

## INTRODUCTION

We, the members of the Twenty-Sixth Statewide Investigating Grand Jury, have received and reviewed evidence pertaining to an investigation of the illegal use by former State Representative Mike Veon of his legislative staff to conduct political campaigns. This investigation was conducted pursuant to Notice of Submission of Investigation Number 25 and, by this Presentment, this Grand Jury hereby makes the following findings of fact and recommendation of charges:

## FINDINGS OF FACT

In June, 2007, the Twenty-Sixth Statewide Investigating Grand Jury began receiving testimony regarding Mike Veon's use of his district legislative office staff for political purposes.

Mike Veon was an eleven-term State Representative for the 14<sup>th</sup> Legislative District (Beaver County) until his defeat in November, 2006. He rose to the position of Democratic Whip and, along with the Democratic Leader, H. William DeWeese, controlled the House Democratic Caucus.

In addition to his Harrisburg office, Veon maintained a district office in Beaver Falls and, later, a satellite office in Midland. The number of staff in his district varied, but from 2002 until 2006, he averaged at least a dozen public employees in his district office.

The Grand Jury has learned that Mike Veon used his taxpayer-paid legislative assistants to work on political campaigns, his own and others, as a way of coalescing power. He accomplished this with the help of his chief lieutenants, Annamarie Perretta-Rosepink, Jeff Foreman and Brett Cott.

### *The use of legislative assistants for political campaigns.*

Mike Veon's legislative assistants were subpoenaed to testify before the Grand Jury. Witness after witness testified about a "culture" that existed in Veon's legislative district office,

where political and legislative work were blurred, where campaigning was expected and a prerequisite to advancement, and where leave time was ignored or abused to allow the 'culture' to thrive.

Melissa Lewis worked on political campaigns in New Mexico and Connecticut before applying for government positions in Western Pennsylvania. In March of 2003 she was hired as a legislative assistant for Mike Veon.

Lewis interviewed for the position with Veon and his district chief of staff, Annamarie Perretta-Rosepink. Lewis testified:

They made it clear that the reason I was an attractive candidate through my resume was because of my previous campaign experience.

They told me that Mike, being prominent in Beaver County politics, that he often promises campaign help to different candidates, and that I would be part of that promised help. . . .

It was clear that most of my work would be legislative, but during campaign season before primaries and general elections that I would be volunteering my time to do those campaigns.

Lewis was hired in March of 2003, at a salary of approximately \$30,000.00 with full benefits, and by May, 2003, she was sent on the campaign trail, working on Beaver County commissioner and judicial races. Her specific political assignments came from Perretta-Rosepink, she said, but Veon was fully aware of the political work and monitored and encouraged it.

Lewis testified that Perretta-Rosepink had "absolute control" over district office employee leave. The district office legislative employees ordered by Perretta-Rosepink to work on political campaigns of Veon's choosing were not required to take leave. It was only when they were told to drive to Harrisburg with nominating petitions, a glaring political absence from the district office, that Perretta-Rosepink asked her to take leave, Lewis said.

At the direction of Perretta-Rosepink and with the knowledge and approval of Mike Veon, Lewis continued to work on political campaigns, including the 2004 State House race of Fred Vero in Butler County.

Also in 2004, Lewis was directed by Perretta-Rosepink to assist with challenges to the nominating petitions of Ralph Nader for President of the United States. Lewis testified that she would drive to Pittsburgh daily to pick up binders of copies of the Nader petitions and bring them back to the district office. There, Lewis and other staff members would go through the petitions to make challenges to the signatures, utilizing a computer program that had been installed on the legislative computers.

Lewis testified that the Nader petition challenge involved “everyone in the District Office” including the summer interns. The effort took over a week.

Lewis helped deliver the petition challenges to Harrisburg. This was the one instance, she testified, when she actually was directed to submit a leave slip, handing it to Jeff Foreman, Veon’s Harrisburg chief of staff, on the steps of the Capitol.

Lewis testified that members of Veon’s Harrisburg legislative staff or the House Democratic research office often came to Veon’s Beaver Falls office to run or assist local political campaigns.

In 2002, Paul Martz was an information specialist with the Legislative Information Office and then transferred to Members Services. (Martz testified before the Twenty-eighth Statewide Investigating Grand Jury in Harrisburg. His testimony was read to this Grand Jury).

Brett Cott, at the time working for the House Democratic Campaign Committee, ordered Martz to go to Butler County to “basically help get Guy Travaglio reelected.” Having someone from the campaign committee direct an employee of the Democratic Caucus to go work on a

political campaign seemed unusual to Martz at first, but, he said, “it didn’t seem unusual later on.”

Martz worked on the Travaglio campaign from March until September when he was transferred to Beaver County to work on the Vince Biancucci House race. Martz testified:

I was still being paid by the House Democratic Caucus, by the House of Representatives. And I – they basically, you know, said, come out to Beaver County. We’ll put you up in a hotel. Then I was shown where I was supposed to . . . work out of. It was out of Annamarie Perretta-Rosepink’s and Mike Veon’s District Office in Beaver Falls. I think that’s where it is. That’s where I did most of my work.

At one point in this wholly political effort, Martz contacted Brett Cott to question the propriety of “doing campaign stuff” while being paid by the House Democratic Caucus. According to Martz, Cott told him not to worry about it. Eventually, Martz was able to convince the House Democratic Campaign Committee (a legitimate, political campaign organization) to put him on that payroll. Throughout this time, Martz was making an annual taxpayer paid salary of approximately \$30,000.00 with full benefits.

Martz would continue to be utilized on political campaigns, including Dan Onorato’s Allegheny County Executive race, the Fred Vero 2004 House race, and the 2006 Shawn Flaherty race. Ironically, Flaherty was running for the House seat left vacant after State representative Jeffrey Habay was convicted of Conflict of Interest for using his legislative staff for his political campaigns. Richard Pronesti worked as a research specialist for Representative Veon in Harrisburg from 2002 until Veon’s defeat in 2006. (Pronesti testified before the Twenty-Fifth Statewide Investigating Grand Jury in Harrisburg. His testimony was read to this Grand Jury. Pronesti testified that the culture in Mike Veon’s legislative office was that the taxpayer-funded staff was expected to work on political campaigns.

According to Pronesti, “Mike Veon, in particular, had a special interest in local elections back in his home district in Beaver County. So, we were expected to participate in those things as well, County Commissioner elections, Judge’s elections, as well as state elections. It was just expected.”

Pronesti and the other members of Veon’s Harrisburg legislative staff would be dispatched to the local Beaver County elections by Jeff Foreman, Veon’s Harrisburg chief of staff. Typically, Pronesti testified, they would be sent for three or four days at a time.

From 2002 until 2006, Pronesti said, no leave was taken by the staff for these political campaigns. Expenses for meals, lodging, tolls and mileage would be charged to the state, approved by office supervisors. The fraudulent justification used for expense reimbursement was “Legislative duties in the district office,” according to Pronesti.

In Beaver County, Pronesti said, Annamarie Peretta-Rosepink gave the legislative staff the political assignments. “Annamarie ran the show,” he said.

Robert Caton worked in the legislative information office where he was recruited by Mike Veon in 2004 to be his press secretary. (Caton testified before the Twenty-Eighth Statewide Investigating Grand Jury in Harrisburg. His testimony was read to this Grand Jury.)

Caton testified, “Having worked on campaigns by my choice in previous years I believe is one of the main reasons I was offered the job, the track record I had of being willing to take time and go work on campaigns. It would absolutely be expected as part of your job that you would be in Beaver County, that you would be helping out in other areas on campaigns.”

Corroborating Richard Pronesti, Caton testified that prior to 2006, Veon’s staff was not required to use leave time for vacations, personal days or political campaigning. “There was really no heavy recordkeeping taken as opposed to the way it was in some of the other offices,”

Caton testified. That changed in 2006. As Pronesti testified, "The change occurred because of the pay raise controversy. I mean, everybody could feel the heat, especially Mike Veon, when they voted to repeal the pay raise. He was the one vote against repealing the pay raise. The vote was 196 to 1." Pronesti quoted Foreman as saying, "Eyes were on us."

So, in 2006, Foreman instructed Veon's legislative staff members to stay late, "generally" doing nothing, except building up compensatory time, according to Caton, which would then be expected to be used to "volunteer" during political campaign season.

Mike Veon's legislative assistants in the district office never tracked their leave, whether vacation, compensatory or sick time. Instead, Annamarie Perretta-Rosepink would grant them leave time upon their request or at her direction. Often, Perretta-Rosepink would allow them leave time contemporaneously with her direction to work on a political campaign.

Janet Nero was a legislative assistant in Veon's Beaver Falls legislative office from 2004 to 2006. When hired, Nero was salaried at approximately \$30,000.00 per year with full benefits and by 2006 she was salaried at approximately \$37,518.00 with full benefits. She testified, "There were no leave slips given. We did not turn in any leave slips."

Instead, she testified, Perretta-Rosepink told her and the other legislative assistants to sign blank quarterly reports meant to document their use of leave, but not otherwise to fill them out. Nero assumed that Perretta-Rosepink tracked their leave time and filled out the quarterly reports for them. Perretta-Rosepink never did.

Nero testified that after Veon lost his election in 2006, she transferred to another representative's office. It was then that she learned that she had accumulated 57 days of leave. Nero testified, "I do not feel I deserve those. I took my vacation days. I took my personal days."

I took my sick days . . . Obviously, on my leave tracking, those dates were never reported.” However, a large portion of time that Nero felt was being taken as leave was being spent doing campaign work at the direction of Perretta-Rosepink.

Nero estimated that she spent over 100 hours working on political campaigns while working as an assistant for Mike Veon, all time that should have been deducted from her leave. Nero was dispatched to work the 2004 House race for Fred Vero in Butler County and the 2005 Kim Tesla judicial race in Beaver County, as well as the 2006 House race for Veon. All this was done while Nero was paid by the State and, unknowingly on her part, without a deduction of her personal leave.

Chester Orelli testified that he was hired as a legislative assistant in Mike Veon’s district office in March, 2004. He was initially salaried at approximately \$30,000.00 per year, with full benefits. It was clear in his interviews for the job, Orelli said, that political campaigning was considered a part of his duties. This proved to be true. At the direction of Annamari  Peretta-Rosepink, Orelli would collect political contributions from P.O. boxes for the Committee to Elect Mike Veon. He would then collect information from the donations and deposit the contributions into the Committee’s bank account. Peretta-Rosepink also directed him to work on various political campaigns, including Veon’s primary and general election campaigns in 2006. Orelli testified, “I did spend a majority of my time campaigning that year (2006).” By 2006, Orelli was receiving an annual salary of approximately \$40,000.00 with full benefits.

Orelli worked many campaigns while employed in Veon’s legislative office. Prior to 2006, he never submitted any type of leave for his work on campaigns. In 2004, early in his employment, he was sent to do campaign work, during his work day, in Butler County on behalf of a candidate for the State Legislature, Fred Vero. In 2005, Orelli himself successfully ran for a

seat on the New Castle City Council in Lawrence County. Veon supported his effort and directed legislative personnel and resources to assist Orelli. E-mails, on the legislative e-mail system, from 2005, reveal the depth of involvement of Veon and his lieutenants.

On February 24, 2005, at 10:28 AM, Brett Cott, now a legislative policy analyst on Veon's Harrisburg staff, wrote to Orelli about his race for city council:

“Do you run city wide or by ward? How many votes it going to take to win?

Going to give you your own street lists that will be cleaner and more helpful than county. Will put a New Castle voter file in your scan mail file. Will also get you precinct maps.

You will need some lit. Do you have a good head shot? We can draft Keefer to design a nice walk card for you.

Your going to need money. Ask me and I'll become your fundraiser here in Harrisburg and pull a couple hundred dollars together for you here.”

Later that same day, Cott provided further direction by e-mail:

“Have someone in the office get some shots of you with—old people, at a desk working, young people and maybe with some folks standing talking outside. Are the New Castle “landmarks” that are identifiable to everyone—maybe have some shots of that. Are there black people in New Castle? May want to make sure there is a proper mix of demographics. You should maybe go into a studio or Wal-Mart or someplace similar to get a nice headshot.—you'll need it now and in the future. Have them provide it to you electronically. You'll want it to give to the paper, too. Once you get the pictures, I'll ask Keefer to do a walk card for you.”

On March 23, 2005, Veon wrote to the following individuals: Orelli; Annamarie Perretta-Rosepink; Brett Cott and Steve Keefer:

Subject: RE: chet's fundraising effort and campaign

“1. Chet is to show me a list of people that he agrees to solicit when I am in the district on Friday.....the list will indicate what the ask will be for each person on the list.....there should be a targeted ask amount of at least 10k in total

2. I committed \$250 for his spag dinner coming up.....give him that



check now.....is purchase of tiks.....Chet give those tix to whomever you want.

3. I committed up to another \$250 as a challenge..... I will match the first \$250 he brings in for his NCAA fundraising event.

4. I want to see the plan again. Forward to me.

5. Chet.....you need to look at the plan again and you need to use it and go with it. Carry out that plan.....and you will win.

On May 9, 2005, Veon engaged in a series of e-mails with Orelli, Perretta-Rosepink, Cott and Caton about Orelli's campaign fundraising and media efforts. In conclusion, Veon wrote:

“Ok...amarie and Brett...lay out the rest of the plan and let's execute it...no reason to leave money in the bank...

Chet...I know you put some money of your own...we will deal with that after the election...”

Brian O'Malley was hired as a legislative assistant for Mike Veon December 5, 2005, at an annual salary of approximately \$31,000.00 with full benefits. He began helping Orelli make the daily runs to collect incoming political contributions for Mike Veon. At the direction of Peretta-Rosepink, O'Malley requested compensatory time to work on Veon's primary and general election campaigns in 2006. O'Malley requested and was granted 20 days, or 160 hours, of compensatory time starting April 17, 2006. He requested and was granted an additional 27 days, or 216 hours, of compensatory time starting October 2, 2006. O'Malley testified that he did not know how much, if any, compensatory time he had earned since he started in December, 2005. He had never submitted a request to be granted compensatory time. O'Malley used the 47 days of fabricated compensatory time, at the expense of the taxpayers, to work on Veon's campaign.

Veon specifically recognized and rewarded the campaign work of his staffers in his

district office. In a series of e-mails on November 22, 2004, with Brett Cott, Jeff Foreman and Michael Manzo, Chief of Staff to the Democratic Caucus Leader, Veon discussed who should receive bonuses among the caucus employees. Veon wrote that he wanted “to add some of my DO staff . . . they did lots and lots of extra nights and weekends on Nader project . . . and all went to Butler County many times in the last month”. He then listed Peretta-Rosepink for “3k”, Melissa Lewis for “2k”, Janet Nero for “2k”, Chet Orelli for “2k” and GG Nesmith for “2k”. About twenty minutes later, Veon sent a follow-up e-mail to Manzo, Cott and Foreman, stating: “sorry forgot Dennis Pietrandrea . . .DO staff. . .did the same as others. . .2k”.

The Grand Jury also reviewed numerous e-mails to and from Veon about the myriad of campaigns in and around Beaver County wherein he invested taxpayer resources and personnel. All of these e-mails occur on the legislative e-mail system. For example, Veon’s efforts on behalf of a 2005 candidate for the Beaver County Court of Common Pleas, Kim Tesla, are amply demonstrated through e-mails. Testimony before the Grand Jury established that at least thirteen employees of the caucus were directed to assist the Tesla campaign. In a series of e-mails commencing in early March of 2005 and continuing through March 24<sup>th</sup>, Veon, Cott, Peretta-Rosepink, Caton and Keefer discussed the things that needed to be done in the Tesla for Judge campaign. They discussed Veon’s endorsement, media efforts, fundraising and campaign strategy. Veon directed who will be the campaign manager for Tesla and arranged for his housing above Veon’s legislative office in Midland. In another series of e-mails on the morning of May 3, 2005, between Steve Keefer and Brett Cott, a campaign advertisement for Tesla that was to be sent by mail, was reviewed and corrected by Cott. It is clear from the e-mails that Keefer had prepared the advertisement.

From the testimony and e-mail exchanges, it is obvious that Mike Veon, Jeff Foreman,

Annamarie Perretta-Rosepink and Brett Cott used Veon's taxpayer-paid legislative staffs as a political machine. At taxpayer expense, Mike Veon was able to affect local, state and national elections. Veon thereby accumulated personal and political power even beyond that to which he may rightfully have been entitled by virtue of his legislative rank. Indeed, Veon used the power and authority of his office for his own gain.

That this is so can be found in Veon's own words.

On November 3, 2004, the day after the general election that year, Veon's Harrisburg chief of staff Jeff Foreman sent an e-mail of appreciation to the legislative staff members who worked on the various campaigns of Veon's choosing:

This is to recognize, say thanks for and celebrate our staff volunteer activity in this election cycle for the caucus cause. EVERY member of our staff (Harrisburg and district) volunteered multiple times during the campaign season, and every staff person was involved on election day. Our effort did not turn out as we had hoped (though clearly the volunteer effort regarding the challenge to Nader was a critical piece of the Kerry victory in Pa., and our staff, especially the D.O. staff, was essential in that effort), every staff member pitched in – in a big way; and we achieved our most critical goal – making our boss look good.

Later that same day, Mike Veon endorsed the view of his chief of staff as to the real beneficiary of the taxpayer-funded campaigning efforts of his staff, writing to the same staff members, "Jeff is right on target! You all did a great job.....and you all.....as usual.....through your efforts make me look good."

The Grand Jury finds that the value of the taxpayer-paid resources misappropriated and stolen by Mike Veon and his lieutenants, Annamarie Peretta-Rosepink, Brett Cott and Jeff Foreman far exceeded \$2,000.00.

**The 2004 election of Sean Ramaley.**

In 2004, Sean Ramaley won the Democratic primary election for the office of State Representative in the 16<sup>th</sup> Legislative District which includes parts of Beaver and Allegheny

Counties. Ramaley left his job as a lawyer for the U.S. Department of Labor to run for the State position. Once Ramaley secured his party's nomination, Mike Veon encouraged Ramaley to accept a position as a legislative assistant in Veon's Beaver Falls district office. This would prove to be a "no-work" job which allowed Ramaley to run his campaign directly from the taxpayer-funded district office with the assistance and direction of Veon's trained political operatives.

In a June 28, 2004 letter to H. William DeWeese, the Democratic Leader, Veon requested approval to hire Sean Ramaley, assigned to his district office, at a biweekly salary of \$1,273.15 plus full benefits, from July 1, 2004 to December 31, 2004. Veon stated in the letter that Ramaley would work 20 hours per week, from 9 a.m. to 1 p.m. DeWeese approved the hiring of Ramaley as a legislative assistant under those precise terms in a memorandum dated three days earlier, June 25, 2004.

As will be seen, the hiring of Sean Ramaley was never intended to serve the constituents. To ensure that Ramaley stayed on focus with the election instead, Veon dispatched Stephen Webb, a trusted and proven campaigner from his Harrisburg office, to manage Ramaley and his political campaign.

Stephen Webb graduated from college in the spring of 2002 with a degree in political science and an interest in politics. In early 2003 Webb was approached by Brett Cott who worked for Veon in Harrisburg with the title "administrative specialist". Webb, in testimony to the Grand Jury, said that Cott told him Veon was looking for "a young campaign guy, a go-getter."

Webb took a position with the Committee to Elect Mike Veon and was quickly assigned to work local campaigns in Beaver County judicial and commissioner races. Webb's work

impressed enough that Veon offered him a position in Harrisburg in the Legislative Research Office. Webb accepted the position but, he testified, there was a “general understanding” that he would remain a “campaign guy”. In fact, Webb was assigned to work political campaigns in Central Pennsylvania and in Philadelphia after his appointment.

Veon had not endorsed Ramaley in 2004 until after Ramaley won the primary election. According to Webb, Veon expressed concern that Ramaley would not run an effective campaign if “left to his own devices.” Webb testified that Veon “can’t afford to lose a seat in his backyard, and he has to put up a good front to make sure that people know that this is, you know, Veon territory, that Republicans can’t mess with him in his back yard.”

So, Veon enlisted Webb to manage Ramaley. Webb was called to Veon’s office where Veon gave him his assignment:

[Veon] basically indicated that he ... ‘needed me,’ that Ramaley was a young guy, and that someone needed to – he needed someone to set him straight and make sure that he was doing the work that he needed to do, and that because this was Beaver County, it was an important – it was important to Representative Veon because it is in his back yard, basically, and he – again, the Caucus in general couldn’t afford to lose what is seen as a Democratic seat.

Webb told the Grand Jury that in his previous campaign work, he had always gone off the State payroll, while maintaining his State benefits. In those instances he would be paid, instead, by the House Democratic Campaign Committee or some individual campaign committee. He assumed the same thing would happen for his work on the Ramaley campaign.

Instead, Veon told Webb he would transfer him to his Beaver Falls district office where he had already placed Ramaley as a part-time employee. Webb’s transfer was not for the purpose of providing constituent service, however. Cott told Webb not to worry about providing legislative work. Rather, Webb’s job, he said, was “to work for the Sean Ramaley for State Representative campaign.” At the time of the transfer, July 19, 2004, Webb was being paid a

biweekly salary of \$1,388.00, with full benefits.

In a meeting with Veon and Cott, Webb was further instructed that he and Ramaley would have cover stories. Webb was told to say that he had been transferred to work on a construction code. Ramaley, a lawyer, could say he was there to provide legal aid, if asked.

Webb testified that he and Ramaley would typically begin their campaign work at about 9 a.m. by making fundraising telephone calls from their shared office in Veon's Beaver Falls district office. Then, they would "knock on doors until dark." That would be followed by compiling data that could last until midnight.

Webb said that they were assisted in the campaign by Erik Kommendant, an employee of the House Democratic Campaign Committee, and Chet Orelli, another Veon legislative assistant. Orelli was told by Annamarie Perretta-Rosepink to work on the Ramaley campaign.

Orelli was interviewed by Special Agent Robert Gift of the Office of Attorney General. Orelli said he worked for about a three-week period of time on the Ramaley campaign while he was paid as a legislative assistant. He took no leave. Orelli said that Peretta-Rosepink told him to do it, and he did it.

Melissa Lewis, another legislative assistant in Veon's district office in 2004, testified that Stephen Webb was brought in to run Ramaley's campaign. She testified that Veon "gave Sean (Ramaley) some office space as well in our District Office."

Lewis said that Ramaley and Webb ran the campaign from that office and, additionally, used the district office equipment, "the computer, the phone, the copier, the printer."

Ramaley did no legislative work while employed in 2004 as a legislative assistant, according to Webb. In fact, Webb testified:

If I allowed him to do that, and that got back to Representative Veon, I would be in hot water. My goal, my – your reason for being as a campaign manager is to keep the

candidate going. Every hour, every minute you have has to be productive, whether it's calling for fundraising dollars, knocking, talking to voters, whatever.

You can't have lag time, and you can't – have hours on end just sitting there, staring at the wall, waiting for a phone call.

If I would have – if that would have happened, like I said, I would have been in deep trouble. I would have been yelled at and reprimanded.

At one point during their efforts, Orelli made a mistake in a campaign letter that was going out on Ramaley's behalf. According to Webb and Orelli, Ramaley became angry when he found out about the mistake and berated them. Orelli, in particular, was offended by what he perceived as Ramaley's ingratitude.

Webb brought the incident to the attention of Veon, Cott and Perretta-Rosepink. Shortly thereafter, according to Webb, Veon personally removed Webb and Orelli from the Ramaley campaign. Webb said that Ramaley was being punished. He testified, "It was, again, 'You are going to do things my way,' meaning the Veon way, 'or there's going to be repercussions.'"

Veon reassigned Webb to State Representative Fred Vero's campaign in Butler County. Webb agreed to the reassignment but wanted to go off the State payroll, since working the campaign in Butler County while assigned to the Beaver County district office would be flagrantly indefensible. Veon acquiesced and put Webb on the House Democratic Campaign Committee payroll for the Vero campaign, effective August 31, 2004.

Sean Ramaley won the general election for the House seat on November 2, 2004. Two days later he sent a memorandum to DeWeese and Veon resigning his legislative assistant position, effective November 30, 2004.

On the basis of the evidence received by the Grand Jury, it is clear that Sean Ramaley, in agreement with Mike Veon, employed taxpayer-funded resources for campaign purposes; accepted a salary as a taxpayer-funded legislative assistant in Veon's office; provided no work in

return for the benefit of the people of Pennsylvania; and, instead, used the job as taxpayer-funded base of operations for his own political campaign.



