

Affidavit

Before me, the undersigned Notary Public came and appeared who, after being duly sworn, did depose that the following is true and correct to the best of his information, knowledge, and belief and that it is based upon his personal information, knowledge and belief:

Mr. Patrick Williams is a candidate in the Shreveport Mayoral election scheduled for November 4, 2014. On October 6, 2014, Mr. Williams filed a "30th day prior to primary" Candidate's Report with the Louisiana Board of Ethics. On Schedule B: Loans Received page 40 of the report, it lists three loans received by Patrick Williams for the campaign. The details are as follows:

1. Identified as being from Bike LLC. It was made on June 19, 2014, with an interest rate of 0.32% in the amount of \$29,745.44. The report reflects that the loan was repaid on September 15, 2014;
2. Identified as being from Haleaux LLC. It was made on July 1, 2014, with an interest rate of 0.31% in the amount of \$25,000.00. The report reflects that the loan was repaid on September 15, 2014;
3. Identified as being from Diane Steen. It was made on July 18, 2014, with an interest rate of 0.31% in the amount of \$10,000.00. The report reflects that the loan was repaid on September 15, 2014.

The report further indicates that Mr. Williams loaned his own campaign \$81,500, in two installments, dated August 26, 2015 in the amount of \$16,500.00 and dated September 24, 2014 in the amount of \$65,000.00.

Mr. Williams has stated publicly that he paid back the Settle loans with money he personally loaned his campaign, but a review of the dates indicate that is an impossibility and deceptive, in that the loans were reported as paid back prior to his loaning the campaign an amount sufficient to do so. If Mr. Williams required loans from a third party, Mr. Settle, to loan to his campaign for cash flow, it appears from the totality of the circumstances that neither Mr.

Williams nor his campaign account had sufficient resources to operate and pay back the Settle loans without being extended personal credit. Mr. Williams has not disclosed the source of any replacement or flow-through loans to him personally, as required by law. Affiant believes the Settle loans were “necessary” to operate the campaign and that the personal loans and time frames of the loans which facilitated repayment of the Settle loans are an artifice.

Mr. Williams’ principal campaign manager, Eric Foglesong, was quoted in the Shreveport Times, below, explaining the loan situation on behalf of Mr. Williams. Foglesong contracted with and is acting under the direction of the candidate, who, under the doctrine of *respondet superior*, is responsible for his public statements and actions on behalf of the campaign. As of this date, Mr. Williams has neither corrected or withdrawn these statements by Mr. Foglesong in the original publication or general public media outlets.

The Shreveport Times article of October 12, 2014 and appearing online at <http://www.shreveporttimes.com/story/news/election/2014/10/11/questions-arise-mayoral-finance-reports-released/17137057/> is the candidate Williams’ response to this wrongdoing.

“Shreveport attorney John Settle said loans he made to Patrick Williams’ campaign already were repaid. The money was loaned to cover expenses early in the campaign before enough contributions were received, Settle said.

“In politics, it’s always a game of money. And at the time the loans were taken out to be able to communicate directly with voters,” said Eric Foglesong, Williams’ senior campaign adviser.”

The Louisiana Secretary of State’s records show the following:

1. Bike I.L.C.’s sole member is John E. Settle, Jr. with an address of 1915 Citizens Bank Dr., Bossier City, La. 7111. Its Manager is Kathy A. Condon;
2. Haleaux I.L.C.’s sole member is Angela Newberry with an address of 2416 Ashdown Drive, Bossier City, Louisiana 7111. (Note: Angela Newberry is a paralegal for the ArkLaTex Title

Company). Mr. Settle has indicated to affiant that he purchased Ms. Newberry's interest last year.

3. ArkLaTex Title Company is owned by John E. Settle, Jr. with an address of 1915 Citizens Bank Dr., Bossier City, Louisiana 71111.

Diane Steen with an address of 6121 Fern Ave., Shreveport, Louisiana 71106 is the spouse of John E. Settle, Jr. The Caddo Parish Tax Assessor's records show that 6121 Fern Ave. No. 121, Shreveport, Louisiana 71105 is owned by Diane Steen and John E. Settle, Jr.

Affiant is also concerned with the untrue statement made on the campaign finance report. Mr. Williams report lists at the top, box number 2, that the office sought is STATE REPRESENTATIVE CADDO/SHREVEPORT 4. Affiant is unaware of whether this is an oversight or he intends that these funds be available for an ongoing campaign for the office he now holds. Mr. Williams has qualified as a candidate for Mayor of the City of Shreveport, has campaigned as such, and held himself out as collecting campaign contributions for same. Affiant is aware that there are legal situations permitting the use of unused campaign funds for future elections, but none where the candidate may misstate the office sought.

LSA R.S. 18:1505.2(H)(1)(a)(ii) establishes that the contributions made to candidates for a District Office cannot exceed \$2,500.00.

The "30th day prior to primary" Candidate's Report filed by Mr. Williams shows the following donations:

1. Bike, LLC \$2,500.00 on April 28, 2014 (pg.6)
2. Diane Steen \$2,500.00 on July 1, 2014 (pg. 31)

LSA R.S. 18:1505.2(H)(3)(b) provides, "No person shall make a loan ...for more than \$25.00 ..." and LSA R.S. 18:1505.2(H)(3)(c) provides "No candidate ... shall accept from the same contributor a loan ...for more than \$25.00 ...". LSA R.S. 18:1505.2(H)(3)(d) provides "... no person shall make a loan ...to a candidate ... with funds loaned to him without disclosing ... the source of the funds ...".

LSA R.S. 18:1505.2(J)(a) provides "Any candidate ... who violates any provision of Subsection H ... shall be assessed a penalty of not more than five thousand dollars or the amount of the violation, whichever is greater, except that the penalty for a knowing and willful violation shall be not more than ten thousand dollars or two hundred percent of the violation, whichever is greater."

LSA R.S. 18:1505.6(C) provides, "Any candidate ... or any person who knowingly, willfully, and fraudulently violates any provision of R.S. 18:1505.2 ... shall upon conviction, be sentenced to not in excess of six months in the parish jail or to pay a fine of not more than five hundred dollars, or both."

LSA R.S. 18:1511.1, et seq. control the Enforcement of the above cited statutes. The statutes provide that all allegations of violations of Campaign Finance laws are investigated by the Supervisory Committee on Campaign Finance Disclosure. If the Committee determines that a knowing, willful and fraudulent violation or an intentional criminal violation occurred the committee shall forward all information to the district attorney of the judicial district in which the violation occurred.

Regarding the penalties - *State v. Ourso*, 2006 CA 1467 (La. App. 1st Cir), June 8, 2007. A candidate for District Court Judge in the 21st JDC filed financial reports as per the Campaign Finance Disclosure Act. The Board investigated whether a loan to the candidate by his parents was made with funds that belonged to the candidate through a trust or funds belonging to his parents. The court found that the funds belonged to the candidate's parents and therefore was a violation of the limits established by LSA R.S. 18:1505.2(H). The court determined that the appropriate civil penalty for such acts was the amount of the loan, which was \$40,311.89 plus legal interest.

Based upon the above described facts it is my position that Mr. Patrick Williams, John E. Settle, Angela Newberry, and Diane Steen are knowingly and willfully violating LSA R.S. 18:1505.2(H).

Based upon the above information I, a Louisiana elector, file this sworn complaint against Patrick Williams, John E. Settle, Angela Newberry, Diane Steen, Bike LLC, and Haleaux LLC and ask that they be investigated

by the Louisiana Board of Ethics for their failure to comply with Louisiana Campaign Finance law.

THUS DONE AND SIGNED at Shreveport, Caddo Parish, Louisiana, this the 14th day of October, 2014.

Affiant

NOTARY PUBLIC