

TEXAS ETHICS COMMISSION

IN THE MATTER OF

JOHN W. BLAND,
CAMPAIGN TREASURER,
TRANSPORT WORKERS UNION
STATE PAC,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-3110469

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on August 11, 2011, to consider sworn complaint SC-3110469. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031 and 254.153 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: 1) accepted political contributions from corporations or labor organizations; 2) did not properly disclose total political contributions maintained; 3) did not disclose the complete street address of individuals from whom political contributions were accepted; 4) did not disclose the principle occupation of individuals from whom political contributions were accepted; 5) did not properly disclose the date for two political contributions; 6) did not itemize \$4,500 in political expenditures on the July 2010 semiannual report; and 7) did not timely file the July 2009 semiannual report.

III. Facts Supported by Credible Evidence

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

1. The respondent is campaign treasurer for the Transport Workers Union State PAC, a general-purpose committee.

Political Contributions from Corporations or Labor Organizations

2. The complaint alleged that, based on financial disclosures in four campaign finance reports, the respondent accepted six political contributions from corporations or labor

organizations. The evidence showed that the political contributions at issue were actually political expenditures, and that the expenditures were inadvertently listed as political contributions on Schedule A. In response to the complaint, the respondent filed corrected reports which list and itemize the political contributions in question as political expenditures on Schedule F.

Total Political Contributions Maintained

3. The complaint alleged that the respondent failed to properly disclose total political contributions maintained on three semiannual campaign finance reports. The respondent corrected the reports as follows:

January 2010 semiannual report - \$11,000 in original report, corrected to \$6,284.01;
July 2010 semiannual report - \$12,300 in original report, corrected to \$9,547.51;
January 2011 semiannual report - \$11,665.63 in original report, corrected to \$10,968.34.

Contribution and Expenditure Allegations

Contributor Address, Contribution Date, Principal Occupation, and Detailed Expenditures

4. The complaint alleged that the respondent failed to disclose the full street address for six contributors on the January 2010 semiannual report, five contributors on the July 2010 semiannual report, and four contributors on the January 2011 semiannual report.
5. In addition, the complaint alleged that the respondent failed to properly disclose the date of two political contributions in the January 2010 semiannual report.
6. The complaint alleged that the respondent failed to disclose the principal occupation for nine contributors on the January 2010 semiannual report, three contributors on the July 2010 semiannual report, and three contributors on the January 2011 semiannual report.
7. The complaint alleged that the respondent failed to properly itemize political expenditures totaling \$4,500 on the July 2010 semiannual report. In the original July 2010 semiannual report, on the cover sheet totals section the respondent listed \$4,500 under total political expenditures but failed to itemize the expenditures on Schedule F.

Timely Filing of Campaign Finance Report

8. The complaint alleged that the respondent failed to timely file the July 2009 semiannual report. The report was due by July 15, 2009. The respondent filed the report on July 30, 2009, 15 days after the deadline. The commission previously waived the penalty for this late filing.

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. The respondent corrected all reports at issue. However, the original reports did not correctly disclose total political contributions maintained. Therefore, there is credible evidence of violations of section 254.031(a)(8) of the Election Code.

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(b).
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(a).
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. Because the alleged political contributions were actually political expenditures, no political contributions were received from a corporation or labor organization. Therefore, there is credible evidence of no violation of sections 253.003(b) and 253.094(a) of the Election Code.

Contribution and Expenditure Allegations

Contributor Address, Contribution Date, Principal Occupation, and Detailed Expenditures

7. A 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).
8. Each report by a campaign treasurer of a general-purpose committee must include the principal occupation of each person from whom political contributions that in the aggregate exceed \$50 are accepted during the reporting period. ELEC. CODE § 254.151(6).

9. The alleged contributions were actually political expenditures. The full name and full street addresses of the payees of the political expenditures at issue, as well as the dates of those expenditures, were required to be disclosed because all of the expenditures at issue were over \$50 to a single payee during the reporting period. The respondent did not disclose any detailed political expenditure information because the respondent erroneously disclosed political expenditures as political contributions on the original reports. Therefore, there is credible evidence of violations of section 254.031(a)(3) of the Election Code.
10. Because the alleged political contributions were actually political expenditures, no principal occupation information was required. Therefore, there is credible evidence of no violation of section 254.151(6) of the Election Code.

Timely Filing of Campaign Finance Report

11. The campaign treasurer of a general-purpose committee shall file two reports each year as provided by this section. ELEC. CODE § 254.153(a). The first report shall be filed not later than July 15. *Id.* § 254.153(b). The second report shall be filed not later than January 15. *Id.* § 254.153(c).
12. The respondent filed the July 2009 semiannual report on July 30, 2009, which was 15 days late. Although the commission previously waived the penalty, the report was not timely filed. Therefore, there is credible evidence of a violation of section 254.153 of the Election Code. However, no additional fine is assessed regarding this violation.

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. The respondent also acknowledges that 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. The respondent further acknowledges that the campaign treasurer of a general-purpose committee shall file two reports each year. The first report shall be filed not later than July 15. The second report

shall be filed not later than January 15. 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 \$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-3110469.

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

John W. Bland, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director