has led Bob Evans since 2006, a job that has paid him \$19 million in salary, bonus and benefits over the years, SEC records show.” [Cleveland Plain Dealer, 8/2/13]

- **Gee Served On 34 Boards, Foundations, And Councils.** According to the Dayton Daily News, “Gee serves on 34 boards, foundations and councils, including JobsOhio, the Rock and Roll Hall of Fame, and the National 4-H Council. He also serves on the King Abdulaziz University international advisory board, which paid for \$6,114 worth of travel for Gee in 2012.” [Dayton Daily News, 6/5/13]

**Kasich Spokeswoman Connie Wehrkamp Said The Incentive Package For Bob Evans Was Approved By The Ohio Tax Credit Authority Before JobsOhio Existed.** According to the Dayton Daily News, “Kasich spokeswoman Connie Wehrkamp said the incentive packages for Marathon, Bob Evans and Manta Media were approved by the Ohio Tax Credit Authority or the state controlling board prior to JobsOhio's July 2011 creation.” [Dayton Daily News, 8/9/13]

### Marathon Petroleum Received One Of JobsOhio's Largest Incentive Packages; Its CEO Served On JobsOhio's Board

**Gary Heminger, Chief Executive Of Marathon Petroleum Co., Served On The JobsOhio Board.** According to the Cleveland Plain Dealer, “Gary Heminger, chief executive of Marathon Petroleum Co., also serves on the Jobs Ohio board. In 2011, the Ohio Department of Development awarded Marathon job tax credits worth \$78 million – one of the largest incentive packages put together by the Kasich administration.” [Cleveland Plain Dealer, 8/2/13]

**Marathon Petroleum Co. Received \$78 Million In Tax Credits, One Of The Largest JobsOhio Incentives Packages By The Kasich Administration.** According to the Cleveland Plain Dealer, “Gary Heminger, chief executive of Marathon Petroleum Co., also serves on the Jobs Ohio board. In 2011, the Ohio Department of Development awarded Marathon job tax credits worth \$78 million – one of the largest incentive packages put together by the Kasich administration.” [Cleveland Plain Dealer, 8/2/13]

**Kasich Spokeswoman Connie Wehrkamp Said The Incentive Package For Marathon Was Approved By The Ohio Tax Credit Authority Before JobsOhio Existed.** According to the Dayton Daily News, “Kasich spokeswoman Connie

Wehrkamp said the incentive packages for Marathon, Bob Evans and Manta Media were approved by the Ohio Tax Credit Authority or the state controlling board prior to JobsOhio's July 2011 creation." [Dayton Daily News, 8/9/13]

### **Sherwin-Williams Received Tax Credits; JobsOhio Board Chairman James Boland Was A Member Of Sherwin-Williams' Board**

**JobsOhio Board Chairman, James C. Boland, Sat On The Sherwin-Williams Co. Board Of Directors.** According to the Cleveland Plain Dealer, "The chairman of the Jobs Ohio board is James C. Boland, who also sits on the board of directors for Sherwin-Williams Co., the Cleveland-based paint company." [Cleveland Plain Dealer, 8/2/13]

**September 2011: JobsOhio Gave Sherwin-Williams \$5.8 Million In Tax Credits.** According to the Cleveland Plain Dealer, "Jobs Ohio helped Sherwin-Williams secure a \$5.8 million tax credit in September 2011 from the state, according to Jobs Ohio records and the state's tax incentive database. Jones said Jobs Ohio helped out on the tail end of the project, but most of the details had already been worked out." [Cleveland Plain Dealer, 8/2/13]

## **STATE AUDIT OF JOBSOHIO FY2012**

### **State Conducted An Audit Of JobsOhio; Audit Found \$14 Million In Unauthorized Spending**

**Republican Auditor David Yost Audited JobsOhio.** According to The Associated Press State & Local Wire, "The formal review by Republican Auditor Dave Yost followed his high-profile fight for access to JobsOhio's private financial accounts." [The Associated Press State & Local Wire, 11/21/13]

**Audit Found That JobsOhio Spent \$14 Million On Non-Payroll Expenses That Were Not Approved Or Reviewed By The Board Of Directors.** According to Dayton Daily News, "Among the findings were that JobsOhio and its related non-profit spent \$14 million on non-payroll expenses such as personal charges to credit cards and meals for government employees, and the auditor could find no record indicating that the board of directors approved and reviewed employee compensation." [Dayton Daily News, 11/22/13]

**Audit Found Faulty Documentation Of \$69,000 Charged To Corporate Credit Card For Personal Expenses.** According to Dayton Daily News, "The audit questioned the documentation behind nearly \$69,000 in spending, specifically pointing to five cases where JobsOhio corporate credit cards were used for personal expenses without a record of reimbursement." [Dayton Daily News, 11/22/13]

## **Pennsylvania: Tom Corbett**

### **ACCEPTED GIFTS AND CLAIMED THAT SOMETIMES THEY PRODUCED RESULTS**

#### **Corbett Accepted Gifts, Including Trips, Items And Event Passes**

**Corbett Released 2013 Statement Of Financial Interest; Included \$23,410 Worth Of Travel And Gifts.** According to Philly.com, "A trip to South America. A golf pass to the U.S. Open in Merion. Dinners, concerts, and tickets to sporting events. Those were among the \$23,410 worth of travel and gifts Gov. Corbett accepted last year, according to newly filed state records. The governor listed the items on his annual statements of financial interest for 2013, which public officials, including top members of his administration and legislators, must file by Thursday." [Philly.com, 5/1/14]

**Report Showed That \$18,000 Worth Of Corbett's Gifts Came From Companies That Did Business With Or Were Regulated By The Commonwealth Of Pennsylvania.** According to Newsworks, "According to the report, \$18,000 worth of gifts came from companies that do business with or are regulated by the Commonwealth of Pennsylvania. Everything from law firms to concrete companies are included, but the report stops short of alleging unqualified contributors were awarded government contracts." [Newsworks, 5/29/14]

**Among Other Gifts, Corbett Accepted A South African Trip, New Shoes, A U.S. Open Golf Pass, And A Dagger.** According to Keystone Politics, “Corbett accepted over \$23,000 in gifts in 2013, including a trip to South Africa, a \$150 pair of New Balances, and a golf pass to the US Open from special interest groups. He also received a dagger of \*unknown value\* which sounds pretty sweet.” [Keystone Politics, [5/7/14](#)]

### **Corbett Opposed Cash Gifts But Claimed That Sometimes Gifts Produced Results**

**Corbett Press Secretary, Jay Pagni, Claimed That Corbett Supported A Ban On Cash Gifts, Requires Staff To Disclose Gifts Over \$50, And Banned Gifts To All Administration Officials Involved In A Procurement Process.** According to PennLive, “Corbett’s office raised another point. Press secretary Jay Pagni said Tuesday that the governor supports a ban on cash gifts, requires staff to disclose anything received in excess of \$50, and has banned gifts to all administration officials involved in a procurement process.” [PennLive, [5/27/14](#)]

**Corbett Spokesperson Claimed That Sometimes, Some Gifts Produced Results For All Of Pennsylvania.** According to PennLive, “A spokesman for Corbett contends that at times certain ‘gifts’ produce results for the entire state.” [PennLive, [5/27/14](#)]

## **RAISED STATE FUEL TAXES AND MOTORIST FEES; BROKE HIS PROMISE**

### **Corbett Promised To Not Raise Taxes Or Fees**

**2010: Corbett Signed A No-Tax Pledge and Spoke About His Support For It.** According to CBS Pittsburgh, “Did Corbett break his word, as Guzzardi claims? Four years ago, KDKA-TV asked candidate Corbett about a no-tax pledge he had just signed. Delano: ‘Can you be precise as to what you mean?’ Corbett: ‘Well, the pledge as it’s written, and I don’t have it written here, is no tax increases during the course of the next term. That’s exactly what it says.’” [CBS Pittsburgh, [4/24/14](#)]

### **Corbett Raised Taxes And Fees**

**2013: Corbett Raised State Fuel Taxes And Motorist Fees.** According to an Associated Press article, obtained via the Patriot-News, “[Corbett] signed legislation in November to increase state fuel taxes and motorist fees.” [Patriot-News, [2/15/14](#)]

- **Transportation Bill Was Expected To Cost A Motorist Traveling 12,000 Miles A Year \$2.50/Week.** According to an Associated Press article, obtained via Seattle Post-Intelligencer, “Transportation Secretary Barry Schoch, who was traveling with the governor Monday, said the combined increases, once they are fully in effect, amount to about \$2.50 a week for a motorist who travels 12,000 miles a year. That assumes the proposed increase in the Oil Company Franchise Tax on wholesale gasoline is entirely passed on to consumers, he said.” [Associated Press, [11/25/13](#)]

## **MADE OFFENSIVE COMMENTS**

### **Told Women Having An Abortion To Close Their Eyes If They Did Not Want To See An Ultrasound**

**Corbett: “I Don’t Know How You Can Make Anybody Watch, Because You Just Have To Close Your Eyes.”** According to Politics PA, “Governor Tom Corbett kicked a bees nest with recent comments about a proposal to mandate ultrasounds for women seeking abortions in Pa. The Democratic Governors Association is hoping to channel the backlash. The DGA emailed supporters Thursday morning on the issue, referring to Corbett’s comments Tuesday in support of the measure. Corbett said then: ‘I don’t know how you can make anybody watch, because you just have to close your eyes,’ said Corbett. ‘But as long as it’s on the exterior, not interior.’” [Politics PA, [3/15/12](#)]

### **Corbett Claimed Women Wanted Liquor Law Reform So They Could Speed Up Dinner Preparations**

**Corbett On Why Liquor Reform Was Needed: “I Think A Lot Of People Want To Be Able To Walk Into A Grocery Store, Particularly, A Lot Of The Women, Want To Go And Buy A Bottle Of Wine For Dinner, Go Down, Buy A 6 Pack Or Two 6 Packs, Buy Dinner And Go Home Rather Than What I Described As 3 Stops In Pennsylvania.”**

According to Philadelphia Magazine, “Pennsylvania Gov. Tom Corbett would no doubt like to shore up his female support before the election. One way he could do it: Pointing out his support of liquor law reform! Sure, that doesn’t seem like a women’s issue, particularly, but it’s something a lot of Pennsylvanians support. And, hey, here’s a quote from last month: ‘I think a lot of people want to be able to walk into a grocery store, particularly, a lot of the women, want to go and buy a bottle of wine for dinner, go down, buy a 6 pack or two 6 packs, buy dinner and go home rather than what I described as 3 stops in Pennsylvania.’” [Philadelphia Magazine, [8/27/14](#)]

**Compared Same-Sex Marriage To Incest And Child Marriage**

**Corbett Compared Same-Sex Marriage To Incest.** According to ABC 27, “Pennsylvania Gov. Tom Corbett has compared the marriage of same-sex couples to the marriage of a brother and sister during an appearance on a morning TV news show.” [ABC 27, [10/4/13](#)]

**Questioned Whether Or Not There Were Latinos Qualified To Work In His Office**

**Corbett On Hiring A Qualified Latino To His Administration: “If You Can Find Us One, Please Let Me Know.”** According to an editorial in the Patriot-News, “Asked at a Latino forum about the lack of Latinos in his administration, he told the group, ‘If you can find us one, please let me know.’” [Patriot-News, [10/4/13](#)]

**Texas: Rick Perry**

**INDICTED ON ABUSE-OF-POWER CHARGES**

**Perry Was Charged With Two Counts Of Felony Abuse Of Official Capacity, And Coercion Of A Public Servant**

**Travis County Grand Jury Charged Perry With Two Felony Counts, Abuse Of Official Capacity, And Coercion Of A Public Servant, After He Vetoed Funding For A County Office That Investigated Public Corruption.** According to Dallas News, “Republican Rick Perry, becoming the first Texas governor indicted in almost a century, must spend the final five months of his historically long tenure fighting against felony charges and for his political future. A Travis County grand jury on Friday charged Perry with two felony counts, abuse of official capacity and coercion of a public servant, after he vetoed funding for a county office that investigates public corruption.” [Dallas News, [8/18/14](#)]

**Two Felony Counts Against Perry Resulted From His Threat To Veto Funding For A Statewide Public Integrity Unit Run By Travis County District Attorney Rosemary Lehmberg Unless She Stepped Down.** According to CNN, “The two felony counts against Perry, a Republican, stem from his threat to veto funding for a statewide public integrity unit run by Travis County District Attorney Rosemary Lehmberg unless she stepped down, the special prosecutor in the case, Michael McCrum, said.” [CNN, [8/15/14](#)]

**Special Prosecutor Michael McCrum Of San Antonio Said He Felt Confident In The Case Against Perry And Was “Ready To Go Forward.”** According to Dallas News, “Special prosecutor Michael McCrum of San Antonio said he felt confident in the case against Perry and was ‘ready to go forward.’” [Dallas News, [8/18/14](#)]

**Perry Wanted Taxpayers To Pick Up His Legal Tab**

**Perry Believed The State Should Have Paid His Legal Fees; Claimed He Opted To Use Campaign Funds “To Keep From Having Folks Grouse About It.”** According to an Associated Press article obtained via the Huffington Post, “Indicted Texas Gov. Rick Perry said Tuesday that he believes taxpayers should have picked up his legal tab but opted to use campaign funds ‘to keep from having folks grouse about it.’” [Huffington Post, [8/26/14](#)]

**Perry Claimed It Was Appropriate For The State To Pay His Legal Fees, Because The Criminal Investigation Dealt With His Official Duties As Governor.** According to an Associated Press article, obtained via the Huffington Post, “The possible 2016 Republican presidential candidate told reporters in Midland that he had considered it appropriate for state funds to pay his legal fees because a criminal investigation dealt with his official duties as governor.” [Huffington Post, [8/26/14](#)]

**Perry’s Legal Team Unsure Of What The Defense Would Cost, But The State Was Expected To Pay Some Of The Legal Costs.** According to NBC News, “[Perry’s lead attorney Tony] Buzbee said he could not estimate how much the defense would cost, but said the state would pay at least some of the legal costs.” [NBC News, [8/18/14](#)]

## **TAXPAYER FUNDS USED FOR PERRY’S TRAVEL, DESPITE HIS ADMINISTRATION’S CLAIMS TO THE CONTRARY**

### **TexasOne Funds Were Used To Pay For Perry’s Travel**

**Perry Used TexasOne To Fund Trips Around The Country.** According to the Texas Tribune, “It’s a pledge he has taken seriously, traveling to places like California, New York and Israel in the last year to promote the “Texas Miracle” and recruit companies to bring jobs to the state. Supporting Perry’s travels is TexasOne, a quasi-governmental agency that has become the governor’s chief marketing tool to tout the state’s “wide open for business” model and that funds his regular promotional trips.” [Texas Tribune [4/8/14](#)]

**TexasOne Spent \$159,000 For Perry To Attend A Formula One Race Outside Of Austin.** According to the Houston Chronicle, “Last November, as Austin traffic inched toward a newly constructed race course for the Formula One auto race, a helicopter ferrying Gov. Rick Perry sliced through the air, delivering its passenger directly into the arena. Perry’s comfortable, and expensive, transportation was paid for by a nonprofit group known as TexasOne, the same group that financed his trip to California last week. By the end of that November weekend, TexasOne’s tab at the racing extravaganza totaled some \$159,000 for helicopters, vans, hotels and a \$92,000 hospitality suite.” [Houston Chronicle, 2/17/13]

**Trip To 2010 World Expo In Shanghai Cost \$500,480.** According to Houston Chronicle, “A trip to the 2010 World Expo in Shanghai cost a whopping \$500,480, which covered travel expenses for the Texas entourage led by Perry and his wife, Anita, and a \$325,000 contribution to support the USA pavilion.” [Houston Chronicle, 2/17/13]

**TexasOne Had 10 Trips With Costs Of Over \$65,000, Including 6 Trips With Costs Over \$100,000.** According to Houston Chronicle, “The 10 most expensive recent destinations – with total tabs over \$65,000: Date 1. 2010 World Expo, Shanghai \$500,480; 2. 2012 U.S. Open Tennis Championships, New York \$163,224; 3. 2012 Formula One race, Austin \$159,220; 4. 2010 U.S. Open, New York \$118,786; 5. 2011 U.S Open, New York \$109,022; 6. June 2012 European trip, Germany, Italy and Switzerland \$101,410; 7. Feb. 2010 NBA All-Star Game, Arlington \$97,112; 8. March 2010 South American trip, Argentina, Brazil and Chile \$80,463; 9. March 2012 South American tour, Brazil and Argentina \$76,149; 10. April 2011 European trip, Netherlands and Spain \$65,683.” [Houston Chronicle, 2/17/13]

### **Officials Claimed No Taxpayer Funds Were Used For Travel, But 45 Percent Of TexasOne Funds Came From Local Sales Taxes**

**TexasOne Said That Perry’s Trips Were Not Funded By Taxpayer Dollars, But TexasOne Raised Funds From Local Economic Development Corporations That Were Funded By Tax Dollars.** According to Good Jobs First, “In federal tax returns of the non-profit 501(c)(3) corporation that sponsors TexasOne, which funds these trips, readers are led to believe that only private monies, not taxpayer dollars, pay for TexasOne’s activities. However, a close examination of TexasOne indicates otherwise. Scores of local Economic Development Corporations (EDCs) funded by local sales taxes, as well as some city and town governments, and other local government agencies in Texas, form the most numerous group of dues-paying members to TexasOne. The EDCs and localities accounted for about one fourth of its revenue in FY2012.” [Good Jobs First, [September 2013](#)]

**Disclaimer About Not Spending Tax Dollars On Trips Did Not Include Gubernatorial Staff.** According to Good Jobs First, “We also note that the disclaimer refers only to ‘*his* travel and accommodations’ (emphasis added), but not to the cost of



the Governor's staff travel and accommodations expenses, or to the numerous other costs of the trips, such as his time and the time of his accompanying staff, meals, meeting rooms, and advance staffing." [Good Jobs First, [September 2013](#)]

**45 Percent Of TexasOne's Funds Came From Local Governments Or Economic Development Corporations Entirely Funded Through Sales Taxes.** According to the Houston Chronicle, "And while the governor consistently claims that no tax money is used to finance his travel, records obtained by the Houston Chronicle show that some 45 percent – more than \$2 million of the \$4.7 million raised in the last three years – came from local governments or their economic development corporations, which are funded entirely through sales taxes." [Houston Chronicle, 2/17/13]

## **COMPANIES THAT DONATED TO PERRY-AFFILIATED GROUPS RECEIVED TAXPAYER FUNDS**

**2010: 20 Of 55 Companies That Received Funds From Texas Enterprise Fund Gave Money To Perry's Campaign Or Donated To The Republican Governors Association.** According to the Texas Observer, "Many companies that have received money from the fund have, in turn, aided the governor. An Observer investigation has found that 20 of the 55 Enterprise Fund companies have either given money directly to Perry's campaign (through their political action committees or executives) or donated to the Republican Governors Association, a Washington, D.C.-based group that Perry presided over in 2008." [Texas Observer, [3/11/10](#)]

- **Companies Received A Total Of \$174.2 Million And Donated \$2.2 Million.** According to the Texas Observer, "The 20 companies have received a combined \$174.2 million from the Enterprise Fund. During the same time period, those 20 corporations have donated \$2.2 million to Perry and the governors association. Several companies made donations around the time they received grants from the Enterprise Fund. It's even possible that taxpayer money from the fund came full circle into Perry's own campaign." [Texas Observer, [3/11/10](#)]

**Over A Quarter Of Companies Receiving Grants From Texas, Or Their Chief Executives, Made Contributions To Perry Or RGA Since He Became Chairman.** According to the New York Times, "More than a quarter of the companies that have received grants from the enterprise fund in the most recent fiscal year, or their chief executives, made contributions to either Mr. Perry's campaign dating back to 2001 or to the Republican Governors Association since 2008, when Mr. Perry became its chairman, according to an analysis by The New York Times." [New York Times, [8/20/11](#)]

**New York Times: "Over Three Terms In Office, Mr. Perry's Administration Has Doled Out Grants, Tax Breaks, Contracts And Appointments To Hundreds Of His Most Generous Supporters And Their Businesses."** According to the New York Times, "Over three terms in office, Mr. Perry's administration has doled out grants, tax breaks, contracts and appointments to hundreds of his most generous supporters and their businesses. And they have helped Mr. Perry raise more money than any politician in Texas history, donations that have periodically raised eyebrows but, thanks to loose campaign finance laws and a business-friendly political culture dominated in recent years by Republicans, have only fueled Mr. Perry's ascent." [New York Times, [8/20/11](#)]

## **Perry Donors Received A Disproportionate Amount Of Economic Incentive Funds**

**Companies That Donated To Perry Represented About Half Of Companies That Received TEF Awards, But 76 Percent Of Funds Awarded.** According to Texans For Public Justice, The 43 TEF [Texas Enterprise Fund] recipients that contributed to Perry and/or the RGA represent about half of the 90 companies that received TEF awards but received 76 percent of all TEF awarded funds." [Texans for Public Justice, [October 2011](#)]

**Texas Enterprise Fund Awarded \$46.5 Million In Incentives To 11 Donors Who Had Given \$3.2 Million To Support Perry and the RGA.** According to Texans for Public Justice, "Governor Perry's Texas Enterprise Fund has awarded \$ 4 6.5 million in taxpayer funds to 11 crossover donors who have given a total of \$3.2 million to Perry/RGA." [Texans for Public Justice, [September 2011](#)]

## **Republican Governor's Association Sent \$1 million To Perry**

**Perry Received \$1 Million From RGA 10 Days Before His 2006 Reelection.** According to the Texas Observer, “It’s difficult to know what the Republican Governors Association did with the millions it received from Texas Enterprise Fund companies. Some of that cash may have circled back to Rick Perry. In the fall of 2006—10 days before he would be re-elected—Perry received two checks totaling \$1 million from the governors association.” [Texas Observer, [3/11/10](#)]

## Wisconsin: Scott Walker

### **WALKER CONFIDANTS WERE CONVICTED OF CAMPAIGNING ON TAXPAYER TIME**

**Complaint: A ‘Secret Email System’ Existed In County Exec’s Office; Was ‘Routinely Used By Selected Insiders Within The Walker Administration’ For County Business As Well As Unofficial Purposes Such As Campaigning.** According to Journal Sentinel, “The complaint reveals a ‘secret email system’ that was ‘routinely used by selected insiders within the Walker administration’ for county business as well as unofficial purposes such as campaigning.” [Journal Sentinel, [1/26/12](#)]

*Investigators Determined Darlene Wink And Kelley Rindfleisch Were Campaigning On County Time*

**Two Staffers In Walker’s County Executive Administration Were Charged With Illegally Doing Extensive Political Work While Being Paid By Taxpayers To Do County Jobs** According to the Milwaukee Journal Sentinel, “Two staffers who worked directly for Gov. Scott Walker while he was county executive were charged Thursday with illegally doing extensive political work while being paid by taxpayers to do county jobs. One of the two, Darlene Wink, cut a deal with prosecutors under which she agreed to provide information in a related investigation about the destruction of digital evidence and to aid in further prosecutions. This is the first indication that the multifaceted John Doe investigation may be pursuing charges of evidence tampering.” [Milwaukee Journal Sentinel, [1/26/12](#)]

#### Convictions

**Prosecutors Brought Charges Against Six People During The John Doe Investigation; Three Were Former Walker Aides, One Was An Appointee, And Another Was A Major Campaign Contributor.** According to Milwaukee Journal Sentinel, “In all, Milwaukee County prosecutors brought charges against six individuals as a result of the probe, which was opened in May 2010. Of those, three were former aides to Walker while he was Milwaukee County executive, one was an appointee and another a major campaign contributor.” [Milwaukee Journal Sentinel, [3/3/13](#)]

**John Doe Judge Pointed Out That None Of The Six Individuals Charged In The John Doe Probe Took Their Cases To Trial; Instead They Cut Plea Deals With Prosecutors.** According to Milwaukee Journal Sentinel, “Nearly three years after the probe was launched, retired Appeals Court Judge Neal Nettlesheim signed an order shutting down the secret investigation. ... The quality of the investigation, Nettlesheim said, was indicated by the fact that none of the six individuals charged as a result of the probe took their cases to trial, instead they cut plea deals with prosecutors.” [Milwaukee Journal Sentinel, [3/3/13](#)]

### **SECOND JOHN DOE INVESTIGATION INVESTIGATED CLAIMS THAT WALKER BROKE CAMPAIGN FINANCE LAW**

**A New Secret John Doe Investigation Was Launched Looking Into Possible Campaign Violations Related To The Governor’s Race.** According to The Chippewa Herald, “A new secret John Doe investigation has been launched in Milwaukee County looking into possible campaign violations related to a legislative leader and the governor’s race, a newspaper is reporting. The State Journal confirmed the existence of a sealed John Doe investigation, first reported by the Milwaukee Journal Sentinel on Monday, that was launched in February 2012 and is being overseen by Kenosha County Circuit Judge Barbara Kluka.” [The Chippewa Herald, [10/22/13](#)]

**Prosecutors Alleged That Walker Was Part Of A Nationwide Criminal Scheme To Coordinate Fundraising With Conservative Groups.** According to the Associated Press, “Wisconsin Gov. Scott Walker, a potential 2016 Republican presidential candidate, took part in a nationwide criminal scheme to coordinate fundraising with conservative groups, prosecutors said in court documents unsealed Thursday.” [Associated Press, [6/19/14](#)]

## **Prosecutors: Walker Solicited Donations For Wisconsin Club For Growth to Skirt Campaign Finance Law**

**Emails Released In John Doe Probe Showed That Campaign Advisors Told Walker To Solicit Donations For Conservative Group Backing Him.** According to the Associated Press, “Newly released court documents include excerpts from emails showing that Wisconsin Gov. Scott Walker's recall election campaign team told him to instruct donors to give to a key conservative group that would run ads for Walker and distribute money to other conservative groups backing him.” [Associated Press, [8/22/14](#)]

- **Documents Showed That Prosecutors Believed That Walker Solicited Donations To Get Around Campaign Finance And Disclosure Limits.** According to the Associated Press, “The documents released Friday by a federal appeals court also show that prosecutors believe Walker personally solicited donations for conservative group Wisconsin Club for Growth to get around campaign finance limits and disclosure requirements as he fended off the recall attempt in 2012. Aides told Walker to tell donors that they could make unlimited donations to Wisconsin Club for Growth without having the gifts publicly disclosed. Wisconsin Club for Growth then funneled the money to other conservative groups that advertised on Walker's behalf.” [Associated Press, [8/22/14](#)]
- **Donors That Walker Spoke With Gave Millions To Wisconsin Club For Growth.** According to the Associated Press, “It's not clear whether Walker followed the instructions from his team. But the documents say millions of dollars later moved from donors he was set to speak with to Wisconsin Club for Growth, which in turn funded groups backing Walker in the recall election.” [Associated Press, [8/22/14](#)]

## **WALKER PROPOSED A BILL GIVING A SPECIAL EXEMPTION TO A CAMPAIGN CONTRIBUTOR**

**Walker Proposed A Regulatory Reform Bill That Called For A Special Exemption For A Contributor To Walker's Campaign.** According to the Milwaukee Journal Sentinel, “A regulatory reform bill proposed Tuesday by Gov. Scott Walker would place new restrictions on wind development and calls for a special exemption for a Neenah-based businessman and contributor to Walker's gubernatorial campaign.” [Milwaukee Journal Sentinel, 1/12/11]

**The Special Exemption Involved Water Quality Requirements For A Wetland Owned By John Bergstrom.** According to the Milwaukee Journal Sentinel, “The special exemption involves water quality requirements for a wetland in Brown County owned by businessman and automobile dealer John Bergstrom. Bergstrom has been working on a retail project in Brown County for about a year. His attorney, Paul Kent of Madison, said the development has been approved by the Department of Natural Resources but had been opposed by an environmental group.” [Milwaukee Journal Sentinel, 1/12/11]

## **Walker Approved A \$250,000 No-Bid Contract To Phoenix Care Systems; Phoenix Care Executives Had Donated \$2,375 To Walker**

**Walker Approved A \$250,000 No-Bid County Contract For A Company Run By Campaign Donors.** According to The Associated Press State & Local Wire, “Milwaukee County Executive Scott Walker, a potential gubernatorial rival who slammed Gov. Jim Doyle for taking campaign donations from a firm that won business from the state, himself approved a \$250,000 no-bid county contract for a company run by campaign donors, records show.” [The Associated Press State & Local Wire, 12/5/05]

**Phoenix Executives Donated \$2,375 To The Friends Of Scott Walker Campaign From 2002 To 2005, Including \$1,475 In The Year The Company Received The Contract.** According to The Associated Press State & Local Wire, “Campaign finance records show Phoenix executives donated \$2,375 to the Friends of Scott Walker campaign from 2002 to 2005, including \$1,475 in the year the company received the contract. Two donations were made Aug. 26, 2004, four months

before the deal was awarded.” [The Associated Press State & Local Wire, 12/5/05]

### Gogebic Taconite Pay-To-Play

**Executives With Gogebic Taconite, As Well As Members Of The Law Firm That Represent The Company, Contributed A Total Of More Than \$40,000 In Campaign Contributions To Republican Candidates Involved With The Mining Issue, Including Walker.** According to the Wisconsin State Journal, “According to data from the Wisconsin Democracy Campaign, executives with Gogebic Taconite, as well as members of the law firm that represent the company, contributed a total of more than \$40,000 in 2010 campaign contributions to Republican candidates involved with the mining issue – Gov. Scott Walker, Honadel, Shirl Labarre, and Jeff Plale. Labarre, of Hayward, and Plale, of South Milwaukee, both lost their elections.” [Wisconsin State Journal, 5/7/11]

#### *Gogebic Taconite Lobbied For Legislation To Ease The Permitting Process*

**Gogebic Taconite Lobbied For Legislation To Dramatically Shorten The Permitting Process To Build An Iron Ore Mine From Five Years To One Year.** According to the Wisconsin State Journal, “The company seeking to build a \$1.5 billion iron ore mine in northern Wisconsin is lobbying for legislation that would dramatically shorten the permitting process for such operations, from five years or more to less than a year. Lobbyists and officials with Gogebic Taconite, or GTac, have approached numerous legislators with their proposal. State Sen. Robert Jauch, D-Poplar, said company officials met with him twice recently to lay out their legislative agenda.” [Wisconsin State Journal, 5/7/11]

#### *Walker Signed Legislation Relaxing Environmental Protections For Iron Mining*

**March 2013: Walker Signed The Legislation Relaxing Environmental Protections For Iron Mining.** According to the Milwaukee Journal Sentinel, “Gov. Scott Walker on Monday signed a bill that rewrites iron mining laws and could pave the way for construction of a \$1.5 billion open pit mine in northern Wisconsin. [...] The measure relaxes environmental protections for iron mining - but not other forms of mining - and provides more clarity to the state process of reviewing an iron ore mine application.” [Milwaukee Journal Sentinel, 3/12/13]

## **WALKER PROVIDED ECONOMIC DEVELOPMENT FUNDS TO DONORS**

**Companies That Received Financial Incentives From Walker’s WEDC [Wisconsin Economic Development Corporation] Donated \$429,060 To Walker’s Campaign.** According to Milwaukee Journal Sentinel, “The liberal group One Wisconsin Now this week put out a report which found that executives at companies that received financial incentives from WEDC have donated \$429,060 to Gov. Scott Walker’s campaign since 2010. Hall stressed that those donations had no role in deciding taxpayer incentives and that he had been unaware of them.” [Milwaukee Journal Sentinel, 7/18/13]

- **The Republican Governors Association Received \$218,899 From Companies With Incentives.** According to Isthmus, “The report details how Walker’s campaign and the Republican Governors Association raked in nearly \$650,000 in donations from the owners and employees of the businesses that benefited from the WEDC’s largess. Walker, who is chairman of the WEDC board, received \$429,060 in campaign contributions from the businessmen, who got grants and tax credits from his new job-creation agency. The Virginia-based Republican Governors Association, which spent almost \$15 million electing Walker and defending him in the recall, got \$218,899 from the same group of people.” [Isthmus, 7/19/13]