

Democracy North Carolina

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For Release Monday, May 30, 2011

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Shotgun Merger of Agencies Shields Officials from Scrutiny, Hundreds of Campaign Reports Are Already Not Audited

A nonpartisan watchdog group is sharply criticizing a proposal in the state Senate's budget bill to merge and cut the funding for three agencies that now oversee the ethical conduct and campaign activities of state legislators, thousands of other public officials, and hundreds of lobbyists.

The proposal would combine the State Board of Elections, State Ethics Commission and the lobbying regulation division of the Secretary of State's office into a new agency by January 1, 2012, and put it under the control of General Assembly leaders. The newly created State Board of Elections and Ethics would have a smaller staff, less money and a nine-member board with six members appointed by legislative leaders and three by the governor.

"These are the agencies that guard the public's trust in government. They hold officials accountable for the honest performance of their duties, and they're already straining to do their jobs right with limited resources," said Bob Hall, executive director of the Democracy North Carolina. "The way this merger is being pushed so rapidly, crammed inside a budget bill without a thorough study, is completely irresponsible and highly suspicious. You have to wonder if the Republicans are trying to cripple these agencies and throw them into a state of confusion during the upcoming election."

The new agency would have 20 fewer positions (15 currently filled) and \$1.4 million less a year* to register voters, administer elections, oversee the conduct of public officials and political appointees, regulate lobbying and campaign financing, and enforce more than a thousand pages of state law.

Hall said his concern over the merger was heightened after discovering one area where funding cuts are already blocking public accountability and transparency. A review by Democracy North Carolina of files at the State Board of Elections found that hundreds of campaign finance reports for candidates to the General Assembly in 2010 have not yet been audited, in violation of state law.

"The public has a right to know how money is moving through our election system, who's cheating and who wants to buy influence," said Hall. "More cutbacks and this shotgun merger will just shield politicians from scrutiny and reduce transparency, just the opposite of what Republicans promised."

NC General Statute 163-278.24 says campaign reports must be examined "within four months after the date of each election" to "determine whether the statement conforms to law and to the truth." Candidates file up to six reports during an election cycle to disclose details about their contributions and campaign spending. But due to budget cutbacks, the State Board of Elections has been forced to lay off clerical and other staff, leading to a large backlog of reports to analyze.

Democracy North Carolina discovered that 651 (44%) of the 1,492 reports filed by the winning and losing legislative candidates in the 2010 general election have not even been entered into a database for preliminary analysis by the Board of Elections staff, much less been audited for errors, missing information, and possible criminal violations.

Paper copies can be viewed through the Board’s website, but some are illegible and it’s impossible to perform the required audit until the information is keyed into the Board’s database. Getting the information from the disclosure reports into the Board’s database is the first step of the auditing process and also makes campaign contributions accessible in a searchable format on the Board’s website.

Hall noted that the Board’s database still does not contain any of the campaign reports for 2009 or 2010 for 49 of the 170 General Assembly winners, including Senate Majority Leader Harry Brown and House Majority Leader Paul Stam. Paper copies of the reports were submitted but they remain unprocessed.

Altogether, 405 of the 960 reports filed by the 170 legislative winners in 2010, or 42% of the reports, have not been entered into the database for processing and have not been audited.

In addition, hundreds of reports for political action committees (PACs) and local and state political parties have also not been entered into the Board’s electronic files for processing.

*(You can view a committee’s report at http://www.app.sboe.state.nc.us/webapps/cf_rpt_search/ and see if the report is only an **Image** of the paper report or if the **Data** has been entered into the Board’s data file.)*

“There’s a perception that record amounts of money flooded the General Assembly elections in 2010, but we still don’t have a handle on where it all came from, who deserves kudos for reporting accurately, and who’s violating the law by withholding information,” said Hall.

“The 2012 election will be unbelievably expensive, with hot national and state contests and more spending by secretive groups, corporations and unions following the Supreme Court’s decision in the *Citizens United* case,” he said. “Some politicians, but not all are just as happy to keep us in the dark.”

Hall noted that many freshmen Republicans were elected on a promise to increase transparency in government, but they submitted their disclosures report in paper form only, rather than expedite the audit process by filing them electronically.

“Instead of crippling agencies charged with protecting honest government, more candidates should be required to file reports electronically to expedite the auditing process,” he said.

***The Senate’s proposed state budget would make the following cuts:**

AGENCY	FUNDS CUT	STAFF POSITIONS CUT
State Board of Elections	\$1,002,408	14 positions (10 currently filled)
State Ethics Commission	\$ 219,519	2 positions (1 currently filled)
Sec. of State Lobbying Division	\$ 200,791	4 positions (4 currently filled)
Totals	\$1,422,718	20 positions (15 currently filled)

A List of Legislators and the Status of Reports Entered into Database as of May 15 follows

STATUS OF CAMPAIGN DISCLOSURE REPORTS IN S.B.O.E. DATABASE

Y = In Database. N = Paper copy filed but information is not in Database.
X = Campaign Not Active in this Period

District	Legislative Winner	Party	2009 Mid Yr	2009 Yr End	2010 1st Qtr	2010 2nd Qtr	2010 3rd Qtr	2010 4th Qtr
SEN - 1	Marc Basnight	DEM	Y	Y	Y	Y	Y	Y
SEN - 2	Jean R. Preston	REP	Y	Y	Y	Y	Y	Y
SEN - 3	Clark Jenkins	DEM	Y	Y	Y	Y	Y	Y
SEN - 4	Ed Jones	DEM	N	Y	Y	Y	Y	Y
SEN - 5	Louis M. Pate, Jr.	REP	N	N	N	Y	Y	Y
SEN - 6	Harry Brown	REP	N	N	N	N	N	N
SEN - 7	Doug Berger	DEM	Y	Y	Y	Y	Y	Y
SEN - 8	Bill Rabon	REP	X	X	Y	Y	Y	Y
SEN - 9	Thom Goolsby	REP	Y	Y	Y	Y	Y	Y
SEN - 10	Brent Jackson	REP	X	X	Y	Y	Y	Y
SEN - 11	E.S. (Buck) Newton	REP	X	X	Y	Y	N	N
SEN - 12	David Rouzer	REP	Y	Y	Y	Y	Y	Y
SEN - 13	Michael Walters	DEM	X	Y	Y	Y	Y	Y
SEN - 14	Dan Blue	DEM	Y	Y	Y	Y	Y	Y
SEN - 15	Neal Hunt	REP	Y	Y	Y	Y	Y	Y
SEN - 16	Josh Stein	DEM	Y	Y	Y	Y	Y	Y
SEN - 17	Richard Stevens	REP	Y	Y	Y	Y	N	N
SEN - 18	Bob Atwater	DEM	Y	Y	Y	Y	Y	Y
SEN - 19	Wesley Meredith	REP	X	X	Y	Y	N	N
SEN - 20	Floyd McKissick, Jr.	DEM	N	N	N	N	N	N
SEN - 21	Eric L. Mansfield	DEM	X	Y	Y	Y	Y	Y
SEN - 22	Harris D. Blake	REP	Y	Y	Y	Y	Y	Y
SEN - 23	Ellie Kinnaird	DEM	Y	Y	Y	Y	Y	Y
SEN - 24	Rick Gunn	REP	Y	Y	Y	Y	Y	Y
SEN - 25	Bill Purcell	DEM	N	N	N	N	N	N
SEN - 26	Phil Berger	REP	Y	N	N	Y	N	N
SEN - 27	Don Vaughan	DEM	N	N	N	N	N	N
SEN - 28	Gladys A. Robinson	DEM	X	X	Y	Y	Y	Y
SEN - 29	Jerry W. Tillman	REP	N	N	Y	N	Y	Y
SEN - 30	Don W. East	REP	Y	Y	Y	Y	Y	Y
SEN - 31	Pete Brunstetter	REP	Y	N	N	N	N	N
SEN - 32	Linda Garrou	DEM	Y	Y	Y	Y	Y	Y
SEN - 33	Stan Bingham	REP	N	N	N	N	N	N
SEN - 34	Andrew C. Brock	REP	Y	Y	Y	Y	Y	Y
SEN - 35	Tommy Tucker	REP	X	X	N	N	N	N
SEN - 36	Fletcher Hartsell, Jr.	REP	Y	N	N	N	N	N
SEN - 37	Dan Clodfelter	DEM	Y	Y	Y	Y	Y	Y
SEN - 38	Charlie Dannelly	DEM	N	N	N	N	N	N
SEN - 39	Bob Rucho	REP	Y	Y	Y	Y	Y	Y

District	Legislative Winner	Party	2009 Mid Yr	2009 Yr End	2010 1st Qtr	2010 2nd Qtr	2010 3rd Qtr	2010 4th Qtr
SEN - 40	Malcolm Graham	DEM	Y	Y	Y	Y	Y	Y
SEN - 41	Jim Forrester	REP	N	N	N	N	N	N
SEN - 42	Austin Allran	REP	Y	Y	Y	N	N	N
SEN - 43	Kathy Harrington	REP	Y	Y	N	Y	N	Y
SEN - 44	Warren T. Daniel	REP	X	N	N	N	N	N
SEN - 45	Dan Soucek	REP	Y	Y	Y	Y	Y	Y
SEN - 46	Debbie Ann Clary	REP	Y	Y	Y	Y	Y	Y
SEN - 47	Ralph E. Hise, Jr.	REP	X	Y	Y	Y	Y	N
SEN - 48	Tom Apodaca	REP	Y	Y	Y	Y	Y	Y
SEN - 49	Martin L. Nesbitt	DEM	Y	Y	Y	Y	Y	Y
SEN - 50	Jim Davis	REP	X	X	N	N	N	N
HOU - 1	Bill Owens	DEM	Y	Y	N	N	N	N
HOU - 2	Tim Spear	DEM	Y	Y	Y	Y	Y	Y
HOU - 3	Norman Sanderson	REP	Y	Y	N	N	N	N
HOU - 4	Jimmy Dixon	REP	X	X	Y	Y	N	N
HOU - 5	Annie Ward Mobley	DEM	Y	Y	Y	Y	Y	Y
HOU - 6	Bill Cook	REP	X	X	Y	Y	Y	Y
HOU - 7	Angela R. Bryant	DEM	Y	Y	Y	Y	N	Y
HOU - 8	Edith D. Warren	DEM	Y	Y	Y	Y	N	N
HOU - 9	Marian McLawhorn	DEM	Y	Y	Y	Y	N	N
HOU - 10	Stephen LaRoque	REP	Y	Y	Y	Y	Y	Y
HOU - 11	Efton M. Sager	REP	Y	Y	N	N	N	N
HOU - 12	William Wainwright	DEM	Y	Y	Y	Y	N	N
HOU - 13	Patricia McElraft	REP	Y	Y	Y	Y	Y	Y
HOU - 14	George Cleveland	REP	Y	Y	Y	Y	Y	Y
HOU - 15	Phillip Shepard	REP	X	X	Y	Y	Y	Y
HOU - 16	Carolyn Justice	REP	Y	Y	N	Y	Y	Y
HOU - 17	Frank Iler	REP	Y	Y	Y	Y	Y	Y
HOU - 18	Susi Hamilton	DEM	X	X	Y	Y	Y	Y
HOU - 19	Danny McComas	REP	Y	Y	Y	Y	Y	Y
HOU - 20	Dewey L. Hill	DEM	Y	Y	N	N	N	N
HOU - 21	Larry M. Bell	DEM	Y	Y	Y	Y	Y	Y
HOU - 22	William Brisson	DEM	Y	Y	Y	Y	Y	Y
HOU - 23	Joe Tolson	DEM	Y	Y	Y	Y	Y	Y
HOU - 24	Jean Farmer- Butterfield	DEM	N	N	N	N	N	N
HOU - 25	Jeffrey L. Collins	REP	X	X	Y	Y	Y	Y
HOU - 26	Leo Daughtry	REP	N	N	Y	N	N	N
HOU - 27	Michael H. Wray	DEM	N	N	N	N	N	N
HOU - 28	J. H. Langdon, Jr.	REP	N	N	N	N	N	N
HOU - 29	Larry D. Hall	DEM	N	N	N	N	N	N
HOU - 30	Paul Luebke	DEM	Y	Y	N	N	N	N
HOU - 31	Mickey Michaux	DEM	Y	Y	Y	Y	N	N
HOU - 32	Jim Crawford	DEM	N	N	N	N	N	N
HOU - 33	Rosa U. Gill	DEM	Y	Y	Y	Y	Y	Y
HOU - 34	Grier Martin	DEM	Y	Y	Y	Y	Y	Y

District	Legislative Winner	Party	2009 Mid Yr	2009 Yr End	2010 1st Qtr	2010 2nd Qtr	2010 3rd Qtr	2010 4th Qtr
HOU - 35	Jennifer Weiss	DEM	Y	Y	Y	Y	Y	Y
HOU - 36	Nelson Dollar	REP	N	N	N	N	N	N
HOU - 37	Paul Stam	REP	N	N	N	N	N	N
HOU - 38	Deborah K. Ross	DEM	N	N	N	N	N	N
HOU - 39	Darren Jackson	DEM	Y	Y	N	Y	N	N
HOU - 40	Marilyn Avila	REP	Y	Y	Y	Y	Y	Y
HOU - 41	Tom Murry	REP	X	X	N	N	N	N
HOU - 42	Marvin W. Lucas	DEM	N	N	N	N	N	N
HOU - 43	Elmer Floyd	DEM	N	N	N	N	N	N
HOU - 44	Diane Parfitt	DEM	X	X	Y	Y	Y	Y
HOU - 45	Rick Glazier	DEM	Y	Y	Y	Y	Y	Y
HOU - 46	G. L. Pridgen	REP	X	X	Y	Y	Y	Y
HOU - 47	Charles Graham	DEM	Y	Y	Y	N	N	N
HOU - 48	Garland E. Pierce	DEM	Y	N	N	N	N	N
HOU - 49	Glen Bradley	REP	X	N	N	N	N	N
HOU - 50	Bill Faison	DEM	Y	Y	Y	Y	Y	Y
HOU - 51	Mike Stone	REP	X	X	Y	Y	Y	Y
HOU - 52	Jamie Boles	REP	Y	N	N	N	Y	Y
HOU - 53	David Lewis	REP	N	N	N	N	N	N
HOU - 54	Joe Hackney	DEM	Y	Y	Y	Y	Y	Y
HOU - 55	Winkie Wilkins	DEM	Y	Y	Y	Y	Y	Y
HOU - 56	Verla Insko	DEM	Y	Y	Y	Y	N	N
HOU - 57	Pricey Harrison	DEM	Y	N	N	N	N	N
HOU - 58	Alma Adams	DEM	Y	N	N	N	N	N
HOU - 59	Maggie Jeffus	DEM	N	N	N	N	N	N
HOU - 60	Marcus Brandon	DEM	Y	N	Y	Y	Y	Y
HOU - 61	John Faircloth	REP	X	X	N	N	N	N
HOU - 62	John M. Blust	REP	N	N	N	N	N	N
HOU - 63	Alice Bordsen	DEM	Y	Y	Y	Y	Y	Y
HOU - 64	Dan W. Ingle	REP	X	N	N	N	N	N
HOU - 65	Bert Jones	UNA	X	X	N	N	N	N
HOU - 66	Ken Goodman	DEM	X	X	N	N	N	N
HOU - 67	Justin P. Burr	REP	N	N	N	N	N	N
HOU - 68	Craig Horn	REP	X	X	N	N	N	N
HOU - 69	Pryor Gibson	DEM	Y	Y	Y	Y	Y	Y
HOU - 70	Pat B. Hurley	REP	Y	N	N	N	N	N
HOU - 71	Larry Womble	DEM	Y	Y	Y	Y	N	N
HOU - 72	Earline W. Parmon	DEM	Y	Y	Y	Y	Y	Y
HOU - 73	Larry R. Brown	REP	N	N	N	N	N	N
HOU - 74	Dale R. Folwell	REP	Y	Y	Y	Y	N	N
HOU - 75	William C. McGee	REP	Y	Y	Y	Y	Y	Y
HOU - 76	Fred Steen II	REP	N	N	N	N	N	N
HOU - 77	Harry Warren	REP	X	X	Y	Y	Y	Y
HOU - 78	Harold J. Brubaker	REP	N	N	Y	Y	Y	Y
HOU - 79	Julia C. Howard	REP	Y	Y	Y	Y	Y	Y

District	Legislative Winner	Party	2009 Mid Yr	2009 Yr End	2010 1st Qtr	2010 2nd Qtr	2010 3rd Qtr	2010 4th Qtr
HOU - 80	Jerry C. Dockham	REP	N	N	N	N	N	N
HOU - 81	Rayne Brown	REP	Y	Y	Y	Y	Y	Y
HOU - 82	Jeff Barnhart	REP	Y	Y	Y	Y	N	N
HOU - 83	Linda P. Johnson	REP	N	N	N	N	N	N
HOU - 84	Phillip Frye	REP	N	N	N	N	N	N
HOU - 85	Mitch Gillespie	REP	N	N	N	N	N	N
HOU - 86	Hugh Blackwell	REP	N	N	N	N	N	N
HOU - 87	Edgar V. Starnes	REP	N	N	N	N	N	N
HOU - 88	Mark W. Hollo	REP	Y	Y	Y	Y	Y	N
HOU - 89	Mitchell S. Setzer	REP	Y	Y	Y	Y	Y	Y
HOU - 90	Sarah Stevens	REP	N	N	N	N	N	N
HOU - 91	Bryan Holloway	REP	Y	Y	Y	N	N	N
HOU - 92	Darrell McCormick	REP	N	N	N	N	N	N
HOU - 93	Jonathan C. Jordan	REP	X	X	Y	Y	Y	Y
HOU - 94	Shirley Randleman	REP	Y	Y	Y	Y	Y	Y
HOU - 95	Grey Mills	REP	N	N	N	N	N	N
HOU - 96	Mark K. Hilton	REP	N	N	N	N	N	N
HOU - 97	Johnathan Rhyne	REP	N	N	N	N	N	N
HOU - 98	Thom Tillis	REP	Y	Y	Y	Y	Y	Y
HOU - 99	Rodney W. Moore	DEM	X	X	N	N	N	N
HOU - 100	Tricia Cotham	DEM	Y	Y	Y	Y	Y	Y
HOU - 101	Beverly Miller Earle	DEM	Y	Y	Y	Y	Y	Y
HOU - 102	Becky Carney	DEM	Y	Y	Y	Y	Y	Y
HOU - 103	Bill Brawley	REP	X	X	Y	N	N	N
HOU - 104	Ruth Samuelson	REP	N	N	N	N	N	N
HOU - 105	Ric Killian	REP	N	N	N	N	N	N
HOU - 106	Martha Alexander	DEM	Y	N	N	N	Y	Y
HOU - 107	Kelly Alexander	DEM	N	N	N	Y	Y	Y
HOU - 108	John Torbett	REP	X	X	Y	Y	N	N
HOU - 109	William A. Current	REP	Y	Y	Y	Y	N	N
HOU - 110	Kelly E. Hastings	REP	Y	Y	Y	Y	Y	Y
HOU - 111	Tim Moore	REP	N	Y	Y	Y	Y	Y
HOU - 112	Mike Hager	REP	X	Y	Y	Y	Y	Y
HOU - 113	W. David Guice	REP	Y	N	N	N	N	N
HOU - 114	Susan C. Fisher	DEM	Y	Y	Y	Y	N	N
HOU - 115	Patsy Keever	DEM	X	N	Y	Y	Y	Y
HOU - 116	Tim Moffitt	REP	Y	Y	Y	Y	N	Y
HOU - 117	Chuck McGrady	REP	X	X	N	N	N	N
HOU - 118	Ray Rapp	DEM	Y	Y	Y	Y	Y	Y
HOU - 119	Phil Haire	DEM	Y	Y	Y	Y	Y	Y
HOU - 120	Roger West	REP	Y	Y	Y	Y	Y	N

Source: Democracy North Carolina reviewed whether the required disclosure reports had been filed electronically or entered by Board of Elections staff into the Board's database, as of May 15, 2011. Y = In Database. N = Paper copy filed but information is not in Database. X = Campaign Not Active in this Period.

Total for State Legislative Winners: X= 60 N= 405 Y=555 Total Reports filed = 960
Total for State Legislative Losers: X= 206 N= 246 Y=286 Total Reports filed = 532