

TEXAS ETHICS COMMISSION

IN THE MATTER OF § **BEFORE THE**
§
VICKI HANSEN, §
CAMPAIGN TREASURER, §
NATIONAL ASSOCIATION OF SOCIAL §
WORKERS TEXAS POLITICAL §
ACTION FOR CANDIDATE ELECTION, §
§
RESPONDENT § **TEXAS ETHICS COMMISSION**
§
SC-31105162

**ORDER
and
AGREED RESOLUTION**

I. Recitals

The Texas Ethics Commission (the commission) met on April 18, 2012, to consider sworn complaint SC-31105162. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031 and 254.151 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: 1) accepted political contributions from corporations or labor organizations, 2) did not properly disclose political contributions and political expenditures, and 3) did not include 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 campaign treasurer of the National Association of Social Workers Texas Political Action for Candidate Election, a general-purpose committee that files monthly campaign finance reports with the commission.

Total Political Contributions Maintained

2. The complaint alleged that the respondent failed to properly disclose total political contributions maintained on 21 campaign finance reports. In response to the complaint,

the respondent swore that the amounts of total political contributions maintained were properly disclosed. The complaint did not provide specific evidence to support the allegations. The alleged discrepancies did not exceed the lesser of 10% of the amount originally disclosed or \$2,500.

Political Contributions from Corporations or Labor Unions

3. The complaint alleged that, based on disclosures in four campaign finance reports, the respondent accepted four political contributions from a corporation or labor union. The contributions at issue, totaling \$1,050, were from the National Association of Social Workers/Texas Chapter. In response to the complaint, the respondent swore that the contributions at issue were from a branch of National Association of Social Workers and were used to pay administrative expenses. The respondent filed corrected reports to disclose the contributions on Schedule C-2 (used to disclose corporation or labor organization support).

Disclosure of Political Contributions and Political Expenditures

4. The complaint alleged that the respondent failed to properly itemize names, addresses, dates, and amounts of six contributions totaling \$1,350 on five campaign finance reports. The contributions were from various chapters of the National Association of Social Workers and included the names and addresses of the contributors and amounts of the contributions. The evidence did not indicate that the disclosed information was incorrect.
5. The complaint also alleged that the respondent reported an incorrect amount of total political expenditures on 17 campaign finance reports. At issue were 29 expenditures totaling approximately \$3,180. In each case, the respondent disclosed expenditures on Schedule I (used to disclose non-political expenditures) and did not include the amount in the total political expenditures section of the report. In response to the complaint, the respondent filed corrected reports and disclosed the expenditures on Schedule F (used to disclose political expenditures). The respondent also corrected the total political expenditures sections of the reports to include the amounts originally disclosed as non-political expenditures.

Disclosure of Political Expenditures as Reimbursements

6. The complaint alleged that the respondent improperly reported 15 political expenditures as reimbursements on eight campaign finance reports. The respondent did not disclose the actual vendor payees for five political expenditures totaling approximately \$1,040.

Disclosure of Names of Candidates and Officeholders Supported or Assisted by the Committee

7. The complaint alleged that the respondent failed to disclose the names of each identified candidate supported or opposed by the committee, and each identified officeholder assisted by the committee on eight campaign finance reports. On each report, political

expenditures made to support candidates or assist officeholders were disclosed on Schedule F. However, the “Committee Activity” sections of the report cover sheets were left blank. In response to the complaint, the respondent filed corrected reports and disclosed the required information in those sections.

Disclosure of Political Contributions from Corporations or Labor Unions

8. The complaint alleged that the respondent failed to properly disclose political contributions from corporations or labor unions on four campaign finance reports. The reports disclosed political contributions from the National Association of Social Workers/Texas Chapter totaling approximately \$950. In response to the complaint, the respondent swore that the contributions were used for administrative expenses. The respondent filed corrected reports and disclosed the contributions on Schedule C-2 (used to disclose corporation or labor organization support).

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). 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).
2. The respondent swore that the amounts of total political contributions maintained were properly disclosed. With respect to the 21 reports at issue, the difference between the amount originally disclosed and the amount alleged does not exceed the lesser of 10% of the amount originally disclosed or \$2,500 and, thus, are on their face *de minimis*. Therefore, there is credible evidence of no violation of section 254.031(a)(8) of the Election Code.

Political Contributions from Corporations or Labor Unions

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. A corporation, acting alone or with one or more other corporations, may make one or more political expenditures to finance the establishment or administration of a general-purpose committee. ELEC. CODE § 253.100.

6. 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.
7. 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).
8. A corporation may make political expenditures for the administration of a general-purpose committee. The contributions at issue were made to the committee for administrative expenses. The respondent filed corrected reports to disclose the contributions on Schedule C-2. Therefore, there is credible evidence of no violation of sections 253.003 and 253.094 of the Election Code.

Disclosure of Political Contributions and Political Expenditures

9. Each campaign finance report must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
10. A campaign finance report must include, for all 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 political expenditures are made and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
11. A candidate or officeholder is also required to include the amount of each payment made during the reporting period from a political contribution if the payment is not a political expenditure, the full name and address of the person to whom the payment is made, and the date and purpose of the payment. ELEC. CODE § 254.031(a)(4).
12. Each report must include the total amount of all political contributions and the total amount of all political expenditures made during the reporting period. ELEC. CODE § 254.031(a)(6).
13. The contributions at issue were properly disclosed. Therefore, there is credible evidence of no violation of section 254.031(a)(1) of the Election Code. The respondent disclosed 29 expenditures totaling approximately \$3,180 as non-political expenditures. Non-political expenditures are not required to be included in the totals section of a campaign finance report. However, it appears that all of the expenditures were political expenditures that should have been disclosed in the totals sections of the committee's campaign finance reports. Therefore, there is credible evidence of violations of section 254.031(a)(6) of the Election Code.

Disclosure of Political Expenditures as Reimbursements

14. A campaign finance report must include, for all 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 political expenditures are made and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
15. 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 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; and included with the total amount or a specific listing of the political expenditures of \$100 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.
16. For five political expenditures at issue, the respondent disclosed the name of the person being reimbursed instead of the actual vendor. Therefore, with respect to those expenditures, totaling approximately \$1,040, 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. The remaining 10 expenditures were properly disclosed. Therefore, 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.

Disclosure of Names of Candidates and Officeholders Supported or Assisted by the Committee

17. 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. ELEC. CODE § 254.151(4) and (5).

18. Although the eight reports at issue disclosed political expenditures to support candidates and assist officeholders on Schedule F, the reports did not disclose that information in the “Committee Activity” section of the report cover sheets. However, the information was readily apparent to anyone who may have viewed the reports. Therefore, there is credible evidence of technical or *de minimis* violations of sections 254.151(4) and 254.151(5) of the Election Code.

Disclosure of Political Contributions from Corporations or Labor Unions

19. 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).
20. The respondent filed corrected reports to disclose the contributions on the correct schedule. At the time the original reports were filed, the contributions were improperly disclosed. In context, the errors were *de minimis*. Therefore, there is credible evidence of technical or *de minimis* violations of section 254.151(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 campaign finance report must include, for all 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 political expenditures are made and the dates and purposes of the expenditures. The respondent also acknowledges that each report must include the total amount of all political contributions and the total amount of all political expenditures made during the reporting period. The respondent also acknowledges 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 also acknowledges that 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. The respondent also acknowledges that 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. 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 \$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-31105162.

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

Vicki Hansen, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director