

TEXAS ETHICS COMMISSION

IN THE MATTER OF
RUBEN HOPE,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-2612265

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on October 26, 2007, to consider sworn complaint SC-2612265. A quorum of the commission was present. The commission determined that there is credible evidence of violations of section 254.031 of the Election Code and section 20.61 of the Ethics Commission Rules, 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 properly report political expenditures made by credit card. The complaint also alleges that the respondent improperly reported reimbursements made to staff and others. In addition, the complaint alleges that the respondent failed to provide complete information for political expenditures.

III. Facts Supported by Credible Evidence

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

1. The respondent was a state representative from 1999 through 2006.
2. The complaint was filed on December 20, 2006.
3. The complaint relates to campaign finance reports filed by the respondent beginning July 2004 through January 2006.
4. Ethics Commission rules prohibit the commission from considering an allegation barred from criminal prosecution by operation of the applicable statute of limitations. Ethics Commission Rules § 12.5. Failing to timely file or filing incomplete campaign finance reports is a Class C misdemeanor. The statute of limitations for misdemeanors is two years from the date of the commission of the offense. Code of Criminal Procedure, Art. § 12.02.

Therefore, the commission does not have jurisdiction to consider allegations of reporting violations that occurred before December 20, 2004. All of the allegations related to credit card expenditures and some of the allegations relating to improper reporting of political expenditures are outside the statute of limitations and will not be considered.

5. The remaining allegations are based on the respondent's January 2005, July 2005, and January 2006 semiannual campaign finance reports.
6. At issue are reimbursements to staff and others totaling approximately \$3,400.
7. The respondent also disclosed "unknown" for the address for the payee for 29 entries. The respondent disclosed "unknown" for the purpose for three entries and for the payee for one entry. The respondent made a general description for the purpose on twenty-eight entries. The political expenditures at issue total approximately \$7,000.
8. The respondent filed corrected campaign finance reports for the reports in question.

IV. Findings and Conclusions of Law

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

1. Each campaign finance report filed by an officeholder is required to include the full name and address of the payees, and the dates and purposes of political expenditures that in the aggregate exceed \$50 to a single payee in the reporting period. ELEC. CODE § 254.031.
2. In Ethics Advisory Opinion No. 450 (2003), which describes the proper method for reimbursements during the period at issue, the commission determined that a political expenditure made to reimburse a staff member may be reported in one of two ways: (1) reporting it as a loan to the candidate from the staff member and then as an expenditure by the candidate to repay the staff member; or (2) if the expenditure and reimbursement occur during the same reporting period, report a single expenditure by listing the name of the individual or entity paid by the campaign worker as the payee, showing the date of the expenditure as the date the staff member made the expenditure, and explaining in the "purpose" section that a staff member made the expenditure from personal funds and that the candidate subsequently reimbursed the staff member. At its February 2, 2007, meeting the commission adopted Ethics Commission Rule § 20.62 to clarify the proper reporting of staff reimbursements.
3. The respondent's campaign finance reports disclosed reimbursement to staff and others totaling approximately \$3,400. Neither of the proper methods was used and the actual payee was not disclosed. Therefore, there is credible evidence of a violation of section 254.031 of the Election Code.

4. The report of a political expenditure for goods or services must describe the categories of goods or services received in exchange for the expenditure. Ethics Commission Rules § 20.61.
5. The respondent was not required to provide detailed disclosure information for payments for expenses that were in the aggregate \$50 or less to any single payee. However, the respondent was required to disclose the full name and address of the actual payees, and the date and purposes for political expenditures that exceeded \$50 to any one payee.
6. The respondent failed to provide an address for the payee for 29 entries. The respondent listed “unknown” for the purpose for three entries and for the payee for one entry. In addition, for the purpose on a number of the entries the respondent broadly described the purpose of the expenditures, but did not sufficiently describe the category of services received in exchange for the expenditure. The political expenditures at issue total approximately \$7,000.
7. Therefore, there is credible evidence of violations of section 254.031 of the Election Code and section 20.61 of the Ethics Commission Rules.

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 campaign finance report filed by an officeholder is required to include the full name and address of the payees, and the dates and purposes of political expenditures that in the aggregate exceed \$50 to a single payee in the reporting period. The respondent acknowledges that the proper way to report a reimbursement to a staff member is in accordance with section 20.62 of the Ethics Commission Rules. The respondent acknowledges that the report of a political expenditure for goods or services must describe the categories of goods or services received in exchange for the expenditure. 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 \$1,100 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-2612265.

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

Ruben Hope, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director