



Colorado's Top Ten Ethics Scandals of 2008



Sexual Harassment Allegations Force Rep. Michael Garcia to Resign

State Rep. Michael Garcia resigned his seat on February 1, 2008 amid allegations that he exposed himself and made lewd comments to a lobbyist. The lobbyist claimed that she, Rep. Garcia and several other lobbyists were at a Denver bar after a January 7 fundraiser. The lobbyist filed a formal complaint with then House Speaker Andrew Romanoff after four other female lobbyists allegedly told her of similar encounters with Rep. Garcia stretching back seven years. Shortly thereafter, Rep. Garcia resigned.

Governor's Campaign Manager Mishandles Inaugural Committee Funds

Gov. Ritter announced in April that an internal review of his inaugural committee's finances showed that his former campaign manager, Greg Kolomitz, had written unauthorized checks to himself and may have violated state law by using \$217,164 in contributions to the Ritter inaugural committee to repay campaign debts.

Gov. Ritter was the first to alert authorities about the apparent campaign finance violations and, to correct misapplied contributions, took out a personal loan against his house to repay \$200,000 to the inaugural committee.

A special prosecutor investigating Mr. Kolomitz concluded there was insufficient evidence of a crime.

El Paso DA Partying on Taxpayers' Time and Dime

On May 6, a Tuesday, Colorado Springs television station KOAA caught El Paso County District Attorney John Newsome on hidden camera drinking 11 beers in five hours during the middle of the work day, and then driving his county vehicle. KOAA reporters observed Newsome drinking during working hours on four other occasions and that on two of those occasions, Newsome returned to the office to meet with students learning about the judicial system.

To worsen matters, on June 23, the Colorado Springs Gazette reported that Newsome billed taxpayers for \$669 in expenses related to a weekend trip to South Bend, Indiana to watch a football game between his alma mater, the University of Southern California, and Notre Dame University. Newsome reportedly paid for those expenses after a reporter started asking questions about the trip. A special prosecutor assigned to the case has announced that Newsome will plead no contest to a charge of official misconduct.

Not surprisingly, Newsome was defeated in the Republican primary in August by Dan May.

Black Hawk Blows Tax Funds on Home Improvements and Vegas Parties

Because its casinos generate the lion's share of state gaming tax revenue, the relatively small town of Black Hawk receives several million dollars each year for historic preservation and millions more in unrestricted direct grant money from the state limited gaming tax fund. A Channel 7 investigation showed that Black Hawk Mayor David Spellman and some of the city's aldermen have benefited handsomely, receiving nearly \$3 million to renovate their own properties in the town. Mayor Spellman and other city officials also billed Black Hawk for a lavish trip to Las Vegas for themselves and their spouses.

Realizing that public scrutiny had caught up to them, the Black Hawk council attempted to legitimize the windfall of money it receives by passing an ordinance classifying all of its public works and fire department spending as "historic preservation." In reality, this just freed up Black Hawk's unrestricted gaming tax revenue for other, unknown purposes.

On May 30, Ethics Watch called on state legislators to reform the program for the allocation of gaming tax revenues. In December, the state Limited Gaming Control Commission echoed Ethics Watch's call for reform. Black Hawk's spending of historic preservation money has also been the subject of a state criminal investigation.

State Agency Attempts to Cover \$8M Mistake and Fires Whistleblower

In July, the Colorado Department of Health Care Policy and Financing (HCPF) fired department employee Annmarie Maynard after learning that she had gone public about an \$8 million mistake within the department. Ms. Maynard alleged that the HCPF attempted to cover up the mistake. To garner proof, she had secretly taped a meeting in which the controller and budget analyst discussed ways to change information so it would be difficult for auditors to notice how much money Colorado actually owes the federal government.

The State Personnel Board found that HCPF and Executive Director Joan Henneberry violated the state Whistleblower Act by firing Ms. Maynard. Ms. Maynard also won unemployment benefits after a hearing officer found that the HCPF's stated reasons for firing Maynard were false.

Incredibly, Ms. Henneberry responded to the situation not by addressing the attempted cover up, but instead by issuing a policy forbidding employees from recording conversations without the consent of all parties involved. Although Ms. Henneberry defended the policy as necessary to protect confidential information, it appeared to be a mechanism for preventing future whistleblowers from revealing fraud or abuse of the system.

On January 2, 2009, Gov. Bill Ritter asked for a review of the new taping policy. Better heads prevailed when, on January 9, Ms. Henneberry announced that the new anti-taping policy would be rescinded.

Oil and Gas Regulators in Bed with Industry

In September, a report from the U.S. Department of Interior (DOI), inspector general's office revealed problems with more than a dozen employees of the DOI, Minerals Management Service (MMS). Apparently, many of these employees were engaging in promiscuous sex with oil and gas industry representatives, drug abuse and accepting gifts and gratuities from oil and gas companies, the very people they are responsible for regulating.

The MMS is in charge of collecting approximately \$10 billion annually in royalties from oil and gas companies. Based in the Lakewood Federal Center and modeled to function like a private sector energy company, the royalty-in-kind program sells oil and gas on the open market.

The investigation revealed that in addition to accepting drugs, sex and gifts, some MMS employees were involved in bid rigging and rewriting existing contracts to the benefit of industry. Some MMS employees even accepted outside "consulting" business from oil and gas companies while employed by the federal government.

In their purported defense, MMS employees told investigators that they viewed themselves as exempt from government ethics rules and claimed that it was necessary to socialize with oil company executives in order to gain "market intelligence."

The reports released by the Interior Department's Inspector General revealed that the reprehensible behavior of the MMS employees padded the coffers of the oil and gas industry while costing the American taxpayer well into the billions.

Election Director Abruptly Resigns During Conflict of Interest Investigation

On September 10, State Elections Director Holly Lowder abruptly resigned after Ethics Watch exposed that Lowder leased a condominium from voter database consultant, John Paulsen, who had received at least \$184,000 in state contracts from Lowder's office.

Records obtained by Ethics Watch revealed that Ms. Lowder not only lived in Mr. Paulsen's condominium but also that the two shared the same phone number for a period of time. The relationship between Ms. Lowder and Mr. Paulsen had been well-known for many years among county clerks and state election workers. Once the flagrant conflict of interest was exposed, the secretary of state's spokesman claimed that his office had investigated Ms. Lowder's conflicts with Mr. Paulsen and took action, but he never specified what action was taken. In fact, Mr. Paulsen's contracts with the department were not terminated even though those contracts required him to avoid conflicts of

interest. Ms. Lowder's resignation came just two months before the 2008 general election, causing even more uncertainty in a highly watched election.

Shamed U.S. District Court Judge "Naughty" Nottingham Resigns Lifetime Appointment

U.S. District Court Judge Edward Nottingham resigned in October 2008 amid four complaints of judicial misconduct. First, Judge Nottingham admitted spending \$3,000 at a Denver strip club, behavior that brought disrepute to the judiciary. In his defense, Judge Nottingham claimed that he drank so much he could not remember what happened. Another complaint alleged that Judge Nottingham parked in a handicapped parking space and threatened to use his official position against a woman who complained. Judge Nottingham was also accused of accessing pornographic websites from his court-issued computer and then lying to investigators about it, soliciting prostitutes on his court-issued cell phone and asking a prostitute to mislead investigators about their relationship.

In a letter to President Bush dated October 21, 2008, Judge Nottingham resigned his lifetime appointment as a United States District Judge for the District of Colorado. All complaints against Nottingham were dismissed as moot when he tendered his resignation.

Secretary of State Mike Coffman's Grand Exit - The Great Voter Purge of 2008

As part of his or her official duties, the Colorado Secretary of State is entrusted to ensure that eligible voters can exercise the fundamental, constitutional right to vote. Former Secretary of State Mike Coffman took a different approach. Evidence submitted by the plaintiffs in a federal voting rights lawsuit against Sec. Coffman showed that his office illegally removed an estimated 12,000 voters from voter registration lists after the federal cutoff date.

On October 29, U.S. District Court Judge John Kane entered a temporary restraining order requiring that voters purged after the cutoff date be presumed eligible to vote. After the order, Sec. Coffman continued to remove voters from the rolls. Judge Kane scolded Sec. Coffman and commanded him to stop. "I don't issue threats idly, and I'm not issuing one now. ... I expect to be obeyed," Judge Kane said. Sec. Coffman then stated that he would reinstate all of the voter registrations that he had purged after the October 29 order.

Chiropractic Lobbyist Has Rep. David Balmer's Back

House Minority Leader Mike May's surprising announcement on December 12 that he intended to retire to look after his personal business set off a heated battle to elect his successor. So heated, in fact, that Rep. May changed his mind and decided to continue serving after he learned that a lobbyist for the Colorado Chiropractic Association had contacted an uncommitted legislator to garner her support for Rep. David Balmer's bid for minority leader. Rep. May also filed an ethics complaint against Rep. Balmer asking

the House Ethics Committee to determine whether Rep. Balmer coordinated with the lobbyist to unlawfully influence the Republican House leadership election.

This matter is now the subject of two legislative ethics committee investigations. Legislators are trying to determine whether Rep. Balmer was involved and whether the chiropractors' lobbyist violated the rule against lobbyist involvement in leadership elections by offering contributions from the chiropractors' PAC in exchange for votes in favor of Rep. Balmer.

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