

Where did the governor get money to fund his campaign? His blind trust



Mary Ellen Klas, Times/Herald Tallahassee Bureau

Saturday, November 1, 2014 1:40pm

Here's a question we're pondering after having reviewed the 1,620 contributions that made up the \$65 million Republican Party third quarter report. Two of the four checks that came from the Scott family to boost the re-election efforts of the governor were drawn off the "qualified blind trust" account of Gov. Rick Scott.

The governor's contributions came in two spurts: checks of \$5 million each from Richard L. Scott's "qualified blind trust" and Frances A. Scott, his wife, on Oct. 6 and two more checks of \$1.4 million each, from same sources, on Oct. 21. The total amount withdrawn from the blind trust: \$6.4 million, the same amount contributed by his wife.

If the governor's trust is blind, how did it know to write the RPOF two checks?

[Florida's blind trust law](#) allows public officials to obtain distributions from a trust but the official may not specify which assets must be sold to obtain the cash. The law is silent about whether the public official may direct the assets to a political committee, and does not require him to report the distribution until the next financial disclosure period.

Greg Blair, Scott's campaign spokesman, disagreed with the idea that Scott can't spend money in his blind trust.

"Having a blind trust does not mean you do not have access to your money," he told the *Herald/Times*. "The blind part is that you don't know how the money is invested."

"Nothing prevents him from withdrawing money for any reason whether it's a political contribution or as simple as paying his bills," Blair added.

So then how does the governor explain that the blind trust knew to write a check that matched the amount from Ann Scott two times?

"That is without merit because, again, Scott can withdraw money from his blind trust at any time," Blair said.

The governor has repeatedly said the trust is blind. He has said he no control over it and that it would not be used for his self interest. Blair said this about the blind trust:

"Governor Scott opened the blind trust he formed in 2011 for the sole purpose of providing transparency and publicly listing his assets on his financial disclosure in June.

This blind trust was established to protect the people of Florida from having an elected official make decisions in his or her own self-interest."

See the citations below from the RPOF third quarter report:

10/6/2014	5000000	SCOTT FRANCES A.	568 9TH STREET, STE.276
10/6/2014	5000000	SCOTT RICHARD L.	QUALIFIED BLIND TRUST
10/21/2014	1400000	SCOTT FRANCES A.	568 9TH STREET, STE.276
10/21/2014	1400000	SCOTT RICHARD L.	QUALIFIED BLIND TRUST

Still unanswered: Did the governor withdraw the money from the trust? He had trust assets directed to a political party for his personal political benefit so why did he not distribute the trust assets to himself and then make the contribution to the campaign?

Sen. Jack Latvala, R-Clearwater, sponsor of the blind trust law, said he is confident that the governor operated "ethically and legally" when he used assets from the blind trust to help his campaign.

"I wrote the bill. I wrote the law. What he's done is perfectly within the law," Latvala said.

He agreed that the law does not require the public official to report when large amounts of money have been withdrawn from the trust. "Maybe there ought to be a disclosure," he said but, in this case, he said the information was disclosed in the RPOF report more than three weeks later.

Laird A. Lile, a Naples lawyer and former chairman of the trusts section of the Florida Bar, said that any assertion that the governor's trust "is not appropriately administered because he received a distribution from that trust totally misses the mark of the purpose of blind trusts," he said. "The 'blindness' of the trust has to do with the investments owned by the trust and the transactions within the trust. The creator of a blind trust remains entitled to distributions from the trust."

Under the blind trust law, the public official may communicate to the trustee about the blind trust but only under limited conditions. [Here's the law:](#)

4) Except for communications that consist solely of requests for distributions of cash or other unspecified assets of the trust, the public officer or the person who has a beneficial interest may not have any direct or indirect communication with the trustee with respect to the trust, unless such communication is in writing and relates only to:

(a) A distribution from the trust which does not specify the source or assets within the trust from which the distribution is to be made in cash or in kind;

(b) The general financial interests and needs of the public officer or the person who has a beneficial interest, including, but not limited to, an interest in maximizing income or long-term capital gain;

(c) A notification of the trustee of a law or regulation subsequently applicable to the public officer which prohibits the officer from holding an asset and directs that the asset not be held by the trust; or

(d) A direction to the trustee to sell all of an asset initially placed in the trust by the public officer which, in the determination of the public officer, creates a conflict of interest or the appearance thereof due to the subsequent assumption of duties by the public officer.

[Last modified: Sunday, November 2, 2014 12:25am]