



Tooker, Megan <megan.tooker@iowa.gov>

confidential complaint regarding Governor Reynolds' in-kind flight expenses

1 message

Fri, Aug 31, 2018 at 9:08 AM

[REDACTED]

To: Megan Tooker <megan.tooker@iowa.gov>, Cohl Bultje <cohl.bultje@iowa.gov>, "mary.mosiman@auditor.state.ia.us" <mary.mosiman@auditor.state.ia.us>, "jim.cunningham@auditor.state.ia.us" <jim.cunningham@auditor.state.ia.us>, "tami.kusian@auditor.state.ia.us" <tami.kusian@auditor.state.ia.us>

August 31, 2018

To: Iowa Ethics and Campaign Disclosure Board
Re: confidential, two-fold complaint

Dear Ms. Tooker:

I am filing a confidential, two-fold, formal complaint regarding Governor Kim Reynolds' flight travels as in-kind contributions for the past two years, beginning in 2017. If this complaint is found to have merit, however, please note that it may extend back several additional years into the Branstad administration.

News reports, some of which are documented in clips below, contend the Iowa Ethics and Campaign Disclosure Board allowed Governor Reynolds to claim these in-kind contributions.

Below are the contributions I have found for in-kind flight in recent years for Governor Reynolds. I may have overlooked a few:

1/19/2018 Schedule E, Kim Reynolds:

5/26/2017, Gerald Kirke: \$11,435.00
7/29/2017, David Barker: \$5,815.30
10/25/2017, David and Penny North: \$2,640.00
12/30/2017, David North: \$2,880.00

5/19/2018 Schedule E, Kim Reynolds:

4/11/18, Gerald Weiner: \$5,030.00
4/12/18, David Barker: \$7,183.52
4/17/2018, Bruce Rastetter: \$6,122.78
4/28/18, Cindy and Joe Golding: \$2,031.00

7/19/2018 Schedule E, Kim Reynolds:

7/11/2018, Kenneth Kemna: \$2,000.00

Complaint 1:

So far, I have found the following businesses that appear to own aircraft:

Flioway, LLC. My research indicates this is owned in full or in part by David Barker.

Wild Rose, LLC. My research indicates this is owned in full or in part by Gerald Kirke.

Hawkeye Aviation, Inc. My research indicates this corporation was owned by Bruce Rastetter until its apparent dissolution on 7/26/2018.

To the best of my knowledge, none of the individual in-kind donors listed above are identified as private owners of planes on the FAA plane registration website: [FAA Registry - Aircraft - Name Inquiry](#)

FAA Registry - Aircraft - Name Inquiry

I am concerned that other individuals listed above are affiliated with corporations or LLCs who own planes. To the best of my knowledge, nothing in the Iowa Code or the Administrative Code allows for such a pass-through on in-kind donations, without any verification that the owner or partial owner of a corporation or LLC actually reimbursed his or her company for in-kind contributions related to flight travel. In fact, I find nothing in the Iowa Code that would even allow for this form of reimbursement, if in fact this is what has occurred.

This is based upon my assumption that the FAA data I have reviewed is correct and the individuals who have apparently claimed, based upon news reports, to have loaned Governor Reynolds their private jets may not in fact own private jets and are instead lending out company or LLC jets to Governor Reynolds for campaign use. I am requesting that you verify this critical information. I have limited access to data, but this is my primary concern, and this is where I believe the evidence appears to lead.

Even if jets owned by LLCs are loaned to Governor Reynolds, there is a \$1,000.00 calendar-year limit on such contributions, which LLCs such as Flioway and Wild Rose are required to honor, not to mention Governor Reynolds. In the case of Mr. Rastetter, if his corporation (Hawkeye Aviation, Inc.) loaned corporate jets to Governors Branstad and Reynolds, then my reading of the statute would indicate that such donations are prohibited in their entirety.

Below are a few relevant news articles. My recollection is that news articles have cited "private planes" or "private jets" owned by Rastetter, Kirke and Barker. The clips below are not all inclusive. Again, the data I have reviewed appears to indicate that none of these individuals own private jets as individual citizens. However, I welcome verification, which I believe is certainly in order.

Complaint #2:

In the last clip below, it appears that Bruce Rastetter, or perhaps Hawkeye Aviation, Inc., paid for Governor Reynolds' flight to a political fundraiser for a Rhode Island political candidate on 4/17/2018. See Rastetter's 4/17/2018 in-kind contribution. My reading of the Iowa Code does not indicate to me that such in-kind contributions are allowed when Governor Reynolds travels out of state for a political fundraiser for an east coast candidate. See Iowa Code section 68A.302(1):

1. A candidate and the candidate's committee shall use campaign funds only for campaign purposes, educational and other expenses associated with the duties of office, or constituency services, and shall not use campaign funds for personal expenses or personal benefit.

I am requesting a two-fold investigation of this in-kind contribution to determine if 1. Governor Reynolds violated campaign finance laws in this state by soliciting and accepting an in-kind contribution for an unauthorized campaign expenditure; and 2. Governor Reynolds violated


campaign finance laws in this state by accepting a corporate donation from a corporation and failing to reimburse said corporation.

If item 2 is proven valid, then again, this complaint may extend back into the Branstad administration based upon previous news articles covering Branstad's use of Bruce Rastetter's private aircraft for campaign purposes.

I am copying the state auditor's office because it appears to me that the Ethics Board is to some extent operating in secrecy as a state agency (see your own web site).

Pursuant to the federal Freedom of Information Act and relevant state statute, I am requesting copies of all correspondence between any and all staff members and board members of the Ethics Board and any and all staff members of Governor Reynolds' office, including Governor Reynolds, pertaining to the Ethics Board's approval of in-kind contributions related to flight travel by Governor Reynolds for campaign purposes. Please let me know of any costs associated with this request.

Pursuant to Iowa Code section 68B.32B(1), I certify under penalty of perjury pursuant to the laws of the state of Iowa that the preceding statements are true and correct to the best of my knowledge.


August 31, 2018

[Reynolds defends private jet use, says she may do it again](#)

Reynolds defends private jet use, says she may do it again

Iowa Gov. Kim Reynolds says she may use businessman Gary Kirke's private plane again.

[Cedar Rapids casino backers lend private plane, host fundraiser for Reynolds](#)

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[Reynolds travels to private Rhode Island political event](#)

Reynolds travels to private Rhode Island political event

DES MOINES, Iowa (AP) — Iowa Gov. Kim Reynolds traveled to a private political event in Rhode Island this week, ...

<http://www.chicagotribune.com/news/nationworld/midwest/ct-iowa-governor-casino-tycoon-jet-20170602-story.html>



Tooker, Megan <megan.tooker@iowa.gov>

Addendum to August 31, 2018, confidential complaint

1 message

Fri, Aug 31, 2018 at 9:35 AM

[REDACTED] >
To: Megan Tooker <megan.tooker@iowa.gov>, Cohl Bultje <cohl.bultje@iowa.gov>, "jim.cunningham@auditor.state.ia.us" <jim.cunningham@auditor.state.ia.us>, "tami.kusian@auditor.state.ia.us" <tami.kusian@auditor.state.ia.us>, "mary.mosiman@auditor.state.ia.us" <mary.mosiman@auditor.state.ia.us>

August 31, 2018

Ms. Tooker, with regard to Gerald Kirke, because I do not find any private plane listed under his name on the FAA web site, in addition to Wild Rose, LLC, I am asking that you inquire as to whether planes owned or leased by any other subsidiary, affiliate company or LLC of Wild Rose, including Wild Rose Leasing Company, LLC, may have provided planes for use by the Governor.

Also with regard to Gerald Kirke, I am requesting that you determine if a plane or planes may have been provided, by way of lease or outright ownership, through Kirke Financial Services, LLC or any other subsidiary, affiliate company or LLC of Kirke Financial.

I certify under penalty of perjury pursuant to the laws of the state of Iowa that the preceding statements are true and correct to the best of my knowledge.

Thank you.

[REDACTED]
August 31, 2018

Reynolds defends private jet use, says she may do it again

Associated Press Published 11:28 a.m. CT June 5, 2017



(Photo: Rodney White/The Register)

Iowa Gov. Kim Reynolds is defending her use of a jet owned by a wealthy businessman who is lobbying the state to build a casino, and Reynolds said she might do it again.

Reynolds said Monday that asking businessman Gary Kirke for use of his private airplane was legal. The Republican governor said she'd seek such travel arrangements on a case-by-case basis.

Kirke helps oversee Wild Rose Entertainment, which is competing for a state license to build a casino in Cedar Rapids.

Reynolds says the Iowa Racing and Gaming Commission, which will decide this year whether to grant a license, is independent from her office. Reynolds will make at least two appointments next year to the five-member commission, which also regulates Kirke's other casinos.

Reynolds also defended that people linked to the casino will host a private fundraiser for her this month.

Cedar Rapids casino backers lend private plane, host fundraiser for Reynolds

Questions surface about political influence

CEDAR RAPIDS — Contributions to Iowa Gov. Kim Reynolds, including use of a private plane and a fundraiser, from an Iowa casino mogul and others tied to Wild Rose Entertainment's bid for a state gambling license for a Cedar Rapids casino are drawing questions of whether political influence is at play.

Four people tied to Wild Rose Cedar Rapids, a \$40 million casino proposed across from the DoubleTree Hotel on First Avenue SE, plan to host a \$100-a-person fundraiser for Reynolds on June 13.

And, on May 26, Gary Kirke, chairman of Wild Rose and among the fundraiser hosts, lent his private plane so Reynolds and acting Lt. Gov. Adam Gregg could jet around the state for a campaign tour shortly after assuming their new roles.

"This is getting too cozy when millions of dollars are at stake," said Cedar Rapids Mayor Ron Corbett, who is considering a run for governor, possibly challenging Reynolds in a GOP primary next June.

The gifts come several months before the five-member Iowa Racing and Gaming Commission, which is an independent state panel appointed by the governor, considers three applications for casinos in downtown Cedar Rapids. They could reach a decision in November.

Other proposals include the \$165 million Cedar Crossing by the River and the \$105 million Cedar Crossing Central, which are both proposed by the Cedar Rapids Development Group to be built in downtown Cedar Rapids. The five-member gaming commission rejected a Cedar Crossing application in 2014. Questions arose after that vote about financial ties between a commission member and an opponent of the Cedar Rapids casino.

Jamie Buel, a spokesman for Wild Rose, which also has casinos in Clinton, Jefferson and Emmetsburg, defended the contributions noting the commission is independent from the governor's office.

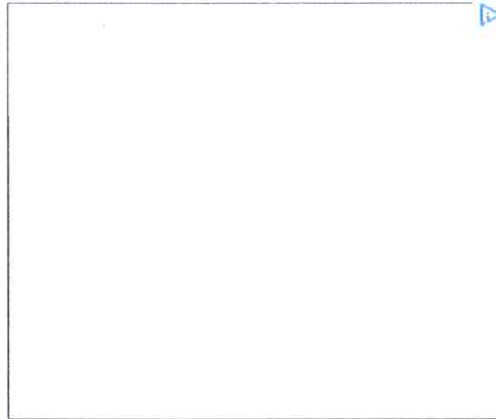
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"Gary Kirke personally supports Kim Reynolds; however, he did not organize this event," Buelt said. "Gary and Sue Kirke are two of 16 people listed as the 'host' committee."

The fundraiser is being held at the West Des Moines home of Jennifer and Chuck Larson, a consultant for Wild Rose Cedar Rapids. Other hosts include Michael Richards, Wild Rose vice chairman, and Jeff Boeyink, another consultant. Host committee opportunities for the event range from \$500 for a bronze designation to \$5,000-plus for platinum, according to the invitation.

Buelt downplayed the use of Kirke's plane calling it an in-kind campaign contribution, and noted all appropriate filings will be made in accordance with state and federal law. She noted no laws were violated.

"Gov. Reynolds' staff contacted Gary last week about using his plane for the announcement of the 'Building a Better Iowa' campaign," Buelt said. "He was honored she asked him and he was happy to help."

Buelt added neither Wild Rose nor Kirke have or will ask Reynolds to advocate for their application, and the fundraiser and use of Kirke's plane will not influence the license decision.

Kim and Kevin Reynolds, Gregg, two pilots, two aides, and one trooper traveled on Kirke's 1998 Cessna to Orange City, Mason City, Cedar Rapids, Davenport and Des Moines on May 26, Reynolds spokeswoman Brenna Smith said in an email. The Associated Press first reported Reynolds' use of the plane.

"As has been established for a long time, the governor's office has nothing to do with the decisions of the Iowa Racing and Gaming Commission," Smith said in

an email. "The IRGC is an independent state agency that makes its own decisions without the oversight of the governor's office."

She said Reynolds would not be taking a position on the casino applications.

Steve Gray, an investor in the Cedar Rapids Development Group, called the fundraiser and use of Kirke's plane questionable decision making.

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"I hope the decision to award a casino license in Cedar Rapids is based on the facts and most qualified applicants, and I hope there is not undue political influence on the process," Gray said. "It raises my antenna and is questionable decision making."

Casino investors raising money for governors is not unusual. Kirke has donated \$135,746 to previous Gov. Terry Branstad and \$25,125 to Reynolds since 2009, while Gray has donated \$24,200 to Branstad since 2012 and none to Reynolds, according to state disclosures.

Gray has held fundraisers for Branstad over the years, including in October 2012. The circumstances were different in that Gray's fundraiser was nearly a year before he applied for a license, while this month's fundraiser would occur while an application is pending.

Corbett said given questions about political influence surrounding casino licenses and that governors appoint commissioners, taking support from Kirke was "unwise" and "just raises the question about objectivity."

Jeff Lamberti, a commission member from Ankeny, rejected the notion of political influence.

"I would fully expect she will follow the model of Gov. Branstad, and let the commission do its job and I don't expect her to comment or weigh in. ... Let us do our work. and make a decision."

1 Comments: (319) 339-3177; brian.morelli@thegazette.com



B.A. Morelli
The Gazette



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New Iowa governor toured state on jet of casino tycoon who is seeking license



In this May 25, 2017, photo, Iowa Gov. Kim Reynolds speaks during a news conference in her formal office as acting Lt. Gov. Adam Gregg looks on at the Statehouse in Des Moines. For her first trip across Iowa as governor, Reynolds accepted the free use of a jet owned by wealthy businessman, Gary Kirke, who is lobbying for state approval to build a Cedar Rapids casino. (Charlie Neibergall / AP)

By **Ryan J. Foley and Barbara Rodriguez**
Associated Press

JUNE 2, 2017, 3:46 PM | DES MOINES, IOWA

For her first trip across Iowa as governor, Republican Kim Reynolds sought and accepted the free use of a jet owned by a wealthy businessman who is lobbying for state approval to build a lucrative casino.

Reynolds and acting Lt. Gov. Adam Gregg barnstormed the state last Friday, after Reynolds picked the attorney as her top deputy and running mate for the 2018 election. The "Building a Better Iowa" tour included stops in Gregg's hometown of Hawarden and Mason City, Cedar Rapids and Davenport.

In response to inquiries from The Associated Press, the governor's office said the pair, a state trooper and staffers traveled in an airplane owned by businessman Gary Kirke, who donated the use of the plane and services of two pilots as in-kind contributions to Reynolds' newly established gubernatorial campaign.

is, is drawing criticism from Reynolds' opponents,
n and raising security questions.

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Kirke, a millionaire casino magnate, has given \$25,000 to Reynolds' campaigns and \$135,000 to her political mentor, former Gov. [Terry Branstad](#). Kirke's business partner, Michael Richards, was elevated last month to president of the Board of Regents, which governs Iowa's three public universities.

Kirke and Richards are chairman and vice chairman of Wild Rose Entertainment, which owns casinos in Emmetsburg, Clinton and Jefferson. The company is in a high-stakes competition against a rival group for a state license to build the first casino in Cedar Rapids, Iowa's second-largest city. The Iowa Racing and Gaming Commission will decide later this year whether to grant a license.

Kirke said Reynolds' staff called to ask if she could use his plane for the tour and, "I was honored to be asked and happy to help."

Reynolds' press secretary Brenna Smith praised Kirke's generosity. The tour was considered official state business, which means taxpayers could have paid for the travel. Conversely, Reynolds could have used her \$1 million campaign fund to rent a plane.

Smith said Reynolds won't take a position on a Cedar Rapids casino and will let the commission use its "independent judgment."

The governor's office noted that campaign donations can be used to pay for elected officials' outreach to constituents. Branstad occasionally used planes owned by wealthy supporters such as Bruce Rastetter and Jim Cownie but was normally driven to events by his Iowa State Patrol security detail.

The governor and lieutenant governor traditionally avoid flying together for safety reasons, although Gregg isn't in the line of succession in his acting capacity. It's unclear whether the state inquired into safety and liability issues associated with using Kirke's plane, a 1998 Cessna Citation V Ultra with 11 seats.

The jet made five stops covering hundreds of miles during the tour in which Reynolds and Gregg introduced themselves as ordinary Iowans promising to improve the state.

Critics pounced on Reynolds' campaign gift days after she succeeded Branstad, who resigned to become U.S. ambassador to China.

"The fact that Governor Reynolds jettied around the state on a big donor's plane while he has a pending business contract with her administration ... shows that she has the wrong priorities for our state," Iowa Democratic Party Chairman Derek Eadon said.

The commission rejected a Cedar Rapids casino in 2014, saying the gambling market was already saturated, with casinos in several nearby cities. But the commission has reopened that debate and is considering three applications for a license. Wild Rose is proposing a \$40 million casino that Kirke says will create hundreds of jobs and generate \$48 million in annual gaming revenues. Kirke told commissioners in February his company has a track record of "integrity, respect and commitment."

While promising to stay out of the Cedar Rapids debate, Reynolds will get to make at least two appointments next year to her casinos.

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Cedar Rapids Mayor Ron Corbett, who is considering whether to challenge Reynolds in the Republican primary for governor, has long pushed for a casino. Corbett called Kirke an "upstanding" person but said Reynolds' plane use could raise questions about favoritism.

"This was probably one where if they had to redo it, they'd probably find another plane," he said.

It's not the first time a free ride on a Kirke-owned plane has caused trouble for a high-ranking government official. In 1991, then-White House chief of staff John Sununu used a jet owned by Kirke's insurance company to attend a Republican Party fundraiser, prompting criticism.

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AP | EDITOR'S PICK | TOP STORY

Iowa governor defends private jet use; may do it again

By BARBARA RODRIGUEZ Associated Press Jun 5, 2017

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Gov. Kim Reynolds prepares to embrace Iowa House Speaker Linda Upmeyer during an appearance in Mason City Friday, May 26.

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DES MOINES — Iowa Gov. Kim Reynolds on Monday defended her use of a jet owned by a wealthy businessman who is lobbying the state for approval to build a casino.

Photos: Gov. Kim Reynolds in Mason City

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ARIAN SCHUESSLER/The Globe Gazette

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Gov. Kim Reynolds and Lt. Gov. Adam Gregg are all smiles in Mason City Friday.

The new Republican governor told reporters that asking Gary Kirke for use of his private airplane is allowable under Iowa ethics rules. She indicated she could seek such air travel, which she described as rare, in the future.

"We'll look at it on a case-by-case basis," she said. "But it's our intention to do like we normally do ... to drive around the state and visit all 99 counties. So that's the preferred method."

The Associated Press reported last week that Reynolds and acting Lt. Gov. Adam Gregg used Kirke's plane on May 26 to fly across Iowa as part of their new "Building a Better Iowa" tour. It included stops in Mason City, Hawarden, Cedar Rapids and Davenport.

The setup appears legal under Iowa's laws and rules regarding the use of campaign contributions for outreach to constituents. Kirke donated use of the 1998 Cessna Citation V Ultra and the services of two pilots as in-kind contributions to Reynolds' newly established gubernatorial campaign.

APNewsBreak: New governor toured Iowa on casino tycoon's jet

Kirke and his business partner, Michael Richards, are chairman and vice chairman of Wild Rose Entertainment, which owns casinos in Emmetsburg, Clinton and Jefferson. The company is competing with another group for a state license to build a casino in Cedar Rapids.

Kirke said the governor's staff called to ask if she could use his plane for the tour and, "I was honored to be asked and happy to help."

Reynolds said the Iowa Racing and Gaming Commission, which will decide this year whether to grant a license, is independent from her office and she has never weighed in on the issue and doesn't plan to. Reynolds will make at least two appointments next year to the five-member commission, which also regulates Kirke's other casinos.

Richards was elevated last month to be president of the Board of Regents, which governs Iowa's three public universities. Both Richards and Kirke are on a committee that will hold a private fundraiser for Reynolds on June 13. The fundraiser, with tickets at \$100 per person, was first reported by the Cedar Rapids Gazette.

The event will be held at the West Des Moines home of Chuck Larson, a consultant for Wild Rose.

Reynolds defended that people linked to the casino were organizing the fundraiser by alluding to her future gubernatorial plans.

"Just as the Democratic candidates will be laying the groundwork for a 2018 run, I am doing the same thing and we will have house parties all over the state of Iowa," she said.

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Critics pounced on Reynolds' campaign gift days after she succeeded Branstad, who resigned to become U.S. ambassador to China.

"The fact that Governor Reynolds jetted around the state on a big donor's plane while he has a pending business contract with her administration ... shows that she has the wrong priorities for our state," Iowa Democratic Party Chairman Derek Eadon said.

The commission rejected a Cedar Rapids casino in 2014, saying the gambling market was already saturated, with casinos in several nearby cities. But the commission has reopened that debate and is considering three applications for a license. Wild Rose is proposing a \$40 million casino that Kirke says will create hundreds of jobs and generate \$48 million in annual gaming revenues. Kirke told commissioners in February his company has a track record of "integrity, respect and commitment."

While promising to stay out of the Cedar Rapids debate, Reynolds will get to make at least two appointments next year to her casinos.

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Cedar Rapids Mayor Ron Corbett, who is considering whether to challenge Reynolds in the Republican primary for governor, has long pushed for a casino. Corbett called Kirke an "upstanding" person but said Reynolds' plane use could raise questions about favoritism.

"This was probably one where if they had to redo it, they'd probably find another plane," he said.

It's not the first time a free ride on a Kirke-owned plane has caused trouble for a high-ranking government official. In 1991, then-White House chief of staff John Sununu used a jet owned by Kirke's insurance company to attend a Republican Party fundraiser, prompting criticism.

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