

**Filed**  
**JAN 26 2017**  
 Missouri Ethics  
 Commission

**BEFORE THE MISSOURI ETHICS COMMISSION**

MISSOURI ETHICS COMMISSION	)	
	)	
Petitioner,	)	
	)	
v.	)	Case No. 15-0064-1
	)	
THE SHOW-ME COUNCIL and	)	
KATHERINE STEPANEK,	)	
	)	
Respondents.	)	

**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. This stipulation is being entered into at the same time as a joint stipulation is being entered into with the other Respondent in this case regarding the other counts in the Complaint.

The undersigned Respondents, The Show-Me Council and Katherine Stepanek, acknowledge that they have received and reviewed a copy of the First Amended 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 them 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 witness 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 proposed Joint Findings of Fact and the proposed Joint Conclusions of Law, as follows:

### **JOINT PROPOSED FINDINGS OF FACT**

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

2. Respondent The Show-Me Council (the "Committee") is a continuing committee under Chapter 130, RSMo. Several mailers purported to be sent by The Show-Me Council were mailed to voters for the purpose of influencing voters in the April 8, 2014 municipal election in Independence, Missouri.

3. Respondent Katherine Stepanek ("Stepanek") is a resident and citizen of Jackson County, Missouri. Respondent is the treasurer for the Committee and has served in that capacity continuously since July 3, 2003.

4. Pursuant to Section 105.961, RSMo, the Commission's staff has investigated a complaint filed with the Commission relating to activities of the Respondents and reported the

investigation's findings to the Commission.

5. While investigating the complaint, an audit of Respondent Committee was initiated due to compliance issues found while conducting the investigation.

6. Based upon 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.

### COUNT I

#### Failure to Disclose Incurred Expenditures

7. In February, March and April of 2014, Phil LeVota directed and caused the printing of material relative to candidates for public office in the April 8, 2014 municipal election for a position on the Independence City Council. It is Phil LeVota's position that he was acting as a campaign consultant for the Thorley for City Council Committee.

8. The printed material included mailers which were sent to Independence voters prior to the election in support of the candidacy of Roxann Thorley.

9. Phil LeVota provided the copy and made the payment to the printer for printing costs, and he directed the printers to send the mailers to the mailhouse. It being LeVota's position that he did so on behalf of the Thorley committee.

10. Four of the mailers stated that they were paid for by The Show-Me Council but did not state the name and title of the treasurer of the Committee. One of the mailers stated that it was paid for by "The Show-Me Council for Accountability & Responsibility in Government," which includes the full name of the Committee but not the exact name filed with the Commission.

11. The mailers were prepared for mailing and were mailed through the United States Postal Service by a mailing distribution company to Independence addresses on dates in the latter part of March, 2014 and in the early part of April, 2014.

12. The mailhouse which distributed the mailings was paid by the Citizens for Thorley committee for the mailers that had The Show-Me Council paid for disclosure on them.

13. The incurred expenditures for the printing and distribution of the mailers were not reported on any disclosure report filed by the Show-Me Council Committee.

14. The payment/expenditures for the distribution of the mailers were reported by The Thorley Committee on its disclosure report to the Missouri Ethics Commission.

## COUNT II

### Failure to Disclose Expenditures Made

15. On or about January 17, 2014, a withdrawal was made from the Show-Council Committee's bank account in the amount of Three Hundred Sixty Dollars (\$360.00).

16. On or about September 30, 2014, a withdrawal was made from the Committee's bank account in the sum of Four Thousand Dollars (\$4,000.00). Written on the back of the withdrawal receipt was "Chase Card Services."

17. On or about May 4, 2015, a withdrawal in the amount of Nine Hundred Fifty Dollars (\$950.00) from the Committee's bank account.

18. Respondent Committee and Respondent Stepanek failed to report the three expenditures which were made from the official fund depository account on any campaign finance disclosure report filed by the Committee.

### COUNT III

#### Failure to Report Contributions Received

19. On or about November 1, 2013, a deposit of a \$4,750.00 check made payable to the Committee was made into the bank account of the Committee. The check was drawn on the account of Committee for Research Treatment and Cures.

20. The \$4,750.00 payment to The Show-Me Council was reported as an expenditure by the Committee for Research Treatment and Cures in its committee disclosure report filed on November 27, 2013.

21. Respondent Committee failed to report as a contribution received the amount of \$4,750.00 that was paid to it by the Committee for Research Treatment and Cures on or about November 1, 2013.

### COUNT IV

#### Committee Expenditures Not Made by Treasurer or Deputy Treasurer

22. On its Statement of Committee Organization filed on July 3, 2003, the Committee listed Respondent Stepanek as its treasurer and no one as a deputy treasurer. No amendment of that Statement of Organization has been filed by the Committee since that time, and no one has been named as a deputy treasurer of the Committee. Phil LeVota was the committee treasurer from January 5, 2000 to July 3, 2003.

23. The official depository account of the Committee is at UMB Bank in Kansas City, Missouri in account number \*\*\*\*\*1369.

24. The only person who signed checks on the Committee's account or made other withdrawals from the account between March 26, 2013 and May 4, 2015, including those of

more than fifty dollars, was Phil LeVota, who was not shown on the Statement of Committee Organization filed with the Commission as the treasurer or a deputy treasurer of the Committee during that period, and the Committee's treasurer did not sign them.

#### COUNT V

##### Failure to File Required Quarterly Disclosure Reports and Improperly Filing Limited Activity Reports

25. On January 13, 2014, The Show-Me Council filed a Limited Activity Statement with the Missouri Ethics Commission, through which it certified that between October 1, 2013 and December 31, 2013, neither the aggregate amount of contributions received nor the aggregate amount of expenditures made by the Committee exceeded five hundred dollars during that period, even though it had received a contribution in the sum of \$4,750.00 on or about November 1, 2013.

26. On April 15, 2014, The Show-Me Council filed a Limited Activity Statement with the Missouri Ethics Commission, through which it certified that between January 1, 2014 and March 31, 2014, neither the aggregate amount of contributions received nor the aggregate amount of expenditures made by the Committee exceeded five hundred dollars during that period, even though it had made or incurred expenditures in excess of five hundred dollars, totaling \$1,737.52, during that quarter.

27. On July 3, 2014, The Show-Me Council filed a Limited Activity Statement with the Missouri Ethics Commission, through which it certified that between April 1, 2014 and June 30, 2014, neither the aggregate amount of contributions received nor the aggregate amount of expenditures made by the Committee exceeded five hundred dollars during that period, even

though it had received in-kind contributions in excess of five hundred dollars, totaling \$1,737.52, during that period.

28. On October 13, 2014, The Show-Me Council filed a Limited Activity Statement with the Missouri Ethics Commission, through which it certified that between July 1, 2014 and September 30, 2014, neither the aggregate amount of contributions received nor the aggregate amount of expenditures made by the Committee exceeded five hundred dollars during that period, even though it had made an expenditure in excess of five hundred dollars, totaling \$4,000.00, during that period.

29. On July 7, 2015, The Show-Me Council filed a Limited Activity Statement with the Missouri Ethics Commission, through which it certified that between April 1, 2015 and June 30, 2015, neither the aggregate amount of contributions received nor the aggregate amount of expenditures made by the Committee exceeded five hundred dollars during that period, even though it had made an expenditure in excess of five hundred dollars, totaling \$950.00, during that period.

#### COUNT VI

##### Failure to Accurately Report Beginning and Ending Money on Hand

30. On its 24 Hour Expenditure Report filed on March 26, 2013, the Committee reported its beginning money on hand as \$3,164 and its ending money on hand as \$2,382.96, when its actual money on hand at the beginning of the reporting period was \$1,530.96 and at the end of the reporting period was \$749.41.

COUNT VII

Failure to Make Available Committee Records

31. On February 20, 2016, a subpoena was mailed to Respondent Stepanek requiring her to produce the Committee's records for review by Petitioner.

32. Respondent Stepanek failed to produce or provide the Committee's records to Petitioner for review.

33. Respondents Stepanek and Committee have not made all the committee records required to be maintained by the Committee available to Petitioner and its duly authorized representatives for inspection.

**JOINT CONCLUSIONS OF LAW**

COUNT I

Failure to Disclose Incurred Expenditures

1. § 130.041.1, RSMo provides, in pertinent part: 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;



(a) The total dollar amount of expenditures made in cash;

.....

(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. . . .

2. Under Section 130.058, RSMo, Respondent Stepanek, as treasurer of The Show-Me Council, is ultimately responsible for all reporting requirements under Chapter 130, RSMo, for the Committee.

3. Under § 130.011(16), RSMo, an expenditure includes an agreement or promise to pay money for goods or services supporting or opposing the election of a candidate for public office.

4. Respondent Committee and Respondent Stepanek violated § 130.041.1(4), RSMo by failing to report incurred expenditures of \$7,319.88 related to the four mailers.

COUNT II

Failure to Disclose Expenditures Made

5. Respondent Committee and Respondent Stepanek violated § 130.041.1(4)(a), (b) and (d), RSMo by failing to report Five Thousand Three Hundred Ten Dollars (\$5,310.00) in expenditures which were withdrawn from the official fund depository of the Committee.

COUNT III

Failure to Report Contributions Received

6. Section 130.041.1(3), RSMo reads in pertinent part as follows:

1. Except as provided in subsection 5 of section 130.016, the candidate, if applicable, a 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 . . . ;

.....

(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.

7. Respondent Committee and Respondent Stepanek violated § 130.041.1(3), RSMo by failing to disclose contribution that it received as set out in Paragraph 19 of the Findings of Facts.

## COUNT IV

### Committee Expenditures Not Made by Treasurer or Deputy Treasurer

8. Under Section 130.021.5(3), RSMo, the Statement of Committee Organization that each committee must file must contain the name, mailing address and telephone number of the committee treasurer and also of its deputy treasurer (if any).

9. Under § 130.021.4(1), RSMo, expenditures shall only be made through the committee treasurer or deputy treasurer, and under § 130.031.2, RSMo, each expenditure of cash of more than fifty dollars made by a continuing committee must be made by a check drawn on the committee's official depository account and signed by the committee treasurer or deputy treasurer.

10. Respondents Stepanek and Committee violated §§ 130.021.4(1) and 130.031.2 RSMo, because committee expenditures were made through a person who was neither the treasurer nor deputy treasurer of the Committee at the time when non-check withdrawals from the Committee's account were made and because committee expenditures were made through checks that were not signed by the committee's treasurer or deputy treasurer.

11. Respondents Stepanek and Committee violated Sections 130.021.4(1) and 130.031.2, RSMo because expenditures were made from the Committee's official bank account by a person who was neither the treasurer nor the deputy treasurer of the Committee.

## COUNT V

### Failure to File Required Quarterly Disclosure Reports and Improperly Filing Limited Activity Reports

12. Respondent Committee was required to file quarterly campaign finance disclosure reports for the fourth quarter of 2013, the first quarter of 2014, the second quarter of 2014, the third quarter of 2014 and the second quarter of 2015 with the Petitioner by §§ 130.041 and 130.046, RSMo. Those reports were due no later than the fifteenth day following the close of each of those calendar quarter under § 130.046.1(3), RSMo because of contribution and/or expenditure activity within each of those quarters in excess of five hundred dollars, and using limited activity reports allowed by § 130.046.5(2), RSMo was not authorized for the Committee during those reporting periods.

13. Respondent Committee and Respondent Stepanek violated §§ 130.041 and 130.046, RSMo by failing to file five quarterly reports which became due on January 15, 2014, April 15, 2014, July 15, 2014, October 15, 2014, and July 15, 2015.

14. Respondents Committee and Stepanek violated § 130.046.5(2), RSMo by improperly filing limited activity reports for the fourth quarter of 2013, the first quarter of 2014, the second quarter of 2014, the third quarter of 2014 and the second quarter of 2015.

## COUNT VI

### Failure to Accurately Report Beginning and Ending Money on Hand

15. Under Sections 130.041.1(2), RSMo and 130.041.1(5), RSMo, committees are required to accurately report money on hand at the beginning and ending of the reporting period.

16. Respondents Committee and Stepanek failed to accurately report the Committee's

beginning money on hand and its ending money on hand on its 24 Hour Expenditure Report filed on March 26, 2013.

## COUNT VII

### Failure to Make Available Committee Records

17. Section 130.036.1, RSMo requires the candidate, treasurer or deputy treasurer of a committee to make available their records and accounts to the Petitioner.

18. Subsection 8 of § 130.036, RSMo reads as follows:

All records and accounts of receipts and expenditures shall be preserved for at least three years after the date of the election to which the records pertain. Records and accounts regarding supplemental disclosure reports or reports not required pursuant to an election shall be preserved for at least three years after the date of the report to which the records pertain. Such records shall be available for inspection by the campaign finance review board and its duly authorized representatives.

19. Respondents Stepanek and Committee have violated §§ 130.036.1 and 130.036.8, RSMo, by failing to make the committee records required to be maintained available to Petitioner for inspection.

## 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. Within thirty (30) days after the issuance of the Consent Order, Respondent Stepanek shall file quarterly disclosure reports for Respondent The Show-Me Council for the fourth quarter of 2013, the first, second and third quarters of 2014, and the second quarter of 2015 accurately reflecting all of the contributions received and expenditures made.
- c. It is order of the Missouri Ethics Commission that a fee is imposed against the Respondents The Show-Me Council and Katherine Stepanek in the amount of \$10,000.00, pursuant to § 105.961.4(6), RSMo. However, if Respondents pay \$1,000.00 of that fee within forty-five days after the date of the Order, the remainder of the fee will be stayed, subject to the provisions below. The fee will be paid by check or money order made payable to the Missouri Ethics Commission.
- d. If either of the Respondents commits any further violation or violations of the laws under Chapter 130, RSMo, which would include but would not be limited to the failure to file the reports described in paragraph 2.b above, within the two year period from the date of this order, then Respondents will

be required to pay the remainder of the fee. The fee will be due immediately upon final adjudication finding that either of the Respondents have committed such a violation.

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 respective 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 is based upon or arise out of the above case.

RESPONDENT THE SHOW-ME  
COUNCIL

Katherine Stepanek 1-19-17  
Katherine Stepanek, Treasurer Date

RESPONDENT KATHERINE  
STEPANEK

Katherine Stepanek 1-19-17  
Signature Date

PETITIONER MISSOURI ETHICS  
COMMISSION

By: James Klahr 1-24-17  
James Klahr Date  
Executive Director

By: John S. Pletz 1-23-17  
John S. Pletz Date  
Attorney for Petitioner

**BEFORE THE  
MISSOURI ETHICS COMMISSION**

**Filed**  
**JAN 26 2017**  
Missouri Ethics  
Commission

MISSOURI ETHICS COMMISSION	)	
	)	
Petitioner,	)	
v.	)	No. 15-0064-1
	)	
THE SHOW-ME COUNCIL,	)	
	)	
and	)	
	)	
KATHERINE STEPANEK,	)	
Personally and as Treasurer,	)	
The Show-Me Council	)	
	)	
Respondents.	)	

**CONSENT ORDER**

The parties having filed Joint Stipulations of Facts, Waivers of Hearings Before the Missouri Ethics Commission, and Consent Orders With Proposed Findings of Facts and Conclusions of Law (the "Joint Stipulations") with the Missouri Ethics Commission in this matter, the Missouri Ethics Commission hereby accepts as true the Proposed Findings of Fact, adopts the Proposed Conclusions of Law, and finds that the Respondents The Show-Me Council and Katherine Stepanek failed to comply with certain provisions of Chapter 130, RSMo, as stated in the Conclusions of Law.

The Commission directs that all terms and orders of the Joint Stipulations be adopted herein and implemented.

It is the order of the Commission that Respondents The Show-Me Council and Katherine Stepanek shall cease and desist violation of the provisions of Chapter 130, RSMo, found to have been infringed as set out above, and that if any future violation or threatened violation of these laws occurs, the Commission may seek judicial enforcement of this cease and desist order in a court of competent jurisdiction.



It is further the order of the Missouri Ethics Commission that Respondents The Show-Me Council and Katherine Stepanek pay a fee of Ten Thousand Dollars (\$10,000.00) to the Missouri Ethics Commission pursuant to § 105.961.4(6), RSMo and § 130.072, RSMo. However, if Respondents The Show-Me Council and Katherine Stepanek pay One Thousand Dollars (\$1,000.00) of that fee within forty-five (45) days after the date of this Order, the remainder of that fee shall be stayed for two (2) years, subject to the provisions below. The fee shall be paid by check or money order made payable to the Missouri Ethics Commission and sent to the Missouri Ethics Commission.

If Respondents The Show-Me Council and Katherine Stepanek have not committed any further violation of the campaign finance disclosure laws pursuant to Chapter 130, RSMo, during the two-year stay, then the Respondents will not be required to pay the remainder of the fee. If, however, either of those Respondents is found to have violated the campaign finance laws pursuant to Chapter 130, RSMo during this two-year stay, the Respondents will be required to pay the remainder of the fee as originally imposed by the Commission. That fee would be due immediately upon final adjudication finding probable cause of such a violation.

It is further the order of the Missouri Ethics Commission that the Respondents The Show-Me Council and Katherine Stepanek file disclosure reports within thirty (30) days after the issuance of this Order accurately reflecting contributions and expenditures as specified in their Joint Stipulation.

SO ORDERED this 26<sup>th</sup> day of January, 2017.

By:



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Nancy Hagan, Chair  
Missouri Ethics Commission