



MISSOURI ETHICS COMMISSION

P.O. Box 1254
Jefferson City, MO 65102
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(573) 751-2020 / (800) 392-8660

James Klahr
Executive Director

May 19, 2014

Otis Schulte
105 Kegan Place
Gerald MO 63037

MEC No. 14E002

Dear Mr. Schulte:

The Missouri Ethics Commission considered the complaint filed against you at its May 19, 2014 meeting. The Commission reviewed the allegation of a conflict of interest pursuant to Chapter 105, RSMo, when you supplied materials as a third party vendor to a business under contract with the City of Gerald while at the same time serving as the Mayor of the City.

From the facts presented, the Commission voted to dismiss this case. In 2013, the City of Gerald contracted with Pohlmann Construction for a city hall building and renovation project. The complaint alleged that you had a conflict of interest in violation of Missouri law when your business, Gerald Home Center, sold materials to Pohlmann Construction Center for the project. Missouri conflict of interest statutes require that contracts awarded to public officials be publicly bid and that the official's bid be the lowest received. In this instance, your business sold materials as a third party vendor to the successful bidder, however, that contract was publicly bid with Pohlmann's being the lowest received. Therefore, there was no violation of the statute.

The Commission also looked at modifications to that contract requested by the city and your role in supplying materials for the modifications. These modifications did not exceed the statutory threshold of five hundred dollars per transaction or five thousand dollars per year that would require bidding and therefore, the Commission determined there was no violation of Chapter 105.

As the city considers contract modifications in the future, the city should carefully review the conflict of interest provisions in Chapter 105, RSMo.

Sincerely,

A handwritten signature in cursive script that reads "James Klahr".

James Klahr
Executive Director

JK:sc