



M U L T I S T A T E

[In testimony, lobbyists and former UCA president reveal reach of political fundraiser now on trial for bribery](#) (Arkansas)

Testimony about a university already tarnished by public corruption and an illegal but not uncommon campaign finance tactic dominated proceedings Tuesday in the bribery trial of former lobbyist Gilbert Baker.

Along the way, Chief U.S. District Judge D. Price Marshall Jr. denied defense motions for a bench trial and a mistrial and announced that all trial participants except one have tested negative for the coronavirus since he ordered tests last week. The court was still awaiting one juror's results on Tuesday afternoon.

Baker, a former state senator from Conway and former chairman of the Republican Party of Arkansas, is charged with federal bribery, wire fraud and conspiracy. He is accused of being the middleman in an alleged plot in 2013 to bribe former Faulkner County Circuit Judge Michael Maggio on behalf of Michael Morton, a wealthy nursing-home owner and campaign financier. [Maggio and Morton both testified last week.](#)

Lobbyist Marvin Parks testified Tuesday about illegal straw donations he said he made at Baker's request to Maggio's 2014 campaign for the Arkansas Court of Appeals. A straw donor gives another person's money to a political cause but uses his own name in doing so — a way to conceal the true donor's identity.

Parks, a former Republican legislator from Faulkner County, said he and Baker were "lifelong friends." In November 2013, he said, Baker persuaded him to give himself an \$8,500 "bonus" from Arkansans for Lawsuit Reform, a nonprofit for which Parks was treasurer and Baker the unofficial director. The organization, financed heavily though not entirely by Morton, lobbied to pass legislation that would restrict monetary sums juries can award in lawsuits.

Asked if the \$8,500 was really a bonus, Parks said, "No." Instead, Parks testified, Baker wanted him to use the money to donate to Maggio's campaign. Parks said he ultimately gave \$6,000 to the campaign in contributions from himself, his wife and his business.

Assistant U.S. Attorney Julie Peters asked Parks if he was aware that such campaign contributions were illegal. He said he was. When asked if he was aware that his action was illegal, he said, “Certainly it wasn’t one of my better decisions.” It was “unethical,” he said.

Defense attorney Blake Hendrix asked Parks if straw donations were uncommon.

“No, they’re not,” Parks replied. “It’s what happens. This was not a singular event.”

Prosecutors contend that Parks also arranged similar \$8,000 “bonuses” for Little Rock attorney Chris Stewart and lobbyist Bruce Hawkins, at Baker’s request, and each of them in turn saw that \$6,000 was donated to the campaign.

Maggio pleaded guilty to bribery in 2015 and is serving a 10-year prison sentence. Morton has not been charged and denies wrongdoing.

[The case against Baker](#) centers around Maggio’s handling of a negligence lawsuit filed against Morton’s Greenbrier Nursing and Rehabilitation Center over the 2008 death of resident Martha Bull, 76, of Perryville. On May 16, 2013, a Faulkner County jury returned a \$5.2 million judgment for Bull’s family.

On July 8, 2013, Maggio held a hearing on the nursing home’s bid for a new trial or a reduced judgment. That same day, Morton’s office made out checks totaling \$228,000, with \$30,000 of that sum going to political action committees, or PACs, controlled by Baker. Morton has said he intended the PACs to give the money to Maggio’s campaign.

In addition to the money for the PACs, Morton’s checks included \$50,000 for Arkansans for Lawsuit Reform; \$100,000 for the University of Central Arkansas, Baker’s employer at the time; and \$48,000 for the campaign of Rhonda Wood, who was then running for the Arkansas Supreme Court.

The next day, a FedEx package containing the checks arrived at Baker’s home. On July 10, 2013, Maggio reduced the \$5.2 million judgment in the negligence lawsuit to \$1 million.

Later, in testimony before the judge but not jurors, former UCA President Tom Courtway recalled hiring Baker in January 2013 to be his executive assistant — a job that paid about

\$132,000 annually and required, among other things, that Baker lobby for UCA and raise money for the university foundation.

Courtway said Baker told him he also wanted to lobby for legislation restricting lawsuit judgments but that he said no. Courtway said he told Baker that, as a well-paid state employee, Baker was to lobby only for UCA.

Marshall heard the testimony Tuesday to decide if he would allow Courtway to testify before the jury the next day about statements Baker made to him. The defense had argued that some of Courtway's testimony should not be allowed, saying it would address Baker's character rather than whether Baker committed a crime. The judge ultimately decided to allow the content in question but ordered the prosecution to make sure the testimony takes the form of questions and answers, rather than the narrative Courtway delivered on Tuesday.

Just a few months after Baker went to work at UCA, Courtway recalled getting a call from a friend who told him that Baker was indeed lobbying for lawsuit reform legislation at the state Capitol. Courtway said he asked Baker about the matter but that Baker denied doing so. Still, Courtway got another call later.

"I wanted him to go into the Capitol wearing one hat only," Courtway testified.

Courtway was pleased when Baker told him that Morton had contributed \$100,000 to the foundation in July 2013. But Courtway became concerned about the contribution in March 2014 when stories began appearing in the news about Maggio's slashing the lawsuit judgment a day after Morton's package of checks arrived at Baker's home, including the donation to UCA and the money intended for Maggio's campaign.

Courtway said he became curious and asked Baker if he had had any conversations with Maggio about the lawsuit. Baker said he had not, Courtway testified.

"There was something in the press almost every other day about it," Courtway recalled. "It just kept going on and on."

UCA didn't need more controversy, Courtway said.

"We'd gone through two failed presidencies," he said. "I wanted to make sure the reputation of the school was intact."

Courtway was referring to the administrations of Lu Hardin and Allen Meadors. Both men had resigned under pressure. In 2011, Hardin pleaded guilty to felony charges of money laundering and wire fraud, while Meadors pleaded guilty in January 2013 to a misdemeanor violation of the Arkansas Freedom of Information Act.

In late March 2014, Courtway said, he had “a very difficult ... very contentious” meeting with Baker and told him the school was returning Morton’s check.

Courtway said he told Baker he was firing him from the executive job. But, he said, he backed off after pleas from the late former state Sen. Stanley Russ of Conway and Michael Lamoureux, then the president pro tem of the state Senate. (Lamoureux later became chief of staff to Gov. Asa Hutchinson and is now a lobbyist.)

Then, about a week later, a newspaper article reported that one of the people Baker had listed as a PAC officer, Don Thomas, said he’d never authorized Baker to put his name on a PAC.

“That indicated to me it was time to ask for [Baker’s] resignation again,” Courtway said. He did, but because Baker had tenure, he returned to his position as a music instructor, a much lower-paying job. Baker has since retired from UCA.

The prosecution argued that Courtway’s testimony would speak to Baker’s motive of trying to regain Morton’s favor in his battle to win passage of legislation to limit the sums juries can award in lawsuits. In prosecutors’ telling, Baker was concerned that Morton was losing patience with Baker’s lack of progress.

[Morton testified last week](#) that he made an angry call to Baker after learning of the original \$5.2 million judgment in the Bull case. Morton also said that when he mailed the \$228,000 in checks to Baker, he first planned to include just \$25,000 for Baker’s nonprofit, Arkansans for Lawsuit Reform, rather than the \$50,000 Baker had requested.

Morton said he relented, though, and added a second \$25,000 check for the group to the envelope.

[Watchdog accuses Maine GOP lawmakers of violating campaign finance laws](#)
(Maine)

A complaint filed by the Center for Media and Democracy (CMD) alleges that right-wing corporate lobby group the American Legislative Exchange Council (ALEC) gave Republicans

Rep. Matthew Harrington of Sanford and Sen. Trey Stewart of Aroostook illegal in-kind campaign contributions.

According to the [filing](#), ALEC provided both Stewart and Harrington sophisticated voter management software called “ALEC CARE (Constituent Analytics Research Exchange)” during their respective 2020 electoral campaigns and neither reported ALEC’s in-kind contributions on their 2020 campaign finance reports.

ALEC is a corporate-funded organization that brings together industry lobbyists and state lawmakers to craft “model legislation” that is then introduced in state legislatures across the country. The [model bills](#) include everything from corporate tax breaks to privatization and anti-labor measures. According to ALEC, more than 1,000 of these bills are introduced by their legislative members each year with one in five of them enacted into law.

The organization claims to have over 2,000 members — a membership that is “almost exclusively Republican,” according to the suit.

The complaint also notes that Stewart, who recently announced his bid for the Second District U.S. House seat currently held by Rep. Jared Golden, serves on ALEC’s Board of Directors.

Pushing the limits of Maine law

Maine law does permit candidates to accept lists of voter information provided by the parties. However, the suit alleges that the ALEC software is in violation of the law both because of its source as well as the significant additional value of the software in the form of data points and targeting functionalities.

“Information provided to CMD by a whistleblower shows that ALEC members using CARE have access to party affiliation, ideology, issue interest, income, education, religion, Tea Party support, voter history, precinct information, and ‘turnout score’ data for voters in their districts, and services that they can use to create walking lists for door-knocking, set door-knocking and phone calling goals, track supporters, and create Election Day ‘strike lists’ to maximize the turnout of their supporters,” the lawsuit states.

“This is sophisticated software worth thousands of dollars that aids the reelection efforts of these legislators, and the legislators know that,” said Karen Hobert Flynn, president of Common Cause, in a press statement announcing the suit. “This isn’t buying a legislator a cup of coffee to bend their ear about your bill. These are valuable in-kind contributions plain and simple.”

Jonathan Wayne, executive director of the Maine Commission on Governmental Ethics and Elections Practices, told Beacon in an email that “political parties can provide voter lists to nominees in their parties without making a contribution.” However, he noted that “if a source provides valuable voter data or software to a candidate for purposes of promoting their election, that might constitute a contribution, depending on the full circumstances.”

He pointed to an exception in Maine law: “Documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the requirements of this Title, lists of registered voters and voter identification information, created, obtained or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party...”

Based on ALEC’s communications and pricing models, CMD estimates that the software provided to Stewart and Harrington is valued at \$3,000 per legislator, which exceeds Maine’s campaign finance limit. In Maine, the maximum contribution for any state election campaign is \$400. This means a total of \$800 is allowed per cycle for candidates who run in both the primary and general elections.

CMD notes they cannot verify whether candidates used the services in their campaigns and is requesting that the ethics commission initiate an investigation into possible campaign finance violations.

Wayne said the commission “will be gathering preliminary information concerning the complaint, including giving the two legislators an opportunity to respond.” The earliest the commission could meet to discuss whether to conduct an investigation or take further action would be a public meeting in September.

Last week, the ethics commission did vote to launch an investigation into a now-defunct PAC that donated \$150,000 to the Maine Democratic Party in 2018, the Portland Press Herald [reported](#).

Neither Stewart nor Harrington responded to Beacon’s request for comment regarding the allegations.

‘Fraud in plain site’

ALEC CARE is owned and operated by a Republican voter data company called VoterGravity. That company is run by Ned Ryun, who has [ties to the Tea Party](#) and is closely affiliated with the Republic National Committee (RNC), according to CMD.

“It is crystal clear from CMD’s investigation and internal ALEC sources that the CARE program provided by ALEC is just a repackaging of VoterGravity’s highly partisan campaign software, designed to help Republicans win and retain elected office,” Arn Pearson, CMD’s executive director, said in a statement.

“ALEC CARE is a brazen scheme to help ALEC’s overwhelmingly Republican members win re-election,” Pearson added.

The complaint alleges that Stewart and Harrington are likely not the only Maine lawmakers benefiting from illegal contributions from ALEC.

“CMD has only named ALEC and its state chairs in this complaint because ALEC keeps its membership list secret from the public,” CMD’s complaint states.

The organization is asking that the ethics commission “initiate a broader investigation into the alleged violations with respect to all members of ALEC who ran for election in 2020 and require ALEC to provide it with a full membership list.”

CMD filed similar campaign finance complaints in 14 other states. The watchdog group claims ALEC’s software distribution amounts to \$6 million in unreported and illegal in-kind campaign contributions during 2020.

In addition to their campaign finance complaints, CMD has filed an Internal Revenue Service (IRS) whistleblower action against ALEC. CMD believes ALEC violated its 501(c)(3) non-profit status by illegally engaging in political activity by providing “voter management software, training, and support to hundreds of Republican legislators.” Under federal law, 501(c)(3) non-profits are “barred from engaging in electoral activity.”

“ALEC has abused its tax-exempt status for a decade or more,” said Eric Havian, the attorney who filed the IRS claim for CMD. “I can only hope that we have not become too accustomed to fraud in plain sight, and that the IRS will finally take action to stop taxpayers from subsidizing ALEC’s partisan electioneering and lobbying.”

