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For Immediate Release

July 28, 2009

**BALTIMORE CITY COUNCILWOMAN HELEN L. HOLTON AND
BUSINESSMAN JOHN PATERAKIS CHARGED CRIMINALLY**

State Prosecutor, Robert A. Rohrbaugh, has announced today that criminal charges have been filed against Baltimore City Councilmember Helen L. Holton and businessman John Paterakis.

The Grand Jury of Baltimore City indicted Helen L. Holton, 48, in a two (2) count indictment which charges her with Conspiracy to Violate the Campaign Finance Laws and Conducting Campaign Finance Activity other than through a Campaign Finance Entity. The charges stem from a payment of Twelve Thousand Five Hundred Dollars (\$12,500.00) made by Ronald Lipscomb's company, Doracon Contracting, Inc, in exchange for a 2007 political survey which was performed by a polling company. At that time, Holton was seeking re-election as a Baltimore City council member and sought to have a survey conducted by a professional pollster. According to the indictment, Holton met privately with Ronald Lipscomb and John Paterakis and requested that they finance the political survey on her behalf. Lipscomb and Paterakis agreed and payment was issued to the polling company by Doracon Contracting, Inc. in the amount of Twelve Thousand Five Hundred Dollars (\$12,500.00). Soon thereafter, John Paterakis issued a J&B Associates check in the amount of Six Thousand Dollars (\$6,000.00) made payable to "Duracon Contracting, Inc." (sic) as payment for his portion of the survey.

By law, any payment that was made on behalf of Ms. Holton's campaign should have gone through the campaign's finance entity known as "Citizens for Helen Holton" so that the payments could have been properly reported on the campaign finance reports that were filed with the Maryland State Board of Elections.

If convicted, Ms. Holton faces a maximum penalty of imprisonment not exceeding one (1) year and a fine not exceeding \$25,000.00 on each count.

John Paterakis, 80, is a resident of Baltimore County and his main office at H&S Bakery is located at 601 S. Caroline Street in Baltimore City. Mr. Paterakis is charged with Conspiracy to Violate the Campaign Finance Laws. If convicted, he faces a maximum penalty of one year in jail and a \$25,000.00 fine. The second count of the indictment charges Jon Ber Associates, Inc., t/a J&B Associates with making a campaign payment to a person other than a campaign finance entity which charges carries a maximum penalty of \$1,000. As the indictment indicates, J&B Associates is a company controlled by John Paterakis.

Although charged, each of the defendants is presumed innocent unless and until there is a conviction. Criminal summonses have been issued for all of the defendants and no court date has been set.

For further inquiries, contact the State Prosecutor, Robert Rohrbaugh at the State Prosecutor's Office.

STATE OF MARYLAND * IN THE
VS * CIRCUIT COURT
JOHN PATERAKIS * FOR BALTIMORE CITY
And *
JON BER ASSOCIATES, INC. *
t/a J&B Associates *
CASE NO:

INDICTMENT

The Grand Jurors of the State of Maryland for the City of Baltimore do on their oath present:

FACTS COMMON TO ALL COUNTS

1. At all times pertinent, Helen L. Holton was a member of the Baltimore City Council and was seeking re-election in the fall, 2007 election.
2. At all times pertinent, the campaign finance entity for Helen L. Holton's campaign was Citizens for Helen Holton and her campaign treasurer was Audrey Parham Stewart.
3. At all times pertinent, Jon Ber Associates, Inc., t/a J&B Associates, 601 South Caroline Street, Baltimore, Maryland, was an entity operated and controlled by the defendant, John Paterakis.
4. On or about July 3, 2007, Ronald Lester, owner of Lester & Associates, proposed to perform an election survey for the Helen Holton campaign.
5. Helen L. Holton told Ronald Lester that she would have Ronald H. Lipscomb, John Paterakis and another person finance the survey.

6. In July, 2007, Helen L. Holton met with Ronald H. Lipscomb and John Paterakis and requested that they pay for the survey to be conducted by Ronald Lester.

7. In July, 2007, Ronald H. Lipscomb and John Paterakis agreed to pay for the Ronald Lester survey and each agreed to contribute one-half of \$12,500.00.

8. The amounts to be paid by John Paterakis and Ronald H. Lipscomb exceeded the limits permitted by Maryland law and the money was to be paid without delivering said contribution to Audrey Parham Stewart, the treasurer of Citizens for Helen Holton.

9. Councilwoman Helen L. Holton bypassed her campaign finance treasurer, and told Ronald Lester to contact Ronald H. Lipscomb directly to obtain payment for the survey.

10. On or about July 27, 2007, Lester & Associates issued its invoice for the survey to be performed for Councilwoman Helen L. Holton in the amount of \$12,500.00 to Doracon Contracting, Inc.

11. On or about July 30, 2007, Doracon Contracting, Inc. issued a check in the amount of \$12,500 to Ronald Lester & Associates.

12. Between approximately July 30, 2007 and August 9, 2007, Ronald Lester used the \$12,500 amount to perform an election survey for Councilwoman Helen L. Holton.

13. On or about August 9, 2007, Councilwoman Helen L. Holton received the survey results from Ronald Lester and forwarded the information via e-mail to Ronald H. Lipscomb.

14. On or about August 10, 2007, John Paterakis requested that a check be issued to "Duracon Construction" (sic) in the amount of \$6,000.00 to be drawn on the account of J&B Associates.

15. On or about August 10, 2007, a J&B Associates check was issued and made payable to "Duracon Contracting, Inc." (sic) in the amount of \$6,000.00 which represented the one-half of the payment by John Paterakis for the survey performed on behalf of Helen Holton and her campaign.

16. The \$6,000.00 payment made by John Paterakis to finance the campaign activity on behalf of Helen Holton was not disclosed to the treasurer of Helen L. Holton's campaign, Audrey Parham Stewart, by Helen L. Holton, John Pakerakis or Ronald H. Lipscomb.

COUNT I

CONSPIRACY TO VIOLATE THE CAMPAIGN FINANCE LAWS (Conspiracy, Common Law)

17. The allegations contained in paragraphs 1-16 are re-alleged and incorporated herein by reference.

18. Between on or about July 3, 2007 and August 10, 2007, the exact dates to the Grand Jury being unknown, at Baltimore City, Maryland

JOHN PATERAKIS

did conspire knowingly and willfully with Ronald H. Lipscomb and Helen L. Holton, who was, then and there, a duly elected member of the Baltimore City Council running for re-election, to violate the campaign finance laws of the State of Maryland by conducting campaign finance activity for an election other than through a campaign finance entity and by exceeding the campaign contribution limits in violation of §§ 13-

202 and 13-226, contrary to the form of the Act of Assembly in such case made and provided against the peace, government and dignity of the State.

(Common Law of Maryland)

COUNT II

Payment to a Person Other than the Campaign Finance Entity

19. The allegations contained in paragraphs 1-16 are re-alleged and incorporated herein by reference.

20. On or about August 10, 2007, in Baltimore City, Maryland,

JON BER ASSOCIATES, INC.
t/a J&B Associates

directly and indirectly did knowingly and willfully pay and give money to another person other than a campaign finance entity to defray the costs of a campaign finance entity, to wit: a check payable to Duracon Contracting in the amount of \$6,000.00 drawn on the account of J&B Associates which was reimbursement for one-half of the survey performed by Ronald Lester and Ronald Lester & Associates on behalf of the campaign for Helen Holton and the Citizens for Helen L. Holton campaign finance entity, contrary to the form of the Act of Assembly in such case made and provided against the peace, government and dignity of the State.

(Election Law Article §§ 13-602 (a)(4))

Robert A. Rohrbaugh
State Prosecutor

STATE OF MARYLAND

VS.

John Paterakis

White/Male D.O.B 3/3/1929

And

Jon Ber Associates, Inc.

t/a J&B Associates

Indictment – 1. Conspiracy to Violate the Campaign Finance Law (John Paterakis)
2. Campaign Finance Law (Jon Ber and Associates, Inc. t/a J&B Associates)

(True Bill)

_____, Foreman

WITNESSES:

John Poliks, et al.

Filed _____, 2009

TO THE PERSON CHARGED:

1. This paper charges you with committing a crime.
2. If you have been arrested, you have the right to have a judicial officer decide whether you should be released from jail until your trial.
3. You have the right to have a lawyer.
4. A lawyer can be helpful to you by:
 - (A) explaining the charges in this paper;
 - (B) telling you the possible penalties;
 - (C) helping you at trial;
 - (D) Helping you protect your constitutional rights; and
 - (E) Helping you get a fair penalty if convicted.
5. Even if you plan to plead guilty, a lawyer can be helpful.
6. If you want a lawyer but do not have the money to hire one, the Public Defender may provide a lawyer for you. The court clerk will tell you how to contact the Public Defender.
7. If you want a lawyer but cannot get one and the Public Defender will not provide one for you, contact the court clerk as soon as possible.
8. **DO NOT WAIT UNTIL THE DATE OF YOUR TRIAL TO GET A LAWYER.** If you do not have a lawyer before the trial date, you may have to go to trial without one.