ARKANSAS ETHICS COMMISSION

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April 12, 2022

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Responsible Taxation for Little Rock Attn: Lance Hines 701 W. 7th St., Suite 1500 Little Rock, Arkansas 72201

Re: Case No. 2021-CO-021

Dear Mr. Hines:

On September 24, 2021, the Ethics Commission mailed Responsible Taxation for Little Rock a certified letter containing a copy of the citizen complaint filed against it in the above-referenced case.

Briefly restated, the essential allegations of the complaint were as follows:

- 1. The Responsible Taxation for Little Rock committee is a legislative question committee ("LQC") as that is defined in Ark. Code Ann. § 7-9-402(10)(A).
- 2. As an LQC, Responsible Taxation for Little Rock is required to file certain financial disclosure reports which contain the information mandated by Ark. Code Ann. § 7-9-407.
- 3. The Arkansas Ethics Commission has explained that, when a committee pays a third party who then makes expenditures on behalf of the committee, the committee must list the actual person or entity to which money ultimately went and may not simply report the name of the consultant/middleman entity.
- 4. Responsible Taxation for Little Rock has violated all of the aforementioned provisions of Ark. Code Ann. § 7-9-407 in multiple ways as described herein.
- 5. Responsible Taxation for Little Rock's September 7, 2021 Report:
 - (a) lacks street addresses for Ronald Cameron, Arkansas Competes, and James Purifoy, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii);
 - (b) lacks required information for "Place of Business Employer/Occupation" for Drew Dees, Brent Staley, Dani Martin, Andrew Collins Jr., Russell Matchett, Ryan Holder, Kathy/Pat Meriwether, John Nabholz, Michael McAfee, Tad Phillips, Andy Rossi, James Purifoy, Ralph Bradbury, and Lisenne Rockefeller, in violation of Ark. Code Ann. § 7-9-407(2)(A)(viii);

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- (c) lacks a street address for the expenditure made to Raise The Money, in violation of Ark. Code Ann. § 7-9-407(3);
- (d) lists a \$5,000.00 expenditure to Red Tusk Campaigns for "Digital Marketing," but does not specify the company or companies that were actually paid for some or all of the marketing that was done, in violation of Ark. Code Ann. § 7-9-407(3);
- (e) lists a \$7,500.00 expenditure to Red Tusk Campaigns for "Digital Marketing," but does not specify the company or companies that were actually paid for some or all of the marketing that was done, in violation of Ark. Code Ann. § 7-9-407(3); and
- (f) lists a second \$7,500.00 expenditure to Red Tusk Campaigns for "Digital Marketing," but does not specify the company or companies that were actually paid for some or all of the marketing that was done, in violation of Ark. Code Ann. § 7-9-407(3).
- 6. Responsible Taxation for Little Rock's August 16, 2021 Report:
 - (a) lacks street address for Little Rock Athletic Centers, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii); and
 - (b) lacks an entry for "Place of Business Employer/Occupation" for Little Rock Athletic Centers, Dennis Adkins, Andrew Kurris, June Mathney, Mary Wells, Steve Ratcliff, and Melanie Fox, in violation of Ark. Code Ann. § 7-9-407(2)(A)(viii).

You subsequently signed a written Offer of Settlement pursuant to which it was agreed that the Commission make a finding that Responsible Taxation for Little Rock violated Ark. Code Ann. § 7-9-407 by failing to properly fill out its financial reports.

As part of its disposition of this matter, the Commission is hereby issuing Responsible Taxation for Little Rock this **Public Letter of Caution**, which is advisory in nature and serves to give clear notice that failing to properly fill out its financial reports violated the law. It is advised not to engage in the same activity again.

This disciplinary action is taken pursuant to Ark. Code Ann. § 7-6-218(b)(4).

Sincerely,

Lori Klein Chairman