

MISSOURI ETHICS COMMISSION

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James Klahr
Executive Director

August 31, 2016

Chris Koster
Koster for Missouri
PO Box 440173
St. Louis MO 63144

Re: File No. 16-0086-I

Dear Mr. Koster:

The Missouri Ethics Commission considered the complaint filed against you and Koster for Missouri at its August 29, 2016 meeting. The Commission reviewed the allegation that you accepted in-kind contributions from Jobs and Opportunity, a Political Action Committee (PAC) registered with the Federal Elections Commission (FEC) but not registered with the Missouri Ethics Commission (MEC). It is also alleged that Koster for Missouri was barred by Section 130.049, RSMo, from accepting the in-kind contributions from Jobs and Opportunity because the federal PAC failed to file the appropriate reports with MEC.

Staff review of the complaint determined that, on July 22, 2016, Jobs and Opportunity registered with the FEC. Jobs and Opportunity has not yet filed a report with FEC but will have a report due on October 15, 2016. Between July 25, 2016 and August 3, 2016, Jobs and Opportunity made just over \$1 million in in-kind contributions to Koster for Missouri.¹ Koster for Missouri reported the contributions as required by law.

Section 130.049 provides:

An out-of-state committee which according to the provisions of subsection 10 of section 130.021 is not required to file a statement of organization and is not required to file the full disclosure reports required by section 130.041 shall file reports with the Missouri ethics commission according to the provisions of such sections if the committee makes contributions or expenditures in support of or in opposition to candidates or ballot measures in this state in any election covered by this chapter or makes contributions to any committee domiciled in this state. An initial report shall be filed no later than fourteen days prior to the date such out-of-state committee first makes a contribution or expenditure in this state. Such initial report shall state the name and address of the committee receiving such contributions or expenditures. The contributions or expenditures shall be made no later than thirty days prior to the election. The out-of-state committee thereafter shall file copies of the campaign disclosure report required to be filed in the domicile of the committee with the Missouri ethics commission as required by subsections 1 to 3 of section 130.046. No candidate or committee may

¹ An in-kind contribution is a contribution in a form other than money (See Sec. 130.011(19), RSMo).

accept any contribution made by a committee domiciled outside this state unless the provisions of this section are met.

Because Section 130.049 makes reference to Section 130.021.10, RSMo, that provision is provided below:

10. A committee domiciled outside this state shall be required to file a statement of committee 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
- (2) The aggregate of all contributions and expenditure [sic] made to support or oppose candidates and ballot measures in this state exceeds one thousand five hundred dollars in the current calendar year.

Subsection 11 of Section 130.021 requires that a committee domiciled in this state receiving a contribution of one thousand five hundred dollars or more from any committee domiciled outside the state shall file a disclosure report with the Commission within 48 hours of receiving the contribution if received after the last reporting date before the election.

In this instance, Jobs and Opportunity contributed over \$1 million in four separate in-kind contributions to Koster for Missouri. According to the reports filed by Koster for Missouri, the first in-kind contribution exceeded \$1,500 (as did the subsequent in-kind contributions). As a result, Section 130.049 cannot apply to Jobs and Opportunity because, reading the first sentence of that section, Section 130.049 only applies if the committee **would not be required** to file a Statement of Committee Organization because its level of contributions or expenditures is less than the amounts set out in Section 130.021.10. As noted above, Jobs and Opportunity's activity exceeded \$1,500.

Jobs and Opportunity is registered with FEC as a Political Action Committee. Federal law defines a "political committee" to include a committee that receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year.


While MEC determined that Jobs and Opportunity is not required to separately register as a committee and file campaign finance reports with MEC, its reports filed with FEC are accessible to the public and MEC provides a link to the FEC website for those wanting to see the activity of federal committees.

Here, staff determined that Jobs and Opportunity has registered with FEC. Further, staff determined that Koster for Missouri: 1) was able to receive contributions from a committee

registered with FEC as a political action committee; and 2) timely filed both 24 Hour and 48 Hour Reports after receiving the in-kind contributions from Jobs and Opportunity.²

From the facts presented, the Commission finds no reasonable grounds exist to support a violation of Chapter 130, RSMo, and is dismissing the complaint.

Sincerely,



James Klahr
Executive Director

² Because the contributions were both large contributions and made close to the August 2, 2016 primary election, Koster for Missouri was required to file these reports pursuant to Sec. 130.044 (48 Hour Report when contribution exceeds \$5,000) and Sec. 130.050.3 (24 Hour Report when a contribution over \$250 received after the closing date of the last disclosure report required to be filed prior to the election). In this case, these were contributions received after Koster for Missouri had filed its 8 Day Before Primary Report.