

TEXAS ETHICS COMMISSION

IN THE MATTER OF
LES R. TARRANCE, SR.,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-2706123

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on August 21, 2007, to consider sworn complaint SC-2706123. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031, 254.036, 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 failed to provide required addresses, telephone numbers, and page two of both his 30-day and 8-day pre-election reports, for the May 2006 election. In addition, the complaint alleges that the respondent failed to provide the purpose for one expenditure on his 8-day pre-election report. The complaint also alleges that the respondent failed to file the July 2006 and January 2007 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 is a director on the board of the Town Center Improvement District for The Woodlands subdivision.
2. Evidence obtained from the local filing authority indicates that although the respondent included the addresses and telephone numbers on his reports, the filing authority redacted this information prior to releasing copies of the documents to the complainant.

3. The respondent's campaign treasurer appointment was signed on March 13, 2006, and the respondent did not elect modified reporting on that form.
4. Although the respondent filed 30-day and 8-day pre-election reports, including expenditure itemization schedules, he did not file page two of either the 30-day or the 8-day pre-election report. This page contains the notice of political expenditures by political committee(s) on behalf of the candidate, and the political contributions total, the political expenditures total, and the outstanding loan total, as well as the affidavit for the report.
5. In addition, the respondent left the description for one expenditure on Schedule F (the political expenditure schedule) blank on the 8-day pre-election report.
6. According to the local filing authority, the respondent did not file the July 2006 and January 2007 semiannual campaign finance reports.
7. On June 22, 2007, in response to the sworn complaint, the respondent filed corrected reports.
8. In the corrected filing report, the respondent included the second page of both the 30-day and the 8-day pre-election reports and provided a description for the expenditure in question. The respondent reported zero political contributions and zero political expenditures on the 30-day report, and zero political contributions and \$2,871.17 in political expenditures on the 8-day report.
9. The respondent also filed semiannual reports for July 2006, January 2007, and July 2007. The political contributions and expenditures on each of these semiannual reports were zero.

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 a candidate must include a candidate's address and the campaign treasurer's address and telephone number. ELEC. CODE § 254.061.
2. The evidence indicates that although the respondent included the required addresses and telephone numbers on his reports, the filing authority redacted this information prior to releasing copies of the documents to the complainant.
3. Therefore, there is credible evidence of no violations of section 254.061 of the Election Code.
4. Each campaign finance report filed by a candidate must include:

- a. the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee, the full name and address of the person or committee making the contributions and the date of the contributions;
- b. the amount of loans that are made during the reporting period for campaign or officeholder purpose to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period;
- c. 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;
- d. the amount of each payment made during the reporting period from a political contribution if the payment is not a political expenditure, the full name and address of the person to whom the payment is made, and the date and purpose of the payments;
- e. the total amount or a specific listing of the political contributions of \$50 or less accepted and the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period;
- f. the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period;
- g. the name of each candidate or officeholder who benefits from a direct campaign expenditure made during the reporting period and the office sought or held, excluding a direct expenditure that is made by the principal political committee of a political party on behalf of a slate of two or more nominees of that party;
- h. as of the last day of the reporting period for which the person is required to file a report, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more

accounts in which political contributions are deposited as of the last day of the reporting period; and

- i. that if no reportable activity occurs during a reporting period, the person required to file a report shall indicate that fact on the report. ELEC. CODE § 254.031.
5. In addition, each campaign finance report filed by a candidate that is not filed by electronic transfer must be accompanied by an affidavit executed by the candidate containing the statement “I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code.” ELEC. CODE § 254.036(h).
6. Although the respondent has filed corrected reports, he originally filed both his 30-day and 8-day pre-election reports without page two. This page contains the notice of political expenditures by political committee(s) on behalf of the candidate, and the political contributions total, the political expenditures total, and the outstanding loan total, as well as the required affidavit.
7. In addition, the respondent failed to include the purpose for one political expenditure on Schedule F of the 8-day pre-election report.
8. Therefore, there is credible evidence that the respondent violated sections 254.031 and 254.036 of the Election Code, by failing to include required information in campaign finance reports.
9. A candidate shall file two reports for each year, the first report shall be filed not later than July 15, and cover the period beginning January 1, the day the candidate’s campaign treasurer appointment is filed, or the first day after the period covered by the last report required to be filed, as applicable, and continuing through June 30; the second report shall be filed not later than January 15, and cover the period beginning July 1, the day the candidate’s campaign treasurer appointment is filed, or the first day after the period covered by the last report required to be filed, as applicable, and continuing through December 31. ELEC. CODE § 254.063.
10. The respondent filed a campaign treasurer appointment in March 2006. This appointment triggered the requirement to file semiannual reports as a candidate.
11. During the time in question, the respondent did not terminate his campaign treasurer appointment, thus, he was required to file semiannual reports as a candidate.

12. If a local candidate is elected to office and terminates his campaign treasurer appointment, he must file semiannual campaign finance reports as an officeholder unless he does not exceed \$500 in officeholder contributions or officeholder expenditures. ELEC. CODE § 254.095.
13. Here, the July 2006 and the January 2007 reports were under the \$500 threshold for officeholder semiannual reports, but the respondent was required to file them because he had not terminated his campaign treasurer appointment as a candidate.
14. The respondent filed the July 2006 and January 2007 semiannual campaign finance reports on June 22, 2007.
15. Although the respondent filed the semiannual campaign finance reports at issue after receiving notice of the complaint, he nonetheless failed to timely file both reports.
16. Therefore, there is credible evidence that the respondent violated section 254.063 of the Election Code, by failing to file semiannual campaign finance reports.

V. Representations and Agreement by Respondent

By signing this order and agreed resolution and returning it to the commission:

1. The respondent acknowledges that each campaign finance report filed by a candidate must include:
 - a. the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee, the full name and address of the person or committee making the contributions and the date of the contributions;
 - b. the amount of loans that are made during the reporting period for campaign or officeholder purpose to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period;
 - c. 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;
- d. the amount of each payment made during the reporting period from a political contribution if the payment is not a political expenditure, the full name and address of the person to whom the payment is made, and the date and purpose of the payments;
 - e. the total amount or a specific listing of the political contributions of \$50 or less accepted and the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period;
 - f. the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period;
 - g. the name of each candidate or officeholder who benefits from a direct campaign expenditure made during the reporting period and the office sought or held, excluding a direct expenditure that is made by the principal political committee of a political party on behalf of a slate of two or more nominees of that party;
 - h. as of the last day of the reporting period for which the person is required to file a report, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period; and
 - i. that if no reportable activity occurs during a reporting period, the person required to file a report shall indicate that fact on the report.
2. In addition, the respondent acknowledges that each campaign finance report filed by a candidate that is not filed by electronic transfer must be accompanied by an affidavit executed by the candidate containing the statement "I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code."
 3. The respondent acknowledges that a candidate shall file two reports for each year, the first report shall be filed not later than July 15, and cover the period beginning January 1, the day the candidate's campaign treasurer appointment is filed, or the first day after the period covered by the last report required to be filed, as applicable, and continuing through June 30; the second report shall be filed not later than January 15, and cover the period beginning July 1, the day the candidate's campaign treasurer appointment is filed, or the first day after the

period covered by the last report required to be filed, as applicable, and continuing through December 31.

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 \$300 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-2706123.

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

Les R. Tarrance, Sr., Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director