

TEXAS ETHICS COMMISSION

IN THE MATTER OF

**R. CHRISTOPHER BELL,
RESPONDENT**

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BEFORE THE

**TEXAS ETHICS COMMISSION
SC-290465**

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on December 2, 2009, to consider sworn complaint SC-290465. A quorum of the commission was present. The commission determined that there is credible evidence of violations of section 254.0612 of the Election Code, a law 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 alleged that the respondent failed to properly disclose political contributions and 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 candidate for state senator of District 17 in a special election held on November 4, 2008. The complaint alleged that the respondent improperly disclosed political contributions and political expenditures in a semiannual campaign finance report due on January 15, 2009.
2. The respondent filed a correction to the report at issue.

Principal Occupation or Job Title and Name of Employer

3. The complaint alleged that the respondent failed to disclose the principal occupation or job title and the full name of the employer of political contributors regarding “7 places” in the report. The complaint did not identify the contributions for which the information was omitted.

4. In response to the allegations, the respondent swore that the employer and occupation information was missing for only two contributions and that the information as requested from the donors before the report was filed, but that neither responded to the requests. The respondent corrected the report to add the principal occupation or job title and employer information for a \$500 contribution and a \$1,000 contribution.

Payees of Political Expenditures

5. The complaint alleged that the respondent failed to disclose the payees, dates, purposes, and amounts of political expenditures “when reimbursing expenses.” The complaint included a list of political expenditures totaling approximately \$30,050 that were disclosed in the respondent’s report.
6. The complaint included a list of the following political expenditures disclosed in the respondent’s report, which are individually followed by the respondent’s specific sworn response for each expenditure:
 - \$20,548.97 to Peter Bell in Daly City, California, for “TV Commissions” on December 10, 2008.
 - The respondent swore:

This expenditure was made directly to Peter Bell for his services in making a television advertising buy for the campaign. Making advertising buys is one service that Peter Bells [sic] provides to other clients in his principal business.
 - \$450 to Peter Bell for “Photography” on December 23, 2008.
 - The respondent swore:

This expenditure was made directly to Peter Bell for his photography services. The photographs were used by the campaign in a number of different mediums (website, push cards, door hangers, etc.). Peter Bell provides photography services to other clients in his principal business.

- \$600 to Peter Bell for “Yard Sign Design” on December 23, 2008.

- The respondent swore:

This expenditure was made directly to Peter Bell for his services in yard sign design. The design was used for printing yard signs for the campaign in the runoff election. Peter Bell provides design services to other clients in his principal business.

- Two expenditures of \$950 and \$1,600 to Peter Bell for “TV Production” on December 23, 2008.

- The respondent swore for each expenditure:

This expenditure was made directly to Peter Bell for his services in producing television commercials for the campaign. Peter Bell provides production services to other clients in his principal business.

- Three expenditures of \$625, \$1,450, and \$850 to Peter Bell for “Website” on December 23, 2008.

- The respondent swore for each expenditure:

This expenditure was made directly to Peter Bell for his services in designing the campaign website. Peter Bell provides website design services to other clients in his principal business.

- \$1,093.36 to Ken Bailey in Austin for “Mileage Reimbursement” on December 19, 2008.
- \$103.55 to David Bonem in Bellaire for “Mileage Reimbursement” on December 19, 2008.
- Two expenditures of \$438.93 and \$83.07 to David Bonem for “Mileage Reimbursement” on December 24, 2008.

- \$518.90 to W. Joe Deshotel in Beaumont for “Mileage Reimbursement” on December 19, 2008.
- \$114.51 to Tasha Kneis in Austin for “Mileage Reimbursement” on December 24, 2008.
- \$135.14 to Amber Moon in Houston for “Mileage Reimbursement” on December 19, 2008.
- \$490.82 to Matt Zeis in Houston for “Mileage Reimbursement” on December 24, 2008.
 - The respondent swore for each expenditure for mileage:

This expenditure was made to [the individual] for expenses incurred based on the IRS standard mileage rate for campaign trips.

IV. Findings and Conclusions of Law

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

Principal Occupation or Job Title and Name of Employer

1. Each report by a candidate for a legislative office must include, for each individual from whom the person filing the report has accepted political contributions that in the aggregate equal or exceed \$500 and that are accepted during the reporting period the individual’s principal occupation or job title and the full name of the individual’s employer. ELEC. CODE § 254.0612.
2. The complaint alleged that the respondent failed to disclose the principal occupation or job title and employer in “7 places” in his report. The respondent filed a correction to his report in response to the complaint to add the principal occupation or job title and employer information for political contributions from individuals from whom the respondent had accepted at least \$500 in the reporting period. The respondent corrected a \$500 political contribution and a \$1,000 political contribution, both accepted from individuals. In each case, the respondent did not disclose the principal occupation, job title, or employer of the contributor. Schedule A of the report did not disclose any other contributions for which the information was required. Therefore, there is credible evidence that the respondent violated section 254.0612 of the Election Code in connection with the contributions.

Payees of Political Expenditures

3. A campaign finance 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. *Id.* § 254.031(a)(3).
4. A political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or a political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee that in the aggregate do not exceed \$5,000 during the reporting period may be reported as follows if the reimbursement occurs during the same reporting period that the initial expenditure was made: (1) 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; and (2) included with the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. Except as provided by subsection (a) of this section, a political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or a political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee must be reported as follows: (1) the aggregate amount of the expenditures made by the staff member as of the last day of the reporting period is reported as a loan to the officeholder, candidate, or political committee; (2) the expenditure made by the staff member is reported as a political expenditure by the officeholder, candidate, or political committee; and (3) the reimbursement to the staff member to repay the loan is reported as a political expenditure by the officeholder, candidate, or political committee. Ethics Commission Rules § 20.62.
5. The complaint alleged that the respondent did not disclose the actual payee information of approximately \$30,050 in political expenditures because they were reimbursements. The respondent swore that the destinations of the funds were identified and that the expenditures were reported correctly.
6. According to the reports, approximately \$2,980 of the expenditures at issue were made as reimbursements for mileage. The respondent swore that the expenditures were for “expenses incurred based on the IRS standard mileage rate for campaign trips” and there is no evidence to dispute this statement. There is also no evidence that the respondent directed the individuals to purchase gasoline at a particular location. Thus, the respondent properly disclosed the payees of the expenditures that were mileage reimbursements. Therefore, there is credible evidence that the respondent did not violate section 254.031(a)(3) of the Election Code in connection with the expenditures that were mileage reimbursements.
7. Regarding the remaining amount of approximately \$27,070 in expenditures at issue, the respondent swore that the expenditures were either made for services performed by the payees or for costs related directly to those services. There is no evidence to dispute the respondent’s sworn statements or to indicate that the respondent directed any of the

individuals to make a particular expenditure. Thus, the evidence indicates that the payees disclosed in the reports for the expenditures were the actual payees. Therefore, there is credible evidence that the respondent did not violate section 254.031(a)(3) of the Election Code in connection with the expenditures.

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 by a candidate for a legislative office must include, for each individual from whom the person filing the report has accepted political contributions that in the aggregate equal or exceed \$500 and that are accepted during the reporting period the individual's principal occupation or job title and the full name of the individual's employer. The respondent agrees to comply with these requirement 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 \$200 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-290465.

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

R. Christopher Bell, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director