



# Maricopa County Attorney

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## News Release

### FOR IMMEDIATE RELEASE

December 2, 2008

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### **County Supervisor Don Stapley Indicted** *118 Counts Allege Extensive Non-Disclosure of Financial Dealings*

Donald T. Stapley, Jr., a member of the Maricopa County Board of Supervisors and President of the National Association of Counties, has been indicted for failure to disclose to the public his involvement in a wide variety of land dealings, business associations and business assets. The alleged felony and misdemeanor offenses span more than a decade and involve at least one convicted felon, Conley Wolfswinkel, a business associate who was convicted of federal bank fraud charges.

In a 118-count indictment returned on November 20, 2008, a Maricopa County grand jury accused Stapley of perjury (class 4 felony), forgery (class 4 felony), false swearing (class 6 felony) and filing an incomplete and/or false financial disclosure statement (class 1 misdemeanor) for offenses dating from 1994 to 2008. This indictment is the culmination of the first phase of an investigation conducted by Operation MACE, a joint anti-corruption task force run by the Sheriff's Office and County Attorney's Office.

The investigation to date found Stapley failed to disclose multimillion-dollar parcels of land in Maricopa and Pinal County, hundreds of thousands of dollars in personal and business bank accounts, leadership positions in Arizona corporations, and many other financial holdings and dealings.

Stapley did not disclose required information about businesses that he owned or operated. Three of these—Arroyo Pacific Investments, Arroyo Pacific Partners and Arroyo Pecans Partners—obtained loans totaling approximately \$10 million for two parcels of property. Those loans were refinanced, with Stapley pledging a personal guarantee on the loans. In 2008, he defaulted on one of those loans. A notice of trustee's sale was set for October 31, 2008, but was canceled after the FDIC took over the bank holding the loan.

In January 2008, Stapley failed to disclose that he deposited over \$550,000 from his checking accounts into two investment accounts, one in his name and one in the name of Arroyo Pacific Investments.

Sheriff's deputies also are investigating whether county employees assisted Stapley in trying to hinder the investigation. On May 27, 2008, sheriff's deputies questioned the clerk of the county board of supervisors about Stapley's disclosure forms. Sheriff's deputies instructed the clerk to keep the

investigation confidential so that it would not be compromised. The next day, Stapley filed new disclosure forms. For the first time, he acknowledged a deferred compensation plan, accounts with Charles Schwab, additional land ownership, and additional business interests.

As a result of his failure to disclose companies he has been doing business with and his personal and business accounts, the public has not been able to assess whether any conflict of interest existed as Stapley regularly made decisions on land development, rights of way, and purchases of county property.

Several counts revolve around farm land in Pinal County. This land was listed for several years as 210 acres, then 120 acres, then just farm land, but all shown as acquired in 2003 by Arroyo Pacific Investments. However, despite purchasing 210 acres in 2003 for \$2,338,210, Stapley in fact sold it back to the same companies in 2004, companies owned and managed in part by Brandon Wolfswinkel. In 2004, Stapley purchased two parcels of land from ABCDW, a company also owned and managed in part by Brandon Wolfswinkel along with his father, Conley Wolfswinkel and brother Ashton Wolfswinkel. Those parcels were purchased in 2004 for \$1,008,715.07 and \$1,380,358.00. Decisions have been made by the Maricopa County Board of Supervisors over the last several years relating to land owned by Riggs/Queen Creek and/or other companies and individuals with whom Stapley has done business.

On at least two separate occasions, Stapley filled out loan application documents and checked “no” when asked whether any of his businesses had ever been involved in bankruptcy. This omission was made in spite of the fact that he was sanctioned on October 13, 2000, by the Arizona Department of Real Estate for failing to disclose on his application for real estate broker’s license that his company, Val Vista Lakes, a general partnership, had filed for bankruptcy.

Despite listing assets of \$12,185,000 in 2006 in an application for a loan, including cash, securities, residence, real estate investments, partnerships, and \$565,000 in stocks and bonds, Stapley’s 2007 disclosure form for the year 2006 showed no ownership in trusts or investment funds and no bonds owned.

Statutes requiring disclosure by public officials have been in place for decades. In 1983, the Arizona legislature made clear that disclosure was crucial to the public good when the following purpose and intent was stated in adopting the relevant statutes: “It is in the interest of the people of this state to promote the inquiry by the public into areas of potential conflicts of interest. In furtherance of this goal, the people must be informed of the significant financial interests and business dealings of public officers without endangering the financial welfare and legitimate business relationships of the public officer. For the interest and benefit of the public, and to further the peoples' right to know of potential conflicts of interest due to financial interests, public officers are encouraged to disclose more extensive information than is statutorily required by this act.”

“Throughout my experience as a federal and state law enforcement official, I have always been concerned when the specter of a government cover-up surfaced in any investigation,” said Sheriff Joe Arpaio. “The credibility of the Maricopa County Government is at stake and so I want to assure citizens that we seek to keep their trust intact and will investigate this matter professionally and thoroughly.”

“We will diligently prosecute this case, and we appreciate the fine work of the Sheriff’s Office in this matter,” said Thomas.

The investigation regarding Stapley and other county employees is not over, Arpaio and Thomas noted. Their investigative team still seeks to determine any additional reasons for Stapley’s nondisclosure of assets and the involvement of county employees in the matter.

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Thomas added that the case showed he would follow through on his promise to voters to prosecute fraud and financial crimes.

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