



[The lobbyist for a Baltimore County project is the county executive's father. A 'clear line' prevents conflict, they say.](#)

The owner of a historic industrial property in Middle River is getting help with his redevelopment efforts from a lobbyist who knows plenty about Baltimore County government: John Olszewski Sr., a former county councilman who is the father of County Executive Johnny Olszewski Jr.

Olszewski Sr. has been leading Blue Ocean Realty's efforts to get the General Assembly to approve a tax break for the project, which would turn a vast warehouse where World War II bombers were built into a sports, entertainment and retail complex.

The elder Olszewski notes that his campaign for the project involves getting state officials to act, not the county. But as it happens, Baltimore County also supports the Middle River project. So Olszewski Sr. recently made his pitch to Baltimore County legislators in Annapolis sitting at the same table as one of his son's top employees, county economic development director Will Anderson.

The arrangement doesn't appear to violate any ethics laws or restrictions on lobbying, experts say, but it is unusual to have close relatives working as a lobbyist and a top politician.

Both father and son said they're insulating themselves from each other's work.

Olszewski Jr. said he's been careful to separate himself from his father's work as a lobbyist. Olszewski Sr. opened up his lobbying practice before Olszewski Jr. was elected county executive in 2018, and he's currently registered to lobby state officials on behalf of Blue Ocean Realty and three other clients.

The father is not registered to lobby in Baltimore County.

“We have intentionally put a clear line where he does not lobby me, does not lobby anyone in my administration and I think we’ve been very intentional about how we approach the work,” Olszewski Jr. said.

He said he does not talk to his father “about any of his work.”

Olszewski Sr., meanwhile, said his work does not involve lobbying county agencies.

He said he asked for advice from county ethics officials about how to handle his work in light of his son’s position. He received written guidance last March.

The ethics opinion advised Olszewski Sr. that if he lobbied county officials, there could be an “appearance of impropriety” and county workers “might believe that their approval of the requests would create favor with the County Executive, or were being tacitly approved by the County Executive.” Likewise, if a county worker took an action against one of Olszewski Sr.’s clients, they might believe that could “result in disfavor by the County Executive.”

“What they said is I’m allowed to do federal, state and local matters, as long as it doesn’t include Baltimore County government,” he said. “So when I was hired on with Blue Ocean, I made it perfectly clear I can only handle state and federal issues.”

When Blue Ocean needs to talk to county officials, “they have other people who take care of that,” Olszewski Sr. said.

“I absolutely draw a line. I make it perfectly clear to anybody ... I cannot talk to anyone in the county or the county executive. I do no work in Baltimore County,” he said.

Joanne Antoine, executive director of the good-government group Common Cause Maryland, said although the two men appear to be taking the proper steps, there still could be a conflict of interest, or at least the appearance of a conflict of interest.

“It’s clear that the tax break bill is county business at this point, and while Olszewski Jr., Olszewski Sr. and the economic development director may not be in communication about the bill, based on the opinion of the Ethics Commission, Olszewski Sr. should recuse himself from this project,” Antoine said.

Kathleen Clark, a law professor at Washington University in [St. Louis](#), said it’s “a good thing” Olszewski Sr. has decided not to lobby his son’s employees. Clark said Olszewski Jr. should

consider recusal from discussions about the development due to his father's role, but she said recusal isn't required.

Anderson, the county's economic development director, said in a statement that he and his staff don't work with Olszewski Sr. on the depot redevelopment. He said they speak with Blue Ocean Realty CEO Jonathan Ehrenfeld or the company's attorney, Tim Kotroco.

Blue Ocean's efforts are currently focused on lobbying state lawmakers to approve a tax break and to get state transportation officials to designate the project as a transit-oriented development. The county executive noted that Blue Ocean Realty isn't seeking any legislation or actions from the county government. Eventually, however, the county would have to approve project plans to make sure they meet requirements, such as stormwater management or having enough parking.

Blue Ocean Realty, headquartered in Owings Mills, [bought the Middle River Depot property](#) at the corner of Eastern Boulevard and White Marsh Boulevard last spring.

The nearly 2-million-square-foot warehouse was used to build B-26 Marauder bombers for the Glenn L. Martin Company during World War II. At its peak during the war, Martin employed 53,000 workers in the area, including many who relocated to Middle River from the Midwest, according to the Maryland Historical Trust.

The depot building is noted for its efficient and utilitarian design by architect Albert Kahn, who used bridges as his inspiration for 300-foot trusses that support the structure.

But it's sat vacant for years, as various redevelopment proposals have failed. A prior developer's plans for a Walmart-anchored project there [led to a nasty zoning and legal fight in 2012](#) and 2013.

Ehrenfeld, the developer, said he hopes to make Aviation Station "a work, live, play, mixed-use environment with destination retailers and entertainment uses for everyone."

Ehrenfeld said he's "fortunate" to have Olszewski Sr. working on the project. "His only role on our team is to handle matters before the State of Maryland and the federal government," Ehrenfeld wrote in an email. "He has no role with Baltimore County or any of its agencies. There are other members of our team that handle matters with Baltimore County."

Baltimore County Council Chairwoman Cathy Bevins said redeveloping the site has been challenging because the buildings are [historical landmarks](#), meaning contractors can neither

raze nor redesign the factory complex. She called Blue Ocean's proposal "a huge game-changer" for Middle River.

Bevins, a Democrat whose district includes the depot, said Blue Ocean has met with her and Olszewski Jr. "many times," but Olszewski Sr. was never involved in those meetings.

But it makes sense for Olszewski Sr. to lobby for the project, she said, because he knows what it means to eastern Baltimore County. Olszewski Sr. represented southeastern Baltimore County on the council for 16 years until 2014.

"I don't see [conflicts]," Bevins said.

Baltimore County Councilman David Marks, a Perry Hall Republican, also said he doesn't have "any problem" with the arrangement the Olszewskis have as long as they meet "the disclosure requirements in the letter of the law."

Blue Ocean envisions turning the sprawling property into "Aviation Station," with indoor sports fields inside the vast warehouse, and a mix of retail shops, restaurants and a hotel. Blue Ocean plans to donate 25,000 square feet of space to relocate an aviation history museum from nearby Martin State Airport, and the company is trying to persuade the state to move the MARC train stop to the new development.

Most of the depot's space will be used for the recreational sports facility, light industrial jobs, and apartments, according to a Blue Ocean-commissioned study of the project's impact. The project represents an investment of approximately \$175 million, according to the study.

Construction, according to the study, is estimated to create nearly 1,600 jobs in the county. The completed redevelopment would create over 3,000 permanent jobs — including jobs indirectly supported by the new complex. Most of those jobs would be based in the county, with 2,100 positions in Middle River alone.

Maryland designated the site as an Opportunity Zone in 2018, which gives federal tax incentives for new investments in low-income communities. The property is also part of the Chesapeake Enterprise Zone, which provides employment and property tax credits to businesses in the area.

Baltimore County has been asking state officials to designate the property a "transit-oriented development" for years, before Blue Ocean's ownership and before Olszewski Jr. becoming county executive, according to state transportation officials. Gaining that designation would unlock state planning assistance and could pave the way for state and federal financial aid.

To ease the project along, Blue Ocean also is asking state lawmakers to give the development an exemption from the state's 6% sales tax on all of the building materials used during construction. The tax break would save the company hundreds of thousands of dollars each year. Proponents note that a similar deal was granted to Tradepoint Atlantic, the former steel mill in Sparrows Point that's being redeveloped.

Olszewski Sr. has made the case to lawmakers that the loss of sales tax money to the state — \$600,000 to \$1.2 million per year during 10 years of construction — would be worthwhile, as the finished project would generate \$3 million in taxes for Baltimore County and \$12 million for the state each year.

“That money will be replenished over and over again,” Olszewski Sr. told lawmakers during a recent hearing.

Anderson, the county's director of economic development, also has testified in Annapolis in favor of the tax break. He said the Aviation Station proposal is “a massive blessing” to the area.

“This site is going to bring real economic impact,” he said.

Olszewski Sr. and Blue Ocean also have the support of multiple Baltimore County lawmakers who are sponsoring the tax break bill.

“I'm personally tickled someone is going to come in here,” said Del. Lauren Arikan, a Republican who represents the area. “I'm looking forward to it and so is the community.”

The Chesapeake Gateway Chamber of Commerce has endorsed the project, sending a letter to lawmakers urging them to approve the sales tax break.

“This historic property is a major focal point in our community but has been vacant for many years,” chamber President John Hess and Executive Director Sharon Kihn wrote. “We are excited to see that Blue Ocean has purchased the property and has considerable plans already in the works for Aviation Station.”

Baltimore County's state senators have already voted to endorse the tax break bill. The Baltimore County House Delegation is scheduled to vote on the bill next week. The General Assembly session runs through April 6.

[Champion of Pennsylvania's lobbying law was fined \\$19,900 for breaking it](#)

The Pennsylvania chapter of a national advocacy group known for its long-running campaign to improve lobbying transparency and government accountability has been fined for failing to disclose its lobbying expenses.

The state Ethics Commission imposed a \$19,900 fine on Common Cause Pennsylvania in January after the group filed a quarterly lobbying report 112 days past the deadline.

The group has also been late in filing four other reports since the beginning of 2018, state officials said.

Lobbying reports are one of the only ways the public can see how advocacy groups, special interests, and big businesses are attempting to influence lawmakers. In Pennsylvania, groups are required to disclose the names of any lobbyists they employ, the subject matter they lobbied on, and the total amount of money they spent on it.

Though [Common Cause Pennsylvania](#) reports spending only a few thousand dollars each year on lobbying, the Ethics Commission nonetheless expressed its disappointment about the group's failures, especially since it had helped champion the current law.

"It's such a shame," Chairman Nicholas Colafella said after the Jan. 23 vote to impose the fine.

When contacted by Spotlight PA, Micah Sims, the executive director of the state chapter, said he was unaware of the fine and was surprised it had been issued. He conceded the filing was late but said it was because of technical difficulties with the Department of State's website. He said the group had been in "constant communication" with the department about the problem.

Sims said he could not recall receiving any warning from the Ethics Commission and pledged that his organization would fight the penalty in court.

"We will be filing a motion against the penalty because it wasn't necessarily our error," Sims said. "It was an error of the Department of State."

But the Department of State and the Ethics Commission disputed Sims' account.

Laura Weis, a spokesperson for the state department, said in a statement that at no point had Common Cause Pennsylvania made it aware of any technical issues or problems filing its expense report.

Weis also said the department sent two emails to the organization within a week of the missed deadline. The Ethics Commission said it sent a letter on Aug. 29 by certified mail, addressed to Sims, warning him that his organization would be fined if it didn't file within 30 days.

"I have no information and no knowledge that Common Cause tried to file," said Rob Caruso, executive director of the commission.

Common Cause ultimately filed its report Nov. 2.

On Jan. 31, eight days after Spotlight PA first inquired about the fines, the board chair of Common Cause Pennsylvania, Brian Cullin, said the organization's failure to file the reports on time "is completely contrary to what we stand for."

"It doesn't matter that the amounts we report are small we are still obligated to file, and to file on time," Cullin said. "We failed to do that, and we are very sorry."

Cullin said he was not aware of the failure until Spotlight PA's inquiries. In the future, he said, he will personally file the reports and send them to the Common Cause national office to ensure proper oversight.

"This will not happen again," he said.

Cullin said Common Cause Pennsylvania is interested in negotiating a smaller fine from the Ethics Commission, but presently has no intention to fight the penalty in court.

In 2018, the legislature imposed stiffer penalties for lobbying groups that file late, and that has led to better compliance, said Caruso, of the Ethics Commission. Before the change, the commission fined about 20 groups each year. In 2019, it fined about 10 of the estimated 1,700 groups.

"So overall we are seeing good compliance," Caruso said.

Sims said Common Cause Pennsylvania has long complied with the state's lobbying disclosure law and the late filing was an anomaly.

But Weis, the department spokesperson, said the group was late in filing four other quarterly expense reports since the beginning of 2018. Two occasions resulted in formal notices of non-compliance by the Ethics Commission. In each of those occasions, however, the group filed before the commission issued a penalty.

Sims said he didn't know why the group had missed the deadlines. But he noted that, with an annual budget of \$200,000 and two full-time staff, they spend little on lobbying.

According to the Department of State's website, Common Cause Pennsylvania spent \$5,600 in 2019 on lobbying.

That's about a quarter of the fine it now owes for filing late.

[Saco Sen. Chenette: A more ethical State House is within our sight](#)

This year marks the 10th anniversary of the [Citizens United ruling](#). This infamous Supreme Court case effectively lets big corporations spend unlimited amounts of money on campaigns in the hopes of electing politicians and pushing policies that benefit them. It's pay-to-play politics at its worst. But in Maine, we aren't waiting for Citizens United to be overturned; we're taking matters into our own hands. Maine is taking action now.

As chair of the Government Oversight Committee, co-chair of the Democracy Reform Caucus and a member of the Senate Ethics Committee, I've long fought for common-sense fixes to a broken political system.

Specifically, my focus has been on the amount of undue influence lobbyists and their money have on public policy decisions, the shady use of political action committees, or PACs, and the revolving door of former lawmakers becoming lobbyists. Last year, I introduced a three-part ethics reform package that passed through the Legislature and has now become law.

The first bill bans lobbyist contributions to sitting legislators and legislative candidates, and out-of-state lobbyist contributions to the governor and gubernatorial candidates. Lobbyists represent clients who want legislation passed or defeated to benefit themselves rather than society as a whole. These lobbyists then spread money around to gain access, influence, and the most prized possession, a vote. This vicious cycle of using money as a bidding tool for legislative influence doesn't benefit the average Mainer. It's not advancing good policy. It's simply lining

the pockets of those who pay big money to hire their own lobbyists. The average Mainer can't hire lobbyists, nor should they need to. Legislators are supposed to be the peoples' lobbyist. This bill makes sure both parties are held accountable to everyday Mainers.

The two other parts of the reform package — both of which received unanimous, bipartisan support in the House and Senate — work to complement this massive reform win: One ends the revolving door of lawmakers becoming lobbyists, and the other increases ethics governing political action committees.

After a Republican legislative leader had to step down from his leadership role due to ethics issues in 2017, I knew we needed to look deeper at legislative-led PACs. It turns out, at that time, it wasn't illegal for a legislator to use a PAC, which can accept unlimited amounts of money, as a personal or business slush fund. A bill I sponsored last year ensures that legislators won't profit off political contributions and limits the likelihood of further abuses of PACs.

The revolving door of lawmakers and lobbyists swapping roles gets to the distrust people have in government. [According to the Associated Press](#), 22 former lawmakers became lobbyists over the past three decades and raked in over \$3.6 million in compensation. Many became high-paid lobbyists just shortly after their legislative service ended, with no waiting period. The obvious issue here is trading on your political connections to advance the bottom line of a special interest or corporation. After all, lawmakers know the ins and outs of the system. That's why a bill I sponsored prevents legislators from becoming paid lobbyists until one year after their term ends. This "cooling off" period is similar to regulations in most other states and will help level the playing field between lobbyists and the general public.

Having a government of, by, and for the people should be something that unites us. No longer will we have a political system of the lobbyist, by the corporation and for the bottom line. While this work is never over, the oversight never-ending, and the advocacy a constant battle, we should relish the work of current legislative leaders, who had the courage to finally take on an issue that has long been the third rail in politics. With staunch advocates like the Maine Citizens for Clean Elections, Maine League of Women Voters, End Citizens United and Gov. Mills and legislative leaders like Senate President Troy Jackson and Speaker of the House Sara Gideon, we finally have the backing to continue this fight and to champion a more ethical State House.

Lawmakers are beginning to restore trust, integrity and accountability back into the institution of government by passing comprehensive campaign finance reform.

[New Mexico Ethics Commission seeing no complaints — for now](#)

New Mexico's new Ethics Commission reported Friday it had received no complaints so far about ethical lapses and potential corruption involving public employees, contractors, lobbyists and political candidates.

Agency Executive Director Jeremy Farris told commissioners the lack of complaints was probably a result of the agency's website still being new and because commissioners only have jurisdiction over cases after July 1, 2019.

Requirements that complaints get notarized also may be discouraging people from coming forward, Farris said.

The state Ethics Commission opened in January to field complaints regarding campaign finances, government contracting, gifts from lobbyists and more at a time when there are spending surges on public infrastructure and efforts to influence elections in New Mexico.

No complaints arrived by the end of Thursday for the seven-member commission appointed by legislative leaders and Democratic Gov. Michelle Lujan Grisham.

Commissioner Garrey Carruthers said he hoped lawmakers would later modify the ethics law to drop the notarization requirements. "Not everyone hangs out with notaries," Carruthers said.

Voters overwhelmingly approved the creation of the commission in 2018 in the wake of a series of high profile corruption scandals including jail time for former Republican Secretary of State Dianna Duran and former state Sen. Phil Griego.

Duran was convicted on embezzlement charges for using campaign funds to fuel a gambling addiction, while a jury found Griego guilty of charges including fraud, bribery and embezzlement after using his position to profit from the sale of a state-owned building. Former Taxation Department Secretary Demesia Padilla is fighting a criminal charge of engaging in an official act for personal gain.

The panel has received one request for advice on ethics matters — another core responsibility — and forwarded the response back to the person seeking information. The person wanted to know if a state employee was violating the state's Gift Act if the employee was also receiving a monthly salary from a political campaign committee or organization.

In an advisory opinion, the commission said the limited information provided did not seem to violate the state's Gift Act.

Potential conflicts abound in New Mexico's citizen legislature

Scott Scanland, one of the most influential lobbyists in the New Mexico Legislature, recently surveyed a Senate committee room during a hearing on a bill aimed at more stringently regulating electronic tobacco products.

Scanland represents Altria Client Services Inc., parent company of tobacco giant Philip Morris USA and a variety of other tobacco and cigar brands. Altria also has a 35 percent ownership stake in JUUL Labs Inc., a leading electronic cigarette company.

The lobbyist is married to state Rep. Doreen Gallegos, D-Las Cruces, the House majority whip. Some ethics watchdogs consider this a potential conflict of interest. But it's only one example of many in a citizen Legislature where the potential for such conflicts is endemic, says former state Sen. Dede Feldman.

“Conflict of interest is built into the New Mexico Legislature by virtue of the fact that it's a citizens' legislature where legislators keep their day jobs,” said Feldman, an Albuquerque Democrat who served in the Legislature for 16 years.

In a small state where face-to-face connections are critical and political ties almost inescapable, potential conflicts abound. It's no surprise to learn of state legislators who are married to lobbyists, have lobbyists within their own families, or regularly vote or even sponsor legislation that would support an industry in which the lawmaker has a personal business interest.

New Mexico lawmakers — who are unpaid for their service in the Legislature — work in the oil and gas industry, as cattle ranchers, as teachers, as Realtors, as lawyers, in nonprofits or for other businesses that could be impacted by the legislation they pass.

Gallegos, who is part of the top House Democratic leadership, originally had an interview scheduled with The New Mexican to talk about the potential conflict-of-interest issue. But a spokesman for House Democrats instead provided a statement signed by Gallegos that read: “A simple check of my voting record will show that I have voted on behalf of my constituency and my conscience.”

Feldman and other watchdogs say such ties give rise to potential conflicts, pointing to Rep. Moe Maestas' marriage to another influential lobbyist, Vanessa Alarid. The nonpartisan group New Mexico Ethics Watch included the Gallegos-Scanland and Maestas-Alarid marriages and a handful of others in a report on lobbyists' outsize influence on state lawmakers.

Alarid's client list, like Scanland's, is wide and varied, including the New Mexico Realtors Association, an e-nicotine industry group and Everytown for Gun Safety Action Fund. Both e-nicotine and the gun safety group have interest in legislation this session.

Maestas, D-Albuquerque, who chairs the House Commerce and Economic Development Committee, said he votes on legislation in which his wife is involved "all the time" but it is not a conflict of interest.

"It is a conflict of interest if a particular vote has an economic impact on my family," he said. "But my wife represents her clients; I represent my constituents. And sometimes those interests are the same; sometimes those interests diverge."

House Minority Leader Jim Townsend, R-Artesia, who works as a consultant for an oil and gas company, said the interwoven threads between personal connections, business and politics don't present a conflict and are simply the nature of a citizen legislature. He noted that New Mexico's unsalaried legislators work in a variety of fields and argued that this is a source of expertise.

"I have always been cognizant of the fact that I come from that industry," Townsend said. "I think it does two things: I think it brings strength to the body, and I think it brings factual information."

He added: "I have never recused myself because I can't think of a time I was asked to vote on something that was solely good for Holly [Energy] and not anybody else. I voted for bills that supported the industry; I voted for bills that didn't support the refining industry but were more supportive of the industry as a whole. Anybody can make a case one way or the other."

There are other examples: State Sens. Liz Stefanics, D-Cerrillos, and Candace Gould, R-Albuquerque, also are married to lobbyists — in Gould's case, one who represents the oil and gas industry. Meanwhile, House Speaker Brian Egolf, a Santa Fe Democrat who is a lawyer, has represented the state's largest medical cannabis company, Ultra Health, in lawsuits against the state and is a supporter of Gov. Michelle Lujan Grisham's push to legalize marijuana in the 2020 session for recreational use. Ultra Health CEO Duke Rodriguez has said the company wishes to expand into the full adult-use market.

Egolf declined to say whether Ultra Health remains a client as a vote to legalize marijuana nears, citing attorney privacy rules he said forbid him from doing so. In an interview with The New Mexican, Egolf said representing Ultra Health in the past was "absolutely not" a conflict of interest.

“The vote [that] was taken on medical cannabis resulted in no benefit, no personal benefit to me of any kind,” Egolf said. “So I truly don’t understand what the conflict of interest is.

“Should there be no lawyers in the Legislature?” Egolf added.

Egolf declined a second interview on the topic. In a prepared follow-up statement, he said: “Ethics are of paramount importance in the Legislature and for all elected officials. That is why I began fighting for a statewide independent ethics commission in my very first term in the Legislature.”

He praised the formation of the new State Ethics Commission as a “fair, independent” body and declined to comment on other lawmakers’ potential conflicts of interest.

Jeremy Farris, director of the recently created State Ethics Commission, said he could not offer an opinion on whether close family or personal ties constitute conflicts of interest because he does not want to prejudge matters the commission might look into. He said the commission will investigate issues when it receives complaints.

He added one of the commission’s major tasks is developing a model code of conduct for state agencies and the Legislature that could include a review of the state’s rules on conflicts of interest and situations in which lawmakers should recuse themselves from a vote.

The governor said she hopes the ethics commission will be an effective watchdog as conflicts arise.

“That’s exactly why there needs to be an ethics commission — so that you don’t get someone in my position opining about one legislator and one issue,” Lujan Grisham said in an interview. “You bet it needs to be completely independent. And my expectation is that they’re gonna pay complete attention to these issues and determine whether there are conflicts or not. And I feel really good about the work that they’ve done so far.

“I’m anxious for the ethics commission to get as much clarity about what we can and cannot do, and then I do expect during my term as governor that some legislators in one situation or another ... will be recusing themselves on any number of issues, and I think that’s the whole intent,” she continued.

Currently, it is up to lawmakers themselves to decide when they should recuse themselves from a vote.

Sen. Gregg Fulfer, R-Jal, who owns Fulfer Oil & Cattle Co. and a small newspaper in far southeastern New Mexico, has not refrained from voting on bills affecting the oil and gas industry. The one time he recused himself from a vote was on a bill dealing with water waste from hydraulic fracturing operations while he was in the process of patenting a fracking water recycling plant.

“If it’s a direct relation, I can see maybe doing that, but if it broadly affects the industry that you’re working with and you’re knowledgeable ... I feel like that’s not a conflict,” Fulfer said.

Sen. Jeff Steinborn, D-Las Cruces, who has in the past introduced legislation to force lobbyists to disclose how much their clients are paying, said it’s sometimes “a fine line” between a lawmaker offering their industry expertise and crossing into territory that would give the impression of a conflict.

“Are there lots of conflicts? Yes,” Steinborn said. “Does it get even more nuanced in the sense that some people represent an industry while others may actually be working for things that most people would view in the public good, like teachers?”

Most lawmakers interviewed for this story said industry expertise or knowledge of a certain field is valuable to other lawmakers trying to make sense of bills without paid staff to help them.

But Kathleen Sabo, former executive director of New Mexico Ethics Watch, said the Legislature needs to be far more transparent about potential conflicts.

“These are some of the issues that people who are pushing reform of the Legislature are going to have to figure out,” she said. “I think we get into dangerous territory when we start splitting hairs.”

For now, the Legislature will operate as it has, and most observers don’t see a change anytime soon.

“It is a citizen legislature,” said Paul Gessing, who operates the Rio Grande Foundation, a conservative think tank. “And it’s hard to come up with a conflict-free group of people.”

[NC Senate leader Phil Berger made \\$80,000 selling his house to a lobbyist](#)

State Senate leader Phil Berger sold his townhouse in Raleigh late last year to a well-connected lobbyist for an \$80,000 profit.

Berger was previously the subject of an ethics complaint for [paying himself monthly rent for that townhouse](#) out of his campaign account. He bought the home in 2016 for \$250,000 and sold it in December for \$330,000 — a 32% gain in just three years.

Now, he faces an additional ethics complaint from the same government watchdog, this time focused on the home sale.

State ethics officials knew ahead of time that this sale was in the works and signed off on it, saying it didn't appear to violate ethical rules. But Bob Hall, the former Democracy NC leader who filed the complaint, says it deserves a closer look from a different set of officials.

Berger is a Republican who represents several rural counties on the Virginia border north of Greensboro. But as one of the state's most powerful politicians, he spends much of his time in Raleigh. After living for three years in his townhouse just north of downtown off Capital Boulevard, he and his wife bought a unit in a high-end condo building in Glenwood South last September and finalized the sale of their townhouse a few months later.

The Bergers sold it to Tate Apodaca, a lobbyist for numerous business interests. Some of his clients include insurance company Blue Cross and Blue Shield of North Carolina, tobacco companies Altria and Phillip Morris, and a developer hoping to build [a new casino outside of Charlotte](#) — a controversial plan that Berger has opposed.

Apodaca is also the son of former Sen. Tom Apodaca, a Hendersonville Republican who was a top lieutenant to Berger before he left office in 2016 to become a lobbyist. Both Apodacas lobby on behalf of many of the same clients now, and a message left at their firm, Vista Strategies, was not returned Wednesday.

In addition to the \$80,000 Berger made selling his home, he also previously took \$73,500 from his campaign fund as rent payments to himself, according to veteran government watchdog Hall.

In addition to the townhouse, Berger's campaign also pays a separate monthly rent payment to his law firm in Eden.

“It's the type of manipulative, self-serving ‘official action’ that the Legislative Ethics Commission should declare unethical and stop before more legislators follow its model to enrich themselves,” Hall wrote in his new complaint against Berger on Wednesday.

But Dylan Watts, the N.C. Senate Republican Caucus director, provided proof that the state's top ethics official signed off on the home sale before it went through. He also questioned Hall's motives.

"How many ridiculous hits does it take for people to fact check Bob Hall before believing his smears as fact?" Watts wrote in an email. "For the second time, the alleged 'violation' was pre-approved, this time by the executive director of the State Ethics Commission. This is a non-story about Senator Berger selling his townhome to a longtime family friend for less than the appraised value."

'NO VIOLATION OF THE GIFT BAN'

The younger Apodaca has been working as a lobbyist in North Carolina only since 2019, according to state records. An undated bio on the elder Apodaca's lobbying website says that Tate Apodaca was previously "chasing real estate dreams in Colorado."

The former Berger home appears to be Tate Apodaca's only real estate investment in Wake County, according to government records, which also show that Apodaca also didn't pay an exorbitant price for the home.

The \$330,000 price tag was \$5,000 less than the property's appraised value, according to Wake County real estate records. And since 2018, the records show, eight properties have sold in the neighborhood off Capital Boulevard, all for between \$270,000 and \$350,000.

Norma Houston, a legislative ethics expert at the UNC School of Government, said it doesn't look like either Berger or Apodaca did anything that would run afoul of the state's laws for lawmakers and lobbyists. She was previously the top lawyer for Berger's predecessor, Marc Basnight, a Democrat who was the state Senate leader before Republicans took over in 2011.

While there is a prohibition against lawmakers taking gifts from lobbyists, Houston said, state law specifically exempts contracts and other commercial arrangements that are "made in the normal course of business if not made for lobbying."

In an email, Houston wrote: "did Senator Berger accept an impermissible gift from a lobbyist? In my opinion, the answer is no because the real estate transaction as you have described it does not constitute a gift.

Therefore, she wrote, "there is no violation of the gift ban under the State Ethics Act."

Two state-government bodies judge questions of ethics and issue opinions: The Legislative Ethics Committee and the State Ethics Commission. Houston said she wasn't aware of either board having weighed in on this specific issue.

The State Ethics Commission's executive director, Kathleen Edwards, is the one who pre-approved the sale, according to an email from Edwards to Apodaca that Watts provided. But it's the ethics board run by the legislature that Hall is asking to look into the sale, especially regarding Berger's role.

"Regardless of the role Apodaca had in the scheme, the main focus of my complaint is Sen. Berger's profiteering from official actions he has taken while in public office," Hall wrote in an email.