

# TEXAS ETHICS COMMISSION

**IN THE MATTER OF**  
**BART C. STANDLEY,**  
**RESPONDENT**

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**BEFORE THE**  
**TEXAS ETHICS COMMISSION**  
**SC-970419, SC-970419A,**  
**SC-970419B, and SC-970419C,**

## **ORDER and AGREED RESOLUTION**

### **I. Recitals**

The Texas Ethics Commission (the commission) met on January 14, 2000, to consider Sworn Complaints SC-970419, SC-970419A, SC-970419B, and SC-970419C filed against Bart C. Standley, Respondent. A quorum of the commission was present.

The commission voted to accept jurisdiction of the complaint, but to refuse jurisdiction of the allegations regarding the reports filed before April 11, 1995.

Based on the investigation conducted by commission staff, the commission determined that there is credible evidence of violations of Sections 252.003, 253.037, and 254.161, Election Code, and Section 20.413, Ethics Commission Rules, laws and a rule administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposes this agreed resolution to the respondent.

### **II. Allegations**

Four complainants filed identical complaints against the respondent in his capacity as campaign treasurer for Conservative Republicans of Harris County, a general-purpose committee. In this order, “complainant” refers to all four complainants.

The complainant alleges that the respondent violated Title 15, Election Code, by:

1. making political contributions and expenditures in the name of or on behalf of another without making the proper disclosure;
2. knowingly accepting political contributions that he knew to have been made in violation of the Election Code;
3. failing to list on the original or amended campaign treasurer appointment each general-purpose committee to whom the committee intended to make political contributions;

4. making a political contribution to a general-purpose committee not listed on the campaign treasurer appointment of the respondent's committee;
5. failing to report political contributions and political expenditures;
6. failing to include the required political advertising disclosure statement on political advertising;
7. failing to identify the candidates or officeholders supported or assisted by the committee and failing to disclose the principal occupation of contributors;
8. failing to give written notice to candidates and officeholders of political contributions or political expenditures made on their behalf;
9. entering into a contract or agreement for political advertising that purports to emanate from a source other than its true source; and
10. using corporate funds to support political candidates.

### **III. Facts Supported by Credible Evidence**

Credible evidence available to the commission supports the following findings of fact:

1. Commission records show that on May 31, 1994, Conservative Republicans of Harris County ("CRHC") filed a campaign treasurer appointment as a general-purpose committee with the commission and named the respondent as the campaign treasurer.
2. Commission records show that the respondent, as campaign treasurer of CRHC, filed the committee's July 1994 semiannual report one day late, 30-day before election report for the 1994 general election two days late, January 1995 semiannual report 15 days late, and corrected runoff report for the 1998 primary election three days late. Commission records also show that the commission imposed late fines totaling \$600 for the late reports and that the fines have been paid.
3. In support of Allegation Nos. 1 and 2, the complainant submitted copies of CRHC's 8-day before election and runoff reports for the 1996 primary election, and CRHC's July 1996 semiannual report. Those reports show that CRHC accepted contributions totaling \$92,100 from the Committee for a Well-Qualified Judiciary, a specific-purpose committee. The Committee for a Well-Qualified Judiciary accepted contributions totaling \$104,600 from candidates and officeholders and then contributed that exact amount to CRHC and to Citizens for American Restoration, P.A.C., a general-purpose committee, in the same reporting period in which they were accepted. The complainant also submitted a chart showing numerous instances in which the Committee for a Well-Qualified Judiciary accepted a contribution from a judicial candidate and, on the same day, contributed the exact amount of that contribution to either CRHC or Citizens for American Restoration, P.A.C.

4. At issue in Allegation Nos. 3 and 4 are CRHC's 30-day and 8-day before election reports for the 1996 general election in which the respondent reported making two political contributions, one on July 17, 1996, and the other on October 8, 1996, totaling \$1,300 to Citizens for American Restoration, P.A.C. Citizens for American Restoration, P.A.C., disclosed the acceptance of those contributions on its 30-day and 8-day before election reports for the 1996 general election.
5. Commission records show that on May 31, 1994, CRHC filed a campaign treasurer appointment that did not list any general-purpose committees to whom CRHC intended to make political contributions. Commission records also show that on September 12, 1997, the respondent filed an amended campaign treasurer appointment disclosing CRHC's intentions to make political contributions to Citizens for American Restoration, P.A.C., a general-purpose committee.
6. At issue in Allegation No. 5 is a \$200 contribution allegedly accepted by CRHC from Houston Republican Forum, a \$1,000 contribution allegedly accepted from the Committee for a Well-Qualified Judiciary, and an October 22, 1996, memorandum and attachments.
7. The Houston Republican Forum's July 1995 semiannual campaign finance report discloses that it made a \$200 political contribution to CRHC on March 10, 1995, but CRHC's reports do not disclose the acceptance of that contribution.
8. As to the \$1,000 contribution from the Committee for a Well-Qualified Judiciary that was allegedly made on March 6, 1996, the 8-day before election report for the 1996 primary runoff election filed by the Committee for a Well-Qualified Judiciary discloses that in March 1996 it made 14 contributions totaling \$52,000, including a \$1,000 contribution, to CRHC. The 8-day before election report for the 1996 primary runoff election filed by CRHC discloses that in March 1996 it accepted six contributions totaling \$52,000 from the Committee for a Well-Qualified Judiciary. Most of the contributions reported by CRHC exceeded \$1,000 but none were exactly \$1,000 and none were accepted on March 6, 1996.
9. CRHC has the same address as America 2000, Inc. and a medical office. Steven Hotze, one of CRHC's contribution and expenditure decision makers, is also the sole director of America 2000, Inc. and is a medical doctor. On October 22, 1996, Dr. Hotze distributed a memorandum to Republican officeholders. The memorandum, which was written on letterhead stationery containing the name and medical office addresses of Dr. Hotze, commented about literature distributed by CRHC and by America 2000, Inc. and attached copies of that literature. The memorandum also solicited political contributions to CRHC.
10. The memorandum and attachments indicate that they were disseminated by Dr. Hotze. Two of the attachments enclosed with the memorandum appear to have originally been prepared by CRHC. CRHC's reports disclose expenditures made before the general election for items such as printing and postage.

11. At issue in Allegation No. 6 are five documents urging the reader to vote for Republican candidates in the 1996 primary and general elections. Four of the documents are fliers that appear to have been folded in halves or in thirds and mailed to voters in the Harris County area. The outside of each flier contains the name and address of the person to whom the flier was mailed and a return address consisting of CRHC's name and address. The fliers include a list of candidates supported by CRHC.
12. The remaining document is a sample ballot, which relates to the 1996 primary runoff election. The document indicates that it is a "Sample Ballot Compliments of [a name has been blacked out]." The complainant alleges that the sample ballot is identical to another sample ballot previously disseminated by CRHC in connection with the 1996 primary election but makes no mention of CRHC. The sample ballot appears to have been enclosed in an envelope containing the return address of Dr. Hotze.
13. At issue in Allegation No. 7 are eleven of CRHC's campaign finance reports, three of which were filed in 1994, two in 1995, and six in 1996. Seven of the reports were filed on or after April 11, 1995. The seven reports included contributor occupation information for contributors from whom political contributions exceeding \$50 were accepted during the reporting period.
14. At issue in Allegation No. 8 are five reports, CRHC's 8-day before election and runoff reports for the 1996 primary election, July 1996 semiannual report, and 30-day before election and 8-day before election report for the 1996 general election.
15. The 8-day before election and runoff reports for the 1996 primary election and the July 1996 semiannual report disclose that CRHC accepted \$92,100 from the Committee for a Well-Qualified Judiciary. The reports of the Committee for a Well-Qualified Judiciary disclose that it received contributions totaling \$104,000 from judicial candidates and that those contributions were almost immediately contributed to CRHC and Citizens for American Restoration, P.A.C. CRHC disclosed on four of the reports at issue that it made expenditures totaling approximately \$100,000 for items such as "sample ballot printing," "postage and mailing of sample ballot," "printing," and "postage and mailing." The complainant submitted copies of sample ballots and campaign literature that appear to have been prepared and distributed by CRHC and another general-purpose committee in which they recommend voting for particular candidates, including the candidates supported by the Committee for a Well-Qualified Judiciary.
16. CRHC's reports do not disclose the names of the candidates or officeholders that it supports. None of the candidates identified on the sample ballots and campaign literature reported receiving a notice from CRHC.
17. At issue in Allegation No. 9 are four documents, all of which are the subject of Allegation No. 6. The first consists of a one-page flier with writing on the front and back that was disseminated before the 1996 primary election. The flier was folded in thirds and mailed to persons sixty-five years of age or older in the Harris County area. The outside of the flier contains the name and address of the person to whom the flier was mailed and a return address consisting of CRHC's name and address. The outside also includes an application for ballot by mail and a list of candidates supported by CRHC.

On top of the candidate list is the name of two political committees, one of which is CRHC. On the top third of the inside of the flier, directly behind the application for ballot by mail, is the Harris County Clerk's name and address with instructions to separate the card, affix a \$.32 stamp, and mail it. The rest of the page instructs the reader to vote by mail for conservative Republicans and includes a side-by-side list of the differences between conservatives and liberals.

18. Two documents at issue in Allegation No. 9 are fliers that appear to have been folded in halves or thirds and mailed to voters in the Harris County area. The outside of each flier contains the name and address of the person to whom the flier was mailed and a return address consisting of CRHC's name and address. The fliers include a list of candidates supported by CRHC and include the name of CRHC and another general-purpose committee. One of the fliers states that it was printed by CRHC.
19. The fourth document at issue in Allegation No. 9 is a sample ballot printed with the heading "Compliments of [name of person ballot sent to]." Allegedly no correspondence accompanied the sample ballot, but it was enclosed in an envelope with the return address belonging to Dr. Hotze.
20. At issue in Allegation No. 10 is an affidavit by a political consultant which was referenced by the complainant but not submitted by the complainant in connection with this complaint. Also at issue are the October 22, 1996, memorandum and attachments discussed in Allegation No. 5.

#### **IV. Findings and Conclusions of Law**

The facts described in Section III support the following findings and conclusions of law:

##### Allegation Nos.1 and 2 (Contribution or Expenditure in Another's Name):

1. A person may not knowingly make or authorize a political contribution or political expenditure in the name of or on behalf of another unless the person discloses the other's name in order for the proper disclosure to be made. Section 253.001, Election Code, as that section appeared during the period of the alleged violations. Additionally, a person is prohibited from knowingly accepting a political contribution the person knows to have been made in violation of Chapter 253, Election Code. Section 253.003, Election Code.
2. The complainant alleges that Dr. Steven Hotze, who is a decision-maker for CRHC, and Frank Harmon, the campaign treasurer for the Committee for a Well-Qualified Judiciary, met with candidates and officeholders and encouraged them to fund CRHC's political activities by making political contributions to the Committee for a Well-Qualified Judiciary for pass-through to CRHC. The complainant contends that those candidates and officeholders knew that their contributions to the Committee for a Well-Qualified Judiciary would be given to CRHC, and that CRHC would use the pass-through funds to support the candidates and officeholders in campaign literature, sample ballots, automated phone calls, and early voting applications.

3. In response to these allegations, the respondent swears that contributions were not passed through in any illegal way and that CRHC did not agree or authorize that contributions be made first to the Committee for a Well-Qualified Judiciary. The respondent also swears that “no one authorized contributions or expenditures in the name of or on behalf of another” and “no one accepted political contributions that they knew to have been made in violation of the Code.” He further swears that each committee made distinct, individual decisions about what that committee wished to do with its contributions.
4. Although the complainant’s evidence may show that CRHC, Citizens for American Restoration, P.A.C., and the Committee for a Well-Qualified Judiciary and its contributors have connections and may have had a clear plan for the transactions disclosed by their campaign finance reports, there is insufficient evidence that CRHC was accepting contributions from the Committee for a Well-Qualified Judiciary knowing that they were contributions from the candidates and officeholders that were passed through the Committee for a Well-Qualified Judiciary. There is insufficient evidence that the Committee for a Well-Qualified Judiciary made contributions to CRHC at the direction of the candidates and officeholders who contributed to the Committee for a Well-Qualified Judiciary. There is also insufficient evidence that CRHC knowingly accepted political contributions it knew to have been made in violation of Chapter 253, Election Code. Thus, there is insufficient evidence that the respondent violated Sections 253.001 and 253.003, Election Code.

Allegation No. 3 (Failure to Include Recipient General-Purpose Committee on Campaign Treasurer Appointment):

5. The campaign treasurer appointment by a general-purpose committee is required to include the full name and address of each general-purpose committee to whom the committee intends to make political contributions. Section 252.003(a)(2), Election Code. If any information on the campaign treasurer appointment changes, the campaign treasurer must file a corrected appointment with the commission no later than the 30<sup>th</sup> day after the date the change occurs. Section 20.413(b), Ethics Commission Rules.
6. In response to this allegation, the respondent swears that the campaign treasurer appointment has been amended and that “there was no effort to hide the contribution, and a full and complete report of the contribution was made on the appropriate campaign finance report.”
7. The respondent should have filed an amended campaign treasurer appointment disclosing CRHC’s intention to make contributions to a general-purpose committee no later than the 30<sup>th</sup> day after the date the respondent’s committee intended to make the first of the two contributions, and also before the contributions were made.
8. Commission records also show that on September 12, 1997, the respondent filed an amended campaign treasurer appointment disclosing CRHC’s intentions to make political contributions to Citizens for American Restoration, P.A.C. However, the amendment was filed more than one year after the contributions were made. There is therefore credible evidence that the respondent violated Section 252.003(a)(2), Election Code, and Section 20.413(b), Ethics Commission Rules.

Allegation No. 4 (Making Contributions to General-Purpose Committee Not Listed in Campaign Treasurer Appointment):

9. A general-purpose committee may not knowingly make a political contribution to another general-purpose committee unless the other committee is listed in the campaign treasurer appointment of the contributor committee. Section 253.037(b), Election Code.
10. As discussed in Allegation No. 3, the respondent, as campaign treasurer of CRHC, made contributions to Citizens for American Restoration, P.A.C., a general-purpose committee that was not listed on the original or amended campaign treasurer appointments of CRHC before the contributions were made. There is therefore credible evidence that the respondent violated Section 253.037(b), Election Code.

Allegation No. 5 (Failure to Report Contributions and Expenditures):

11. A person filing a campaign finance report must include specific information regarding political contributions and expenditures that exceed \$50 in the aggregate from or to a single source during a reporting period. Sections 254.031(1) and (3), Election Code. A person who is required by Chapter 254, Election Code, to file a report commits an offense if the person knowingly fails to include required information in the report. Section 254.041, Election Code.
12. As to the \$200 contribution allegedly accepted by the respondent's committee from Houston Republican Forum, the respondent swears that CRHC has no record of the \$200 contribution being accepted or received and that to the best of his knowledge, CRHC did not receive the contribution. The respondent also swears that CRHC did not intentionally or knowingly fail to report the contribution and that it may have been lost in transit.
13. There is therefore credible evidence that the respondent did not violate Section 254.031(1), Election Code, by failing to report a \$200 political contribution from Houston Republican Forum.
14. As to the \$1,000 contribution from the Committee for a Well-Qualified Judiciary that was allegedly made on March 6, 1996, it is possible that the \$1,000 contribution at issue was lumped with another contribution and accepted on a different date. Because the total amount contributed by the Committee for a Well-Qualified Judiciary to CRHC is equal to the total amount that CRHC reported accepting from the Committee for a Well-Qualified Judiciary during that reporting period, there is credible evidence that the respondent did not violate Section 254.031(1), Election Code, by failing to report the \$1,000 contribution.
15. As to the memorandum and attachments, the complainant contends that any sharing of the cost (including employees, postage, office machines, and office space) associated with the October 22, 1996, memorandum or any of the literature should have been reported by the respondent either as an expenditure made on behalf of America 2000, Inc. or an in-kind contribution accepted from America 2000, Inc.

16. The memorandum and attachments indicate that they were disseminated by Dr. Hotze, a contribution and expenditure decision maker for CRHC. Two of the attachments enclosed with the memorandum appear to have originally been prepared by CRHC. However, there is no evidence available to commission staff to show that CRHC made an expenditure but failed to report it. CRHC's reports disclose expenditures made before the general election for items such as printing and postage, and if any expenditures were made by CRHC in connection with the memorandum and attachments, it is possible that they were reported in this manner. In order for the respondent to have been required to report the acceptance of a political contribution, any expenditure made by Dr. Hotze for the memorandum and attachments must have been made with the prior consent and approval of CRHC. Sections 251.001(2) and (8), Election Code, and Section 20.1, Ethics Commission Rules. The memorandum and attachments assist CRHC, but there is insufficient evidence to show that expenditures made to produce them were made with CRHC's prior consent and approval. Additionally, although CRHC and America 2000, Inc. have the same address, there is insufficient evidence to show that America 2000, Inc. contributed any office space to CRHC or made expenditures for CRHC's use of any space. Thus, there is insufficient evidence that the respondent violated Section 254.031, Election Code, by failing to report a contribution or expenditure in connection with the October 22, 1996, memorandum and attachments or in connection with any office space.

Allegation No. 6 (Failure to Include Disclosure Statement on Political Advertising):

17. A person may not enter into a contract or other agreement to print political advertising that does not indicate that it is political advertising and that does not contain the full name and address of the individual who entered into the contract or agreement with the printer, or the person that individual represents. Section 255.001(a), Election Code, and Section 26.3, Ethics Commission Rules. Political advertising is defined in relevant part as a communication supporting a candidate for nomination or election to a public office, or supporting a public officer, that appears in a pamphlet, circular, flier, or similar form of written communication. Section 251.001(16), Election Code.
18. In response to Allegation No. 6, the respondent swears that CRHC's name and address appeared on all the materials it produced and distributed and that there was no effort to deceive or mislead the public. Additionally, the respondent swears that he was not responsible for the sample ballot.
19. The first four documents at issue constitute political advertising because they support candidates for election to public office and appear in a flier. The fliers contain the name and address of CRHC but do not contain the words "political advertising."
20. An Ethics Commission rule excepts from the disclosure requirement "political advertising printed on letterhead stationery if the letterhead contains the (name and address of the person who had the advertising printed)." Section 26.5, Ethics Commission Rules. The fliers in question constitute "letterhead stationery" within the meaning of the rule. The fliers include the name and address of CRHC, which appears to be the entity that was responsible for printing the fliers. Therefore, because the four fliers in question contain the name and address of the person who had the fliers printed, there is

credible evidence that no violation of Section 255.001, Election Code, and Section 26.5, Ethics Commission Rules, occurred.

21. The remaining document at issue is a sample ballot. It constitutes political advertising because it supports candidates for election to public office and appears in a flier. The sample ballot appears to have been enclosed in an envelope containing the return address of Dr. Hotze, one of CRHC's contribution and expenditure decision makers.
22. There is insufficient evidence to show that CRHC entered into a contract or other agreement to print the sample ballot at issue. Additionally, the respondent swears that he was not responsible for that document. Therefore, there is insufficient evidence that the respondent violated Section 255.001(a), Election Code, and Section 26.3, Ethics Commission Rules, with respect to the sample ballot.

Allegation No. 7 (Identification of Supported Candidates and Officeholders and Contributor Occupation):

23. Each report filed by the campaign treasurer of a general-purpose committee is required to include the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and the address of the person to whom the payment is made, and the date and purpose of the payment. Section 254.031(3), Election Code. Additionally, each report is required to include the name of each identified candidate or officeholder or classification by party of candidates and officeholders supported or opposed by the committee, indicating whether the committee supports or opposes each listed candidate, officeholder, or classification by party of candidates or officeholders. Sections 254.151(4) and (5), Election Code. Additionally, each report is required to include the principal occupation of each person from whom political contributions that in the aggregate exceed \$50 are accepted during the reporting period. Section 254.151(6), Election Code.
24. The respondent swears that the contributors were reported with the appropriate principal occupation and that if an occupation was omitted it was unavailable or omitted through simple clerical error. He further swears that any omitted names of candidates were omitted in error and unintentionally.
25. Ethics Commission rules prohibit the commission from considering an allegation barred from criminal prosecution by operation of the applicable statute of limitations. Section 12.5(3), Ethics Commission Rules. A person commits an offense that is a Class C misdemeanor if the person knowingly fails to include required information in a campaign finance report. Section 254.041, Election Code. The statute of limitations for a Class C misdemeanor is two years from the date of the commission of the offense. Article 12.02, Code of Criminal Procedure. The complaint was filed April 11, 1997; any alleged offenses that occurred before April 11, 1995, are therefore not within the commission's sworn complaint jurisdiction. Thus, allegations relating to the three reports filed in 1994 and the one report required to be filed on January 15, 1995, are not within the commission's sworn complaint jurisdiction.

26. The seven reports not barred by the statute of limitations included a principal occupation for each contributor who contributed more than \$50 during the reporting period. There is therefore credible evidence that the respondent did not violate Section 254.151, Election Code, by failing to include the principal occupations of contributors.
27. As to the allegation concerning the identification of supported candidates and officeholders, the committee name, Conservative Republicans of Harris County, satisfies the legal requirement that each report identify candidates supported by party classification. There is therefore credible evidence that the respondent did not violate Section 254.151, Election Code, by failing to identify candidates or officeholders supported or opposed by CRHC.

Allegation No. 8 (Notice to Candidates and Officeholders of Contributions and Expenditures):

28. The campaign treasurer of a general-purpose committee that accepts political contributions or makes political expenditures for a candidate or officeholder is required to deliver written notice of that fact to the affected candidate or officeholder not later than the end of the period covered by the report in which the reportable activity occurs. Section 254.161, Election Code. In turn, a candidate or officeholder's report is required to include the name of the committee from which it receives such a notice. Sections 254.061 and 254.091, Election Code.
29. In response to this allegation, the respondent swears that CRHC "believed that this provision was triggered when the GPAC raised funds or made expenditures on behalf of the candidate, that is, that the GPAC solicited in the name of those candidates or made expenditures on behalf of or at the direction of those candidates." The respondent also swears that CRHC "viewed their contributions and expenditures as being for, on behalf of, and directed by CRHC, and as being completely independent of any candidate's direction or influence." The respondent further swears that the "political contributions and expenditures called for the election of particular candidates but were not 'for' those candidates in the sense contemplated or commonly understood by a reasonable person reading the provision as being in lieu of a candidate's expenditure or at the direction of a candidate."
30. CRHC's reports do not disclose the names of the candidates or officeholders that it supports. None of the candidates identified on the sample ballots and campaign literature reported receiving a notice from CRHC. It is clear from the respondent's affidavit that he misunderstood the notice provision and that CRHC did make expenditures supporting certain candidates. Ethics Commission filing instructions make it clear that notice is required whenever a general-purpose committee makes expenditures supporting a candidate. There is credible evidence that the respondent failed to give notice to the candidates supported by CRHC, and thus credible evidence of a violation of Section 254.161, Election Code.

Allegation No. 9 (Advertising Purporting to Emanate From Source Other Than True Source):

31. A person may not enter into a contract or agreement to print political advertising that represents that the political advertising emanates from a source other than its true source.

Section 255.004(a), Election Code. Political advertising is defined in relevant part as a communication supporting a candidate for nomination or election to a public office, or supporting a public officer, that appears in a pamphlet, circular, flier, or similar form of written communication. Section 251.001(16), Election Code.

32. In response to Allegation No. 9, the respondent swears that CRHC was not responsible for the sample ballot described as the fourth document.
33. At issue are four documents, all of which constitute political advertising because they support a candidate for election to public office and appear in a flier.
34. The complainant contends that the first flier looks like it emanates from the county clerk and contends that many persons believed it came from the Republican Party. The flier includes a return address belonging to CRHC, not the county clerk. The flier also includes the name of two political committees. The flier, when read as a whole, does not purport to emanate from the county clerk. There is no evidence to indicate that both committees were not the sources of both fliers. There is therefore credible evidence that the respondent did not violate Section 255.004(a), Election Code, with respect to the first flier.
35. The complainant alleges that the next two documents appear to emanate from CRHC and another committee, but asserts that the fliers could not have emanated from the other committee because the other committee did not report political expenditures made during the time the fliers were disseminated.
36. A person can be a source of a political advertisement even though that person did not make expenditures for the advertisement. There is no evidence to indicate that both committees were not the sources of both fliers. There is therefore credible evidence that the respondent did not violate Section 255.004(a), Election Code, with respect to the second and third fliers.
37. The fourth document is a sample ballot. The complainant alleges that before the 1996 primary runoff election, sample ballots were printed that looked identical to the sample ballots printed by CRHC except they did not include the name of CRHC.
38. The respondent swears that CRHC was not responsible for the sample ballot in question. There is insufficient evidence that CRHC violated Section 255.004(a), Election Code, with respect to the sample ballot.

Allegation No. 10 (Use of Corporate Funds):

39. A corporation is prohibited from making a political contribution or expenditure unless it is authorized by Subchapter D, Chapter 253, Election Code. Section 253.094, Election Code. Subchapter D does not authorize a corporation to make political contributions to support candidates. *See* Subchapter D, Chapter 253, Election Code. A person may not knowingly accept a political contribution that the person knows to have been made in violation of Chapter 253. Section 253.003(b), Election Code.

40. The respondent swears that CRHC did not accept any contribution from any corporation.
41. As to the memorandum and attachments previously discussed in Allegation No. 5, there is insufficient evidence to determine which entity made expenditures for their production, and thus there is insufficient evidence that CRHC accepted a corporate contribution in violation of Section 253.003(b), Election Code. There is also insufficient evidence that CRHC accepted a prohibited corporate contribution in the form of office space.

### **V. Representations and Agreement by Respondent**

By signing this ORDER and AGREED RESOLUTION and returning it to the commission:

1. The respondent neither admits nor denies the facts described under Section III and the commission's findings and conclusions of law described under Section IV, and consents to the entry of this ORDER and AGREED RESOLUTION solely for the purpose of resolving and settling this sworn complaint.
2. The respondent consents to the entry of this Order before any adversarial evidentiary hearings or argument before the commission, and before any formal adjudication of law or fact by the commission. The respondent waives any right to a hearing before the commission or an administrative law judge, and further waives any right to a post-hearing procedure established or provided by law.
3. Notwithstanding any other provisions of this ORDER and AGREED RESOLUTION, the respondent understands and agrees that the commission will consider the respondent to have committed the violations described under Section IV, Paragraphs 8, 10, and 30, if it is necessary to consider a sanction to be assessed in any future sworn complaint proceedings against the respondent.

### **VI. Confidentiality**

This ORDER and AGREED RESOLUTION describes a violation that the commission has determined is neither technical nor *de minimis*. Accordingly, this ORDER and AGREED RESOLUTION is not confidential under Section 571.140 of the Government Code, and may be disclosed by members and staff of the commission.

### **VII. Sanction**

After considering the seriousness of the violations described under Sections III and IV, including the nature, circumstances, consequences, extent, and gravity of the violations, after considering the fact that the respondent had previous reporting violations, and after considering the sanction necessary to deter future violations, the commission imposes a \$5,000 civil penalty for the violations described under Section IV, Paragraphs 8, 10, and 30.

### VIII. Order

The commission hereby ORDERS:

1. that this proposed AGREED RESOLUTION be presented to the respondent;
2. that if the respondent consents to the proposed AGREED RESOLUTION, this ORDER and AGREED RESOLUTION is a final and complete resolution of Sworn Complaints SC-970419, SC-970419A, SC-970419B, and SC-970419C;
3. that the respondent may consent to the proposed AGREED RESOLUTION only by signing an original of this document and mailing the signed original and the \$5,000 civil penalty to the Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711, no later than February 11, 2000; and
4. that the executive director shall promptly refer Sworn Complaints SC-970419, SC-970419A, SC-970419B, and SC-970419C, either to the commission or to an administrative law judge to conduct hearings on the commission's behalf and to propose findings of fact and conclusions of law to the commission in accordance with law if the respondent does not agree to the resolution of Sworn Complaints SC-970419, SC-970419A, SC-970419B, and SC-970419C, proposed in this ORDER and AGREED RESOLUTION.

AGREED to by the respondent on this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
Bart C. Standley, Respondent

EXECUTED ORIGINAL received by the commission on: \_\_\_\_\_.  
Texas Ethics Commission

By: \_\_\_\_\_  
Tom Harrison, Executive Director