

**BEFORE THE OFFICE OF STATE ADMINISTRATIVE HEARINGS  
STATE OF GEORGIA**

**David Wayne Morgan,**

**Petitioner**

**v.**

**Paulette R. Braddock,**

**Respondent**

**Docket No.: OSAH-SECSTATE-  
CE-1238684-60-Schroer**

**RESPONDENT'S WITNESS AND EXHIBIT LIST**

COMES NOW PAULETTE RAKESTRAW BRADDOCK, Respondent in the above-styled case, and in accordance with the Court's Order of June 27, 2012, submits this witness and exhibit list:

**Witness List**

1. Paulette Braddock – Rep. Braddock may be called to testify to facts related to the tax issue raised by Petitioner.
2. Lynn Bond – Ms. Bond may be called to testify to facts related to the tax issue raised by Petitioner.
3. Cam-Anh Le – Ms. Le may be called to testify to facts related to the filing of Petitioner's challenge.


**Exhibit List**

1. Emailed complaint filed by Petitioner.
2. Documents related to the resolution of the tax issue with the IRS (pending).

Respondent asks that the Court allow the production of exhibits as they become available.

This 2nd day of July, 2012.

**STRICKLAND BROCKINGTON LEWIS LLP**



Bryan P. Tyson  
Georgia Bar No. 515411

Midtown Proscenium, Suite 2200  
1170 Peachtree Street NE  
Atlanta, GA 30309-7200  
(678) 347-2200 (telephone)  
(678) 347-2210 (facsimile)

**CERTIFICATE OF SERVICE**

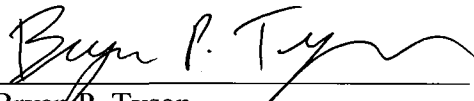
This is to certify that I have this day served the opposing party in the foregoing matter with a copy of the foregoing RESPONDENT'S WITNESS AND EXHIBIT LIST by depositing a copy of the same in the United States mail in a properly addressed envelope with adequate postage thereon to ensure delivery to:

David Wayne Morgan  
2684 Due West Road  
Dallas, GA 30157

and by email to:

Wayner83@me.com

This 2nd day of July, 2012

  
\_\_\_\_\_  
Bryan P. Tyson  
Georgia Bar No. 515411

**STRICKLAND BROCKINGTON LEWIS LLP**  
Midtown Proscenium, Suite 2200  
1170 Peachtree Street NE  
Atlanta, GA 30309-7200  
(678) 347-2200 (telephone)  
678-347-2210 (facsimile)

**Le, Cam-Anh**

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**From:** Wayner83@me.com  
**Sent:** Friday, June 08, 2012 4:57 PM  
**To:** Harvey, Chris (Investigations); Ford, Linda  
**Cc:** Brooks, Lee; Le, Cam-Anh; Anderson, Phillip; Culligan, Thomas  
**Subject:** Web E-Mail [Elections Complaint] From David Wayne Morgan

Name: David Wayne Morgan  
Phone: (770) 378-8634  
Address: 2684 Due West Rd  
City: Dallas  
State: GA  
Zip Code: 30157  
E-mail: Wayner83@me.com  
Complaint Type: General Complaint  
Election Date:  
County: Paulding  
City: Dallas

Description of Complaint: Mr. Kemp,

I would like to file a formal complaint that according to recent information acquired, would find Paulette Rakestraw Braddock, my current House Representative of District 19, ineligible to run for re-election in the July primary. Attached are two articles outlining that my current representative has a federal lien held against her, which without being cleared would prevent her from being eligible for election under the law passed in 2009. I would appreciate it greatly if this could be investigated as I do not feel that I should be represented by someone who feels they are above the law I am expected to abide by.

Sources: <http://www.atlantaunfiltered.com/2011/07/28/paulding-county-lawmaker-faces-36k-tax-lien/>

<http://www.ajc.com/news/georgia-officials-past-due-1183242.html>

Thank you,

David Wayne Morgan  
Constituent of District 19

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## Paulding County lawmaker faces \$36K federal tax lien

By JIM WALLS

Slate Rep. Paulette Rakestraw Braddock owes more than \$36,000 in federal taxes, interest and penalties, the IRS says. But the debt will not affect her standing as a Georgia legislator.

State law and legislative rules call for an investigation and possible discipline for lawmakers who've not paid an undisputed state tax claim. No such procedure exists for non-payment of federal taxes.

The freshman lawmaker from Paulding County said the debt for payroll taxes was incurred by Atlanta Marketing Solutions Inc., her failed direct-mail marketing firm, and not as a personal tax obligation.

"I've always paid my taxes," she said.

But since the business is defunct, she said, she couldn't negotiate a settlement with the IRS until the debt was rolled over to become her personal liability.

"If the company goes south, and a lot of them have in this bad economic downturn, then the business owner is still liable for those taxes," she said.

The IRS lien for \$36,343 was recorded June 17 by the clerk of Paulding County Superior Court. The paperwork shows the IRS assessed the penalty in November 2008 for payroll taxes due for portions of 2006 and 2007.

Braddock estimated about two-thirds of the debt consists of interest and penalties.

"We employed people for 25 years and paid the payroll taxes until the business had a downturn," she said. "As the business picked up, we started to pay it back down."

But the company fell behind on tax payments again during another economic downswing, she said.

*"What I could have done is lay people off, but I chose to keep people employed, risking my own savings and capital to allow people to keep their jobs first before laying anyone off — so now I continue to be liable for the exorbitant taxes and penalties that result from economic problems. This is one reason that I am so passionate about helping Georgia with Economic Development and creating a business climate for businesses to thrive. I talk to a lot of business owners all over the nation that are barely hanging on or have gone under and it is tragic for our country."*

*"I have navigated my company through a few economic downturns over the years and many changes in our industry ... and having the industry downturn on top of the dramatic economic downturn caused me to make these tough decisions. I hope to help other businesses before it's too late and more jobs are lost."*

Interest and penalties continued to pile up on top of the tax debt. Braddock said she began to liquidate the company earlier this year.

Under a 2009 state law, the House and Senate ethics committees are notified of legislators who haven't paid state income taxes. The Georgia Constitution also bars from elected office anyone

*"who is a defaulter for any federal, state, county, municipal, or school system taxes required of such officeholder or candidate if such person has been finally adjudicated by a court of competent jurisdiction to owe those taxes, but such ineligibility may be removed at any time by full payment thereof, or by making payments to the tax authority pursuant to a payment plan, or under such other conditions as the General Assembly may provide by general law...."*

That constitutional provision requires a final court judgment confirming the tax obligation, however, and has never been enforced.



Paulette Rakestraw Braddock

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"I don't think I would be comfortable saying anyone who hasn't paid their taxes or was late shouldn't run for office," said Thompson, an organizer for the Georgia Tea Party Patriots. "Mistakes happen; people are human."

Lawmakers and their tax problems have made big news in recent years, including House Speaker David Ralston, R-Blue Ridge.

In 2007, before he was the speaker, Ralston paid \$400,961 to the federal government for overdue taxes, interest and penalties, plus another \$32,906 in unpaid withholding and Social Security taxes for employees of his law firm from 1996 through 2006. He blamed the problems on a crooked bookkeeper who pleaded guilty to embezzlement. This summer he and his wife had to pay about \$1,300 in overdue property taxes on land his wife owns in what the speaker said was an oversight.

- Senate Banking Chairman Jack Murphy, R-Cumming. Murphy has been hit with 27 liens over the past few years for failing to pay taxes on time on rental properties in Atlanta from 2007 to 2010. He said the liens came as he appealed assessments on six condos he owns in Midtown. Murphy said he has paid his tax debts.

- Former State Rep. Jeanette Jamieson, D-Toccoa. Jamieson, a former accountant and tax preparer, pleaded guilty in June to tax evasion and was sentenced to two years on probation and ordered to pay \$15,425 in back taxes, interest and penalties. Jamieson was charged with failing to pay state income taxes in 2006 and 2007 on combined earnings of \$188,000.

The AJC spent weeks researching tax liens filed against members of the General Assembly, their spouses and businesses where they had operational control or held a key position, such as chairman or president. The search included both past and present debts, including liens imposed before the member took office.

The AJC emailed, talked in person or made telephone calls to every member of the General Assembly who had a tax lien on his or her record. Many responded quickly, and some of the liens were clear errors. Those liens are not included in the total compiled by the newspaper.

Those that were left are a broad cross-section of the Legislature with Republicans and Democrats well represented. The group includes party leaders and back-benchers, white and black, male and female, urban and rural. And most have a story behind why they were late.

The poor economy was a common reason offered up for late payment.

The IRS has a lien against Rep. Paulette Rakestraw-Braddock, R-Hiram, for \$36,343 in unpaid income taxes for 2006 and 2007. She said she got behind on her taxes when her direct marketing business fell victim to the Great Recession.

"It's kind of hard to climb out of that hole when you are behind," she said.

Rakestraw-Braddock, a freshman who sits on both the Small Business Development and Economic Development committees in the House, said she is negotiating a settlement — she describes it as a "long, arduous process" — with the IRS.

She said she sees no conflict with serving in the Legislature while paying off her late taxes. "I've always paid my taxes," she said. "I started business in '88 and I have paid substantial taxes during that time."

Rep. Bubber Epps, R-Dry Branch, had a similar story to tell about \$50,175 in state income taxes for Epps Brothers, a family-owned paving company. Epps, a member of the House Budget Committee, said the business got behind on taxes when several of its customers went bankrupt "owing our company a significant amount of money."

"This money that was not collected — and still has not been — made a huge impact on our cash flow at Epps Brothers Inc. and resulted in us having to pay these taxes on an installment [plan]," he said in an email to the AJC. He said those past-due taxes have been paid.

Taxes owed by the Kingdom Group, a Decatur child care business run by Doris V. Carrington-Ramsey, the wife of Sen. Ronald Ramsey, D-Lithonia, also were blamed on the economy.

The IRS filed \$173,000 in liens against the center for unpaid taxes from 2007-2010. While owing the federal government, the Kingdom Group was getting money from the state for childcare services. The center received \$278,122 in pre-k money from the state last year and has received about \$850,000 in state money since 2006.

Sen. Ramsey lists himself as vice president and general counsel for the company, although his wife said he has not played an active role in the business since he took office in 2007.

"I am solely responsible for this tax matter which I hope to resolve in the near future," she said, adding that lower enrollment in recent years has hurt the business. The Kingdom Group is making installment payments to the IRS to pay off the debt.

Rep. Craig Gordon's Statewide Healthcare Inc. has \$29,688 in liens from the state Labor Department for past-due unemployment contributions. Gordon, D-Savannah, is CEO of Statewide and also lists himself as CEO of a family rental property business that had \$8,699 in liens for tardy property taxes.

Gordon initially chalked the problems with Statewide up to "a lack of communication" between the state and Hinesville-based Strategic Business Solutions, a company Statewide hired to manage its payroll. But DeLisa Espada, owner of the company, said the problems predate her company's involvement with Statewide.

Gordon said Statewide is paying off the debt to the state over time, and it all should be paid back "shortly." He said the important thing is his company is meeting its obligations and staying afloat.

"We didn't close our doors and put 300 people out of work," he said. "In this economy it is hard to do business and provide jobs."

He downplayed his involvement with the rental property company, saying his father conducted the day-to-day business.

For many, the explanation was far simpler.

Senate President Pro Tem Tommie Williams, R-Lyons, was the target of a \$200 lien filed by the Toombs County tax commissioner for unpaid property taxes on one of his properties. He said the bill was mailed to the wrong address and he paid off the debt as soon as he realized it was past due.

Other explanations were more cryptic. Sen. Vincent Fort, D-Atlanta, has liens of about \$40,000 for unpaid federal taxes. All he would say is, "I have an arrangement with the federal government."

What that means is impossible to say. Aside from liens, which are public records, individual tax information is private.

The Georgia Department of Revenue had a \$15,000 lien against Fort for unpaid state taxes, but those have been paid, records show.

Some lawmakers offered no explanation at all for their tax troubles.

Rep. Willie Talton, D-Warner Robins, owns a large number of rental houses in Houston County and records indicate he routinely is late paying taxes on them.

Over the past three years, county and city tax officials have filed nearly 250 liens against property in Talton's name totaling \$83,763. Usually the taxes — penalties and all — are paid seven to 10 months after they were due and the lien is released. As of last month, when the AJC counted the liens, Talton owed \$23,209 in taxes on 65 outstanding liens.

Talton did not return numerous telephone calls seeking comment.

Houston County Tax Commissioner Mark Kushinka said last week he has 33 outstanding liens on Talton's properties.

"I guess the rentals are down," he said. "He's not the only one who is like this in my county, and he is only one year behind. He'll come in and pay it."

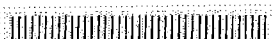
Gwinnett County Tax Commissioner Richard Steele said collecting past-due taxes takes much of his office's precious manpower.

"We only have three collectors and one of those is focused on bankruptcies right now," he said. Steele said about 95 percent of the bills are collected on time.

While most of the liens were filed because lawmakers did not pay their taxes on time, sometimes it was the tax collector who made the mistake. The Georgia Revenue Department filed a lien in 2008 against Rep. Christian Coomer, R-Cartersville, for \$1,604 in income taxes but withdrew it about six weeks later and sent Coomer, then a private citizen, a letter admitting the error.

Coomer said he might have been more judgmental about people with tax liens before he became a target.

"I'm much more cautious now," he said. "You have to give a person an opportunity to explain."







#### How we got the story

AJC reporters spent weeks searching a database of tax liens filed in courts around the state for liens filed against members of the General Assembly, their spouses or businesses they own or control. Then we called, e-mailed or otherwise attempted to contact lawmakers with a lien. Assets were determined using lawmakers' financial disclosures.

Find this article at:

<http://www.ajc.com/news/georgia-officials-past-due-1183242.html>

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One Response to "Paulding County lawmaker faces \$36K federal tax lien"

1. *MM* says:  
December 28, 2011 at 8:17 am.

She is having IRS troubles like a lot of other people and is trying to work through it. She is right about exorbitant taxes and penalties – those folks are heartless and relentless. The penalties pile up quickly. The IRS usually settles for a lower figure so they can continue to plunder your bank account. That makes them appear to care. They are the tax-feeding class. You can never pay enough. It's tough running a small business and being a tax collector for the IRS. All should see what it's like running a company of any size. It's not fun.

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