

BEFORE THE WEST VIRGINIA ETHICS COMMISSION

In Re:

ERIC L. HODGES,

Complaint No. VCRB 2015-116

**Former Wayne County Assessor,
Respondent.**

STATEMENT OF CHARGES AND NOTICE OF HEARING

The Probable Cause Review Board of the West Virginia Ethics Commission entered an Order on December 30, 2016, finding that there is probable cause to believe that Eric L. Hodges, the Respondent in the above-referenced Complaint, violated the provisions of W.Va. Code § 6B-2-5(b)(1) which state, in relevant part:

(b) Use of office for private gain – (1) A public official or public employee may not knowingly and intentionally use his or her office or the prestige of his or her office for his or her own private gain or that of another person.

The Probable Cause Order found that Respondent Hodges used a credit card (“P-card”) provided to him under the State of West Virginia’s Local Government Purchasing Program to make multiple personal purchases which were not for the benefit of the Wayne County Assessor’s Office in violation of W.Va. Code § 6B-2-5(b)(1).

The Order also found that Respondent Hodges used a second credit card, a Chase Business Capital credit card provided to him by the Wayne County Assessor’s Office, to make multiple personal purchases which were not for the benefit of the Wayne County Assessor’s Office in violation of W.Va. Code § 6B-2-5(b)(1). Respondent was

one of the cardholders in the Assessor's Office designated to make purchases for the Office.

The Order directed that this Statement of Charges be prepared and that the matter be scheduled for a public hearing to determine the truth or falsity of the charges.

STATEMENT OF CHARGES

Jurisdiction

1. Eric L. Hodges ["Hodges" or Respondent] served as the elected Wayne County Assessor from 2004 until 2015.

2. Respondent was therefore a "public official" as defined in the West Virginia Governmental Ethics Act, at W.Va. Code § 6B-1-3(k).

3. The Ethics Commission has jurisdiction over alleged violations of the Ethics Act committed by public officials such as Respondent. (W.Va. Code §§ 6B-1-1 through § 6B-3-11).

Facts

4. On August 26, 2015, Wayne County Commission President Robert Pasley filed Verified Complaint No. 2015-116, which alleged that Respondent had violated the Ethics Act.

5. The Complaint alleged that in July and August 2015 the Respondent used government-authorized credit cards to obtain personal items, goods, and/or services that were not for the benefit of the Wayne County Assessor's Office.

6. The Wayne County Commission participates in the State of West

Virginia's Local Government Purchasing Program. The State Auditor's Office administers this program, and United Bank, Inc., is the program's financial institution.

7. The State Auditor's Office and the Wayne County Commission designated the Respondent as a cardholder for the Wayne County Assessor's Office in the Local Government Purchasing Program.

8. United Bank, Inc., issued Respondent Hodges a purchasing card ("P-Card").

9. P-Cards are credit cards and may be used to make payments for goods, services, and travel for local government entities. Personal charges on the P-cards are prohibited.

10. In addition to the P-Card through United Bank, the Assessor's Office had a Chase Business Capital credit card account, and the Respondent was one of the Assessor's Office's designated cardholders. This card was intended to be used only for making purchases for the Assessor's Office. Purchases made with the Chase credit card were paid from the Assessor's Valuation Fund. Withdrawals from this fund to pay credit card invoices did not require approval by the County Commission.

11. On three occasions in July 2015, Hodges contacted the County Commission's Office and requested that his \$2,500 State Auditor's Office-issued P-card limit be increased. To justify these increases, the Respondent stated that he was in Webster County in his official capacity working on a county coal tax study and needed a higher credit limit. In response to Respondent's request, the County P-Card coordinator and the County Administrator submitted requests to the State Auditor's Office to increase his P-Card spending limit from \$2,500 to \$10,000, and then to \$12,500 and

finally to \$15,000. The State Auditor's Office approved the requests.

12. In July and August 2015, Respondent Hodges used the P-Card and the Assessor's Office's Chase credit card to purchase more than \$58,000 in personal merchandise that did not benefit the Assessor's Office.

13. None of these purchases was intended for or used by the Wayne County Assessor's Office.

14. On August 2, 2015, the Respondent paid \$9,741.18 to Chase Bank for his personal charges on the Assessor's Office Chase Business Capital credit card.

15. On August 3, 2015, the Respondent was arrested and charged with embezzlement, computer fraud, and making fraudulent purchases related to his use of the P-Card and Chase credit card.

16. On August 6, 2015, Faye M. Earley paid \$14,137.56 to the Wayne County Commission on behalf of Respondent Hodges to reduce the balance of Respondent's personal charges on the P-card.

17. On October 9, 2015, Eric L. Hodges resigned from his elected position as Wayne County Assessor.

18. On January 21, 2016, the Respondent pled guilty to two felony counts of embezzlement in Wayne County Circuit Court based upon his fraudulent use of the P-Card and Chase credit card.

19. In his plea agreement, Respondent agreed to pay \$58,007 in restitution to the Wayne County Commission and to forfeit all of the items which he illegally purchased with the P-Card and the Chase Capital Business Card.

20. On March 30, 2016, Respondent Eric L. Hodges was sentenced to five

years of probation.

Count One

21. The allegations set forth in paragraphs 1 through 20 are re-alleged and incorporated herein by reference.

22. Respondent Eric L. Hodges knowingly and intentionally used his public office for his own private gain in violation of W.Va. Code § 6B-2-5(b)(1) by using the State Auditor's Office-issued P-card for personal purchases and expenditures that did not benefit the Wayne County Assessor's Office.

Count Two

23. The allegations set forth in paragraphs 1 through 22 are re-alleged and incorporated herein by reference.

24. Respondent Eric L. Hodges knowingly and intentionally used his public office for his own private gain in violation of W.Va. Code § 6B-2-5(b)(1) by using the Assessor's Office Chase Capital Business credit card for personal purchases and expenditures that did not benefit the Wayne County Assessor's Office.

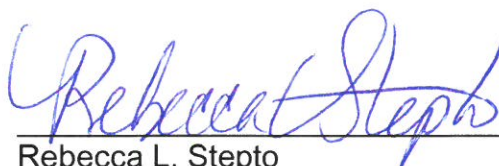
NOTICE OF HEARING

Notice is hereby given that a PUBLIC HEARING will be held on March 21, 2017, at the offices of the West Virginia Ethics Commission, 210 Brooks Street, Third Floor Conference Room, Charleston, West Virginia, beginning at **10:00 a.m.** to determine the truth or falsity of the charges herein. The hearing will be continued until completed.

In accordance with W.Va. Code § 6B-2-4 and 158 CSR § 17-4.1, the Commission will appoint an independent hearing examiner to preside at the hearing. The record compiled by the hearing examiner will then be submitted to the members of the Ethics Commission, who will make a final decision in this case.

Upon the appointment of a hearing examiner, the Respondent or his counsel will be notified.

Dated: Dec. 30, 2016



Rebecca L. Stepto
Executive Director

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In Re:

ERIC L. HODGES,

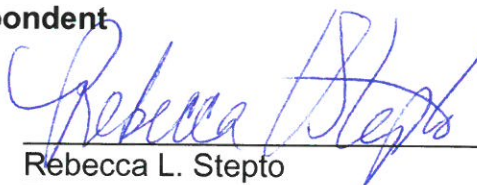
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**Former Wayne County Assessor,
Respondent.**

CERTIFICATE OF SERVICE

I, Rebecca L. Stepto, Executive Director for the West Virginia Ethics Commission, do certify that I have, this 30th day of December, 2016, served a true and complete copy of the foregoing **STATEMENT OF CHARGES AND NOTICE OF HEARING** via certified U.S. mail to the following:

James C. Stebbins, Esq.
Lewis, Glasser, Casey & Rollins, PLLC
BB&T Square, Suite 700
300 Summers Street
Charleston, WV 25301
Counsel for Respondent



Rebecca L. Stepto
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Certificate of Service

I, Meridith O. Johnstone, Deputy General Counsel for the West Virginia Ethics Commission, certify that on this 28th day of February, 2017, I served a true and complete copy of the foregoing Probable Cause Order, Statement of Charges/Notice of Hearing, Notice of Appointment of Hearing Examiner and Ethics Commission's Disclosure of Witnesses and Documents via certified U.S. mail to the following:

Eric L. Hodges
73 Neighbor Lane
Wayne, WV 25570
Respondent

H. F. Salsbery, Esquire
Bailey & Wyant
500 Virginia Street East, Suite 600
P. O. Box 3710
Charleston, WV 25337-3710
Hearing Examiner



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