

TEXAS ETHICS COMMISSION

IN THE MATTER OF
SHIRLEY F. CRAFT,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-2610204

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on February 2, 2007, to consider sworn complaint SC-2610204. A quorum of the commission was present. The commission determined that there is credible evidence that the respondent violated sections 572.023(b)(6), (b)(9) and (b)(10) of the Government 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's 2006 personal financial statement failed to include required information.

III. Facts Supported by Credible Evidence

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

1. The respondent was a candidate for state representative.
2. The complaint alleges that the respondent failed to identify on her personal financial statement filed February 15, 2006, her position as an officer and director of ClayHill Group, Inc., and as a director of the Boys and Girls Club of Wichita Falls.
3. The complaint also alleges that the respondent failed to disclose assets and liabilities of the ClayHill Group, Inc., on the personal financial statement and that she had a beneficial interest in that entity.
4. The respondent's personal financial statement filed on February 15, 2006, does not report any assets or liabilities of ClayHill Group, Inc., and does not disclose a beneficial interest by the respondent in that entity. The personal financial statement also does not disclose that the respondent is an officer or director of ClayHill Group, Inc., or the Boys and Girls Club of Wichita Falls.

5. The respondent filed a corrected personal financial statement on November 6, 2006, listing her position as a board member of the Boys and Girls Club of Wichita Falls on the personal financial statement and providing the schedules to disclose beneficial interests in, and assets and liabilities of, ClayHill Group, Inc.
6. The respondent filed a second corrected personal financial statement on November 10, 2006, indicating that the respondent and her spouse were on the board of ClayHill Group, Inc.

IV. Findings and Conclusions of Law

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

1. A candidate for state representative is required to file a personal financial statement complying with sections 572.022 through 572.0252 of the Government Code. GOV'T CODE § 572.021.
2. A personal financial statement must include an account of the financial activity of the individual required to file a financial statement and an account of the financial activity of the individual's spouse and dependent children if the individual had actual control over that activity for the preceding calendar year. GOV'T CODE § 572.023(a).
3. A personal financial statement must include an identification by description of all beneficial interests in real property and business entities held or acquired, and if sold, the category of the amount of the net gain or loss realized from the sale. GOV'T CODE § 572.023(a)(6).
4. The personal financial statement must identify by description and the category of the amount of all assets and liabilities of a corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association in which 50 percent or more of the outstanding ownership was held, acquired, or sold. GOV'T CODE § 572.023(b)(9).
5. A personal financial statement must disclose all boards of directors of which the individual is a member and executive positions that the individual holds in corporations, firms, partnerships, limited partnerships, limited liability partnerships, professional corporations, professional associations, joint ventures, or other business associations or proprietorships, stating the name of each corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association or proprietorship and the position held. GOV'T CODE § 572.023(b)(10).

6. The evidence indicates that the respondent failed to identify on her personal financial statement a beneficial interest in a business entity, and assets and liabilities held in a corporation in which 50 percent or more of the outstanding ownership was held, acquired, or sold. The evidence also indicates that the respondent failed to disclose membership on the board of directors of ClayHill Group, Inc. and the Boys and Girls Club of Wichita Falls. Therefore, there is credible evidence of a violation of sections 572.023(b)(6), (b)(9) and (b)(10) of the Government 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 financial statement must include an identification by description of all beneficial interests in real property and business entities held or acquired, and if sold, the category of the amount of the net gain or loss realized from the sale. The respondent acknowledges that a personal financial statement must identify by description and the category of the amount of all assets and liabilities of a corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association in which 50 percent or more of the outstanding ownership was held, acquired, or sold. The respondent also acknowledges that a personal financial statement must disclose all boards of directors of which the individual is a member and executive positions that the individual holds in corporations, firms, partnerships, limited partnerships, limited liability partnerships, professional corporations, professional associations, joint ventures, or other business associations or proprietorships, stating the name of each corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association or proprietorship and the position held. 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-2610204.

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

Shirley F. Craft, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director