

ARKANSAS ETHICS COMMISSION

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Post Office Box 1917
Little Rock, Arkansas 72203-1917
(501) 324-9600 Fax (501) 324-9606
Toll Free (800) 422-7773



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April 11, 2022

Rebuild the Rock
Attn: Alli Clark Howland
P.O. Box 7824
Little Rock, Arkansas 72217

Re: Case No. 2021-CO-020

Dear Ms. Howland:

On September 24, 2021, the Ethics Commission mailed Rebuild the 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 Rebuild the 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, Rebuild the 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. Rebuild the Rock has violated all of the aforementioned provisions of Ark. Code Ann. § 7-9-407 in multiple ways as described herein.
5. Rebuild the Rock's September 7, 2021 Report:
 - (a) lacks an entry for "Date of Receipt" for all twenty-five (25) contributions listed, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii) and (viii);
 - (b) lacks street addresses for Scotty White, Virgil Doyne, McGeorge Contracting, McClelland Consulting Engineering, Baptist Health, Merrick Dake, and Bernhard Energy, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii);

- (c) lacks a complete street address for Garver Engineering, stating only “4701 Northshore Dr,” without specifying that it is a North Little Rock address, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii);
- (d) lacks an entry for “Place of Business Employer/Occupation” for Dionne Jackson, Virgil Doyne, and Bernhard Energy, in violation of Ark. Code Ann. § 7-9-407(2)(A)(viii);
- (e) lists “McGeorge *Contracting*” as a contributor, but lists “McGeorge *Consulting*” as the principal place of business, suggesting that one of the two entries is incorrect, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii) and/or Ark. Code Ann. § 7-9-407(2)(A)(viii);
- (f) lists “*McClelland Consulting Engineering*” as a contributor, but lists “*McLelland Consulting*” as the principal place of business (without providing a street address, as noted above), suggesting that one of the two entries is incorrect, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii) and/or Ark. Code Ann. § 7-9-407(2)(A)(viii);
- (g) lacks an entry for “Date” for all six (6) expenditures listed, in violation of Ark. Code Ann. § 7-9-407(3);
- (h) lacks a street address for the expenditure made to Raise The Money, in violation of Ark. Code Ann. § 7-9-407(3);
- (i) lists a \$36,556.41 expenditure to McLarty Consulting for “Mailers,” but does not specify the printing company or companies that actually created the mailers, in violation of Ark. Code Ann. § 7-9-407(3);
- (j) lists a \$48,196.62 expenditure to McLarty Consulting for “Radio,” but does not specify the radio station(s) that some or all of the expended funds actually went to, in violation of Ark. Code Ann. § 7-9-407(3);
- (k) lists a \$23,741.70 expenditure to McLarty Consulting for “Social Media,” but does not specify the social media company or companies that some or all of the expended funds actually went to, in violation of Ark. Code Ann. § 7-9-407(3);
- (l) fails to list the appropriate suite number for First Financial Bank (suite 150) and McLarty Consulting (suite 915) in the addresses for those companies, simply giving the same “1501 N University Ave.” address for both, in violation of Ark. Code Ann. § 7-9-407(3); and
- (m) lacks any stated expenditures for the cost of sending text messages to potential voters, despite the fact that multiple would-be voters received one or more text messages in support of Rebuild the Rock, suggesting another violation of Ark. Code Ann. § 7-9-407(3).

6. Rebuild the Rock's August 16, 2021 Report:

- (a) lacks street addresses for Sam Alley, Clark, Jeffrey Hathaway, AR Zoological Foundation, Rhett Tucker, and Little Rock Realtors Association, in violation of Ark. Code Ann. § 7-9-407(2)(A)(vii);
- (b) lacks an entry for "Place of Business Employer/Occupation" for James Bryant and Rhett Tucker, in violation of Ark. Code Ann. § 7-9-407(2)(A)(viii);
- (c) lists a \$30,531.30 expenditure to McLarty Consulting for "Direct Mailers," but does not specify the printing company or companies that actually created the mailers, in violation of Ark. Code Ann. § 7-9-407(3);
- (d) lists a \$530.00 expenditure to McLarty Consulting for "Push Cards," but does not specify who created and/or printed the push cards, in violation of Ark. Code Ann. § 7-9-407(3);
- (e) lists a \$23,914.50 expenditure to McLarty Consulting for "Digital Buy, Social, Web, Creative," but does not specify the company or companies that received funds for the "digital buy," does not specify the social media company or companies that received any of these funds, does not specify the company or companies that were paid for "Web" from these funds, and does not specify who was paid for "Creative" from these funds, all in violation of Ark. Code Ann. § 7-9-407(3);
- (f) fails to list the appropriate suite number for McLarty Consulting (suite 915) in the address, simply giving a "1501 N University Ave." address, in violation of Ark. Code Ann. § 7-9-407(3); and
- (g) lacks any stated expenditures for the cost of sending text messages to potential voters, despite the fact that multiple would-be voters received one or more text messages in support of Rebuild the Rock, suggesting another violation of Ark. Code Ann. § 7-9-407(3).

You subsequently signed a written Offer of Settlement pursuant to which it was agreed that the Commission make a finding that Rebuild the 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 Rebuild the 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