

**BEFORE THE
MISSOURI ETHICS COMMISSION**

MISSOURI ETHICS COMMISSION,)
)
) Petitioner,)
)
v.)
)
STAND UP NORTHLAND,) Case No. 17-0010-A
)
and)
)
ALEXUS WALTER,)
)
) 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: Don Summers, Kim Benjamin, Sherman W. Birkes, Jr., Wayne Henke, George Ratermann, and Cheryl D.S. Walker.

The Commission held the closed hearing on November 15, 2018, at the offices of the Missouri Ethics Commission at 3411A Knipp Drive, Jefferson City, Missouri 65109. The Commission was represented by Brian Hamilton. Respondent Walter did not appear after due notice.

The Commission admitted into evidence Petitioner's Exhibits 1 through 3. 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 Stand up Northland is a continuing committee that registered with the Missouri Ethics Commission on June 18, 2012 by filing a Statement of Committee Organization.

3. The Statement of Committee Organization was amended on December 24, 2012, May 11, 2015, and October 27, 2016.

4. Respondent Walter was named as the committee's treasurer on the Statement of Committee Organization amended on October 27, 2016.

5. Respondent Stand up Northland filed a termination statement on November 2, 2017.

COUNT I

Failure to accurately report money on hand

6. Respondents failed to accurately report beginning money on hand on one report in 2016 and one report in 2017.

7. Respondents failed to accurately report ending money on hand on one report in 2016.

¹ Unless noted otherwise, all statutory references are to the Revised Statutes of Missouri 2000 (Supp. 2017).

Report Name	From	To	Reported		Actual	
			MOH Beginning of Period	MOH End of Period	MOH Beginning of Period	MOH End of Period
2016						
24 Hour Late Expenditure Report	7/1/16	10/31/16	\$3,879.32	\$0.00	\$450.32	\$10,216.49
2017						
Termination Statement	4/1/17	11/2/17	\$0.00	\$0.00	\$559.70	\$0.00

COUNT II

Failure to timely file campaign finance disclosure reports and limited activity statements

8. Respondents failed to file a 24 Hour Late Expenditure Report for the November 8, 2016 election and failed to file the 2017 April Quarterly Report and a 2017 July Quarterly - Limited Activity Statement.

Report Name	Report Year	Start Date	End Date	Due Date
24 Hour Late Expenditure Report	2016	11/1/16	11/4/16	11/5/16
April Quarterly Report	2017	11/5/16	3/31/17	4/15/17
July Quarterly Report – Limited Activity Statement	2017	4/1/17	6/30/17	7/15/17

9. The committee's official fund depository account was closed on September 12, 2017, but Respondents failed to file a termination statement within ten days. A termination statement was filed on November 2, 2017.

COUNT III

Failure to timely and accurately report contributions received

10. Respondents failed to report five monetary contributions, totaling \$17,800.00.

Contributor Name	Amount	Date	Report Not Showing Contribution
Fred Walter	\$3,000.00	10/25/16	24 Hour Late Expenditure Report
Fred Walter	\$4,800.00	10/25/16	24 Hour Late Expenditure Report
Fred Walter	\$3,500.00	10/25/16	24 Hour Late Expenditure Report
Fred Walter	\$2,500.00	10/25/16	24 Hour Late Expenditure Report
Fred Walter	\$4,000.00	12/22/16	2017 April Quarterly Report
Total	\$17,800.00		

COUNT IV

Failure to timely and accurately report expenditures

11. Respondents failed to report four monetary expenditures over \$100.00 each, totaling \$14,192.54.

Expenditure Name	Amount	Date	Report Not Showing Expenditure
USPS	\$7,758.64	11/4/16	24 Hour Late Expenditure Report
Printing Unlimited	\$1,614.00	11/4/16	24 Hour Late Expenditure Report
Printing Unlimited	\$4,260.20	12/21/16	2017 April Quarterly
Nicole Brown	\$559.70	9/12/17	Termination Statement
Total	\$14,193.54		

12. Respondents failed to report five monetary expenditures of \$100.00 or less, totaling \$177.96.

Expenditure Name	Amount	Date	Report Not Showing Expenditure
Cash withdrawal	\$100.00	7/22/16	24 Hour Late Expenditure Report
Mary Stamberger	\$50.01	10/25/16	24 Hour Late Expenditure Report
Community America Credit Union	\$4.00	10/31/16	24 Hour Late Expenditure Report
Deluxe Checks	\$19.95	11/1/16	24 Hour Late Expenditure Report
Community America Credit Union	\$4.00	11/4/16	24 Hour Late Expenditure Report
Total	\$177.96		

Failure to report direct expenditures

13. Respondents failed to file Direct Expenditure Reports for three expenditures totaling \$13,632.84.

Report Name	Expenditure Name	Amount	Date
Not reported	USPS	\$7,758.64	11/4/16
Not reported	Printing Unlimited	\$1,614.00	11/4/16
Not reported	Printing Unlimited	\$4,260.20	12/21/16
	Total	\$13,632.84	

COUNT V

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

14. Respondents did not provide invoices, checks, receipts, and deposit records necessary to prepare and substantiate some of the contributions that Respondents received and expenditures that Respondents made, and Respondents did not provide requested records.

CONCLUSIONS OF LAW

COUNT I

Failure to accurately report money on hand

15. Pursuant to Sections 130.041.1(2) and 130.041.1(5), RSMo, Respondents were required to disclose the amount of cash on hand as of the beginning of the reporting period and the closing date of the reporting period.

16. There is probable cause to believe that Respondents violated Sections 130.041.1(2) and 130.041.1(5), RSMo, by failing to accurately report beginning money on hand on two reports and ending money on hand on one report, and that Respondents did so knowingly.

COUNT II

Failure to timely file campaign finance disclosure reports and limited activity statements

17. Pursuant to Section 130.046.1, RSMo, Respondents were required to file 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.

18. Pursuant to Section 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."

19. Pursuant to Section 130.046.3(2), RSMo, a continuing committee shall submit additional reports not later than twenty-four hours after aggregate expenditures of two hundred fifty dollars or more made after the twelfth day before the election.

20. "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.

21. "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.

22. There is probable cause to believe that Respondents violated Sections 130.046.1, 130.046.5(2), 130.021.8, 130.046.3(2), and 130.046.7, RSMo, by failing to file three reports and

by failing to terminate the committee within ten days upon the closure of the official fund depository, and that Respondents did so knowingly.

COUNT III

Failure to timely and accurately report contributions received

23. Respondents were required to file campaign finance disclosure reports that set forth receipts for the period, including the:

(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;

...

(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.

24. There is probable cause to believe that Respondents violated Section 130.041.1(3), RSMo, by failing to report five monetary contributions, totaling \$17,800.00, and that Respondents did so knowingly.

COUNT IV

Failure to timely and accurately report expenditures

25. Committees are required to report expenditures for each reporting period, including:

(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.

Failure to report direct expenditures

26. Pursuant to Section 130.041.1(7), RSMo, committees are required to report “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 reasonably among the candidates or ballot measure or both. In apportioning expenditures to each candidate or ballot measure, political party committees and continuing committees need not include expenditures for maintaining a permanent office, such as expenditures for salaries of regular staff, office facilities and equipment or other expenditures not designed to support or oppose any particular candidates or ballot measures[.]”

27. There is probable cause to believe that Respondents violated Sections 130.041.1(4)(d) and 130.041.1(7), RSMo, by failing to report nine monetary expenditures, totaling \$14,370.50, and failing to file Direct Expenditure Reports for three expenditures, and that Respondents did so knowingly.

COUNT V

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

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

29. “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.

30. “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.

31. There is probable cause to believe that Respondents violated Sections 130.036.1 and 130.036.8, RSMo, by failing to maintain the committee’s finance records 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 Stand Up Northland and Alexis Walter violated, and have knowingly violated, Sections 130.041.1(2), 130.041.1(5), 130.046.1, 130.046.5(2), 130.021.8, 130.046.3(2), and 130.046.7, 130.041.1(3), 130.041.1(4)(d) and 130.041.1(7), RSMo.

1. The Commission orders Respondents to accurately file all necessary campaign finance reports and statements.

2. The Missouri Ethics Commission further orders a fee be imposed against Respondents in the amount of \$35,170.00 pursuant to Section 105.961.4(6), RSMo. If any Respondent pays \$3,517.00 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 Respondents will be required to pay the remainder of the fee. The fee will be due immediately upon a final adjudication finding that Respondents committed such a violation.

4. Respondents shall be jointly and severally liable for all fees imposed under this Order.

SO ORDERED this 20 day of November, 2018.



Don Summers, Chair
MISSOURI ETHICS COMMISSION