



MISSOURI ETHICS COMMISSION

PO Box 1370
Jefferson City, MO 65102
www.mec.mo.gov
(573) 751-2020 / (800) 392-8660

James Klahr
Executive Director

August 16, 2016

Adam McLain
Patriots for America
1220 Poquoson Ave
Poquoson VA 23362

Re: File No. 16-0052-I

Dear Mr. McLain:

The Missouri Ethics Commission considered the complaint filed against you and Patriots for America at its August 12, 2016 meeting. The Commission reviewed the allegation that you violated provisions of state and federal campaign finance law when the committee filed its registration with the Federal Elections Commission but not with the Missouri Ethics Commission.

Staff review determined that Patriots for America registered with the Federal Elections Commission as an Independent Expenditure-Only Committee in November 2015. To date, according to its filings with FEC, the committee has reported total receipts of just over \$86,000 and total disbursements of just over \$84,000. Patriots for America also has reported that \$84,000 in receipts had been received by the committee related to the Missouri Governor's Race. The funds were received from Franklin and Lee between January 7, 2016 and February 4, 2016. The public is able to view FEC reports on-line just as it is able to view MEC reports on-line. Further, visitors to the MEC website are able to link from the MEC website to the FEC website.

At the time of its registration in November 2015, Patriots for America indicated it would participate in federal elections and its attorney confirmed that it formed for the purpose of supporting a candidate or candidates for federal elective office although it was not prohibited under federal law from making expenditures relating to other candidates.

The MEC considered the allegation that, despite its registration with FEC, respondents violated Missouri law by failing to also register as a Missouri committee under Section 130.021.10, RSMo:

A committee domiciled outside this state shall be required to file a statement of organization and appoint a treasurer residing in this state and open an account in a depository within this state; provided that either of the following conditions prevails:

(1) The aggregate of all contributions received from persons domiciled in this state exceeds twenty percent in total dollar amount of all funds received by the committee in the preceding twelve months; or



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(2) The aggregate of all contributions and expenditures made to support or oppose candidates and ballot measures in this state exceeds one thousand five hundred dollars in the current calendar year.

Because Patriots for America is registered with the FEC, the Commission must also consider applicable federal regulations for political committees registering with FEC. One applicable regulation, 11 CFR 108.7, provides:

- (a) The provisions of the Federal Election Campaign Act of 1971, as amended, and rules and regulations issued thereunder, supersede and preempt any provision of State law with respect to election to Federal office.
- (b) Federal law supersedes State law concerning the --
 - (1) Organization and registration of political committees supporting Federal candidates;
 - (2) Disclosure of receipts and expenditures by Federal candidates and political committees; and
 - (3) Limitation on contributions and expenditures regarding Federal candidates and political committees.
- (c) . . .

From the facts presented, including the committee's registering and reporting with the FEC, the Commission finds no reasonable grounds exist to support a violation of the campaign finance laws pursuant to Chapter 130, for failing to also register and report to the with the MEC. The Commission is therefore dismissing the complaint.

Sincerely,

A handwritten signature in cursive script, appearing to read "James Klahr".

James Klahr
Executive Director