

TEXAS ETHICS COMMISSION

IN THE MATTER OF
§
CHRIS GONZALES,
§
RESPONDENT
§

BEFORE THE
§
TEXAS ETHICS COMMISSION
§
SC-290237

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on June 11, 2010, to consider sworn complaint SC-290237. A quorum of the commission was present. The commission determined that there is credible evidence of violations of section 254.063 of the Election Code and credible evidence of technical or *de minimis* violations of sections 253.035 and 254.031 of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposed this resolution to the respondent.

II. Allegations

The complaint alleged that the respondent failed to properly disclose political contributions and political expenditures on his campaign finance reports, failed to file the July 2008 and January 2009 semiannual campaign finance reports, and accepted political contributions from corporations or labor organizations.

III. Facts Supported by Credible Evidence

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

1. The respondent is a former member of the Galveston city council.

Disclosure of Political Contributions and Political Expenditures

2. The allegations regarding the failure to properly disclose political contributions and political expenditures are based on the respondent's 30-day and 8-day pre-election reports for the May 10, 2008, city election.

Political Contributions

3. The complaint alleged that the respondent's 8-day pre-election report failed to fully disclose the address of a contributor.

4. The respondent's report disclosed on Schedule A (used to disclose political contributions) the receipt of a political contribution of \$100 and provided the contributor's city, state, and zip code, but not the contributor's street address.
5. The respondent filed a corrected report disclosing the street name and street number of the contributor's address.

Political Expenditures

6. The complaint alleged that the respondent's 30-day pre-election report failed to fully disclose the address of the payee of a political expenditure.
7. The respondent's report disclosed on Schedule G (used to disclose political expenditures from personal funds) the payment of \$100 to a payee without disclosing the complete address of the payee. The report disclosed the street address of the payee but failed to disclose the city, state, and zip code of the payee.
8. The respondent filed a corrected report disclosing the payee's complete address.
9. The complaint alleged that the respondent's 30-day pre-election report failed to disclose the purpose of six political expenditures.
10. The respondent's 30-day pre-election report disclosed on Schedule G six political expenditures totaling approximately \$230 without disclosing a purpose for the expenditures, and indicating that reimbursement was intended. (Three of the expenditures exceeded \$50 to a single payee.)
11. The respondent filed a corrected report disclosing the purposes for the expenditures at issue.
12. The respondent's 8-day pre-election report disclosed on Schedule F (used to disclose political expenditures) an \$801.29 reimbursement to the respondent for political expenditures disclosed on Schedule G.

Total Political Contributions of \$50 or Less

13. The complaint alleged that the respondent failed to disclose total political contributions of \$50 or less, unless itemized, on his 30-day and 8-day pre-election reports.
14. The respondent's reports did not have an entry for this amount.
15. The total of all Schedule A entries is the same as that disclosed as total political contributions.
16. The respondent filed corrected reports which state "Itemized" in the box for this amount.

17. There is no evidence that the respondent accepted political contributions that were not disclosed.

Total Political Expenditures of \$50 or Less

18. The complaint alleged that the respondent failed to disclose total political expenditures of \$50 or less, unless itemized, on his 30-day and 8-day pre-election reports.
19. The respondent's reports did not have an entry for this amount.
20. The total of all Schedule F and Schedule G entries is the same as that disclosed as total political expenditures.
21. The respondent filed corrected reports which state "Itemized" in the box for this amount.
22. There is no evidence that the respondent made political expenditures that were not disclosed.

Filing of Campaign Finance Reports

23. The complaint alleged that the respondent failed to file the July 2008 and January 2009 semiannual reports.
24. The respondent filed an appointment of a campaign treasurer as a candidate that is stamped as received on February 27, 2008, by the city secretary's office of the City of Galveston. The respondent's campaign treasurer appointment was in effect when the July 2008 and January 2009 semiannual reports became due.
25. The respondent filed the July 2008 and January 2009 semiannual reports on March 17, 2009. The July 2008 semiannual report disclosed no political contributions, total political expenditures of \$1,476.21, and total political contributions maintained as of the last day of the reporting period of \$1,259.41. The January 2009 semiannual report disclosed no political contributions, no political expenditures, and total political contributions maintained of \$1,259.41.
26. The respondent submitted an affidavit in response to the sworn complaint. The affidavit states in part, "My lack of knowledge to file delayed the July 2008 report. My recovery process from hurricane Ike delayed my filing the January 2009 report."

Corporate Contributions

27. The complaint alleged that the respondent accepted political contributions from the following labor organizations:

30-Day Pre-Election Report

3/26/08	Fire Fighters Local 571	\$1,559.00
3/29/08	Galveston Municipal Policeman's Association	\$2,000.00

8-Day Pre-Election Report

4/14/08	International Bro. Electrical Wkers. Local #527	\$ 500.00
4/24/08	Int. Longshoremen's Assoc. Local #20	\$ 200.00

28. The contribution shown as coming from Fire Fighters Local 571 was actually from Galveston Firefighters Local 571 P.A.C. The respondent stated that this political committee paid for political advertising signs for him that cost \$1,559. An e-mail letter from the president of the labor organization stated that on or about March 20, 2008, the labor organization's political committee contributed a check for \$1,559 to the respondent to cover the cost of 550 yard signs that he had ordered.
29. The respondent filed a corrected 30-day pre-election report disclosing that the contribution shown coming from Galveston Municipal Policeman's Association was from Galveston Municipal Policeman's Assoc. PAC Fund. A committee by the name of Galveston Municipal Police Assn. PAC currently files with the Ethics Commission. The committee's monthly report due on April 7, 2008, disclosed a March 24, 2008, campaign contribution of \$2,000 to the respondent.
30. The response stated that the \$500 contribution shown from International Bro. Electrical Wkers. Local #527 was from International Brotherhood of Electrical Workers Local Union 527 P.A.C. Fund. The response stated that their address is 6227 Broadway, Galveston, Texas 77551. Ethics Commission records do not show that a political committee by that name has filed an appointment of campaign treasurer. The respondent submitted a copy of an e-mail report from Local 527 PAC Fund disclosing an April 14, 2008, contribution of \$500 to the respondent. However, the respondent did not provide information as to where the actual report was filed.
31. The response stated that the contribution shown from Int. Longshoremen's Assoc. Local #20 was from I.L.A. Local #20 P.A.C. Fund, which is a general-purpose political committee that currently files with the commission. The committee's monthly report due on May 5, 2008, disclosed an April 17, 2008, campaign contribution of \$200 to the respondent.

IV. Findings and Conclusions of Law

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

Disclosure of Political Contributions and Political Expenditures

Political Contributions

1. Each report must include 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 required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
2. The respondent disclosed the city, state, and zip code of a contributor of \$100 but did not include the street address. There is credible evidence that the respondent committed a technical or *de minimis* violation of section 254.031(a)(1) of the Election Code.

Political Expenditures

3. Each 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. ELEC. CODE § 254.031(a)(3).
4. A candidate or officeholder who makes political expenditures from the candidate's or officeholder's personal funds may reimburse those personal funds from political contributions in the amount of those expenditures only if the expenditures from personal funds were fully reported as political expenditures, including the payees, dates, purposes, and amounts of the expenditures, in the report required to be filed under Title 15 of the Election Code that covers the period in which the expenditures from personal funds were made and the report on which the expenditures from personal funds are disclosed clearly designates those expenditures as having been made from the person's personal funds and that the expenditures are subject to reimbursement. ELEC. CODE § 253.035(h).
5. The respondent failed to disclose the city, state, and zip code of the payee of a \$100 political expenditure, although he disclosed the street address. Therefore, there is credible evidence that the respondent committed a technical or *de minimis* violation of section 254.031(a)(3) of the Election Code as to this expenditure.
6. The respondent was required to disclose the purpose of the expenditures at issue because they were political expenditures from personal funds for which he reimbursed himself. (The three expenditures that exceeded \$50 to a single payee were required to be detailed regardless of whether reimbursement was intended). There is credible evidence that the

respondent committed technical or *de minimis* violations of sections 253.035(h) and 254.031(a)(3) of the Election Code as to these expenditures.

Total Political Contributions of \$50 or Less

7. Each report must include the total amount or a specific listing of the political contributions of \$50 or less accepted during the reporting period. ELEC. CODE § 254.031(a)(5).
8. The respondent failed to indicate that there were no political contributions of \$50 or less accepted during the reporting periods at issue that were not itemized. However, it is apparent when viewing the report that he disclosed all political contributions on Schedule A. Therefore, there is credible evidence that the respondent committed technical or *de minimis* violations of section 254.031(a)(5) of the Election Code.

Total Political Expenditures of \$50 or Less

9. Each report must 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).
10. The respondent failed to indicate that there were no political expenditures of \$50 or less made during the reporting periods at issue that were not itemized. However, it is apparent when viewing the report that he disclosed all political expenditures on Schedule F and Schedule G. Therefore, there is credible evidence that the respondent committed technical or *de minimis* violations of section 254.031(a)(5) of the Election Code.

Filing of Campaign Finance Reports

11. A candidate shall file two reports for each year. The reports are due by January 15 and July 15. ELEC. CODE § 254.063. The designation of a report as a final report relieves the candidate of the duty to file additional reports and terminates the candidate's campaign treasurer. ELEC. CODE § 254.065.
12. The respondent had not filed a final report and had a campaign treasurer appointment in effect at the time the July 2008 and January 2009 semiannual reports were due. Therefore, the respondent was required to file these reports as a candidate. The respondent's July 2008 and January 2009 semiannual reports are stamped as received on March 17, 2009, by the city secretary's office of the City of Galveston. The July 2008 semiannual report was approximately eight months late and the January 2009 semiannual report was approximately two months late. Therefore, there is credible evidence that the respondent violated section 254.063 of the Election Code.

Corporate Contributions

13. A person may not knowingly accept a political contribution that the person knows was made in violation of chapter 253 of the Election Code. ELEC. CODE § 253.003(b).
14. A labor organization may not make a political contribution or political expenditure that is not authorized by subchapter D, chapter 253, Election Code. ELEC. CODE § 253.094.
15. The evidence indicates that Galveston Firefighters Local 571 P.A.C., Galveston Municipal Policeman's Assoc PAC Fund, and I.L.A. Local #20 P.A.C. Fund are political committees and made the contributions at issue, not the labor organizations named as the contributors. Therefore, there is credible evidence that the respondent did not violate sections 253.003(b) and 253.094 of the Election Code as to these contributions. There is insufficient evidence to show that the respondent knowingly accepted a political contribution from a labor organization as to the contribution from the International Bro. Electrical Wkers. Local #527. Therefore, there is insufficient evidence that the respondent violated sections 253.003(b) and 253.094 of the Election Code as to that contribution.

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 must include 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 required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions, and that each 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. The respondent acknowledges that a candidate or officeholder who makes political expenditures from the candidate's or officeholder's personal funds may reimburse those personal funds from political contributions in the amount of those expenditures only if the expenditures from personal funds were fully reported as political expenditures, including the payees, dates, purposes, and amounts of the expenditures, in the report required to be filed under Title 15 of the Election Code that covers the period in which the expenditures from personal funds were made and the report on which the expenditures from personal

funds are disclosed clearly designates those expenditures as having been made from the person's personal funds and that the expenditures are subject to reimbursement. The respondent acknowledges that each report must include 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. The respondent also acknowledges that a candidate shall file two reports for each year, and that the reports are due by January 15 and July 15. 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.

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-290237.

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

Chris Gonzales, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director