

TEXAS ETHICS COMMISSION

IN THE MATTER OF
SHARON EASLEY,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-260252

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on November 28, 2006 to consider sworn complaint SC-260252. A quorum of the commission was present. The commission determined that there is credible evidence of a technical or *de minimis* violation of sections 253.094 and 253.003(b) of the Election Code, and credible evidence of a violation of sections 254.031, 254.0611, and 254.063 of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposes this resolution to the respondent.

II. Allegations

The complaint alleges that the respondent accepted political contributions from corporations, failed to properly report political contributions, political expenditures, and loans, failed to disclose the principal occupation and job title of contributors and the full name of the employer or law firm of contributors, and failed to timely file semiannual campaign finance reports.

III. Facts Supported by Credible Evidence

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

1. The respondent was an unsuccessful candidate for district judge.
2. The 30-day before the election campaign finance report filed by the respondent on February 6, 2006 discloses contributions from two corporations.
3. The respondent filed a corrected report in response to this complaint in which she removed those contributions from the report and states that the contributions were sent directly to the campaign treasurer who deposited them into the campaign account.

4. The respondent swears that she did not become aware that the checks had been written on corporate accounts until she saw a draft of the report.
5. The respondent was unable to remember the exact date she learned that the contributions were from corporations. She was fairly certain that it was after the end of the reporting period since the report had been drafted for her review, which typically took place on the day before or on the due date of the filing. The end of the reporting period for the 30-day campaign finance report was January 26, 2006, and the report due date was February 6, 2006.
6. The respondent's January 2006 semiannual campaign finance report disclosed \$14,000 in unitemized loans without showing detailed information on this or any previous report.
7. The respondent's sworn statement explains that she misunderstood the appropriate way to report political expenditures from personal funds.
8. The respondent filed a corrected report in response to this complaint in which she removed the loan schedule and moved 16 of the political expenditures totaling approximately \$14,600 from Schedule F to Schedule G to indicate that they were paid out of personal funds.
9. The corrected January 2006 semiannual report discloses four expenditures totaling \$2,800 that were added to Schedule F, and \$93 that was added to the total unitemized expenditures. The corrected report now discloses an additional \$2,893 in political expenditures. The total political contributions maintained were increased by \$600.
10. On the January 2006 semiannual report, the respondent omitted the occupation job title, and/or employer information was omitted on 27 of the 29 reported contributions from individuals. This information was disclosed on the corrected report filed in response to this complaint.
11. The respondent's sworn statement explains that she misunderstood the reporting requirements for individuals and attorneys who contributed from their personal funds rather than from their business or law firm funds.
12. The July 2005 semiannual campaign finance report was due on July 15, 2005. The respondent filed the report on July 14, 2005. Upon request of the commission, the respondent filed this report again on August 24, 2005, due to a software issue in which the contributions maintained was not received by the Ethics Commission. This report was not considered a late report, so a late fine was not administratively assessed.
13. The January 2006 semiannual report was due on January 17, 2006, and the respondent's report was filed on January 19, 2006.

14. In the affidavit submitted in response to the commission's late letter, the respondent explained that on the filing deadline, construction work next door to her office caused the power and telephone service to be cut off and it was not restored until after the filing deadline.
15. The data in the report was lost with the power outage, and in preparing the report the following day, the respondent was unable, on numerous attempts, to successfully transmit the report to the commission.
16. According to the affidavit, she was apparently using the wrong program, so she contacted Texas Ethics Commission technical support and eventually succeeded in transmitting the report on January 19, 2006.

IV. Findings and Conclusions of Law

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

1. A person may not knowingly accept a political contribution the person knows to have been made in violation chapter 253 of the Election Code. ELEC. CODE § 253.003(b).
2. A corporation may not make a political contribution to a candidate. ELEC. CODE § 253.094.
3. The respondent was a candidate for district judge. There is no dispute that the respondent knew that accepting contributions from a corporation was prohibited.
4. The respondent's sworn statements agree that she did not know that the contributions were checks from corporate accounts until they had been deposited in her campaign account and the report was being prepared for filing.
5. The statements indicate that the checks were received and deposited by the respondent's campaign treasurer.
6. If the checks were not rejected before the end of the reporting period, then the contributions are deemed accepted. Ethics Commission Rules § 20.55(c).
7. The respondent learned after the end of the reporting period that the contributions were from corporations. However, the contributions had already been deemed accepted even though the respondent was unaware of them. The respondent returned the contributions upon learning about them. Therefore, there is credible evidence of a technical or *de minimis* violation of section 253.003 of the Election Code.

8. Each campaign finance report must include the amount of political contributions from a person and political expenditures to a payee that in the aggregate exceed \$50 in a reporting period and the full name and address of the contributor or payee, the date of the contribution or expenditure and the purpose of the expenditure. ELEC. CODE §§ 254.031(a)(1), (3).
9. Each report must also include the total amount of all political contributions accepted during the reporting period, the total amount of all political expenditures made during the reporting period, and the total amount of political contributions maintained as of the last day of the reporting period. ELEC. CODE §§ 254.031(a)(6), (8).
10. Each report must also include the amount of loans exceeding \$50 made during the reporting period and the date, interest rate, maturity date and name and address of the lender. ELEC. CODE § 254.031(a)(2).
11. According to the corrected report, the respondent failed to include the detailed reporting information for four political expenditures.
12. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code.
13. When the respondent corrected the January 2006 report, the total political expenditures increased by \$2,893, the amount she failed to include on the original report. The corrected report also disclosed an additional \$600 of political contributions maintained.
14. Therefore, there is credible evidence of a violation of sections 254.031(a)(6), and (a)(8) of the Election Code.
15. The respondent also improperly reported political expenditures from personal funds by showing an unitemized loan rather than expenditures on Schedule G. According to the respondent, there was no loan to report.
16. Therefore, there is credible evidence of no violation of section 254.031(a)(2) of the Election Code.
17. Each report by a candidate from judicial office must include the principal occupation and job title, and the full name of the employer or law firm of which an individual is a member for each individual from whom the candidate has accepted political contributions exceeding \$50 in the reporting period. ELEC. CODE § 254.0611.
18. Because the report discloses contributions that exceed \$50 from 27 individuals, the respondent was required to include the contributors' occupation, job title, and employer/law firm on the reports.

19. The respondent failed to include this information on the original report and has included it on the corrected report that she filed in response to this complaint.
20. Therefore, there is credible evidence of a violation of section 254.0611 of the Election Code.
21. A candidate shall file two reports for each year, one in January and one in July. ELEC. CODE § 254.063.
22. The respondent timely filed the July 2005 campaign finance report.
23. The respondent was required to file a semiannual campaign finance report on or before January 17, 2006. The report was filed on January 19, 2006.
24. Therefore, there is credible evidence of a violation of section 254.063 of the Election Code in regards to the January 2006 report.

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 or 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 this sworn complaint.
2. The respondent consents to this order and agreed resolution and waives any right to further proceedings in this matter.
3. The respondent acknowledges that a person may not knowingly accept a political contribution the person knows to have been made in violation chapter 253 of the Election Code, and a corporation may not make a political contribution to a candidate. The respondent also acknowledges that each campaign finance report must include the amount of political contributions from a person and political expenditures to a payee that in the aggregate exceed \$50 in a reporting period and the full name and address of the contributor or payee, the date of the contribution or expenditure and the purpose of the expenditure. Each report must also include the total amount of all political contributions accepted during the reporting period, the total amount of all political expenditures made during the reporting period, and the total amount of political contributions maintained as of the last day of the reporting period. Each report must also include the amount of loans exceeding \$50 made during the reporting period and the date, interest rate, maturity date and name and address of the lender. The respondent also acknowledges that each report by a candidate from judicial office must include the principal occupation and job title, and the full name of the employer or law firm of which an individual is a member for each individual from whom the candidate has accepted political contributions exceeding \$50 in the reporting period. Additionally, the

respondent acknowledges that a candidate shall file two reports for each year, one in January and one in July. The respondent agrees to comply with these requirements of the law.

VI. Confidentiality

This order and agreed resolution describes violations that the commission has determined are 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, and consequences of the violations, and after considering the sanction necessary to deter future violations, the commission imposes a \$500 civil penalty for the violations described under Sections III and IV.

VIII. Order

The commission hereby orders that if the respondent consents to the proposed resolution, this order and agreed resolution is a final and complete resolution of SC-260252.

AGREED to by the respondent on this _____ day of _____, 20____.

Sharon Easley, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director