

111TH CONGRESS }  
*1st Session*

HOUSE OF REPRESENTATIVES

{ REVIEW NO.  
09-9030

**OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF  
REPRESENTATIVES**

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**Report and Findings**

Transmitted to the  
Committee on Standards of Official Conduct  
November 12, 2009  
and released publicly pursuant to H. Res. 895 of the  
110th Congress as amended



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November 2009

OFFICE OF  
CONGRESSIONAL ETHICS  
BOARD

UNITED STATES HOUSE OF REPRESENTATIVES  
ONE HUNDRED ELEVENTH CONGRESS

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PORTER GOSS, *Co-Chair*  
YVONNE BURKE  
KAREN ENGLISH  
ALLISON HAYWARD  
JAY EAGEN  
WILLIAM FRENZEL  
ABNER MIKVA

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Leo J. Wise, *Chief Counsel & Staff Director*  
Omar Ashmawy, *Investigation Counsel*

## REPORT

### Review No. 09–9030

The Board of the Office of Congressional Ethics (hereafter “the Board”), by a vote of no less than four members, on October 23, 2009, adopted the following report and ordered it to be transmitted to the Committee on Standards of Official Conduct of the United States House of Representatives.

SUBJECT: Representative Fortney Pete Stark

NATURE OF THE ALLEGED VIOLATION: Representative Fortney Pete Stark has listed a house he owns in Harwood, Maryland as his principal residence on Maryland tax forms. By doing so, Representative Stark received state and county homestead tax credits and any annual increases in his home assessments were capped at no more than 10 percent. In order to qualify for the Maryland Homestead Tax Credit, Maryland law requires the home to be used as the owner’s “principal residence”—where the homeowner regularly resides and is designated for voting, obtaining a driver’s license, and filing income tax returns. Representative Stark pays California resident taxes, has a California driver’s license and is registered to vote in California.

Representative Stark’s conduct may have violated Maryland law and the Code of Ethics for Government Service if he misrepresented information on the Application for Homestead Tax Credit Eligibility in order to prove eligibility.

RECOMMENDATION: The Board of the Office of Congressional Ethics recommends that the Committee on Standards of Official Conduct further review the above allegations.

VOTES IN THE AFFIRMATIVE: 6

VOTES IN THE NEGATIVE: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT: Leo Wise, Staff Director & Chief Counsel.

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## FINDINGS OF FACT AND CITATIONS TO LAW

### Review No. 09–9030

On October 23, 2009, the Board of the Office of Congressional Ethics (hereafter the “Board” and the “OCE”) 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. There is substantial reason to believe that Representative Fortney Pete Stark may have violated House rules<sup>1</sup> by misrepresenting information on the Maryland Application for Homestead Tax Credit Eligibility. Specifically, sometime between December 2008 and March 2009 Representative Stark certified a house he owns in Harwood, Maryland, was his “principle residence” under Maryland law. By doing so, he qualified for the Maryland Homestead Tax Credit. As a result, Representative Stark received state and county homestead tax credits and the increases in his home assessments were capped at no more than 10 percent per year. In order to qualify for the Maryland Homestead Tax Credit, Maryland law requires the home to be used as the owner’s “principal residence.” Maryland law defines “principle residence” as the one dwelling where the homeowner regularly resides and is designated for voting, obtaining a driver’s license, and filing income tax returns.

2. Sometime between December 2008 and March 2009, Representative Stark certified to Maryland that he is registered to vote in Maryland, while in fact he is registered to vote in California. Representative Stark later changed his certification.

3. Representative Stark told the OCE he did not certify that he voted in Maryland nor did he later change his answer.

##### B. JURISDICTIONAL STATEMENT

4. The allegations that were the subject of this review concern Representative Fortney Pete Stark, a Member of the United States House of Representatives from the 13th District of California. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (hereafter “OCE”) directs that, “[n]o review shall be undertaken . . . by the board of any al-

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<sup>1</sup> As per Rule 9 of the OFFICE OF CONGRESSIONAL ETHICS, RULES FOR THE CONDUCT OF INVESTIGATIONS 11 (2009), the Board shall refer a matter to the Standards Committee if it determines there is a substantial reason to believe the allegation.

leged violation that occurred before the date of adoption of this resolution.”<sup>2</sup> The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, review by the Board is in accordance with the Resolution.

5. The Board notes that representations made by Members of Congress regarding their state residency implicates their official duties as a Member’s state residency is a qualification for the office they hold.

#### C. PROCEDURAL HISTORY

6. The OCE received a written request for a preliminary review in this matter signed by at least two members of the Board on June 5, 2009. The preliminary review commenced on that date.<sup>3</sup>

7. At least three members of the Board voted to initiate a second-phase review in this matter on June 26, 2009. The second phase review commenced on June 29, 2009.<sup>4</sup> The second-phase review was scheduled to end on August 13, 2009.

8. The Board voted to extend the 45-day second-phase review by an additional 14 days on August 5, 2009, as provided for under the Resolution. Following the extension, the second-phase review was scheduled to end on August 28, 2009.<sup>5</sup>

9. The second-phase review ended on August 28, 2009.

10. The Board voted to refer the matter to the Committee on Standards of Official Conduct for further review and adopted these findings on October 23, 2009.

11. The report and findings in this matter were transmitted to the Committee on Standards of Official Conduct on November 12, 2009.

#### D. SUMMARY OF INVESTIGATIVE ACTIVITY

12. The OCE requested documentary and in some cases testimonial information from the following sources:

- (1) Maryland State Department of Assessments and Taxation Taxpayer Services Division;
- (2) Witness A, Associate Director of the Maryland State Department of Assessments and Taxation Taxpayer Services Division;<sup>6</sup>
- (3) Witness B, Supervisor of the Homestead Tax Credit Application Program
- (4) Anne Arundel County; and
- (5) Representative Stark.

<sup>2</sup> H. Res 895, 110th Cong. § 1(e) (2008) (as amended)

<sup>3</sup> 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 H. Res. 895 of the 110th Congress (hereafter “the Resolution”), the timeframe for conducting a preliminary review is 30 days from the date of receipt of the Board’s request.

<sup>4</sup> According to the Resolution, the Board must vote (as opposed to make a written authorization) on whether to conduct a second-phase review in a matter before the expiration of the 30-day preliminary review. If the Board votes for a second-phase, the second-phase commences the day after the preliminary review ends.

<sup>5</sup> The 14-day extension expires after the 45-day second-phase review ends. The 14-day extension does not begin on the date of the Board vote.

<sup>6</sup> The Resolution provides that the names of cooperating witnesses not be included in a referral to the Committee on Standards of Official Conduct. H. Res 895, 110th Cong. § 1(c) (2008) (as amended). This provision applies to testimonial evidence and not to documentary evidence.

## II. THE MARYLAND HOMESTEAD TAX CREDIT PROGRAM AND REPRESENTATIVE STARK'S APPLICATION AND ELIGIBILITY

### A. APPLICABLE LAW, RULES, AND STANDARDS OF CONDUCT

#### 13. *Maryland law:*

*Under the Maryland Code, Tax—Property Article §14–1004, “A person who willfully or with the intent to evade payment of a tax under this article or to prevent the collection of a tax under this article provides false information or a false answer to a property tax interrogatory under this article is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 18 months or both.”*

#### 14. *Code of Ethics for Government Service:*

*Under the Code of Ethics for Government Service<sup>7</sup>, “all Government employees, including office holders . . . should uphold the Constitution, laws, and legal regulations of the United States and all governments therein and never be a party to their evasion.”*

15. If Representative Stark willfully misrepresented information on Maryland's Application for Homestead Tax Credit Eligibility in order to certify his Maryland house as his principle residence under Maryland law and thereby qualify for the corresponding tax credits, then he may have violated Maryland law and paragraph 2 of the Code of Ethics for Government Service.

16. For the purposes of the Board's deliberations, the Board considered the Maryland tax code to be a “legal regulation,” as described in paragraph 2 of the Code of Ethics for Government Service, and the state of Maryland to be a “government therein” the United States.

17. Based on the facts collected by the OCE, the Board concludes there is a substantial reason to believe the allegation that is the subject of this review.<sup>8</sup>

### B. MARYLAND HOMESTEAD TAX CREDIT

18. Representative Pete Stark represents the 13th Congressional District of California.

19. Representative Stark and his wife have had an ownership interest in a home in Harwood, Maryland, since at least 2000.

20. Based on information available on the Anne Arundel County Maryland Real Estate Charges, Credits and Exemptions' website, the Starks' Harwood home has been listed as their principal residence since 2007 and Representative Stark has been receiving the Homestead Tax Credit since at least 2007.<sup>9</sup> From 2000 to 2007 Representative Stark received tax bills for the Harwood residence that did not show the Homestead Tax Credit.<sup>10</sup> In calendar year

<sup>7</sup> 72 Stat., Part 2, B12 (1958), H. Con. Res. 175, 85th Cong.

<sup>8</sup> Rule 9 of the OFFICE OF CONGRESSIONAL ETHICS, RULES FOR THE CONDUCT OF INVESTIGATIONS 11 (2009) provides that “[t]he Board shall refer a matter to the Standards Committee for further review if it determines there is a substantial reason to believe the allegation based on all the information then known to the Board.”

<sup>9</sup> *Id.*

<sup>10</sup> Anne Arundel County Maryland Website, Real Estate Charges, Credits and Exemptions tax records (Exhibit 1 at 09–9030–0002–09–9030–0005).



2009, the year directly affected by his answers on the 2008 application, Representative Stark received \$3,769.79 in state and county tax credits.<sup>11</sup>

21. The Maryland Homestead Tax Credit limits the increase in taxable assessments each year to 10 percent for the homeowner's "principal residence." Maryland state law defines "principal residence" as the one dwelling where the homeowner regularly resides and is the location designated by the owner for the legal purposes of voting, obtaining a driver's license, and filing income tax returns.<sup>12</sup> In an interview with Witness A, Associate Director of the Maryland State Department of Assessments and Taxation (SDAT), the witness indicated that an individual must vote in Maryland, possess a Maryland driver's license, and file a Maryland resident income tax return in order to be eligible for the tax credit.<sup>13</sup> For married couples, at least one spouse must meet all residency requirements.<sup>14</sup> The applicant must also have a "legal interest" in the property, which is defined as "an interest in a dwelling: as a sole owner; as a joint tenant; as a tenant in common; as a tenant by the entirety; through membership in a cooperative; under a land installment contract, or as a holder of a life estate."<sup>15</sup>

22. In October 2007, the Maryland General Assembly passed a law that codified the requirement to receive the Homestead Tax Credit and instructed SDAT to establish a procedure for Maryland homeowners to certify their eligibility to receive the Homestead Tax Credit.<sup>16</sup>

23. Prior to October 2007, the requirements for eligibility for the Homestead Tax Credit were the same.<sup>17</sup>

24. In order to prevent the improper granting of the Homestead Tax Credit to rented properties or multiple properties of a single owner SDAT began mailing a one-time application to homeowners to establish eligibility for the tax credit.<sup>18</sup> The application was included in the assessment notice mailed to one-third of Maryland homeowners at the end of each calendar year, for a period of three years beginning December 2008.<sup>19</sup>

#### C. REPRESENTATIVE STARK'S HOMESTEAD TAX CREDIT APPLICATION

25. The OCE requested a copy of the application Representative Stark submitted to Maryland from the Congressman. Representative Stark indicated that he did not have a copy of the application because he submitted it online. He then, without any prompting by the OCE, provided the OCE a hand-done version of the application he submitted online.<sup>20</sup> On that document he indicated:

<sup>11</sup> *Id.*

<sup>12</sup> COMAR 18.07.03.01 (B)(3). *See also* Maryland Assessment Procedures Manual (COMAR 18.07.03.01(B)(3)) at 1.

<sup>13</sup> Memorandum of Interview of Witness A and Witness B (Exhibit 2 at 09-9030-0007).

<sup>14</sup> Maryland Assessment Procedures Manual (COMAR 18.07.03.01(B)(3)) at 1.

<sup>15</sup> COMAR Tax-Property, Title 9, Subtitle 1, § 9-105 (a)(4).

<sup>16</sup> COMAR 18.07.03.01(B)(3).

<sup>17</sup> Memorandum of Interview of Witness A and Witness B (Exhibit 2 at 09-9030-0007).

<sup>18</sup> Maryland Department of Assessments and Taxation Homestead Tax Credit Application (Exhibit 3 at 09-9030-0011-09-9030-0012).

<sup>19</sup> "The Homestead Tax Credit," Maryland Department of Assessments and Taxations, [www.md.dat.md.us/sdatweb/homestead.html](http://www.md.dat.md.us/sdatweb/homestead.html) last viewed by staff on May 26, 2009.

<sup>20</sup> Recreated Maryland Homestead Tax Credit application (Exhibit 4 at 09-9030-0014-09-9030-0015).

1. Is the real property shown on this letter currently used, and expected to be used in the next calendar year as the single principal residence of the homeowner(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2. Is this real property address the location where the homeowner(s) expect to file their next federal and Maryland income tax return if one is filed?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Not applicable (Not Filing)
3. Is this real property address the location from which the homeowner(s) have received a driver's license or requested automobile licenses or vehicle registrations, if applicable?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> Not applicable (No License or Vehicle Registration)
4. Is this real property address the location from which the homeowner(s) are registered to vote, if registered?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> Not applicable (Not Registered)
5. Is any portion of the principal residence rented?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

26. The OCE later obtained a copy of the application Representative Stark submitted on line from SDAT.<sup>21</sup> The information Congressman Stark originally submitted on-line (recorded by the State of Maryland) shows the following<sup>22</sup>:

FHC1	DEPARTMENT OF ASSESSMENTS AND TAXATION	06/22/2009
FHC1MAP	HOMESTEAD TAX CREDIT	
P61	CURRENT APPLICATION INQUIRY	PAGE 1 OF 1
Account #:	[REDACTED]	
Owner(s) Name:	STARK JR, FORTNEY H	ID Batch: 9999 ID: FHCB0008
	STARK, DEBORAH R	Occupancy Code: N
Premise Address:	[REDACTED]	Mailing Address:
	[REDACTED]	[REDACTED]
Application Status:	X	
	HARWOOD	MD 20776-[REDACTED]
Y	1. Will the real property be used as the single, principal residence of the homeowner(s) for more than six(6) months of the calendar year, including July 1? (Y/N)	
Y	2. Is this real property address the location where the homeowner(s) will file the federal and Maryland income tax return due on April 15th, if one is filed? (Y/N/NA)	
N	3. Is this real property address the location from which the homeowner(s) have received a driver's license or requested automobile licenses or vehicle registrations, if applicable? (Y/N/NA)	
Y	4. Is this real property address the location from which the homeowner(s) are registered to vote, if registered? (Y/N/NA)	
N	5. Is any portion of the principal residence rented? (Y/N)	

27. The Board takes note of question 4 where Congressman Stark indicated that his home in Harwood, Maryland, was the property from which he was registered to vote. When the OCE inquired further, SDAT explained that when Congressman Stark initially filed his application he did in fact answer question 4 in the affirmative.<sup>23</sup>

28. However, on or about March 16, 2009, according to SDAT records, Congressman Stark called the SDAT office and asked that

<sup>21</sup> The OCE sought and received Representative Stark's permission to request a copy of his Homestead Tax Credit application from Maryland.

<sup>22</sup> Maryland Department of Assessments and Taxation Homestead Tax Credit online application for Representative Stark (Exhibit 5 at 09-9030-0017). The date displayed on the upper right corner of the document represents the day the document was printed in response to an OCE Request for Information.

<sup>23</sup> Memorandum of Interview of Witness A and Witness B (Exhibit 2 at 09-9030-0009).

his answer to question 4 be changed from the affirmative to the negative.<sup>24</sup>

Owner(s) Name: STARK JR, FORTNEY H		ID Batch: 9999
STARK, DEBORAH R		Occupancy Code: N
Premise Address:	Mailing Address:	
Application Status: X	HARWOOD MD 20776-	
Enter / review comments:	ID: 00009532	
MR STARK CALLED TO CHANGE ANSWER TO QUESTION #4 FROM YES TO NO. 3/16/09. IF ANYONE HAS QUESTIONS ABOUT THIS FILE, YOU SHOULD CONTACT ROBERT YOUNG IN ADMINISTRATION. DO NOT ANSWER QUESTIONS ABOUT THIS FILE.		

29. The Board notes that the first press report on a Member of Congress improperly receiving the Homestead Tax Credit appeared on March 14, 2009, two days before Representative Stark called to change his answer, in the *New York Times* and concerned another Member of Congress.<sup>25</sup>

30. Representative Stark told the OCE that both he and his wife are registered to vote in Alameda County, California.<sup>26</sup>

31. Congressman Stark and his wife maintain California automobile licenses. Congressman Stark accurately answered this question on the Maryland application, however, based on SDAT procedures this did not disqualify him for the credit.<sup>27</sup>

32. Representative Stark and his wife filed a 2008 California resident income tax return.<sup>28</sup> Furthermore, it appears Representative Stark and his wife also filed a Maryland Non-Resident Income Tax Return for calendar year 2008.<sup>29</sup> Both returns were filed from the Harwood, Maryland, address. According to Witness A, had SDAT been aware that Representative Stark filed a Maryland Non-Resident return, that fact alone would have been grounds to disallow the credit.<sup>30</sup> However, given the vagueness of question 2, the Board notes that, despite SDAT's intentions, the question appears to allow an applicant to answer the question in the affirmative if the applicant files either a Maryland resident or non-resident return from their Maryland address.

33. The Board notes that Representative Stark correctly answered question 3 of the application, relating to his driver's license. According to Maryland law the fact that Representative Stark possessed a California driver's license made him ineligible to receive the Homestead Tax Credit.<sup>31</sup> However, SDAT's internal policy is to not reject an application for the credit solely because the address is not the one from which the property owner receives a driver's li-

<sup>24</sup> Maryland Department of Assessments and Taxation internal electronic note attached to Representative Stark's Homestead Tax Credit file (Exhibit 6 at 09-9030-0019).

<sup>25</sup> Bronx Representative Loses a Tax Break" *The New York Times*, March 14, 2009 (Exhibit 7 at 09-9030-0021-09-9030-0022).

<sup>26</sup> Memorandum of Interview Representative Stark (Exhibit 10 at 09-9030-0028)

<sup>27</sup> Memorandum of Interview of Witness A and Witness B (Exhibit 2 at 09-9030-0008).

<sup>28</sup> California Form 540-ES for Representative Stark and Mrs. Deborah Stark (Exhibit 8 at 09-9030-00024).

<sup>29</sup> Letter from William G. Robinson to Representative and Mrs. Stark regarding their 2008 Maryland Non-resident Income Tax Return (Exhibit 9 at 09-9030-0026).

<sup>30</sup> Memorandum of Interview of Witness A and Witness B (Exhibit 2 at 09-9030-0009).

<sup>31</sup> COMAR 18.07.03.01 (B)(3). See also Maryland Assessment Procedures Manual (COMAR 18.07.03.01(B)(3)) at 1.

cense.<sup>32</sup> However, if this fact is brought to the attention of SDAT, then the credit may be revoked.<sup>33</sup>

#### D. INTERVIEW WITH REPRESENTATIVE STARK

34. The OCE interviewed Representative Stark on May 29, 2009. Representative Stark voluntarily agreed to an interview. At the beginning of the interview Representative Stark refused to discuss what he knew about the Maryland Homestead Tax Credit program and his eligibility.<sup>34</sup> Eventually, he spoke in some detail about his application for the credit. Initially he indicated that he did not recall completing the application.<sup>35</sup> However, later during the interview he stated that he personally completed the application online. Representative Stark also said that that he was aware that the application for the tax credit had eligibility requirements. Representative Stark specifically expressed his knowledge that a person must be registered to vote in Maryland.<sup>36</sup> After completing the form, Representative Stark recalled that the credit was denied.<sup>37</sup>

35. When specifically asked, Representative Stark also stated that he did not call the Maryland State Department of Assessments and Taxation to change his answer to the tax credit application.<sup>38</sup> The Congressman also said he could not think of anyone who would have called SDAT on his behalf.<sup>39</sup> He reviewed a copy of the online application he actually submitted, shown above in paragraph 20, and admitted that his answers to the voting question was incorrect. He could not explain why the answers were incorrect.<sup>40</sup>

36. Approximately 15 minutes into the interview it became apparent to the OCE staff that the Congressman was video recording the interview.<sup>41</sup> A Request for Information was submitted to Representative Stark asking for a copy of the recording on July 31, 2009.<sup>42</sup> Congressman Stark denied the request.<sup>43</sup>

### III. CONCLUSION

37. For these reasons, the Board recommends that the Standards Committee further review of the above described allegations concerning Representative Stark.

#### IV. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATIONS FOR THE ISSUANCE OF SUBPOENAS

38. There was no information relevant to this review that the Board was unable to obtain.

<sup>32</sup> Memorandum of Interview of Witness A and Witness B (Exhibit 2 at 09-9030-0008).

<sup>33</sup> *Id.*

<sup>34</sup> Memorandum of Interview Rep. Stark (Exhibit 10 at 09-9030-0028).

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at 09-9030-0029.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> Request for Information to Representative Stark dated July 31, 2009 (Exhibit 11 at 09-9030-0031-09-9030-0033).

<sup>43</sup> Email from Representative Stark's Chief of Staff dated September 22, 2009 (Exhibit 12 at 09-9030-0035).




## **EXHIBIT 1**



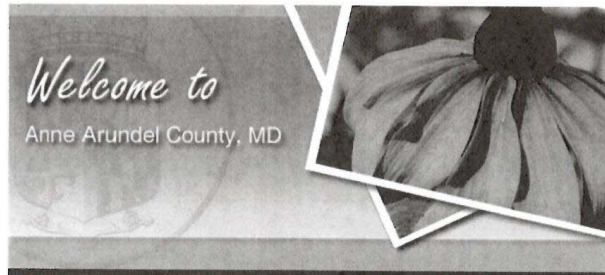
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Page 1 of 1

 <b>Maryland Department of Assessments and Taxation</b> <b>ANNE ARUNDEL COUNTY</b> <b>Real Property Data Search</b> (2007 vvv5.1)										<a href="#">Go Back</a> <a href="#">View Map</a> <a href="#">New Search</a>		
<b>Account Identifier:</b> District - <input type="text"/> Subdivision - <input type="text"/> Account Number - <input type="text"/>												
<b>Owner Information</b>												
<b>Owner Name:</b> STARK JR, FORTNEY H				<b>Use:</b> RESIDENTIAL								
STARK, DEBORAH R				<b>Principal Residence:</b> NO								
<b>Mailing Address:</b> <input type="text"/>				<b>Deed Reference:</b> 1) /10951/ 87								
HARWOOD MD 20776				2) /11394/ 563								
<b>Location &amp; Structure Information</b>												
<b>Premises Address</b> <input type="text"/>						<b>Legal Description</b> <input type="text"/>						
HARWOOD 20776						6.35 ACRES						
WATERFRONT						HARWOOD						
<b>Map</b>	<b>Grid</b>	<b>Parcel</b>	<b>Sub District</b>	<b>Subdivision</b>	<b>Section</b>	<b>Block</b>	<b>Lot</b>	<b>Assessment Area</b>	<b>Plat No:</b>			
65	20	150						3		<b>Plat Ref:</b>		
<b>Special Tax Areas</b>												
<b>Town Ad Valorem Tax Class</b>												
<b>Primary Structure Built</b>				<b>Enclosed Area</b>				<b>Property Land Area</b>				<b>County Use</b>
1962				3,634 SF				6.35 AC				
<b>Stories</b>		<b>Basement</b>		<b>Type</b>				<b>Exterior</b>				
2		NO		STANDARD UNIT				BRICK				
<b>Value Information</b>												
		<b>Base Value</b>	<b>Value As Of</b>	<b>Phase-in Assessments</b>								
			01/01/2009	As Of		07/01/2008		As Of		07/01/2009		
<b>Land</b>		1,207,820	1,207,820									
<b>Improvements:</b>		385,550	504,740									
<b>Total:</b>		1,593,370	1,712,560			1,593,370		1,633,100				
<b>Preferential Land:</b>		0	0			0		0				
<b>Transfer Information</b>												
<b>Seller:</b> FORTNEY JR TRUSTEE, STARK H				<b>Date:</b> 09/08/2000				<b>Price:</b> \$0				
<b>Type:</b> NOT ARMS-LENGTH				<b>Deed1:</b> /10951/ 87				<b>Deed2:</b> /11394/ 563				
<b>Seller:</b> STARK, FORTNEY H JR				<b>Date:</b> 12/29/1992				<b>Price:</b> \$0				
<b>Type:</b> NOT ARMS-LENGTH				<b>Deed1:</b> / 5878/ 116				<b>Deed2:</b> / 6194/ 38				
<b>Seller:</b> RICHARDSON HORACE L				<b>Date:</b> 05/28/1987				<b>Price:</b> \$850,000				
<b>Type:</b> IMPROVED ARMS-LENGTH				<b>Deed1:</b> / 4357/ 389				<b>Deed2:</b>				
<b>Exemption Information</b>												
<b>Partial Exempt Assessments</b>				<b>Class</b>		07/01/2008		07/01/2009				
<b>County</b>				000		0		0				
<b>State</b>				000		0		0				
<b>Municipal</b>				000		0		0				
<b>Tax Exempt:</b> NO				<b>Special Tax Recapture:</b>								
<b>Exempt Class:</b>				* NONE *								

09-9030\_0002





## Citizens

[SERVICES](#) [OPTIONS](#) [SPECIAL](#)

### REAL ESTATE CHARGES, CREDITS AND EXEMPTIONS

**Bill Year:** 2007

**Bill Number:** 282975

**Parcel ID:**
**Location:**
**Owner:** STARK JR, FORTNEY  
H

**Customer#:** 433996

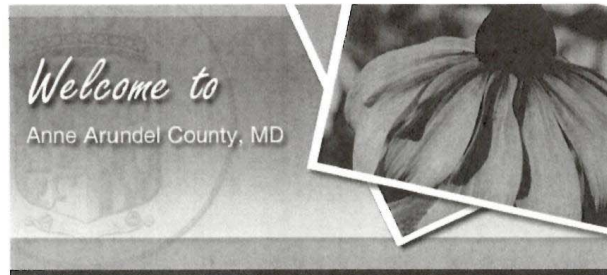
Tax Description	Assessment	Tax Rate	Tax/Charge
COUNTY REAL ESTATE TAX	1,274,123	0.918	11,696.45
BAY RESTORATION FEE	1.00	52.500	52.50
STATE REAL ESTATE TAX	1,274,123	0.112	1,427.02
COUNTY WASTE COLLECTION	1.00	275.000	160.42
<b>TOTAL TAX</b>			<b>13,336.39</b>
Credit/Exemption	Assessment	Tax Rate	Amount
STATE HOMESTEAD CREDIT		0.112	-53.95
COUNTY HOMESTEAD CREDIT		0.918	-1,260.72
<b>TOTAL CREDITS/EXEM.</b>			<b>-1,314.67</b>
<b>NET TAX</b>			<b>12,021.72</b>

[\[ Services \]](#)
[\[ Options \]](#)
[\[ Special \]](#)  
[Mail Questions/Comments to WebMaster](#)  
 2005.01.1

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09-9030\_0003

[http://annearundel.munis-online.com/citizens/tx/tax\\_chg\\_crd\\_page.asp?Parcel=100006859700...](http://annearundel.munis-online.com/citizens/tx/tax_chg_crd_page.asp?Parcel=100006859700...) 5/5/2009



## Citizens

[SERVICES](#) [OPTIONS](#) [SPECIAL](#)

### REAL ESTATE CHARGES, CREDITS AND EXEMPTIONS

**Bill Year:** 2008

**Bill Number:** 501446

**Parcel ID:**
**Location:**
**Owner:** STARK JR, FORTNEY H

**Customer#:** 433996

Tax Description	Assessment	Tax Rate	Tax/Charge
COUNTY WASTE COLLECTION	1.00	275.000	275.00
COUNTY REAL ESTATE TAX	1,433,746	0.891	12,774.68
BAY RESTORATION FEE	1.00	30.000	30.00
STATE REAL ESTATE TAX	1,433,746	0.112	1,605.80
<b>TOTAL TAX</b>			<b>14,685.48</b>

Credit/Exemption	Assessment	Tax Rate	Amount
STATE HOMESTEAD CREDIT		0.112	-95.43
COUNTY HOMESTEAD CREDIT		0.891	-2,443.31
<b>TOTAL CREDITS/EXEM.</b>			<b>-2538.74</b>

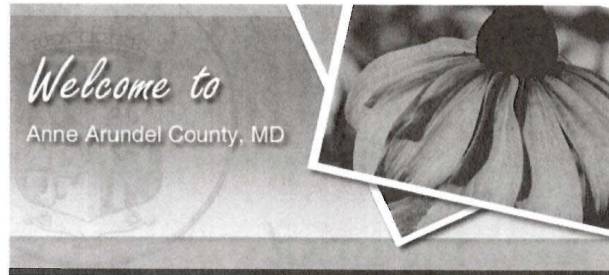
		<b>NET TAX</b>	<b>12,146.74</b>
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## Citizens

[SERVICES](#) [OPTIONS](#) [SPECIAL](#)

### REAL ESTATE CHARGES, CREDITS AND EXEMPTIONS

**Bill Year:** 2009

**Bill Number:** 801438

**Parcel ID:**
**Location:**
**Owner:** STARK JR, FORTNEY H

**Customer#:** 433996

Tax Description	Assessment	Tax Rate	Tax/Charge
SOLID WASTE SERVICE CHARGE	1.00	275.000	275.00
COUNTY REAL ESTATE TAX	1,593,370	0.888	14,149.13
BAY RESTORATION FEE	1.00	30.000	30.00
STATE REAL ESTATE TAX	1,593,370	0.112	1,784.57
<b>TOTAL TAX</b>			<b>16,238.70</b>
Credit/Exemption	Assessment	Tax Rate	Amount
STATE HOMESTEAD CREDIT		0.112	-123.17
COUNTY HOMESTEAD CREDIT		0.888	-3,646.62
<b>TOTAL CREDITS/EXEM.</b>			<b>-3,769.79</b>
<b>NET TAX</b>			<b>12,468.91</b>

[\[ Services \]](#)
[\[ Options \]](#)
[\[ Special \]](#)  
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http://annearundel.munis-online.com/citizens/tx/tax\_chg\_crd\_page.asp?Parcel=100006859700... 5/5/2009

## **EXHIBIT 2**



OFFICE OF CONGRESSIONAL ETHICS  
U.S. HOUSE OF REPRESENTATIVES

**MEMORANDUM OF INTERVIEW**

In Re: Witness A and Witness B  
Review No: 09-9030  
Date: June 23, 2009  
Location: Maryland State Department of Assessments and Taxation  
300 W. Preston Street  
Baltimore, MD 21201  
Time: 1314hrs – 1450 hrs (approximately)  
Participants: Leo Wise  
Omar Ashmawy  
Bryson Morgan

Summary: Witness A is the Associate Director of the Maryland State Department of Assessments and Taxation (MDSDAT). In this capacity, he oversees the Maryland Homestead Tax Credit. Witness B is the Supervisor of the Homestead Tax Credit Application Program. Witness B oversees the eligibility of individuals for the Homestead Tax Credit.

1. Maryland created the Homestead Tax Credit program in 1977. In order to qualify for the Maryland Homestead Tax Credit, Maryland law requires the home to be used as the owner's "principal residence" – where the homeowner regularly resides as is designated for voting, obtaining a driver's license, and filing income tax returns.
2. Prior to 2007, a homeowner was automatically granted the Homestead Tax Credit if the owner was listed as a first-time homebuyer or if the address for the receipt of assessments and property taxes was the address of the taxable property, and (1) MDSDAT had not determined that the property was a rental property, (2) MDSDAT assessors had not discovered that the property was not owner-occupied, and (3) if mail was not being forwarded from the address.
3. Individuals receiving the Homestead Tax Credit who are nonetheless ineligible for the credit do not have an affirmative obligation to remove their property from the Homestead Tax Credit program. It is the obligation of the MDSDAT to discover ineligible recipients and remove them from the program.

Witness A and B MOI – Page 1 of 3

Office of Congressional Ethics

09-9030\_0007

4. In order to prevent the improper granting of the homestead tax credit on rented or multiple properties of a single owner, the Maryland State Department of Assessments and Taxation began mailing a one-time application to homeowners to establish eligibility for the tax credit. The application was included in the assessment notice mailed to one-third of Maryland homeowners at the end of each calendar year, for a period of three years beginning December 2008.
5. The first round of applications was sent on December 27, 2007. The second round of applications was sent on December 31, 2008.
6. Individuals who failed to return the application will continue to receive the Homestead Tax Credit until December 21, 2012.
7. While the application asks five questions which mirror the requirements for the credit (single principal residence, location for filing income taxes, driver's license, voter registration, rental status) if an applicant indicates that the property is their "single principal residence" and that they have used the address for the purposes of filing federal taxes MDSDAT automatically grants the tax credit.
8. MDSDAT does not reject a Homestead Tax Credit application solely because the applicant does not use the address as the location from which they are registered to vote, and this fact does not flag the application for further MDSDAT scrutiny. If this fact is brought to the attention of MDSDAT, however, the credit may be revoked.
9. MDSDAT does not reject a Homestead Tax Credit application solely because the address is not the one from which the owner has received a driver's license, and this fact does not flag the application for further MDSDAT scrutiny. If this fact is brought to the attention of MDSDAT, however, the credit may be revoked.
10. Only if the person indicates that part of the property was rented would the application be approved yet "flagged" for later review by an MDSDAT employee. If, for example, an applicant indicated that the property was their "single principal residence" and their address for the purposes of filing federal taxes yet also indicated that it was not the address from which they were registered to vote or received a driver's license, the application would be automatically approved and not flagged for further MDSDAT scrutiny. MDSDAT does not engage in a more thorough initial analysis of applications due to resource constraints.

11. The Homestead Tax Credit Application was mailed to Representative Stark's Harwood, MD address on Dec. 31, 2008. Representative Stark returned the application, indicating that (1) the property was the "single principal residence" of the owner, (2) that the property was the location from which the homeowner would file federal and Maryland income tax returns, (3) that the address was not the location from which the owner had received a driver's license or vehicle registrations, (4) that the address was the location from which the homeowner was registered to vote, and (5) that no part of the property was rented.
12. One or two days prior to March 16, 2009, Representative Stark contacted the MDSDAT and requested that his Homestead Tax Credit Application be changed to indicate that the address was not the address from which the owner was registered to vote. MDSDAT removed the Homestead Tax Credit from Representative Stark's property on May 1, 2009.
13. MDSDAT records indicated that, at one time in the past, Representative Stark had been issued a Maryland driver's license. If MDSDAT knew that Representative Stark held a valid California driver's license at the time he submitted the application, that fact alone would have been grounds for rejection of the credit.
14. If MDSDAT knew that Representative Stark had filed a 2008 Maryland Non-Resident income tax return, that fact alone would have been grounds for rejections of the credit.

I prepared this Memorandum of Interview on June 24, 2009 after interviewing Witness A and Witness B on July 23, 2009. I certify that this memorandum contains all pertinent matter discussed with Witness A and Witness B on June 23, 2009.

Omar S. Ashmawy  
Investigative Counsel





## **EXHIBIT 3**



## APPLICATION FOR HOMESTEAD TAX CREDIT ELIGIBILITY

- The Homestead Tax Credit law limits the amount of assessment increase on which eligible resident homeowners actually pay county, municipal, and State property taxes each year. **This credit can have a significant impact on your real estate taxes regardless of your property's value or your income level. If the property is used as your principal residence, you are strongly encouraged to complete this application.**
- The reason why this application is required is to verify that the property owners only receive the benefit of this credit on their **one principal residence**. It also insures that other homeowners entitled to the credit but not receiving it can also start to receive this benefit.
- A married couple may only have one principal residence under the provisions of this law. A homeowner who submits an application that is inconsistent with income tax and motor vehicle records of the State shall be required to later submit additional verification in order to be considered for the credit.
- If you have a specific question concerning the application, you may telephone 410-767-2165 in the Baltimore metropolitan area or on 1-866-650-8783 toll free elsewhere in Maryland.
- This application can be filled out on your pc; if hand written please print legibly. Please use **black** or **blue** ink only.

### Section I

1. **SDAT Real Property Tax Identification Number of the property for which Homestead Eligibility is requested.**

**INSTRUCTIONS:** You must fill-in the property identification number in order to submit this application. The identification number is composed of the two digit county code where the property is located, followed by an account number of up to 14 characters in length. This information can be obtained from an assessment notice or by searching the Department's online Real Property database. If using the online system, the account number displayed must be preceded by the appropriate two digit county code listed below. If you do not have the identification number click [here](#) to search the Real Property database.

Allegany - 01	Calvert - 05	Charles - 09	Harford - 13	Prince George's - 17	Talbot - 21
Anne Arundel - 02	Caroline - 06	Dorchester - 10	Howard - 14	Queen Anne's - 18	Washington - 22
Baltimore City - 03	Carroll - 07	Frederick - 11	Kent - 15	St. Mary's - 19	Wicomico - 23
Baltimore Co. - 04	Cecil - 08	Garrett - 12	Montgomery - 16	Somerset - 20	Worcester - 24

County Code (From above)

Identification Number (up to 14 digits)

Co. Code	Ward	Section	Block	Lot
03				

For Baltimore City Only

2. **Address of the Property for which Application is being made:**

Street Address

City

MD

Zip code

09-9030\_0011

**Section II****YOU MUST ANSWER ALL QUESTIONS AND INCLUDE THE SOCIAL SECURITY NUMBER OF ALL HOMEOWNER(S).**

A homeowner is defined as any living person listed on the deed.

1. Is the real property shown on this letter currently used, and expected to be used in the next calendar year as the single principal residence of the homeowner(s)? ☐ Yes ☐ No
2. Is this real property address the location where the homeowner(s) expect to file their next federal and Maryland income tax return if one is filed? ☐ Yes ☐ No ☐ Not applicable (Not Filing)
3. Is this real property address the location from which the homeowner(s) have received a driver's license or requested automobile licenses or vehicle registrations, if applicable?  
☐ Yes ☐ No ☐ Not applicable (No License or Vehicle Registration)
4. Is this real property address the location from which the homeowner(s) are registered to vote, if registered?  
☐ Yes ☐ No ☐ Not applicable (Not Registered)
5. Is any portion of the principal residence rented? ☐ Yes ☐ No

**All owners must also complete the section below.** If there are, more than four (4) owners complete this application and attach a separate sheet listing the names and Social Security numbers of the additional owners before mailing.

Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	Social Security Number
Printed Name of Spouse or 2nd Homeowner (First Name, Middle Initial, Last, Suffix)	Social Security Number
Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	Social Security Number
Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	Social Security Number

In submitting this application I hereby declare under the penalties of perjury, pursuant to Tax-Property Article, 1-201, Annotated Code of Maryland, that the application has been examined by me and the information contained herein, to the best of my knowledge and belief is true, correct and complete and that this property is my principal residence for the prescribed period. **I understand that the Department may independently verify the above information by contacting, including but not limited to, the Internal Revenue Service, the Maryland Comptroller's Office and the Motor Vehicle Administration.**

Homeowner's Signature	Spouse or Co-Owner's Signature	Date
Telephone Number (Daytime)		

**Mail completed application to:** Department of Assessments and Taxation  
Homestead Tax Credit Division  
301 West Preston Street, 8<sup>th</sup> Floor  
Baltimore MD 21201

**PENALTIES FOR PERJURY**

A person who willfully or with intent to evade payment of a tax under this Article provides false information or a false answer to a property tax interrogatory/application is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 18 months or both. Tax-Property Article, § 14-1004. For example, it is willful intent for a homeowner to indicate a property is his or her principal residence when the property is used for another purpose, such as a rental or a vacation home.

**PRIVACY AND STATE DATA SECURITY NOTICE**

The principal purpose for which this information is sought is to determine your eligibility for a tax credit. Failure to provide this information will result in a denial of your application. Some of the information requested would be considered a "Personal Record" as defined in State Government Article, § 10-624. Consequently, you have the statutory right to inspect your file and to file a written request to correct or amend any information you believe to be inaccurate or incomplete. Additionally, it is unlawful for any officer or employee of the state or any political subdivision to divulge any income particulars set forth in the application or any tax return filed except in accordance with a judicial or legislative order. However, this information is available to officers of the state, county or municipality in their official capacity and to taxing officials of any other state, or the federal government, as provided by statute.

## **EXHIBIT 4**



## APPLICATION FOR HOMESTEAD TAX CREDIT ELIGIBILITY

- The Homestead Tax Credit law limits the amount of assessment increase on which eligible resident homeowners actually pay county, municipal, and State property taxes each year. This credit can have a significant impact on your real estate taxes regardless of your property's value or your income level. If the property is used as your principal residence, you are strongly encouraged to complete this application.
- The reason why this application is required is to verify that the property owners only receive the benefit of this credit on their one principal residence. It also insures that other homeowners entitled to the credit but not receiving it can also start to receive this benefit.
- A married couple may only have one principal residence under the provisions of this law. A homeowner who submits an application that is inconsistent with income tax and motor vehicle records of the State shall be required to later submit additional verification in order to be considered for the credit.
- If you have a specific question concerning the application, you may telephone 410-767-2165 in the Baltimore metropolitan area or on 1-866-650-8783 toll free elsewhere in Maryland.
- This application can be filled out on your pc; if hand written please print legibly. Please use black or blue ink only.

## Section I

1. SDAT Real Property Tax Identification Number of the property for which Homestead Eligibility is requested.

INSTRUCTIONS: You must fill-in the property identification number in order to submit this application. The identification number is composed of the two digit county code where the property is located, followed by an account number of up to 14 characters in length. This information can be obtained from an assessment notice or by searching the Department's online Real Property database. If using the online system, the account number displayed must be preceded by the appropriate two digit county code listed below. If you do not have the identification number click here to search the Real Property database.

Allegany - 01	Calvert - 05	Charles - 09	Harford - 13	Prince George's - 17	Talbot - 21
Anne Arundel - 02	Caroline - 06	Dorchester - 10	Howard - 14	Queen Anne's - 18	Washington - 22
Baltimore City - 03	Carroll - 07	Frederick - 11	Kent - 15	St. Mary's - 19	Wicomico - 23
Baltimore Co. - 04	Cecil - 08	Garrett - 12	Montgomery - 16	Somerset - 20	Worcester - 24

County Code (From above)

Identification Number (up to 14 digits)

Co. Code	Ward	Section	Block	Lot
03				

For Baltimore City Only

2. Address of the Property for which Application is being made:

[Redacted Address]

Street Address

Harwood

City

MD

20776

Zip code



06/16/2009 11:57 FAX 202262020

REP PETE STARK

003

## APPLICATION FOR HOMESTEAD TAX CREDIT ELIGIBILITY

Page 2 of 2

**Section II**

**YOU MUST ANSWER ALL QUESTIONS AND INCLUDE THE SOCIAL SECURITY NUMBER OF ALL HOMEOWNER(S).**  
A homeowner is defined as any living person listed on the deed.

1. Is the real property shown on this letter currently used, and expected to be used in the next calendar year as the single principal residence of the homeowner(s)? ☒ Yes ☐ No
2. Is this real property address the location where the homeowner(s) expect to file their next federal and Maryland income tax return if one is filed? ☒ Yes ☐ No ☐ Not applicable (Not Filing)
3. Is this real property address the location from which the homeowner(s) have received a driver's license or requested automobile licenses or vehicle registrations, if applicable?  
☐ Yes ☒ No ☐ Not applicable (No License or Vehicle Registration)
4. Is this real property address the location from which the homeowner(s) are registered to vote, if registered?  
☐ Yes ☒ No ☐ Not applicable (Not Registered)
5. Is any portion of the principal residence rented? ☐ Yes ☒ No

All owners **must** also complete the section below. If there are, more than four (4) owners complete this application and attach a separate sheet listing the names and Social Security numbers of the additional owners before mailing.

<u>Fortney H. Stark</u> Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	<u>[REDACTED]</u> Social Security Number
<u>Reborah R. Stark</u> Printed Name of Spouse or 2nd Homeowner (First Name, Middle Initial, Last, Suffix)	<u>[REDACTED]</u> Social Security Number
_____ Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	_____ Social Security Number
_____ Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	_____ Social Security Number

In submitting this application I hereby declare under the penalties of perjury, pursuant to Tax-Property Article, 1-201, Annotated Code of Maryland, that the application has been examined by me and the information contained herein, to the best of my knowledge and belief is true, correct and complete and that this property is my principal residence for the prescribed period. I understand that the Department may independently verify the above information by contacting, including but not limited to, the Internal Revenue Service, the Maryland Comptroller's Office and the Motor Vehicle Administration.

<u>[Signature]</u> Homeowner's Signature	<u>[Signature]</u> Spouse or 2nd Owner's Signature	<u>8</u> Date
<u>                    </u> Telephone Number (Daytime)		

Mail completed application to: Department of Assessments and Taxation  
Homestead Tax Credit Division  
301 West Preston Street, 8<sup>th</sup> Floor  
Baltimore MD 21201

**PENALTIES FOR PERJURY**

A person who willfully or with intent to evade payment of a tax under this Article provides false information or a false answer to a property tax interrogatory/application is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 18 months or both. Tax-Property Article, § 14-1004. For example, it is willful intent for a homeowner to indicate a property is his or her principal residence when the property is used for another purpose, such as a rental or a vacation home.

**PRIVACY AND STATE DATA SECURITY NOTICE**

The principal purpose for which this information is sought is to determine your eligibility for a tax credit. Failure to provide this information will result in a denial of your application. Some of the information requested would be considered a "Personal Record" as defined in State Government Article, § 10-624. Consequently, you have the statutory right to inspect your file and to file a written request to correct or amend any information you believe to be inaccurate or incomplete. Additionally, it is unlawful for any officer or employee of the state or any political subdivision to divulge any income particulars set forth in the application or any tax return filed except in accordance with a judicial or legislative order. However, this information is available to officers of the state, county or municipality in their official capacity and to taxing officials of any other state, or the federal government, as provided by statute.

09-9030\_0015

## **EXHIBIT 5**



FHC1	DEPARTMENT OF ASSESSMENTS AND TAXATION	06/22/2009
FHC1MAP	HOMESTEAD TAX CREDIT	
P61	CURRENT APPLICATION INQUIRY	PAGE 1 OF 1
Account #:	[REDACTED]	
Owner(s) Name:	STARK JR, FORTNEY H	ID Batch: 9999 ID: FHCB0008
	STARK, DEBORAH R	Occupancy Code: N
Premise Address:	[REDACTED]	Mailing Address:
	[REDACTED]	[REDACTED]
Application Status:	X	
	HARWOOD	MD 20776-[REDACTED]
Y	1. Will the real property be used as the single, principal residence of the homeowner(s) for more than six(6) months of the calendar year, including July 1? (Y/N)	
Y	2. Is this real property address the location where the homeowner(s) will file the federal and Maryland income tax return due on April 15th, if one is filed? (Y/N/NA)	
N	3. Is this real property address the location from which the homeowner(s) have received a driver's license or requested automobile licenses or vehicle registrations, if applicable? (Y/N/NA)	
Y	4. Is this real property address the location from which the homeowner(s) are registered to vote, if registered? (Y/N/NA)	
N	5. Is any portion of the principal residence rented? (Y/N)	



## **EXHIBIT 6**



Owner(s) Name: STARK JR, FORTNEY H		ID Batch: 9999
STARK, DEBORAH R		Occupancy Code: N
Premise Address:	Mailing Address:	
██████████	████████████████████	
Application Status: X	HARWOOD	MD 20776-████
Enter / review comments:		ID: 00009532

MR STARK CALLED TO CHANGE ANSWER TO QUESTION #4 FROM YES TO NO. 3/16/09.  
IF ANYONE HAS QUESTIONS ABOUT THIS FILE, YOU SHOULD CONTACT ROBERT YOUNG IN  
ADMINISTRATION. DO NOT ANSWER QUESTIONS ABOUT THIS FILE.





## **EXHIBIT 7**



**The New York Times**

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March 14, 2009

## Bronx Representative Loses a Tax Break

By THE ASSOCIATED PRESS

ANNAPOLIS, Md. (AP) — Maryland tax officials said that a New York representative is not entitled to a residents' tax break on the house in a Washington suburb that he has claimed as his primary residence for at least 10 years.

The representative, Eliot Engel, calls himself a lifelong resident of the Bronx, where he rents an apartment. But he and his wife list the house in Potomac, Md., as their primary home on [Maryland property tax forms](#).

They paid nearly \$500,000 for the house in 1993, and it has almost doubled in value. The Engels have received thousands of dollars in tax credits that are reserved for people who declare Maryland their home.

The state agency made the decision on the credits late last month.

Mr. Engel, whose district includes much of the northern Bronx and parts of Westchester and Rockland Counties, is not the only politician who has been found to be improperly receiving the credit. Maryland tax officials first revoked his credit in late 2005, about the time that several elected officials representing other states were informed that they would have their credits removed.

Mr. Engel and his wife contested the loss of their Maryland primary-residence status, which was reinstated, then revoked again after Maryland laws were changed recently.

Jeremy Tomasulo, an aide to the congressman, maintains that Mr. Engel's primary residence has always been in the Bronx.

But his property tax documents say otherwise, a claim that was worth nearly \$7,000 in credits to Mr. Engel and his wife over the past four years because people in Maryland are eligible for state and county tax breaks on their primary residence.

To receive the credit, homeowners must live in Maryland at least six months of the year, have a Maryland driver's license, be registered to vote in Maryland and file Maryland income taxes.

Mr. Engel and his wife do not qualify since they both have New York licenses and vote in New York. Mr. Tomasulo said that Mr. Engel filed his income taxes in New York, and did not respond to questions about Ms. Engel's taxes.

Aides to Mr. Engel said that he had previously responded to an inquiry by the Montgomery County Department of Finance, which said that he was eligible for an exemption.

09-9030\_0021

[http://www.nytimes.com/2009/03/14/nyregion/14engel.html?\\_r=1&sq=Brox Representati...](http://www.nytimes.com/2009/03/14/nyregion/14engel.html?_r=1&sq=Brox+Representati...) 10/28/2009

Bronx Representative Loses a Tax Break Meant for Maryland Residents Only - NYTimes... Page 2 of 2

Roberta Ward, manager of the Montgomery County office of the Maryland Department of Assessments and Taxation, said her office handled that inquiry. She said Mr. Engel's primary residence claim was revoked, but was reinstated after an appeal that included the submission of Maryland income tax records for his wife.

Since then, however, Maryland has tightened the eligibility requirements. Now, at least one spouse of a homeownership couple must meet all the residency requirements.

Mr. Tomasulo said Mr. Engel believed that the credit should be removed if he is not eligible.

"He will await their determination of his status and will make sure that he is in full compliance with their evaluation," Mr. Tomasulo said in an e-mail message.

Mr. Engel was re-elected at least five times to represent the Bronx while property tax documents indicated his primary residence was in Potomac.

New York and federal laws require that representatives be inhabitants of the state they represent when they are elected.

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09-9030\_0022

[http://www.nytimes.com/2009/03/14/nyregion/14engel.html?\\_r=1&sq=Brox Representati...](http://www.nytimes.com/2009/03/14/nyregion/14engel.html?_r=1&sq=Brox+Representati...) 10/28/2009

## **EXHIBIT 8**

Voucher at bottom of page.

Item #3

Payment Voucher 4 - File and Pay by Jan. 15, 2009. If amount of payment is zero, do not mail this form.  
When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

**WHERE TO FILE:** Make check or money order payable to the "Franchise Tax Board." Write the taxpayer's social security number or ITIN and "2008 Form 540-ES" on the check or money order. Detach the voucher below. Enclose, but do not staple, payment with the voucher and mail to:

FRANCHISE TAX BOARD  
PO BOX 942987  
SACRAMENTO CA 94297-0031

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

**PAY ONLINE:** Use Web Pay and enjoy the ease of our free online payment service. Go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and search for "Payment Options." Do not mail this form if you use Web Pay.

DETACH HERE		IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM		DETACH HERE	
TAXABLE YEAR				File and Pay by January 15, 2009	
2008		Estimated Tax for Individuals		540-ES	
FORTNEY		STAR **		08	APR 0
DEBORAH		H STARK JR			
		R STARK			
HARWOOD		MD 20776			
			Amount of payment	20	
			COPY TO BE RETAINED BY TAXPAYER		
11-09-07 For Privacy Notice, get form FTB 1181.			022	1201086	Form 540-ES 2007

## **EXHIBIT 9**





*Chm 3a*

WILLIAM G. ROBINSON, ACCOUNTANCY CORPORATION  
MILLSTOWER  
220 BUSH STREET, SUITE 1300  
SAN FRANCISCO, CALIFORNIA 94104-2402  
TELEPHONE (415) 396-3425  
FAX (415) 396-3426

May 1, 2009

mailed 5/11

WPCFCU ✓

\$188.00

Mr. and Mrs. Fortney H. Stark, Jr.  
[REDACTED]  
Harwood, MD 20776

Dear Mr. and Mrs. Stark:

Enclosed find an original and copy of Form 505-Maryland Non-resident Income Tax Return (2008). This is a corrected return, as you were advised. The original and copy of the return previously sent to you should be destroyed.

The original return should be signed and dated by both of you and filed with the Comptroller of Maryland, Revenue Administration Division, Annapolis, MD 21411-0001 as soon as possible.

A check for \$188.00 made payable to the Comptroller of Maryland should accompany the return. Your social security number and "2008 Form MD 505" should be written on the check.

The copy of the return should be kept in your files.

Yours very truly,

*William G. Robinson*  
William G. Robinson

WGR/pb  
Enclosures



## **EXHIBIT 10**



OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Representative Fortney Pete Stark  
Review #: 09-9030  
Date: July 29, 2009  
Location: 239 Cannon Building  
Time: 12:00 pm – 12:45 (approximately)  
Participants: Omar Ashmawy  
Kedric L. Payne

Summary: Rep. Pete Stark represents the 13<sup>th</sup> Congressional District of California. The OCE Board initiated a preliminary review and subsequently a second-phase review into allegations a home owned by Representative Pete Stark received a Maryland homestead tax credit after October 2007. By receiving this credit Representative Stark's conduct may have violated Maryland state law and House Rule 23. We requested an interview with Rep. Pete Stark and he consented to an interview. Rep. Stark made the following statements in response to our questioning:

1. Rep. Stark was given an 18 U.S.C. § 1001 warning, but would not sign a written acknowledgement of the warning until he spoke with his attorney. However, he consented to an interview.
2. Rep. Stark initially stated during the interview that he did not know anything about the Maryland Homestead Tax Credit. Rep. Stark then stated that he did not choose to discuss what he knows about the Maryland Homestead Tax Credit. Later during the interview, he explained that he knew that the application for the Tax Credit had requirements for being eligible for the tax credit, including that a person must be registered to vote in Maryland.
3. Rep. Stark initially stated during the interview that he did not recall completing the Tax Credit application online. Later during the interview, he stated that he did in fact personally complete the on-line application for the Tax Credit. Rep. Stark recalls receiving the form at the beginning of 2009. After completing the form, he stated that he was denied the Tax Credit.
4. He stated that neither owner of he nor his wife is registered to vote in Maryland.

5. Rep. Stark stated that he did not call the Maryland State Department of Assessments and Taxation Taxpayer Services Division ("SDOT") to change his answers to the Tax Credit application on March 16, 2009. He also stated that he cannot think of anyone who would have called SDOT on his behalf.

6. During the interview, Rep. Stark reviewed his calendar on his computer and stated that he was at John Hopkins on March 16, 2009, around 2:00 pm or 3:00 pm. Rep. Stark stated that he will not provide the OCE with his calendar.

7. Rep. Stark reviewed the OCE's copy of the online Tax Credit application and the "recreated" version that he provided. He recognized that the answers in the on-line application are incorrect. He explained that he does not know why the on-line application is incorrect.

8. Throughout the interview Rep. Stark was extremely belligerent and frequently insulted the OCE staff members interviewing him. Approximately 15 minutes into the interview it also became apparent to the OCE interviewers that Rep. Stark was videotaping the exchange.

I prepared this Memorandum of Interview on July 29, 2009 after interviewing Rep. Stark today. I certify that this memorandum contains all pertinent matter discussed with Rep. Stark on July 29, 2009.

Kedric Payne  
Investigative Counsel

## **EXHIBIT 11**







OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES  
WASHINGTON, D. C. 20515

*David Skaggs, Chair Porter Goss, Co-Chair*  
*Yvonne Burke Jay Eagen*  
*Karan English William Frenzel*  
*Allison Hayward Abner Mikva*

*Leo J. Wise, Staff Director & Chief Counsel*  
*1017 Longworth House Office Building*  
*(202) 225-9739*  
*(202) 226-0997 fax*

July 31, 2009

Honorable Pete Stark  
239 Cannon HOB  
Washington, DC 20515

THIRD REQUEST FOR INFORMATION  
Re: Review No. 09-9030

Dear Congressman Stark:

This Request for Information is pursuant to a Second-Phase Review authorized by the Board of the Office of Congressional Ethics (OCE) on June 26, 2009.

Thank you for your response to our First and Second Requests for Information. We request the following additional cooperation:

- (1) A copy of the video recording made during the July 29, 2009 interview between Representative Pete Stark and staff members of the OCE in Representative Stark's office.

OCE may make additional information requests, as warranted by the facts and circumstances of this Review. In addition, we will review any additional information you feel is relevant that we have not requested.

The Review commenced on June 29, 2009 and, unless extended by the Board in accordance with our rules, will terminate on August 12, 2009. Please note that at that time, under House Resolution 895 of the 110<sup>th</sup> Congress, as amended by House Resolution 5 of the 111<sup>th</sup> Congress, and OCE Rule 7, the Board may draw a negative inference from any refusal to cooperate and may include a statement to that effect in any referral to the Committee on Standards of Official Conduct.

09-9030\_0031

If you have any questions regarding this request or require any assistance in the production of the information requested, please do not hesitate to contact Omar Ashmawy, Investigative Counsel, at (202) 225-9739 or [omar.ashmawy@mail.house.gov](mailto:omar.ashmawy@mail.house.gov).

Very respectfully,

A handwritten signature in blue ink, appearing to read "Leo Wise".

Leo Wise  
Staff Director and Chief Counsel

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

**REQUEST FOR INFORMATION -- ACKNOWLEDGEMENT OF RECEIPT**

Please sign the following and return to the OCE by facsimile at (202) 226-0997.

I hereby acknowledge receipt of a Request for Information in Review No. 9030. By so signing, I merely acknowledge receipt of this document.

Member or Designee's Signature: \_\_\_\_\_

Member or Designee's Name: \_\_\_\_\_

Date: \_\_\_\_\_



## **EXHIBIT 12**



**Ashmawy, Omar**

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**From:** Curtis, Debbie  
**Sent:** Tuesday, September 22, 2009 6:25 PM  
**To:** Ashmawy, Omar  
**Subject:** Re: OCE - Follow up  
**Importance:** High

he acknowledged receipt and does not intend to respond further.

Debbie Curtis  
 Chief of Staff  
 Rep. Pete Stark (CA-13)  
 (202)225-████

On Sep 22, 2009, at 6:16 PM, Ashmawy, Omar wrote:

Debbie,

Thank you. When can we expect a response?

Thank you,

Omar

Omar S. Ashmawy, Investigative Counsel  
 U.S. House of Representatives  
 Office of Congressional Ethics  
 1017 Longworth Building  
 Washington, DC 20515

Office: (202) 225-9739  
 Fax: (202) 226-0997

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**From:** Curtis, Debbie  
**Sent:** Tuesday, September 22, 2009 6:12 PM  
**To:** Ashmawy, Omar  
**Subject:** Re: OCE - Follow up  
**Importance:** High

I just faxed back the signed acknowledgement of the letter. He thought he'd sent that back in early August.

Debbie Curtis  
 Chief of Staff  
 Rep. Pete Stark (CA-13)  
 (202)225-████