

GOVERNMENT &amp; POLITICS    OCTOBER 20, 2015

# Ten Missouri megadonors drive largest political contributions

## HIGHLIGHTS

Of all large Missouri political contributions since 2011, a quarter have come from 10 individuals and groups

Topping the list, Rex Sinquefeld has donated \$22 million to Missouri candidates and committees since 2011

State lawmakers voted to abolish voter-approved campaign contribution limits in 2008





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JEFFERSON CITY — More than a quarter of all large campaign contributions in Missouri over the last five years were doled out by 10 individuals and groups, according to analysis by The Star of reports filed with the state ethics commission.

Sitting atop the list is Rex Sinquefield. The retired financier from St. Louis has since 2011 contributed \$22.1 million in large contributions — defined by state law as any donation greater than \$5,000.

That's three times as much as the second largest donor. It's also nearly as much as the next nine combined, a list that includes a payday-loan-funded nonprofit, a teachers union and the state's largest utility.

In the 2016 campaign cycle alone, Sinquefield has donated more than \$3 million to six Republican candidates seeking statewide office on the ballot next year.

The numbers paint a stark picture of the state of Missouri politics, where the cost of campaigning has risen dramatically since the General Assembly voted to abolish campaign contribution limits in 2008. Republicans are benefiting the most from the free-flowing campaign cash, but Democrats aren't shy about taking their share of five- and six-figure checks from big-spending donors.

From funding individual candidates to bankrolling ballot measures, wealthy individuals and interest groups have flexed their monetary muscle and changed the way politics function in the Show-Me State.

“Any objective analysis of campaigns would see that there is more money in politics and the checks are getting bigger,” said Mark Jones, political director for the Missouri National Education Association. “The voice of the regular person is being drowned out by this loud siren of money coming from this very select class of donors.”

To supporters of the no-limit system, however, large checks are a small price to pay for greater transparency.

Voters implemented campaign contribution limits in 1994. But in the years leading up to lawmakers voting to do away with them, big donors formed multiple committees to skirt the donation limits and funnel money to candidates. That made it difficult to track campaign cash.

“In a perfect world there would be contribution limits,” said Dave Spence, a St. Louis businessman and the Republican nominee for governor in 2012. “But the big donors would find a way around it. It’s discouraging, but that’s how a lot of the big donors feel. They’re going to get to the money to the candidates one way or another.”

Republican legislative leaders have been the biggest roadblocks to reinstalling donation limits, but even some Democrats have voiced concern.

Attorney General Chris Koster, the only Democrat currently running for governor and the front-runner in the race, has publicly expressed skepticism about donation caps.

“I have said before that if a contribution limit policy that can be effective can be drafted, I would be in favor of that, but Citizens United makes it difficult to draft such a policy,” Koster said late last year, citing the 2010 U.S. Supreme Court decision that essentially declared political spending is protected under the First Amendment,

The huge megadonors may not always get what they want, said Peverill Squire, professor of political science at the University of Missouri in Columbia. But “the issues they want to talk about get talked about.”

“Their priorities get debated and legislation gets proposed,” he said. “Rex Sinquefield hasn’t always gotten exactly what he wants, but his issues never get ignored.”

Sinquefield has proved over the years that he’s not afraid to fund seemingly endless fights over his pet causes — revamping the state’s education system and eliminating the Missouri income tax.

Lawmakers who don’t see things his way risk running into a buzz saw of Sinquefield money ready to rip them from office or watching his fortune go around them and directly to the statewide ballot.

And over the years, Sinquefield’s spending has gotten results, said Travis H. Brown, Sinquefield’s longtime adviser and spokesman.

“Last time I checked, Kansas City and St. Louis have to hold a referendum every five years on whether they want higher taxes because of Rex Sinquefield,” Brown said, referring to a Sinquefield-funded effort that forced the two cities to regularly place their earnings tax on the ballot.

Brown added: “And you have a Democratic governor who has more veto overrides than any other governor in the history of Missouri politics thanks to expanded conservative majorities in the legislature.”

Sinquefield has supported Democratic candidates in the past, including Koster and Mayor Francis Slay of St. Louis. But the vast majority of his campaign spending goes to Republicans and conservative causes.

He is essentially funding a slate of 2016 statewide Republican candidates. So far he has donated \$890,000 to gubernatorial hopeful Catherine Hanaway; \$1 million to lieutenant governor candidate Bev Randles; \$750,000 to attorney general candidate Kurt Schaefer; \$250,000 to treasurer candidate Eric Schmitt; \$100,000 to secretary of state candidate Will Kraus; and \$25,000 to Kraus’ rival for the nomination, Jay Ashcroft.

Sinquefield may have the deepest pockets in Missouri, but he’s hardly alone.

The next largest individual donor is Spence, although his total comes with an asterisk. A huge chunk of the \$6.7 million he’s spent in Missouri politics since 2011 went toward his unsuccessful gubernatorial campaign in 2012.

Spence, who had served as president of Alpha Packaging for 26 years before resigning to run for governor, said he spent the money because he was a first-time candidate who needed to get his name out to voters.

“I could have spent all my time getting people to contribute or I could be out there talking to voters,” he said.

He said Missouri’s no-limit system “is just not healthy. I’ve never demanded anything from candidates I’ve donated to. I don’t operate in the gray. But do I think some big contributions from donors come with strings attached? Yes. Absolutely they do. Donors want their agenda pushed.”

Next on the list is a Kansas City-based nonprofit called Missourians for Responsible Government. Since 2011, it has donated \$3.9 million, with almost all of that money going to a single political action committee set up to fight efforts to implement new regulations

on payday lending.

Because Missourians for Responsible Government is a nonprofit, it is not required to disclose where its money came from. However, QC Holdings Inc., a payday lender based in Overland Park that operates primarily under the Quik Cash name, reported to the U.S. Securities and Exchange Commission in 2012 that it spent “substantial amounts opposing the efforts” to place a payday lending initiative petition on the ballot.

Missourians for Responsible Government didn’t respond to a request for comment.

The next largest donor is a Joplin family.

David Humphreys, president and CEO of Joplin-based manufacturer Tamko Building Products Inc., his mother, Ethelmae Humphreys, and his sister Sarah Atkins have combined to donate nearly \$3.6 million to Republican candidates and conservative causes since 2011.

The largest chunk of the donations by far comes from David, including a \$500,000 check last month to a political action committee determined to oust from office any Republican lawmakers who refused to vote to override the governor’s veto of a bill targeting labor unions.

Last month the three combined to give \$500,000 to Republican candidate for attorney general Josh Hawley.

In a written statement to The Star, Humphreys said his family supports “individual liberty and responsibility, lower taxes, free markets and less restrictive government regulation of people and commerce.”

“We support politicians who appear to share a similar philosophy,” he said.

The next biggest donor stems from a 2012 campaign to raise the state’s cigarette tax, which at 17 cents a pack is the lowest in the nation.

The American Cancer Society, at the state and federal level, has spent \$3.3 million since 2011, most of that money on the 2012 campaign to raise the tax on tobacco products.

They were joined by the Health Care Foundation of Greater Kansas City, a nonprofit foundation that ranks ninth on the list of Missouri’s largest donors. The foundation has spent roughly \$1.5 million on Missouri campaigns since 2011, nearly all of it going in support of the tobacco tax increase.

“Our board of directors is passionate about tobacco prevention,” said Jennifer Sykes, the foundation’s spokeswoman. “If you really want people to stop smoking, research points to increasing the tobacco tax.”

On the other side of the 2012 ballot measure were two tobacco companies — Cheyenne International LLC of Grover, N.C., and Xcaliber International LLC of Pryor, Okla.

Since 2011, Cheyenne ranks 15th on the Missouri big-donor list, spending \$1.2 million, and Xcaliber ranks 20th, spending a little more than \$1 million.

The tobacco tax increase was narrowly defeated by voters.

The Association of Realtors is next on the list, with local, state and national chapters of the organization donating nearly \$2.8 million in large donations since 2011. Much of that money has gone to support Missourians for Fair Taxation, a political committee formed to fight Sinefield’s attempts to do away with the state’s income tax and replace it with a higher sales tax.

The committee says on its website that it plans to push for an amendment to the Missouri Constitution that would prohibit state and local governments from imposing any new sales tax or use tax on services.

Ameren Corp., the state-regulated utility company based in St. Louis, is next on the list, spending nearly \$1.8 million.

Over the years the company hasn’t shown much of a partisan preference. Last month, for example, it gave \$15,000 to both the Missouri Democratic Party and the Missouri Republican Party.

Next up are a pair of labor unions.

Local, state and federal branches of the National Education Association, a teachers union, combined to give nearly \$1.7 million since 2011.

Just behind them comes the combined total of local, state and federal branches of the Laborers’ International Union of North America, which totaled about \$1.4 million in donations.

In fact, several unions — including those representing firefighters, autoworkers and government employees — rank in the top 20, donating more than \$1 million to campaigns since 2011.

Pat Dujakovich, president of Greater Kansas City AFL-CIO, said that while organized labor can act as a counterbalance to massive donations from wealthy individuals and corporations, they shouldn't be painted with the same brush.

Unions contribute to campaigns in order to advance the interests of their members, Dujakovich said, as opposed to a "billionaire trying to advance his personal agenda."

"When a labor union makes a contribution, that's thousands of workers coming together to pool their money in order to write that check," Dujakovich said. "Maybe unions can come together to write a million dollars' worth of checks. Rex Sinquefield writes a million-dollar check."

In addition to labor unions and tobacco companies, the bottom half of the top 20 includes Stanley Herzog, owner of St. Joseph-based Herzog Contracting Corp., and the Missouri Hospital Association.

Several initiative petitions have been filed in recent years that would reinstall campaign contribution limits, although few have advanced very far. Missouri remains the only state with the combination of no donation caps, no limits on lobbyist gifts and no restrictions on lawmakers becoming lobbyists.

In a way, Missouri is a fascinating experiment in campaign ethics law, said the University of Missouri's Squire.

"Missouri," he said, "is sort of a political guinea pig."

*The Star's Robert A. Cronkleton contributed to this report.*

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## TOP 10 LARGE POLITICAL DONORS SINCE 2011 (DONATIONS OF LARGER THAN \$5,000)

1. **Rex Sinquefield**, retired financier from St. Louis: \$22.1 million
2. **David Spence**, St. Louis businessman and 2012 Republican gubernatorial nominee: \$6.7 million
3. **Missourians for Responsible Government**, Kansas City-based nonprofit: \$3.9 million
4. **David Humphreys, Ethelmae Humphreys and Sarah Humphreys Atkins**, founding family of Tamko Building Products Inc.: \$3.6 million

5. **American Cancer Society**, state and federal branches: \$3.3 million
6. **Association of Realtors**, local, state and federal branches: \$2.8 million
7. **Ameren Corp.**, Missouri's largest state-regulated utility: \$1.8 million
8. **National Education Association**, state and federal branches: \$1.7 million
9. **Health Care Foundation of Kansas City**, nonprofit that advocates to improve health care: \$1.5 million
10. **Laborers' International Union of North America**, local, state and federal branches: \$1.4 million

Source: Missouri Ethics Commission



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