

Filed
MAR 14 2012
Missouri Ethics
Commission

**BEFORE THE
MISSOURI ETHICS COMMISSION**

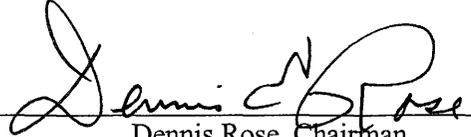
MISSOURI ETHICS COMMISSION,)
)
Petitioner,)
)
v.)
)
LEONARD S. (JONAS) HUGHES IV,)
)
and)
)
HUGHES FOR THE HOUSE,)
Candidate Committee,)
)
Respondents.)

Case No. 11A146

ORDER

The Missouri Ethics Commission orders the Executive Director of the Missouri Ethics Commission to notify the Chairman of the Ethics Committee of the Missouri House of Representatives of the Findings of Fact, Conclusions of Law, and Order issued in this case.

SO ORDERED this 14th day of March, 2012.


Dennis Rose, Chairman
MISSOURI ETHICS COMMISSION

Filed
MAR 14 2012
Missouri Ethics
Commission

**BEFORE THE
MISSOURI ETHICS COMMISSION**

MISSOURI ETHICS COMMISSION,)
)
Petitioner,)
)
v.) Case No. 11A146
)
LEONARD S. (JONAS) HUGHES IV,)
)
and)
)
HUGHES FOR THE HOUSE,)
Candidate Committee,)
)
Respondents.)

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND
ORDER**

This is the final decision and order of the Missouri Ethics Commission following a hearing on a complaint filed by Petitioner by and through counsel, pursuant to Section 105.962, RSMo, and Chapter 536, RSMo. The hearing was conducted before the following members of the Missouri Ethics Commission: Jim Wright, Jim Tweedy, Jeff Davison, Dennis Rose, Louis J. Leonatti, and Vernon Dawdy.

A closed hearing took place on Wednesday, March 14, 2012, at the offices of the Missouri Ethics Commission at 3411A Knipp Drive, Jefferson City, Missouri 65109. The Commission was represented by attorney Curtis R. Stokes. Respondents did not appear.

The Commission admitted into evidence Petitioner's Exhibits 1 through 28. Having considered all the competent and substantial evidence upon the whole record, the Commission finds as follows:

9. In October 2008, the Missouri Ethics Commission entered against Respondent Hughes certain Findings of Fact, Conclusions of Law, and an Order in case number 06A186 before the Missouri Ethics Commission, a true and accurate copy of which is attached hereto as Exhibit 1. In case number 06A186, the Missouri Ethics Commission ordered Respondent Hughes to pay \$13,000 for violation of the following Missouri campaign finance laws:

- a. Failing to file campaign finance disclosure reports (Count I);
- b. Failing to timely file campaign finance disclosure reports (Count II);
- c. Failing to report all contributions and expenditures (Count III);
- d. Exceeding campaign finance contribution limits (Count IV);
- e. Using committee funds for personal use (Count V).

10. Since 2005, Respondents have incurred 22 late filing fees with the Missouri Ethics Commission. These late fees total \$16,740. In order to take office in 2011, Respondent Hughes paid his then-outstanding late fees, but has since accumulated \$7,600 in late fees for three quarterly reports due in 2011.

11. In addition to his experience as an elected official, Respondent Hughes is a current member of the board of directors for Freedom, Inc., a continuing committee.

12. Despite Respondent Hughes's experience as an elected official, despite previously incurring fees of \$13,000 for campaign finance violations, despite his experience serving on the board of directors of a continuing committee, and despite Respondents' experience with late fees, Respondents Hughes and Hughes for the House have continued to knowingly violate Missouri's campaign finance laws.

13. On February 26, 2007, Respondents opened account number *****2459 at UMB (hereinafter "the UMB account").

14. Respondents opened the UMB account in the name "Hughes for the House."

FINDINGS OF FACT

1. The Missouri Ethics Commission (“the Commission”) is an agency of the State of Missouri established pursuant to Section 105.955, RSMo, in part for the purpose of enforcing the provisions of Chapter 130, RSMo.

2. Respondent Hughes is a sitting member of the Missouri House of Representatives, currently serving his fourth term. At no time has Respondent Hughes filed any written notice of a stay with the Missouri Ethics Commission pursuant to Section 510.120, RSMo. He has not responded in any meaningful manner to the audit of the Commission, having failed to appear for two depositions and having failed to appear for the hearing in this matter.

3. Respondent Hughes received notice of this hearing.

4. Pursuant to Section 105.959, RSMo, the Commission’s staff has investigated the Respondents’ reports and statements filed with the Commission and reported the investigation’s findings to the Commission.

5. Based on the report of the Commission’s staff, the Commission determined that there are reasonable grounds to believe that violations of law occurred, and it therefore authorized a hearing in this matter pursuant to Section 105.961.3, RSMo.

6. Respondent Hughes has failed to appear for two duly noticed depositions and failed to respond to a subpoena requesting documentation relating to, among other things, \$966.06 in checks written to himself from committee accounts and \$2,436.27 in cash withdrawals from committee accounts.

7. Respondent Leonard S. Hughes IV is also known as Jonas Hughes. Respondent Hughes has identified himself on campaign finance reports varyingly as Leonard S. Hughes IV, L.J. Hughes IV, Leonard “Jonas” Hughes IV, and Leonard (Jonas) Hughes IV.

8. Respondent Hughes successfully ran for a seat in the Missouri House of Representatives in 2004. Respondent Hughes ran three other successful campaigns for the House of Representatives, in 2006, 2008, and 2010.

15. On May 29, 2007, Respondents filed an Amended Statement of Committee Organization with the Missouri Ethics Commission identifying the UMB account as its official fund depository account.

16. On August 17, 2010, UMB administratively closed the UMB account with a zero balance after writing off almost \$200 in insufficient funds fees.

17. Between May 2007 and August 2010, Respondents amended their Statement of Committee Organization at least five times. But after UMB closed the UMB Bank account in August 2010, Respondents never amended their statement of committee organization to reflect this change.

18. Six months after UMB closed the account, Respondents still identified that non-existent UMB account as their official fund depository account on an amended statement of committee organization in February 2011.

19. After their official fund depository account was closed, Respondents nevertheless continued to accept contributions and make expenditures through two other bank accounts, both in the name of "Hughes for Mayor." One of these "Hughes for Mayor" accounts was disclosed to the Missouri Ethics Commission, the other was not.

20. In October 2010, Respondents opened account number *****0984 at Commerce Bank (hereinafter "the Commerce-1 Account") in the name of "Hughes for Mayor."

21. Two weeks after opening the Commerce-1 Account, Respondent Hughes filed a Statement of Committee Organization purporting to create a "Hughes for Mayor" committee and identified the Commerce-1 account as the official fund depository account for Hughes for Mayor.

22. The day after filing his statement of committee organization purporting to create "Hughes for Mayor," Respondents opened another account, number *****1604, at Commerce Bank (hereinafter "the Commerce-2 account.").

23. Respondents opened the Commerce-2 account in the name of "Hughes for Mayor."

24. Respondents never reported the Commerce-2 account to the Missouri Ethics Commission.

25. The same day they opened the Commerce-2 account, Respondents began depositing contributions payable to “Hughes for the House” into the Commerce-2 account.

26. Two days after they opened the Commerce-2 account, Respondents began making expenditures on behalf of the “Hughes for the House” committee out of the Commerce-2 account.

27. In July 2011, Respondents deposited a check for \$250 made out to “Hughes for House” into the Commerce-1 Account.

28. Two weeks after depositing the \$250 check into the Commerce-1 Account, Respondent Hughes issued a check for \$230 to Virgil Troutwine, but the back of the check is endorsed “Leonard S. Hughes.” Virgil Troutwine’s signature is not apparent anywhere on that \$230 check.

29. The Missouri Ethics Commission did not learn of the existence of the Commerce-2 account until December 2010, when Respondent Hughes delivered a check to pay a late fee from the Commerce-2 account, and the Commission noted that it was not from Respondents’ reported official fund depository. On that check, Respondent Hughes crossed out “Hughes for Mayor” and wrote in “Hughes for House.”

30. On January 25, 2011, Respondent Hughes met with Commission staff and stated that the “Hughes for Mayor” account had no activity.

31. Contrary to Respondent Hughes’s statement, the Commerce-2 account, which Respondents failed to disclose to the Ethics Commission, had the following activity immediately before the January meeting:

Month	Deposits and Other Credits	Withdrawals and Other Debits	Checks Paid	Total Activity
October 2010	\$1,625.00	\$278.55	\$575.00	\$2,478.55
November 2010	\$1,525.00	\$252.47	\$1,231.73	\$3,009.20
December 2010	\$812.25	\$319.24	\$760.00	\$1,891.49

32. One such deposit in November 2010 was a cashiers' check purchased with funds from the Commerce-2 account and made payable to the Missouri Ethics Commission, but which was endorsed by Respondent Hughes and deposited back into the Commerce-2 account one day later.

33. In contrast, the Commerce-1 account, which Respondents disclosed to the Ethics Commission, had virtually no activity during the same time:

Month	Deposits and Other Credits	Withdrawals and Other Debits	Checks Paid	Total Activity
October 2010	\$20.00	\$0	\$0	\$20.00
November 2010	\$0	\$0	\$0	\$0.00
December 2010	\$0	\$0	\$0	\$0.00

34. Meanwhile, in January 2011, the Missouri Ethics Commission wrote to Respondent Hughes to inform him that the Commission could not process his "Hughes for Mayor" committee organization because of outstanding fees, citing Section 130.071, RSMo ("...no person may file for any office ... until he ... has filed all required campaign finance disclosure reports for all prior elections and paid all fees assessed by the [Missouri Ethics C]ommission.").

35. On February 9, 2011, Respondent delivered two cashier's checks (one for \$13,000, one for \$5,830.23) and \$259.77 in cash to pay the order in MEC Case number 06A186 and to pay for then-outstanding late fees.

36. The same day, Respondents amended their Statement of Committee Organization to disclose that Respondent Hughes was seeking the office of State Senate, District 9, in the August 7, 2012, primary election.

37. Respondents identified the non-existent UMB account, which had been closed six months prior, as their official fund depository.

38. On that February 2011 amended statement of committee organization, Respondents identified a treasurer who later indicated to the Missouri Ethics Commission that she had resigned as treasurer effective January 14, 2011.

39. On February 22, 2011, Respondent Hughes did not prevail in the primary election for Mayor (he was not on the ballot).

40. Between April and November 2011, the Missouri Ethics Commission issued multiple late fee notices, including e-mails, to Respondents.

41. Respondents have nevertheless failed to timely file any campaign finance disclosure reports.

Count I

Violation of Missouri laws governing the maintenance of an official fund depository account in the name of the committee

42. After the UMB account was closed on August 17, 2010, Respondents failed to maintain an official fund depository within the State of Missouri.

43. Respondents failed to amend their statement of committee organization within 20 days of August 17, 2010, to disclose the fact that the UMB account had been closed.

44. Respondents opened the Commerce-2 account on October 19, 2011, and they operated that Commerce-2 account in lieu of an official fund depository.

45. Respondents never identified the Commerce-2 account on any statement of committee organization, and they failed to do so within 20 days of opening that account.

46. Respondents opened the Commerce-1 account on October 5, 2010.

47. Respondents deposited one \$250 contribution made payable to Hughes for the House into the Commerce-1 Account. Respondents then made a \$230 expenditure from that Commerce-1 Account.

48. Respondents operated the Commerce-2 account in the name of "Hughes for Mayor," which was not the name of the committee. The name of the committee was "Hughes for the House."

49. Respondents deposited the following \$2,925 in contributions into the Commerce-2 account, and not their UMB account or other official fund depository account:

Item Date	Posted Date	Description	Amount	Payable to:
09/16/10	10/19/10	Ameristar Casino St Charles One Ameristar Blvd St Charles, MO 63301	\$125.00	Hughes for the House
09/16/10	10/19/10	Ameristar Casino Kansas City Inc PO Box 33480 Kansas City, MO 64120	\$125.00	Hughes for the House
09/21/10	10/19/10	Downtown Council PAC 911 Main St, Suite 110 Kansas City, MO 64105	\$250.00	Hughes for the House
09/24/10	10/19/10	Missouri AFL-CIO C O P E, Committee on Political Education 227 Jefferson Street Jefferson City, MO 65101	\$100.00	Committee to Elect Leonard Hughes
09/13/10	10/19/10	Safer Families for Missouri PO Box 1292 Jefferson City, MO 65102	\$100.00	Hughes for the House
09/24/10	10/19/10	KCP&L Power Pac-Missouri A Voluntary Association of the Employees of Great Plains Energy & Its Subsidiaries	\$300.00	Hughes for the House
10/07/10	10/19/10	Realtors Political Action Committee- Missouri PO Box 30635 Columbia, MO 65205	\$150.00	Hughes for the House
09/27/10	10/28/10	United Transportation Union PAC 222 A Madison St Jefferson City, MO 65101	\$325.00	Hughes for the House
08/30/10	11/02/10	AMECPAC 2732 East McCary Street, PO Box 1615 Jefferson City, MO 65102	\$300.00	Hughes for the House
09/07/10	11/02/10	MO Optometric PAC 100 East High Street, Suite 301 Jefferson City, MO 65101	\$150.00	Hughes for the House

Item Date	Posted Date	Description	Amount	Payable to:
09/13/10	11/02/10	John F Britton PO Box 1708 Jefferson City, MO 65102	\$250.00	Hughes for the House
09/13/10	11/02/10	MO Assn of Insurance & Financial Advisors PAC PO Box 1708 Jefferson City, MO 65102	\$250.00	Hughes for the House
10/16/10	11/26/10	MHA Political Action Committee for Health (HealthPAC) PO Box 60 Jefferson City, MO 65102	\$500.00	Hughes for the House
		TOTAL	\$2,925.00	

50. Respondents made one \$150 expenditure to the Missouri Ethics Commission for late fees through the Commerce-2 account, and not through their UMB account or other official fund depository account.

51. In November 2011, the treasurer for Respondent Hughes for the House sent the Missouri Ethics Commission a letter stating that she had resigned as treasurer effective January 14, 2011.

52. Respondents failed to amend their statement of committee organization within 20 days of January 14, 2011, to reflect the fact that their treasurer had resigned.

53. On February 9, 2011, Respondents filed an amended statement of committee organization. In that amended statement, Respondents identified the person who had resigned several weeks prior as their current treasurer.

Count II

Violation of Missouri laws governing the timely filing of campaign finance disclosure reports

54. Respondents were required to file on or before April 15, 2011, an April quarterly report for the quarterly period ending on March 31, 2011.

55. Respondents did not file an April quarterly report until May 17, 2011, which was 32 days late.

56. Respondents were required to file on or before July 15, 2011, a July quarterly report for the quarterly period ending on June 30, 2011.

57. Respondents have not filed any July quarterly report, meaning that report is more than eight months late.

58. Respondents were required to file on or before October 15, 2011, an October quarterly report for the quarterly period ending September 30, 2011.

59. Respondents have not filed any October quarterly report, meaning that report is more than five months late.

60. Respondents were required to file on or before January 17, 2012, a January quarterly report for the quarterly period ending December 31, 2011.

61. Respondents have not filed any January quarterly report, meaning that report is at least two months late.

COUNT III

Violation of Missouri laws requiring timely and accurately disclosure of contributions and loans received

62. Respondents failed to report the following \$1,298.16 in contributions and/or other receipts in excess of \$100 that were deposited into the listed account:

Item Date	Posted Date	Contributor Information	Deposit Amount	Bank Account
	08/17/10	Charge Off Account Credit	\$198.16	UMB Account
05/26/10	07/14/10	AT&T Missouri, Employee Political Action Committee One AT&T Center St Louis, MO 63101	\$300.00	UMB Account
10/13/10	10/19/10	Edison Learning Inc 900 S Guy Street, Suite 1000 Knoxville, TN 37002	\$150.00	Commerce-2 account
11/29/10	11/30/10	Cashiers' Check purchased by Hughes for Mayor Payable to Missouri Ethics Commission then deposited into undisclosed acct & endorsed by Leonard S Hughes on 11/30/10 as found <i>supra</i> , paragraph 32.	\$150.00	Commerce-2 account
02/09/11	02/09/11	Citizens for Mike Talboy 520 W 12th St, Apt 204 Kansas City, MO 64105	\$500.00	Commerce-2 account
		TOTAL	\$1,298.16	

63. Respondents failed to accurately report the aggregate contributions and/or other receipts of \$100 or less that were deposited into the listed account, because their reports fail to account for the following \$196.76 in contributions:

Item Date	Posted Date	Bank statement transaction description	Deposit Amount	Bank Account
	02/26/08	Charge Off Account By Bank Credit	\$63.92	UMB Account
	03/07/08	Per Trevor of the Bank SFG X2213	\$86.08	UMB Account
10/05/10	10/05/10	Cash	\$20.00	Commerce-1 Account
	04/05/11	Closed By Bank	\$26.76	Commerce-2 account
		TOTAL	\$196.76	

64. Respondents reported a \$150 loan on February 25, 2008, from Respondent Hughes to Respondent Hughes for the House on an April 2008 quarterly disclosure report, but there was no corresponding deposit into Respondents' UMB account on or after that date.

65. Also on Respondents' April 2008 quarterly disclosure report, Respondents stated that they had \$1,200 in "outstanding indebtedness at the beginning of this period," but Respondents listed no debt at the end of the period on their prior campaign finance disclosure report, and Respondents provided no information on any campaign finance disclosure reports that explains who made this purported \$1,200 loan to Respondents.

66. For more than a year, Respondents did not report any loan repayments.

67. Then, on a July 2009 quarterly report, Respondents reported a loan repayment of \$1,000. But Respondents' UMB account did not reflect any payment of \$1,000, and there is no indication on any campaign finance disclosure report when, where, or to whom Respondent Hughes for the House made this purported \$1,000 payment.

68. Another year later, this time on an April 2010 quarterly report, Respondents reported a loan repayment of \$350. Again, Respondents' UMB account did not reflect any payment of \$350, and there is no indication on any campaign finance disclosure report when, where, or to whom Respondent Hughes for the House made this purported \$350 payment.

69. Three months later, Respondents reported a \$200 loan from Respondent Hughes to Respondent Hughes for the House, but a corresponding \$200 deposit does not appear in Respondents' UMB account statements.

70. Respondents failed to accurately report the identity of the following two contributors:

Bank Statements Reflect Contributor as:	Item Deposit Amount	When Reported	Respondents Reported Contributor as:
K12 Management Inc South Point II, 2300 Corporate Park Dr Herndon, VA 20171	\$325.00	30 Day After Primary & Amended 30 Day After - 2008 Election	Monsanto Company 800 N Lindberg St. Louis, MO 63167
Citizens for Rucker 2703 Meadow Ridge Dr Saint Joseph, MO 64504	\$200.00	April 2009 Quarterly	Mark Rucker

71. Respondents failed to disclose the employer and/or address information for the following two contributors:

Bank Account Reflects	Item Deposit Amount	When Reported	Failed to Report
Citizens for Rucker 2703 Meadow Ridge Dr Saint Joseph, MO 64504	\$200.00	April 2009 Quarterly	address of contributor
John F Britton PO Box 1708 Jefferson City, MO 65102	\$250.00	30 Day After - 2010 General Election	employer of contributor

COUNT IV

Violation of Missouri laws requiring timely and accurately disclosure of expenditures and contributions made

72. Respondents failed to disclose the following \$6,222.43 in expenditures over \$100 and expenditures to campaign workers:

Bank Account	Bank Item Date	Bank Posted Date	Check No.	Bank Statement Shows:	Bank Amount
UMB Account	10/10/08	10/14/08	1088	Office Depot-Preauthorized Payment	\$209.98
UMB Account	10/11/08	10/16/08	1085	Dale & Stella Sanchez	\$275.00
UMB Account	10/25/08	10/27/08	1094	Jason Broom	\$150.00
UMB Account	10/25/08	10/27/08	1095	Andre Thurmond	\$150.00
UMB Account	10/25/08	10/27/08	1096	Jeff Francis	\$150.00
UMB Account	11/01/08	11/03/08	1102	Byron Britton	\$75.00
UMB Account	11/04/08	11/06/08	1114	Iris Harrisson	\$75.00
UMB Account	11/04/08	11/06/08	1116	Nathan Golden	\$50.00
UMB Account	11/04/08	11/07/08	1109	Costco Wholesale	\$137.10
UMB Account	11/04/08	11/07/08	1112	John Francis	\$75.00
UMB Account	11/04/08	11/13/08	1111	David Conaway	\$75.00
UMB Account	11/04/08	11/14/08	1117	Gates Bar BQ	\$136.94
UMB Account	11/04/08	11/17/08	1115	Sheryl Dennis	\$75.00
UMB Account	11/04/08	11/18/08	1113	Anthony Early	\$75.00
UMB Account	can't read	11/25/08	1107	Home Depot	\$218.42
UMB Account	11/26/08	11/28/08		Cash Out Ticket	\$350.00
UMB Account		01/04/10		Sprint	\$241.23
UMB Account		06/07/10		Cash Out Ticket	\$140.00

Bank Account	Bank Item Date	Bank Posted Date	Check No.	Bank Statement Shows:	Bank Amount
UMB Account		07/20/10		Sprint	\$250.00
Commerce-2 account	10/21/10	10/21/10	blank	Leonard Hughes	\$150.00
Commerce-2 account	10/28/10	10/28/10	blank	Leonard S Hughes	\$175.00
Commerce-2 account		10/28/10		Sprint	\$278.55
Commerce-2 account	10/29/10	10/29/10	blank	Leonard Hughes	\$150.00
Commerce-2 account	11/01/10	11/01/10	blank	John's Big Deck	\$289.17
Commerce-2 account	11/02/10	11/02/10		DDA Withdrawal Debit	\$300.00
Commerce-2 account	11/08/10	11/08/10	blank	Leonard Hughes	\$141.06
Commerce-2 account	11/16/10	11/16/10		DDA Withdrawal Debit	\$150.00
Commerce-2 account		11/18/10		Sprint	\$152.47
Commerce-2 account	11/29/10	11/29/10		DDA Withdrawal Debit	\$201.50
Commerce-2 account		12/02/10		DDA Withdrawal Debit	\$150.00
Commerce-2 account		12/10/10		DDA Withdrawal Debit	\$400.00
Commerce-2 account		12/28/10		Sprint	\$286.24
Commerce-2 account	02/09/11	02/10/11		DDA Withdrawal Debit	\$259.77

Bank Account	Bank Item Date	Bank Posted Date	Check No.	Bank Statement Shows:	Bank Amount
Commerce-1 Account	06/23/11	07/26/11		Virgil Troutwine	\$230.00
				TOTAL	\$6,222.43

73. Respondents failed to disclose the following \$2,076.40 in expenditures of \$100 or less:

Bank Account	Bank Item Date	Bank Posted Date	Check No.	Bank Statements Show:	Bank Amount
UMB Account		08/06/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		09/03/08		Analysis Service Charge	\$35.00
UMB Account	10/03/08	10/07/08	1082	Niecie's	\$46.46
UMB Account	10/07/08	10/09/08	1084	Valero	\$45.00
UMB Account	10/22/08	10/29/08	1092	KC Storage	\$80.00
UMB Account		11/07/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/07/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/07/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/07/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/10/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/10/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/10/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/10/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/10/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/10/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/13/08		Insufficient Funds Charge(s)	\$35.00

Bank Account	Bank Item Date	Bank Posted Date	Check No.	Bank Statements Show:	Bank Amount
UMB Account		11/14/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/17/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/17/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/18/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/18/08		Insufficient Funds Charge(s)	\$35.00
UMB Account	11/04/08	11/19/08	1119	Costco	\$40.78
UMB Account	11/07/08	11/19/08	1121	CVS	\$61.40
UMB Account		11/19/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/20/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/20/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		11/26/08		Insufficient Funds Charge(s)	\$35.00
UMB Account		12/02/08		Analysis Service Charge	\$1.36
UMB Account	11/07/08	04/13/09	1121	CVS	\$61.40
UMB Account	02/24/10			Insufficient Funds Charge(s)	\$36.00
UMB Account	03/03/10			Insufficient Funds Charge(s)	\$36.00
UMB Account	06/08/10			Sprint	\$100.00
UMB Account	07/12/10	07/14/10	1030539	Checking Account Withdrawal	\$100.00
UMB Account	08/03/10			Analysis Service Charge	\$36.00
UMB Account	08/05/10			Insufficient Funds Charge(s)	\$36.00
UMB Account	08/11/10			Insufficient Funds Charge(s)	\$36.00
UMB Account	08/11/10			Insufficient Funds Charge(s)	\$36.00
UMB Account	08/16/10			Insufficient Funds Charge(s)	\$36.00
Commerce-2 account	10/19/10	10/19/10	blank	Leonard Hughes IV	\$100.00

Bank Account	Bank Item Date	Bank Posted Date	Check No.	Bank Statements Show:	Bank Amount
Commerce-2 account	11/10/10	11/10/10	blank	Leonard Hughes	\$100.00
Commerce-2 account		11/16/10		Sprint	\$100.00
Commerce-2 account	11/22/10	11/22/10		DDA Withdrawal Debit	\$50.00
Commerce-2 account		11/26/10		Cash Out	\$75.00
Commerce-2 account		12/06/10		DDA Withdrawal Debit	\$60.00
Commerce-2 account		12/29/10		Overdraft Insufficient Funds Charges	\$33.00
				TOTAL	\$2,076.40

74. Respondents inaccurately disclosed the amounts of the following two expenditures greater than \$100:

Bank Account	Bank Posted Date	Reported As	Bank Amount	Reported Amount	Difference
UMB Account	10/07/08	Jeremy Plager 16211 E 28th Terr. Apt 1517 Independence, MO 64105	\$150.00	\$350.00	\$200.00
UMB Account	08/07/09	Sprint 343 NW Berry Rd Kansas City, MO 64155	\$300.00	\$350.00	\$50.00
			\$450.00	\$700.00	\$250.00

75. Respondents inaccurately disclosed the amount and/or recipient of the following expenditures of \$100 or less:

Bank Account	Check No.	Bank Statement	Reported As	Bank Amount	Reported Amount	Difference
UMB Account		Analysis Service Charge	Bank Fees	\$35.20	\$65.81	\$30.61
UMB Account	1087	Zoelee's	Office Depot	\$93.62	\$93.62	-
UMB Account	1089	Lindsey Dickie	repay ck# 1062	\$89.80	\$89.62	\$0.18

76. Respondents reported the following \$368.22 in expenditures, but statements for Respondents' official fund depository do not substantiate them:

Reported As	Bank Amount	Reported Amount	When Reported
Office Depot		\$87.62	Amended July 2008 Quarterly
Gas- Circle K		\$27.11	July 2010 Quarterly
Gas- Express Deli		\$47.15	July 2010 Quarterly
Gas- Express Deli		\$49.67	July 2010 Quarterly
Gas- Quick Mart		\$42.27	July 2010 Quarterly
Price Chopper		\$22.86	July 2010 Quarterly
Niecie's Resturant		\$67.38	30 Day After 2010 General Election
Niecie's Resturant		\$24.16	30 Day After 2010 General Election
	TOTAL	\$368.22	

77. Respondents either failed to make the expenditures in paragraph 76 above through an official fund depository account, or they falsely reported expenditures that were not actually made.

78. Respondents failed to disclose a \$250 contribution made to "HDCC," through the UMB Account on or around December 17, 2009.

COUNT V

Violation of Missouri laws requiring disclosure of information regarding expenditures to campaign workers

79. Respondents failed to accurately report the following payments to campaign workers, including failing to list each campaign worker's name, address, date, amount and purpose of each payment and the aggregate amount paid to each such worker:

Bank Account	Bank Item Date	Bank Posted Date	Check No.	Payed to	Reported Amount
UMB Account	07/27/08	08/04/08	1065	Ivan Mastersun II	\$50.00
UMB Account	08/22/08	08/25/08	1071	Hubert Bradley	\$75.00
UMB Account	06/08/09	06/10/09	1122	Lloyd Daniel	\$150.00
				TOTAL	\$275.00

COUNT VI

Violation of Missouri laws prohibiting cash expenditures greater than \$50 and exceeding the aggregate of 10% of all expenditures during a calendar year

80. Respondents made the following cash expenditures:

Bank Item Date	Bank Posted Date	Check No.	Bank Showed As	Bank Amount
11/26/08	11/28/08		Cash Out Ticket	\$350.00
11/05/09	11/09/09	1126	Leonard S Hughes IV	\$150.00
	12/10/09		checking Account Withdrawal	\$200.00

Bank Item Date	Bank Posted Date	Check No.	Bank Showed As	Bank Amount
06/07/10			Cash Out Ticket	\$140.00
07/12/10	07/14/10	1030539	Checking Account Withdrawal	\$100.00
10/19/10	10/19/10	blank	Leonard Hughes IV	\$100.00
10/21/10	10/21/10	blank	Leonard Hughes	\$150.00
10/28/10	10/28/10	blank	Leonard S Hughes	\$175.00
10/29/10	10/29/10	blank	Leonard Hughes	\$150.00
11/02/10	11/02/10		DDA Withdrawal Debit	\$300.00
11/08/10	11/08/10	blank	Leonard Hughes	\$141.06
11/10/10	11/10/10	blank	Leonard Hughes	\$100.00
11/16/10	11/16/10		DDA Withdrawal Debit	\$150.00
11/22/10	11/22/10		DDA Withdrawal Debit	\$50.00
	11/26/10		Cash Out	\$75.00
11/29/10	11/29/10		DDA Withdrawal Debit	\$201.50
	12/02/10		DDA Withdrawal Debit	\$150.00
	12/06/10		DDA Withdrawal Debit	\$60.00
	12/10/10		DDA Withdrawal Debit	\$400.00
02/09/11	02/10/11		DDA Withdrawal Debit	\$259.77
			TOTAL	\$3,402.33

81. Respondents made 20 cash expenditures that exceeded \$50 each, and which total \$3,402.33.

82. Respondents' cash expenditures in calendar year 2010 were \$2,302.56, which exceeded 10% of their total expenditures during that same time period of \$6,070.02.

COUNT VII

Violation of Missouri laws prohibiting conversion of committee contributions into personal use

83. The following contributions to Respondents were converted to Respondent Hughes's personal use:

- a. As found in paragraph 28, *supra*, Respondent Hughes issued a check from Respondents' Commerce-1 Account for \$230 to Virgil Troutwine, but the back of the check is endorsed "Leonard S. Hughes." Virgil Troutwine's signature is not apparent anywhere on that \$230 check. Respondent Hughes converted this \$230 into personal use.
- b. As found in paragraphs 64 through 69, *supra*, Respondents inaccurately and falsely reported loans, loan repayments, and outstanding indebtedness, including inaccurately and false reports of \$1,550 in loan repayments. Respondent Hughes converted these \$1,550 in purported loan repayments into personal use.
- c. As found in paragraph 80, *supra*, Respondents issued seven checks totaling \$966.06 made payable to Respondent Hughes from their unreported Commerce account. Respondent Hughes converted these funds into personal use.
- d. As alleged in paragraph 80, *supra*, Respondents made thirteen cash withdrawals totaling \$2,436.27 from their accounts. Respondent Hughes converted this cash into personal use.

CONCLUSIONS OF LAW

Count I

Violation of Missouri laws governing the maintenance of an official fund depository account in the name of the committee

1. “Every committee shall have a single official fund depository within this state which shall be a federally or state-chartered bank, a federally or state-chartered savings and loan association, or a federally or state-chartered credit union in which the committee shall open and thereafter maintain at least one official depository account in its own name.” § 130.021.4(1), RSMo.

2. “All contributions which the committee receives in money, checks and other negotiable instruments shall be deposited in a committee's official depository account.” § 130.021.4(1), RSMo.

3. “Contributions received by a committee shall not be commingled with any funds of an agent of the committee, a candidate or any other person, except that contributions from a candidate of the candidate's own funds to the person's candidate committee shall be deposited to an official depository account of the person's candidate committee.” § 130.021.4(1), RSMo.

4. A committee must file an amended statement of committee organization reflecting any change to the information required by Section 130.021.5 within twenty days of the change or by the date of the next campaign finance disclosure report, whichever is earlier. § 130.021.7, RSMo.

5. “Every committee shall have a single official fund depository within this state which shall be a federally or state-chartered bank, a federally or state-chartered savings and loan association, or a federally or state-chartered credit union in which the committee shall open and thereafter maintain at least one official depository account in its own name.” § 130.021.4(1), RSMo.

6. “All contributions which the committee receives in money, checks and other negotiable instruments shall be deposited in a committee's official depository account.” § 130.021.4(1), RSMo.

7. "Contributions received by a committee shall not be commingled with any funds of an agent of the committee, a candidate or any other person, except that contributions from a candidate of the candidate's own funds to the person's candidate committee shall be deposited to an official depository account of the person's candidate committee." § 130.021.4(1), RSMo.

8. A committee must file an amended statement of committee organization reflecting any change to the information required by Section 130.021.5 within twenty days of the change or by the date of the next campaign finance disclosure report, whichever is earlier. § 130.021.7, RSMo.

9. Section 130.021.5 requires the following information:

...

(3) The name, mailing address and telephone number of the committee treasurer, and the name, mailing address and telephone number of its deputy treasurer if the committee has named a deputy treasurer;

(4) The name and mailing address of its depository, and the name and account number of each account the committee has in the depository.

§ 130.021.5, RSMo.

10. "The candidate or the committee treasurer of any committee except a candidate committee is ultimately responsible for all reporting requirements pursuant to" Chapter 130, RSMo. § 130.058, RSMo.

11. "No expenditure shall be made by a committee when the office of committee treasurer is vacant except that when the office of a candidate committee treasurer is vacant, the candidate shall be the treasurer until the candidate appoints a new treasurer." § 130.021.4(1), RSMo.

12. There is probable cause to believe that Respondents Hughes and Hughes for the House violated Sections 130.021.4(1), 130.021.5, and 130.021.7, RSMo, by:

- a. failing to maintain an official fund depository in the committee's own name;
- b. depositing \$3,075 into accounts other than Respondents' official fund depository account;
- c. making \$130 in expenditures through accounts other than Respondents' official fund depository account;
- d. failing to amend Respondents' statement of committee organization within 20 days of the closure of their official fund depository account on August 17, 2010;
- e. failing to amend Respondents' statement of committee organization within 20 days of the resignation of their treasurer; and/or
- f. otherwise operating two Commerce bank accounts in the name of "Hughes for Mayor," and not in the name of the committee "Hughes for the House;"

and that Respondents Hughes and Hughes for the House did so knowingly.

Count II

Violation of Missouri laws governing the timely filing of campaign finance disclosure reports

13. “[T]he candidate ... of every committee which is required to file a statement of organization, shall file a legibly printed or typed disclosure report of receipts and expenditures. The reports shall be filed with the appropriate officer designated in section 130.026 at the times and for the periods prescribed in section 130.046.” § 130.041.1, RSMo.

14. “The disclosure reports required by section 130.041 for all committees shall be filed at the following times and for the following periods:”

(1) Not later than the eighth day before an election for the period closing on the twelfth day before the election if the committee has made any contribution or expenditure either in support or opposition to any candidate or ballot measure;

(2) Not later than the thirtieth day after an election for a period closing on the twenty-fifth day after the election, if the committee has made any contribution or expenditure either in support of or opposition to any candidate or ballot measure; except that, a successful candidate who takes office prior to the twenty-fifth day after the election shall have complied with the report requirement of this subdivision if a disclosure report is filed by such candidate and any candidate committee under the candidate's control before such candidate takes office, and such report shall be for the period closing on the day before taking office; and

(3) Not later than the fifteenth day following the close of each calendar quarter.

Notwithstanding the provisions of this subsection, if any committee accepts contributions or makes expenditures in support of or in opposition to a ballot measure or a candidate, and the report required by this subsection for the most recent calendar quarter is filed prior to the fortieth day before the election on the measure or candidate, the committee shall file an additional disclosure report not later than the fortieth day before the election for the period closing on the forty-fifth day before the election.

§ 130.046.1, RSMo.

15. “The reporting dates and periods covered for such quarterly reports shall not be later than the fifteenth day of January, April, July and October for periods closing on the thirty-first day of December, the thirty-first day of March, the thirtieth day of June and the thirtieth day of September.”

§ 130.046.3, RSMo.

16. “Disclosure reports shall be filed with the appropriate officer not later than 5:00 p.m. prevailing local time of the day designated for the filing of the report and a report postmarked not later than midnight of the day previous to the day designated for filing the report shall be deemed to have been filed in a timely manner.” § 130.046.8, RSMo.

17. There is probable cause to believe that Respondents Hughes and Hughes for the House violated Sections 130.041 and 130.046, RSMo, by untimely filing one campaign finance disclosure report and failing to file three others, and that Respondents Hughes and Hughes for the House did so knowingly.

COUNT III

Violation of Missouri laws requiring timely and accurately disclosure of contributions and loans received

18. “Except as provided in subsection 5 of section 130.016, the candidate, if applicable, treasurer or deputy treasurer of every committee which is required to file a statement of organization, shall file a legibly printed or typed disclosure report of receipts and expenditures. The reports shall be

filed with the appropriate officer designated in section 130.026 at the times and for the periods prescribed in section 130.046. Except as provided in sections 130.049 and 130.050, each report shall set forth:

...

(3) Receipts for the period, including:

(a) Total amount of all monetary contributions received which can be identified in the committee's records by name and address of each contributor. In addition, the candidate committee shall make a reasonable effort to obtain and report the employer, or occupation if self-employed or notation of retirement, of each person from whom the committee received one or more contributions which in the aggregate total in excess of one hundred dollars and shall make a reasonable effort to obtain and report a description of any contractual relationship over five hundred dollars between the contributor and the state if the candidate is seeking election to a state office or between the contributor and any political subdivision of the state if the candidate is seeking election to another political subdivision of the state;

...

(e) A separate listing by name and address and employer, or occupation if self-employed or notation of retirement, of each person from whom the committee received contributions, in money or any other thing of value, aggregating more than one hundred dollars, together with the date and amount of each such contribution;

(f) A listing of each loan received by name and address of the lender and date and amount of the loan. For each loan of more than one hundred

dollars, a separate statement shall be attached setting forth the name and address of the lender and each person liable directly, indirectly or contingently, and the date, amount and terms of the loan;

...

(6) The total amount of outstanding indebtedness as of the closing date of the reporting period covered.

§ 130.041.1, RSMo.

19. “Unless a contribution is rejected by the candidate or committee and returned to the donor or transmitted to the state treasurer within ten business days after its receipt, it shall be considered received and accepted on the date received, notwithstanding the fact that it was not deposited by the closing date of a reporting period.” § 130.036, RSMo.

20. “Contributions shall not be accepted and expenditures shall not be made by a committee except by or through an official depository account and the committee treasurer, deputy treasurer or candidate. Contributions received by a committee shall not be commingled with any funds of an agent of the committee, a candidate or any other person, except that contributions from a candidate of the candidate's own funds to the person's candidate committee shall be deposited to an official depository account of the person's candidate committee.” § 130.021.4(1), RSMo.

21. There is probable cause to believe that Respondents Hughes and Hughes for the House violated Sections 130.021.4(1), 130.036, and 130.041.1, RSMo, by:

- a. failing to report \$1,298.16 in contributions greater than \$100;
- b. failing to report \$196.76 in contributions of \$100 or less;
- c. incorrectly reporting loans and indebtedness and/or failing to accept loans into and make loan repayments out of, Respondents' official fund depository account;
- d. inaccurately reporting the identity of two contributors;

- e. failing to provide the address of one contributor; and
- f. failing to provide the employer of one contributor;

and that Respondents Hughes and Hughes for the House did so knowingly.

COUNT IV

Violation of Missouri laws requiring timely and accurately disclosure of expenditures and contributions made

22. "Except as provided in subsection 5 of section 130.016, the candidate, if applicable, treasurer or deputy treasurer of every committee which is required to file a statement of organization, shall file a legibly printed or typed disclosure report of receipts and expenditures. The reports shall be filed with the appropriate officer designated in section 130.026 at the times and for the periods prescribed in section 130.046. Except as provided in sections 130.049 and 130.050, each report shall set forth:

(4) Expenditures for the period, including:

(a) The total dollar amount of expenditures made by check drawn on the committee's depository;

...

(d) The full name and mailing address of each person to whom an expenditure of money or any other thing of value in the amount of more than one hundred dollars has been made, contracted for or incurred, together with the date, amount and purpose of each expenditure. Expenditures of one hundred dollars or less may be grouped and listed by categories of expenditure showing the total dollar amount of expenditures in each category, except that the report shall contain an itemized listing of each payment made to campaign workers by name,

address, date, amount and purpose of each payment and the aggregate amount paid to each such worker;

§ 130.041.1, RSMo.

23. “[E]xpenditures shall not be made by a committee except by or through an official depository account and the committee treasurer, deputy treasurer or candidate.” § 130.021.4(1), RSMo.

24. “[E]ach expenditure of more than fifty dollars, except an in-kind expenditure, shall be made by check drawn on the committee's depository and signed by the committee treasurer, deputy treasurer or candidate.” § 130.031.2, RSMo.

25. “A single expenditure from a petty cash fund shall not exceed fifty dollars, and the aggregate of all expenditures from a petty cash fund during a calendar year shall not exceed the lesser of five thousand dollars or ten percent of all expenditures made by the committee during that calendar year.”

§ 130.031.2, RSMo.

26. “A check made payable to "cash" shall not be made except to replenish a petty cash fund.” § 130.031.2, RSMo.

27. Contributions “shall not be converted to any personal use.” § 130.034.1, RSMo.

28. Contributions may be used only for purposes allowed by law, including those purposes listed at Section 130.034.2, RSMo.

29. There is probable cause to believe that Respondents Hughes and Hughes for the House violated Sections 130.021.4(1), 130.031.2, and 130.041.1, RSMo, by:

- a. failing to timely and accurately disclose \$6,222.43 in expenditures over \$100;
- b. failing to timely and accurately disclose \$2,076.40 in expenditures of \$100 or less;
- c. inaccurately reporting the recipient and/or amount of certain expenditures;

d. failing to make expenditures through an official fund depository account and/or falsely reporting expenditures that were not actually made; and/or

e. failing to disclose a \$250 contribution to the HDCC;

and that Respondents Hughes and Hughes for the House did so knowingly.

COUNT V

Violation of Missouri laws requiring disclosure of information regarding expenditures to campaign workers

30. Each campaign finance disclosure report “shall contain an itemized listing of each payment made to campaign workers by name, address, date, amount and purpose of each payment and the aggregate amount paid to each such worker.” § 130.041.1(4)(d), RSMo.

31. There is probable cause to believe that Respondents Hughes and Hughes for the House violated Section 130.041.1(4)(d), RSMo, by failing to accurately report each campaign worker’s name, address, date, amount and purpose of each payment, and the aggregate amount paid to each such worker, and that Respondents Hughes and Hughes for the House did so knowingly.

COUNT VI

Violation of Missouri laws prohibiting cash expenditures greater than \$50 and exceeding the aggregate of 10% of all expenditures during a calendar year

32. “[E]ach expenditure of more than fifty dollars, except an in-kind expenditure, shall be made by check drawn on the committee's depository and signed by the committee treasurer, deputy treasurer or candidate.” § 130.031.2, RSMo.

33. “A single expenditure from a petty cash fund shall not exceed fifty dollars, and the aggregate of all expenditures from a petty cash fund during a calendar year shall not exceed the lesser of five thousand dollars or ten percent of all expenditures made by the committee during that calendar year.” § 130.031.2, RSMo.

34. "A check made payable to 'cash' shall not be made except to replenish a petty cash fund." § 130.031.2, RSMo.

35. There is probable cause to believe that Respondents Hughes and Hughes for the House violated Section 130.031.2, RSMo, by making 20 cash expenditures, totaling \$3,402.33, that exceeded \$50 each, and made cash expenditures during calendar year 2010 of \$2,302.56, which exceeded 10% of their total expenditures that calendar year, and that Respondents Hughes and Hughes for the House did so knowingly.

COUNT VII

Violation of Missouri laws prohibiting conversion of committee contributions into personal use

36. "Contributions as defined in section 130.011, received by any committee shall not be converted to any personal use." 130.034.1, RSMo.

37. Contributions may be used only for those purposes allowed by law, including those listed at Section 130.034.2, RSMo.

38. There is probable cause to believe that Respondents Hughes and Hughes for the House violated Section 130.034.1, RSMo, by converting \$5,182.33 of Respondents' contributions to personal use, and that Respondents Hughes and Hughes for the House did so knowingly.

Filed
MAR 14 2012
Missouri Ethics
Commission

ORDER

The Missouri Ethics Commission finds probable cause that Respondents Hughes and Hughes for the House violated, and have knowingly violated, Sections 130.021.4(1), 130.021.5, 130.021.7, 130.041, 130.046, 130.021.4(1), 130.036, 130.041.1, 130.021.4(1), 130.031.2, 130.041.1, 130.041.1(4)(d), 130.031.2, and 130.034.1, RSMo.

In regards to Counts 1 through 5, the Missouri Ethics Commission orders a fee be imposed against Respondents Hughes and Hughes for the House in the amount of \$22,000 pursuant to Section 105.961.4(6), RSMo.

If any Respondent pays \$2,200 of the fee imposed in regards to Counts 1 through 5 within 45 days of the date of this Order and files all required campaign finance disclosure reports, the remainder of the fee in regard to Counts 1 through 5 will be stayed for two years, subject to the provisions below.

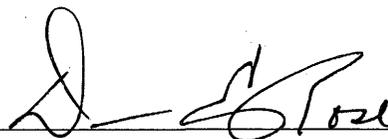
If either Respondent Hughes or Respondent Hughes for the House commits any further violations of the campaign finance disclosure laws under Chapter 130, RSMo, as amended, during this two year stay, then Respondents will be required to pay the balance of the fee as originally imposed by the Commission. The amount of the balance will be due immediately upon final adjudication finding probable cause of such a violation. Respondents Hughes and Hughes for the House shall be jointly and severally liable for the balance.

In regards to Count 6, the Missouri Ethics Commission orders a fee be imposed against Respondents Hughes and Hughes for the House in the amount of \$3,402.33.

In regards to Count 7, the Missouri Ethics Commission orders a fee be imposed against Respondents Hughes and Hughes for the House in the amount of \$5,182.33.

The Commission further orders Respondents to file accurately all necessary campaign finance reports and statements and comply with all requirements of Chapter 130 regarding maintaining an official fund depository or terminating the Respondent Committee.

SO ORDERED this 14th day of March, 2012.

A handwritten signature in black ink, appearing to read "D. Rose", written over a horizontal line.

Dennis Rose, Chairman
MISSOURI ETHICS COMMISSION

BEFORE THE
MISSOURI ETHICS COMMISSION

MISSOURI ETHICS COMMISSION)	
)	
Petitioner,)	
)	
v.)	No. 06A186
)	
LEONARD HUGHES IV)	
)	
Respondent.)	

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

This is the Final Decision and Order of the Missouri Ethics Commission following a hearing on a complaint filed by Petitioner, by and through the Attorney General of Missouri, pursuant to the provisions of §105.961, RSMo, and Chapter 536, RSMo. The hearing was conducted before all of the members of the Missouri Ethics Commission.

The closed hearing took place on October 2, 2008 at the offices of the Missouri Ethics Commission at 3411A Knipp Drive, Jefferson City, Missouri 65102. The Petitioner was represented by J. Scott Stacey, Assistant Attorney General. The Respondent, although properly notified by the Commission, did not appear in person, nor did Respondent appear through counsel.

Having considered all the competent and substantial evidence upon the whole record, the Commission finds as follows:

FINDINGS OF FACT AND LAW

1. The Missouri Ethics Commission ("the Commission") is an agency of the State of Missouri established pursuant to § 105.955, RSMo¹, in part for the purpose of enforcing the provisions of Chapter 130, RSMo.

2. Respondent, Leonard J. Hughes IV, was the successful candidate for House District 42 state representative in the 2006 primary and general elections.

3. Pursuant to § 130.058, RSMo, Leonard Hughes, as candidate, is ultimately responsible for filing all campaign finance reports for the *Hughes for the House* ("Committee").

4. Hughes for the House is a candidate committee pursuant to § 130.011(7) and (9), RSMo.

5. Jurisdiction and venue are proper before the Missouri Ethics Commission pursuant to §§ 105.957 and 105.961.

6. Leonard Hughes untimely filed his April 2006, October 2006, and October 2007 quarterly campaign finance reports.

7. Leonard Hughes untimely filed his 8-day before primary election, 30-day after primary election, October quarterly, 8-day before general election, and 30-day after general election campaign disclosure reports in connection with the August 8, 2006 primary election and the November 2006 general election.

¹ All statutory references are to the Revised Statutes of Missouri 2000, as amended, unless otherwise indicated.

8. Leonard Hughes did not report all monetary contributions, receipts, loans and expenditures, and accepted and deposited contributions in excess of \$325.00.

9. Leonard Hughes converted Committee funds for personal use, in that: he used official Committee account credit card for non-allowable purchases; made significant cash withdrawals from the official account; and loan of \$1,500.00 reported as received was not deposited into the official account.

Count I
(Untimely filing of quarterly reports)

10. Hughes untimely filed his quarterly campaign finance reports, which were due April 15, 2006, October 15, 2006, and October 15, 2007, respectively.

11. There is probable cause to determine that Hughes violated § 130.046.3, RSMo 2000, which provides in pertinent part:

3. The candidate...shall file disclosure reports pursuant to this section, except for any calendar quarter in which the contributions received by the committee or the expenditures or contributions made by the committee do not exceed five hundred dollars. The reporting dates and periods covered for such quarterly reports shall not be later than the fifteenth day of January, April, July, and October for periods closing on the thirty-first day of December, the thirty-first day of March, the thirtieth day of June and the thirtieth day of September....

Count II
(Failure to Timely file 8-day and 30-day Reports)

12. Hughes failed to timely file an 8-day before primary election report, which was due by July 31, 2006, and filed this report on August 16, 2006, which is over 2 weeks late.

13. Hughes failed to timely file a 30-day after primary election report, which was due by September 7, 2006, and filed this report on December 24, 2006, which is over 3 months late.

14. Hughes failed to timely file an 8-day after general election report, which was due by October 30, 2006, and filed this report on December 26, 2006, which is approximately 2 months late.

15. Hughes failed to timely file a 30-day after general election report, which was due by December 7, 2006, and filed this report on December 26, 2006, which is over two weeks late.

16. There is probable cause to determine that Hughes violated § 130.046.1, RSMo 2000, which provides in pertinent part:

1. The disclosure reports required by section 130.041, for all committees shall be filed at the following times and for the following periods:

- (1) Not later than the eighth day before an election[.]
- (2) Not later than the thirtieth day after an election[.]
- (3) Not later than the fifteenth day following the close of each calendar quarter[.]

Count III

(Failure to Report all Contributions and Expenditures)

17. Hughes received the following contributions that were not reported on any report, including all untimely filed reports, filed with the Commission:

Amount Received	Date Received	Donor Committee
\$300.00	12/28/05	Supporters of Health Research ID# C051043 Deposited 2/14/06
\$300.00	12/29/05	Greater KC Chamber of Commerce PAC ID# C000763 Deposited 2/14/06
\$325.00	10/04/06	Operating Engineers Local 101 ID #C000035
\$325.00	10/23/06	Supporters Health Research etc. ID# C051043
\$325.00	10/05/06	MOSFAC PAC Inc. ID# C031136
\$325.00	10/17/06	MHA PAC for Health ID# C041500
\$325.00	9/07/06	Taxpayers Unlimited ID# C000541
\$325.00	9/13/06	Realtor PAC-MO ID# C000578
\$325.00	10/18/06	Greater KC Chamber PAC ID# C000763
\$325.00	10/25/06	Unite Here MO PAC ID# C061500
\$320.00	10/31/06	MO Assn Insurance & Financial ID# C000709
\$300.00	6/15/06	Premium Standard Farms ID# C000585
\$100.00	7/12/06	METRO KC RPAC ID# C000330
\$100.00	9/20/06	METRO KC RPAC ID# C000330
\$200.00	6/29/06	Taxpayers Unlimited ID# C000541
\$325.00	7/25/06	AT&T Mo Employee PAC ID# C000558
\$325.00	7/12/06	Safer Families for MO ID# C000573
\$325.00	6/08/06	KCP&L Power PAC ID# C000726
\$325.00	10/17/06	Health PAC ID# C000752
\$150.00	2/02/06	Blue Cross Blue Shield of KC ID# C000857
\$300.00	7/10/06	MEDA Continuing Committee ID# C041016
\$325.00	9/06/07	Realtors PAC MO ID# C000578
\$325.00	9/29/07	MO State Council Machinist PAC ID# C000620
\$500.00	8/20/07	MO Cable PAC ID# C000682

18. Bank records for the period of October 1, 2005 through September 30, 2007, identified deposits into the official Committee bank account in the amount of \$16,107.71, which is exceedingly more than \$6,705.00 as reported by Hughes.

19. Hughes was required to report all contributions, including, but not limited to, money received, loans, etc., pursuant to §130.041.1(3), RSMo.

20. Hughes reported he received a loan from Lisa Hughes in the amount of \$1,500.00, but the official Committee bank account records do not indicate this deposit.

21. Section 130.041.1(3), RSMo states in pertinent part:

1. Except as provided in subsection 5 of section 130.016, the candidate, if applicable, treasurer or deputy treasurer of every committee which is required to file a statement of organization, shall file a legibly printed or typed disclosure report of receipts and expenditures. The reports shall be filed with the appropriate officer designated in section 130.026 at the times and for the periods prescribed in section 130.046.

* * *

(3) Receipts for the period, including:

(a) Total amount of all monetary contributions received which can be identified in the committee's records by name and address of each contributor. In addition, the candidate committee shall make a reasonable effort to obtain and report the employer, or occupation if self-employed or notation of retirement, of each person from whom the committee received one or more contributions which in the aggregate total in excess of one hundred dollars and shall make a reasonable effort to obtain and report a description of any contractual relationship over five hundred dollars between the contributor and the state

if the candidate is seeking election to a state office or between the contributor and any political subdivision of the state if the candidate is seeking election to another political subdivision of the state;

(b) Total amount of all anonymous contributions accepted;

(c) Total amount of all monetary contributions received through fund-raising events or activities from participants whose names and addresses were not obtained with such contributions, with an attached statement or copy of the statement describing each fund-raising event as required in subsection 6 of section 130.031;

(d) Total dollar value of all in-kind contributions received;

(e) A separate listing by name and address and employer, or occupation if self-employed or notation of retirement, of each person from whom the committee received contributions, in money or any other thing of value, aggregating more than one hundred dollars, together with the date and amount of each such contribution;

(f) A listing of each loan received by name and address of the lender and date and amount of the loan. For each loan of more than one hundred dollars, a separate statement shall be attached setting forth the name and address of the lender and each person liable directly, indirectly or contingently, and the date, amount and terms of the loan[.]

22. Hughes reported expenditures in the amount of \$6,686.51, which is far less than the expenditures identified in the official Committee bank account records of \$15,627.91; thus, Hughes failed to report a minimum of \$8,941.40 of expenditures.

23. Leonard Hughes was required to report all expenditures pursuant to § 130.041.1(4), RSMo, which states in pertinent part:

* * *

- (4) Expenditures for the period, including:
 - (a) The total dollar amount of expenditures made by check drawn on the committee's depository;
 - (b) The total dollar amount of expenditures made in cash;
 - (c) The total dollar value of all in-kind expenditures made;
 - (d) The full name and mailing address of each person to whom an expenditure of money or any other thing of value in the amount of more than one hundred dollars has been made, contracted for or incurred, together with the date, amount and purpose of each expenditure. Expenditures of one hundred dollars or less may be grouped and listed by categories of expenditure showing the total dollar amount of expenditures in each category, except that the report shall contain an itemized listing of each payment made to campaign workers by name, address, date, amount and purpose of each payment and the aggregate amount paid to each such worker;
 - (e) A list of each loan made, by name and mailing address of the person receiving the loan, together with the amount, terms and date[.]

24. The official Committee bank account records indicated expenditures over \$100, but Hughes failed to report such expenditures in its campaign disclosure reports.

25. There is probable cause to find that Leonard Hughes violated §130.041.1(3) and (4), RSMo.

COUNT IV
(Contribution Exceeding \$325.00 was Reported
in Violation of § 130.032², RSMO 2000)

26. Hughes reported it received a loan from Lisa Hughes in the amount of \$1,500.00, which is in excess of the statutory limit of \$325.00 at the time of these elections.

Sections 130.032.1(3) and 130.032.2, RSMo 2000, states:

1. In addition to the limitations imposed pursuant to section 130.031, the amount of contributions made by or accepted from any person other than the candidate in any one election shall not exceed the following:

* * *

(3) To elect an individual to the office of state representative, two hundred fifty dollars;

* * *

2. For purposes of this subsection "base year amount" shall be the contribution limits prescribed in this section on January 1, 1995. Such limits shall be increased on the first day of January in each even-numbered year by multiplying the base year amount by the cumulative consumer price index, as defined in section 104.010, RSMo, and rounded to the nearest twenty-five dollar amount, for all years since January 1, 1995.

27. There is probable cause to find that Leonard Hughes violated §§130.032.1(3) and 130.032.2, RSMo 2000.

COUNT V
(Bank Records Indicate Personal Use of Committee Funds,
All in Violation of § 130.034, RSMo)

28. The official Committee bank account records indicate conversion of Committee

funds for personal use as identified by the following withdrawals from its account:

Amount	Date	Check #	Payee
\$625.00	Various	N/A	Cash Withdrawals
\$2,120.00	Various	N/A	ATM Cash Withdrawals
\$250.00	11/21/06	1035	Payable to Cash
\$100.00	11/24/06	1036	Leonard Hughes IV
\$200.00	8/21/06	1028	Lisa C. Hughes Reverse side of check endorsed as Lisa Hughes pay to Order of Virgil Troutwine

29. Bank records do not support a deposit of \$1,500.00 from Lisa Hughes as reported by Hughes in his 30-day after general election disclosure report.

30. Bank records also identify official Committee bank account credit card usage for purchases of a non-allowable nature, pursuant to § 130.034, RSMo.

31. Leonard Hughes was and is not allowed to use Committee funds pursuant to § 130.034, RSMo, which states in pertinent part:

1. Contributions as defined in section 130.011, received by any committee shall not be converted to any personal use.

(Emphasis Added).

32. There is probable cause to find that Leonard Hughes violated §§130.034, RSMo 2000.

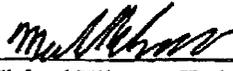
2 Section 130.032 changed in January 1, 2007, but hereid relying on § 130.032, RSMo 2000.

ORDER

It is, therefore, the order of the Missouri Ethics Commission that a penalty is imposed against Leonard Hughes in the amount of \$13,000.00 pursuant to § 105.961.4(6), RSMo. The fee will be paid by check or money order made payable to the Missouri Ethics Commission and sent to the Missouri Ethics Commission.

This order was adopted by the vote of at least four members of the Commission, as required by §105.961.3, RSMo.

Date: 10-16-08



Michael Kilgore, Chairperson
MISSOURI ETHICS COMMISSION