

TEXAS ETHICS COMMISSION

IN THE MATTER OF
DAVID W. STANDLEE,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-31004115

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on August 12, 2010, to consider sworn complaint SC-31004115. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031, 254.063, and 254.064 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, political expenditures, total political contributions maintained, and outstanding loan balances on three campaign finance reports.

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 Walker County Clerk in the March 2010 primary election.

Total Political Contributions Maintained

2. The complaint alleged that the respondent failed to disclose total political contributions maintained on three campaign finance reports. The respondent's 30-day and 8-day pre-election reports for the March 2010 primary election, and 8-day pre-election report for the April 2010 primary runoff election, left blank the section for total political contributions maintained.

Disclosure of Political Contributions, Expenditures, and Loans

3. The complaint alleged that the respondent failed to properly disclose political contributions, political expenditures, and loans on three campaign finance reports. The respondent's 30-day pre-election report for the March 2010 primary election disclosed \$0 in total political contributions of \$50 or less, \$300 in total political contributions, and \$1,660.94 in total political expenditures of \$50 or less and total political expenditures. The space for total outstanding loans was left blank. The respondent did not itemize political contributions and political expenditures on the applicable reporting schedules.
4. The respondent's 8-day pre-election report for the March 2010 primary election disclosed \$0 in total political contributions of \$50 or less, \$0 in total political contributions, and \$5 in total political expenditures of \$50 or less. The spaces for total political expenditures and total outstanding loans were left blank.
5. The respondent's primary runoff report for the April 2010 primary runoff election disclosed \$0 in total political contributions of \$50 or less, \$0 in total political contributions, and \$598.34 in total political expenditures of \$50 or less and total political expenditures. The space for total outstanding loans was left blank. The respondent did not itemize political expenditures on the applicable reporting schedule.

Timely Filing of Reports

6. The complaint alleged that the respondent failed to file his January 2010 semiannual report and failed to timely file his pre-election campaign finance reports. The respondent filed a campaign treasurer appointment on November 12, 2009. The respondent did not file the January 2010 semiannual report that was due on January 15, 2010. The respondent's 30-day and 8-day pre-election reports for the March 2010 primary election, and the respondent's primary runoff report for the April 2010 primary runoff election are date stamped as received by the Walker County Clerk on April 7, 2010. The due date for the 30-day and 8-day pre-election reports were February 1 and February 22, 2010, respectively. The due date for the 8-day pre-election primary runoff report for the April 2010 primary runoff election was April 5, 2010.

IV. Findings and Conclusions of Law

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

Total Political Contributions Maintained

1. Each report must include as of the last day of the reporting period, 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. ELEC. CODE § 254.031(a)(8).

2. As a candidate for a county office, the respondent was required to file campaign finance reports that properly disclosed political contributions and political expenditures during the applicable reporting periods. The respondent failed to disclose the amount of total political contributions maintained on the campaign finance reports at issue. Therefore, there is credible evidence of violations of section 254.031(a)(8) of the Election Code.

Disclosure of Political Contributions, Expenditures, and Loans

3. Each campaign finance 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).
4. Each campaign finance report must include the aggregate principal amount of all outstanding loans as of the last day of the reporting period. ELEC. CODE § 254.031(a)(2).
5. Each 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. ELEC. CODE § 254.031(a)(3).
6. Each campaign finance 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. ELEC. CODE § 254.031(a)(5). The report must also include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. ELEC. CODE § 254.031(a)(6).
7. The respondent failed to disclose an amount for total political expenditures on his 8-day pre-election report for the March 2010 primary election, and left blank the section used to disclose total outstanding loans on the reports at issue. Therefore, there is credible evidence of violations of sections 254.031(a)(2) and 254.031(a)(6) of the Election Code.
8. The respondent did not itemize political contributions and political expenditures on his 30-day pre-election report for the March 2010 primary election and his primary runoff report for the April 2010 primary runoff election. The 30-day pre-election report disclosed zero for total political contributions of \$50 or less and \$300 in total political contributions, but did not include a Schedule A (used to detail political contributions exceeding \$50 during a reporting period). Therefore, on the face of the report, there is credible evidence of a violation of section 254.031(a)(1) of the Election Code with respect to the 30-day pre-election report. There is insufficient evidence of a violation of that section regarding the 8-day pre-election report. The evidence does not show that the respondent made political expenditures that were required to be itemized on either report. Therefore, there is insufficient evidence of violations of section 254.031(a)(3) of the Election Code.

Timely Filing of 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. For each election in which a person is a candidate and has an opponent whose name is to appear on the ballot, the person shall file two reports. ELEC. CODE § 254.064(a). The first report must be received by the authority with whom the report is required to be filed not later than the 30th day before election day. The report covers the period beginning 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 under this chapter, as applicable, and continuing through the 40th day before election day. *Id.* § 254.064(b). The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day. The report covers the period beginning the 39th day before election day and continuing through the 10th day before election day. *Id.* § 254.064(c). An opposed candidate in a runoff election is required to file a report not later than the eighth day before runoff election day. ELEC. CODE § 254.064(e).
11. An opposed candidate may select modified reporting if the candidate does not intend to accept over \$500 in political contributions and make over \$500 in political expenditures. ELEC. CODE § 254.181. A candidate who is eligible to file on the modified schedule does not have to file pre-election reports but must file semiannual reports. ELEC. CODE § 254.184.
12. The respondent filed his campaign treasurer appointment with the Walker County Clerk on November 12, 2009. As a candidate for a county office with a campaign treasurer appointment on file, he was required to file a semiannual report by January 15, 2010. The respondent failed to file this report. Therefore, there is credible evidence of violations of section 254.063(a) of the Election Code.
13. The respondent was an opposed candidate for a county office and did not qualify for modified reporting. Thus, the respondent was required to file 30-day and 8-day pre-election reports by the applicable reporting deadlines. The respondent's 30-day and 8-day pre-election reports for the March 2010 primary election were filed on April 7, 2010, after the applicable reporting deadlines and after the primary election. The respondent's 8-day primary runoff report was also filed on April 7, 2010, after the applicable reporting deadline. Therefore, there is credible evidence of violations of section 254.064 of the Election 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 each campaign finance report must include as of the last day of the reporting period, 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. The respondent also acknowledges that each campaign finance report must include the aggregate principal amount of all outstanding loans as of the last day of the reporting period. The respondent also acknowledges that each campaign finance 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. The report must also include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. The respondent also acknowledges that a candidate is required to file two reports each year. 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. The respondent also acknowledges that for each election in which a person is a candidate and has an opponent whose name is to appear on the ballot, the person shall file two reports. The first report must be received by the authority with whom the report is required to be filed not later than the 30th day before election day. The report covers the period beginning 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 under this chapter, as applicable, and continuing through the 40th day before election day. The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day. The report covers the period beginning the 39th day before election day and continuing through the 10th day before election day. The respondent also acknowledges that an opposed candidate in a runoff election shall file one report for that election. The runoff election report must be received by the authority with whom the report is required to be filed not later than the eighth day before runoff election day. The report covers the period beginning the ninth day before the date of the main election and continuing through the 10th day before runoff election day. 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.

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-31004115.

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

David W. Standlee, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director