

**BEFORE THE ARKANSAS JUDICIAL DISCIPLINE  
AND DISABILITY COMMISSION**

**IN RE: JUDGE WILLIAM W. WATT**

**JDDC Docket No. 95-119, 96-114, 96-153, 96-187, 01-196**

**ORDER**

On March 19, 2004, the Judicial Discipline and Disability Committee considered the Petition for Reconsideration as filed by former Judge William W. Watt under Case No. 01-196. The Commission found and agreed that Judge Watt was no longer bound by the provisions of action taken on June 17, 1996, specifically that he would never seek or accept a position as a Judge or judicial officer within the State of Arkansas. The Commission agreed to reconsider all complaints pending as of June 17, 1996, and directed the Commission staff to review the matters pending as of June 17, 1996, and to take appropriate action.

After due consideration of testimony, pleadings, evidence, and arguments of counsel, the Committee finds:

1. That in March of 1986, Judge Watt was elected Little Rock Municipal Judge. That subsequent to that election, Judge Watt provided funds to his secretary and her daughter for the purpose of contributing to a political campaign for the benefit of Governor Frank White. Watt admits that he was the source of the funds and that this action was contrary to Canon 5 of the Arkansas Code of Judicial Conduct in that a Judge shall refrain from inappropriate political activity.
2. That the remaining complaints by review and stipulation are merged and Judge Watt admits that his actions violated Canon 2 of the Arkansas Code of Judicial

Conduct stating that a Judge shall avoid impropriety and the appearance of impropriety in all of the Judge's activities.

WHEREFORE, the Arkansas Judicial Discipline and Disability Commission finds that Judge William W. Watt has violated Canon 5 of the Arkansas Code of Judicial Conduct in that a Judge shall refrain from inappropriate political activity, and further, that Judge Watt violated Canon 2 of the Arkansas Code of Judicial Conduct, stating that a Judge shall avoid impropriety and the appearance of impropriety in all of the Judge's activities, and based on those findings, Judge William W. Watt be, and hereby is prohibited from holding elective or appointed judicial office in the State of Arkansas for a period of eight (8) years, beginning July 31, 1996, and expiring on July 31, 2004.

ARKANSAS JUDICIAL DISCIPLINE  
AND DISABILITY COMMISSION

By: \_\_\_\_\_  
JAMES A. BADAMI  
Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
WILLIAM W. WATT, Petitioner

\_\_\_\_\_  
MARK F. HAMPTON  
Attorney for Petitioner  
308 S. Louisiana  
Little Rock, AR 72201  
Telephone: (501) 376-6277

MARK F. HAMPTON  
JERRY LARKOWSKI, P.A. \*  
\* Licensed to practice in Arkansas and Illinois

MARIETTA ALPHIN  
Office Administrator

**HAMPTON AND LARKOWSKI**  
ATTORNEYS AT LAW  
308 SOUTH LOUISIANA  
LITTLE ROCK, ARKANSAS 72201  
(501) 376-6277  
(501) 376-6279 (facsimile)

OF COUNSEL  
W. P. "BUZ" BARLOW, Jr. -  
4315 West Lovers Lane  
Dallas, Texas 75209  
(214) 357-6767  
- Licensed to practice in Texas only

August 10, 2004

Arkansas Judicial Discipline  
and Disability Commission  
Attention: James Badami  
1060 Tower Bldg.  
323 Center Street  
Little Rock, Arkansas 72201

*RE: Case No. 01-196; Petition for Rehearing/Judge William W. Watt*

Dear Mr. Badami:

This letter is in response to your letter of June 30, 2004, which had followed an earlier meeting we had at my office on May 25, 2004, and a phone call of June 30, 2004. After discussions with my client and recognizing the Judicial Discipline Commission's congested agenda for July 16, we have reconsidered our request for an appearance before the Committee on that date. We propose the following responses to your allegations and request that the Committee consider our responses as stipulations with the following sanctions to resolve these issues. With each Committee allegation our response follows"

**I.**  
**Frank White Contribution**

Committee allegation:

"Having his former secretary allow their names to be used to make contributions to the Frank White for Governor Campaign, when this money was, in fact coming from another source."

Judge Watt's response:

In March 1986, Judge Watt was elected Little Rock Municipal Judge. Judge Watt funneled contributions through his secretary and her daughter, Mary Ann Young and Alicia Young, to a political campaign (Frank White for Governor Campaign). Watt admits that the ultimate donor, i.e. Mary Ann Young and Alicia Young, were identified

for tax purposes as the ultimate source of the funds with all the state and federal reporting requirements being met by the Youngs. Judge Watt admits that Ark. Code Ann. §7-6-205 and §7-6-103 which prohibits judges from making contributions to political campaigns. Further, Judge Watt admits that he was a sitting municipal judge at the time of these contributions.

## **II.** **David Hale Document**

Committee allegation:

“That he (Watt) forged David Hale’s signature on a document without Hale’s consent. That document was later submitted to the SBA.

Judge Watt’s response:

In November 1986, Judge Watt created a false document purporting to be a letter from David Hale of CSM (Capital Management Services, Inc.) absolving Judge Watt of liability on a promissory note. At some point thereafter a dispute arose between Judge Watt and Mr. Hale as to how and to whom the note was to be repaid. Watt presented the letter to Mr. Hale in an effort to intimidate Hale. On August 17, 1995, Judge Watt, in an interview with the Office of Independent Counsel (OIC), maintained the forged letter was authentic. Ultimately, Judge Watt, through discussions with the OIC, recanted that statement to the OIC investigators.

Subsequent to the conclusion of the Whitewater Investigation, it was determined that the note in question had no relationship to the Small Business Administration (SBA) or any SBIC (Small Business Corporations maintained by Mr. Hale.) In reality there were **no** funds guaranteed by the federal government involved in this transaction.

## **III.** **Inflated Appraisal**

Committee allegation:

“Admitting that he pushed a real estate appraiser to inflate an appraisal that would be used and placed in the Madison Guaranty Loan files.”

Judge Watt’s response:

This matter was previously litigated before the Supreme Court Committee of Professional Conduct in "*In re: William W. Watt, Arkansas Bar ID# 78159, CPC Docket No. 2000-016*". This allegation is identical to the allegation before the Professional Conduct Committee. The Professional Conduct Committee determined the allegation was unsubstantiated.

Secondarily, it should be noted that the all facts and actions taking by Watt involving the appraisals occurred prior to Judge Watt taking office as a municipal judge for the City of Little Rock. Whatever conduct occurred, occurred prior to Judge Watt's admission to the bench which raises a significant jurisdictional issue for this Committee. Moreover, this Committee was not even formed by the Arkansas Supreme Court until after 1986. In an effort to finally resolve this matter, Judge Watt request that the Committee dismiss this complaint against him as being unfounded and outside the jurisdiction of this Committee.

#### IV.

#### **False Statements to the FBI and OIC**

Committee allegation:

"Admitting that he (Watt) lied to the FBI and OIC while that office was investigating matters relating to the Whitewater cases."

Judge Watt's response:

Judge Watt would concede that prior to retaining counsel and during the early part of the investigation concerning David Hale's SBIC corporations as well as the initial investigation of the Whitewater case; Judge Watt was less than forthcoming regarding information concerning his involvement with Madison Guaranty and other Whitewater related matters. Subsequent to obtaining counsel and subsequent to an order compelling testimony, Judge Watt was completely truthful and fully cooperative with the FBI and OIC during the course of their investigation and became a creditable witness for the OIC.

#### V.

#### **Mike Wilson Check**

Committee allegation:

"Passed on to Representative Mike Wilson a \$1,500.00 check in the Arkansas State Capital Building during a legislative session. The \$1,500.00 check was for services rendered or to be rendered by Representative Wilson to the Arkansas Municipal Judges Association. At the time the check was tendered, legislation was pending in the legislature concerning salary of all municipal judges in Arkansas."

Judge Watt's response:

Arkansas State Police investigated this allegation and determined there to be no improper, illegal, or corrupt conduct on the part of Judge Bill Watt or the Arkansas Municipal Judges Association. If this should be litigated, I assume that we would need to call all members of the Arkansas Municipal Judges Association (at the time) to determine whether the members were aware this check was to be paid and whether Judge Watt merely acted as a courier on behalf of the Arkansas Municipal Judges Association. No sanction should be levied for this allegation as no violation occurred.

## **VI.** **Truancy Violations**

Committee allegation:

“Used his court staff to investigate truancy violations coming from the Little Rock School District. The staff would then compile a case file and request the city attorney's office to prepare an affidavit for a warrant. The court staff presented some of the evidence to Judge Watt and then handed the case file to an assistance city attorney as the attorney walked into court. Judge Watt would then preside at the truancy hearing which the court staff had investigated and prepared for the hearing.”

Judge Watt's response:

One member of Judge Watt's probation staff was a member of the Truancy Review Committee of the Little Rock School District. This position was created at the direction of the Little Rock School District. The purpose of this Committee was to avoid multiple truancy citations to be issued for students; in other words, avoid submitting the students through the judicial process for multiple truancy violations. If at some point the Truancy Review Commission made the determination that a citation to appear before a municipal judge should be issued, that decision was made by the Little Rock School District Committee as well as the City Attorney's Office for the City of Little Rock. At no time did Judge Watt meet with his probation office or staff members with the Little Rock City Attorney's Office prior to the cases being filed and presented for adjudication in his capacity as municipal judge.

To be absolutely clear, at no time did Judge Watt ever have any *ex parte* communication with any civilian, student, attorney or probation officer about any case to be litigated before his court prior to the matter being called, heard at the bench, on the record in his capacity as municipal judge. No violation should be found.

**Sanction**

In light of Judge Watt's resignation from the bench for the benefit and integrity of the judicial system and to avoid relitigating "Whitewater", we would propose that a penalty of eight (8) years prohibition from holding an elected position on the bench, (appointment or otherwise serving) be implemented being July 31, 1996, and expiring June 30, 2004, in effect, two (2) terms of office as a sanction for the above stipulations.

Sincerely,

**AGREED AND STIPULATED:**

Mark F. Hampton

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James Badami, Director  
Arkansas Judicial Discipline and  
Disability Commission  
1060 Tower Building  
323 Center Street  
Little Rock, Arkansas 72201

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William W. Watt