

TEXAS ETHICS COMMISSION

IN THE MATTER OF

ALAN B. SADLER,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-31009294

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on August 30, 2012, to consider sworn complaint SC-31009294. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 253.035, 254.031, and 254.061 of the Election Code, and sections 20.61 and 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: 1) converted political contributions to personal use, 2) improperly reported political expenditures as reimbursements, 3) did not properly disclose political expenditures, 4) did not disclose the office sought or the date and type of election on the cover sheet of campaign finance reports, and 5) did not properly disclose the total amount of political contributions maintained.

III. Facts Supported by Credible Evidence

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

1. The respondent was the incumbent candidate for Montgomery County Judge in the November 2010 election.
2. At issue are six campaign finance reports: January and July 2009 semiannual reports, January 2010 semiannual report, 30-day and 8-day pre-election reports for the March 2010 primary election, and July 2010 semiannual report.

Personal Use of Political Contributions

3. The complaint alleged that the respondent converted political contributions to personal use based on expenditures that the respondent disclosed in his January 2009 and July 2009 semiannual reports. The following expenditures were at issue:

January 2009 Semiannual Report

- \$86 payment to “G.C./L.C.A. C. of C.” on October 21, 2008, for “’08 Board Retreat spouse fee”
- \$100 payment to Montgomery County on October 29, 2008, for “reimburse personal calls”
- \$25 payment to a pharmacy on December 17, 2008, for “co-pay”

July 2009 Semiannual Report

- \$155 payment to Montgomery County – Treasurer on January 26, 2009, for “reimburse [sic] personal calls – cell”

4. In response to the allegations, the respondent swore that:

I have repaid my campaign account a total of \$89.90 (\$25 co-pay to [a pharmacy] and \$64.90 to Walgreen’s Pharmacy (two \$32.45 expenditures¹) for inadvertent payments I made from the campaign account. I did not intentionally convert any political contributions to personal use and no other expenditures were in any sense for personal use. . . .

The purpose of two expenditures to Montgomery County and Montgomery County Treasurer for phone use will be corrected to show that the calls were for political and not personal purposes. . . .

The expenditures to the G.C./L.C. Chamber of Commerce for my spouse to attend a Chamber retreat were made so that my spouse could campaign for me. She did campaign for me at that event.

5. The respondent did not file corrections to any of the reports at issue in this complaint.
6. The respondent’s campaign finance reports filed from October 2010 to January 2012 did not disclose any credits to the campaign/officeholder account.

¹ The respondent’s January 2009 semiannual report disclosed two payments of \$32.45 each to Walgreens for “supplies.” The complaint included an allegation that the respondent did not fully disclose the purpose of these expenditures, which is addressed in another part of this order and agreed resolution.

7. In response to a request for information, the respondent submitted evidence that the two expenditures of \$32.45 each to Walgreens were for reading glasses. The respondent also submitted evidence that an expenditure of \$24.61, which was disclosed as a reimbursement, was for shipping expenses related to a pharmacy.²

Actual Vendor Payee for Political Expenditures

8. The complaint alleged that the respondent did not disclose “the actual vendor payee, address, date, and amount pertaining to the stated purpose” for 26 political expenditures totaling approximately \$5,810 in five campaign finance reports. The following expenditures, which each disclosed an individual as the payee, were at issue:

January 2009 Semiannual Report

- \$50 on July 16, 2008, for “donation for [name removed]”
- \$48.13 on August 1, 2008, for “reimburse petty cash receipts”
- \$51.52 on August 20, 2008, for “reimburse – flowers [name removed] funeral”
- \$42 on October 2, 2008, for “reimburse NSRW lunches”
- \$25 on December 15, 2008, for “donation”
- \$24.61 on December 18, 2008, for “reimbursement”
- \$150 on December 19, 2008, for “Christmas gift”
- \$350 on December 19, 2008, for “Christmas gift”
- \$500 on December 19, 2008, for “Christmas gift”

July 2009 Semiannual Report

- \$36.99 on February 27, 2009, for “reimburse petty cash”

January 2010 Semiannual Report

- \$38.13 on August 25, 2009, for “reimburse petty cash”
- \$33.56 on October 7, 2009, for “Mounting map – reimburse”
- \$26 on October 23, 2009, for “reimburse for gift to [name removed]”
- \$41.96 on December 14, 2009, for “reimbursement for coffee supplies”
- \$100 on December 14, 2009, for “refreshment – open house”
- \$30 on December 17, 2009, for “Participating in the donation Capital One Bowl”
- \$200 on December 23, 2009, for “Christmas”
- \$350 on December 23, 2009, for “Christmas”
- \$400 on December 23, 2009, for “Christmas”

² The complaint included an allegation that the respondent improperly reported the expenditure as a reimbursement, which is addressed in another part of this order and agreed resolution.

8-day Pre-election Report

- \$500 on February 11, 2010, for “Campaign expenses”

July 2010 Semiannual Report

- \$458.80 on February 23, 2010, for “event expenses – fundraiser”
- \$1,857.82 on March 12, 2010, for “computer repairs”
- \$45 on April 4, 2010, for “reimburse – NSRW”
- \$290 on April 14, 2010, for “computer repairs”
- \$112.79 on June 7, 2010, for “flowers–[name removed] funeral– reimburse”

9. The July 2010 semiannual report also disclosed an expenditure of \$45.84 on April 22, 2010, to “Cash” for “re-imbursement [sic] for cream & candy.”

10. In response to the allegations, the respondent swore that:

I am in the process of filing corrected reports to properly report the actual vendor and accompanying appropriate information in instances where I previously showed the staff who made the expenditure (staff reimbursements).

11. In response to a request for information, the respondent provided additional information, including copies of checks, receipts, invoices, and bank records for the expenditures at issue. For 14 expenditures at issue totaling approximately \$1,110, the expenditures were to individuals as reimbursement for expenses. For at least eight of these expenditures, receipts and invoices disclosed expenditure dates earlier than the corresponding dates disclosed in the respondent’s reports.

12. As previously noted, an expenditure of \$24.61, which was disclosed as a reimbursement, was for shipping expenses related to a pharmacy.

Purpose of Political Expenditures

13. The complaint alleged that the respondent did not disclose in three reports the purpose of four political expenditures totaling approximately \$370. The purpose of payment was left blank for each expenditure at issue. The complaint also alleged that the respondent did not fully disclose or sufficiently describe the purpose of 13 expenditures totaling approximately \$4,350 in five reports. The following political expenditures were at issue:

January 2009 Semiannual Report

- \$150 on November 24, 2008, to Cattle Baron's Ball (purpose left blank)
- \$42.06 on December 22, 2008, to a restaurant (purpose left blank)
- \$100 on July 23, 2008, to Magnolia Livestock B & G for "donation"
- \$32.45 on September 4, 2008, to Walgreens for "supplies"
- \$32.45 on September 24, 2008, to Walgreens for "supplies"
- \$51 on November 17, 2008, to a county clerk for "copies, legal docs"

July 2009 Semiannual Report

- \$55 on January 9, 2009, to "HCN" (purpose left blank)

January 2010 Semiannual Report

- \$250 on July 16, 2009, to Cedar Brake Park Memorials for "donation"
- \$380 on September 18, 2009, to "G.C./L.C.A. C of C" for "Planning Retreat"
- \$100 on September 21, 2009, to Bear Backers for "hole sponsor"
- \$20.59 on November 20, 2009, to Montgomery County for "reimbursement"
- \$100 on December 8, 2009, to "Houston Livestock and Rodeo" for "Parade entry fee"

30-day Pre-election Report

- \$120 on January 28, 2010, to "G.C./LCA C of C" (purpose left blank)
- \$43.30 on January 6, 2010, to a florist for "roses – adoption day"

July 2010 Semiannual Report

- \$2,991.19 on June 17, 2010, to Texas Capital Interest for "campaign supplies & services"
- \$45.84 on April 22, 2010, to "Cash" for "re-imbusement [sic] for cream & candy"
- \$200 on May 12, 2010, to Walker County Fair for "donation – Buyers Group"

14. In response to the allegations, the respondent swore that:

We will include the purpose of expenditure in the four entries where it was omitted. We will add the purpose of the reimbursement to the \$20.59 expenditure to Montgomery County dated 11/20/09. The purpose of expenditure to Lynch Signs in 1/10 will be stated. The expenditures to "cash" and "petty cash" will be properly reported. The purpose of expenditure for Magnolia Livestock B & G and [a

county clerk] were correct and appropriate. The purpose of two expenditures to Montgomery County and Montgomery County Treasurer for phone use will be corrected to show that the calls were for political and not personal purposes. All other expenditures complained about throughout the sworn complaint were correctly reported with proper purpose of expenditure.

15. In response to a request for information, the respondent provided additional information relating to the expenditures at issue.
16. For the expenditure to Cattle Baron's Ball, the information indicated that the expense related to a fundraiser for cancer research.
17. For the expenditure to a restaurant, the information indicated that the expense was for a staff Christmas luncheon.
18. For the expenditure to "HCN," the information indicated that the payee was Houston Community Newspapers and that the purpose was political advertising. Although the report disclosed January 9, 2009, as the expenditure date, an invoice for the expense disclosed December 31, 2008, as the billing date.
19. For the expenditure to Montgomery County, the information indicated that the payment was for "Reimbursement for political expense (telephone)."
20. For the expenditure of \$120 to "G.C./L.C.A. C of C," the information indicated the payee was Greater Conroe/Lake Conroe Area Chamber of Commerce and that the purpose was "Sponsor Board Breakfast."
21. For the expenditure to "Cash," the information indicated that the respondent reimbursed two staff members for "Cash to reimburse expenses for purchase of guest register for reception during Public Open House from Sheryl's Hallmark and other misc supplies to HEB for cranberries for County Employee Committee Luncheon and Walgreens for photo copying." Although the report disclosed a single expenditure on April 22, 2010, expenditure receipts disclosed that three expenditures were made in December 2009.³
22. In addition, records for the expenditure of \$43.30 to a florist disclosed an order and delivery date of November 17, 2009. The records indicate that invoices were printed on November 30, 2009, and on January 1, 2010.

³The allegation that the respondent improperly disclosed this expenditure as a reimbursement, as well as the issue of the expenditure date, is discussed in another section of this order and agreed resolution.

Name of Payee for Political Expenditures

23. The complaint alleged that the respondent did not disclose in all six reports at issue the full name of persons receiving political expenditures in 27 places totaling approximately \$4,360. For the following expenditures that were required to be itemized, the respondent did not disclose the full name of the payee or an acronym used in the name listed in commission records: four expenditures to the Greater Conroe/Lake Conroe Area Chamber of Commerce, two expenditures to Houston Community Newspapers, and an expenditure to “M.C.P.A.S.”

Date of Political Expenditures

24. The complaint alleged that the respondent did not disclose on the 30-day pre-election report the date of a political expenditure of \$6,359.06 to a business for “signs/T shirts.” The field for the date was left blank on the report. The respondent did not address this allegation in his response to the sworn complaint.

Election Date, Type, and Office Sought

25. The complaint alleged that the respondent did not include the election date, election type, and office sought on the cover sheet of his January 2010 semiannual report, 30-day and 8-day pre-election reports for the March 2010 primary election, and July 2010 semiannual report. Those fields were left blank in the four reports at issue. The respondent’s January 2010 semiannual report disclosed a \$1,200 political expenditure to the Montgomery County Republican Party on December 9, 2009, for the purpose of “filing fee office: County Judge.”
26. In response to the allegations, the respondent swore that:

Regarding the allegations covering the cover sheet on the report for activity covering the last 6 months of 2009, I did not consider that to be an election related report and did not put down the date of any election or election type. I put down the office held: “County Judge.” Where omitted in applicable report, the appropriate election date, type and office sought will be included.

Total Political Contributions Maintained

27. The complaint alleged that the respondent disclosed an incorrect amount of total political contributions maintained in four reports.
28. In response to the allegations, the respondent swore that, “The contribution balance in every report is correct and appropriate to the best of my knowledge.”

29. The January 2010 semiannual report disclosed the following totals:
- \$1,000 total political contributions
 - \$6,449.72 total political expenditures
 - \$41,534.66 total political contributions maintained
30. Bank records for the respondent disclosed an ending balance of \$31,005.55 on the last day of the January 2010 semiannual reporting period.
31. The 30-day pre-election report for the March 2010 primary election disclosed the following totals:
- \$3,500 total political contributions
 - \$24,597.28 total political expenditures
 - \$20,437.38 total political contributions maintained
32. Bank records for the respondent disclosed an ending balance of \$26,637.25 on January 20, 2010. The bank records disclosed that this amount did not change until January 25, 2010. The last day of the 30-day pre-election reporting period was January 21, 2010.
33. The 8-day pre-election report for the March 2010 primary election disclosed the following totals:
- \$63,700 total political contributions
 - \$2,504.10 total political expenditures
 - \$81,633.78 total political contributions maintained
34. Bank records for the respondent disclosed an ending balance of \$54,894.17 on February 19, 2010. The bank records disclosed that this amount did not change until February 22, 2010. The last day of the 8-day pre-election reporting period was February 20, 2010.
35. The July 2010 semiannual report disclosed the following totals:
- \$18,000 total political contributions
 - \$11,113.04 total political expenditures
 - \$88,520.74 total political contributions maintained
36. Bank records for the respondent disclosed an ending balance of \$81,191.13 on June 18, 2010. The bank records disclosed that this amount did not change until July 6, 2010. The last day of the July 2010 semiannual reporting period was June 30, 2010.

IV. Findings and Conclusions of Law

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

Personal Use of Political Contributions

1. A person who accepts a political contribution as a candidate or officeholder may not convert the contribution to personal use. ELEC. CODE § 253.035(a). Personal use is a use that primarily furthers individual or family purposes not connected with the performance of duties or activities as a candidate or officeholder. *Id.* § 253.035(d). Personal use does not include payments made to defray ordinary and necessary expenses incurred in connection with activities as a candidate or in connection with the performance of duties or activities as a public officeholder, including payment of reasonable housing or household expenses incurred in maintaining a residence in Travis County by members of the legislature who do not ordinarily reside in Travis County. *Id.* § 253.035(d)(1).
2. In Ethics Advisory Opinion No. 111 (1992), the commission stated that, “Whether it is appropriate for a candidate or officeholder to spend political funds for a spouse’s travel depends on the purpose of the spouse’s travel.” The commission concluded that, “A candidate may use political contributions to pay the travel expenses of his or her spouse if the spouse is campaigning for a candidate. An officeholder may use political contributions to pay for his or her spouse’s travel if the spouse’s travel is in connection with the performance of duties or responsibilities of the officeholder.”
3. In Ethics Advisory Opinion No. 378 (1997), the commission considered whether a legislator may use political contributions to pay for his spouse’s attendance at a legislative conference. The commission concluded that a legislator may not use political contributions to pay for the attendance of his spouse to participate in “spouse programs,” which consist primarily of social activities such as entertainment and sight-seeing.
4. The respondent acknowledged that three expenditures to pharmacies totaling approximately \$90 were for personal use. The respondent made an additional expenditure of \$24.61 for shipping related to a pharmacy. Therefore, there is credible evidence that the respondent violated section 253.035 of the Election Code with respect to those expenditures.
5. Regarding the two expenditures totaling approximately \$260 to Montgomery County for phone use, the evidence is insufficient to determine whether the expenditures in question primarily furthered individual or family purposes not connected with the performance of duties or activities as a candidate or officeholder. Therefore, there is insufficient evidence of a violation of section 253.035 of the Election Code with respect to those expenditures.

6. Regarding the \$86 expenditure to the Greater Conroe/Lake Conroe Area Chamber of Commerce, there is insufficient evidence of a violation of section 253.035 of the Election Code.

Actual Vendor Payee for Political Expenditures

7. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 during the periods at issue) 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).
8. For purposes of reporting under this chapter, a political expenditure is not considered to have been made until the amount is readily determinable by the person making the expenditure. *Id.* § 254.035(a).
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 \$100 (\$50 during the periods at issue) 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 \$100 or less (\$50 or less during the periods at issue) 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. For 14 expenditures at issue totaling approximately \$1,110, the respondent did not properly disclose the actual vendor payees. For at least eight of these expenditures, the respondent also did not disclose the proper expenditure date. Therefore, there is credible evidence of violations of section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules with respect to those 14 expenditures.

11. Regarding the remaining expenditures at issue that were for donations, Christmas gifts, computer repairs, or campaign expenses⁴, the expenditure payees were correct as originally disclosed. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code or section 20.62 of the Ethics Commission Rules regarding those expenditures.

Purpose of Political Expenditures

12. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 during the periods at issue) 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).
13. For purposes of reporting under this chapter, a political expenditure is not considered to have been made until the amount is readily determinable by the person making the expenditure. *Id.* § 254.035(a).
14. The purpose of an expenditure means a description of goods, services, or other thing of value and must include a brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure. Ethics Commission Rules § 20.61.
15. For 11 expenditures totaling approximately \$4,280, the purpose of payment was adequate as originally disclosed or the expenditure fell below the \$50 threshold for itemization.⁵ Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code or section 20.61 of the Ethics Commission Rules with respect to the purpose description for those 11 expenditures.
16. The respondent left a blank space for the purpose of three expenditures that exceeded \$50 totaling approximately \$330. The respondent disclosed an incorrect date for the expenditure to Houston Community Newspapers and, based on the actual expenditure date, was required to disclose the expenditure in an earlier reporting period. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code and section 20.61 of the Ethics Commission Rules with respect to those expenditures.

⁴ The respondent disclosed the purpose of a \$500 expenditure as “Campaign expenses.” Information provided by the respondent indicates that the payment was made to an individual to “Coordinate pole [sic] watchers during the campaign early voting for 7 days.”

⁵ An expenditure of \$43.30 to a florist was incorrectly included in the 30-day pre-election report for the March 2010 primary election and was required to be disclosed in the January 2010 semiannual report.

17. The respondent disclosed two payments of \$32.45 each to Walgreens for the purpose of “supplies.” The expenditures were made for reading glasses. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code and section 20.61 of the Ethics Commission Rules with respect to those expenditures.
18. The respondent disclosed a \$45.84 expenditure on April 22, 2010, to “Cash” for the purpose of “re-imbursement for cream & candy.” The evidence shows that three expenditures were made in December of 2009, and included, among other things, an expenditure for photocopying or photofinishing. The disclosed purpose did not fully describe the goods or services that were purchased. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code and section 20.61 of the Ethics Commission Rules with respect to the purpose description of the expenditures.

Name of Payee for Political Expenditures

19. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 during the periods at issue) 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).
20. Of the 27 disclosures at issue, seven expenditures totaling approximately \$3,350 did not include the full name of the payee and were required to be itemized. Therefore, there is credible evidence of violations of section 254.031(a)(3) of the Election Code with respect to those seven expenditures. The remaining 20 entries were properly disclosed or fell below the \$50 threshold for itemization. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code with respect to those 20 expenditures.

Date of Political Expenditures

21. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 during the periods at issue) 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).
22. The date for a political expenditure of \$6,359.06 was left blank on the 30-day pre-election report. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code.

Election Date, Type, and Office Sought

23. Each report by a candidate must include the office sought, and the identity and date of the election for which the report is filed. ELEC. CODE § 254.061(1).
24. The respondent was a candidate in the 2010 primary and general elections. He did not include the office sought and the identity and date of the election in the four reports at issue. Therefore, there is credible evidence of violations of section 254.061(1) of the Election Code.

Total Political Contributions Maintained

25. 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. ELEC. CODE § 254.031(a)(8).
26. *A de minimis* error in calculating or reporting a cash balance under Subsection (a)(8) is not a violation of this section. ELEC. CODE § 254.031(a-1).
27. The total amount of political contributions maintained in one or more accounts includes the balance on deposit in banks, savings and loan institutions and other depository institutions and the present value of any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks, bonds, treasury bills, etc. Ethics Commission Rules § 20.50(a).
28. The respondent disclosed \$41,534.66 in total political contributions maintained as of the last day of the January 2010 semiannual reporting period. Bank records show the amount was actually \$31,005.55.
29. The respondent disclosed \$20,437.38 in total political contributions maintained as of the last day of the 30-day pre-election reporting period for the March 2010 election. Bank records show the amount was actually \$26,637.25.
30. The respondent disclosed \$81,633.78 in total political contributions maintained as of the last day of the 8-day pre-election reporting period for the March 2010 election. Bank records show the amount was actually \$54,894.17.
31. The respondent disclosed \$88,520.74 in total political contributions maintained as of the last day of the July 2010 semiannual reporting period. Bank records show the amount was actually \$81,191.13.

32. The respondent disclosed an incorrect amount for total political contributions maintained in each of the four reports at issue. The smallest difference between the disclosed amount and the actual amount of total political contributions maintained was approximately \$6,200 (the amount was under reported on the campaign finance report). The largest difference between the disclosed amount and the actual amount of total political contributions maintained was approximately \$26,740 (the amount was over reported on the campaign finance report). Therefore, there is credible evidence of violations of section 254.031(a)(8) 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 a person who accepts a political contribution as a candidate or officeholder may not convert the contribution to personal use.

The respondent also acknowledges that each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 until September 28, 2011) 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.

The respondent also acknowledges that the purpose of an expenditure means a description of goods, services, or other thing of value and must include a brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

The respondent also acknowledges that the proper way to report reimbursements to staff is in accordance with section 20.62 of the Ethics Commission Rules.

The respondent also acknowledges that each report by a candidate must include the office sought, and the identity and date of the election for which the report is filed.

The respondent also acknowledges that each campaign finance 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.

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 \$2,700 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-31009294.

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

Alan B. Sadler, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director