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Ryles fund-raiser not included in disclosures

Omission: Event for insurance commissioner may have violated campaign reporting laws.

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While Fleet Finance Inc. was under investigation by Georgia's attorney general, **Insurance Commissioner** Tim Ryles allowed a Fleet executive to host an October campaign fund-raiser **for** him. In a possible violation of state campaign reporting laws, Ryles did not disclose on his year-end campaign finance report that the executive paid the cost of the event at the Doubletree Hotel. He did, however, include the contributions of some of the people who attended as the law requires.

Teddy Lee, executive secretary of the State Ethics Commission, said state law requires the cost of campaign events to be reported as expenses, if the campaign pays them, or as in-kind contributions if paid by someone else.

Ryles's campaign manager, Brent Layton, said the campaign did nothing wrong, though the Fleet official paid the hotel bill. Ryles would not comment.

It was unclear how much money Ryles raised at the event, because his contributions were not dated on the report. But of the \$372,000 Ryles reported receiving in 1993, more than \$30,000 came from employees of small-loan companies. The commissioner reported a campaign surplus of \$612,000 at the end of 1993, including contributions from previous years.

For its part, Fleet denied any connection with the event, which was hosted by Phil Hitz, Fleet's new vice president of governmental affairs.

Stacy Stout, a Fleet spokeswoman who attended the reception, said of Hitz's involvement, "It was a personal decision, not a company decision." She acknowledged that the company was legally barred from contributing to Ryles, who oversees the small-loan industry. In that capacity, he sets rates **for** credit life insurance often sold with these loans and investigates complaints against the companies that make these loans.

A lawyer representing plaintiffs in a class-action suit against Fleet questioned the propriety of the fund-raiser.

"It raises serious concerns when this company is going around making contributions and hosting fund-raisers **for** the very people who are charged with the responsibility of overseeing the interests of Georgia homeowners and Georgia citizens," said the lawyer, Howard Rothbloom.

He said a major aspect of the lawsuit is whether Fleet improperly forced homeowners to buy insurance on home-equity loans.

Attorney General Michael J. Bowers wrapped up a yearlong investigation of Fleet in December, when the company agreed to pay up to \$115 million to settle allegations of exploiting mostly poor and minority borrowers by charging high fees and interest rates on home-equity loans.

Asked about the Ryles fund-raiser Wednesday, Bowers said, "No comment."

Two years ago, the **Insurance** Department levied a \$325,000 fine against a Fleet subsidiary **for** overcharges on credit life insurance on small loans. That fine was the largest ever issued by the department, but less than half of the maximum Ryles could have imposed under state law.

The commissioner has received more than \$5,700 from Fleet officials since he took office in 1991.

Asked why she attended the reception, Stout said, "It seemed like the right thing to do at the time because it was a chance to say hello to Mr. Ryles."

Hitz, who declined to speak to a reporter, does not appear as a contributor on Ryles's report, although Stout said he paid the bill.

Both Stout and Layton said that the campaign has reimbursed Hitz **for** the rental of the room and refreshments within the last 10 days. Neither would disclose the sum, but costs associated with fund-raisers that appeared on Ryles's report ranged from \$265 to \$1,100.

Hitz recently moved to Georgia from Colorado, according to Stout. "The individual was moving and this was a small personal expense, not a priority," she said.

Layton would not confirm that Hitz hosted the event, although he did acknowledge receiving a bill from him sometime this month. "The campaign did nothing wrong. I received a bill and I paid it," he said.

Color Photo: Tim Ryles.

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