

YELLOW SHEET REPORT

·NEWS NOTES AND GOSSIP·

BLINDSIDED

The Capitol community was rocked today by a news report that Murphy is being investigated by CPS and Peoria police after one of his foster children made allegations that the senator has been sexually abusing him for six years. The news was broken late last night by *Republic* reporter Mary Kay Reinhart. She noted that the allegations, which were made by an 18-year-old male foster child, prompted CPS and Peoria Police to re-open a 2011 case in which a male foster child accused Murphy of molesting him. That case, Reinhart reported, was closed because investigators could not substantiate the allegations. It is unclear if the allegations are from different children.



'LORD, PLEASE HELP THOSE CHILDREN'

Landrum Taylor, who has teamed up with Murphy on various bills dealing with Arizona's foster care system, said her "gut" reaction upon learning of the allegation against the Peoria Republican was to exclaim, "Lord, please help those children. I really hope that those children have not been through that." She said her other priority is to find out what happened to Murphy's other children. (Landrum Taylor said she believes Murphy and his wife have five adopted and four foster kids.) Typically, CPS would remove the children from the home when there are serious allegations, such as sexual or physical abuse. "The question of the hour is the safety of the children that are there. If these allegations turned out to be true, where are the children? If these allegations [turned out to be] not true, then the children should be placed back into the home," she said. The *Republic* reported that all of the children in Murphy's home – both those in the foster system and those he had adopted – were immediately removed when the allegations were made in 2011 and returned once the investigation was complete.

SHOOTER FACING MISDEMEANOR CHARGES

Yuma prosecutors today announced that they filed three misdemeanor charges against Shooter stemming from the March incident in which he barged into a Yuma charter school classroom and angrily confronted the teacher. He is facing one count each of criminal trespassing, disorderly conduct and disruption of an educational institution. Prosecutors opted not to pursue other charges recommended by the police, including one assault charge and five additional counts of disorderly conduct. It is not yet known when Shooter will be arraigned, and neither he nor his attorney, Ed Novak, returned messages.

TIME TO WAKE THE ETHICS COMMITTEE?

The news today about Murphy and Shooter has prompted some observers to wonder when the two senators will face ethics charges. After word of Shooter's transgression broke in March, Dem senators said they weren't ready to file an ethics complaint because the police hadn't investigated the incident and charges hadn't been filed, but there will be renewed pressure for them to file a complaint. And the explosiveness of the allegations against Murphy will no doubt lead to swift calls for the ethics panel to investigate his conduct. Landrum Taylor said she thinks CPS and law enforcement are handling the case as they should. "I'm going to rely on their expertise to do a thorough investigation," she said, adding, "I want to see what happens with charges and the allegations that are coming forward." With Jackson Jr, who sits on the ethics panel, expected to resign from the Legislature in July to take a federal appointment in the Bureau of Indian

Affairs, one source said several Senate Dems “are making moves to jostle onto” the ethics committee for what could be a busy 18 months.

HORNE ALLY CHENAL HEADING TO PRIVATE PRACTICE

Assistant AG Carmen Chenal, who made headlines as Horne’s passenger in his misdemeanor traffic case from last year, is leaving the AG’s office. Chenal is going into private practice and her last day at the AG’s Office is July 5, according to spokeswoman Stephanie Grisham. Grisham said she didn’t know where Chenal was going or why she was leaving, but said it had nothing to do with the controversy surrounding her and Horne. “I think if that were the case, she would have left a while ago,” she said. Grisham suggested that Chenal may simply be leaving for a higher paying job. “It is anticipated that her financial compensation will be substantially higher in the long run than would have been possible as a public lawyer,” she said. Chenal could not be reached for comment. Her tenure at the AG’s office has been marked with controversy. After the *Phoenix New Times* wrote an article in 2011 questioning Chenal’s credentials for her job overseeing foreign extraditions – she had lost her law license, and got it back with Horne’s help after he took over as AG ([YS, 4/7/11](#)) – Horne launched an internal investigation looking for press leaks. He found none, but the investigation led agent Margaret “Meg” Hinchey to evidence that she alleged showed coordination between Horne and an IE that supported him in his 2010 race. The joint FBI-MCAO investigation not only alleged coordination, but caught Horne leaving the scene of an accident after backing into a car in a downtown area parking garage. The feds, who were trailing Horne at the time, claimed that Chenal and Horne were having an extramarital affair and that Horne left the scene to avoid being discovered. Horne has refused to confirm or deny the alleged affair. Grisham said Chenal’s contributions to the office have been overlooked by the media, and that she will be missed. Chenal carried a caseload of about 40 criminal cases, recently extradited a high-ranking drug cartel member and was responsible for strategic planning for the entire agency, among other duties, Grisham said. “This is a big loss to the office. Ms. Chenal did a lot more than the typical workload of a single employee. Her skill, hard work, and positive attitude in the toughest of situations will be sorely missed,” Grisham said.



BONDING FOR BLACK HELICOPTERS?

Opponents of Common Core see the newly-enacted law that increases schools’ bonding capacity as a backdoor attempt to fund the controversial new education standards, which Arizona is adopting. Republican activist Wesley Harris, who is spearheading a referendum challenge against the bonding capacity bill, told our reporter that since the FY14 budget did not specifically set aside money to implement Common Core, supporters have found a way to still funnel money to the schools to prepare for the new standards. PARCC, one of the assessment tests being considered for Common Core, will be delivered online, which means schools must have the necessary IT infrastructure and computer equipment in order for students to take the exam. The K-12 BRB increases bonding capacity to 10 percent for non-unified school districts and to 20 percent for unified districts. A fiscal note by JLBC on the original bonding measure, H2399 (school districts; bonded indebtedness limitations), said the legislation could raise roughly \$400 million for schools. Harris said he thinks the revenues raised by legislation will be used to buy computers. “What I’m saying is this is a backdoor methodology of funding Common Core,” Harris said, adding since PARCC won’t immediately be implemented, the legislation will give schools enough time to

build up the funding for the online assessment. He said his goal is to give homeowners and taxpayers, who are “being nailed to the cross by school taxing authorities and [they are] aware that these things are happening,” a chance to fight back. He also complained about the way the legislation was approved – via an amendment to a budget bill that didn’t get a committee hearing in the House and was approved in special session.

FACTS, SCHMACTS

Harris’ conspiracy theory that the bonding is really a Trojan horse designed to fund Common Core without arousing public suspicion loses some steam when the legislative history is considered. The FY14 budget that was originally introduced in the Senate included expanding bonding capacity for one year, and a Crandall floor amendment increased that to three years. The final budget permanently increases that capacity.

BIRDS OF A FEATHER

Harris, who is chairing the newly formed We The People Az Against Common Core committee that filed the referendum, said he’s confident his group will collect its target of 112,000 signatures by the Sept. 11 deadline. The group must collect 86,405 valid signatures to qualify for the ballot. Harris said it will be an all-volunteer effort, but he’s hoping to piggyback on the anti-Medicaid expansion referendum effort. “There is a considerable number of people who are against Medicaid expansion, and so those volunteers are fairly easy to find. We are going to try and piggy back on them because they also feel the same way that I do,” he said. Harris said he’s fully aware that his group has a short window – less than three months now – to collect signatures. “I’m playing catch-up,” he said.

NEXT GAY MARRIAGE BATTLE: RECIPROCITY

The US Supreme Court’s decision on same-sex marriage left the battle over the issue to states, but now another focal point has emerged – state-to-state reciprocity. Reciprocity is a legal concept saying laws or rules in one state apply to another state. Arizona statutes are replete with reciprocity clauses, such as allowing some out-of-state professionals to practice here. In this case, the core issue is whether states that ban same-sex marriage would have to recognize same-sex marriages that are performed legally in other states. Stateline.org said ([LINK](#)) the court’s ruling likely means this becomes the “next crucial battleground in the debate in the states over gay marriage.” The article noted that President Obama already weighed in on this issue, saying, “If you marry someone in Massachusetts and you move somewhere else, you’re still married.” But the article also said the legal issues are complex, because even though the justices overturned the federal Defense of Marriage Act, they also emphasized states’ right to define marriage in their territories. “If nothing else, the rulings this week will lend plenty of fodder to same-sex marriage supporters when they go to court over some states’ refusal to recognize legally performed marriages,” Stateline.org wrote, adding, “Those supporters will be armed with a strong equal protection opinion from the Supreme Court as they make their case. They’ll also be able to show tangible benefits – such as Social Security payments and tax treatment – that couples might not receive if their state refused to recognize their marriage.”

ARIZONA WON’T COTTON TO GAY MARRIAGES

Like other states, Arizona recognizes marriages that are performed elsewhere, but its laws also expressly spell out marriages that won’t enjoy reciprocity here. ARS 25-112 says marriages that are valid in places where they were contracted are also valid in Arizona, and marriages that are solemnized in other states or countries by couples, who at the time intend to reside here, have the same legal consequences and effect as if they were solemnized here – except those that are void and prohibited in ARS 25-101, which include marriages between immediate family members and same-sex marriages. Also, state law says couples from Arizona may not evade these prohibitions by marrying in another state.

JUST A BIT OF HYPERBOLE

On Tuesday, McCain told CNN that the amendment to the Senate immigration legislation to double border security will give the US the most “militarized border since the fall of the Berlin Wall.” Interestingly, an immigration study ([LINK](#)) from the Council on Foreign Relations just last month made the same comparison, but concluded that unless the US was willing to employ the same kind of deadly-force tactics of the Cold War, the US would probably not approach the 95 percent apprehension rate of the much shorter border between West and East Germany: 866 miles long compared the US’ 1,954-mile-long border. The 76-page report analyzes what motivates immigrants, what deters them, what data the US collects on border apprehension and internal enforcement and what the country can do to improve. Besides finding that the US has very little reliable data on which to base its immigration policy, despite ample opportunity to collect such data, the report concludes that, in order to replicate Berlin Wall-level security, the US would need to dramatically increase the number of border patrol agents currently on the US-Mexico border. “East Germany achieved a 95 percent probability of apprehension in the late 1970s by intense deployment of enforcement resources and imposition of severe consequences, including shoot-to-kill orders for border guards... US Border Patrol would need to increase by a minimum of a factor of three to achieve such deterrence, and almost certainly by more than this, given the restrictions under which agents operate.” In an interview with KJZZ in May ([LINK](#)), Edward Alden, one of the authors of the CFR study, said that near 100 percent apprehension for the US-Mexico border “is just not realistically achievable.” “The Germans were willing to do things in the Cold War that the United States would never be willing to do,” he said. The amendment added to the Gang of 8 immigration bill on Monday doubles the current number of border patrol agents. According to *The Hill*, McCain told CNN that the measure should be enough to silence any critic ([LINK](#)). “The legislation concerning beefed up border security removes any validity to the argument that border security is not sufficient... I mean this is not only sufficient, it is well over-sufficient,” he said.

·PRESS RELEASES AND NEWS CLIPS·

Conservative Leader Ward Connerly Endorses Steve Montenegro for Secretary of State

PHOENIX Calling State Representative Steve Montenegro an “extraordinarily valuable leader” in the effort to end race, gender and ethnic preferences in Arizona, national conservative leader and civil rights leader Ward Connerly today endorsed Montenegro for Secretary of State.

“It is a real honor to have someone of Ward Connerly’s stature endorse our exploratory efforts,” said Montenegro. In 2010, Montenegro was a prime sponsor of legislation that became Prop 107, Arizona’s Civil Rights Initiative. The Proposition banned the use of preferences based on race, ethnicity, and gender at public colleges and universities, in public hiring, and in the granting of government contracts. Arizona voters approved the measure by a 60%-40% margin.

In March of this year, and in response to the urging of nearly two dozen conservative leaders from around the state, Montenegro formed an Exploratory Committee to consider a run for Secretary of State.

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McCune Davis raising awareness around predatory lending practices and new protections for auto title loan borrowers

STATE CAPITOL, PHOENIX – Rep. Debbie McCune Davis, D-Phoenix (District 30), recently received notification that the Arizona Department of Financial Institutions is warning consumers about companies offering online payday loans, and soon auto title lenders will not be allowed to charge document processing fees.

“I’ve had ongoing conversations with representatives of the Arizona Department of Financial Institutions. Recently, they confirmed that the department is addressing complaints that Arizonans are getting online offers for payday loans or offers from out-of-state companies that are claiming to be owned by Native American tribes,” McCune Davis said. “Payday loans are no longer legal in our state, and consumers should be aware that some unethical companies are attempting to circumvent the law.”

Additionally, the department issued an alert stating that as of July 1, auto title lenders can no longer charge borrowers document preparation fees.

“This is a step in the right direction,” McCune Davis said. “Consumers will benefit from this but they must still be wary of auto title loans. They should always read the fine print and know what their rights are.”

McCune Davis said she commends the ADFI for its consumer protection work.

“I applaud the department’s efforts to investigate illegal lending products and fees, and to keep consumers informed. I look forward to continuing to work with the department to identify unethical or illegal business practices,” she said.

The ADFI alert on payday loans can be found here: http://www.azdfi.gov/LawsRulesPolicy/Forms/FE-AD-PO-Regulatory_and_Consumer_Alert_CL_CO_13_01%2002-06-2013.pdf.

The auto title lender alert can be found here: http://www.azdfi.gov/LawsRulesPolicy/Forms/DFI-FE-AD-Final%20Regulatory_Alert%20_Secondary_Motor_Vehicle_Dealers_SF13-01-%20052413.pdf.

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”QUOTE OF THE DAY”

“What I’m saying is this is a backdoor methodology of funding Common Core.”

- Tea party leader Wes Harris on why he filed a referendum to repeal a budget provision that permanently increases school bonding capacities.



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