



STATE ETHICS COMMISSION

Memorandum

To: Rick Thompson
Executive Secretary

From: Tom Plank

Date: July 2, 2008

Re: In the Matters of Sonny Perdue, John Watson, James Ayers and Perdue PAC, Case Nos. 2008-0033A, B, C & D: Recommendation for Dismissal

Pursuant to Rule 189-2-.03(5), it is recommended that these matters be administratively dismissed because the evidence does not support finding a violation of the Ethics in Government Act (Act). The allegations and findings are summarized herein.

Respondents are Governor Perdue, John Watson, Chairperson of Perdue PAC, James Ayers, Treasurer of Perdue PAC, and Perdue PAC itself. The Complaint alleges that Respondents meet the registration and reporting requirements of O.C.G.A. § 21-5-34(e) and Rule 189-4-.01(1) yet have failed to comply with these requirements. Specifically, Complainant alleges that the Respondents received contributions in calendar year 2007 exceeding \$25,000, the threshold found in the Act's exception to registering and filing Campaign Contribution Disclosure Reports (CCDRs). See O.C.G.A. § 21-5-34(e)(2) and Rule 189-4-01(2).

Only expenditures in the form of contributions are included when calculating whether more than \$25,000 has been expended "to or on behalf of" candidates. See O.C.G.A. § 21-5-34(e)(2), Rule 189-4-01(2) and the Consent Order in the Matter of General Electric, case number 2003-0002. Although Perdue PAC did receive contributions exceeding \$25,000, an audit of Perdue PAC's Form 8872 filings with the Internal Revenue Service show that Perdue PAC expended \$0 in the form of contributions to or on behalf of candidates. Therefore, Perdue PAC is not required to register and file CCDRs in accordance with O.C.G.A. § 21-5-34(e) and Rule 189-4-01(1).

Based upon the foregoing analysis, it is recommended that this case be administratively dismissed pursuant to Rule 189-2-.03(5).