



REPORT OF INTERVIEW

DATE: March 12, 2019

TIME: 12:55 – 1:30 PM

LOCATION: Office of Fiscal Research

LOB, Suite 619

Raleigh, NC

PARTICIPANTS: Karen Hammonds-Blanks
Tom Beers, EIS Investigator
Kevin Greene, EIS Investigator

On the above date and time, Eagle Intel Services Investigators Tom Beers and Kevin Greene conducted an interview of Karen Hammonds-Blanks (Hammonds-Blanks), Fiscal Research Analyst, with the North Carolina General Assembly's Fiscal Research Division, at the above address. This interview was previously arranged after contact was made, via telephone, with Hammonds-Blanks by Investigator Greene. The following information was provided by Hammonds-Blanks unless otherwise indicated (Document number references are from the Governor's records release placed on NCGA drive):

Hammonds-Blanks role as a Senior Fiscal Analyst is to assist in researching and coordinating budget and appropriations issues and policies as it relates to the North Carolina General Assembly. The position is non-partisan.

Hammonds-Blanks was shown a copy of an email (Document 1118) which was from Hammonds-Blanks to Kristin Walker (Walker), with the North Carolina Office of State Budget Management (OSBM), sent on January 27, 2018, at 1:29 PM. OSBM is the budgeting entity for the Governor's Office. The content of the email consisted of five questions presented to Walker:

1. Who "owns" the \$57.8 million?
2. Are these State funds?
3. Where the funds will be deposited (State treasury)?
4. Who will administer the fund?
5. Legal authority to enter into such a MOA.

Also, as an attachment to the email from Hammonds-Banks, was the press release, from the Governor's Office, announcing the Atlantic Coast Pipeline (ACP) permit and the ACP partners offer of the \$57.8 million fund.

Hammonds-Blanks recalled sending the email and considered as a normal course of business procedure. She was not previously aware of the fund and offered the questions to her counterpart in OSBM. She did not recall getting the answers to the questions she posed. Hammonds-Blanks was confident that the questions were not answered in a response back to

her, either by email or verbally. She believes that Walker may have replied back to her but did not have answers to the questions.

On the email that was shown to her, it reflected the chain going from Walker to William McKinney (McKinney), Julia White (White) and Charlie Perusse stating, "Please see questions below from Fiscal Research regarding the Atlantic Coast Pipeline Trust." A reply from McKinney to Walker stated "Thank you Kristin. Let's discuss some of the below and how best to structure answers." (Investigator note: Walker is the Deputy Director of State Budget; Perusse is the State Budget Director; McKinney is Counsel to the Governor)

Hammond-Blanks did not get a response back from any of the individuals reflected on the email, regarding her questions.

Hammonds-Blanks was shown another email chain (Document 0689) that showed her request going from Walker to the individuals previously stated above and McKinney forwarding it to Ken Eudy (Eudy) with the notation "FYIO."

Hammond-Blanks did not get a response back from Eudy regarding her questions. (Investigator note: Ken Eudy is a Senior Policy Advisor to the Governor)

Hammonds-Blanks was shown an email chain (Document 0985) that showed her request going forward from Walker to the individuals previously stated above and McKinney forwarding it to Munashe Magarira (Magarira) with the notation "FYI – let's discuss potential answers." (Investigator note: Magarira is Associate General Counsel for the Governor) Magarira responded to McKinney "Sounds good."

Hammond-Blanks did not get a response back from Magarira regarding her questions.

Hammonds-Blanks was shown an email chain (Document 5706) that showed her request going forward from Walker to the individuals previously stated above and McKinney forwarding it to Bill Lane (Lane) on 1/29/2018 at 6:31 PM. McKinney's email to Lane stated the following:

"Hope you are well. See below from the NCGA looking for information regarding the Mitigation Fund. I would like to discuss the below with you at your convenience. My assessment is that the fund is likely not "State Funds" as the legislature uses the term. I think the Gov. has ample constitutional authority to enter into such agreements, and it is the corporation's determination on how to spend and organize its mitigation funds. Welcome any thoughts you have about same."

Hammond-Blanks did not get a response back from Lane regarding her questions. (Investigator note: Bill Lane is General Counsel for the Department of Environmental Quality)

Hammond-Blanks was asked if she was aware of an environmental mitigation fund established and paid through DEQ by the ACP partners. She replied she was not aware of such funds.