

Filed
SEP 30 2016
Missouri Ethics
Commission

**BEFORE THE
MISSOURI ETHICS COMMISSION**

MISSOURI ETHICS COMMISSION,)
)
 Petitioner,)
)
v.)
)
)
FRIENDS OF ST. LOUIS PUBLIC)
SCHOOLS,)
Continuing committee)
)
HARRY RICH,)
Treasurer through February 12, 2016)
)
and)
)
MICHAEL McMILLIAN,)
Treasurer since February 12, 2016,)
)
 Respondents.)

Case No. 16-0016-I

**JOINT STIPULATION OF FACTS, WAIVER OF HEARING
BEFORE THE MISSOURI ETHICS COMMISSION, AND
CONSENT ORDER WITH JOINT PROPOSED
FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The undersigned parties jointly stipulate to the facts and consent to the action set forth below.

The undersigned Respondents, Friends of St. Louis Public Schools, Rich, and McMillian, acknowledge that they have received and reviewed a copy of the Complaint filed by the Petitioner in this case, and the parties submit to the jurisdiction of the Missouri Ethics Commission.

The undersigned Respondents further acknowledge that they are aware of the various rights and privileges afforded by law, including but not limited to: the right to appear and be represented by counsel; the right to have all allegations against Respondents be proven upon the record by competent and substantial evidence; the right to cross-examine any witnesses appearing at the

hearing against Respondents; the right to present evidence on Respondents' behalf at the hearing; and the right to a decision upon the record of the hearing. Being aware of these rights provided to Respondents by operation of law, the undersigned Respondents knowingly and voluntarily waive each and every one of these rights and freely enter into this Joint Stipulation of Facts, Waiver of Hearing before the Missouri Ethics Commission, and Consent Order with Joint Proposed Findings of Fact and Conclusions of Law, and agree to abide by the terms of this document.

I.

Based upon the foregoing, the Petitioner and the undersigned Respondents jointly stipulate to the following and request that the Missouri Ethics Commission adopt as its own the Joint Proposed Findings of Fact and the Joint Proposed Conclusions of Law, as follows:

JOINT PROPOSED FINDINGS OF FACT

1. The Missouri Ethics 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 Friends of St. Louis Public Schools is a continuing committee that has been registered with the Commission since 2002.

3. Respondent Rich was the treasurer for Respondent Friends of St. Louis Public Schools from January 11, 2013, through February 12, 2016.

4. Respondent McMillian has been the Treasurer for Respondent Friends of St. Louis Public Schools since February 12, 2016.

5. Respondents supported Proposition 1, a ballot measure relating to a property tax proposal for the City of Saint Louis Public Schools, in the April 5, 2016, election.

6. Pursuant to Sections 105.957 and 105.961, RSMo, the Commission's staff investigated a complaint filed with the Commission and reported the investigation findings to the

Commission.

7. Based on the investigation report, the Commission determined that there were 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.

COUNT I

Failure to timely report expenditures over \$100

8. Respondents timely filed a 40 Day Before April 2016 election report but did not timely include the following two (2) incurred expenditures:

Date incurred	Recipient	Purpose	Amount
February 1, 2016	Saint Louis Public Schools	Office space rental	\$7,500.00
February 17, 2016	Saint Louis Public Schools	Labor, postage, printing, copying, stationary for letters	\$655.12
		TOTAL	\$8,155.12

9. The rental agreement, entered February 1, 2016, and the letters, sent February 5, 2016, were expenses incurred prior the closing date for the 40 Day Before April 2016 report, which was February 20, 2016, and because Respondents did not timely report these expenditures these amounts were not included in the committee's total indebtedness on the 40 Day Before April 2016 election report. Respondents did report these expenditures after they were paid, on the 30 Day After April 2016 Election report.

COUNT II

Failure to file direct expenditure reports

10. Respondent made expenditures on four (4) different occasions supporting Proposition 1, a local ballot measure.

11. Respondents reported these expenditures on campaign finance disclosure reports, but did not timely report these amounts on a direct expenditure report disclosing that these amounts expenditure were made in support of Proposition 1.

JOINT PROPOSED CONCLUSIONS OF LAW

COUNT I

Failure to timely report expenditures over \$100

12. Committees are required to file campaign finance disclosure reports that set forth expenditures for the period, including the:

(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(4)(d), RSMo.

13. Respondents are required to report their total amount of indebtedness on campaign finance reports:

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

§ 130.041.1(6), RSMo.

14. There is probable cause to believe that Respondent Friends of St. Louis Public Schools violated Sections 130.041.1(4)(d) and 130.041.1(6), RSMo, by not timely reporting two (2) incurred expenditures on the 40 Day Before April 2016 election report and reporting an

incorrect amount of indebtedness on that report, reporting the expenditures instead when they were paid, on the 30 Day After April 2016 Election report.

COUNT II

Failure to file direct expenditure reports

15. Committees supporting ballot measures are required to file direct expenditure reports, including:

The amount of expenditures for or against a candidate or ballot measure during the period covered and the cumulative amount of expenditures for or against that candidate or ballot measure, with each candidate being listed by name, mailing address and office sought. For the purpose of disclosure reports, expenditures made in support of more than one candidate or ballot measure or both shall be apportioned reasonable among the candidates or ballot measure or both.

§130.041.1(7), RSMo.

16. There is probable cause to believe that Respondents violated Section 130.041.1(7), RSMo, by not timely including in a direct expenditure report expenditures totaling \$155,502.27 in support of Proposition 1.

II.

Based on the foregoing, the parties hereto mutually agree and stipulate that the following shall constitute the order entered by the Missouri Ethics Commission in this matter. This order will be effective immediately upon the issuance of the Consent Order of the Missouri Ethics Commission without further action by any party:

1. The parties understand that the Petitioner will maintain this Joint Stipulation as an open and public record of the Missouri Ethics Commission.

2. The Commission shall issue its Consent Order in the form attached hereto as Exhibit A.

a. Respondents shall comply with all relevant sections of Chapter 130, RSMo.

b. It is the Order of the Missouri Ethics Commission that a fee is imposed against Respondents in the amount of \$2,000, pursuant to Section 105.961.4(6), RSMo. However, if Respondents pay \$200 of that fee within forty-five days after the date of the Order, the remainder of the fee will be stayed. The fee will be paid by check or money order made payable to the Missouri Ethics Commission.

c. Regardless of the stay in paragraph 2.b above, if any Respondent commits any further violation of the campaign finance laws under Chapter 130, RSMo, within the two-year period from the date of this order, then the Respondent who committed the violation will be required to pay the remainder of the fee. The fee will due immediately upon final adjudication finding that such Respondent has committed such a violation.

d. Respondents shall be jointly and severally liable for all fees imposed under this order, subject to the terms in subparagraph c above.

3. The parties consent to the entry of record and approval of this Joint Stipulation and to the termination of any further proceedings before the Commission based upon the Complaint filed by the Petitioner in the above action.

4. Respondents, together with their heirs, successors, and assigns, do hereby waive, release, acquit and forever discharge the Missouri Ethics Commission and its attorneys of or from any liability, claim, actions, causes of action, fees, costs and expenses, and compensation, including but not limited to, a claim for attorney's fees whatsoever which Respondents or Respondents' attorney may now have or which they may hereafter have, which are based upon or arise out of the above cases.

SO AGREED:

RESPONDENT FRIENDS OF ST. LOUIS
PUBLIC SCHOOLS

PETITIONER MISSOURI ETHICS
COMMISSION

By: Michael McMillian 9/21/16
Michael McMillian Date
Treasurer

By: James Klahr 10/5/16
James Klahr Date
Executive Director

RESPONDENT MICHAEL MCMILLIAN

By: Elizabeth Fiegler 9/30/16
Curtis R. Stokes Elizabeth Fiegler Date
Attorney for Petitioner

By: Michael McMillian 9/21/16
Michael McMillian Date

RESPONDENT HARRY RICH

By: Harry S. Rich 9/21/16
Harry Rich Date

By: Charles R. Saulsberry 22 Sept 16
Charles R. Saulsberry Date
Attorney for Respondents

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MICHAEL MCMILLIAN,)	
Treasurer since February 12, 2016)	
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Respondents.)	

CONSENT ORDER

The parties have filed a Joint Stipulation of Facts, Waiver of Hearing, and Proposed Consent Order with the Missouri Ethics Commission. Accordingly, the Missouri Ethics Commission accepts as true the facts stipulated and finds that Respondents violated Sections 130.041.1(4)(d), 130.041.1(6), and 130.041.1(7), RSMo.

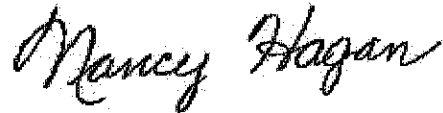
The Commission directs that the Joint Stipulation be adopted.

1. Respondents shall comply with all relevant sections of Chapter 130, RSMo.
2. It is the order of the Missouri Ethics Commission that a fee is imposed against Respondents in the amount of \$2,000, pursuant to Section 105.961.4(6), RSMo. However, if Respondents pay \$200 of that fee within forty-five days after the date of this Order, the remainder of the fee will be stayed. The fee will be paid by check or money order made payable to the Missouri Ethics Commission.

3. Regardless of the stay in paragraph 2 above, if any Respondent commits any further violation of the campaign finance laws under Chapter 130, RSMo, within the two-year period from the date of this order, then the Respondent who committed the violation will be required to pay the remainder of the fee. The fee will be due immediately upon final adjudication finding that such Respondent has committed such a violation.
4. Respondents shall be jointly and severally liable for all fees imposed under this order, subject to the terms in paragraph 3 above.

SO ORDERED this 30th day of September, 2016

By:



Nancy Hagan, Chair
Missouri Ethics Commission