

# Democracy North Carolina

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## Disclosure Law Shields State Legislators, Donors

As the General Assembly debates who should control the State Bureau of Investigation's ability to probe political corruption, a new study says many state legislators are shielding themselves – and their donors – from scrutiny by filing incomplete, misleading, or hard-to-decipher campaign reports.

Under state law, legislative candidates must file six reports during the two-year campaign period to disclose who is donating to their campaigns and how the money is used.

But the election watchdog group Democracy North Carolina found that 92 of the 170 legislators have sent the State Board of Elections paper reports during the 2014 campaign instead of using software that makes the information easy for the board to examine and post quickly on its website for the public to view, in a searchable format.

Lawmakers filing paper reports, some in barely legible handwriting, include Senate President Pro Tem Phil Berger, House Majority Leader Edgar Starnes, and Senate Judiciary Committee Co-Chair Buck Newton. Legislators who consistently submit reports electronically, even though it's not required, include Speaker Pro Tem Paul Stam, Senate Majority Leader Harry Brown, and Senate Minority Leader Dan Blue.

“The paper reports pile up, and years can go by before the poorly funded Board of Elections has a chance to computerize the information and examine it for missing or inaccurate data,” said Bob Hall, executive director of Democracy North Carolina. “Law enforcement agencies and the public are left in the dark because our campaign reporting laws are stuck in a pre-computer age.”

Democracy North Carolina found more than 30 state legislators who have reports going back to 2010 that have not received the basic compliance review required by state law. Hall pointed out that NC General Statute 163-278.24 requires the board to examine each disclosure statement and “*determine whether the statement conforms to law and to the truth.*”

A bill (H-919) that passed the NC House in 2013 with strong bipartisan support would require all candidates and political committees receiving over \$10,000 to file their reports electronically. The bill is now in the Senate Rules Committee, where its fate is unknown.

Hall said the bill would improve the public's “right to know” about political money and save the cost of paying board staff to enter data into electronic files before conducting a compliance review. The board needs the computerized data to compare, for example, what a candidate reports receiving from a PAC with what the PAC reports donating to that candidate.

Amy Strange,\* deputy director of the State Board of Elections, says the agency has “a large backlog of reports to audit.” It receives an average of over 5,000 reports a year from candidates, PACs and party committees and can only process half that number with its current staff. [\*See her comment: <http://www.charlotteobserver.com/2014/04/16/4846214/how-elections-board-is-tackling.html>]

Hall cited a few recent examples of problems and patterns that go undetected in the paper reports

that are simply scanned into unwieldy PDFs and posted on the board's website:

- Senate President Pro Tem Phil Berger's first quarter 2014 report says he has collected \$7,000 for the May primary from Jasie Barringer, chair of the beer wholesalers, R. H. Barringer Distributing Co. That amount is \$2,000 over the legal limit from an individual, but it's difficult to tell from Berger's 2013-2014 reports totaling over 360 pages if his campaign incorrectly added Barringer's multiple donations or refunded the excess money.
- Sen. Berger's first quarter 2014 report includes a large number of donations from beer wholesalers – why? The total for that one report, much less the election cycle, is hard to determine because donors are arranged in order by first name, making it difficult to connect money from the donors' spouses and family members.
- Sen. Wesley Meredith's year-end report for 2013 lists more than three dozen donations from State Farm Insurance agents from all parts of NC – which would be important for the public to learn about quickly since Meredith co-chairs the Senate Insurance Committee.
- Rep. Sarah Stevens' three reports submitted so far for the 2014 election are handwritten and do not provide any information about the occupation or employer of her donors, even for those giving her \$1,000.
- Sen. Ralph Hise's first quarter report for 2014 includes dozens of donations from \$100 to \$4,000 from individuals across the state with no occupational or employer information, which Hall said undermines the purpose of the disclosure reports and dramatizes why they need to be promptly examined by the Board of Election.
- Rep. Susan Fisher and Rep. Edgar Starnes seem to be in a contest for filing the most difficult-to-read handwritten reports.

Hall, whose study of campaign reports has led to investigations of Democrats and Republicans and their donors, said the lack of electronic reporting blocks effective oversight of the role of money in state politics. “Without reports being entered into the State Board of Elections' database, it is extremely difficult to track how much money is being donated by, say, the sweepstakes poker industry, or maybe the pharmaceutical industry, which is now seeking protection from lawsuits.”

He pointed out that apparent campaign violations involving \$240,000 that sweepstakes owner Chase Burns donated to NC candidates and party committees in 2012 would likely have come to light sooner if reports were all filed electronically and compliance reviews initiated more quickly.

“Four years ago, Republican leaders promised to address what they called the ‘culture of corruption’ in Raleigh, but they have not passed a single law that would make it easier to track the flow of money in politics or punish wrongdoers,” Hall said.

He noted that the stronger campaign disclosure requirements in H-919 have been endorsed by the John Locke Foundation and the NC Coalition for Lobbying & Government Reform.

Another House-passed bill (H-918) would require more rapid disclosure of the money spent by Super PACs, 527s and other groups not affiliated with candidates to influence election outcomes. It is also endorsed by a broad spectrum of liberal and conservative groups and was co-sponsored in the House by Republican David Lewis and Democrat Paul Luebke.

The state Senate has not taken up either bill.

## Who Submits Paper versus Electronic Disclosure Reports

Party	Dist.	Legislator	Mid-Year 2013 Report	Year-End 2013 Report	First Qtr 2014 Report	Legislator Has Reports Back to 2010 That Are Unreviewed (# rpts)
<b>REPRESENTATIVES</b>						
Dem	58	Alma Adams	paper	paper	paper	*6
Dem	107	Kelly M. Alexander, Jr.	paper	paper	paper	
Rep	69	Dean Arp	electr.	electr.	electr.	
Rep	40	Marilyn Avila	electr.	electr.	electr.	
Dem	32	Nathan Baskerville	electr.	electr.	electr.	
Rep	10	John R. Bell, IV	paper	paper	paper	
Dem	21	Larry M. Bell	electr.	electr.	electr.	*5
Rep	86	Hugh Blackwell	paper	paper	paper	*15
Rep	62	John M. Blust	paper	paper	paper	*15
Rep	52	James L. Boles, Jr.	electr.	electr.	electr.	
Dem	60	Marcus Brandon	electr.	electr.	electr.	
Rep	95	C. Robert Brawley	paper	paper	paper	
Rep	103	William Brawley	paper	paper	paper	
Dem	22	William D. Brisson	electr.	electr.	electr.	
Rep	55	Mark Brody	paper	paper	paper	
Rep	9	Brian Brown	paper	paper	electr.	
Rep	81	Rayne Brown	electr.	electr.	electr.	
Rep	88	Rob Bryan	paper	paper	paper	
Rep	109	Dana Bumgardner	paper	paper	paper	
Rep	67	Justin P. Burr	paper	paper	paper	
Dem	102	Becky Carney	electr.	electr.	electr.	
Rep	20	Rick Catlin	electr.	electr.	electr.	
Rep	14	George G. Cleveland	electr.	electr.	electr.	
Rep	25	Jeff Collins	electr.	electr.	electr.	
Rep	74	Debra Conrad	paper	paper	paper	
Dem	100	Tricia Ann Cotham	electr.	electr.	electr.	
Dem	106	Carla D. Cunningham	electr.	electr.	electr.	
Rep	26	N. Leo Daughtry	paper	paper	paper	
Rep	19	Ted Davis, Jr.	electr.	electr.	electr.	
Rep	4	Jimmy Dixon	paper	paper	paper	*13
Rep	85	Josh Dobson appt 1/13	paper	paper	paper	
Rep	36	Nelson Dollar	paper	paper	paper	*15
Dem	101	Beverly M. Earle	electr.	electr.	electr.	
Rep	94	Jeffrey Elmore	electr.	electr.	electr.	
Rep	61	John Faircloth	paper	paper	paper	

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Dem	24	Jean Farmer-Butterfield	paper	paper	electr.	
Dem	114	Susan C. Fisher	paper	paper	paper	*13
Dem	43	Elmer Floyd	paper	paper	paper	
Rep	76	Carl Ford	electr.	electr.	electr.	
Rep	49	Jim Fulghum, M.D.	electr.	electr.	electr.	
Dem	33	Rosa U. Gill	paper	electr.	paper	
Dem	44	Rick Glazier	electr.	electr.	electr.	
Dem	66	Ken Goodman	electr.	electr.	paper	
Dem	47	Charles Graham	paper	paper	paper	
Dem	12	George Graham	paper	paper	paper	
Rep	112	Mike Hager	electr.	electr.	electr.	
Dem	11	Duane Hall	paper	paper	paper	
Dem	29	Larry D. Hall	electr.	electr.	electr.	*2
Dem	18	Susi H. Hamilton	electr.	electr.	electr.	
Dem	72	Edward Hanes, Jr.	paper	paper	paper	
Rep	59	Jon Hardister	paper	paper	paper	
Dem	57	Pricey Harrison	paper	paper	electr.	
Rep	110	Kelly E. Hastings	electr.	electr.	electr.	
Dem	38	Yvonne Lewis Holley	electr.	electr.	paper	
Rep	73	Mark W. Hollo	paper	paper	paper	
Rep	91	Bryan R. Holloway	paper	paper	paper	
Rep	68	D. Craig Horn	paper	paper	paper	*15
Rep	79	Julia C. Howard	electr.	electr.	electr.	
Rep	70	Pat B. Hurley	paper	paper	paper	*15
Rep	17	Frank Iler	electr.	electr.	electr.	
Dem	56	Verla Insko	electr.	electr.	electr.	*8
Dem	39	Darren G. Jackson	paper	paper	paper	*13
Rep	92	Charles Jeter	paper	paper	paper	
Rep	83	Linda P. Johnson	paper	paper	paper	*15
Rep	65	Bert Jones	electr.	electr.	electr.	
Rep	93	Jonathan C. Jordan	electr.	electr.	electr.	
Rep	75	Donny Lambeth	paper	paper	paper	
Rep	28	James H. Langdon, Jr.	paper	paper	paper	
Rep	53	David R. Lewis	paper	paper	paper	*15
Dem	42	Marvin W. Lucas	paper	paper	paper	*15
Dem	30	Paul Luebke	paper	paper	paper	*2

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Rep	35	Chris Malone	paper	paper	paper	
Dem	34	Grier Martin	electr.	electr.	electr.	
Rep	8	Susan Martin	paper	electr.	electr.	
Rep	13	Pat McElraft	electr.	electr.	electr.	
Rep	117	Chuck McGrady	paper	paper	paper	
Rep	78	Allen McNeill	electr.	electr.	electr.	
Dem	50	Graig R. Meyer appt 10/13		electr.	electr.	
Dem	31	Henry M. Michaux, Jr.	paper	paper	paper	*6
Rep	16	Chris Millis	electr.	electr.	electr.	
Dem	5	Annie W. Mobley	electr.	electr.	electr.	
Rep	116	Tim D. Moffitt	paper	electr.	paper	
Dem	99	Rodney W. Moore	paper	paper		*14
Rep	111	Tim Moore	electr.	electr.	electr.	
Rep	41	Tom Murry	electr.	electr.	electr.	*4
Dem	48	Garland E. Pierce	paper	paper	paper	
Rep	82	Larry G. Pittman	paper	paper	paper	
Rep	118	Michele D. Presnell	paper	paper	paper	
Dem	119	Joe Sam Queen	paper	paper	electr.	
Rep	115	Nathan Ramsey	paper	paper	paper	
Dem	54	Robert T. Reives appt 1/14			electr.	
Dem	7	Bobbie Richardson appt 1/13	paper	paper	paper	
Rep	64	Dennis Riddell	paper	paper	paper	
Rep	63	Stephen M. Ross	paper	paper	paper	
Rep	97	Jason Saine	electr.	electr.	electr.	
Rep	104	Ruth Samuelson	paper	paper	paper	*15
Rep	105	Jacqueline Michelle Schaffer	paper	paper	paper	
Rep	89	Mitchell S. Setzer	electr.	electr.	electr.	
Rep	15	Phil Shepard	electr.	electr.	electr.	
Rep	3	Michael Speciale	electr.	electr.	electr.	
Rep	37	Paul Stam	electr.	electr.	electr.	*15
Rep	87	Edgar V. Starnes	paper	paper	paper	
Rep	1	Bob Steinburg	paper	paper	paper	
Rep	90	Sarah Stevens	paper	paper	paper	
Rep	51	Mike C. Stone	electr.	electr.	electr.	
Rep	45	John Szoka	paper	paper	paper	
Dem	71	Evelyn Terry	paper	paper	paper	

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Rep	98	Thom Tillis	electr.	electr.		
Dem	6	Paul Tine	electr.	electr.	electr.	
Dem	23	Joe P. Tolson	electr.	electr.	electr.	
Rep	108	John A. Torbett	electr.	electr.	electr.	*8
Rep	84	Rena W. Turner	paper	paper	paper	
Dem	46	Ken Waddell	paper	paper	paper	*1
Rep	77	Harry Warren	electr.	electr.	electr.	
Rep	96	Andy Wells	electr.	electr.	electr.	
Rep	120	Roger West	paper	paper	electr.	*11
Rep	113	Chris Whitmire	electr.	electr.	electr.	
Dem	2	W. A. (Winkie) Wilkins	electr.	electr.	electr.	
Dem	27	Michael H. Wray	paper	paper	paper	
Rep	80	Roger Younts appt 7/13		paper	paper	
<b>SENATORS</b>						
Rep	42	Austin M. Allran	paper	paper	paper	
Rep	48	Tom Apodaca	electr.	electr.	electr.	
Rep	18	Chad Barefoot	electr.	electr.	electr.	
Rep	17	Tamara Barringer	paper	paper	paper	
Rep	26	Phil Berger	paper	paper	paper	
Rep	33	Stan Bingham	paper	paper	paper	
Dem	14	Dan Blue	electr.	electr.	electr.	
Rep	34	Andrew C. Brock	electr.	electr.	electr.	
Rep	6	Harry Brown	electr.	electr.	electr.	*4
Dem	4	Angela Bryant appt 1/13	paper	paper	paper	*5
Dem	21	Ben Clark	paper	paper	paper	
Rep	1	Bill Cook	electr.	electr.	electr.	
Rep	44	David L. Curtis	electr.	electr.	electr.	
Rep	46	Warren Daniel	paper	paper	paper	*15
Dem	5	Don Davis	paper	paper	paper	*15
Rep	50	Jim Davis	electr.	electr.	electr.	*6
Dem	38	Joel D. M. Ford	electr.	electr.	electr.	
Dem	23	Valerie P. Foushee	electr.	electr.	electr.	
Rep	9	Thom Goolsby	electr.	electr.		
Dem	40	Malcolm Graham	electr.	electr.	electr.	
Rep	24	Rick Gunn	electr.	electr.	electr.	
Rep	43	Kathy Harrington	paper	paper	paper	*8

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Rep	36	Fletcher L. Hartsell, Jr.	paper	paper	paper	
Rep	47	Ralph Hise	paper	paper	paper	
Rep	15	Neal Hunt	electr.	electr.	electr.	
Rep	10	Brent Jackson	electr.	electr.	electr.	
Dem	37	Jeff Jackson appt 5/14				
Dem	3	Clark Jenkins	electr.	electr.	electr.	
Rep	31	Joyce Krawiec			electr.	
Dem	20	Floyd B. McKissick, Jr.	paper	paper	paper	
Dem	25	Gene McLaurin	paper	paper	paper	
Rep	19	Wesley Meredith	paper	paper	paper	*13
Rep	11	E. S. (Buck) Newton	paper	paper	paper	
Dem	32	Earline W. Parmon	paper	paper	paper	
Rep	7	Louis Pate	electr.	electr.	electr.	
Rep	12	Ronald J. Rabin	paper	paper	paper	
Rep	8	Bill Rabon	electr.	electr.	electr.	
Rep	30	Shirley B. Randleman	electr.	electr.	electr.	
Dem	28	Gladys A. Robinson	paper	paper	paper	
Rep	39	Bob Rucho	electr.	electr.	electr.	
Rep	2	Norman W. Sanderson	paper	paper	paper	
Rep	45	Dan Soucek	paper	electr.	electr.	
Dem	16	Josh Stein	electr.	electr.	electr.	
Rep	41	Jeff Tarte	paper	paper	electr.	
Rep	29	Jerry W. Tillman	electr.	electr.	electr.	
Rep	35	Tommy Tucker	paper	paper	paper	*15
Dem	49	Terry Van Duyn appt 4/14			paper	
Rep	27	Trudy Wade	electr.	electr.	electr.	
Dem	13	Michael P. Walters	electr.	electr.	electr.	
Dem	22	Mike Woodard	paper	paper	paper	

Type of report filed:

paper = paper forms or other format that can not be uploaded through software

electr. = electronic transmission or other format of computerized report that can be uploaded into the State Board of Elections data and compliance system

# in last column = number of reports not entered into SBOE system – just for legislators who have such reports going back to 2010

Based on status of reports recorded on the State Board of Elections website at June 16, 2014