

## SHOWING ANIMALS RESPECT AND KINDNESS

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Oklahoma Tax Commission  
2501 North Lincoln Boulevard  
Oklahoma City, OK 73194

August 31, 2015

Please consider this an official complaint for potential failure to pay substantial sales taxes involving Michael Daugherty of Anadarko OK, and United States Senator James Inhofe.

In 2013 and 2014, Senator Inhofe held political fundraisers in Oklahoma where live pigeon shoots were held. Senator Inhofe, through two of his Political Action Committee's (PAC's), paid Mr. Daugherty a total of \$10,000 for pigeons used in those shoots.

Pigeon shoots are notorious for their black market commerce where no taxes are paid, and based on the exact dollar amounts paid to Mr. Daugherty (\$3,000 in 2013 and \$7,000 in 2014) it is highly likely that no sales tax was paid. In other words, this appears to have been a very much cash under the table operation. **If so, then both Mr. Daugherty and Senator Inhofe have engaged in a conspiracy to defraud the State of Oklahoma by deliberately not paying sales tax (and in Mr. Daugherty's case, potentially income tax derived from the sale of the birds).**

From what we have discovered, Mr. Daugherty purchased the pigeons used for the Inhofe political fundraiser in Kansas, brought them into Oklahoma and then sold them to the Inhofe campaign. This is important because it means that Mr. Daugherty was acting as a broker and not raising the birds himself. Our information comes from a Facebook post on 9/2/14 made by Mr. Daugherty where he states that he was going to Kansas to "...get pigeons from the Amish for a pigeon shoot." **The Inhofe pigeon shoot was held on 9/5/14, just three days later.**

From Mr. Daugherty's Facebook page: <https://www.facebook.com/michael.daugherty.92317>

 **Michael Daugherty**  
MACY coming in after dove Hunting..  
Share · September 1

Album: Mobile Uploads  
Shared with:  Public

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 32 people like this.

 **Stephen Green** Any birds?  
September 1 at 11:44pm ·  1

 **Dwayne Daugherty** did she get any? Next year yall need to come hunt with us!!!! We limited out and shot a lot of shells. I shot my limit with one box it took Evan three boxes.  
September 2 at 11:39am ·  1

 **Michael Daugherty** She only seen 4 an got one. She cleand it an its crow was full of wheat an milo.. We would have came up an went hunting with you guys but i had to go to Kans yesterday an get pigeons from the Amish for a pigeon shoot..Dwayne Daugherty  
September 2 at 11:53am

 **Dwayne Daugherty** sounds like fun and you will have to plan to come next year. It was a lot of fun. We were about two miles from Kansas north of Vanita Ok.  
September 2 at 11:55am ·  1

 **Michael Daugherty** Macy realy wondt to go up an hunt with you guys We will make plans to make it next time..If yall go on any other hunts this yr let us no..we will come hang out..  
September 2 at 12:07pm

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Open Photo Viewer  
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Embed Post  
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It should also be noted that Mr. Daugherty has a history of illegal dealings involving birds. In 2006, he was caught participating in an illegal cockfight (<http://newsok.com/former-deputy-named-in-cockfighting-case/article/2825582>), and in this legal brief, it states what he plead guilty to:

<https://turtletalk.files.wordpress.com/2008/01/us-brief-gachot.pdf>

*"Co-defendant Daugherty entered a guilty plea to Count Three of the Indictment charging the misdemeanor offense of Sponsoring or Exhibiting an Animal in an Animal Fighting Venture, in violation of 7 U.S.C. §2156. (Doc. 85-86)"*

**It is therefore very possible that Senator Inhofe knew he was dealing with someone with a criminal background and did so to avoid having to pay proper taxes on the birds he was purchasing.**

On August 25th, 2015, we wrote to the your agency to see if financial transactions involving the sale of pigeons was taxable. This was your response:

*"The sale of live animals are sales taxable, unless specifically exempt."*

The exemptions listed that might possibly apply were as follows:

710:65-19-7. *Animals and animal related, non-farm*

(a) *Sales of animals to a person who holds a valid sales tax permit and who is regularly engaged in raising animals for sale are exempt from sales tax. Purchases made by persons primarily engaged in raising animals for any other purpose or use other than raising animals for sale are subject to sales tax.*

(d) *Sales of animals that are not defined as "livestock" by Section 710:65-13-15 are subject to tax if the purchaser is not the holder of a valid sales tax permit who is regularly engaged in the business of raising the animals for marketing or reselling the animals.*

g) *Sales of animals or items exempted by this section will qualify for exemption only where the purchaser certifies in writing on a copy of each invoice or sales ticket that "(The Purchaser) is regularly engaged in the business of raising animal life for marketing and that the items purchased exempt from sales tax will be used only in that business."* [Source: Amended at 11 Ok Reg 3521, eff 6-26-94; Amended at 15 Ok Reg 2827, eff 6-25-98; Amended at 17 Ok Reg 2708, eff 6-25-00]

The purchaser in this case, "Friends of Jim Inhofe" and the "Inhofe Victory Committee 2014" are PACs and clearly not "*regularly engaged in the business of raising the animals for marketing or reselling the animals,*" or are "*...regularly engaged in the business of raising animal life for marketing.*" **Therefore, they absolutely should have paid sales tax and it was their responsibility to do it. Senator Inhofe, as a long time lawmaker, simply cannot plead ignorance to his responsibilities to pay his proper taxes.**

We must also note that Senator Inhofe has planned another pigeon shoot for 9/11/15. If Mr. Daugherty is once again procuring pigeons for Senator Inhofe, then they may be defrauding the state of sales tax in 2015, as they had for the previous two years.

Based on the information we have provided, we request a full investigation into the practices of both Senator Inhofe and Mr. Daugherty.

Sincerely,

Steve Hindi  
President, SHowing Animals Respect and Kindness

**Details of the payments:**

The first payment that we discovered to Mr. Daugherty totaled \$3,000. The payment was made on 9/06/13 by the "Friends of Jim Inhofe" Political Action Committee, and was found in their report filed on 10/15/13 on the Federal Election Commission website (<http://www.fec.gov/>). The page containing the payment is in this email. The PDF of the entire report can be sent upon request.

**SCHEDULE B (FEC Form 3)  
ITEMIZED DISBURSEMENTS**

Use separate schedule(s)  
for each category of the  
Detailed Summary Page

FOR LINE NUMBER: PAGE 438 OF 446  
(check only one)

<input checked="" type="checkbox"/> 17	<input type="checkbox"/> 18	<input type="checkbox"/> 19a	<input type="checkbox"/> 19b
<input type="checkbox"/> 20a	<input type="checkbox"/> 20b	<input type="checkbox"/> 20c	<input type="checkbox"/> 21

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)  
**Friends of Jim Inhofe**

Full Name (Last, First, Middle Initial) <b>A. Michael Lee</b>		Date of Disbursement M M / D D / Y Y Y Y 08 / 16 / 2013
Mailing Address 2340 NW 157th Street		Amount of Each Disbursement this Period \$ 204.99 <b>Transaction ID : SB17-EX11153</b>
City Edmond	State OK	
Purpose of Disbursement Mileage Reimbursement		001
Candidate Name		Category/ Type
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: 2014 <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) Primary 2014	Mileage Reimbursement
State:	District:	

Full Name (Last, First, Middle Initial) <b>B. Michael Daugherty</b>		Date of Disbursement M M / D D / Y Y Y Y 09 / 06 / 2013
Mailing Address Rt 1 Box 181-B		Amount of Each Disbursement this Period \$ 3000.00 <b>Transaction ID : SB17-EX11353</b>
City Anadarko	State OK	
Purpose of Disbursement Event Expense: Supplies		001
Candidate Name		Category/ Type
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: 2014 <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) Primary 2014	Event Expense: Supplies
State:	District:	

Full Name (Last, First, Middle Initial) <b>C. Lauren Rahill</b>		Date of Disbursement M M / D D / Y Y Y Y 09 / 06 / 2013
Mailing Address 2719 NW 68th St		Amount of Each Disbursement this Period \$ 378.62 <b>Transaction ID : SB17-EX11354</b>
City Oklahoma City	State OK	
Purpose of Disbursement Reimbursement: See Below		001
Candidate Name		Category/ Type
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: 2014 <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) Primary 2014	Reimbursement: See Below
State:	District:	

<b>SUBTOTAL</b> of Disbursements This Page (optional) .....	3583.61
<b>TOTAL</b> This Period (last page this line number only) .....	

1  
2  
3  
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The second payment that we discovered to Mr. Daugherty was for \$7,000. The payment was made on 9/06/13 by the "Inhofe Victory Committee 2014" Political Action Committee, and was found in their report filed on 10/15/14 on the Federal Election Commission website (<http://www.fec.gov/>). The page containing the payment is in this email. The PDF of the entire report can be sent upon request.

**• You will see in the 2014 campaign finance record that it specifically states that Mr. Daugherty was paid for "birds."**

**SCHEDULE B (FEC Form 3X)  
ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE 28 OF 38
	<input checked="" type="checkbox"/> 21b <input type="checkbox"/> 22 <input type="checkbox"/> 23 <input type="checkbox"/> 24 <input type="checkbox"/> 25 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b	

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NAME OF COMMITTEE (In Full)  
**Inhofe Victory Committee 2014**

Full Name (Last, First, Middle Initial) <b>A. Michael Daugherty</b>		Date of Disbursement MM / DD / YYYY 09 / 03 / 2014
Mailing Address CR1310 19162		<b>Transaction ID : SB21B.4230</b>
City Anadarko	State OK	
Purpose of Disbursement Event Supplies/Birds	Zip Code 73005	Amount of Each Disbursement this Period 7000.00
Candidate Name	Category/Type	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
State:                  District:		

Full Name (Last, First, Middle Initial) <b>B. Eureka Water Company</b>		Date of Disbursement MM / DD / YYYY 08 / 27 / 2014
Mailing Address 729 SW 3rd St		<b>Transaction ID : SB21B.4309</b>
City Oklahoma City	State OK	
Purpose of Disbursement Event Supplies/Beverages	Zip Code 73109	Amount of Each Disbursement this Period 243.84
Candidate Name	Category/Type	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
State:                  District:		

Full Name (Last, First, Middle Initial) <b>C. Clay Farrington</b>		Date of Disbursement MM / DD / YYYY 09 / 19 / 2014
Mailing Address 309 N Washington		<b>Transaction ID : SB21B.4240</b>
City Hobart	State OK	
Purpose of Disbursement Event Expense/Security	Zip Code 73651	Amount of Each Disbursement this Period 300.00
Candidate Name	Category/Type	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
State:                  District:		

<b>SUBTOTAL</b> of Disbursements This Page (optional).....▶	7543.84
<b>TOTAL</b> This Period (last page this line number only).....▶	