

**City of Colorado Springs, Colorado**

**INDEPENDENT ETHICS COMMISSION**

**Formal Complaint Form**

**Date:** 1/21/2015

2015 JAN 21 A 10 26  
COLORADO SPRINGS  
CITY ATTORNEY

**Complaint**

**The Complainant(s) is (are):** Office of the City Attorney on  
behalf of the City of Colorado Springs

**Complete Address:** 30 S. Nevada Ave., Suite 501, Colorado Springs, CO 80903

**Daytime Phone No.:** (719) 385-5909

**Email:** cityatty@springsgov.com

**The Respondents(s) is (are):**

Helen P. Collins

**Complete Address:** City Hall, 107 N. Nevada Ave., Colorado Springs, CO 80903

**Daytime Phone No.:** (719) 385-5492

**Email:** hcollins@springsgov.com

**The specific act or things complained of, with the facts to give a full understanding of the situation(s) is (are):**

In December 2014, Councilmember Helen P. Collins participated in a real estate transaction with Douglas Bruce which effectively prevented the City of Colorado Springs ("City") from collecting a judgment entered in a civil action against Mr. Bruce. No legitimate business purpose for the transaction can be discerned. Its only purpose was to hinder or delay the City from collecting its judgment from Mr. Bruce.

On October 25, 2011, the City obtained a judgment against Douglas Bruce ("Bruce") in the amount of \$15,437.50 plus post-judgment interest in case number 11cv231 ("**Judgment #1**"). The City recorded Judgment #1 with the El Paso County Clerk and Recorder on February 10, 2012.

On February 13, 2012, following a jury trial in which Mr. Bruce was found guilty of tax evasion, filing a false tax return, attempting to influence a public servant, and failure to file a tax return, Judge Anne Mansfield of the District Court for the City and County of Denver sentenced Mr. Bruce to six years of probation supervised by the Economic Crime Unit.

In August 2013, Bruce filed a new lawsuit against the City asserting a number of claims (case number 13cv268). In that action, in July 2014, the City filed a motion for sanctions against Bruce, seeking dismissal of all claims and an award of attorney fees and costs, based on Bruce's discovery abuses. Bruce filed a response, and the City filed a reply. On October 9, 2014, the court ordered Bruce to pay the City's document production costs and ordered the City to submit a bill of such costs by October 30, 2014. The court dismissed Bruce's last remaining claim against the City on October 24, 2014. Pursuant to the court's October 9 order, on October 30, 2014, the City filed its first bill of costs, seeking \$1,961 in document production costs. Bruce filed a response, and the City filed a reply. Based on the dismissal of the lawsuit in its entirety, on November 12, 2014, the City filed its second bill of costs, seeking \$7,947.52 in costs associated with defending the lawsuit. Bruce filed a response, and the City filed a reply. The City's bills of costs were fully briefed as of November 24, 2014.

On November 25, 2014, Jessica Sheley of Empire Title left a voicemail message for Anne Turner (Senior Attorney, City Attorney's Office) explaining that Bruce had a real estate closing coming up and that she would need the payoff amount to satisfy Judgment #1. Ms. Turner returned her call on November 26, 2014, confirming that the judgment remained unsatisfied and had grown to approximately \$21,000. Ms. Sheley stated that the proceeds from the sale scheduled for December 8, 2014 would be sufficient to satisfy Judgment #1 in full and asked Ms. Turner to send her a memo confirming the amount required to satisfy the judgment. Ms. Turner supplied Ms. Sheley with the memo on Monday morning, December 1, 2014, stating that by December 8, 2014, the judgment will have grown to \$21,205.09 and accrues interest at a rate of \$4.60 per day. Ms. Sheley responded to Ms. Turner, stating that "[i]f all goes well, we should close on Monday, the 8th."

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***(If you need more space, please attach a separate sheet of 8 ½ x 11 paper)***

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Later in the day on December 1, 2014 (5:50 PM), the court in Bruce's active lawsuit (case number 13cv268) granted in part the City's bill of costs, ordering Bruce to pay the City \$7,569.61 ("**Judgment #2**"). The City's outside counsel received the order electronically, but because Bruce represents himself, the court mailed a copy of the order to his record address—a P.O. Box.

On Thursday, December 4, 2014 at 4:18 PM, a warranty deed transferring 1240 Samuel Point, Colorado Springs, Colorado (the "Property") from Bruce to Helen P. Collins ("Collins") was recorded with the El Paso Clerk and Recorder.

Meanwhile, at 4:30 PM on that same day (Thursday December 4), the City filed a proposed order for judgment against Bruce for Judgment #2 entered earlier in the week plus post-judgment interest. The court entered the judgment on Friday morning, December 5, 2014 at 9:14 AM.

On December 5, 2014, Collins signed a deed conveying the Property to Bonnie Langston.

The City obtained a transcript of Judgment #2 and recorded it with the El Paso County Clerk and Recorder at 3:58 PM on Friday, December 5, 2014. Anne Turner promptly called Jessica Sheley at Empire Title at approximately 4:10 PM, notifying her of the City's newly-recorded judgment against Bruce. At 4:20 PM, Ms. Turner e-mailed Ms. Sheley a copy of the recorded transcript of Judgment #2 and court orders. Ms. Sheley again asked for a payoff statement as had been done for Judgment #1, which Ms. Turner provided on Monday, December 8, 2014 at 8:42 AM. At 9:17 AM, Ms. Sheley confirmed receipt of Ms. Turner's memo by email, stated that the closing was supposed to occur that afternoon, and that the City should receive its payoff on Tuesday, December 9.

At approximately 9:45 AM on Monday, December 8, 2014, Anne Turner received a phone call from Bill McAfee, president of Empire Title. Mr. McAfee informed Ms. Turner for the first time that Bruce had transferred the Property to Collins on December 4, 2014, before the City recorded Judgment #2, and, consequently, Empire Title would not be satisfying Judgment #2 with the Property sale proceeds. He said that Bruce must have gotten some bad legal advice, because Bruce thought that by transferring the Property to Collins, he would avoid paying the City's judgment (Judgment #1).

In the afternoon of December 8, 2014, Bonnie Langston closed on the Property, paying Collins \$140,000. Bruce was seen at City Council Chambers during the break in the work session convened that day.

The deed conveying the Property from Collins to Langston was recorded with the El Paso County Clerk and Recorder on December 9, 2014 at 8:37 AM. A check drawn from the Empire Title escrow account made payable to the City in the amount of \$21,214.29 (\$21,205.09 plus two additional days of interest) in satisfaction of Judgment #1 was delivered to the City Attorney's Office Tuesday morning, December 9. The check record reflects the "seller" as "Helen P. Collins."

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As a result of the recording of the December 4, 2014 warranty deed from Bruce to Collins, the recorded transcript of Judgment #2 did not become a lien on the Property later conveyed to Bonnie Langston on December 8, 2014. The recorded deed from Bruce to Collins thereby operated to hinder or delay the City's collection of Judgment #2.

On December 31, 2014, Bruce filed a notice of appeal with the Colorado Court of Appeals, appealing Judgment #2, among other court orders entered in case number 13cv268.

As a City Councilmember, Ms. Collins is subject to the City's Code of Ethics. That Code provides in section 1.3.106 as follows:

Every covered person owes a duty of loyalty to the City. A conflict of interest exists when there is any personal or financial relationship that could influence or be perceived to influence the representation or conduct of business for, or on behalf of, the City....

F. No covered person shall engage in outside ... activities, ... that conflicts with their official duties and responsibilities.

G. No covered person shall tolerate waste, fraud, abuse and corruption in government or any of its businesses, operations or services.

H. No covered person shall engage in any actions that may create, or do create, the appearance that they are violating the law or ethical standards.

I. No covered person shall engage in any activity that may create, or does create, the appearance of impropriety.

Ms. Collins' conduct appears to violate multiple provisions in section 1.3.106.

In addition to the Respondent, the following individuals may have information and documents relevant to this matter:

- Douglas Bruce, P.O. Box 26018, Colorado Springs, CO 80936; 719-550-0010
- Anne H. Turner, Senior Attorney, Office of the City Attorney of Colorado Springs, 30 S. Nevada Avenue, Suite 501, Colorado Springs, CO 80903; 719-385-5909
- Empire Title of Colorado Springs, LLC, 5755 Mark Dabling Boulevard #110, Colorado Springs, CO 80919; 719-884-5300; including President Bill McAfee, Escrow Assistant Jessica L. Sheley, and Notary Sharon L. Myers

**The remedy to the matter I (we) would like is:**

The City's Code of Ethics provides in section 1.3.103(N) that "[a]ny individual who is found to have breached the public trust and has been found to have done so for private gain, and any person or entity inducing such breach, shall be liable to the City for double the amount of financial equivalent of any benefits obtained by such actions." Thus, any penalty against Ms. Collins should include payment to the City of double the amount of the judgment that was avoided as a result of her participation in the transaction, to wit: \$15,139.22.

*(If you need more space, please attach a separate sheet of 8 ½ x 11 paper)*