

BEFORE THE ARKANSAS ETHICS COMMISSION

FILED

APR 29 2019

Case No. 2018-CO-078

ARKANSAS ETHICS
COMMISSION

BY

[Signature]

**In Re: Jim Dotson
Respondent**

FINAL ORDER

Came for a final adjudication hearing on April 19, 2019, the complaint filed in this case against the Respondent, Jim Dotson, and based upon due consideration of both the evidence presented at that hearing and the applicable law, the Arkansas Ethics Commission (hereinafter the "Commission") hereby makes the following findings of fact and conclusions of law:

1. The Commission has jurisdiction over this matter pursuant to Ark. Code Ann. § 7-6-218.

2. The Respondent is a citizen of the State of Arkansas who, at all times relevant to this case, was a State Representative and candidate for reelection to the office of State Representative.

3. The Commission is charged with enforcing Ark. Code Ann. § 7-6-203 which, at all times relevant to this case, provided, in pertinent part, as follows:

(a)(1)(A) It shall be unlawful for any candidate for any public office or for any person acting on the candidate's behalf to accept campaign contributions in excess of two thousand seven hundred dollars (\$2,700) per election from:

- (i) An individual;
- (ii) A political party that meets the definition of a political party under § 7-1-101;
- (iii) A political party that meets the requirements of § 7-7-205;
- (iv) A county political party committee;
- (v) A legislative caucus committee; or

(vi) An approved political action committee.

(B) It shall be unlawful for a candidate for a public office or for any person acting on the candidate's behalf to accept a campaign contribution from a prospective contributor other than those under subdivisions (a)(1)(A)(i)-(vi) of this section.

4. On November 1, 2018, the Commission received a complaint against the Respondent in his capacity as a candidate for State Representative during the 2018 election cycle. Briefly restated, the pertinent allegations of that complaint were as follows:

(a) During the period of time from February through May of 2018, the Respondent had 9 or more campaign billboards which are estimated to have a fair market value of at least \$39,250.

(b) For that same period of time, the Respondent's campaign contribution and expenditure ("C&E") reports reflected that he paid \$17,500 for billboards and received non money ("in-kind") contributions in the amount of \$8,096 from three (3) executives of the company that provided the billboards.

(c) Based upon the foregoing, the Respondent received a deep discount from the company that provided the billboards.

5. On November 7, 2018, the Commission sent the Respondent a letter, via certified mail with a return receipt requested, to notify him that an investigation was being commenced concerning the allegations set forth above. The letter went on to state that the focus of the investigation with regard to those allegations would be whether or not he violated Ark. Code Ann. §§ 7-6-207(b)(1), 7-6-203(a)(1)(A), and/or 7-6-203(a)(1)(B).

6. The November 7, 2018, certified letter was returned "Unclaimed Unable to Forward". Subsequently, staff was able to make contact with Representative Dotson via telephone

and email, and Representative Dotson confirmed receipt of the complaint via email dated January 8, 2019.

7. On November 16, 2018, staff presented the preliminary results of its investigation to the Commission at its regular monthly meeting and was instructed to complete the investigation. The Respondent was notified of the Commission's decision by letter dated December 4, 2018.

8. On March 5, 2019, the Commission sent the Respondent a letter, via first-class mail, to notify him that the results of the investigation would be presented to the Commission at its regular monthly meeting on March 15, 2019, for purposes of determining whether or not probable cause existed for the finding of a violation.

9. On March 15, 2019, the Commission considered the results of staff's investigation and decided by a vote of 3-0, with Commissioners Younger and Eastwood not present, that probable cause existed for finding that the Respondent unintentionally violated Ark. Code Ann. § 7-6-203(a)(1)(B) by accepting campaign contributions from an entity that is not a permissible contributor in the form of non-money contributions of digital billboard advertising from Ashby Street Outdoor Advertising.

10. On March 15, 2019, the Commission sent a letter to the Respondent, via first-class mail, notifying him of the Commission's decision that probable cause existed for finding that the Respondent unintentionally violated Ark. Code Ann. § 7-6-203(a)(1)(B) in his capacity as a candidate for State Representative during the 2018 election cycle.

11. In accordance with the Commission's Rules of Practice and Procedure, the March 15, 2019, letter contained a written Offer of Settlement with the proposed outcome being the issuance of a Public Letter of Caution, which is the lowest level of public letter issued by the Commission, and the imposition of a fine in the amount of One Hundred Dollars (\$100.00).

12. On April 9, 2019, the Commission sent the Respondent a letter, via first-class mail, confirming that the Respondent had verbally notified the Commission that he wished to decline the written Offer of Settlement. Said letter contained a separate written notice of final adjudication hearing providing the information required in Ark. Code Ann. § 25-15-208(a)(2).

13. The Respondent appeared at the final adjudication hearing which was held during the Commission's confidential session on April 19, 2019. Said hearing was conducted in accordance with Ark. Code Ann. § 25-15-213.

14. At the final adjudication hearing, a set of joint stipulation of facts, entered into on March 29, 2019, was admitted into evidence. Pursuant thereto, the following facts were agreed upon:

(a) Jim Dotson was a candidate for State Representative during the 2018 election cycle.

(b) In addition to advertising space that Representative Dotson's campaign purchased from Ashby Street Outdoor Advertising ("ASOA"), three of the co-owners of ASOA, Whit Weeks, Jim Matalone, and Jason Fowler, wanted to individually make non-money (in-kind) contributions in the form of digital billboard advertising space to the campaign.

(c) At the end of each month, Representative Dotson was informed by ASOA of the value of the digital advertising his campaign had received that previous month and from which individual the non-money (in-kind) contribution the digital advertising was from and from whom it should be attributed on his Campaign Contribution and Expenditure Reports.

(d) ASOA is a limited liability company.

(e) The three individuals who were attributed as the contributors of the non-money (in-kind) contributions never reimbursed or compensated ASOA for the value of the digital advertising provided to the campaign at no charge because they did not know they needed to in order to make the contributions from themselves and not ASOA.

(f) Representative Dotson understood that he could not take campaign contributions from a person not listed in Ark. Code Ann. § 7-6-203(a)(1)(B) and believed at the time of the acceptance of the digital advertising that he was accepting the advertising from individuals.

(g) There was no intent on the part of Representative Dotson or Mr. Weeks, Mr. Matalone, and/or Mr. Fowler to violate the law.

15. At the conclusion of the final adjudication hearing, the Commission conducted its deliberations and then returned to public session. When it returned to public session, the Commission voted on the following matter:

A motion was made by Commissioner Klein and seconded by Commissioner Younger to find that the Respondent unintentionally violated § 7-6-203(a)(1)(B) by accepting campaign contributions from an entity not listed as a permissible contributor and that the Respondent shall be issued a Public Letter of Caution and fined Fifty Dollars (\$50.00). The motion passed by a vote of 3-0, with Commissioners Eastwood and Hampton not present.

16. The Respondent committed a violation of Ark. Code Ann. § 7-6-203(a)(1)(B) by accepting campaign contributions from an entity that is not a permissible contributor in the form of non-money contributions of digital billboard advertising from Ashby Street Outdoor Advertising.

17. With respect to the Respondent's violation of Ark. Code Ann. § 7-6-203(a)(1)(B), the Commission found that a Public Letter of Caution shall be issued.

18. With respect to the Respondent's violation, the Commission found that a fine of Fifty Dollars (\$50.00) shall be imposed.

19. The Fifty Dollars (\$50.00) fine imposed shall be due and payable within thirty (30) days from the entry of this Order.

IT IS, THEREFORE, CONSIDERED, DECIDED and ORDERED by the Commission that the Respondent, Jim Dotson, shall be found to have unintentionally violated Ark. Code Ann. § 7-6-203(a)(1)(B) in his capacity as a State Representative and candidate for reelection to the office of State Representative, that the Respondent shall be issued a Public Letter of Caution, and fined Fifty Dollars (\$50.00), with that amount due and payable within thirty (30) days from the entry of this Order.

IT IS SO ORDERED this 29 day of April, 2019.



TONY JUNEAU, Chairman
Arkansas Ethics Commission