

Subject: News Release: What is Roy Cooper Hiding?
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NORTH CAROLINA GENERAL ASSEMBLY

Rep. Tim Moore
Speaker of the House

Sen. Phil Berger
President Pro Tempore

FOR IMMEDIATE RELEASE
Tuesday – February 20, 2018

Contact: [Amy Auth](#) (Rabon)
[Neal Inman](#) (Lewis)

What is Roy Cooper Hiding?

Governor Again Refuses to Answer Key Questions on \$58 Million 'Slush Fund'

Raleigh, N.C. – After three separate requests from legislative leaders over a period of two weeks, two evasive and insolent response letters from the governor's chief of staff, a broken promise by the governor's lobbyist and an angry and incoherent press conference by Gov. Roy Cooper, he and his staff still refuse to answer basic questions surrounding the roughly \$58 million he obtained from energy companies within hours prior to his administration's issuance of a major permit to advance the Atlantic Coast Pipeline.

Last Friday, Senate Rules Chairman Bill Rabon (R-Brunswick) and House Rules Chairman David Lewis (Harnett) re-sent questions to the governor's office after receiving partial responses to only a handful of the questions asked for the second time on Feb. 12. The questions were originally posed to Gov. Cooper's new lobbyist – up until just recently a lobbyist for one of the companies working to build the pipeline – at a February joint meeting of the House and Senate Appropriations/Base Budget committees. The governor's lobbyist [promised Sen. Rabon in the committee meeting](#) that he would obtain written answers to the questions he "could not" answer.

Last week, the (Raleigh) *News & Observer* [reported](#) that Cooper and his family potentially stood to benefit from the \$57.8 million fund as owners of close to 400 acres of land near the pipeline's projected path. And just yesterday, the *Carolina Journal's* report ['Cooper family solar farm's shady transactions'](#) detailed an agreement to build a solar farm on Cooper family property near the future pipeline – a farm that could have potentially benefitted from his special fund – that was not disclosed in the governor's Statement of Economic Interest.

And around the same time a formal ethics complaint was filed against Cooper, multiple news outlets reported on his administration's 'unusual' move ordering the staff at the agency overseeing elections and ethics

enforcement to ‘halt all activity’ related to getting the bipartisan board up and running or ensuring election and ethics law compliance.

Rabon and Lewis issued the following joint statement Tuesday:

“Gov. Cooper’s refusal to answer simple questions surrounding the \$57.8 million he obtained from energy companies building the Atlantic Coast Pipeline just before granting them a key permit to advance it is deeply disturbing and frankly unacceptable. And his staffer’s disrespect and dismissal of North Carolinians’ legitimate ethical concerns over the appearance of pay-to-play as ‘political theater’ is beyond the pale.

“The little we know so far about what many are referring to as the governor’s personal ‘slush fund’ doesn’t pass the smell test, and his continued secrecy is only making things smell worse.

“His administration is shaping up to be one of the least transparent and most secretive that we can remember, and we can’t help but wonder: what is Roy Cooper hiding?”

“The easiest way to get us to stop asking these questions is to answer them. By continuing to dodge them, the governor is only dragging this out.

“The public deserves answers, and their elected representatives will exercise every tool at our disposal to get to the bottom of this.”

The General Assembly has statutory authority to compel testimony and obtain public and private records when necessary and when they are not voluntarily given.

Background

The following are the questions the governor and his staff refuse to answer:

1. Did Gov. Cooper personally bless the arrangement creating the \$58 million fund?
2. Were the negotiated offers made in writing or in person? Are there other drafts you can share? Were there other matters beyond the pipeline addressed during negotiations? If so, what matters?

Is the governor aware that state and federal law already require utilities building the Atlantic Coast Pipeline to meet environmental mitigation requirements before the project can receive approval? Is he aware of recent [reports from WBTV](#) indicating the pipeline companies made additional payments totaling \$11 million for mitigation purposes?

3. Why does the governor’s office call this a “voluntary contribution” when Democratic Rep. Price Harrison said it was “a condition of getting the permit granted” and the governor’s own spokesman has called the arrangement “negotiations,” which by definition are not voluntary? Did anyone in the executive branch or governor’s office, or with direct ties to the governor directly or indirectly pressure Rep. Price Harrison to retract her statement that the fund was “a condition of getting the permit granted?”
4. Would the private parties involved in the negotiations agree with the governor’s assertion that this was a “voluntary contribution” completely unrelated to the permitting process?
5. Does the governor’s office think this type of activity – requesting large contributions from private businesses wanting to do business in our state – encourages economic development in North Carolina?

Carolina?

6. Do you think the solicitation and acceptance of this money by the governor erodes the public's in the permit approval process?
7. Why does the governor's office compare this agreement to actions taken in Virginia when the Virginia agreement was signed by the Commonwealth's chief environmental regulator and went to specific designated mitigation projects, while Gov. Cooper's deal gives him unfettered control of an environmental fund outside of the normal appropriations process allowed by the North Carolina constitution?
8. Is this arrangement an illegal and unconstitutional violation of the separation of powers or a violation of due process?
9. Does this arrangement run afoul of state ethics law that prohibits elected officials from using office and title to solicit funds for personal benefit?
10. You stated that *discussions* about the fund "began in 2017." When in 2017? And when, specifically, did the actual *negotiations* take place? Did Gov. Cooper personally participate in and/or sign off on the negotiations?
11. Your statement, "never was the Governor contemplated to be the decision maker as to which projects were funded," directly contradicts the last whereas clause of the MOU, which states "the Governor through his agents and assigns... has the authority to direct the disbursement of funds contemplated in the MOU." Please explain this inconsistency.
12. You stated the governor's deal with the Atlantic Coast Pipeline's builders may now be in peril. If you heard this from the pipeline builders, or are you implying the governor will no longer accept funds if they are used to help poor, rural Eastern North Carolina schools?
13. Why doesn't the governor believe investing \$58 million in our children's public education in the poorest, rural Eastern North Carolina counties impacted by the pipeline will help economic development and job creation in that region?
14. You mentioned "the Rural Infrastructure Authority and the Clean Water Management Trust Fund are good examples of two grantmakers operating under these guidelines that could fulfill the administrative process and accomplish the goals." Aren't these entities the subject of a lawsuit filed by Gov. Cooper claiming they are unconstitutionally constituted because he lacks sufficient dominance of the boards' appointments to exercise real control over the boards' actions? Why would he support these funds being administered by two entities he is challenging in court? And why does he claim these boards are independent at the same time he is seeking complete control of them from the Democratic-controlled Supreme Court?
15. Your response, "as to whether shareholders or ratepayers would cover the cost of the fund, that is a decision for the utilities developing the pipeline," contradicts the *News & Observer* report that "The pipeline and other utilities will seek to recover the full cost of the pipeline – which includes construction, permitting and environmental compliance – from their customers through their utility bills." Why does Gov. Cooper fail to negotiate a requirement that these payments come out of corporate profits, rather than from rate-paying customers?

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