

# TEXAS ETHICS COMMISSION

IN THE MATTER OF  
F. LEE CORNELISON,  
RESPONDENT

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BEFORE THE  
TEXAS ETHICS COMMISSION  
SC-260382

## ORDER and AGREED RESOLUTION

### I. Recitals

The Texas Ethics Commission (the commission) met on April 13, 2007, to consider sworn complaint SC-260382. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031, 254.063, and 254.064 of the Election Code and credible evidence of a technical or *de minimis* violation of section 254.036(h) 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 failed to timely file and properly complete campaign finance reports.

### III. Facts Supported by Credible Evidence

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

1. The complaint alleges that the respondent failed to timely file the 15th day after treasurer appointment report, the January 2006 semiannual report, the 30-day pre-election report due February 6, 2006, and the 8-day pre-election report due February 27, 2006.
2. The respondent was an incumbent officeholder who appointed a campaign treasurer on December 13, 2005. The respondent admits that he filed the four reports late.
3. In response to a letter from the complainant regarding the respondent's lack of reporting, the respondent filed one report on March 2, 2006, covering a period from January 3, 2006, through March 2, 2006, and indicated in his response that this report was intended to be all of the reports as required.

4. The complaint alleges that the respondent failed to notarize the campaign finance report that he filed in March 2006.
5. The respondent swears that he was in a hurry to correct his error in failing to timely file the reports, and mistakenly thought that the file stamp placed by the county clerk was the legal equivalent of the notary stamp required for the forms.
6. The complaint alleges that the respondent failed to properly report political expenditures. The allegation is based on the report filed by the respondent on March 2, 2006, in which all expenditures are reported on Schedule G as political expenditures made from personal funds with an indication that the candidate intends to seek reimbursement from political contributions.
7. The report discloses \$590 in total political contributions, \$0 in unitemized political expenditures, \$1,115.14 in total political expenditures, and \$0 in total political contributions maintained. Schedule G of that report discloses political expenditures made from personal funds that total approximately \$1,095.
8. The evidence shows that the expenditures were reported on the correct schedule as political expenditures made from personal funds, but the respondent failed to report expenditures out of campaign funds to reimburse himself for the expenditures made from personal funds.

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

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

##### **Failure to Timely File Reports**

1. An officeholder who appoints a campaign treasurer must file a campaign finance report covering the period beginning the first day after the period covered by the last report filed, or the day the officeholder takes office, as applicable, and continuing through the day before the date of the campaign treasurer appointment. The report shall be filed not later than the 15th day after the date of the campaign treasurer appointment. ELEC. CODE § 254.094.
2. An officeholder whose reports are filed with a local filing authority is not required to file a report if the officeholder has not accepted political contributions that exceed \$500 or made political expenditures that exceed \$500 during that reporting period. ELEC. CODE § 254.095.
3. The respondent was an officeholder and appointed a campaign treasurer on December 13, 2005. Therefore, a campaign finance report was required to be filed by December 28, 2005, unless the respondent did not, during the reporting period, accept political contributions that in the aggregate exceeded \$500 or make political expenditures that in the aggregate exceeded \$500.

4. Although the respondent admits that he failed to timely file this report, the evidence is insufficient that the respondent exceeded the \$500 thresholds during the reporting period at issue. Therefore, there is insufficient evidence of a violation of section 254.094 of the Election Code.
5. A candidate shall file two reports for each year, the second report shall be filed not later than January 15 and cover the period from the date the candidate's campaign treasurer appointment is filed through December 31. ELEC. CODE § 254.063(c).
6. For each election in which a person is an opposed candidate, the person shall file two reports. The first report shall be filed not later than the 30th day before election Day and the second report shall be filed not later than the eighth day before election Day. ELEC. CODE § 254.064.
7. The respondent was an opposed candidate in the March 2006 primary election, and was therefore required to file a January 2006 semiannual report as well as the pre-election reports that were due on February 6 and February 27, 2006.
8. The respondent filed the reports on March 2, 2006. Therefore, there is credible evidence that the respondent violated sections 254.063 and 254.064 of the Election Code.

#### **Failure to Sign and Notarize Campaign Finance Report**

9. Each campaign finance report filed by a candidate is required to include an affidavit executed by the filer swearing that the report is true and correct and complete. ELEC. CODE § 254.036(h).
10. It is clear from the face of the report filed that the respondent failed to properly sign and notarize the form.
11. A report is considered to be under oath by the filer regardless of the absence of or a defect in the affidavit. ELEC. CODE § 254.036(h).
12. Therefore, there is credible evidence of a technical or *de minimis* violation of section 254.036(h) of the Election Code.

#### **Failure to Properly Report Political Expenditures**

13. Each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditure. ELEC. CODE § 254.031(a)(3).

14. Each report must also include the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. ELEC. CODE § 254.031(a)(5).
15. The evidence shows that the respondent disclosed the actual payees to which political expenditures from personal funds were made, and indicated that he intended to seek reimbursement from political contributions. The respondent failed to disclose the political expenditures made from political contributions to reimburse himself.
16. Therefore, there is credible evidence that the respondent violated section 254.031 of the Election Code.

### **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 candidate shall file two reports for each year, the second report shall be filed not later than January 15 and cover the period from the date the candidate's campaign treasurer appointment is filed through December 31, and for each election in which a person is an opposed candidate, the person shall file two reports. The first report shall be filed not later than the 30th day before election Day and the second report shall be filed not later than the eighth day before election Day. The respondent also acknowledges that each campaign finance report filed by a candidate is required to include an affidavit executed by the filer swearing that the report is true and correct and complete. Additionally, the respondent acknowledges that each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures, and each report must also include the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. 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.

**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-260382.

AGREED to by the respondent on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
F. Lee Cornelison, Respondent

EXECUTED ORIGINAL received by the commission on: \_\_\_\_\_.

Texas Ethics Commission

By: \_\_\_\_\_  
David A. Reisman, Executive Director