Fulton will pay tax chief's legal fees

Fulton County taxpayers have already been funding a take-home SUV for Tax Commissioner Arthur Ferdinand, the state's highest-paid elected official.

Now they're paying for his lawyer, too, at a price of $275 an hour.

The county is hiring a private attorney to defend Ferdinand against a lawsuit filed by north Fulton Commissioner Liz Hausmann, who alleges he abused his authority and retaliated against her by revoking the license plate on a 2004 Jeep that her daughter drives. Three weeks earlier, she had publicly questioned why the county pays for his commute, considering his yearly earnings of nearly $350,000.

Documents obtained in a joint effort by The Atlanta Journal-Constitution and Channel 2 Action News show Ferdinand went after Hausmann more aggressively than his office does other residents accused of registering vehicles in the wrong county. He gave her less time to set matters straight before he canceled her registration and informed law enforcement that the Jeep had no valid tag.

And he has yet to provide evidence of the anonymous tip that he says prompted him to look into the commissioner's residency. Nor has he explained what channel the tip came through, other than telling Channel 2 that it wasn't by email.

Such details could be crucial. At issue in the lawsuit is whether he singled out Hausmann for harsh treatment, or if he was just doing his job.

The dispute involves power, accountability and use of public resources, and now it's cutting into county finances, possibly by tens of thousands of dollars. Commissioners approved paying for an outside counsel to represent Ferdinand earlier this month in a closed meeting without Hausmann present.

The county paid for Ferdinand's defense in the early 2000s when then-Commission Chairman Mike Kenn sued him, alleging political revenge when the tax chief tried to close two north Fulton restaurants by claiming Kenn owed $26,000 in excise taxes for underreporting alcohol sales.

Legal expenses in that case topped $120,000.

"I think he should have to pay his own legal fees," Hausmann told the AJC. "I have to pay my own legal fees."

The county could be further on the hook if she prevails. Hausmann said she's seeking only to be paid back for legal bills and the rental car her daughter used before Ferdinand finally reinstated the tag. The sum is currently about $18,500, she said.

"I just feel like citizens don't deserve to be treated like this," she said. "It was a frivolous matter that had no basis in fact and no merit, and unfortunately it has cost me resources to defend it."

Ferdinand has not responded to numerous requests for comment from the AJC about the issue, and he did not respond to a list of questions or to an interview request for this story sent to him by Channel 2. Ferdinand's new lawyer, Randy Turner, did not immediately return a call Friday.

The feud started in early May when, during a review of a routine take-home vehicle report during a public meeting, Hausmann questioned why the tax commissioner appeared on the list. Through an open records request, the AJC learned that he dipped into his own department's funds to buy a $39,000 Ford Explorer Limited — a higher-grade model than the one listed on the take-home report.

Ferdinand later circulated a memo suggesting Hausmann may actually live in Gwinnett County, making her ineligible for office. He cited an out-of-date address on both her campaign disclosure forms and on her vehicle registration. The tax on the vehicle, he said, was paid with a check bearing a Gwinnett address.

Hausmann responded that she moved in with her sister and brother-in-law in Johns Creek because she is going through a divorce, and with that and her father's recent death she forgot to update her address. Her daughter paid the registration renewal with a check bearing her father's address, Hausmann said.

Ferdinand eventually reinstated the tag after Hausmann gave him a document from the county elections office showing her new address.

Jim Honkisz, the interim president of the Fulton County Taxpayers Foundation, said he agrees with paying for Ferdinand's defense, since he is being sued in his official capacity. But if Hausmann proves he acted beyond his authority, Ferdinand should reimburse the county, Honkisz said.

Channel 2 filed an open records request for any instances since January 2011 when the tax office revoked or suspended license plates as a result of its own investigations. The county provided letters and memos from 17 cases where residents had questionable auto registrations.

The documents show Hausmann's case may be the only time in the past 2 1/2 years that the tax office pursued someone with a Fulton tag suspected of living elsewhere.

Typically, the records show, Ferdinand's office finds people claiming to live in Fulton, or businesses based in Fulton, who have vehicles registered in other counties. He then demands they pay up — either the vehicle taxes or reimbursement for years of undeserved homestead exemptions, which are tax breaks for those who live at their properties.

While the letters show other taxpayers have been given between 11 days and two months to settle the matters, Ferdinand gave Hausmann just seven days to prove she still lived in Fulton, which her attorney, ***Josh Belinfante***, says was an arbitrary deadline with no basis in law.

"I think it confirms a lot of the concerns that we had," said Belinfante, a former member of the state ethics commission. "Here you've got apparently what is the only situation where he's telling someone, 'We don't want your money.' "

Tax officials in other counties say such situations come up, brought to their attention by tips from residents, their own observations or other counties that conduct homestead exemption audits. None, however, said they would take such swift, Draconian measures, and that revoking a tag would be done only as a last resort.

Dan Ray, the executive director of the Georgia Association of Tax Officials and Rockdale County's former tax commissioner, said if he found people living elsewhere but paying Rockdale's vehicle taxes, he would flag their accounts so they couldn't register again.

"I don't know that I would go in and cancel the thing," he said, "but I would go in and put a notation on there."