

Complaint Against State Senator Trey Paradee Senate District 17

This complaint is presented in three sections below. Part I summarizes the key facts regarding Senator Paradee's conflict of interest when he sponsored HB 178 in 2019. Part II presents the violations of Delaware law demonstrated by Senator Paradee's actions. Part III offers a more detailed explanation and documentation of the Paradee conflict of interest.

I. Complaint Summary

In June 2019, Senator Trey Paradee sponsored a unique lodging tax bill which directed an estimated \$1 million in tax revenue annually to DE Turf--a private entity. Two months later, the [News Journal reported](#) that the Senator's brother, John Paradee was a DE Turf Board Member. John Paradee also owns the major share of the 21-acre Asbury Square development adjacent to DE Turf which was [listed for sale at \\$6.5 million](#) following the passage of [SB 178](#).

Trey Paradee's sponsorship of this bill was a conflict of interest because the legislation would have substantially benefited the Senator's brother, John Paradee. When this issue was exposed by the News Journal, Senator Trey Paradee quickly acknowledged the conflict of interest and pledged to repeal the bill which was done the following January.

II. Violations of Delaware Law:

The first citation below is from Title 11 of the Delaware Criminal Code, Chapter 5. Specific Offenses, Subchapter VI. Offenses Against Public Administration. Portions of the statute have been bolded for emphasis.

In this case, the "public servant" referred to in this complaint is State Senator Trey Paradee. The bolded definitions section explicitly states that legislators are "Public Servants".

The complaint is that Senator Paradee was "guilty of official misconduct" and "intending to obtain a personal benefit" when he sponsored SB 178 in June 2019. Point (3) under § 1211 states that the Public Servant is guilty when he "functions in a way intended to benefit the public servant's own property or financial interests...". In this case "property or financial interests" refers to John Paradee's ownership interest in the Asbury Square development adjacent to DE Turf.

Senator Paradee's actions in sponsoring and voting on SB 178 without recusing also violated Article II, Section 20 of the Delaware Constitution which is also copied below.

Part B

Abuse of Office

§ 1211. Official misconduct; class A misdemeanor.

A public servant is guilty of official misconduct when, intending to obtain a personal benefit or to cause harm to another person:

(3) **The public servant performs official functions in a way intended to benefit the public servant's own property or financial interests** under circumstances in which the public servant's actions would not have been reasonably justified in consideration of the factors which ought to have been taken into account in performing official functions; or

§ 1213. Definitions relating to abuse of office.

In §§ 1211 and 1212 of this title, **the definitions given in § 1209 of this title apply.**

§ 1209. Definitions relating to bribery and improper influence.

As used in §§ 1201-1208 of this title:

(4) **“Public servant” means any officer or employee of the State or any political subdivision thereof, including legislators** and judges, and any person participating as juror, advisor or consultant in performing a governmental function but the term does not include witnesses. This definition includes persons who are candidates for office or who have been elected to office but who have not yet assumed office.

Article II, Section 20 of the Delaware Constitution states:

“Any member of the General Assembly who has a personal or private interest in any measure or bill pending in the General Assembly shall disclose the fact to the House of which he or she is a member and shall not vote thereon.”

III. Paradee Conflict of Interest

On June 25, 2019, Senator Trey Paradee introduced [SB 178](#) which allowed “the Kent County Levy Court to impose a lodging tax, not greater than 3%, in Kent County.” This seems reasonable enough on the surface mirroring similar lodging tax legislation in the other two Delaware counties. However, this bill had a unique provision providing that:

“The revenue collected from the imposition of the local lodging tax shall, when collected, be directed to the Kent County Regional Sports Complex Corporation, a nonprofit organization, which operates the County-sponsored DE Turf facility located in Kent County near Frederica. The Kent County Regional Sports Complex Corporation shall use the revenue provided exclusively for the DE Turf facility to allow the facility to remain competitive by advertising, promoting, and providing incentives for use of the facility, to establish a program to benefit youth by providing to youth organizations and scholastic institutions the opportunity to use its facility at reduced cost, and to maintain, improve, and support the facility through the payment of costs, expenses, and associated debt.”

No other Delaware lodging tax legislation included language specifying how the money was to be used. A [December, 2019 News Journal article](#) reported that:

“Gov. John Carney signed Sen. Paradee’s hotel tax bill into law this summer before an investigation by The News Journal found that the senator’s brother, John, sat on the board of DE Turf, a sports complex near Frederica that was set

to be the sole recipient of the revenue. The investigation also found that John Paradee was championing an adjacent development whose fortunes are linked to those at DE Turf, according to a recent project brochure.“

The “adjacent development” is a 21 acre plot of land assembled in two parcels. Multiple letters and hearing notices related to the original 10 acre Asbury Square parcel identify only two partners. The first partner is JMER Properties LLC in which John Paradee is the sole principal. Jonny Nichols Nurseries LLC is the second partner. John Paradee has been the most active Asbury Square partner advocating for zoning variances and for the Frederica Interchange.

Here’s [a link to the Deed to the second 11 acre parcel](#) which was acquired on December 31, 2018. JMER Properties LLC in which John Paradee is the sole principal owns 44% of that parcel.

The combined parcels have been advertised at various times for [\\$5 million](#) and [\\$6.5 million](#). The overwhelming likelihood is that John Paradee has a multi-million-dollar stake in the Asbury Square development.

Here’s a link to a [sales brochure for Asbury Square](#) which states:

“The property is located inside the Frederica town limits directly across Route 1 from DE Turf, Kent County’s new regional sports complex. DE Turf is the largest all-synthetic turf sports complex in the Mid-Atlantic. The sports facility will not offer on-site dormitory accommodations or provide many dining options which creates a significant demand for these services. With its close proximity to DE Turf, and the new interchange providing access to the sports complex, Asbury Square is perfectly positioned to accommodate hotels, restaurants and convenience/fuel users to service the increasing traffic related to both transient travelers and sports complex attendees.”

There are five references to DE Turf or sports facility/complex in this brief paragraph. Location is the primary factor in real estate development and it’s solely because of DE Turf that these 21 acres have a multi-million-dollar price tag.

SB 178 would have provided a major benefit for DE Turf worth about \$1 million annually in additional revenue. This revenue was needed to enable DE Turf to offer more competitive rates to sports teams attracting bigger crowds and more revenue. That benefit is what motivated the DE Turf Board, the Levy Court, and the Kent County business community to support the bill so enthusiastically.

So John Paradee stood to gain substantially when his brother, Senator Trey Paradee, sponsored SB 178 in 2019. Senator Paradee quickly acknowledged this conflict of interest following the News Journal Article. He vowed to undo the hotel tax at the beginning of the next session and followed through in January 2020. John Paradee resigned from the DE Turf Board.

Senator Paradee's defense against charges of wrongdoing is that he was not aware of his brother's Asbury Square development when he sponsored the bill in 2019. However, he made the same claim when the [News Journal reported in 2014](#) on the Paradee brothers successful advocacy for moving the Fredericka Interchange up on DeIDOT's priority list. A side-by-side comparison of [the two articles is presented here](#). Senator Paradee now claims to have forgotten the 2014 article in which he was quoted extensively and the Paradee name appears 14 times.