

OFFICE OF THE STATE INSPECTOR GENERAL

MEMORANDUM OF RECORD

FILE NUMBER: 11-066	DATE OF ACTION: 8/02/2011
OIG STAFF: DIG Wallace	DATE PREPARED: 8/09/2011
SUBJECT: Interviews with Stacey Kalberman	

On August 2, 2011, I interviewed Stacey Kalberman, Executive Secretary of the Government Transparency and Campaign Finance Commission (State Ethics Commission) concerning the allegation in this case.

Kalberman has worked as Executive Secretary since April 2010. She stated she first applied for the position through a vacancy announcement displayed on the agency's website. She recalled being interviewed in February 2010 by all five commissioner serving at that time, one of whom was Patrick Millsaps, the current Board Chairman. Per Kalberman, the job posting showed a salary range of \$90 to 140k per year, and that her predecessor, who was not a lawyer, made approximately \$140k. She, a lawyer with 20 years experience, accepted the position with an offer of \$120k, and made a conscious decision to leave her insurance regulatory lawyer position because she believed there was stability in the new job opportunity with the state.

Kalberman explained that as Executive Secretary, her job description stated she was to manage the agency's budget, which she stated that she routinely did. She cited an example which occurred in August 2010, wherein she consulted with the commission members on the hiring of a Deputy, at \$10k per year less than the previous Deputy was making. Kalberman told OIG that in fact she, "did not receive any feedback on her hiring decision until May 2011." In October 2010, Kalberman hired Sheryl Streicker as her Deputy at \$85k. She explained to OIG that Streicker had an extensive prosecutorial/white collar background with the Fulton County District Attorney's Office. Kalberman believed that acquiring Streicker's skillset at that salary was "a great bargain and that Streicker would compliment her own regulatory background and help the agency investigate complaints." Kalberman stated she received no opposition to the hiring decision.

Kalberman outlined the fact that a new Ethics law passed by the legislature last year resulted in a "huge addition of responsibility for the agency in campaign filings." The agency staff consisted of ten personnel and with the increase in workload she stated she had no choice but to address her budget with the legislature. According to Kalberman, the agency's budget was cut 42% from 2008 to 2010. However, she pointed out to OIG that the agency "always had money to cover fixed costs including salaries, benefits, rent, etc., although there was little discretionary money."

Kalberman then began to reflect on a May 3, 2011, Commission Meeting. She told OIG that Streicker had been working on an investigation pertaining to Governor Deal since about October 2010 when she was hired. Kalberman stated that she periodically telephoned each of the five commission members between October and Spring 2011 to "update" them on the investigation.

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She stated she was "ready to issue subpoenas back in October" but was asked to wait until the election was over. Then during Session, subpoenas were not sent out because of immunity issues and for timing reasons, the agency/board did not want any of their actions to perhaps be perceived as political. Kalberman stated that the practice is that subpoenas are typically signed by the Chairman on behalf of the Commission.

Kalberman told OIG that in April 2011, she had Streicker draft the subpoenas to Governor Deal, Chris Reily, and others involved in his campaign. The subpoenas related to campaign expenditures as well as personal financial disclosures. On May 3, 2011, Kalberman "handed them personally to the three Commission Members who were present at the Board meeting which included Alexander, Abernathy, and Belinfante." As for the other two members who were present by telephone – Millsaps and Stringfellow, Kalberman told OIG that she mailed the subpoenas to them first class mail. Kalberman stated that she knew Millsaps and Stringfellow received them because she had subsequent discussion with Millsaps by telephone, but could not recall whether she and Stringfellow conversed by telephone or in person, although the two did discuss the subpoenas.

As for responses by the Commission Members concerning the subpoenas, Kalberman told OIG that Alexander and Abernathy asked some questions about the evidence and the ongoing FBI investigation which concerns similar allegations. She also recalled talking to Belinfante by telephone where he asked questions and discussed the evidence. Kalberman recalled Belinfante stating, "Well, we can't treat the Governor any differently than we'd treat anyone else."

Kalberman told OIG that she briefed Millsaps who served as Board Chairman, most frequently in order to keep him apprised about ongoing matters of the agency, and especially the Governor Deal investigation. She described that the more they spoke about the investigation, their "communication intensified" and Millsaps "seemed uneasy" about the case. As a result, their conversations became "tense."

Kalberman explained to OIG that on May 20, 2011, she received an email from Millsaps expressing concern about the agency's budget. She responded to the email asking Millsaps if they could meet in person for further discussion. Kalberman told OIG that she wondered why Millsaps was asking about the budget on May 20 because she had been working on the budget from August 2010 through the middle of March and had actually testified before the Senate and the House in budget hearings. Kalberman stated that she and Millsaps continued to communicate by email until they scheduled an in-person meeting for June 9. Then on June 9, when Millsaps arrived at the agency, he was accompanied by Stringfellow. Kalberman told OIG that she prefaced their meeting that day by explaining to Millsaps and Stringfellow that she was struggling/in a bad state due to the fact that her Mother was experiencing a serious medical setback. Kalberman then provided Millsaps with information he had asked her to provide and in turn, he began to present her with a reduction in her salary and the elimination of her Deputy position, held by Streicker. Kalberman told OIG that upon being presented with a \$30k cut in

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her salary, she emotionally left the room. She stated emphatically that she "left the room but did not resign." She recalled the next morning on June 10, Millsaps emailed her saying the Board accepts her resignation, to which, Kalberman responded that she had not resigned. Kalberman explained to OIG that in subsequent emails, she offered budget proposal options to help ease Millsaps' mind, to include ten percent salary reductions for herself and Streicker.

When questioned about the impact of Streicker's position being eliminated from the agency, given that she was the primary investigator, Kalberman told OIG the following. The agency received about 65 complaints in 2010 and approximately 40 had been completed by Streicker, leaving 25, along with about 8 complaints filed in 2011. Kalberman stated that an investigation could be worked by herself or the Deputy, with assistance from one auditor at the agency. At the current time, Kalberman stated all investigations have stopped. She clarified that the agency's costs for investigative efforts are fixed and simply involve personnel. Therefore, with Streicker's position being eliminated, given that she was the primary investigator, and her own impending departure from the agency, any ongoing investigation stopped. Kalberman also mentioned that the FBI had offered assistance to the agency in the form of a forensic accountant in order to assist with the ongoing investigation involving Governor Deal, but no action had been taken relating to the offer.

When questioned about the agency's investigation into Governor Deal, Kalberman stated that in addition to Streicker and herself, Assistant Attorney General Steffan Ritter and Maron Dagnev had approved the State Ethics subpoenas for legal sufficiency. Kalberman stated that Dagnev had reviewed the agency's whole file on Governor Deal.

Kalberman told OIG that on June 15 someone leaked her reported resignation to the press. She later learned that Millsaps sent their email to Aaron Gould-Scheiner, a reporter with the AJC. She learned this from Gould-Scheiner himself. Kalberman felt that that email should not be subject to Open Records requests because it contained investigatory information.

When questioned about contact she had had with any other entities inside or outside state government concerning the events that have transpired with her salary cut, elimination of the Deputy position, or the ongoing investigation involving the Governor, Kalberman told OIG that on June 14, 2011, she received a telephone call from former Executive Counsel Todd Markle. She stated that Markle left a voice mail on her desk phone asking her to call him. On June 15, 2011, Kalberman returned Markle's call using her personal cell phone. During their conversation, Markle stated there may be some employment opportunities in some other state agencies if she was interested. Kalberman stated that she thanked Markle for his call but did not elicit more information or express further interest. Kalberman stated that she has never met Markle, and other than that telephone call, she has not communicated with any other members of the Governor's staff concerning this issue. When asked why she believes Markle reached out to her, Kalberman replied, "I think they reached out to me to try to keep me quiet, basically." Kalberman pointed out that it was June 15 when Millsaps sent her email to the press.

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When asked for her response to the allegation that Governor Deal abused his position and "had his appointee, Millsaps, get rid of Executive Secretary Stacey Kalberman" at Government Transparency and Campaign Finance Commission (State Ethics Commission), Kalberman stated, "I believe it is absolutely true but of course I don't have documents from the Governor telling Patrick Millsaps to get rid of me."

Kalberman told OIG that in a June 17 State Ethics Board meeting, she agreed that she would continue to work through the transition of a new Executive Secretary, which she believes will occur at the end of August.

Regarding subpoenas, Kalberman stated they have to be signed by one of the commissioners, usually the chairman. As for the status of the investigation, Kalberman stated to her knowledge, all investigations are on hold at this time. She stated Millsaps is now saying he is recusing himself since he was actually appointed by Governor Deal, although she emphasized to OIG that "all of the months since October, he was never opposed to my briefing him regarding the Deal investigation."

When questioned about the agency's budget, Kalberman stated she worked with Kristin Youngquist, Fiscal Services Officer. She stated that Youngquist had never expressed concern about their budget or whether the agency could remain financially stable. In fact, Kalberman reiterated that the agency would have had enough money left over to do \$25k in renovations after all else was paid.

Kalberman agreed to furnish OIG with copies of pertinent emails, budget information, and copies of her personal cell phone records depicting call between she and Markle. Any such documents provided by Kalberman are attached to this Memorandum of Record.