

Filed
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Missouri Ethics
Commission

**BEFORE THE
MISSOURI ETHICS COMMISSION**

MISSOURI ETHICS COMMISSION,)
)
Petitioner,)
)
v.)
)
ORLANDO WATSON FOR UCITY,) Case No. 16-0007-A
Candidate Committee,)
)
and)
)
ORLANDO WATSON,)
Candidate,)
)
Respondents.)

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

This is the decision and order of the Missouri Ethics Commission following a hearing on a complaint filed by Petitioner by and through counsel, pursuant to Section 105.961, RSMo, and Chapter 536, RSMo. The hearing was conducted before the following members of the Missouri Ethics Commission: Bill Deeken, Eric Dirks, Nancy Hagan and Don Summers.

The Commission held the closed hearing on September 20, 2017, at the offices of the Missouri Ethics Commission at 3411A Knipp Drive, Jefferson City, Missouri 65109. The Commission was represented by Brian Hamilton. Respondent Watson did not appear after due notice.

The Commission admitted into evidence Petitioner's Exhibits 1 through 7. Having considered all the competent and substantial evidence upon the whole record, the Commission finds by a unanimous vote as follows:

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.¹

FACTS RELEVANT TO ALL COUNTS

2. Respondent Watson was an unsuccessful candidate for the 3rd Ward City Council in University City, Missouri for the April 5, 2016 election.

3. On March 23, 2016, Respondent Watson registered his candidate committee with the St. Louis County Board of Elections.

COUNT I

Failure to timely file a Statement of Committee Organization

4. Respondents received their first contribution on January 30, 2016 and exceeded the \$1,000.00 threshold to form a committee on February 18, 2016.

5. Respondents were required to file a 40 Day Before General Election report by February 25, 2016, which was also the deadline to file a Statement of Committee Organization.

6. Respondents failed to file a Statement of Committee Organization by February 25, 2016. The Statement of Committee Organization was not filed until March 23, 2016.

COUNT II

Cash contribution in excess of limits

7. Respondents reported accepting five cash contributions each exceeding the \$100.00 allowable amount and totaling \$1,293.00 on the 8 Day Before General Election report.

¹ Unless noted otherwise, all statutory references are to the Revised Statutes of Missouri 2000 (Supp. 2016).

Name	Amount
Matthew Stiffelman	\$150.00
Cash deposit	\$418.00
Cash deposit	\$360.00
Cash deposit	\$120.00
Cash deposit	\$245.00
Total	\$1,293.00

COUNTS III and V

Failure to report a fundraiser

8. Upon information and belief, Respondents held two fundraisers on January 30, 2016 and March 17, 2016 and failed to report the fundraisers.

Failure to timely and accurately report contributions received

9. Respondents failed to report three monetary contributions totaling \$260.00.

Report Not Showing Contribution	Contributor Name	Amount
2016 - 8 Day Before General Election	Lashonda Kahill	\$60.00
2016 - 8 Day Before General Election	Committee to Elect Reed	\$100.00
2016 - 30 Day After General Election	David & Jitka Olander	\$100.00
Total		\$260.00

10. Respondents inaccurately reported nine contributions of \$100 or less, totaling \$429.00 on the 2016 8 Day Before General Election report.

Contributor Name	Amount
Angela Watson	\$40.00
Lashonda Kahill	\$50.00
David & Jitka Olander	\$99.00
Elsie Beck Glickert	\$50.00
Angela Watson	\$40.00

Victor & Janis Pichon	\$50.00
Jerome & Mildred Trotter	\$25.00
Gary & Jen Jenson	\$25.00
Victor & Janis Pichon	\$50.00
Total	\$429.00

11. Respondents inaccurately reported two contributions over \$100 each, totaling \$300.00 on the 2016 8 Day Before General Election report.

Contributor Name	Amount
Available Transport Services, LLC	\$150.00
Matthew Stiffelman	\$150.00
Total	\$300.00

12. Respondents reported \$1,623.00 as anonymous contributions of \$25.00 or less, but only \$1,243.00 could be found in the official fund depository account.

Contribution Name	Date	Amount
Cash Deposit	2/18/16	\$418.00
Cash Deposit	2/23/16	\$360.00
Cash Deposit	2/26/16	\$100.00
Cash Deposit	3/1/16	\$120.00
Cash Deposit	3/24/16	\$245.00
Total		\$1,243.00

13. Respondents inaccurately reported \$380.00 in anonymous contributions that were not found in the official fund depository account.

COUNT IV

Failure to timely and accurately file campaign finance disclosure reports and report money on hand

14. Respondents failed to accurately report the committee's beginning money on hand on the 8 Day Before General Election report.

Report Name	From	To	Reported		Actual	
			MOH At Beginning Of Period	MOH At End Of Period	MOH At Beginning Of Period	MOH At End Of Period
2016 - 8 Day Before General	2/21/16	3/24/16	\$0.00	\$748.44	\$46.29	\$748.44

15. Respondents failed to file two full disclosure reports and one Limited Activity Statement.

Report Name	Start Date	End Date	Due Date
2016 – 40 Day Before General Election	1/30/16	2/20/16	2/25/16
2016 – April Quarterly – Limited Activity	3/25/16	3/31/16	4/15/16
2016 – Termination Statement (Full disclosure report)	3/25/16	4/12/16	4/22/16

16. Respondents reported incorrect start and/or end dates on the cover of their 8 Day Before General Election report and also reported activity outside of the correct period.

Report Name	Start Date	End Date	Correct Start Date	Correct End Date
2016 - 8 Day Before General	2/23/16	3/21/16	2/21/16	3/24/16

17. The committee's official fund depository account was closed on April 12, 2016 following the April 5, 2016 election, but Respondents failed to file a termination statement within 10 days after the committee dissolved.

18. Respondents failed to terminate the committee within 30 days of being an unsuccessful candidate in the April 5, 2016 election.

COUNT VI

Failure to timely and accurately report expenditures

19. Respondents failed to report three monetary expenditures \$100.00 or less, totaling \$181.92 on the 30 Day After General Election report.

Expenditure Name	Amount
Office Max	\$55.37
HiTec Copy Center	\$26.55
Cash withdrawal	\$100.00
Total	\$181.92

20. Respondents failed to report two monetary expenditures over \$100.00 each, totaling \$666.52 on the 30 Day After General Election report.

Expenditure Name	Amount
USPS	\$515.90
VIP Printing Services	\$150.62
Total	\$666.52

21. Respondents failed to accurately report two expenditures over \$100 each, totaling \$959.71 on the 8 Day Before General Election report.

Expenditure Name	Amount
Derrick Kilgore	\$155.00
Specialty Mailing	\$804.71
Total	\$959.71

COUNT VII

Failure to maintain committee records in accordance with accepted normal bookkeeping procedures

22. Respondents did not maintain records in accordance with accepted normal bookkeeping procedures, including failure to maintain records necessary to prepare and substantiate some of the contributions that Respondents received and expenditures that Respondents made and the candidate did not have any of the committee's records in his possession.

CONCLUSIONS OF LAW

COUNT I

Failure to timely file a Statement of Committee Organization

1. Pursuant to §130.016.6, RSMo, no candidate for supreme court, circuit court, or associate circuit court, or candidate for political party office, or for county office or municipal office in a city of one hundred thousand or less, or for any special purpose district office shall be required to file an exemption statement pursuant to this section in order to be exempted from forming a committee and filing disclosure reports required of committees pursuant to this chapter if the aggregate of contributions received or expenditures made by the candidate and any other person with the candidate's knowledge and consent in support of the person's candidacy does not exceed one thousand dollars and the aggregate of contributions from any single contributor does not exceed three hundred twenty-five dollars. No candidate for any office listed in this subsection shall be excused from complying with the provisions of any section of this chapter, other than the filing of an exemption statement under the conditions specified in this subsection.

2. Section 130.021.5, RSMo specifies that a treasurer or candidate shall file a Statement of Committee Organization with the appropriate officer within twenty days after the

person or organization becomes a committee but no later than the date for filing the first report required pursuant to the provisions of section 130.046.

3. Pursuant to §130.046.1(3), RSMo, 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.

4. There is probable cause to believe that Respondents violated Sections 130.016.6, 130.021.5, and 130.046.1(3), RSMo, by failing to timely file a Statement of Committee Organization and that Respondents did so knowingly.

COUNT II

Cash contribution in excess of limits

5. For purposes of Chapter 130, RSMo, cash means “currency, coin, United States postage stamps, or any negotiable instrument which can be transferred from one person to another person without the signature or endorsement of the transferor.” § 130.011(4), RSMo.

6. “No contribution of cash in an amount of more than one hundred dollars shall be ... accepted from any single contributor for any election by a ... candidate committee.” § 130.031.1, RSMo.

7. There is probable cause to believe that Respondents violated Section 130.031.1, RSMo, by accepting five (5) cash contributions that were in excess of \$100 each from a single contributor and that Respondents did so knowingly.

COUNTS III and V

Failure to report a fundraiser and failure to timely and accurately report contributions received

8. “[C]ontributions from individuals whose names and addresses cannot be ascertained which are received from a fund-raising activity or event, such as defined in section 130.011, shall not be deemed anonymous contributions, provided the following conditions are met:

(1) There are twenty-five or more contributing participants in the activity or event;

(2) The candidate, committee treasurer, deputy treasurer or the person responsible for conducting the activity or event makes an announcement that it is illegal for anyone to make or receive a contribution in excess of one hundred dollars unless the contribution is accompanied by the name and address of the contributor;

(3) The person responsible for conducting the activity or event does not knowingly accept payment from any single person of more than one hundred dollars unless the name and address of the person making such payment is obtained and recorded pursuant to the record-keeping requirements of section 130.036;

(4) A statement describing the event shall be prepared by the candidate or the treasurer of the committee for whom the funds were raised or by the person responsible for conducting the activity or event and attached to the disclosure report of contributions and expenditures required by section 130.041. The following information to be listed in the statement is in addition to, not in lieu

of, the requirements elsewhere in this chapter relating to the recording and reporting of contributions and expenditures:

(a) The name and mailing address of the person or persons responsible for conducting the event or activity and the name and address of the candidate or committee for whom the funds were raised;

(b) The date on which the event occurred;

(c) The name and address of the location where the event occurred and the approximate number of participants in the event;

(d) A brief description of the type of event and the fund-raising methods used;

(e) The gross receipts from the event and a listing of the expenditures incident to the event;

(f) The total dollar amount of contributions received from the event from participants whose names and addresses were not obtained with such contributions and an explanation of why it was not possible to obtain the names and addresses of such participants;

(g) The total dollar amount of contributions received from contributing participants in the event who are identified by name and address in the records required to be maintained pursuant to section 130.036.

§130.031.6, RSMo.

9. Candidate committees are required to report receipts for each reporting 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;

§ 130.041.1(3), RSMo.

10. Contributions shall not be accepted and expenditures shall not be made by a committee except by or through an official depository account.” § 130.021.4(1), RSMo.

11. There is probable cause to believe that Respondents violated Sections 130.041.1(3), 130.021.4(1), and 130.031.6, RSMo, by failing to report three monetary contributions totaling \$260.00, failing to accurately report nine non-itemized and two itemized contributions totaling \$729.00, failing to report \$380.00 in anonymous contributions that were not found in the official fund depository account, and failing to report two fundraisers, and that Respondents did so knowingly.

COUNT IV

Failure to timely and accurately file campaign finance disclosure reports and report money on hand

12. Candidate committees must file regular campaign finance disclosure reports 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.

13. Pursuant to § 130.046.5(2), RSMo, no disclosure report needs to be filed for any reporting period if during that reporting period the committee has neither received contributions

aggregating more than five hundred dollars nor made expenditure aggregating more than five hundred dollars and has not received contributions aggregating more than three hundred dollars from any single contributor and if the committee's treasurer files a statement with the appropriate officer that the committee has not exceeded the identified thresholds in the reporting period. Any contributions received or expenditures made which are not reported because this statement is filed in lieu of a disclosure report shall be included in the next disclosure report filed by the committee.

14. The disclosure reports must contain the total amount of money on hand at the beginning and end of the reporting period, and the total amount of outstanding indebtedness as of the closing date of the reporting period. § 130.041.1, RSMo.

15. Pursuant to Section 130.011(9), RSMo, "...a committee shall terminate the later of either thirty days after the general election for a candidate who was not elected or upon the satisfaction of all committee debt after the election, except that no committee retiring debt shall engage in any other activities in support of the candidate for which the committee was formed."

16. "Upon termination of a committee, a termination statement indicating dissolution shall be filed not later than ten days after the date of dissolution with the appropriate officer or officers with whom the committee's statement of organization was filed." § 130.021.8, RSMo.

17. "In the case of a committee which disbands and is required to file a termination statement . . . the candidate, committee treasurer or deputy treasurer shall attach to the termination statement a complete disclosure report for the period closing on the date of dissolution." § 130.046.7, RSMo.

18. There is probable cause to believe that Respondents violated Sections 130.041.1, 130.046.1, 130.046.5(2), 130.021.8, 130.011(9), and 130.046.7, RSMo, by failing to accurately report the committee's beginning money on hand on one report, failing to timely file two reports

and one Limited Activity Statement, failing to report within proper periods, and failing to terminate committee upon closure of the official fund depository and within 30 days after the general election as an unsuccessful candidate, and that Respondents did so knowingly.

COUNT VI

Failure to timely and accurately report expenditures

19. Candidate committees are required to report expenditures for each reporting 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;

§ 130.041.1(4), RSMo.

20. There is probable cause to believe that Respondents violated Section 130.041.1(4), RSMo, by failing to report three monetary expenditures totaling \$181.92, failing to report two monetary expenditures totaling \$666.52, and failing to accurately report two itemized expenditures totaling \$959.71, and that Respondents did so knowingly.

COUNT VII

Failure to maintain committee records in accordance with accepted normal bookkeeping procedures

21. “The candidate, treasurer or deputy treasurer of a committee shall maintain accurate records and accounts on a current basis.” §130.036.1

22. “The records and accounts shall be maintained in accordance with accepted normal bookkeeping procedures and shall contain the bills, receipts, deposit records, cancelled checks and other detailed information necessary to prepare and substantiate any statement or report required to be filed pursuant to this chapter.” § 130.036.1, RSMo.

23. “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.” § 130.036.8, RSMo.

24. There is probable cause to believe that Respondents violated Sections 130.036.1 and 130.036.8, RSMo, by failing to maintain Respondents’ campaign finance records and accounts in accordance with accepted normal bookkeeping procedures, including bills, receipts, deposit

records, cancelled checks and other detailed information necessary to prepare and substantiate any statement or report required under Chapter 130, RSMo, and that Respondents did so knowingly.

ORDER

The Missouri Ethics Commission finds probable cause that Respondents Orlando Watson for UCity and Orlando Watson violated, and have knowingly violated, Sections §130.016.6 §130.021.5, §130.046.1(3), §130.031.1, §130.031.6, §130.046.1, §130.046.7, §130.046.5(2), §130.041.1, §130.021.8, §130.011(9), §130.041.1(3), §130.021.4(1), §130.041.1(4), §130.036.1, and §130.036.8 RSMo.

1. The Commission orders Respondents to file accurately all necessary campaign finance reports and statements.
2. The Missouri Ethics Commission further orders a fee be imposed against Respondents Orlando Watson for UCity and Orlando Watson in the amount of \$8,108 pursuant to Section 105.961.4(6), RSMo. If any Respondent pays \$810 of that fee within 45 days of the date of this Order and files all required campaign finance disclosure reports, the remainder of the fee will be stayed. The fee will be paid by check or money order made payable to and sent 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 pursuant to Chapter 130, RSMo, as amended, within the two-year period from the date of this order, then Orlando Watson for UCity and Orlando Watson will be required to pay the remainder of the fee. The fee will be due immediately upon final adjudication finding that Respondents committed such a violation.
4. Respondents Orlando Watson for UCity and Orlando Watson shall be jointly and severally liable for all fees imposed under this order.

SO ORDERED this 22nd day of September, 2017.



Nancy Hagan, Chair
Missouri Ethics Commission