

# Missouri's Poli-ticks: A Who's Who of Government Bloodsuckers

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In part one, we explore the dark underbelly of state politics. Judges, legislators and executive departments go under scrutiny for waste, abuse of power and fraud. It's a section we like to call:

## State of Corruption

In the first issue, we'll take a look at three of our elected executives – Governor Nixon, Lieutenant Governor Kinder, and Attorney General Koster.

### Living the High Life

#### The Story of **Jeremiah (Jay) W. Nixon**, Governor

**Time in Office:** January 1<sup>st</sup>, 2009 to present

**The Charges:** Abuse of Office, Misuse of Funds

**The Accusers:** State Auditor Schweich and Deputy State Auditor Otto, various news agencies

#### **Overview:**

From the very beginning, Nixon has abused his office to allow federal policy to trump state interests.

The first scandal began in 2009 with a federally-written report, signed off by Governor Nixon and secretly distributed among state police agencies. The report profiled “constitutionalists”, supporters of third parties, Ron Paul or gun rights, pro-life believers, and opponents of taxes among many others as possible “militia terrorists”. Two Libertarian highway patrol officers leaked the report.

The Governor went even further in 2011. Under Bush, and continued under Obama, the federal government created a national form of ID, approved by Congress as the “Real ID Act”. Missouri is one of many states that has refused to participate, making the Real ID Act illegal. Nixon's office ordered driver's license bureaus to copy birth certificates in order to be Real ID compliant anyway.

Nixon also broke laws to siphon money for himself and his office. In 2012, State Auditor Schweich criticized the Governor for illegally withholding funds from the state budget while stealing money from other departments to fund his mansion and office. Nixon's withholdings made news in 2015, when a group of children from Kansas City travelled to the capitol to make a personal appeal to the

Governor for their library, and were instead forcibly removed from the building by his bodyguards.

The biggest money scandal, however, cropped up in a 2013 report by the State Auditor. It involved a plane.

A very, very nice plane.

The Highway Patrol paid \$5.6 million to a Wichita-based manufacturer for a King Air 250 airplane. The plane's brochure states that it has "generous head and shoulder room... Spacious club seating with integrated work tables allows you to get down to business or simply relax and dine with friends." Governor Nixon's office approved the purchase, even though it was not open to competitive bidding.

The plane was supposedly for use by all state departments, but Governor Nixon's office staff used the plane exclusively for themselves during the King Air 250's first three months of operation. Nixon personally used the airplane 21 times between mid-January and mid-March of 2013 at a cost of \$48,000.

What's more, an audit revealed that the extra plane was completely unneeded, since the state already had five planes which were being under-used. For 113 days in the year 2012, none of those planes were in the air. At no time were all five planes in use.

The only reason to buy the plane, it seems, is because it was more comfortable than the Highway Patrol's older plane, a King Air 90C.

After Schweich's death, Deputy Auditor Otto reviewed the Governor's office in 2015 and found that Nixon was continuing to live the high life. Among the audit's findings:

- In 2011, Nixon, his family, and four office workers charged the state for a one-day float trip that cost \$1,300.
- In 2012, Nixon and 15 others went on an "office retreat" to Montauk State Park for 3 days that cost the state more than \$2,500.
- From 2011 to 2014, Nixon's office racked up an \$85,000 bill for 12 out-of-state trips by plane, mostly to conventions.
- Nixon's Mansion Executive Director had his 2014 salary paid by money taken from 14 other departments, including the Department of Agriculture and Department of Higher Education.
- During the last three years, Nixon charged over \$170,000 *per year* to the Department of Social Services, the Department of Health and Senior Services, and the Department of Economic Development to pay for his *membership dues* to the National Governors Association and Southern Governors' Association.

Yet Nixon withheld over \$400 million from the state budget that year, which included school and library funds, claiming that money was tight.

One can only wonder why.

### **The Aftermath:**

The notorious “militia” profiling report became public on the same day that Nixon and the U.S. Secretary of Homeland Security were giving speeches together at a conference in Kansas City. Nixon immediately defended the report and the “fusion” center that produced it. However it was soon withdrawn from circulation. Nixon later claimed that it was approved without his knowledge of the contents.

In recognition of Nixon’s support for federal “fusion” centers that profile Missourians, President Obama appointed Nixon to his newly-created Council of Governors in 2010. As part of the Council, Nixon advises the President on matters of domestic terrorism.

Nixon’s office was investigated by a House committee in mid-2013 for requiring the Department of Revenue to comply with the Real ID Act. His office was scolded, and compliance was stopped. Nixon claimed that his employees acted without his knowledge.

Schweich sued Nixon over illegally withholding funds in 2012. The Missouri Supreme Court refused to hear the case. In 2014, the General Assembly put an amendment up for public vote to limit the Governor’s power to withhold funds. The amendment passed.

Although the children from Kansas City never saw the Governor, he did eventually reinstate funding for their library.

The Senate Appropriations Committee railed against Nixon’s purchase approval and use of the Air King 250, but did little else.

A 2015 audit by Deputy Auditor Otto revealed that the Governor continued to use other departments’ money for himself, to the point that his office and mansion overspent their budget by at least \$1.9 million and then short-changed other departments. The Governor remains largely silent on the issue.

He did claim that his state-funded \$1,300 family float trip was meant to promote Missouri tourism.

## Playboy Cries Poor The Story of **Peter Kinder**, Lieutenant Governor

**Time in Office:** January 1<sup>st</sup>, 2005 to present

**The Charges:** Goofing Off on the Public Dime

**The Accusers:** The Post-Dispatch

### **Overview:**

On a cold winter day in late February, Peter Kinder told his fellow Republicans in the state legislature that he was going broke. “Gradual impoverishment” is the phrase he used to describe the distress of maintaining a \$186,000 home in Cape Girardeau as well as a home in Jefferson City, all on a supposedly meager \$86,000 salary.

After ten years as Lieutenant Governor, Mr. Kinder wanted a bonus.

Specifically, he was asking for the same perks that legislators get: \$103 a day. The difference was that he wanted the perks all year round, while legislators only get them for the five months that they are in session. Depending on how the stipend was awarded, Kinder would get a pay raise between \$10,000 - \$30,000 a year.

That would put his pay at over *double* the amount that an average Missouri *household* earns in a year; *three* times the average pay of first-year teachers; and nearly *four* times the average pay of state workers.

I wonder if Mr. Kinder truly understands the word “impoverishment”. Or the word “greedy”. Or “gall”.

If you were wondering, Peter Kinder isn’t married. He has no children. His \$86,000 salary is for himself.

That doesn’t count the meals and gifts he gets from lobbyists. Nor does it count the perks of billing the state for “job-related” expenses. Like any good executive, Kinder has made ample use of his vaguely-defined responsibilities and powers for the sake of personal gain and comfort.

In 2011, the Post-Dispatch published an attack article exposing Kinder’s travel habits. Apparently, he’d been charging the state to eat at exclusive restaurants and stay in St. Louis’ best hotels for 100 days out the year over the last three years. The bill was at least \$35,050.

The reasons for Kinder’s travels were even more distressing – not matters of state, but speaking at events hosted by his campaign contributors, attending concerts, sports games and society balls, giving radio interviews, and cutting ribbons at receptions. In other words, he was trying to be popular while having a good time, and then putting it on the state’s tab.

This, from a man who campaigned in 2004 with the slogan “Every Dollar Counts”.

**The Aftermath:**

Shortly after the Post-Dispatch article was published, Kinder – who harbored aspirations to be governor – refunded \$53,792 to the state for lodging and meals, as calculated by the State Auditor’s office.

Kinder’s request for a housing and meal allowance is still under consideration by the Senate Appropriations Committee.

Peter Kinder has announced that he is campaigning for the Republican nomination for governor in 2016.

## Justice for Sale The Story of **Chris Koster**, Attorney General

**Time in Office:** January 1<sup>st</sup>, 2009 to present

**The Charges:** Graft, Accepting Corporate Bribes

**The Accusers:** State Auditor Schweich, The New York Times

### **Overview:**

The Attorney General's Office is often just a rung on the ladder of a political climb. Jay Nixon, for instance, was the Attorney General before being elected Governor. Chris Koster, the current Attorney General, says that the office is a "political title" for "the corporation of Missouri". It comes as no surprise, therefore, that Koster has chosen to run for Governor in the upcoming 2016 election.

What does surprise, however, is how openly Mr. Koster has been accepting bribes from corporations under investigation by his office, in the form of gifts and campaign donations.

The first real hint of Koster's corrupt regime came in 2012, when State Auditor Schweich published a report upon the Attorney General's Office. The audit cited the highly dubious practice of awarding investigative legal work to firms that had donated to his campaign. During 2011, Koster's campaign contributions totaled \$170,000 from 13 of the 28 firms (46%) who submitted bids to his office for work.

The big unmasking, however, came with a lengthy New York Times article in October of 2014. Mr. Koster, alongside Florida's Attorney General, Ms. Bondi, were singled out as some of the most corrupt prosecutors in the country.

Corporations such as the drink manufacturer 5-Hour Energy, pharmaceutical giant Pfizer, and telecommunications icon AT&T were all in trouble in Missouri. Through their hired lawyers, these corporations contributed over \$50,000 to Koster's campaign, and over \$300,000 to the Democratic Attorneys General Association (DAGA), which, in turn, has paid \$1.4 million to Koster's campaigns.

Pfizer, under litigation by Missouri, invited Koster to be a keynote speaker at a Chicago breakfast meeting. Koster accepted, and five days before speaking, he handed Pfizer a gift in the form of a bargain-basement \$750,000 settlement deal. Pfizer executives were pleased – as well they should be, since Oregon, pursuing similar litigation, won a \$3.4 million settlement.

AT&T, under fire by multiple states for its billing practices, pleaded its case during Koster's stay at a plush DAGA conference in Santa Monica, California. They were rewarded soon afterward, when Koster threatened to pull Missouri out of the multi-state lawsuit and proposed that the matter be settled without litigation.

The investigation of 5-Hour Energy was started by Koster's staff on their own initiative. Koster ended it the instant a 5-Hour Energy lawyer told him about it, who also happened to be at the Santa Monica DAGA conference. A month later, Koster required all of his personnel to get clearance from him before pursuing any public corporation or company with more than 10 employees.

Koster said he got the idea for the policy from a senior executive in the U.S. Chamber of Commerce.

### **The Aftermath:**

Shortly after Schweich's audit in 2012, Koster stopped political contributors from being on the short list for getting contracts from his office.

In November 2014, in response to the New York Times article, Chris Koster made a public promise to "avoid even the appearance of conflict of interest" by no longer accepting contributions from a company within a 90-day period of investigating or suing the company.

In April 2015, Deputy Otto performed an audit of the Attorney General's Office. It found that Koster had not instituted his promise in a formal policy, and that travel expenses for staff appeared excessive.

Koster bristled at both contentions, denying that his office had acted improperly.

Meanwhile, Koster's campaign funds have been flourishing. He currently has over \$5 million, far more than all of the current Republican candidates for governor combined.