

OFFICE OF THE STATE INSPECTOR GENERAL

MEMORANDUM OF RECORD

FILE NUMBER: 11-066	DATE OF ACTION: 7/21/2011
OIG STAFF: DIG Wallace	DATE PREPARED: 7/22/2011
SUBJECT: Interview with Patrick Millsaps	

On July 21 2011, I interviewed Patrick Millsaps, Chairman of the State Ethics Commission, concerning OIG's Preliminary Inquiry into an abuse of power allegation. Specifically, that Governor Deal "had his appointee, Millsaps, get rid of Executive Secretary Stacey Kalberman at Government Transparency and Campaign Finance Commission."

Referencing several emails which Millsaps had furnished in response to my initial request, I asked for clarification on various things such as meeting minutes, etc. and Millsaps provided same. Millsaps stated that in his position as Chairman since December 2010, he had asked Kalberman for policies, procedures, budget information, etc., in order to gain a better understanding of the agency's standing. Millsaps explained that for over a year, he and other members of the Board, as well as Kalberman, had been well aware of the fact that the agency's budget was so tight that they didn't have money for mail-outs and other operating expenses. However, the first time Kalberman actually presented the Board with a broad view of the budget was May 2011. According to Millsaps, realization set in for him and other Board members that action steps must be taken to restructure the agency in order to be able to continue to operate. Millsaps further stated that Kalberman was not terminated but instead she resigned, and that her Deputy, Sheryl Streiker, no longer works at the agency due to a reduction in force which occurred for budget reasons.

Millsaps told OIG that by reducing two salaries, approximately \$200k was being saved, which will be impactful for the agency's operating budget. Also, due to the recent resignation of the sole Information Technology employee, the Board is currently pursuing plans to outsource IT and hire a contract attorney, on an as-needed basis, to provide advisory opinions.

In addition, Millsaps explained that the Law Department has a vested interest in investigating complaints filed with the Ethics Commission. To date, the agency has worked with Assistant Attorney General Stefan Ritter, who presents the cases to the Board to decide whether a full-blown hearing is warranted. Historically, the Executive Secretary would present a complaint to the Board to determine if there was probable cause to investigate and then it would be turned over to Ritter at the AG's office. In the future, if the agency hires a contract attorney for advisory opinions, this will be factored in.

Millsaps denied the allegation that the Governor or any other individual directed him to "get rid of Kalberman."

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FILE NUMBER: 11-066	DATE OF ACTION: 8/03/2011
OIG STAFF: DIG Wallace	DATE PREPARED: 8/04/2011
SUBJECT: Telephone call to Kristin Youngquist, Director of Administration at Secretary of State	

On August 3, 2011, I contacted Kristin Youngquist, Director of Administration at the Secretary of State. I explained that I am conducting a Preliminary Inquiry into an abuse of power allegation that Governor Deal "had his appointee, Millsaps, get rid of Executive Secretary Stacey Kalberman at Government Transparency and Campaign Finance Commission." I told Youngquist that I had questions for her since the State Ethics Commission is administratively attached to SOS and it was my understanding that she may have information pertaining to budgetary matters.

Youngquist, who has worked in her position since June 2010, clarified that the State Ethics agency is one of four administratively attached agencies to SOS. In her role as Director of Administration, she merely served as a vehicle for communicating budget related information back and forth among those agencies. She stated that she had no authority to make changes to any data submitted to or from State Ethics Commission. She cited examples of how her primary point of contact within the agency was Executive Secretary Kalberman whom she notified of things such as upcoming budget meetings, provided due dates, and submission guidelines. Youngquist said that she had never been contacted about the budget or any other matter by the Commission Chairman or any member until May 2011.

When asked if she was aware of whether State Ethics Commission seemed to be working within its budget during the past year, Youngquist responded that the agency appeared to operating within its budget and she had never noticed any apparent issues or anything glaringly wrong.

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FILE NUMBER: 11-066	DATE OF ACTION: 8/31/2011
OIG STAFF: DIG Wallace	DATE PREPARED: 9/07/2011
SUBJECT: Interview with Kevin Abernathy	

On August 31, 2011, I telephonically interviewed Kevin Abernathy, one of five commission members on the Board of the Government Transparency and Campaign Finance Commission (State Ethics Commission) concerning the allegation in this case.

When asked if he had information to support or refute the allegation, Abernathy told OIG that the Board's decision to reduce the pay of Executive Secretary Kalberman was not a politically charged decision, nor was the decision to eliminate her Deputy's position which was held by Sherylin Streicker. Abernathy maintained the allegation is without merit.

Abernathy acknowledged that on May 3, 2011, he and Board Member Ken Alexander were presented with draft subpoenas relating to the agency's investigation into campaign finance matters of Governor Deal. Abernathy explained that this took place in Kalberman's office, just after the scheduled Board meeting occurred. According to Abernathy, the draft subpoenas were presented as a "total work in progress" and he felt Kalberman and Streicker were "bringing him up to date on where they were with the investigation." Abernathy told OIG that both he and Alexander told Kalberman and Streicker that they "wanted to wait on the final product before any decision was made on the subpoenas." He further explained that Alexander had served as a former U.S. Attorney for the Northern District of Georgia and "we both had concerns with our office's ability to handle such a broad investigation." Abernathy denied stating aloud to Kalberman and Streicker that "he wanted no part of this" after being presented with the subpoenas. In contrast, he told OIG that he recalled telling Kalberman and Streicker "that if the Governor had engaged in wrongdoing, we needed to proceed accordingly within our jurisdiction."

Abernathy explained that he was not in the meeting which Board Chairman Patrick Millsaps and Commission Member Hillary Stringfellow held with Kalberman on June 9, 2011, wherein she was presented with the fact that her salary was being reduced. However, Abernathy recalled having separate conversations with Millsaps and Stringfellow about the meeting. Abernathy maintained that both Millsaps and Stringfellow shared consistent stories about the meeting and Kalberman's emotional resignation. Abernathy stated that as a Commission member for approximately one year, he has not been intimately involved with the agency's budget but that he has received updates from staff from time to time and has been aware of the budget shortfalls. He acknowledged that budgeting issues with regard to the compensation of the Executive Secretary and Deputy positions had been discussed in unison by he and other Board members during Executive Session, prior to any personnel actions being taken.

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FILE NUMBER: 11-066	DATE OF ACTION: 8/31/2011
OIG STAFF: DIG Wallace	DATE PREPARED: 9/07/2011
SUBJECT: Interview with Josh Belinfante	

On August 31, 2011, I interviewed Josh Belinfante, formerly one of five commission members, for the Board of the Government Transparency and Campaign Finance Commission (State Ethics Commission) concerning the allegation in this case.

When asked if he had information to support or refute the allegation, Belinfante refuted the allegation classifying it as completely untrue. Per Belinfante, neither the Board's decision to reduce the pay of Executive Secretary Kalberman was politically charged nor was the decision to eliminate the position held by her Deputy, Sherry Streicker. Belinfante stated these decisions were "genuinely driven by budget concerns." He denied having any conversations with Governor Deal, members of his staff, or other officials concerning the personnel actions taken by the State Ethics Board with regard to Kalberman and Streicker. He acknowledged that he and other Board members had dialogued expressing concerns over the agency's budget and tried to determine ways to streamline efficiency.

Belinfante acknowledged that on May 3, 2011, after an Executive Session by Board Members, he, along with Board members Kent Alexander and Kevin Abernathy, were presented with draft subpoenas by Kalberman. The subpoenas related to the agency's investigation into campaign finance matters of Governor Deal. Belinfante described the scenario as one in which Kalberman said something to the effect of, "I have these subpoenas for your information, take a look at these, what do you think?" He recalled placing the subpoenas in a folder to review at a later time because he had to focus on budget issues. According to Belinfante, just prior to addressing the subpoenas, Kalberman had asked the Board for a raise not only for herself and Streicker but also two additional staffers, despite known budget concerns within the agency. Belinfante recalled being "blown away" as a result of Kalberman's request. When asked if it was true that upon receipt of the subpoenas he quickly departed the meeting, Belinfante stated that he may in fact have had to leave the room in order to respond to contact from his spouse concerning the passing of a close family friend.

Belinfante told OIG that as early as August 2010 when he was first appointed to the Commission, he learned of the agency's receipt of a campaign finance related complaint against Governor Deal. Belinfante stated that due to the pending election and the subsequent legislative session, it was decided that the investigation would proceed slowly so not to appear as politically charged. Belinfante stated the personnel actions decided upon the Board had absolutely nothing to do with the ongoing investigation; instead, the fact that the budget was running out drove the Board to make those and other decisions currently being implemented at the agency level. In

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addition, Belinfante stated that it is “factually incorrect” for anyone to even imply that the personnel actions occurred in order to stall the investigation. He told OIG that in fact, one of his last acts on the Commission prior to resigning to run for State Senate, involved requesting copies of all of the draft subpoenas from Kalberman. In turn, he used the content of the subpoenas to draft a letter of request to the Governor’s outside counsel, Randy Evans, to produce documents in lieu of subpoenas.