

TEXAS ETHICS COMMISSION

IN THE MATTER OF
WILLIAM "BILL" BURCH,
RESPONDENT

§
§
§
§
§

BEFORE THE
TEXAS ETHICS COMMISSION
SC-31004133

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on October 21, 2010, to consider sworn complaint SC-31004133. A quorum of the commission was present. The commission determined that there is credible evidence of a violation of section 253.0351(a) of the Election Code, a law administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposed this resolution to the respondent.

II. Allegation

The complaint alleged that the respondent improperly disclosed a loan from his personal funds on a campaign finance report.

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 representative, District 93, in the March 2, 2010, primary election. The respondent filed a January 2010 semiannual report on January 9, 2010, that disclosed the following:
 - \$0 in total political contributions of \$50 or less
 - \$1,000 in total political contributions
 - \$0 in total political expenditures of \$50 or less
 - \$1,500.52 in total political expenditures
 - \$25,324.59 in total political contributions maintained as of the last day of the reporting period
 - \$45,291.52 in total principal amount of outstanding loans

2. The report disclosed the following political expenditures on Schedule F of the report, used to disclose political expenditures from political contributions:
 - \$250 to Precision Press on November 2, 2009, for “Printing”
 - \$450 to Precision Press on November 11, 2009, for “Printing”
 - \$750 to Tarrant County Republican County on December 23, 2009, for “Filing Fee”
 - \$47.52 to United States Postal Service on December 16, 2009, for “Postage”
3. The report also disclosed the following loans from the respondent on Schedule E:
 - \$500 on November 4, 2009
 - \$47.52 on December 16, 2009
 - \$25,000 on December 24, 2009
4. The respondent did not disclose any political expenditures made from personal funds in his January 2010 semiannual report.
5. The complaint alleged that the respondent filed for Chapter 11 bankruptcy in a federal bankruptcy court in Fort Worth and did not disclose a \$25,000 loan to himself in monthly operating reports filed with the court covering November 2009 and December 2009. Thus, the complaint alleged, the respondent either did not actually make the \$25,000 loan or committed perjury by filing an incorrect report with the court.
6. The respondent swore that he made the loan at issue and provided a copy of a check drawn on his personal account on December 23, 2009, made payable to “Bill Burch Campaign” for \$25,000. The check included “loan” in the memo section. The check also indicated that it was deposited into another account.

IV. Findings and Conclusions of Law

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

1. A candidate or officeholder who makes political expenditures from the candidate’s or officeholder’s personal funds may report the amount expended as a loan and may reimburse those personal funds from political contributions in the amount of the reported loan. *Id.* § 253.0351(a).
2. On or about December 24, 2009, the respondent transferred \$25,000 of his personal funds from a personal account to a separate account that he intended to use for making campaign expenditures. The respondent reported the transfer as a loan from himself on his January

2010 semiannual report. Section 253.0351 of the Election Code requires a candidate to report only the amount expended from personal funds as a loan. The respondent's January 2010 semiannual report disclosed only \$1,500 in political expenditures, \$750 of which was reported before the loan date. The respondent disclosed no political expenditures from personal funds. The respondent reported as a loan from himself more than the amount he actually expended. Therefore, there is credible evidence that the respondent violated section 253.0351(a) of the Election Code by improperly disclosing a loan on a campaign finance report.

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 a candidate or officeholder who makes political expenditures from the candidate's or officeholder's personal funds may report the amount expended as a loan and may reimburse those personal funds from political contributions in the amount of the reported loan. The respondent agrees to comply with these requirements of the law.

VI. Confidentiality

This order and agreed resolution describes a violation that the commission has determined is 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 violation described under Sections III and IV, including the nature, circumstances, and consequences of the violation, 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-31004133.

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

William "Bill" Burch, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director