

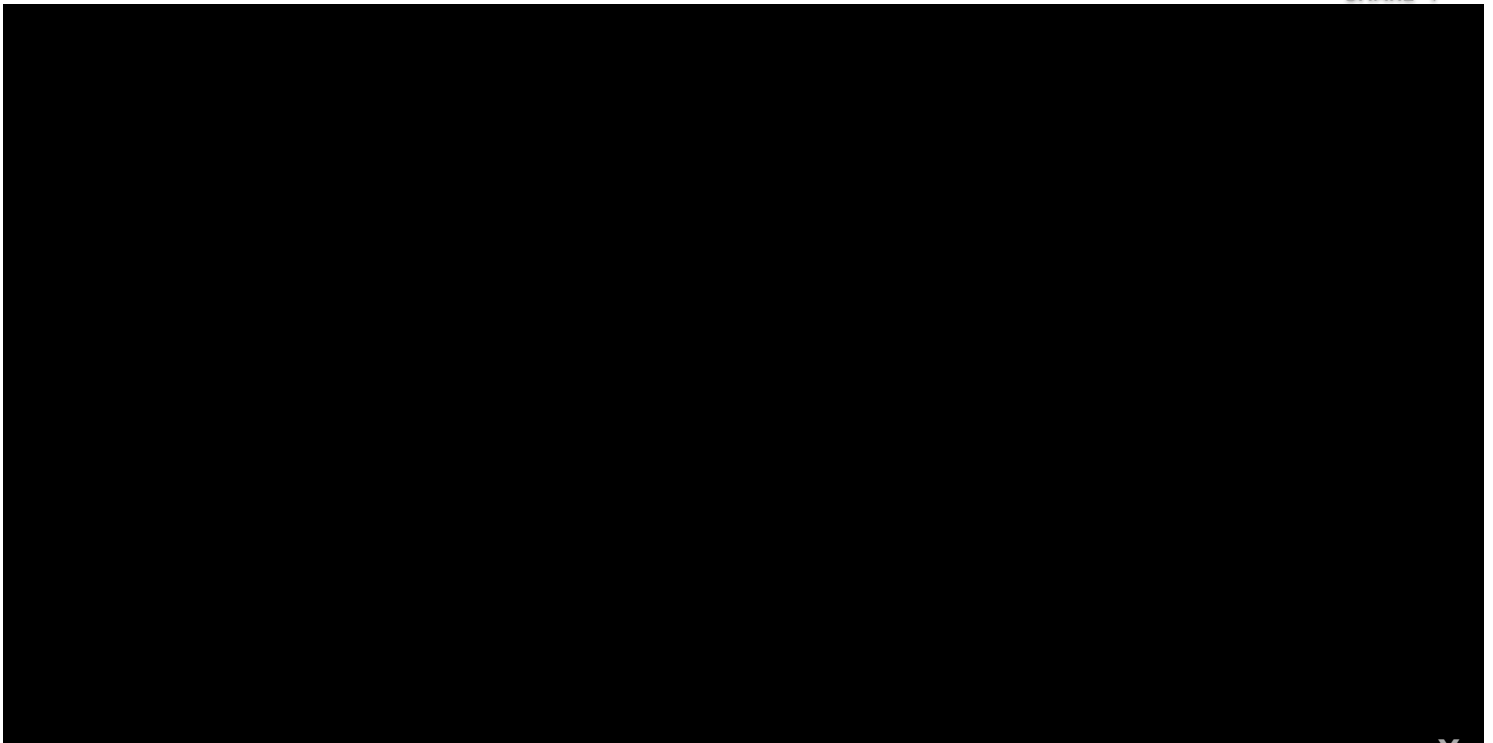
GOVERNMENT & POLITICS

Questions mount on list of charity donors at center of Greitens ethics fine

BY JASON HANCOCK

JHANCOCK@KCSTAR.COM

JUNE 13, 2017 04:56 PM

SHARE 

The Mission Continues, a charity formed by Missouri Gov. Eric Greitens before his election, would have l

By continuing to use this site, you give your consent to our use of cookies for analytics, personalization and ads. [Read more](#)



JEFFERSON CITY — Gov. Eric Greitens describes his recent run-in with the Missouri Ethics Commission as a minor campaign finance matter.

Greitens, a first-term Republican, agreed to [pay a \\$1,000 fine](#) in late April for failing to disclose that his campaign had obtained a list of donors to [The Mission Continues](#), a charity he founded in 2007.

But experts in laws governing tax-exempt organizations like The Mission Continues say the legal issues surrounding the donor list may not be so minor. In interviews with The Star, they said they see two possibilities:

- The Mission Continues gave its donor list to the governor’s campaign, violating a federal prohibition on charities engaging in political activity.
- Or the charity may have been the victim of a crime.

“If the charity gave the list to the campaign, then that’s a violation of their tax-exempt status,” said Lloyd Mayer, a professor at Notre Dame Law School. “If it was taken from the charity without its permission, then it was stolen. That could be a criminal offense.”

Laura L’Esperance, spokeswoman for The Mission Continues, told The Star previously that her organization did not provide the donor list to anyone in the Greitens campaign.

“It is our policy to not share, sell or rent our donor list to any external parties — including campaigns,” L’Esperance said, adding: “The Mission Continues did not supply the list to the Greitens campaign. I can’t speculate how the campaign obtained or developed the list.”

Michael Adams, a Washington, D.C.-based attorney representing Greitens’ campaign, said in an email to The Star that both the campaign and the ethics commission “thoroughly investigated facts relevant to this matter.”

After the fine was levied by the ethics commission, the governor’s campaign amended its 2015 campaign financial disclosure forms to include the charity’s donor list as a \$600 in-kind contribution from Danny Laub, who was listed as Greitens’ campaign manager at the time.

But Adams did not respond to The Star’s questions about how the campaign’s manager obtained the list in the first place.

Now the matter has drawn the attention of Greitens’ critics in the Missouri General Assembly.

On Monday, Sen. Jason Holsman, a Kansas City Democrat, filed a [resolution calling for the Senate to set up a special investigatory committee](#) to look into how the campaign acquired the donor list, among other issues.

The resolution was co-sponsored by Democratic Sen. Scott Sifton of St. Louis County and Republican Sens. Ryan Silvey of Kansas City, Bob Dixon of Springfield, Rob Schaaf of St. Joseph and Doug Libla of Poplar Bluff.

The controversy began last fall when [The Associated Press obtained an Excel spreadsheet](#) labeled “All donors \$1K total and up — as of 5-7-14.” It showed the names, email addresses and phone numbers of people who gave at least \$1,000 to The Mission Continues. X

The spreadsheet's properties showed it was created by an employee of The Mission Continues on May 6, 2014, shortly before Greitens stepped down as CEO. It was last saved 10 months later, on March 24, 2015, by a member of Greitens' gubernatorial exploratory committee.

Greitens denied using the charity's donor database for his campaign at the time, although an Associated Press analysis found he received nearly \$2 million from donors who previously had given significant amounts to The Mission Continues.

If The Mission Continues gave the list to the campaign, "the (Internal Revenue Service) would be within its right to revoke the charity's tax exemption," said John Colombo, a professor at the University of Illinois College of Law.

Philip Hackney, a law professor at Louisiana State University who previously worked for the IRS focusing on tax-exempt organizations, said it's unlikely the IRS would revoke a charity's tax status if it's a first-time violation. But there could still be other penalties, such as being forced to pay taxes on the value of the list.

With The Mission Continues insisting it did not and would not provide its donors to any outside entity, the other potential explanation would be that it was given to the campaign without permission, said Bruce Hopkins, a Kansas City-based attorney who practices nonprofit law and is a professor at the University of Kansas School of Law.

"That would be a theft of property and could be prosecuted as a misdemeanor or a felony, depending on the value," he said.

Stealing is a [misdemeanor in Missouri if the value of the property](#) is less than \$750.

The \$600 estimate of the donor list's fair market value was made with the assistance of an independent professional list broker, Adams said, "whose opinion was satisfactory to the (Missouri Ethics) Commission."

Greitens' senior adviser said after the fine was levied that the donor list wouldn't be as valuable in the hands of anyone besides Greitens because he had built a relationship with the donors over the years.

Hopkins said that value "seems awfully low for a list that throws up millions of dollars a year."

"I'm not an expert on this," Hopkins said, "but my gut tells me that's a really low number and the list would be worth more than that."

The Mission Continues raised \$10.8 million in 2014 and \$8.4 million in 2015, according to paperwork filed with the IRS.

Eric Gorovitz, a San Francisco-based attorney who specializes in advising tax-exempt organizations, said The Mission Continues' [directors](#) have an obligation to investigate what happened if it appears that the charity's resources were used for improper purposes, including partisan political activity.

"If they have reason to believe something went wrong," he said, "they have a duty to understand what happened and prevent it from happening again."

The Mission Continues did not respond to a request for comment by The Star on whether the group thinks its donor list was stolen or whether it took any action upon learning the Greitens campaign had the list.

The state attorney general's office enforces Missouri laws regarding charities. A spokeswoman for Attorney General Josh Hawley declined to comment on the issue.

X

This isn't the first time Greitens' tenure with The Mission Continues has drawn scrutiny.

Greitens' Democratic opponent last year, Chris Koster, [publicly questioned the size of Greitens' salary](#) while he ran the charity. Greitens was paid a total of \$150,000 from mid-2009 through 2010. His salary increased to \$175,000 in 2011, where it remained until he stepped down as CEO in 2014.

Koster also criticized \$600,000 in payments The Mission Continues made to the St. Louis-based public relations firm FleishmanHillard in 2013 and 2014, arguing the spending was designed to bolster Greitens' eventual political campaign by raising his profile around the state. Greitens' spokesman said at the time that the spending was part of a rebranding of The Mission Continues, as well as marketing and outreach efforts.

Jason Hancock: [573-634-3565](tel:573-634-3565), [@J_Hancock](#)

Comments

0 Comments

Sort by Newest



Add a comment...

Facebook Comments Plugin

VIDEOS

