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Ethical Scandals Rock State Governments

BY GROVER L. PORTER

There has been a lot of publicity about ethical scandals at the federal government level. Top White House advisor Karl Rove escaped indictment, but Reps. Tom DeLay (R.-Texas) and Randy Cunningham (R.-Calif.) lit ethical bonfires in Congress. The lobbying or alleged

bribery activities of Jack Abramoff have also resounded throughout the nation's capital. And the House Ethics panel is investigating Reps. Bob Ney (R.-Ohio), Alan Mollohan (D.-W.V.), and William Jefferson (D.-La.). Jefferson has already been stripped of his post on the important House Ways and Means Committee. Businessman Vernon Jackson became the second person to plead guilty to attempting to bribe Jefferson with more than \$400,000.

Despite the convictions of former governors of Illinois, George Ryan (R.), and Alabama, Don Siegelman (D.), and the indictment of Kentucky Governor Ernie Fletcher (R.), there's been only limited national publicity regarding ethical problems at the state level. The Center for Public Integrity, a nonprofit, non-partisan organization dedicated to producing original and responsible investigative journalism on issues of

public concern, believes that while there's a "crazy quilt" of public ethics laws in states across our nation, state lobbying rules are still stronger than the counterpart federal requirements in all but a "handful" of states.

Tennessee, my home state, offers an interesting case study in tracking down corruption. An FBI investigation of Tennessee public corruption, code-named "Operation Tennessee Waltz," resulted in the first arrests in May 2005. Stretching back three years, the sting involved a pseudo-company, E-Cycle Management, Inc., that was incorporated by the FBI in Atlanta. E-Cycle's stated function was "the disposal of outdated computer equipment."

E-Cycle contacted a number of Tennessee legislators, lobbyists, and other political operatives about the company's desire for legislation to facilitate the legal basis for disposal of used computer equipment. In this

process, E-Cycle was told that certain people "need to be paid money to support legislation." Thereafter, E-Cycle began to offer money to legislators, lobbyists, and political operatives to get the desired legislation sponsored and supported.

Barry Myers, a Memphis political operative, was the first person to have contact with E-Cycle, in June 2003. He told E-Cycle that State Sen. Roscoe Dixon (D.) and State Rep. Kathryn Bowers (D.) needed to be paid money to support the desired legislation. Myers received \$21,000, of which some is alleged to have been on behalf of Dixon and Bowers.

During a meeting in July 2004 in Miami, State Sen. John Ford (D.), a long-time, powerful legislator, told E-Cycle, "I'll need monthly payments of \$3,000 to \$5,000 to help the company." Ford promised to draft legislation to benefit E-Cycle and received \$10,000 in August 2004 and payments of \$55,000 in total.

Charles Love, a Chattanooga lobbyist, told E-Cycle in August 2004 that their legislation would get more attention if the company had "gifts to bear." Love said he had done work "bearing gifts" to legislators in the past, including State Sen. Ward

Crutchfield, leader of the Democratic party in the Senate, and State Rep. Chris Newton (R.). Love received \$16,500, of which some is alleged to have been on behalf of Crutchfield and Newton. At this point, E-Cycle had “invested” almost \$90,000 in just getting its legislation on the table for consideration.

In January 2005, Ford filed Senate Bill 94, with Crutchfield joining as a cosponsor. Newton filed House Bill 37, with Bowers joining as a cosponsor. In May 2005, FBI agents arrested lawmakers Bowers, Crutchfield, Dixon, Ford, and Newton and the “gift bearers,” Myers and Love, on charges of accepting bribes, conspiracy, and extortion. Newton has already been tried and found guilty. He was sentenced in February 2006 to one year in prison, two years of supervised release, and a \$10,000 fine. Dixon’s jury trial in June 2006 resulted in a verdict of guilty of extortion. He is scheduled to be sentenced this month. The other people arrested by the FBI in Operation Tennessee Waltz are awaiting trial.

The Tennessee convictions are likely to raise the state’s population-weighted corruption ranking above its current 19th in the nation. The gubernatorial convictions will no doubt solidify Illinois’s ranking as the fifth-most corrupt in the nation and Kentucky’s ranking as the eighth-most corrupt. Also, federal prosecutors continue to investigate the allegedly politically motivated hiring practices of the administrations of Chicago Mayor Richard Daley (D.) and Illinois Governor Rod Blagojevich (D.), who was elected to replace Ryan and clean out corruption.

As a result of the public uproar from the corruption scandal in Tennessee, the citizens clamored for new ethics legislation. A statewide univer-

sity survey of 1,010 citizens conducted after the arrest of the members of the General Assembly resulted in a 97% response of “yes” to the question, “Is ethics reform necessary in Tennessee?” In response, Governor Phil Bredesen (D.) created a Citizen Advisory Group on Ethics in Government to recommend appropriate improvements to Tennessee ethics laws.

The Advisory Group heard from nationally recognized ethics experts and evaluated the best ethics practices of state governments, including the three principles of “transparency, accountability, and limits.” These are factors that the Better Government Association (BGA), a watchdog organization, considers central to open and honest government.

The Advisory Group’s final report contained sections on ethical values in government service, ethics in state government today, and recommendations for improving ethics in state government, including recommendations on campaign finance, disclosure requirements, lobbying activities, conflicts of interest, and the enforcement of ethics laws. The capstone recommendation regarding the enforcement of ethics laws was the recommendation of an independent Tennessee Ethics Commission.

The resulting ethics bill, passed during a four-week special legislative session, is riddled with loopholes that will benefit unethical politicians, lobbyists, and political operatives, especially a major loophole related to the Tennessee Ethics Commission. The Commission is composed of six members, is intended to reflect the broadest possible representation of citizens, and any Commission action requires four affirmative votes. The problem lies in the fact that three of the appointees must be Democrats and three must be Republicans. This

makes the probability of Commission action regarding unethical conduct by politicians practically zero. It appears the General Assembly could have intentionally crafted the structure to make it more difficult for the Commission to take action against unethical politicians. At the federal level, the House of Representatives maintains the same equal party representation on its ethics committee, thus limiting action to only the most egregious cases.

Another difficulty in assuring ethical state government is a conclusion drawn by Corporate Crime Reporter, an activist group. This organization believes there appears to be little correlation between strong state laws governing ethical matters and actual public integrity. For example, Kentucky was ranked third best in the country by the BGA, yet, as noted above, its corruption index placed it among the 10 worst in the nation.

It appears that only aware, concerned, and active citizens are able to assure ethical, efficient, and economical state government. Are you helping to assure your state doesn’t have ethical problems like those in Alabama, Illinois, Kentucky, and Tennessee? ■

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