

TEXAS ETHICS COMMISSION

IN THE MATTER OF

**DELRIDGE WILLIAMS,
CAMPAIGN TREASURER,
DALLAS BLACK FIREFIGHTERS
POLITICAL ACTION COMMITTEE,**

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-31008240

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on October 6, 2011, to consider sworn complaint SC-31008240. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031, 254.061, and 254.151 of the Election Code, section 20.62 of the Ethics Commission Rules, and section 571.1242 of the Government 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 disclose required information on campaign finance reports.

III. Facts Supported by Credible Evidence

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

1. The respondent is the treasurer for Dallas Black Firefighters Political Action Committee (DBFPAC), a general-purpose political committee that files campaign finance reports with the commission.
2. The allegations relate to DBFPAC's July 2009, January 2010, and July 2010 semiannual campaign finance reports.

3. To date, no response to the notice of sworn complaint has been received by the commission. The respondent filed corrections to each of the reports at issue on January 17, 2011.
4. The complaint alleged that DBFPAC failed to properly disclose total political expenditures on each of the reports at issue. These allegations appear to be based on calculations used by the complainant to conclude that the respondent should have included expenditures disclosed on Schedule I (used to disclose non-political expenditures) in total political expenditures.
5. On each of the reports at issue, DBFPAC disclosed non-political expenditures to payees including Dell Financial Services, USPS, Office Depot and Office Max, for the purpose of "Office equipment," "Office Computer," "Office supplies and materials," payees such as Alamo Rental, Hilton Hotel and Pier 7 for purposes including "Rental Car," "Lodging," and "Food," and to the Texas State Comptroller for "Franchise Tax."
6. Although the respondent filed corrections to each of the reports at issue disclosing more detailed purposes for these expenditures, expenditure totals remained the same on all but the July 2010 semiannual report. The corrected July 2009 semiannual report suggests that two expenditures totaling approximately \$450 for airfare and car rental were for the purpose of, "Travel to support/oppose legislation." The corrected July 2010 semiannual report suggests that the travel expenditures at issue in that report were in connection with a "CFSI National Fire and Emergency Services" event attended by members of the committee.
7. The complaint alleged that the respondent failed to properly disclose political contributions maintained on each of the reports at issue. The respondent filed corrections to total political contributions maintained on each of the reports. The respondent swore, in the correction affidavits attached to each of DBFPAC's corrected reports, that he was "correcting a minor calculation error that carried over from previous reports." The difference between the total political contributions maintained originally disclosed and the corrected amount was approximately \$40 on the July 2009 semiannual report, and approximately \$1,800 on DBFPAC's January 2010 and July 2010 semiannual reports.
8. The complaint alleged that DBFPAC's July 2009, January 2010, and July 2010 semiannual reports failed to disclose candidates supported or officeholders assisted on the cover sheet. Each report left blank the spaces provided to disclose this information on the reports at issue. The reports disclosed:

July 2009 Semiannual Report:

- five political expenditures to candidates or their campaigns on Schedule F (used to disclose political expenditures), totaling \$3,500, for the purpose of, "Campaign Donation," "Campaign Help," and "Campaign Contribution,"

January 2010 Semiannual Report:

- one \$250 political expenditure to a candidate's campaign on Schedule F, for the purpose of, "Campaign Donation," and

July 2010 Semiannual Report:

- two political expenditures to candidates or their campaigns on Schedule F, totaling \$950, for the purpose of, "fund raiser."

Although the respondent filed corrections to each of the reports, the spaces provided to disclose support of candidates on the cover sheets remained blank.

9. The complaint alleged that the respondent failed to disclose the full name of a payee "QT" for a \$70.12 political expenditure for the purpose of "Fuel" disclosed on DBFPAC's July 2010 semiannual report. "QT" is a service station by the name of "Quik Trip" that also uses the acronym QT in its business. DBFPAC's corrected July 2010 semiannual report disclosed the same payee name, but a more detailed description of the purpose of this expenditure, as "Fuel-CFSI National Fire and Emergency Services Events."
10. The complaint alleged that the respondent failed to disclose the purpose of 49 political and non-political expenditures totaling approximately \$9,860 disclosed on DBFPAC's July 2009, January 2010, and July 2010 semiannual reports. The expenditures were to payees including Office Depot, Alamo Rental, Dell Financial Services, Southwest Airlines, Phillips Restaurant, Exxon, Hilton Hotel, and Young's Taylor, with purposes of, "Office supplies and materials," "car rental," "office equipment," and "Airfare."
11. The complainant also alleged that the respondent failed to disclose the actual payee for four political expenditures totaling approximately \$1,100 disclosed on DBFPAC's January 2010 semiannual report. Three of the expenditures at issue were to the respondent, and the other was to another individual for purposes including: "Reimbursement for planning lunch," "Reimbursement for Visa Gift Cards for Home for the Holidays fund raiser," and "Reimbursement for Wal-Mart Gift Cards for Home for the Holidays fund raiser."
12. The respondent filed corrections to DBFPAC's January 2010 semiannual report, removing the individual payees and disclosing vendors including "South Dallas Cafe," and "Wal-Mart."
13. The complaint alleged that the respondent failed to include the campaign treasurer's street address on DBFPAC's July 2010 semiannual report. The report disclosed a post office box in the space provided to disclose the campaign treasurer's street address. On the two prior reports at issue in this complaint, the respondent disclosed a street address in this space. The respondent corrected DBFPAC's July 2010 semiannual report to disclose that street address.

14. USPS records show that the notice of this complaint was delivered to the committee's address on November 5, 2010, by delivery confirmation. The notice stated that the respondent was required to respond within 10 business days from receipt of the notice, and that the response must be in writing and under oath. Commission staff also sent the respondent three quarterly status letters, notifying him that the sworn complaint was still pending. The address that notice was delivered to is the same address as was disclosed by the respondent on the committee's campaign finance reports during the period at issue, and the address that was disclosed by the committee on their most recently filed campaign finance report with the commission. To date, no response has been filed.

IV. Findings and Conclusions of Law

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

Total Political Expenditures

1. Each report must include the total amount of all political expenditures made during the reporting period. *Id.* § 254.031(a)(6).
2. The complaint alleged that the respondent, as campaign treasurer of DBFPAC, failed to properly disclose total political expenditures on DBFPAC's July 2009 and January and July 2010 semiannual reports. It appears that the complainant based these allegations on calculations that include non-political expenditures disclosed by the committee.
3. With regard to the expenditures disclosed on the reports at issue, there is no evidence that these non-political expenditures disclosed by the respondent were actually political expenditures and the evidence indicated that the respondent properly disclosed these expenditures. Therefore, there is credible evidence of no violation of section 254.031(a)(6) of the Election Code.

Political Contributions Maintained

4. Each report must include, as of the last day of a reporting period for which the person is required to file a report, 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. *Id.* § 254.031(a)(8). A *de minimis* error in calculating or reporting a cash balance is not a violation. ELEC. CODE § 254.031(a-1).
5. With regard to total political contributions maintained, the respondent corrected the reports at issue to disclose the correct totals on DBFPAC's July 2009 and January and July 2010 semiannual reports. With respect to the \$40 discrepancy on the original and corrected July 2009 semiannual report, the error was *de minimis*. Therefore, with regard to the July 2009 semiannual report, there is credible evidence of no violation of section 254.031(a)(8) of the

Election Code. As to the remaining reports, there is credible evidence of violations of section 254.031(a)(8) of the Election Code.

Names of Candidates Supported or Opposed and Officeholders Assisted

6. Each report by a campaign treasurer of a general-purpose committee must include the name of each identified candidate or measure or classification by party of candidates supported or opposed by the committee, indicating whether the committee supports or opposes each listed candidate, measure, or classification by party of candidates, and the name of each identified officeholder or classification by party of officeholders assisted by the committee. *Id.* §§ 254.151(4), 254.151(5).
7. The respondent left blank the “Committee Activity” section of the committee’s original and corrected reports. However, each of the reports at issue disclosed on Schedule F political expenditures by DBFPAC to candidates for office, and included the names of the candidates to which the committee contributed. There is credible evidence of technical or *de minimis* violations of section 254.151(4) of the Election Code.

Name of Payee, Purpose of Expenditures and Political Expenditures as Reimbursements

8. 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. 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 complaint alleged that the respondent failed to disclose the full name of a payee “QT.” The payee is a service station named “Quik Trip” that is commonly known by the acronym QT. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code with regard to this expenditure.
11. The complaint alleged that the respondent failed to disclose the purpose of 49 political and non-political expenditures totaling approximately \$9,860. The original reports disclosed that the expenditures were for “food,” “car rental,” “office equipment,” and other similar purposes. The respondent corrected the reports to disclose more detailed descriptions; however the original expenditure purposes disclosed by the respondent were adequate. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code with regard to the purposes disclosed for these expenditures.
12. The respondent did not respond to the reimbursement allegations concerning the four political expenditures to individual payees totaling approximately \$1,100, but filed corrections to that report removing the individual payee names and disclosing vendor payees instead. Therefore, with regard to these expenditures, 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.

Address of Campaign Treasurer

13. Each report by a candidate must include the candidate’s campaign treasurer’s name, residence or business street address, and telephone number. ELEC. CODE § 254.061.
14. In DBFPAC’s July 2010 semiannual report, the respondent disclosed the campaign treasurer’s post office box instead of a street address. However, the omission did not substantially affect disclosure. Therefore, there is credible evidence of technical or *de minimis* violations of section 254.061 of the Election Code.

Response to Sworn Complaint

15. A respondent must respond to the notice of a Category One violation not later than the 10th business day after the date the respondent receives the notice. GOV’T CODE § 571.1242(b). Failure to respond to a notice of sworn complaint within the time required is a separate Category One violation. *Id.* § 571.1242(c).
16. To date, the respondent has not responded to the notice of sworn complaint. Therefore, there is credible evidence of a violation of section 571.1242 of the Government 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 report must include, as of the last day of a reporting period for which the person is required to file a report, 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; that each report of a general-purpose committee must include the name of each identified candidate or measure or classification by party of candidates supported or opposed by the committee, indicating whether the committee supports or opposes each listed candidate, measure, or classification by party of candidates; 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; that the proper method for reporting expenditures made by a person who is later reimbursed is in accordance with section 20.62 of the Ethics Commission Rules; that each report by a candidate must include the candidate's campaign treasurer's name, residence or business street address, and telephone number; and that a respondent must respond to the notice of a Category One violation not later than the 10th business day after the date the respondent receives the notice. 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 an \$800 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-31008240.

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

Delridge Williams, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director