

**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

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

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UNITED STATES HOUSE OF
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May 2011

OFFICE OF
CONGRESSIONAL ETHICS
BOARD

UNITED STATES HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS

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Director
Paul J. Solis, *Investigative Counsel*

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.

¹H. Res. 895, 110th Congress §1(e), as amended (the “Resolution”).

²A 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.

³According 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.

⁴5 U.S.C. app. 4 §501(a)(1).

⁵Memorandum 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

⁶Memorandum 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

For Official Use Only ▶ OMB No. 1545-0046			
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	
Note: Only complete money fields that are being corrected (exception: for corrections involving MCGE, see the instructions for Forms W-2c and W-2c, boxes 6 and 8).		h Employee's first name, and initial GREG [REDACTED] Last name HILL [REDACTED] Suf	
		i Employee's address and ZIP code	
Previously reported		Correct information	
1 Wages, tips, other compensation 32000.00	1 Wages, tips, other compensation 26500.00	2 Federal income tax withheld [REDACTED]	2 Federal income tax withheld [REDACTED]
3 Social security wages 32000.00	3 Social security wages 26500.00	4 Social security tax withheld [REDACTED]	4 Social security tax withheld [REDACTED]
5 Medicare wages and tips 32000.00	5 Medicare wages and tips 26500.00	6 Medicare tax withheld [REDACTED]	6 Medicare tax withheld [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 MOP”) (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 Manager 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 15 FEB 11 AMOUNT *****\$4,831.45

PAY TO THE ORDER OF [REDACTED] FOUR THOUSAND EIGHT HUNDRED THIRTY-ONE DOLLARS AND FORTY-FIVE CENTS *****

RE: GREG HILL

Charles A. Miller, Jr.

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

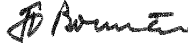
U.S. House of Representatives

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.

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

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 be 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.

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

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

a Employer's name, address, and ZIP code MCCAUL FOR CONGRESS INC [Redacted]		For Official Use Only OMB No. 1545-0048	
b Employer's Federal EIN [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 [Redacted]		g Employee's previously reported name	
h Employee's first name, and initial GREG		Last name HILL	
i Employee's address and ZIP code [Redacted]		Note: Only complete money fields that are being corrected (exception: for corrections involving MOGE, see the instructions for Forms W-2c and W-3c, boxes 6 and 8).	
1 Previously reported 1 Wages, tips, other compensation 32000.00		1 Correct information 1 Wages, tips, other compensation 26500.00	
2 Previously reported 2 Federal income tax withheld [Redacted]		2 Correct information 2 Federal income tax withheld [Redacted]	
3 Social security wages 32000.00		3 Social security wages 26500.00	
4 Social security tips [Redacted]		4 Social security tips [Redacted]	
5 Medicare wages and tips 32000.00		5 Medicare wages and tips 26500.00	
6 Medicare tips [Redacted]		6 Medicare tips [Redacted]	
7 Social security tips [Redacted]		7 Social security tips [Redacted]	
8 Allocated tips [Redacted]		8 Allocated tips [Redacted]	
9 Advance EIC payment [Redacted]		9 Advance EIC payment [Redacted]	
10 Dependent care benefits [Redacted]		10 Dependent care benefits [Redacted]	
11 Nonqualified plans [Redacted]		11 Nonqualified plans [Redacted]	
12a See inst. for box 12 [Redacted]		12a See inst. for box 12 [Redacted]	
12b [Redacted]		12b [Redacted]	
12c [Redacted]		12c [Redacted]	
12d [Redacted]		12d [Redacted]	
State Correction Information			
15 Previously reported 15 State [Redacted]		15 Correct information 15 State [Redacted]	
16 State wages, tips, etc. [Redacted]		16 State wages, tips, etc. [Redacted]	
17 State income tax [Redacted]		17 State income tax [Redacted]	
Locality Correction Information			
18 Previously reported 18 Local wages, tips, etc. [Redacted]		18 Correct information 18 Local wages, tips, etc. [Redacted]	
19 Local income tax [Redacted]		19 Local income tax [Redacted]	
20 Locality name [Redacted]		20 Locality name [Redacted]	

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.

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

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: 202-225-2255

Employing Office: MICHAEL McCAGL

HAND DELIVERED
(Office Use Only)

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

Termination Date:

Termination:

Member of the U.S. House of Representatives: Annual (May 17, 2010)

State: District: Membership:

Filer Status Report Type: Annual (May 17, 2010)

PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

I. Did you, your spouse, or a dependent child receive any reportable gift in the reporting period (i.e., aggregating more than \$200 and not otherwise exempt)? If yes, complete and attach Schedule VI.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
IV. Did you, your spouse, or a dependent child purchase, sell, or otherwise dispose of a reportable asset (other than a transaction exceeding \$1,000) during the reporting period? If yes, complete and attach Schedule IV.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
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 <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
VI. Did you, your spouse, or a dependent child receive any reportable gift in the reporting period (i.e., aggregating more than \$200 and not otherwise exempt)? If yes, complete and attach Schedule VI.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
VII. Did you, your spouse, or a dependent child receive any reportable travel or reimbursements for travel in the reporting period? If yes, complete and attach Schedule VII.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
IX. Did you have any reportable agreement or arrangement with any other person or entity during the reporting period? If yes, complete and attach Schedule IX.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>

Name GREG HILL	Page 2 of 8
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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
Keene State	Approved Teaching Fee	\$6,000
State of Maryland	Legislative Pension	\$9,000
Civil War Roundtable (Oct. 2nd)	Spouse Speech	\$1,000
Orange County Board of Education	Spouse Salary	NA
McCauley for Congress	Salary	26,500

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

Name	Page 3 of 9
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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
<i>Example:</i> Association of American Associations, Washington, DC XYZ Magazine	<i>Example:</i> Speech Article	Feb. 2, 2009 Aug. 13, 2009	\$2,000 \$500

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SCHEDULE III — ASSETS AND “UNEARNED” INCOME
Continuation Sheet (if needed)

Name: **CAPEX H LLC** Page **5** of **9**

SP, DC, JT	BLOCK A	BLOCK B	BLOCK C	BLOCK D	BLOCK E
	Asset and/or Income Source	Year-End Value of Asset	Type of Income	Amount of Income	Transaction
	None	A None 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 - \$250,000,000 I \$250,000,001 - \$50,000,000 J Over \$50,000,000	None DIVIDENDS RENT INTEREST CAPITAL GAINS EXCEPTED/BLIND TRUST Other Type of Income (Specify)	I \$1 - \$200 J \$201 - \$1,000 K \$1,001 - \$2,500 L \$2,501 - \$5,000 M \$5,001 - \$15,000 N \$15,001 - \$50,000 O \$50,001 - \$100,000 P \$100,001 - \$1,000,000 Q Over \$1,000,000	None

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SCHEDULE IV — TRANSACTIONS

Name **GREG HILL** Page **10** of **9**

SP, DC, JT	Asset	Type of Transaction	Check Box if Capital Gain Exceeded \$200	Date (MO/DA/YR) or Quarterly, Monthly, or Bi-weekly, if applicable	Amount of Transaction															
					A \$1,001 -	B \$15,001 -	C \$50,001 -	D \$100,001 -	E \$250,001 -	F \$500,001 -	G \$1,000,001 -	H \$5,000,001 -	I \$5,000,001 -	J \$25,000,001 -	K \$50,000,001 -	Other				
SP	Example: Mega Corporation Common Stock (partial sale)	<input type="checkbox"/> PURCHASE <input type="checkbox"/> SALE <input type="checkbox"/> EXCHANGE	<input type="checkbox"/>	10-12-96	X															
	207 MCRAETHE, ALEXANDRIA VA	<input checked="" type="checkbox"/> PURCHASE	<input checked="" type="checkbox"/>	05-11-99	X															

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SCHEDULE V -- LIABILITIES

Name **GREG HILL** Page **7** of **9**

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	C	D	E	F	G	H	I	J	K		
	<i>Example:</i> First Bank of Wilmington, Delaware	Mortgage on 123 Main St., Dover, Del.	\$10,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	\$50,000,001 - \$250,000,000	\$250,000,001 - \$500,000,000	Over \$500,000,000
	MERRILL CHASE	Revolving Credit Card		X										
	CSP FINANCIAL CHASE	MORTGAGE ON 200 WINDFIRE ALEXANDRIA, VA					X							

SCHEDULE VI -- GIFTS

Report the source, a brief description, and the value of all gifts totaling 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
<i>Example:</i> Mr. Joseph H. Smith, Anytown, Anystate	Silver Platter (determination on personal friendship received from Committee on Standards)	\$245

Use additional sheets if more space is required.

Name GREG HILL	Page 9 of 9
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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
2008	WITHER THUR 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 TO THE ORDER OF **MCCAUL FOR CONGRESS, INC.*****
 RE: GREG HILL

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

Charles A. Mullen Jr.

[REDACTED]

[REDACTED]

9999 177 933 713 -9999100 75000

