

Democracy North Carolina

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Amended Report from Speaker Thom Tillis Reveals Large Donations from Industry He Helped

A revised campaign disclosure report filed by House Speaker Thom Tillis earlier this month reveals that he received more than \$20,000 last October from a special-interest group whose priority legislation he pushed through the House despite stiff opposition from consumer advocates and the United States military.

The campaign contributions came from 28 donors and two political action committees associated with the consumer finance industry that specializes in small loans for buying automobiles, household goods and personal emergencies. The fees and interest rates that loan companies charge customers are regulated by the NC General Assembly.

The business affiliations of nine of the 28 donors were undisclosed in the original campaign report that Tillis filed for the six-month period covering July 1 to December 31, 2011. After receiving criticism for omitting information about dozens of donors, the Mecklenburg Republican submitted an amended report on February 8, 2012.

According to an analysis by the voting-rights group Democracy North Carolina, six lending industry donors were still unidentified or had incomplete information on Tillis' new report – including Gail N. Blanton, a veteran finance company official who hosted a major fundraising event for Tillis last October in Greenville.

Blanton is the chief executive officer of Time Investment Corporation, which owns a chain of small loan offices based in Greenville. She was identified twice on the Tillis report as simple a “homemaker” – once for the \$1,562.42 she donated for the fundraising event's expenses and once for her contribution of \$2,000. The event brought in more than \$30,000 for the Tillis campaign, including \$20,762 from the consumer loan industry donors. See a chart of the October fundraiser's donors at:

<http://www.democracy-nc.org/downloads/TillisFundraiserOct2011.pdf>

The industry has tried for years to increase the interest rates applicable to different loan levels. It finally succeeded in passing a bill with the increases through the House in 2011. According to news accounts, Tillis met privately with several wavering Republican legislators before a crucial vote and convinced them to ignore opposition from top officials at Fort Bragg and other bases who said the bill (H-810) would hurt military families.

The bill is now in the state Senate awaiting possible action in the short session. It adds new fees and raises the ceiling on interest rates on various loan amounts, in some cases doubling the interest charge. For background on the bill, see

<http://www.democracy-nc.org/downloads/ConsumerLoanNews2011.pdf>

In an earlier report, Democracy North Carolina documented how the industry shifted strategy in mid 2010 and began giving nearly all its campaign money to Republican legislative leaders and Republican candidates opposing Democratic incumbents. After June 1, 2010, industry-related donors gave \$129,000 to Republican candidates, more than seven times the \$17,400 contributed to Democrats. The industry total for the 2010 election (\$172,320) was more than twice its giving in any previous election: <http://www.democracy-nc.org/downloads/ConsFinanContriPR2011.pdf>

The top three recipients of the consumer finance industry's contributions in 2010 were Sen. Phil Berger, now Senate President Pro Tem (\$18,250); Rep. Paul Stam, now House Majority Leader (\$13,950); and Rep. Thom Tillis, now House Speaker (\$13,250).

However, a review by Democracy North Carolina shows that, thanks to the Greenville fundraising event last October, Tillis now ranks first among recipients of the industry's money.

He received a total of \$35,012 for the two years, 2010-2011 from two PACs and more than 30 individuals affiliated with consumer loan financing. In his previous four years of campaigning, from 2006 through 2009, Tillis received nothing from these donors. (He got a \$500 donation in 2007 from HSBC Finance Corporation's PAC; the HSBC PAC is now closed.)

On his amended report for the last half of 2011, Tillis still has "information requested" as the only description for the occupational affiliation of 40 of his individual donors. His original report used that answer for 99 donations.

"The mistakes in disclosure and pattern of muscling through legislation for a major money supplier are sadly similar to the pay-to-play tactics of the last House Speaker from Mecklenburg County," said Bob Hall, executive director of Democracy North Carolina.

In 2004, Hall filed a complaint against the fundraising of then House Speaker Jim Black, a Mecklenburg Democrat, which triggered an extensive state and federal investigation and Black's eventual felony conviction on charges of bribery, public corruption and obstruction of justice.

"Mr. Tillis and other Republicans promised they would end the pay-to-play culture in Raleigh and create a new era of transparency and accountability," said Hall. "They need to get busy delivering on that promise. Unfortunately, it looks like they've fallen into a bad pattern of saying one thing and doing another."

Contributions from Consumer Finance Industry Donors to Tillis, Stam and Berger

	2006	2007	2008	2009	2010	2011	Total
Rep. Thom Tillis	\$ 0	\$ 500	\$ 0	\$ 0	\$13,250	\$21,762	\$35,512
Rep. Paul Stam	\$ 0	\$ 0	\$ 0	\$ 0	\$13,950	\$ 7,000	\$20,950
Sen. Phil Berger	\$2,950	\$ 0	\$1,600	\$1,000	\$17,250	\$11,350	\$34,150