112TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REVIEW NO.
11–7238

OFFICE OF CONGRESSIONAL ETHICS UNITED STATES HOUSE OF REPRESENTATIVES

Report and Findings

Transmitted to the
Committee on Ethics
on May 18, 2011
and released publicly pursuant to H. Res. 895 of the
110th Congress as amended

May 2011

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

House of Representatives Office of Congressional Ethics Review No. 11–7238

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67–439 WASHINGTON : 2010

OFFICE OF

CONGRESSIONAL ETHICS

BOARD

UNITED STATES HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS

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REPORT

Review No. 11–7238

The Board of the Office of Congressional Ethics, by a vote of no less than four members, on April 29, 2011, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives.

SUBJECT: Greg Hill

NATURE OF THE ALLEGED VIOLATION: Greg Hill disclosed outside earned income of $26,500 on his Calendar Year 2009 Financial Disclosure Statement from Representative Michael McCaul's campaign committee, McCaul for Congress, Inc. Mr. Hill was considered "senior staff" in 2009 and subject to the outside earned income limit of $26,550. However, Mr. Hill received $32,000 from McCaul for Congress, Inc., $5,450 over the 2009 limit. In February 2011, Mr. Hill paid back $4,831.45 to McCaul for Congress, Inc.

If Mr. Hill received more than $26,550 of outside earned income from McCaul for Congress, Inc. in 2009, he may have violated House rules, standards of conduct, and federal law.

RECOMMENDATION: The Board of the Office of Congressional Ethics recommends that the Committee on Ethics further review the above allegations because there is a substantial reason to believe that in 2009 Greg Hill received more than $26,550 of earned outside income from McCaul for Congress, Inc., in violation of House rules, standards of conduct, and federal law.

VOTES IN THE AFFIRMATIVE: 5

VOTES IN THE NEGATIVE: 1

ABSTENTIONS: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE ON ETHICS: Omar S. Ashmawy, Staff Director & Chief Counsel.

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FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 11–7238

On April 29, 2011, the Board of the Office of Congressional Ethics (the "Board") adopted the following findings of fact and accompanying citations to law, regulations, rules, and standards of conduct (*in italics*). The Board notes that these findings do not constitute a determination that a violation actually occurred.

I. INTRODUCTION

A. SUMMARY OF ALLEGATIONS

1. Greg Hill disclosed outside earned income of $26,500 on his Calendar Year 2009 Financial Disclosure Statement from Representative Michael McCaul's campaign committee, McCaul for Congress, Inc. Mr. Hill was considered "senior staff" in 2009 and subject to the outside earned income limit of $26,550. However, Mr. Hill received $32,000 from McCaul for Congress, Inc. In February 2011, Mr. Hill paid back $4,831.45 to McCaul for Congress, Inc. Therefore, the Board recommends that the Committee on Ethics further review the above allegations because there is a substantial reason to believe that in 2009 Greg Hill received more than $26,550 of earned outside income from McCaul for Congress, Inc., in violation of House rules, standards of conduct, and federal law.

B. JURISDICTIONAL STATEMENT

2. The allegations that were the subject of this review concern Greg Hill, an employee of the United States House of Representatives. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics ("OCE") directs that, '[n]o review shall be undertaken . . . by the board of any alleged violation that occurred before the date of adoption of this resolution."[1] The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, the OCE has jurisdiction in this matter.

C. PROCEDURAL HISTORY

3. The OCE received a written request for a preliminary review in this matter signed by at least two members of the Board on January 24, 2011. The preliminary review commenced on January 25, 2011.[2] The preliminary review was scheduled to end on February 23, 2011.

[1] H. Res. 895, 110th Congress § 1(e), as amended (the "Resolution").

[2] A preliminary review is "requested" in writing by members of the Board of the OCE. The request for a preliminary review is "received" by the OCE on a date certain. According to the

Continued

4. At least three members of the Board voted to initiate a second-phase review in this matter on February 22, 2011. The second-phase review commenced on February 24, 2011.[3] The second-phase review period ended on April 9, 2011.

5. Pursuant to Rule 9(B) of the OCE Rules for the Conduct of Investigations, Mr. Hill submitted a written statement to the Board on April 26, 2011.

6. The Board voted to refer the matter to the Committee on Ethics and adopted these findings on April 29, 2011.

7. The report and findings were transmitted to the Committee on Ethics on May 18, 2011.

D. SUMMARY OF INVESTIGATIVE ACTIVITY

8. The OCE requested and received documentary evidence from the following sources:

(1) Greg Hill; and

(2) Campaign Financial Services.

9. The OCE requested and received testimonial from the following sources:

(1) Greg Hill; and

(2) Financial Manager, Campaign Financial Services.

II. GREG HILL'S 2009 OUTSIDE EARNED INCOME

A. LAWS, REGULATIONS, RULES, AND STANDARDS OF CONDUCT

10. House Rule 25, clause 1(a)(1) states that "[e]xcept as provided by paragraph (b), a Member, Delegate, Resident Commissioner, officer, or employee of the House may not—have outside earned income attributable to a calendar year that exceeds 15 percent of the annual rate of basic pay for level II of the Executive Schedule under section 5313 of title 5, United States Code, as of January 1 of that calendar year . . . ."

11. The Ethics in Government Act states that "[e]xcept as provided by paragraph (2), a Member or an officer or employee who is a noncareer officer or employee and who occupies a position classified above GS15 of the General Schedule or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS15 of the General Schedule, may not in any calendar year have outside earned income attributable to such calendar year which exceeds 15 percent of the annual rate of basic pay for level II of the Executive Schedule under section 5313 of title 5, United States Code, as of January 1 of such calendar year."[4]

12. *"[T]he outside earned income limit for Members and senior staff for calendar year 2009 [was] $26,550."*[5]

Resolution, the timeframe for conducting a preliminary review is thirty days from the date of receipt of the Board's request.

[3] According to the Resolution, the Board must vote on whether to conduct a second-phase review in a matter before the expiration of the thirty-day preliminary review. If the Board votes for a second-phase, the second-phase begins when the preliminary review ends. The second-phase review does not begin on the date of the Board vote.

[4] 5 U.S.C. app. 4 § 501(a)(1).

[5] Memorandum from Committee on Standards of Official Conduct for All Members, Officers, and Employees, dated February 12, 2009 (Exhibit 1 at 11–7238—002–03).

B. GREG HILL RECEIVED OUTSIDE EARNED INCOME IN 2009 FROM MCCAUL FOR CONGRESS, INC.

13. Greg Hill is the Chief of Staff for Representative Michael McCaul.[6]

14. As Chief of Staff, among other duties, Mr. Hill ensures that the staff for Representative McCaul completes their required ethics training.[7] He does not train the staff personally, but invites a counsel from the Committee on Ethics to conduct the training.[8]

15. Mr. Hill recalled receiving both the general House employee and Senior Staff ethics training in 2008 and 2009.[9]

16. Mr. Hill also works for Representative McCaul's campaign, McCaul for Congress, Inc.[10] Although he does not have a formal title with the campaign, he has the responsibilities of a campaign director.[11] Mr. Hill has had these responsibilities since he began working for Representative McCaul in 2006.[12] His duties with the campaign include supervising campaign functions, assuring that vendors get paid, and making certain that staff operates effectively.[13]

17. Although Representative McCaul ultimately makes final determinations on his campaign activities, Mr. Hill generally has the final say regarding campaign expenditures.[14] Salaries for campaign staff are approved by Representative McCaul and administered by a private firm, Campaign Financial Services ("CFS").[15]

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[6] Memorandum of Interview of Greg Hill, March 15, 2011 ("Hill MOI") (Exhibit 2 at 11–7238—005).
[7] *Id.*
[8] *Id.*
[9] *Id.* at 11–7238—007.
[10] *Id.* at 11–7238—005.
[11] *Id.*
[12] *Id.*
[13] *Id.*
[14] *Id.*
[15] *Id.* at 11–7238—006.

18. According to his "W–2c" Corrected Wage and Tax Statement shown below,[16] and the CFS Financial Manager working with Mr. Hill on his account,[17] in 2009 Greg Hill received outside earned income from McCaul for Congress, Inc., totaling $32,000. Mr. Hill received $32,000 in 2009, $14,000 in "bonus" money and $18,000 in salary (a rate of $1,500 per month).[18]

[redacted]	For Official Use Only ▶ OMB No. 1545-0008		
a Employer's name, address, and ZIP code MCCAUL FOR CONGRESS INC [redacted]		c Tax year/Form corrected 2009 W-2 C	d Employee's correct SSN [redacted]
		e Corrected SSN and/or name (Check this box and complete boxes f and/or g if incorrect on form previously filed.)	
		Complete boxes f and/or g only if incorrect on form **previously filed** ▶	
		f Employee's **previously reported** SSN	
b Employer's Federal EIN [redacted]		g Employee's **previously reported** name	
		h Employee's first name, and initial GREG	Last name HILL Suff
Note: Only complete money fields that are being corrected (exception: for corrections involving MQGE, see the instructions for Forms W-2c and W-3c, boxes 8 and 6).		[redacted] i Employee's address and ZIP code	
Previously reported	**Correct information**	**Previously reported**	**Correct information**
1 Wages, tips, other compensation 32000.00	1 Wages, tips, other compensation 26500.00	2 Federal income tax withheld	2 Federal income tax withheld
3 Social security wages 32000.00	3 Social security wages 26500.00	4 S[redacted]	
5 Medicare wages and tips 32000.00	5 Medicare wages and tips 26500.00	6 M[redacted]	

C. GREG HILL DISCLOSED $26,500 IN OUTSIDE EARNED INCOME ON HIS CALENDAR YEAR 2009 FINANCIAL DISCLOSURE STATEMENT

19. Mr. Hill filed a Calendar Year 2009 House Financial Disclosure Statement as required for "senior staff."[19]

20. On his Calendar Year 2009 Amended Financial Disclosure Statement, Mr. Hill disclosed $26,500 in outside earned income from McCaul for Congress, Inc.[20]

Name GREG HILL Page 2 of 9

SCHEDULE I – EARNED INCOME

List the source, type, and amount of earned income from any source (other than the filer's current employment by the U.S. Government) totaling $200 or *more during the preceding calendar year.* For a spouse, list the source and amount of any honoraria; list only the source for other spouse earned income exceeding $1,000. See examples below.
Exclude: Military pay (such as National Guard or Reserve pay), federal retirement programs, and benefits received under the Social Security Act.

	Source	Type	Amount
Examples:	Keene State	Approved Teaching Fee	$6,000
	State of Maryland	Legislative Pension	$9,000
	Civil War Roundtable (Oct. 2nd)	Spouse Speech	$1,000
	Ontario County Board of Education	Spouse Salary	NA
	McCaul for Congress	Salary	26,500

21. The $26,500 figure disclosed above is inconsistent with the $32,000 of outside earned income Mr. Hill received in 2009, as shown by tax documents and witness testimony.

[16] Greg Hill's 2009 W–2c Corrected Wage and Tax Statement (Exhibit 3 at 11–7238—009).
[17] Memorandum of Interview of CFS Financial Manager, March 23, 2011 ("Financial Manager MOI") (Exhibit 4 at 11–7238—012).
[18] *Id.;* Hill MOI (Exhibit 2 at 11–7238—007).
[19] House Ethics Manual 248 (2008).
[20] Greg Hill's Calendar Year 2009 Amended Financial Disclosure Statement (Exhibit 5 at 11–7238—014).

D. GREG HILL EXCEEDED THE 2009 OUTSIDE EARNED INCOME LIMIT

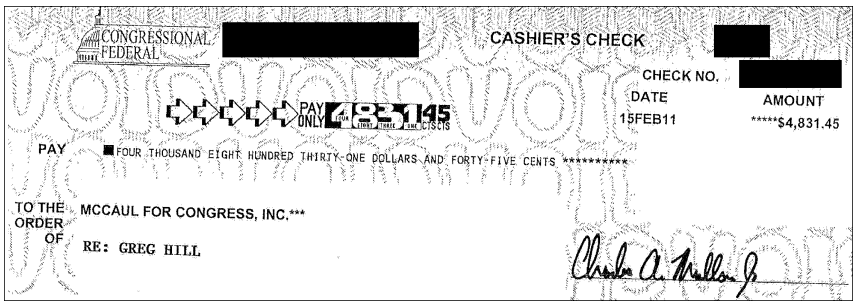
22. Mr. Hill told the OCE that he directed CFS to abide by the annual outside earned income limit.[21]

23. The CFS Financial Manger told the OCE that he did not monitor the outside earned income limit because Mr. Hill was the only campaign employee who received a salary in addition to a bonus from the campaign.[22] The first time the CFS Financial Manager became aware of the outside earned income limit was around March 2010, when Mr. Hill informed him of the limit.[23]

24. Mr. Hill explained that once he became aware that he was over the 2009 outside earned income limit, CFS told him a corrected W–2 would be issued. The corrected W–2 would display $26,500 in outside earned income and that CFS would file the appropriate corrected paperwork with the IRS.[24] However, Mr. Hill remained in receipt of the $32,000.[25]

25. Mr. Hill did not explain why he continued to disclose $26,500 on this Calendar Year 2009 Financial Disclosure Statements while receiving $32,000 in outside earned income, in 2009.

26. On February 15, 2011, nearly eleven months after becoming aware of being over the outside earned income limit, Mr. Hill wrote a $4,831.45 check (shown below) to McCaul for Congress, Inc.[26] Mr. Hill told the OCE that the amount on the check represents the amount CFS told him to pay back to the campaign.[27] Mr. Hill believed the number represents the difference between the $32,000 paid to Mr. Hill in 2009 by McCaul for Congress, Inc., and the $26,500 amount initially reported on his Calendar Year 2009 Financial Disclosure Statements, minus taxes previously withheld.[28]


CONGRESSIONAL FEDERAL
[redacted]
CASHIER'S CHECK
[redacted]
CHECK NO. [redacted]
DATE
15FEB11
AMOUNT
*****$4,831.45
PAY ONLY
PAY
FOUR THOUSAND EIGHT HUNDRED THIRTY-ONE DOLLARS AND FORTY-FIVE CENTS **********
TO THE ORDER OF
MCCAUL FOR CONGRESS, INC.***
RE: GREG HILL

[21] Hill MOI (Exhibit 2 at 11–7238—007).

[22] Financial Manager MOI (Exhibit 4 at 11–7238—012).

[23] *Id.*

[24] Hill MOI (Exhibit 2 at 11–7238—006).

[25] As discussed in these findings, Mr. Hill issued a $4,831.45 check to McCaul for Congress, Inc. in February 2011. This payment does not resolve the fact that Mr. Hill actually received $32,000 in outside earned income in 2009. The OCE does not take a position on whether this repayment to the campaign committee is legally permissible or counts against income Mr. Hill received in 2009.

[26] Check from Greg Hill to McCaul for Congress, Inc., February 15, 2011 (Exhibit 6 at 11–7238—024).

[27] Hill MOI (Exhibit 2 at 11–7238—007).

[28] *Id.*

III. CONCLUSION

27. In 2009, Mr. Hill received $32,000 from McCaul for Congress, Inc., $5,450 over the 2009 House of Representatives outside earned income limitation.

28. The Board recommends that the Committee on Ethics further review the above allegations because there is a substantial reason to believe that in 2009 Greg Hill received more than $26,550 of earned outside income from McCaul for Congress, Inc. in violation of House Rule 25, clause 1(a)(1) and 5 U.S.C. app. 4 501(a)(1).

EXHIBIT 1

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515

February 12, 2009

MEMORANDUM FOR ALL MEMBERS, OFFICERS, AND EMPLOYEES

FROM: **Committee on Standards of Official Conduct**
Zoe Lofgren, Chair
Jo Bonner, Ranking Republican Member

SUBJECT: The 2009 Outside Earned Income Limit and Salaries Triggering the Financial Disclosure Requirement and Post-Employment Restrictions

THE OUTSIDE EARNED INCOME LIMIT AND OUTSIDE EMPLOYMENT RESTRICTIONS

By statute and House rule, the amount of outside earned income that Members and "senior staff" (as defined below) may have in any calendar year is limited. 5 U.S.C. app. 4 § 501(a)(1); House Rule 25, cl. 1(a)(1). In addition to House Members, the limit applies to House officers and employees who are paid at a rate equal to or greater than 120% of the minimum pay for GS-15 of the general schedule for more than 90 days in a calendar year. The GS-15, step 1 rate of basic pay for 2009 is $98,156 (locality pay is not considered in making this determination). Accordingly, the outside earned income limit applies to House officers and employees paid at or above the rate of **$117,787** for more than **90 days** in 2009.

The amount of the outside earned income limit for any year is 15% of the rate of pay for Level II of the Executive Schedule in effect on January 1 of the year. The rate of pay for Executive Level II in 2009 is $177,000. Accordingly, the outside earned income limit for Members and senior staff for calendar year 2009 is **$26,550**.

Under clauses 1-4 of House Rule 25 and related provisions of statutory law, Members, as well as officers and employees paid at or above the "senior staff" threshold rate, are also subject to a number of specific limitations on the types of outside employment. Information on these limitations is provided on pages 213 to 228 of the *2008 House Ethics Manual*, which is available on the Standards Committee website (ethics.house.gov). The Committee's Office of Advice and Education (extension 5-7103) can provide further explanation.

– OVER –

FINANCIAL DISCLOSURE

The requirement to file a Financial Disclosure Statement applies both to Members and to House officers and employees who are paid at a rate equal to or greater than 120% of the minimum pay for GS-15 for at least 60 days at any time during a calendar year. 5 U.S.C. app. 4 § 109(13). As noted above, 120% of GS-15 is now **$117,787**, and thus House officers and employees who are paid at or above that rate of pay (referred to as the "senior staff rate") for at least **60 days** during **2009** must file a Financial Disclosure Statement in May 2010. **In addition, any new employee paid at that rate must file a new employee Financial Disclosure Statement within 30 days of beginning House employment.**

Please note that the requirement to file a Financial Disclosure Statement covering calendar year 2008 applies to officers and employees who were paid at an annual rate of **$114,468** for at least 60 days in **2008**. The annual Financial Disclosure Statements for 2008 are due on Friday, May 15, 2009 for those individuals who continue to be officers or employees of the House on that date.

POST-EMPLOYMENT RESTRICTIONS

Members and officers of the House, as well as certain House employees, are subject to post-employment restrictions on lobbying. 18 U.S.C. § 207. A former employee of a Member, committee, or leadership office is subject to the restrictions if, for at least **60 days** during the one-year period preceding termination of House employment, the employee was paid at a rate equal to or greater than 75% of the basic rate of pay for Members at the time of termination.

The basic rate of pay for Members in 2009 is $174,000. Therefore, the post-employment threshold for employees who depart from a job in a Member, committee, or leadership office during 2009 is **$130,500**. The triggering salary for employees of other House or legislative branch offices (such as the CBO, GAO, and Library of Congress) is Level IV of the Executive Schedule, which for 2009 is $153,200. Information on the post-employment restrictions applicable to Members and staff is available in a pair of Standards Committee advisory memoranda, copies of which are available on the Committee website.

* * * * *

CALENDAR YEAR 2009

OUTSIDE EARNED INCOME CAP ..... $ 26,550

OUTSIDE EARNED INCOME AND
OUTSIDE EMPLOYMENT THRESHOLD $117,787

FINANCIAL DISCLOSURE THRESHOLD $117,787

POST-EMPLOYMENT THRESHOLD
For employees of Member, committee, or leadership offices **$130,500**
For employees of "other legislative offices" **$153,200**

EXHIBIT 2

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM OF INTERVIEW

IN RE:	Mr. Greg Hill
REVIEW No.:	11-7238
DATE:	March 15, 2011
LOCATION:	1350 Connecticut Avenue, N.W., Suite 300 Washington, D.C. 20036
TIME:	3:10 p.m. to 4:00 p.m. (approximate)
PARTICIPANTS:	Omar S. Ashmawy Paul Solis Robert Trout (counsel to Mr. Hill)

SUMMARY: Mr. Greg Hill is the Chief of Staff for Representative Michael McCaul. The OCE requested an interview with the witness and he consented to an interview. The witness made the following statements in response to OCE questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning, which will be placed in the case file in this review.

2. The witness has worked for the Congressman as his chief of staff for about five years. Prior to working for Rep. McCaul, the witness was the chief of staff for another congressman. He held that position for approximately 15-16 months.

3. The witness' current duties are typical of the chief of staff position. The witness receives a payroll report every month, but does not manage the office's MRA. Instead, the MRA is managed by the firm Talent Paymaster. Talent Paymaster is affiliated with the company that manages the accounting for Rep. McCaul's campaign.

4. As part of his duties, the witness ensures that the staff completes their required ethics training. He does not train them personally, but invites a counsel from the Committee on Ethics to the office to conduct the training.

5. The witness works for Rep. McCaul's campaign. Although he does not have a formal title, he has the responsibilities of campaign director. He began those responsibilities since he began working for Rep. McCaul in 2006. His duties include making sure everything runs correctly, that vendors get paid, and that staff does what they need to do. He makes sure the campaign is well run.

6. Although Rep. McCaul ultimately has the final say on his campaign activities, practically speaking the witness has the final say regarding campaign expenditures. However, he makes sure the Member is aware of the expenditures.

7. Salaries for campaign staff are approved by the Member and administered by a private firm, Campaign Financial Services (CFS). The witness is not involved in the preparation of Internal Revenue Service Form 1099 or W-2 for campaign employees.

8. Campaign Financial Services also ensures that all Federal Election Commission filings are correct and on time. Although the campaign treasurer technically has a final review of these filings, the witness is also copied on related correspondence.

9. In 2009, the witness did not know what was the outside earned income limit for the House of Representatives. He did not recall it being covered in his ethics training.

10. The witness was shown a compilation of FEC filings by the McCaul campaign, displaying salary payments to the witness totaling $28,384.06. This first time the witness saw the figure was in the initial letter from the OCE. When he received that letter he figured that amount was what the campaign paid him.

11. The witness was shown two W-2's from 2009. The document (MCCAUL000103) was the one the witness used to file his taxes that year. The second document (GH_072) is a W-2 that the witness did not know was filed by the campaign, until he was notified by the IRS. The witness did not know who created this document.

12. The witness also stated that in 2010 he was notified by the IRS that he had conflicting W-2 forms for tax year 2008. After he was notified, he learned that CFS created a second W-2. After he learned this, the witness asked CFS how he would be affected.

13. When filing his 2009 taxes in the spring of 2010, the witness received an email from CFS indicating that there had been corrections and that there was a new W-2 for his salary from the campaign. The witness wanted to ensure that his 2009 taxes were correct and in the process for doing so realized that he was over the earned income limit for 2009. CFS indicated to the witness that a corrected W-2 for 2009 would reduce his income to $26,500 and that CFS and PayChex would correct and file the proper paperwork with the IRS.

14. The witness was shown a 2009 W-2c (GH_001), corrected W-2 form. The witness indicated he filed taxes for $32,000 in income from the campaign for the 2009 tax year. Although this document indicates a "corrected" salary, the witness received $32,000 in tax year 2009. The witness explained that although $3,000 was supposed to paid to him in December 2008, he actually received it in January 2009.

15. The witness was shown a series of emails beginning with the document stamped (GH_032). The witness explained that in following the 2008 election, the McCauls wanted to pay him $20,000 dollars partly because that was what the other political consultants received and partly as a success bonus. The witness had already received $14,000 bonus. In order to pay him the additional $6,000, the campaign decided to pay him $3,000 in November and $3,000 in December. However, the December 2008 payment was made in January 2009.

16. The witness then stated that the $32,000 he was paid in 2009 was made up of a monthly payment of $1,500 (totaling $18,000) and a $14,000 bonus.

17. The witness was shown a check dated February 15, 2011 to the McCaul campaign (MCCAUL000102) for $4,831.45. The witness said that the amount on the check represents the amount CFS told him to pay back to the campaign. He believed it represents the net (minus the taxes he paid) amount the witness was overpaid in 2009.

18. When asked if he still would have been over the earned income limit in 2009 even if he had not been paid the $3,000 in January 2009, the witness said yes.

19. The witness was shown an email from April 13, 2010 (GH_18). The witness explained that in between these emails he called the House of Representatives and asked what the outside earned income limit was. As of April 13, 2010 he still did not know how much he was paid in 2009.

20. The witness never discussed what the total annual limit to his compensation from the campaign ought to be. He just told them to abide by the limit. As a result, he thought the $32,000 was correct.

21. The witness remembered receiving both the general House employee and Senior Staff ethics training in 2008 and 2009.

This memorandum was prepared on March 21, 2011 after the interview was conducted on March 15, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on March 15, 2011.

Omar S. Ashmawy
Staff Director and Chief Counsel

EXHIBIT 3

DO NOT CUT, FOLD, OR STAPLE THIS FORM

[redacted] | For Official Use Only ▶ OMB No. 1545-0008

a Employer's name, address, and ZIP code
MCCAUL FOR CONGRESS INC
[redacted]

c Tax year/Form corrected: 2009 W-2 C

d Employee's correct SSN: [redacted]

e Corrected SSN and/or name (Check this box and complete boxes f and/or g if incorrect on form previously filed.)

Complete boxes f and/or g only if incorrect on form **previously filed** ▶

f Employee's **previously reported** SSN

b Employer's Federal EIN: [redacted]

g Employee's **previously reported** name

h Employee's first name, and initial: GREG [redacted] | Last name: HILL | Suff.

i Employee's address and ZIP code

Note: Only complete money fields that are being corrected (exception: for corrections involving MQGE, see the instructions for Forms W-2c and W-3c, boxes 5 and 6).

Previously reported	Correct information	Previously reported	Correct information
1 Wages, tips, other compensation 32000.00	1 Wages, tips, other compensation 26500.00	2 Federal income tax withheld	2 Federal income tax withheld
3 Social security wages 32000.00	3 Social security wages 26500.00	4 S[redacted]	
5 Medicare wages and tips 32000.00	5 Medicare wages and tips 26500.00	6 M[redacted]	
7 Social security tips	7 Social security tips	8 Allocated tips	8 Allocated tips
9 Advance EIC payment	9 Advance EIC payment	10 Dependent care benefits	10 Dependent care benefits
11 Nonqualified plans	11 Nonqualified plans	12a See inst. for box 12	12a See inst. for box 12
13 Statutory employee / Retirement plan / Third-party sick pay	13 Statutory employee / Retirement plan / Third-party sick pay	12b	12b
14 Other (see instructions)	14 Other (see instructions)	12c	12c
		12d	12d

State Correction Information

Previously reported	Correct information	Previously reported	Correct information
15 State	15 State	15 State	15 State
Employer's state ID number	Employer's state ID number	Employer's state ID number	Employer's state ID number
16 State wages, tips, etc.	16 State wages, tips, etc.	16 State wages, tips, etc.	16 State wages, tips, etc.
17 State income tax	17 State income tax	17 State income tax	17 State income tax

Locality Correction Information

Previously reported	Correct information	Previously reported	Correct information
18 Local wages, tips, etc.	18 Local wages, tips, etc.	18 Local wages, tips, etc.	18 Local wages, tips, etc.
19 Local income tax	19 Local income tax	19 Local income tax	19 Local income tax
20 Locality name	20 Locality name	20 Locality name	20 Locality name

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. 38-2958409 Copy A--For Social Security Administration
Department of the Treasury
Internal Revenue Service

Form **W-2c** (Rev 02/2009) **Corrected Wage and Tax Statement**

9 W2CA NTF 2573678 09US_W2CLASER-A **0 0 0 0 / 1034**

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11-7238_009

EXHIBIT 4

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM OF INTERVIEW

IN RE:	CFS Financial Manager
REVIEW No.:	11-7238
DATE:	March 23, 2011
LOCATION:	OCE Offices 425 3rd Street, SW Washington, DC 20024
TIME:	1:00 p.m. to 1:45 p.m. (approximate)
PARTICIPANTS:	Kedric L. Payne Paul Solis Ron Jacobs (CFS counsel)

SUMMARY: The witness is an employee of Campaign Financial Services ("CFS") located in Bethesda, Maryland. The OCE requested an interview with the witness on March 23, 2011, and he consented to an interview. The witness made the following statements in response to OCE questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. He signed a written acknowledgement of the warning, which will be placed in the case file in this review.

2. At CFS, the witness helps manage political campaign financial records. He receives contributions, deposits, disburses checks, provides bookkeeping, and prepares Federal Election Commission reports for review of the campaign treasurer. His title is a "Financial Manager" and he has worked at CFS since 2006.

3. CFS has fifteen to twenty clients. There are four other financial managers.

4. In November 2008, Greg Hill sent an email to Mary Teague about win bonuses. He requested $3,000 in November 2008, $3,000 in December 2008, and a $14,000 bonus for January 2009.

5. Mr. Hill then requested that the November 2008 $3,000 payment be changed to $4,830.

6. Then, after the campaign requested that no payments be made in December 2008, the $3,000 payment initially scheduled for December 2008, was paid in January 2009. That request may have come from Mr. Hill.

7. The witness stated that Mr. Hill received $32,000 in 2009, $14,000 in bonus and $18,000 in salary (rate of $1,500 per month). This amount does not include the $3,000 initially paid in January 2009 that was remitted back to 2008.

8. It was the witness' understanding that Paychex would take the money out of Mr. Hill's account for $5,500. The witness stated that he never saw the payment happen and it "fell through the cracks."

9. The witness stated that sometime between April 13, 2010 and May 4, 2010, he had a telephone discussion with Mr. Hill informing him that funds will be debited from his account.

10. The witness then provided Mr. Hill with an "amended report" (employer's withholding report); the amended report was created in May 2010, at the same time Paychex requested that the IRS pay a refund back to the McCaul campaign. Four months after the May 4, 2010 letter was sent to the IRS requesting a refund for overstated payments, the IRS paid back the McCaul campaign for the overstated wages.

11. The witness did not recall any discussions with Mr. Hill from May 2010 until July 2010, last time the witness and Mr. Hill would have discussed this matter.

12. The amount that should have been debited out of Mr. Hill's account is represented on the check (MCCAUL000102) from Mr. Hill to the McCaul campaign, dated February 15, 2011.

13. The witness believed that this amount reflects $5,500 minus taxes already paid on the initial payment of $32,000.

14. The witness stated that Paul Ritacco was in contact with Mr. Hill about what he owed the McCaul campaign.

15. The witness stated that he did not monitor the outside earned income limit because Mr. Hill is the only one who gets a salary in addition to a bonus. The first time he would have been aware of the outside earned income limit was around March 2010 when Mr. Hill informed him of the limit.

This memorandum was prepared on March 29, 2011, based on the notes that the OCE staff prepared during the interview with the witness on March 23, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on March 23, 2011.

Paul Solis
Investigative Counsel

EXHIBIT 5

UNITED STATES HOUSE OF REPRESENTATIVES
CALENDAR YEAR 2009 FINANCIAL DISCLOSURE STATEMENT

Form A
For use by Members, officers, and employees

Name: GREG HILL Daytime Telephone: 202-225 [redacted]

HE

HAND DELIVERED
(Office Use Only)

Filer Status	☐ Member of the U.S. House of Representatives	State: ____ District: ____	☒ Officer or Employee	Employing Office: MICHAEL MCCAUL
Report Type	☐ Annual (May 17, 2010)	☒ Amendment	☐ Termination	Termination Date: ____

A $200 penalty shall be assessed against anyone who files more than 30 days late.

PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

I. Did you or your spouse have "earned" income (e.g., salaries or fees) of $200 or more from any source in the reporting period? **If yes, complete and attach Schedule I.**	Yes ☒	No ☐	VI. Did you, your spouse, or a dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $335 and not otherwise exempt)? **If yes, complete and attach Schedule VI.**	Yes ☐	No ☒
II. Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? **If yes, complete and attach Schedule II.**	Yes ☐	No ☒	VII. Did you, your spouse, or a dependent child receive any reportable travel or reimbursements for travel in the reporting period (worth more than $335 from one source)? **If yes, complete and attach Schedule VII.**	Yes ☐	No ☒
III. Did you, your spouse, or a dependent child receive "unearned" income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? **If yes, complete and attach Schedule III.**	Yes ☐	No ☒	VIII. Did you hold any reportable positions on or before the date of filing in the current calendar year? **If yes, complete and attach Schedule VIII.**	Yes ☒	No ☐
IV. Did you, your spouse, or a dependent child purchase, sell, or exchange any reportable asset in a transaction exceeding $1,000 during the reporting period? **If yes, complete and attach Schedule IV.**	Yes ☒	No ☐	IX. Did you have any reportable agreement or arrangement with an outside entity? **If yes, complete and attach Schedule IX.**	Yes ☒	No ☐
V. Did you, your spouse, or a dependent child have any reportable liability (more than $10,000) during the reporting period? **If yes, complete and attach Schedule V.**	Yes ☒	No ☐	**Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.**		

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

TRUSTS—Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or dependent child?	Yes ☐	No ☒
EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption? Do not answer "yes" unless you have first consulted with the Committee on Standards of Official Conduct.	Yes ☐	No ☒

Name GREG HILL | Page 2 of 9

SCHEDULE I – EARNED INCOME

List the source, type, and amount of earned income from any source (other than the filer's current employment by the U.S. Government) totaling $200 or *more* during the preceding calendar year. For a spouse, list the source and amount of any honoraria; list only the source for other spouse earned income exceeding $1,000. See examples below.
Exclude: Military pay (such as National Guard or Reserve pay), federal retirement programs, and benefits received under the Social Security Act.

	Source	Type	Amount
Examples:	Keene State	Approved Teaching Fee	$6,000
	State of Maryland	Legislative Pension	$9,000
	Civil War Roundtable (Oct. 2nd)	Spouse Speech	$1,000
	Ontario County Board of Education	Spouse Salary	NA
	McCaul for Congress	Salary	26,500

For payments to charity in lieu of honoraria, use Schedule II.

Name	Page 3 of 9

SCHEDULE II – PAYMENTS MADE TO CHARITY IN LIEU OF HONORARIA

List the source, activity (i.e., speech, appearance, or article), date, and amount of any payment made by the sponsor of an event to a charitable organization in lieu of an honorarium. A separate confidential list of charities receiving such payments must be filed directly with the Committee on Standards of Official Conduct. A green envelope for transmitting the list is included in each Member's filing package.

	Source	Activity	Date	Amount
Examples:	Association of American Associations, Washington, DC	Speech	Feb. 2, 2009	$2,000
	XYZ Magazine	Article	Aug. 13, 2009	$500

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Name GREG HILL

SCHEDULE III — ASSETS AND "UNEARNED" INCOME

BLOCK A — Asset and/or Income Source

Identify (a) each asset held for investment or production of income with a fair market value exceeding $1,000 at the end of the reporting period, and (b) any other asset or sources of income which generated more than $200 in "unearned" income during the year. For rental property or land, provide a complete address. Provide full names of stocks and mutual funds (do not use ticker symbols). For ***all IRAs*** and other retirement plans (such as 401(k) plans) that are self directed (*i.e.*, plans in which you have the power, *even if not exercised*, to select the specific investments), provide the value and income information on ***each asset*** in the account that exceeds the reporting threshold. For retirement plans that are not self-directed, name the institution holding the account and its value at the end of the reporting period. For an active business that is not publicly traded, state the name of the business, the nature of its activities, and its geographic location in Block A. For additional information, see the instruction booklet.

Exclude: Your personal residence(s) (unless there is rental income); any debt owed to you by your spouse, or by you or your spouse's child, parent, or sibling; any deposits totaling $5,000 or less in personal savings accounts; and any financial interest in or income derived from U.S. Government retirement programs.

If you so choose, you may indicate that an asset or income source is that of your spouse (SP) or dependent child (DC) or is jointly held (JT), in the optional column on the far left.

BLOCK B — Value of Asset

Indicate value of asset at close of reporting year. If you use a valuation method other than fair market value, please specify the method used.

If an asset was sold during the reporting year and is included only because it generated income, the value should be "None."

BLOCK C — Type of Income

Check all columns that apply. For retirement plans or accounts that do not allow you to choose specific investments, you may write "NA." For all other assets ***including all IRAs***, indicate the type of income by checking the appropriate box below. **Dividends and interest, even if reinvested, should be listed as income.** Check "None" if asset did not generate any income during calender year.

BLOCK D — Amount of Income

For retirement plans or accounts that do not allow you to choose specific investments, you may write "NA" for income. For all other assets, ***including all IRAs***, indicate the category of income by checking the appropriate box below. **Dividends and interest, even if reinvested, should be listed as income.** Check "None" if no income was earned or generated.

BLOCK E — Transaction

Indicate if the asset had purchases (P), sales (S), or exchanges (E) exceeding $1,000 in reporting year.

If only a portion of an asset is sold, please indicate as follows: (S) (partial) See below for example.

P, S, E

		Block A	Block B: A None	B $1 – $1,000	C $1,001 – $15,000	D $15,001 – $50,000	E $50,001 – $100,000	F $100,001 – $250,000	G $250,001 – $500,000	H $500,001 – $1,000,000	I $1,000,001 – $5,000,000	J $5,000,001 – $25,000,000	K $25,000,001 – $50,000,000	L Over $50,000,000	Block C: NONE	DIVIDENDS	RENT	INTEREST	CAPITAL GAINS	EXCEPTED/BLIND TRUST	Other Type of Income (Specify: For Example, Partnership Income or Farm Income)	Block D: I None	II $1 – $200	III $201 – $1,000	IV $1,001 – $2,500	V $2,501 – $5,000	VI $5,001 – $15,000	VII $15,001 – $50,000	VIII $50,001 – $100,000	IX $100,001 – $1,000,000	X $1,000,001 – $5,000,000	XI Over $5,000,000	Block E
SP	SP	Mega Corp. Stock					X									X			X						X								S (partial)
DC	Examples	Simon & Schuster			Indefinite																Royalties									X			
JT		1st Bank of Paducah, KY Accounts						X									X									X							
		207 MACARTHUR ALEXANDRIA, VA	X														X		X									X					S
		THRIFT SAVINGS PLAN				X																X											
		IRA CHESTERNIA BOERNE TX						X														X											
		BLACKROCK SCIENCE & TECH FUND IRA HOLDING			X										X							X											
		ALCATEL LUCENT (IRA HOLDING)		X											X							X											
		CIENA CORP (IRA HOLDING)		X											X							X											

For additional assets and unearned income, use next page.

SCHEDULE III — ASSETS AND "UNEARNED" INCOME

Continuation Sheet (if needed)

Name GREG HILL

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SP, DC, JT	BLOCK A Asset and/or Income Source	BLOCK B Year-End Value of Asset											BLOCK C Type of Income							BLOCK D Amount of Income											BLOCK E Transaction
		A None	B $1 – $1,000	C $1,001 – $15,000	D $15,001 – $50,000	E $50,001 – $100,000	F $100,001 – $250,000	G $250,001 – $500,000	H $500,001 – $1,000,000	I $1,000,001 – $5,000,000	J $5,000,001 – $25,000,000	K $25,000,001 – $50,000,000	L Over $50,000,000	NONE	DIVIDENDS	RENT	INTEREST	CAPITAL GAINS	EXCEPTED/BLIND TRUST	Other Type of Income (Specify)	I None	II $1 – $200	III $201 – $1,000	IV $1,001 – $2,500	V $2,501 – $5,000	VI $5,001 – $15,000	VII $15,001 – $50,000	VIII $50,001 – $100,000	IX $100,001 – $1,000,000	X $1,000,001 – $5,000,000	XI Over $5,000,000	P, S, E

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Name GREG HILL | Page 6 of 9

SCHEDULE IV— TRANSACTIONS

Report any purchase, sale, or exchange transactions by you, your spouse, or dependent child during the reporting period of any security or real property held for investment that exceeded $1,000. Include transactions that resulted in a capital loss. Provide a brief description of any exchange transaction. Exclude transactions between you, your spouse or dependent children, or the purchase or sale of your personal residence, unless it generates rental income. **If only a portion of an asset is sold, please so indicate (*i.e.*, "partial sale").** See example below.

Capital Gains — if a sales transaction resulted in a capital gain in excess of $200, check the "capital gains" box and disclose this income on Schedule III.

SP, DC, JT	Asset	Type of Transaction: PURCHASE	SALE	EXCHANGE	Check Box if Capital Gain Exceeded $200	Date (MO/DAY/YR) or Quarterly, Monthly, or Bi-weekly, if applicable	Amount of Transaction: B $1,001-$15,000	C $15,001-$50,000	D $50,001-$100,000	E $100,001-$250,000	F $250,001-$500,000	G $500,001-$1,000,000	H $1,000,001-$5,000,000	I $5,000,001-$25,000,000	J $25,000,001-$50,000,000	K Over $50,000,000
SP	*Example:* Mega Coporation Common Stock *(partial sale)*		X			10-12-09		X								
	207 MACARTHUR, ALEXANDRIA VA		X			05-11-09						X				

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Name GREG HILL | Page 7 of 9

SCHEDULE V — LIABILITIES

Report liabilities of over $10,000 owed to any one creditor ***at any time*** during the reporting period by you, your spouse, or dependent child. Mark the highest amount owed during the year. **Exclude:** Any mortgage on your personal residence (unless it is rented out); loans secured by automobiles, household furniture, or appliances; liabilities of a business in which you own an interest; and liabilities owed to a spouse, or the child, parent, or sibling of you or your spouse. Report ***revolving charge accounts*** (i.e., credit cards) only if the balance at the close of the preceding calendar year exceeded $10,000.

SP, DC, JT	Creditor	Type of Liability	Amount of Liability										
			B $10,001-$15,000	C $15,001-$50,000	D $50,001-$100,000	E $100,001-$250,000	F $250,001-$500,000	G $500,001-$1,000,000	H $1,000,001-$5,000,000	I $5,000,001-$25,000,000	J $25,000,001-$50,000,000	K Over $50,000,000
	Example: First Bank of Wilmington, Delaware	Mortgage on 123 Main St., Dover, Del.				X						
	MERRILL LYNCH	Revolving credit card		X								
	JP MORGAN CHASE	MORTGAGE ON 200 WALKER ALEXANDRIA, VA					X					

SCHEDULE VI — GIFTS

Report the source, a brief description, and the value of all gifts totalling more than $335 received by you, your spouse, or a dependent child from any source during the year.

Exclude: Gifts from relatives, gifts of personal hospitality of an individual, local meals, and gifts to a spouse or dependent child that are totally independent of his or her relationship to you. Gifts with a value of $134 or less need not be added towards the $335 disclosure threshold.

Note: The gift rule (House Rule 25, clause 5) prohibits acceptance of gifts except as specifically provided in the rule.

Source	Description	Value
Example: Mr. Joseph H. Smith, Anytown, Anystate	Silver Platter (determination on personal friendship received from Committee on Standards)	$345

Use additional sheets if more space is required.

Name GREG HILL | Page 8 of 9

SCHEDULE VII — TRAVEL PAYMENTS AND REIMBURSEMENTS

Identify the source and list travel itinerary, dates, and nature of expenses provided for travel and travel-related expenses totalling more than $335 received by you, your spouse, or a dependent child during the reporting period. Indicate whether a family member accompanied the traveler at the sponsor's expense, and the amount of time, if any, that was not at the sponsor's expense. Disclosure is required regardless of whether the expenses were paid directly by the sponsor or were paid by you and reimbursed by the sponsor.

Exclude: Travel-related expenses provided by federal, state, and local governments, or by a foreign government required to be separately reported under the Foreign Gifts and Decorations Act (5 U.S.C. § 7342); political travel that is required to be reported under the Federal Election Campaign Act; travel provided to a spouse or dependent child that is totally independent of his or her relationship to you.

	Source	Date(s)	City of Departure—Destination—City of Return	Lodging? (Y/N)	Food? (Y/N)	Was a Family Member Included? (Y/N)	Number of days not at sponsor's expense
Examples:	Chicago Chamber of Commerce	Mar. 2	DC—Chicago—DC	N	N	N	None
	Roycroft Corporation	Aug. 6–11	DC—Los Angeles—Cleveland	Y	Y	Y	2 Days

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SCHEDULE VIII—POSITIONS

Report all positions, compensated or uncompensated, held during the current calendar year as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any non profit organization, any labor organization, or any educational or other institution other than the United States.

Exclude: Positions listed on Schedule I; positions held in any religious, social, fraternal, or political entities (such as political parties and campaign organizations); and positions solely of an honorary nature.

Position	Name of Organization
CONSULTANT/EMPLOYEE	McCALL FOR CONGRESS

SCHEDULE IX—AGREEMENTS

Identify the date, parties to, and general terms of any agreement or arrangement with respect to: future employment; a leave of absence during the period of government service; continuation or deferral of payments by a former or current employer other than the U.S. Government; continuing participation in an employee welfare or benefit plan maintained by a former employer; or publication of a book.

Date	Parties To	Terms of Agreement
2001	WINTHERTHUR LIFE / HSBC	DEFINED BENEFIT PENSION

Use additional sheets if more space is required.

EXHIBIT 6

CONFIDENTIAL TREATMENT REQUESTED

CONGRESSIONAL FEDERAL [redacted]

CASHIER'S CHECK [redacted]

CHECK NO. [redacted]

DATE 15FEB11

AMOUNT *****$4,831.45

PAY ONLY 483145 FOUR THREE ONE CENTS

PAY FOUR THOUSAND EIGHT HUNDRED THIRTY-ONE DOLLARS AND FORTY-FIVE CENTS **********

TO THE ORDER OF MCCAUL FOR CONGRESS, INC.***

RE: GREG HILL

VOID

[redacted]

[redacted]

[redacted]