

# TEXAS ETHICS COMMISSION

IN THE MATTER OF  
PHYLIS SPEEDLIN,  
RESPONDENT

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BEFORE THE  
TEXAS ETHICS COMMISSION  
SC-2609186

## ORDER and AGREED RESOLUTION

### I. Recitals

The Texas Ethics Commission (the commission) met on February 2, 2007, to consider sworn complaint SC-2609186. A quorum of the commission was present. The commission determined that there is credible evidence of a violation of section 254.0611(A)(2) of the Election Code and of a technical or *de minimis* violation of section 254.031(a)(1) 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 corporate contributions, exceeded the contribution limit, and failed to provide information regarding political contributions.

### III. Facts Supported by Credible Evidence

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

1. The respondent is an incumbent candidate for associate justice of the 4th Court of Appeals.
2. The complaint alleges that the respondent accepted a \$10,000 political contribution on March 28, 2006, from Valero Energy Corporation, a \$1,000 political contribution on February 27, 2006, from Davis, Cedillo & Mendoza, Inc., and a \$50 political contribution on February 28, 2006, from Stokes Bros. & Co., in violation of sections 253.094 and 253.003(b) of the Election Code.
3. The respondent's July 2006 semiannual report discloses a \$10,000 political contribution on March 28, 2006, from Valero Energy Corporation, a \$1,000 political contribution on February 27, 2006, from Davis, Cedillo & Mendoza, Inc., and a \$50 political contribution on February 28, 2006, from Stokes Bros. & Co.

4. With respect to the contribution from Valero Energy Corporation, the evidence indicates that the respondent accepted a contribution from Valero Energy Corporation PAC, not from the corporation itself.
5. According to the Texas Secretary of State's corporations division, the law firm of Davis, Cedillo & Mendoza, Inc., is a professional corporation and that there is not a corporation by the name of Stokes Bros. & Co.
6. The complaint alleges that the March 28, 2006, \$10,000 political contribution from Valero Energy Corporation exceeds the political contribution limit allowed in section 253.155 of the Election Code.
7. The complaint alleges that the respondent's July 2006 semiannual report failed to disclose the full name of the employer of contributors that contributed over \$50 during the reporting period in violation of section 254.0611 of the Election Code.
8. The respondent's July 2006 semiannual report failed to disclose the full name of the employer of 9 contributors.
9. The complaint alleges that the respondent's July 2006 semiannual report failed to disclose the address of contributors that contributed over \$50 during the reporting period in violation of section 254.031(a)(1) of the Election Code. The respondent swears that she disclosed the addresses.
10. The respondent's July 2006 semiannual report discloses an address for all of the contributors. The report that the Ethics Commission posts on the Internet is required to redact the addresses disclosed on the report before posting it on the Internet.
11. The complaint alleges that the respondent failed to provide the full name and address of law firms listed as contributors on her July 2006 semiannual report in violation of section 254.031(a)(1) of the Election Code. The complainant states that the law firms have not been identified as to their legal status such as P.C., LLP, etc.
12. The respondent's July 2006 semiannual report discloses forty-eight contributions from law firms. An address is given for each law firm. Twenty-three of the names of the law firms do not have a legal status included as part of the name.

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

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

1. Corporations organized under the Texas Business Corporations Act or the Texas Non-profit Corporations Act may not legally make political contributions to a candidate or officeholder. ELEC. CODE § 253.094. A person may not knowingly accept an unlawful political contribution or make a political expenditure from an unlawful political contribution. ELEC. CODE § 253.003.
2. The evidence shows that the respondent accepted a contribution from the political committee of Valero Energy Corporation and not from the Valero Energy Corporation itself. The evidence shows that Davis, Cedillo & Mendoza, Inc., and Stokes Bros. & Co. are not corporations organized under the Texas Business Corporations Act or the Texas Non-profit Corporations Act. Therefore, there is credible evidence that the respondent did not violate section 253.094 or 253.003 of the Election Code by accepting contributions from these three entities.
3. Subject to section 253.1621 of the Election Code, a judicial candidate or officeholder may not, except as provided by subsection (c) of section 253.155 of the Election Code, knowingly accept political contributions from a person that in the aggregate exceed the limits prescribed by subsection (b) of section 253.155 of the Election Code in connection with each election in which the person is involved. ELEC. CODE § 253.155(a). Subsection (c) of section 253.155 of the Election Code provides that section 253.155 of the Election Code does not apply to a political contribution made by a general-purpose committee.
4. The evidence shows that the respondent reported accepting a contribution from a corporation but that the contribution was actually from the general-purpose political committee of the corporation. A contribution from a general-purpose political committee is not subject to the contribution limits in section 253.155 of the Election Code. Therefore, there is credible evidence that the respondent did not violate the contribution limits of section 253.155 of the Election Code.
5. Each report by a candidate for a judicial office covered by subchapter F, chapter 253 of the Election Code, must include, for each individual from whom the person filing the report has accepted political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period, the principal occupation and job title of the individual and the full name of the employer of the individual or of the law firm of which the individual or the individual's spouse is a member, if any, or if the individual is a child, the full name of the law firm of which either of the individual's parents is a member, if any. ELEC. CODE § 254.0611(a)(2).
6. The evidence shows that the respondent failed to properly disclose the name of the employer/law firm of the individual making the contribution in nineteen instances. Therefore, there is credible evidence that the respondent violated section 254.0611(a)(2) of the Election Code.

7. Each report must include, for each person from whom the person filing the report has accepted political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period, the amount of the political contributions, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
8. The evidence shows that the respondent included the address of all of the contributors on her July 2006 semiannual report. Therefore, there is credible evidence that the respondent did not violate section 254.031(a)(1) of the Election Code, with respect to contributors' addresses.
9. Each report must include, for each person from whom the person filing the report has accepted political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period, the amount of the political contributions, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
10. The evidence shows that the respondent included the address of all of the contributors on her July 2006 semiannual report. The evidence shows that the respondent did not include the legal status part of the name of twenty-three law firm contributors. The full name of each contributor is required. Therefore, there is credible evidence of a technical or *de minimis* violation of section 254.031(a)(1) of the Election Code, with respect to contributors' names.

#### **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 each report by a candidate for a judicial office covered by subchapter F, chapter 253 of the Election Code, must include, for each individual from whom the person filing the report has accepted political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period, the principal occupation and job title of the individual and the full name of the employer of the individual or of the law firm of which the individual or the individual's spouse is a member, if any, or if the individual is a child, the full name of the law firm of which either of the individual's parents is a member, if any. The respondent also acknowledges that each report must include, for each person from whom the person filing the report has accepted political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period, the amount of

the political contributions, the full name and address of the person making the contributions, and the dates of the contributions. 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 \$100 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-2609186.

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

\_\_\_\_\_  
Phylis Speedlin, Respondent

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

Texas Ethics Commission

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