

21 VICE CHAIRMAN SMART: Now we go back to
22 Number 29. Steve, you want to tee it off and then
23 we'll let Mr. Allen speak.
24 MEMBER COFFRIN: He's here now. This is

7

1 Robert Eddy.

2 VICE CHAIRMAN SMART: Thank you. We didn't
3 know you were here, Mr. Eddy. Mr. Allen is here.

4 MR. EDDY: I'm just here because I was advised
5 to be here to listen to the proceedings.

6 Obviously, the hearing officer's decision I agree
7 with. I'm just here in case there was someone who
8 showed up on the other side of the issue.

9 VICE CHAIRMAN SMART: And he did. So okay,
10 Steve?

11 MR. SANDVOSS: This was a complaint filed
12 against Mr. Eddy alleging three violations of the
13 Campaign Finance Act, the first one being illegally
14 accepting a contribution from a unit of government;
15 second, an impermissible use of campaign funds; and
16 third was accepting, I believe it was, a
17 contribution on county-owned property.

18 The recommendation of the hearing officer
19 was that the complaint to be found not filed on
20 justifiable grounds based on the Board not
21 considering complaints involving -- whose violation
22 involve criminal penalties. And of course, the
23 acceptance or the expenditure of public funds to
24 support candidates of referenda is contained in

1 9-25.1 which provides criminal penalties for a
2 violation. In a previous case, the Board has
3 indicated that it will not consider such
4 complaints.

5 The second allegation, the hearing officer
6 concluded that it was not an impermissible
7 expenditure of campaign funds. It was not in
8 satisfaction of a debt since there was no
9 obligation on the part of the contributor to
10 reimburse the school. It was more like a gift.

11 And the third allegation was that
12 insufficient evidence was presented to justify a
13 complaint. In any event, the State Board doesn't
14 consider violations of that nature.

15 So his recommendation was to dismiss the
16 complaint, and I concurred with that.

17 VICE CHAIRMAN SMART: Mr. Allen?

18 MR. ALLEN: How much time do I have, sir?

19 VICE CHAIRMAN SMART: Five to ten minutes. How
20 much time do you need?

21 MR. ALLEN: Excuse me?

22 VICE CHAIRMAN SMART: How much time do you
23 need?

24 MR. ALLEN: It shouldn't be more than that. I

1 have the information that I would like to share if
2 you would like copies of it. I can hand those out.

3 VICE CHAIRMAN SMART: Is it anything in
4 addition to what was at the closed hearing?

5 MR. ALLEN: Yes, sir.

6 VICE CHAIRMAN SMART: Do we accept those?

7 MR. SANDVOSS: Anything that could have been
8 presented at the closed hearing that was not
9 presented is not to be considered by the Board
10 pursuant to Board rule. So the Board should not
11 consider it.

12 MR. ALLEN: In regards to the second allegation
13 where Mr. Eddy used campaign money to pay his
14 school's expenses of which he was the
15 superintendent of that school, in that closed
16 hearing, he specifically stated that those expenses
17 that were incurred were reimbursed.

18 I understand that the law doesn't say --
19 in fact, Mr. Nauman referenced it in regards to you
20 can use public money -- you can't use public money
21 for political but the converse is not true.

22 For those that are familiar with Dillon's
23 rule, the law is very clear. You only have the
24 powers that are given. And when you look at the

1 definitions of a contribution of which Mr. Eddy is
2 calling this, it does not meet the definitions of
3 contribution, not even remotely close.

4 In that regard, 9-8.1, Paragraph 3, A
5 political committee may not make expenditures for
6 satisfaction or repayment of any debt other than
7 loans made to the committee, and it gives
8 additional descriptions.

9 Under that statute, Mr. Eddy clearly
10 incurred a debt in his capacity as a sitting
11 superintendent, and those bills were paid with
12 public money and he took his campaign money to pay
13 the school back.

14 And if that's not -- I'm not sure how that
15 falls into the definition of a contribution. It
16 doesn't meet the definition in the statute. When
17 you look at the expenditure guidelines, it wasn't
18 an expenditure. Those monies were paid out. It
19 neither meets the expenditure definition in the
20 statute nor does it meet the contribution statute.

21 And the powers are very clear, and if
22 we're not going to follow that rule of law, I'm not
23 sure how we avoid a slippery slope of calling
24 everything a donation and giving it wherever you

1 want. I don't have any other -- any other
2 comments.

3 MEMBER BYERS: Steve, what's your response?

4 MR. SANDVOSS: Well, I was going to wait to
5 hear if Mr. Eddy had any rebuttal, and then I will
6 give my comments.

7 VICE CHAIRMAN SMART: Mr. Eddy, would you like
8 to rebut any of that?

9 MR. EDDY: Well, only that school districts
10 receive contributions from campaigns on a pretty
11 regular basis that I'm aware of for a variety of
12 reasons, and the contribution that I made to the
13 school district was to ensure that the district did
14 not incur expenses that might hinder them from
15 fulfilling their primary purposes to educate
16 children.

17 So it was a contribution in order so that
18 the school district could use money that's spent to
19 educate children to educate children.

20 MEMBER SCHOLZ: Mr. Eddy, I think the issue is
21 debt versus contribution would be if the debt --

22 MEMBER COFFRIN: You're going to have to speak
23 up, Chuck.

24 MEMBER SCHOLZ: If the debt was something that

1 you were legally responsible for, it's your
2 position that these were expenses that the school
3 district would have paid legal expenses and so
4 forth and been responsible for and you were just
5 making a voluntary contribution to cover those?

6 MR. EDDY: That's right. The school district
7 was the subject of the Freedom of Information Act
8 request that resulted in the expenditure. It
9 wasn't a personal expense. So the contribution was
10 made to the school district.

11 MEMBER SCHOLZ: So I don't think it's a debt,
12 Mr. Allen, under the definition that you've cited.
13 It sounds like a voluntary contribution.

14 MR. ALLEN: I would agree with that had -- and
15 we submitted this with our original complaint --
16 had it not been for this very statement: Mr. Eddy
17 reimbursed the school district for not only the
18 amounts of the invoices from our law firm but also
19 additional amount to help cover costs of paper,
20 copying expenses, postage as well as time and
21 labor.

22 They acknowledged in this information
23 submitted as his sitting capacity as a sitting
24 State Representative, this came from that FOIA

1 request that those payments were to cover legal
2 expenses of a public body.

3 MEMBER SCHOLZ: But he wasn't required to do
4 that.

5 MR. ALLEN: Where in the law does it say he can
6 do that? If we only have powers that are
7 granted --

8 MEMBER SCHOLZ: The hearing officer's report is
9 that you can't use public money, but the converse
10 is not true. You can accept a campaign
11 contribution to a public entity. I think there's
12 no prohibition in the law.

13 MR. ALLEN: Well, I believe that there is when
14 you look at the definition of a campaign
15 contribution. When you look under the definition
16 of a contribution, it specifically spells out:
17 Contribution, a gift, subscription, donation, dues,
18 loan, advance, deposited money or anything of value
19 knowingly received in connection with the
20 nomination for election, election or retention of
21 any candidate or person to or in public office.

22 This was not a donation knowingly received
23 in connection with any of those issues. Under 1.5,
24 it outlines those very same descriptions and it has

1 to constitute an electioneering communication. It
2 was not that either.

3 The other item, Number 2 under
4 Section 9-1.4, the purchase of tickets for
5 fund-raising made in connection with nomination.
6 None of these contributions were made in connection
7 with anything. If the definition of contribution
8 is our rule of law, where has he complied with the
9 definition of that contribution?

10 MEMBER SCHOLZ: Well, counsel, is there any
11 prohibition against a political fund making a
12 donation to a charitable cause or something that's
13 not paying directly for the advancement of the
14 committee's purpose to elect a candidate?

15 MR. SANDVOSS: No. In this case, there's no
16 prohibition on the expenditure of Mr. Eddy that he
17 made to the school.

18 I think Mr. Allen is correct that this
19 donation, okay, and I use that in the generic
20 sense, does not fall under the definition of
21 contribution set forth in the code. But that
22 doesn't make it an illegal expenditure. In order
23 for an expenditure to be illegal, it has to run
24 afoul of one of the prohibited expenditures listed

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1 in 9-8.10, and I don't believe any of the
2 prohibited expenditures in 9-8.10 covers what
3 Mr. Eddy did.

4 So I think the hearing officer was correct
5 in dismissing that count of the complaint.

6 VICE CHAIRMAN SMART: Now if he hadn't given
7 them the money, you wouldn't have a charge, right?

8 MR. ALLEN: I'm sorry?

9 VICE CHAIRMAN SMART: If I heard him correctly,
10 he thought it was the appropriate thing to do to
11 reimburse the school district for these expenses.
12 Now had he not chosen to do that, what would you be
13 charging with him?

14 MR. ALLEN: There wouldn't be a complaint in
15 that regard, correct.

16 VICE CHAIRMAN SMART: Yes. So he's being
17 penalized for being nice, in other words.

18 MR. ALLEN: Well, when -- is it an expenditure?
19 Can we concur it's an expenditure? Do not
20 expenditures have to meet the definition of an
21 expenditure before we step forward to what's
22 prohibited?

23 VICE CHAIRMAN SMART: I don't know that -- I
24 don't see it as prohibited, but maybe you do. But

1 once he paid it, it became an expenditure.

2 MR. ALLEN: And it was an expenditure that
3 doesn't conform to the statute's definition of an
4 legal expenditure. It defines what an expenditure
5 is.

6 Mr. Eddy, as a sitting superintendent,
7 incurred debt in that school. He commingled his
8 operations as a sitting State Representative in
9 that position, not only as a superintendent, but
10 his chairman and his treasurer of his campaign are
11 his employers as board members in that
12 organization. The commingling --

13 VICE CHAIRMAN SMART: I would consider them his
14 boss in that situation, not his --

15 MR. ALLEN: Correct, his board members are his
16 boss, but they're also his campaign chairman and
17 his treasurer for his campaign. And the
18 superintendent -- assistant superintendent
19 specifically outlined these expenditures were to
20 cover expenses of a public school district. That
21 is not a donation and that is not a legal
22 expenditure.

23 VICE CHAIRMAN SMART: I think we disagree with
24 you, but this is America.

1 MR. ALLEN: I understand. Yes, sir.

2 MEMBER BYERS: Mr. Chairman, I think I agree
3 with Mr. Allen. I think Mr. Eddy was taking
4 advantage of the taxpayers of his school district
5 by using his office and his equipment and the
6 telephones and copy machines, his board members;
7 and for a State Representative, I find this highly
8 unethical on his part, and I just don't know where
9 -- I never heard of schools making -- or people
10 campaigning for office making donations to schools.
11 And I ran for office six or eight times and I never
12 made any donations to any schools. No schools
13 never asked me. And I probably wouldn't have given
14 them one.

15 I find this highly -- maybe on the eastern
16 side of the State of Illinois they do things
17 differently than on the western side, but I never
18 heard of anything like this, and I agree with
19 Mr. Allen. I think there was a lot of unethical
20 conduct here that was totally avoidable. He should
21 have had a separate campaign office and separate
22 equipment, separate phones, the whole thing. I'm
23 sure he probably used the school phone and long
24 distance calls and things of that nature that's not

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1 showing up here.

2 MR. ALLEN: Actually I have evidence to that
3 that I brought up at the last meeting, sir.

4 MEMBER SCHOLZ: I think, Member Byers, in this
5 case, what we're talking about, these funds
6 covering were obligations of the school district to
7 respond to FOIA requests and seek legal advice for
8 the district. So I don't think it was anything
9 that Mr. Eddy was obligated to pay which would I
10 think again be the key issue here whether it was
11 repayment of a debt or whether it was a
12 contribution.

13 MR. ALLEN: If I may, I believe it's a D-4
14 filing. He's made other contributions to the
15 school, and those were in fact listed as
16 contributions. This particular one that we
17 complained about was listed as a legal -- a
18 reimbursement of legal fees.

19 I don't see how a campaign can reimburse
20 legal fees of a public body. That's how he had
21 listed it.

22 VICE CHAIRMAN SMART: Well, weren't the
23 expenses, as Mr. Scholz just said, for legal
24 expenses incurred answering the FOIA request?

1 MR. ALLEN: Actually, it was for several
2 things. It was for a FOIA request. It was
3 e-mails. There was a whole litany of things, and
4 he's not identified what specific things were and
5 were not political in nature as he tried to at the
6 last meetings. He claimed that they were all
7 political in nature, and they were not all.

8 Looking at the invoice that we supplied in
9 our original complaint, there were things on that
10 invoice from the attorney's office to that public
11 body that had nothing to do with a FOIA, e-mails,
12 phone calls from the superintendent, bills he
13 incurred as a sitting superintendent; and after he
14 stepped out of the race and resigned from his
15 position as State Representative, he paid money
16 back to the school for legal fee reimbursements.

17 I don't see how that's a legal
18 expenditure. The definition of expenditure is very
19 clear. If it doesn't meet that definition, I
20 believe we're looking at a very slippery slope to
21 allow so many things to go random. That's where I
22 believe Dillon's rule comes back into play. If the
23 law doesn't give you the permission, you don't have
24 the permission.

1 I understand there's listed prohibitions,
2 but before we can step to prohibitions, we have to
3 define, is it an expenditure? No, it is not. It
4 does not meet the definition of an expenditure nor
5 does it meet the definition of a contribution. And
6 those are very clear definitions. And if we don't
7 follow those definitions, I'm not sure if I follow
8 where we're going with our rules.

9 I'm not an attorney, I apologize. I've
10 done the best I can trying to put this information
11 together, and I tried to hone it to specifics that
12 we knew from our understanding were in violation.
13 We had numerous other things we could have filed
14 complaints on that we didn't that we discussed at
15 the last meeting, but, apparently, since it wasn't
16 on the original filing, I wasn't allowed to
17 continue that introduction on that report.

18 VICE CHAIRMAN SMART: Steve, have you changed
19 your mind?

20 MR. SANDVOSS: No.

21 MEMBER COFFRIN: Mr. Chairman, we may have a
22 comment. Do you have another comment?

23 MR. EDDY: Well, first, I wasn't able to even
24 determine who it was that was speaking and heard

1 very little of the comments that were made because
2 it's hard to hear the comments.

3 I guess I just want -- all I was trying to
4 do was in a situation where the school district was
5 responsible for legal costs related to FOIAs that
6 requested information that was used in a political
7 nature in campaign fliers and other types of
8 political attacks to make sure that the school
9 district itself didn't incur a debt.

10 And I, without any requirement,
11 voluntarily reimbursed the school district from the
12 campaign fund. It was an attempt to do what I
13 thought was right, and that's really the extent of
14 it. It was an attempt to make sure that what I
15 considered to be, in a political primary situation,
16 innocent people weren't affected by costs incurred.
17 It's that simple.

18 And I had no obligation to do it. The
19 school district is the public body that had the
20 obligation to respond to the FOIA. I voluntarily
21 provided them with funds to make sure it was a --
22 it was a contribution to make sure that they were
23 made whole.

24 VICE CHAIRMAN SMART: Thank you, sir. That

22

1 helps. Okay. I think all has been said that needs
2 to be said. We need a motion.

3 MEMBER SCHOLZ: I would make a motion that we
4 concur with the legal counsel's recommendation.

5 MEMBER COFFRIN: Second.

6 VICE CHAIRMAN SMART: It's been moved and
7 seconded. Any further discussion from Board
8 members?

9 MEMBER GOWEN: And that would be that the
10 complaint be dismissed?

11 MEMBER SCHOLZ: Correct.

12 VICE CHAIRMAN SMART: Correct. Roll call.

13 MS. GLAZIER: Mr. Byers?

14 MEMBER BYERS: No.

15 MS. GLAZIER: Ms. Coffrin?

16 MEMBER COFFRIN: Yes.

17 MS. GLAZIER: Mr. Gowen?

18 MEMBER GOWEN: Yes.

19 MS. GLAZIER: Ms. Rice?

20 MEMBER RICE: (Member Scholz) Aye.

21 MS. GLAZIER: Mr. Schneider?

22 MEMBER SCHNEIDER: (Vice Chairman Smart) Yes.

23 MS. GLAZIER: Mr. Scholz?

24 MEMBER SCHOLZ: Aye.

1 MS. GLAZIER: Vice Chairman Smart?
2 VICE CHAIRMAN SMART: Yes.
3 MS. GLAZIER: Chairman McGuffage?
4 CHAIRMAN MCGUFFAGE: (Member Scholz) Aye.
5 VICE CHAIRMAN SMART: Motion carries.
6 Thank you, Mr. Allen, for taking the
7 trouble to come.
8 MR. ALLEN: Thank you for your time, gentlemen.
9 VICE CHAIRMAN SMART: Appreciate you being
10 here.
11 MEMBER COFFRIN: We need to thank Mr. Eddy,
12 too, because he took the time to be here.
13 VICE CHAIRMAN SMART: Right. We do. And as I
14 said earlier, I think you did what you thought was
15 right, and we appreciate that.
16 MR. EDDY: Thank you. I appreciate your
17 attention and time.
18 VICE CHAIRMAN SMART: Now somebody is here on
19 Item 30.
20 MR. BORGS MILLER: It's Doug Ibendahl.
21 VICE CHAIRMAN SMART: Steve, you want to key it
22 up?
23 MR. SANDVOSS: Yes, this is a complaint --
24 VICE CHAIRMAN SMART: You can come on up, sir.

1 MR. SANDVOSS: This is a complaint alleging
2 that the respondent failed to list on a
3 Schedule A-1 loans that were made by the candidate
4 to his committee. The hearing was held -- a closed
5 preliminary hearing was held, and the hearing
6 officer, her opinion was that the complaint was
7 filed on justifiable grounds as loans were received
8 by the candidate but were not reported on a
9 Schedule A-1.

10 However, she also noted the Board policy
11 where a candidate contributes money to their own
12 campaign not realizing that those loans are subject
13 to a Schedule A-1 just like any other contribution,
14 that they be granted a one-time amnesty and not be
15 assessed a civil penalty but that they be put on
16 notice that in future reports they would be
17 required to file Schedule A-1 reports when any
18 contribution or loan which is under the definition
19 of contribution is received by the committee.

20 So she's recommending that no additional
21 action be taken against this committee, and I
22 concur with that recommendation.

23 VICE CHAIRMAN SMART: Do you want to identify
24 yourself and state your name?

1 MR. IBENDAHL: Sure. My name is Doug Ibendahl.
2 Good morning. I'm here on behalf of the
3 complainant, Mark Batinick. I would simply ask
4 also that the recommendation of the hearing officer
5 be accepted.

6 VICE CHAIRMAN SMART: Thank you, sir. I think
7 that entitles us to a motion.

8 MEMBER SCHOLZ: I'll so move.

9 MEMBER BYERS: Second.

10 VICE CHAIRMAN SMART: Moved and seconded. Any
11 other discussion? Roll call.

12 MS. GLAZIER: Mr. Byers?

13 MEMBER BYERS: Aye.

14 MS. GLAZIER: Ms. Coffrin?

15 MEMBER COFFRIN: Yes.

16 MS. GLAZIER: Mr. Gowen?

17 MEMBER GOWEN: Yes.

18 MS. GLAZIER: Ms. Rice?

19 MEMBER RICE: (Member Scholz) Aye.

20 MS. GLAZIER: Mr. Schneider?

21 MEMBER SCHNEIDER: (Vice Chairman Smart) Yes.

22 MS. GLAZIER: Mr. Scholz?

23 MEMBER SCHOLZ: Aye.

24 MS. GLAZIER: Vice Chairman Smart?

1 VICE CHAIRMAN SMART: Yes.

2 MS. GLAZIER: Chairman McGuffage?

3 CHAIRMAN MCGUFFAGE: (Member Scholz) Aye.

4 VICE CHAIRMAN SMART: Motion carried.

5 Thank you for taking the time to come.