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Stacey Kalberman  
*Executive Secretary*



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*Member*

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*Member*

## State Ethics Commission

200 Piedmont Avenue  
Suite 1402 – West Tower  
Atlanta, Georgia 30334  
(404) 463-1980  
Facsimile (404) 463-1988  
[www.ethics.ga.gov](http://www.ethics.ga.gov)

### VIA CERTIFIED MAIL

June 7, 2010

Mr. Judson H. Hill  
3102 Raines Court  
Marietta, GA 30067

**RE: IN THE MATTER OF JUDSON H. HILL**  
**CASE NO. 2010-0037**

Dear Mr. Hill:

There is enclosed a copy of a written, sworn complaint filed with the Commission alleging that you have violated the Ethics in Government Act (Act). You have thirty days to respond in writing if you choose to do so. For your consideration, the Act and the Rules and Regulations of the Commission can be found on our website at <http://ethics.georgia.gov>.

The Commission staff will review the complaint to determine if there is a basis to proceed. Should the Commission staff determine that there is no basis for proceeding on the complaint under the Act or any other statute within the jurisdiction of the Commission, the staff will notify you and the Complainant that the complaint is being administratively dismissed pursuant to Commission Rule 189-2-.03(5) without any formal action by the Commission.

If the Commission staff determines that there is a basis to proceed, the complaint will be brought before the Commission at a scheduled Commission meeting, at which time the Commission will hold an informal preliminary hearing to determine whether there are reasonable grounds to believe that a violation of the Act has occurred. You will be notified in advance of the time and place of the meeting. All meetings of the State Ethics Commission are open to the public pursuant to the Open Meetings law.

If you have any questions about procedure or other matters, please contact me at (404) 463-1980.

Respectfully,

Stacey Kalberman  
Executive Secretary

SK:lmd

Enclosure: Complaint

cc: Judson R. Knighton, P.O. Box 756, Marietta, GA 30061  
Douglas Chalmers, Jr.

STATE ETHICS COMMISSION  
200 Piedmont Avenue  
Suite 1402 - West Tower

RECEIVED  
APR 20 2001  
STATE ETHICS  
COMMISSION

COMPLAINT

200-0037

Judson R. Knighton (Complainant) hereby files this Complaint against Judson H. Hill (Respondent) alleging violations of the Ethics In Government Act, Georgia Code § 21-5-1 et seq. In support of this filing, Complainant shows the following:

PERSON BRINGING COMPLAINT

1. Judson R. Knighton, P.O. Box 756, Marietta, Ga. 30061  
Telephone - 770-428-8135

PARTY AGAINST WHOM COMPLAINT IS BROUGHT

2. Judson H. Hill  
3102 Raines Court  
Marietta, Georgia 30062  
Cobb County  
770-565-0024

STATEMENT OF FACTS

3. Respondent is currently the duly elected state senator for the thirty-second (32<sup>nd</sup>) district of Georgia. He serves as his own campaign treasurer and is responsible for filing all of his campaign disclosure reports in accordance with the Ethics In Government Act.

4. Georgia Code § 21-5-2 declares it the policy of the State of Georgia to require public disclosure of campaign contributions and expenditures by those persons seeking election to the Georgia Senate and other public offices.

5. In filing his Campaign Contribution Disclosure Reports, Respondent has repeatedly misclassified campaign expenses as "loans" from himself to his campaign and thereby has

consistently failed to properly disclose the general nature of the expenses as required by Georgia law and Commission rules.

6. Every "loan" reported, was from Judson Hill to his campaign fund. Every one of the so-called "loans" except one is for a very specific amount (e.g., \$3,767.23, \$1,838.16, \$3,801.43, \$1,295.55, and \$1,249.27) obviously revealing that they were payments for specific goods or services rather than true loans to the campaign.

7. In addition, these transactions were made at times when the campaign account already contained between \$65,000.00 and \$150,000.00 and were often repaid on the same day or within a matter of days of when they were incurred – again indicating that they were for specific purchases that should have been disclosed, but were not, rather than for needed loans.

8. All of the allegations in this Complaint are based on information obtained from Judson Hill's Campaign Contribution Disclosure Reports. Attachment "A" is an itemized list of the expenditures/loans that are the subject of this Complaint showing the dates they were incurred and repaid, amounts, the dates the reports were E-Filed and the reporting period. In accordance with Georgia Code §21-5-32 and on information and belief, Respondent has possession of all documents, receipts, deposit slips and other information necessary to show the loan amounts deposited to his campaign account, the actual details of the expenditures made with such loans and to otherwise support the allegations contained herein.

#### **VIOLATIONS OF STATUTES AND COMMISSION RULES**

9. The failure to properly disclose sufficient detail of these expenditures violates the declared policy of Georgia as set forth in Georgia Code § 21-5-2 and the specific requirements of § 21-5-34(b)(1)(B). In addition, the attempt to cover up the nature of these expenses violates rules 189-3-.01, 189-3-.02, 189-3-.04 and 189-3-.05 of the Commission's Rules and Regulations:

10. § 21-5-34(b)(1)(B) requires all campaign contribution reports to list “any expenditure of \$101.00 or more, its amount and date of expenditure, the name and mailing address of the recipient receiving the expenditure, and if that recipient is an individual, that individual’s occupation and the name of his or her employer *and the general purpose of the expenditure;*” Regardless of whether the contribution to the campaign fund is classified as a “loan”, the repayment of that “loan” is properly defined as a campaign “expenditure” pursuant to § 21-5-3(11) and thus must comply with the requirements § 21-5-34(b)(1)(B). Judson Hill’s disclosure reports fail to meet those requirements.

11. Rule 189-3-.01 Campaign Contribution Disclosure Reports.

Section (3)(e) of this rule requires the itemization of all expenditures in excess of \$101,00 and that the description of the expenditure shall include “the general purpose of the expenditure *with such detail as shows the expenditure is for a purpose lawfully authorized for campaign funds...*” The Respondent’s Campaign Contribution Disclosure Reports are in violation of this rule because the entries regarding “loans” and “loan repayments” do not provide sufficient detail to show the expenditure is for a purpose lawfully authorized for campaign funds.

12. Rule 189-3-.02 Expenditures on Behalf of a Candidate or Campaign Committee.

“When a person pays for or provides goods, services,... extension of credit, advance or deposit of money... on behalf of a candidate or campaign committee... it is a contribution” – not a loan. In making these “loans”, Judson Hill paid for goods or services, or extended his credit, or advanced money on behalf of his own candidacy. Therefore, failing to disclose the purpose of these expenditures violates rule 189-3-.02.

13. Rule 189-3-.04 (1) Payments by Credit Card.

(a) If a candidate or campaign committee pays for goods or services directly or indirectly by using a credit card... the expenditure must be itemized and shall be shown on the campaign contribution disclosure report in the time period it is incurred."

(b) "The campaign contribution disclosure report shall identify the name of the person to whom the credit card was issued, the name of the credit card company, as well as each end-recipient, and shall include the following: ..."

"7. description of the goods or services provided by each end recipient with sufficient detail to identify it as a lawfully authorized use of campaign funds." To the extent Judson Hill used a credit card in making any of the reported "loans", he has failed to comply with the requirements of rule 189-3-.04.

14. Rule 189-3-.05 Reimbursement of Expenses

(1) If a candidate or campaign committee reimburses a person directly or indirectly for goods, services, or anything of value which was paid for on behalf of the candidate or campaign committee, *it must be itemized and shall be reported as an expenditure on the campaign contribution report...*" The candidate or campaign committee reimbursed Judson Hill on twelve occasions (see Attachment "A"), but Hill failed to itemize the details of reimbursement as required by rule 189-3-.05

### CONCLUSION

The intent of the Ethics In Government Act and the policy of the state of Georgia is that candidates for public office make clear who is providing contributions to them and that those funds are being spent in a lawful manner. In this case the Respondent has violated the ethical requirements of the state of Georgia by attempting to hide the manner in which he is spending his campaign funds. If this practice is allowed, candidates could simply loan themselves the money

needed to finance their campaigns and report all expenditures as "loan reimbursements". Such a practice is not in keeping with the spirit or letter of Georgia law and should not be tolerated.


**WHEREFORE**, based on the information set forth above, Complainant respectfully requests that Respondent, Judson H. Hill:

A. Be found to be in violation of the Ethics In Government Act and Commission Rules and Regulations for failing to properly disclose the nature of his campaign expenditures;

B. Be required to produce all documents, receipts, deposit slips and written or electronic evidence of whatever kind that discloses the true nature of the expenditures classified as "loans" or "loan repayments" in his Campaign Contribution Disclosure Reports and which are included in Attachment "A" hereto;

C. Be required to amend his Campaign Contribution Disclosure Reports to show the true nature of the expenditures classified as "loans" or "loan repayments" in his Campaign Contribution Disclosure Reports which are itemized in Attachment "A" hereto; and

D. That the Commission take whatever additional action that it deems necessary or proper.



JUDSON R. KNIGHTON  
P.O. Box 756  
Marietta, Georgia 30061  
Telephone - 770-428-8135

Date: April 23, 2010

**ATTACHMENT "A"**

<u>Date of Loan</u>	<u>Amt.</u>	<u>Date Repaid</u>	<u>Amt. Repaid</u>	<u>Rept. Period</u>	<u>Date Report E-Filed</u>
11-01-06	\$3,991.10			Dec 31, 2006	Amend. #2 12-30-07
		11-01-06	\$3,991.10	Dec 31, 2006	Amend. #3 5-2-08
1-02-07	700.00	6-10-07	700.00	Jun 30, 2007	7-4-07
1-03-07	2,645.00			Jun 30, 2007	Amend. #3 5-2-08
3-31-07	2,589.75	4-02-07	2,589.75	Jun 30, 2007	7-2-07
4-30-07	2,440.00	5-10-07	2,440.00	Jun 30, 2007	7-2-07
6-28-07	2,645.00			Jun 30, 2007	Amend. #3 5-2-08
10-01-07	9,784.38*			Dec 31, 2007	Amend #1 1-20-08
		7-02-07	3,801.43*	Dec 31, 2007	1-8-08
		9-04-07	1,295.55*	Dec 31, 2007	1-8-08
		10-02-07	1,249.27*	Dec 31, 2007	1-8-08
		11-27-07	1,600.00*	Dec 31, 2007	1-8-08
		<u>12-09-07</u>	<u>1,838.16*</u>	Dec 31, 2007	1-8-08
		Total	9,784.41*		
		1-03-08	5,530.72**	Mar 31, 2008	Amend. #1 5-2-08
3-28-08	4,385.00			Mar 31, 2008	Amend. #1 5-2-08
		4-10-08	4,378.00	Jun 30, 2008	Amend. #1 7-8-08
6-29-08	3,770.00			Jun 30, 2008	Amend. #1 7-8-08
7-01-08	3,767.23	7-07-08	3,767.23	Sep 30, 2008	Amend. #1 11-29-08

\* Mr. Hill reports a loan of \$9,784.38 on October 1, 2007. The amounts (\*) repaid to him from the campaign fund between July 2, 2007 and December 9, 2007 total an identical amount (with an insignificant 3 cents difference). Interestingly, Mr. Hill made two repayments (on 7-2-07 and 9-4-07) before the "loan" was actually made on October 1, 2007.

\*\* In Amendment # 1 to his March 31, 2008 report (E-Filed on 5-2-08), Mr. Hill shows a partial loan reimbursement for loans made in May, July and December 2007. However, Complainant was unable to find any records of loans being made during those months in 2007.

ATTACHMENT "A" (Cont'd)

<u>Date of Loan</u>	<u>Amt.</u>	<u>Date Repaid</u>	<u>Amt. Repaid</u>	<u>Rept. Period</u>	<u>Date Report E-Filed</u>
8-12-08	2,880.00	8-12-08	2,880.00	Sep 30, 2008	Amend. #1 11-29-08
6-29-09	3,825.04			Jun 30, 2009	7-7-09
12-30-09	10,229.42			Dec 31, 2009	1-8-10
3-30-10	2,375.00			Mar 31, 2010	4-7-10



**VERIFICATION**

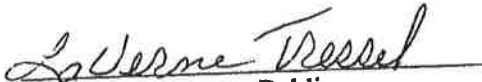
**STATE OF GEORGIA  
COBB COUNTY**

I, the undersigned Complainant, being first duly sworn, depose (affirm) and say that the information in the Complaint is true, and correct to the best of my knowledge and belief.

  
JUDSON R. KNIGHTON

**NOTARY PUBLIC**

Sworn to and subscribed before me on April 23, 2010.

  
Signature of Notary Public

My Commission expires: My commission expires February 5, 2014