



Written by [Daniel Sayani](#) on March 25, 2011

Democrat Senator Caught in Tax Evasion Scandal

Missouri Democratic Sen. Claire McCaskill admitted Monday that she had failed to pay about \$287,000 in back taxes and will sell a private plane that has created considerable controversy as she prepares to run for a second term in 2012.

“I have convinced my husband to sell the damn plane,” McCaskill told reporters on a conference call Monday afternoon. “I will not be setting foot on the plane ever again.”

McCaskill and her husband, Joe Shepard, co-own the eight-seat, two-engine plane with other investors. They bought it in July of 2006 through Sunset Cove Associates, an LLC her husband incorporated in 2002.



The tax revelations are the only the latest problem for McCaskill involving the plane, however. [Politico reports](#) that McCaskill has been involved in numerous other scandals. While being an advocate in the Senate for oversight and transparency for congressional travel, introducing a reform bill that cracks down on overseas travel for lawmakers, she hypocritically has run up massive taxpayer-funded tabs for congressional travel.

She has spent nearly \$76,000 in taxpayer funds since 2007 on the plane, and has flown at least 89 times in the plane, according to records obtained from the Missouri Secretary of State’s Office. All of those flights were paid for from McCaskill’s Senate office budget, raising questions about whether the first-term senator and her husband are using public dollars to partially subsidize their aircraft.

A McCaskill aide said Wednesday that the senator — while stating that the all the flights were legal, in accordance with Senate ethics rules and actually cheaper than other travel options — will send a check worth more than \$88,000 to the Treasury Department to cover all costs associated with the flights.

In a statement, McCaskill spokeswoman [Maria Speiser](#) insisted the senator had not violated any laws or Senate rules, and that neither she nor her family have personally profited from using the charter plane for official Senate business.

There does not appear to be any specific rule covering use of a personal aircraft for official business, although lawmakers and staffers are reimbursed for such activities for their own cars.

“Sen. McCaskill has been very careful flying on taxpayer dollars. She has averaged a fraction of the cost of chartered air travel in Missouri compared to” former Missouri GOP Sens. Kit Bond and Jim Talent, Speiser told Politico. “She has only paid for the use of her plane as required by the Senate rules, and there has been no profit to her or her family. She’s glad there’s transparency — that’s why people can see this information.”

Marc Elias, a government ethics and campaign finance attorney who represents McCaskill, said Senate ethics rules and campaign finance laws permit lawmakers to use an airplane that they or their family



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own for official business.

“It’s not unique, and it’s not uncommon,” said Elias, a partner at Perkins Coie in Washington.

McCaskill’s spokeswoman admitted that appearance was a factor in her decision to reimburse the government. “She understands that the optics of the bigger picture may not seem as cut and dry, so she’s more than happy to address that concern as well.”

The problem, however, is that McCaskill didn’t use the funds for justified purposes in executing the terms of her office as senator. Instead, she used taxpayer funds to narrow her own interests as a Democratic politician.

On Saturday, March 3, 2007 she flew from St. Louis to Hannibal, MO, and back, for the local Democratic Party’s annual Hannibal Days. Her speech at the event, a recollection of the dying former Senator Tom Eagleton, was reported in the local press. And she billed taxpayers \$1,220.44 for the travel, according to the public records.

McCaskill [said](#) that after she discovered the political trip on the plane she conducted an extensive audit of all the times she used it. That search turned up the fact that she had not paid personal property taxes on the aircraft totaling \$287,273. (Not all states charge these taxes, and because planes are not registered with the state or the county, she was never billed.) The senator said she understood that Missourians would be confused about how this happened, but insisted it was an honest mistake. “I’m being held accountable, like I should be,” she said. “I made this mistake.”

Republicans have already been hammering McCaskill ahead of what certainly will be a grueling reelection campaign in 2012. Public Policy Polling released a poll this week showing McCaskill narrowly leading her potential Republican challengers, despite the state’s dissatisfaction with the Democratic Party and its fiscal and social liberalism.

McCaskill is considered one of the most vulnerable incumbent Democrat. Despite efforts to brand herself a deficit-conscious moderate, her record indicates that she is a rank-and-file liberal, having assiduously promoted ObamaCare (she even nastily attacked her constituents at a town hall meeting in 2009), environmentalism, and a host of unconstitutional, big-government spending, and government regulations. Her efforts to claim that she is a [“Blue Dog Democrat”](#) are futile and serve as a mere political cover used to attract votes in a right-leaning state such as Missouri.

McCaskill is among the wealthiest lawmakers on Capitol Hill, mainly through the holdings of her husband, real-estate investor Shepard, whom she married in 2002. The couple were worth at minimum \$15.5 million in 2009, with the bulk of that coming from dozens of small, “affordable-housing” companies that Shepard owns, according to her most recent financial disclosure reports.

The couple’s net worth could be far higher, however, since disclosure forms allow provide a wide range of possible value for their assets.

State Republicans already have a response to McCaskill’s [apology](#): Too little, too late.

“In the past two weeks, we have learned that Claire McCaskill billed taxpayers for political travel and failed to pay nearly \$300,000 in personal property taxes on her plane,” Missouri Republican party chair David Cole said in a statement. “These actions are unacceptable evasions of the law by McCaskill, who brags about her background as an auditor, lawyer, and self-described government watchdog.”

As with all scandals involving politicians who pillory the taxpayer funds of the people they represent for their own selfish purposes, the belief that the hard-earned money of the American people is fair-game



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for government power grabs is fundamental- without respect for taxpayer funds when legislating, a politician is sure to translate this fiscal recklessness into contemptible activity such as that observed with Sen. McCaskill.

In May 2008, she chartered the Sunset Cove plane for a one-way trip from Washington, D.C., to St. Louis, at a cost of \$1,182. A similar commercial flight on Expedia.com ranges from \$154 to \$645 with advanced purchase.

In a financial disclosure report filed in January 2006, then-candidate McCaskill valued her family's interest in Sunset Cove Associates at between \$50,000 and \$100,000, though she stated she made at most \$200 in income from it.

On Thursday, the nonpartisan Cook Political Report re-categorized McCaskill's reelection race from "lean Democrat" to "tossup."

The airplane brouhaha "definitely makes things a heck of a lot harder for her," says Jennifer Duffy, the Senate-watcher for Cook. "The biggest problem for her to overcome here is that it so undercuts the senator and the candidate she's tried to be. From every angle, the optics are bad."



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