

Ethics in Government Group

A Non-Profit Organization

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January 10, 2008

Office of the Governor
203 State Capitol
Atlanta, Georgia 30334

Attention: Governor Perdue
Chief of Staff, Ed Holcombe
Executive Counsel, Jud Turner

After an investigation of Board of Regent, Donald Leebern Jr., a violation of O.C.G.A. 45-10-3 has been determined. Pursuant to O.C.G.A. 45-10-4, I formally request your Office review all information/documentation attached & determine that the following have, indeed, been violated, by Mr. Leebern. O.C.G.A. 45-10-3 (1), (3), (5), (8), and (9) have been violated by Mr. Leebern Jr. I herewith request that your Executive Counsel approve for your signature an Administrative Hearing be held” for the purpose of receiving evidence relative to the merits of such charges”. When the Administrative Judge has determined the validity of the charges, “the Governor shall forthwith remove Mr. Leebern Jr. from office and the vacancy shall be filled as provided by law”.

BoR member, Don Leebern Jr. violated the laws and regulations of the State of Georgia in violation of O.C.G.A. 45-10-3(1). O.C.G.A. 45-10-24 prohibits public officials with transacting business with any state agency. However, Mr. Leebern has, for many years, transacted business with the State of Georgia. O.C.G.A. 45-10-26 requires public officials to file yearly disclosure statements concerning business transactions with the state. Mr. Leebern failed to disclose. O.C.G.A. 45-10-28 requires penalties of the following: (a) removal from office, (b) a civil fine not to exceed \$10,000.00; and (c) restitution to the state of any pecuniary benefit received as a result of such violation. O.C.G.A. 45-10-41 specifically addresses any member of the Board of Regents of the University System of

Georgia, who violates O.C.G.A. 45-10-40, that **no member of the “Board” shall make any contract with the governing board or any officer of such institution whereby profit shall accrue to such board member.**

Official Opinion 2004-7 from the Department of Law to: Chancellor, University System of Georgia; addressed this very situation concerning **“members of the Board of Regents of the University System of Georgia holding fiduciary positions of trust under Georgia law, and business transactions between any Regent and the University System are prohibited”.**

Mr. Leebern Jr. has transacted business with the University System of Georgia.

Mr. Leebern Jr. has violated the public’s trust many times in the past. However, despite calls for the Governor **not to re-appoint this businessman to the Board of Regents in 2004 & 2005; Governor Perdue re-appointed Mr. Leebern Jr. to a 3rd seven year term on the BoR back on January 28, 2005.**

Mr. Leebern Jr. has violated the following:

- (A) He has not fully & honestly filled out his Financial Disclosure Reports to the State Ethics Commission & State Elections Office for over 16 years.**
- (B) He has failed to properly & fully fill out his State Business Transaction Reports with the Secretary of State’s Office.**
- (C) He has not disclosed his business transactions with the Medical College of Georgia, MCG Health Inc.; any institution of the Board of Regents or other State entities involving sales of Melwood Springs Water, A Georgia Crown subsidiary.**
- (D) Employees @ MCG were told to buy Leebern’s bottled water from his company, a subsidiary of Georgia Crown Corporation.**
- (E) January, 2005> Leebern sends \$9,000.00 check to UGA President Michael Adams to influence the sale of his “Company’s wine under the UGA label. Georgia Crown Corporation sent royalty check to a designated fund UGA President Adams could use for the Alumni Association. The wine was sold**

for 6 months before being pulled off the shelves because of the bad publicity received by the BoR. I further request investigation into factual events surrounding the importation of wine from Firestone Winery in California into Georgia.(see attachments Wine Reporting Shipments and Wine Georgia Dept) A full investigation into the authorization and approval of the wine labels with the 1) Georgia Department of Agriculture and 2) the Georgia Department of Revenue. This violation might, also, involve the federal ATF. 560-2-7-.40 Report of Wine Shipments into the State of Georgia. Form ATT-112 is attached as one of many Exhibits.

- (F) He has flown his mistress/girlfriend/fiancé, UGA Gymnastics Coach, Suzanne Yoculan, and 6 former members of the UGA women's gymnastics to New York, on a private jet in violation of NCAA Rule 16.023.
- (G) He has used his money to silence the Governor(many contributions from the Leeborn family tree), silence the University System of Georgia, silence former UGA Athletic Director & Head Coach, Vince Dooley, and silence UGA President Michael Adams.
- (H) He has spent hundreds of thousands of dollars to benefit the University System of Georgia. However, he has, also, made money off the taxpayer's of Georgia in illegal/unethical ways. He has betrayed the public's trust.
- (I) He has violated the integrity set up to avoid such "conflicts of interest" by Governor Perdue's Executive Order of the 13th of January, 2003, creating the Code of Ethics for Executive Branch Officers(which Leeborn falls under)>"to maintain the public trust, it is essential that the government function in a manner consistent with the highest standards". "State employees must avoid any conduct, whether in the context of business, financial, or social relationships, which might undermine the public trust, whether that conduct is unethical or lends itself to the appearance of official impropriety".
- (J) As Chairman of the Board of MCG Health Inc.' Leeborn has authorized the creation and use of an offshore company> MCG Health Inc. Insurance Company., whose business is hidden from the citizens of Georgia and whose profits possibly jeopardize the 503 (c)(3) Non-Profit Tax standing of the cor-

poration. MCG Health Inc. Insurance Company is not listed with the State of Georgia Insurance Commissioner's Office. (attachments regarding the Cayman Island accounts are attached as Exhibits) I will formally request that Insurance Commissioner Oxendine investigate possible violations/possible "State liability" issues.

(K) Leebern has authorized the devaluation of State of Georgia property and allowed a for-profit corporation PPG Properties LLC to lease and manage the Cancer Center in Augusta. An Air-Lease was entered into, the building built at a tax-payer expense of \$56 million dollars with an annual rental of \$2.5 million dollars paid to PPG Properties Inc.' a for-profit company, out of the Medical College of Georgia funds. Taxpayer dollars have been used to build a building to benefit a for-profit company that has no investment in the project. This is not only unethical BUT illegal.

The taxpayers of Georgia require & demand trust from their elected and appointed Officials. How can the citizens of the State of Georgia trust Donald Leebern Jr. when he has demonstrated his lack of desire to provide the public with all the facts concerning his past and present business transactions?! Credibility is earned when a public official does what he says he will do and what is required pursuant to the law. Please review the General Provisions of Georgia Law involving "conflicts of interest" detailed in the Attorney General's Official Opinion 2004-7, dated July 23, 2004.

Donald Leebern Jr. and his family have been strong campaign contributors, to both political party's, for decades. It is upon information and belief that I make the allegation that Mr. Leebern has influenced, improperly, government officials, to benefit his many Companies and business interest. His business interest not only involve Georgia Crown Distributing Corporation but several subsidiaries, in the Southeast and beyond to the Cayman Islands. It has come to the attention of the Ethics in Government Group that Mr. Leebern has used undue influence to have employees fired connected to the University System of Georgia. Mr. Leebern has transacted business with the University System involving its 35 colleges in violation of the

Georgia State Law. Mr. Leebern has conflicts of interest and compliance issues that have blinded his ability to operate as BoR member in good standing.

Melwood Spring Water is a subsidiary of Georgia Crown Company. Melwood (Leebern's middle name) has been supplying bottled water to the Medical College of Georgia, of which, Leebern is Chairman of the Board. Neither Melwood nor Dahlonaga Pure Water are registered with the Secretary of State Corporations Office. Both companies are owned by Leebern. An audit is needed by State Auditor, Russell Hinton, to determine how many University institutions, colleges, tech schools, or universities are transacting business with companies owned by Leebern and his family.

An investigation should encompass all known companies owned by Leebern, including, but not limited to, Jax Entertainment, Logicscare, Inc., Melwood Springs, Georgia Crown Distributing Co., J & L Ventures SUB II, Georgia Wholesale Distributors, Inc. GCDC Venture I, GCDC Venture II, et al.

Leebern continues to be a major player in the University System. As well as a 3 term Board member, he is Chairman of the Regent's Strategic Planning Committee, and Chairman of the MCG Health, Inc. Why has the Board of Regents not conducted its own investigation of Leebern?! Essentially, the BoR does not complain because Leebern wields too much influence and has powerful friends in important government positions (such as Sonny Perdue).

I request that a full investigation by the Office of the Governor and all other related government agency's be conducted to ascertain the extent of the corruption of BoR member, Donald Leebern Jr.. In addition, the State of Georgia Department of Audits should be involved in conducting a full investigation on Mr. Leebern's business activities with the State of Georgia.

It is most regrettable that BoR regent, Donald M. Leebern Jr., has chosen to, by not fully complying with Disclosure laws of the State of Georgia, created a situation that has grave consequences for the integrity of the public's trust placed on him by our legally elected Governor Perdue. When all evidence is uncovered, in evaluation of the limited information provided by Mr. Leebern thus far; it is highly likely that the public's trust has been misused and betrayed. **When, in the bright light of the public scrutiny, as this Complaint requires, is completed, it is upon information and belief that our great State of Georgia's government will reflect poorly upon the judgment of our esteemed Governor.**

Although the Governor has seen no evil, heard no evil, and spoken no evil' concerning Leebern; the law is very clear that the Office of the Governor must review, investigate, and hold an Administrative Hearing on this Complaint pursuant to O.C.G.A. 45-10-4. How many passes does Leebern receive before he is held accountable to the citizens/taxpayers of the State of Georgia?! No longer should a very rich and politically connected businessman be allowed to violate State law. For the good of all Georgia citizens, in the words of the former Chief Justice Charles L. Weltner, Georgia Supreme Court, summing up the entire subject of ethics, conflicts of interest, and abuse of power in two lines:

Public power---not for sale,
Buy or sell it---go to jail.

Please keep me informed as to the progress of the investigation, Administrative Hearing, and any details uncovered that are not included in my attached Exhibits with this Formal Complaint.

Sincerely,

George Anderson
Executive Director

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CC:

Board of Regents of the University System of Georgia
270 Washington Street, SW
Atlanta, Georgia 30334

Medical College of Georgia
1120 Fifteenth Street
Augusta, Georgia 30912

MCG Health Inc.
MCG health System
1120 15th Street
Augusta, Ga. 30912-5563

Georgia Secretary of State
Office of Inspector General
214 State Capitol
Atlanta, Georgia 30334

State Ethics Commission
200 Piedmont Avenue
Suite 1416- West Tower
Atlanta, Georgia 30334

Office of the Attorney General
40 Capitol Square SW
Atlanta, Georgia 30334

State of Georgia
Department of Audits and Accounts
270 Washington Street; S.W.; Room I-156
Atlanta, Georgia 30334-8400

Georgia Department of Revenue
Atlanta Headquarters
1800 Century Center BLVD. N.E.
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Georgia Department of Agriculture
19 Martin Luther King, Jr. Dr. S. W.
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Georgia Insurance Commissioner
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