

# TEXAS ETHICS COMMISSION

IN THE MATTER OF	§	BEFORE THE
	§	
SAMUEL MUNN, CAMPAIGN	§	
TREASURER, GALVESTON	§	TEXAS ETHICS COMMISSION
COUNTY DEMOCRATIC PARTY,	§	
	§	
RESPONDENT	§	SC-31005164

## ORDER and AGREED RESOLUTION

### I. Recitals

The Texas Ethics Commission (the commission) met on June 9, 2011, to consider sworn complaint SC-31005164. A quorum of the commission was present. The commission determined that there is credible evidence of violations, including technical or *de minimis* violations of section 254.031 of the Election Code and section 20.62 of the Ethics Commission Rules, 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, as campaign treasurer of a political committee, did not properly report 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 is the campaign treasurer for Galveston County Democratic Party (GCDP), a general-purpose committee.

#### Total Political Contributions Maintained

2. The complaint alleged that the respondent incorrectly reported the amount of total political contributions maintained on nine campaign finance reports. The complaint did not provide specific evidence to support the allegations, and the evidence was inconclusive as to whether the amounts were properly disclosed.

**Disclosure of Political Contributions from Corporations or Labor Organizations**

3. The complaint alleged that, based on disclosures in five campaign finance reports, the respondent failed to properly disclose on GCDP's campaign finance reports 12 political contributions from corporations or labor organizations. The respondent was not the Galveston County Democratic Party Chair. In response to the complaint, the respondent swore that all information was properly disclosed.

**Disclosure of Political Expenditures as Reimbursements**

4. The complaint alleged that the respondent improperly reported 46 political expenditures as reimbursements on seven campaign finance reports. The respondent did not disclose the actual payee in the "payee name" field for 20 expenditures on seven reports, totaling approximately \$2,610. However, the name of the actual payee and purpose were disclosed in the "purpose" field on those reports. With regard to 16 expenditures, totaling approximately \$3,010, the actual vendor payees were not disclosed in the original reports. In response to the complaint, the respondent swore that all information was properly disclosed.

**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. There is insufficient evidence of a violation of section 254.031(a)(8) of the Election Code.

**Disclosure of Political Contributions from Corporations or Labor Organizations**

3. 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.
4. A corporation may not make a political contribution or political expenditure that is not authorized by subchapter D, chapter 253, Election Code. ELEC. CODE § 253.094.
5. The prohibition applies to corporations that are organized under the Texas Business Corporation Act, the Texas For-Profit Corporation Law, the Texas Non-Profit Corporation Act, the Texas Nonprofit Corporation Law, federal law, or law of another state or nation. ELEC. CODE § 253.091.

6. Each report by a campaign treasurer of a general-purpose committee must include on a separate page or pages of the report, the identification of any contribution from a corporation or labor organization made and accepted to establish or administer the political committee. ELEC. CODE § 254.151(8).
7. The respondent is the campaign treasurer of a general-purpose committee named the Galveston County Democratic Party (GCDP). As the campaign treasurer of such a committee, the respondent is required to file campaign finance reports for the committee. However, the county party chair is required to disclose corporate contributions on the Form PTY-CORP. The respondent was not the county party chair. Therefore, there is credible evidence of no violation of section 254.151(8) of the Election Code.

### **Disclosure of Political Expenditures as Reimbursements**

8. 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).
9. Political expenditures 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: 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 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 above, a political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee must be reported as follows: 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; the expenditure made by the staff member is reported as a political expenditure by the officeholder, candidate, or political committee; and 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.
10. The respondent failed to disclose the actual payee in the “payee name” field for 20 expenditures on seven reports, totaling approximately \$2,610. However, the name of the actual payee and purpose were disclosed in the “purpose” field on those reports. Therefore, with regard to those expenditures, there is credible evidence of technical or *de minimis* violations of section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules. With regard to 16 expenditures, totaling approximately \$3,010, the actual vendor payees were not disclosed in the original reports. There is credible evidence of a violation of section 254.031(a)(3) of the Election Code and section

20.62 of the Ethics Commission Rules with regard to those expenditures. With respect to the remaining 10 expenditures, the proper vendor payee was disclosed. There is credible evidence of no violation of section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules with regard to those 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 a campaign finance report must include, for all 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 political expenditures are made and the dates and purposes of the expenditures, and that the proper way to report a committee expenditure for which an individual will seek reimbursement is in accordance with section 20.62 of the Ethics Commission Rules. 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 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-31005164.

AGREED to by the respondent on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Samuel Munn, Respondent

EXECUTED ORIGINAL received by the commission on: \_\_\_\_\_.

Texas Ethics Commission

By: \_\_\_\_\_  
David A. Reisman, Executive Director