



# Iowans for Tax Relief

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April 29, 2010

Mr. W. Charles Smithson  
Executive Director and Legal Counsel  
Iowa Ethics and Campaign Disclosure Board  
510 East 12<sup>th</sup> Street, Suite 1A  
Des Moines, Iowa 50319

Re: John Frew Contract

Dear Mr. Smithson:

I am writing this letter in response to recent reports in the Des Moines Register and the Cedar Rapids Gazette regarding the contract between Frew Nations Group and the City of Cedar Rapids to manage the downtown convention facility.

John Frew was hired to serve as Chief of Staff to the Governor in July 2009, and began his position in September 2009. As the Governor's Chief of Staff, Mr. Frew was responsible for managing the day to day business within the Governor's office, as well as advising the Governor on various policy matters. A centerpiece of the Governor's legislative package in 2009 was the I-JOBS program. The I-JOBS program was developed by the Governor's office and, presumably, Mr. Frew had an active role in its implementation and oversight.

The City of Cedar Rapids applied for I-JOBS funding in August 2009 and received approval for \$15 million dollars to partially fund a convention center. The funds were distributed to the City in March 2010. Shortly after the City of Cedar Rapids received I-JOBS funding, Mr. Frew announced his resignation from state government, citing a desire to "return to the private sector." Days later, the City signed a contract with Frew Nations Group for the management of the downtown facility. Mr. Frew is a principal and owner of Frew Nations Group.

While I will not suggest to know the specific details of the transaction or how it was negotiated, I believe this situation warrants further investigation to ensure various ethical rules and statutes were not violated. Specifically, the contract awarded to Frew Nations Group may fall within the prohibitions of Iowa Code Section 68B.7, as Mr. Frew is now receiving compensation for activities for which he had a direct responsibility, namely the I-JOBS program. Additionally, given the unusual timeline of the transaction, the taxpayers should be assured that this contract was not negotiated during Mr. Frew's working hours or using other state resources in violation of Iowa Code chapter 68B.2A.

Again, I want to reiterate that I am not suggesting any wrongdoing on the part of Mr. Frew or Frew Nations Group. However, Mr. Frew's position as Chief of Staff, combined with the unusual timing of the contract with Frew Nations Group, warrants further review to ensure that not only the letter of the law was followed, but the spirit and intent as well.

Sincerely,

Ed Failor, Jr.  
President  
Iowans for Tax Relief