

October 15, 2009

Mr. Larry Leake, Chairman
Mr. Gary O. Bartlett, Executive Director
State Board of Elections
506 N. Harrington Street
Raleigh, NC 27601

Dear Sirs:

With this letter, I as an individual citizen and as Chairman of the North Carolina Republican Party formally request that the State Board of Elections (hereafter the "SBOE") use its statutory authority to investigate the campaign finance filings of the North Carolina Democratic Party State Committee [SBOE #: STA-C3839N-C-001] (hereafter the "Democratic Party") and the campaign finance filings of the Bev Perdue Committee [SBOE #: STA-C0431N-C-001] (hereafter the "Perdue Committee").

VIOLATIONS REQUIRING INVESTIGATION

Specifically, the North Carolina Republican Party is asking the State Board of Elections to investigate the following violations of North Carolina General Statutes and SBOE regulations governing the disclosure and sources of campaign contributions by the Bev Perdue Committee and the Democratic Party:

- 1. Establish that the accounting and attribution of contributions associated with flights on private aircraft to the Democratic Party were, in fact, solely and exclusively for the benefit the Perdue Committee.**
- 2. Establish that said contributions, when properly attributed to the Perdue Committee, as required by law, would:**
 - a. Exceed the \$4000 per cycle limit on individual contributions to a candidate political committee [§ 163-278.13(a)]**
 - b. Represent a failure to disclose donations [§ 163-278.11]**
 - c. Violate the prohibition on contributing in the name of another [§ 163-278.14(a)].**

3. **Establish that the 17 flights on private aircraft during the 2008 election cycle the Perdue Committee, to date, has admitted failing to report represent a failure to disclose donations as required by General Statute. [§ 163-278.11]**
4. **Establish that the 17 flights on private aircraft during the 2008 election cycle the Perdue Committee, to date, has admitted to failing to report violate the prohibition on accepting contributions from corporations. [§ 163-278.15 and § 163-278.19].**
5. **Determine whether the Perdue Committee and the Democratic Party violations of North Carolina General Statutes governing campaign reporting violations and perjury by certifying false information in campaign finance reports should be referred to the District Attorney for criminal prosecution under the General Statutes. [§ 163-278.27 and § 163-278.32]**
6. **Determine appropriate civil penalties against the Perdue Committee and the Democratic Party as proscribed by General Statute [§ 163-278.34], including but not limited to a fine in the amount of three times the aggregate illegal contributions, the costs of the investigation, assessment, and collection.**

These violations have been reported in the media (*News & Observer*, June 13, 2009 and August 5, 2009).

As of October 14, 2009, according to the SBOE website, the Perdue Committee has not filed amended campaign finance reports for 2006, 2007, and 2008 reflecting their admission to accepting illegal contributions in the form of flights on private aircraft.

REQUEST FOR ACTION

According to the *News & Observer* (July 24, 2009 and October 1, 2009) the SBOE is holding an investigatory hearing on October 26, 2009 in response to a complaint filed by Democracy North Carolina (see attachment) regarding the acceptance of illegal corporate contributions, the use of the Democratic Party as a conduit for illegal donations, exceeding statutory limitations on political donations and the failure to report donations by the Mike Easley Committee and the Democratic Party mainly related to flights on private aircraft by former Governor Easley.

Requiring elected officials to obey election and campaign finance laws is critical to rebuilding the public's confidence in our election system and elected officials. I applaud the SBOE decision to hold investigatory hearings into the Democracy North Carolina complaint against the former Governor. These hearings demonstrate to the public that our State is committed to holding high ranking elected officials accountable for their actions.

Considering the Perdue Committee and the Democratic Party have publicly admitted to committing violations of an identical or similar nature to those being investigate by the SBOE in the Democracy North Carolina complaint, an investigatory hearing into the Perdue Committee violations is clearly warranted based on the facts.

Furthermore, the Perdue Committee's lengthy history, dating to the 1990s, of questionable fundraising practices, sloppy bookkeeping and failure to comply with North Carolina's campaign finance laws and regulations cast doubt on the Perdue Committee's assertion that "software problems" (*News & Observer*, August 5, 2009) were responsible for these violations. The Perdue Committee's previous incidents, some of which were investigated, include:

- Accepting money in exchange for paving roads (*News & Observer*, August 2, 1998)
- Accepting illegal campaign donations from the rest home industry in return for inserting a provision supported by the industry into the budget (*News & Observer*, July 3, 1998, AP July 21, 1998)
- The resignation of two DOT board members in conjunction with questionable fundraising for the Perdue Committee (AP, January 18, 2008 and *News & Observer*, September 23, 2008)
- The Perdue Committee's failure to list the employer and occupation of over 300 donors to her campaign for Governor (WLOS, November 5, 2007)

I believe the outlined material shows there is every reason for the SBOE to conduct a thorough investigation utilizing the subpoena power granted under N.C. General Statute § 163-23 in an effort to provide the public with the answers it deserves regarding the questionable fundraising practices of the Perdue Committee and the Democratic Party. Should the investigation confirm violations, I urge the SBOE to pursue all available civil and criminal penalties.

This complaint is submitted by me as an individual citizen and as Chairman of the North Carolina Republican Party. I attest and affirm that it is a truthful representation of the facts as I know them.

Sincerely

Tom Fetzer
Chairman
North Carolina Republican Party

Attachments: 5

cc: Board Members