

TEXAS ETHICS COMMISSION

IN THE MATTER OF
LOREN JACKSON,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-31112282

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on March 27, 2013, to consider sworn complaint SC-31112282. A quorum of the commission was present. The commission determined that there is credible evidence of a violation of sections 253.035, 254.031, 254.036, and 254.063 of the Election Code and section 20.61 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) did not properly disclose political contributions and political expenditures; 2) did not include a properly executed affidavit on a campaign finance report; 3) knowingly accepted political contributions from a corporation or labor organization; 4) did not timely file the July 2011 semiannual campaign finance report; and 5) converted political contributions to personal use.

III. Facts Supported by Credible Evidence

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

1. At the time relevant to the reports at issue, the respondent was an incumbent candidate for district clerk in Harris County.

Total Political Expenditures

2. The complaint alleged that the respondent disclosed an incorrect amount of total political expenditures in his January 2010 and July 2010 semiannual reports. Specifically, the

complaint asserted that the respondent disclosed political expenditures as non-political expenditures, and consequently did not include them in the total political expenditures disclosed on the cover sheet.

3. The respondent disclosed \$884.36 in non-political expenditures on his January 2010 semiannual report and \$295.81 in non-political expenditures on his July 2010 semiannual report. Consequently, these expenditures were not included in the reported total political expenditures disclosed on the cover sheet of either report.
4. The respondent corrected the January 2010 semiannual report to reclassify the \$884.36 in expenditures that were originally disclosed as non-political expenditures as political expenditures. As a result, the total political expenditures were updated to disclose \$24,461.24 in total political expenditures instead of the originally reported \$23,576.88 in total political expenditures.
5. The respondent corrected the July 2010 semiannual report to change an expenditure in the amount of \$175.81 from being reported as a non-political expenditure to being reported as a political expenditure. The respondent deleted an expenditure from the report because the expenditure “was not supported by the records.” Based on these changes, the total political expenditures were updated to disclose \$42,793.51 in total political expenditures instead of the originally reported \$42,617.70 in total political expenditures.

Total Political Contributions Maintained

6. The complaint alleged that the respondent disclosed the incorrect amount of total political contributions maintained on his January 2010 semiannual report, July 2010 semiannual report, 30-day and 8-day pre-election reports for the November 2010 general election, January 2011 semiannual report, and July 2011 semiannual report.
7. The respondent’s January 2010 semiannual report disclosed \$37,174.28 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$37,066.93. The respondent corrected the report to disclose \$37,061.53 in total political contributions maintained, resulting in a difference of \$112.75 between the originally disclosed and corrected amounts.
8. The respondent’s July 2010 semiannual report disclosed \$49,396.30 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$50,283.36. The respondent corrected the report to disclose \$45,550.80 in total political contributions maintained, resulting in a difference of \$3,845.50 between the originally disclosed and corrected amounts.
9. The respondent’s 30-day pre-election report for the November 2010 general election disclosed \$28,391 in total political contributions maintained. The complaint alleged that the

total political contributions maintained should be \$29,026.84. The respondent corrected the report to disclose \$27,106.99 in total political contributions maintained, resulting in a difference of \$1,284.01 between the originally disclosed and corrected amounts.

10. The respondent's 8-day pre-election report for the November 2010 general election disclosed \$23,210.26 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$23,119.97. The respondent corrected the report to disclose \$30,947.99 in total political contributions maintained, resulting in a difference of \$7,737.73 between the originally disclosed and corrected amounts.
11. The respondent's January 2011 semiannual report disclosed \$9,260.49 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$14,007.74. The respondent corrected the report to disclose \$9,255.49 in total political contributions maintained, resulting in a difference of \$5 between the originally disclosed and corrected amounts.
12. The respondent's July 2011 semiannual report disclosed \$0 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$4,747.25. The respondent filed a correction to the report at issue, but still disclosed \$0 in total political contributions maintained.
13. The respondent provided bank account statements for the reporting periods at issue that indicate the respondent disclosed the correct amount of contributions maintained in each of his corrected reports.

Purpose of Expenditure

14. The complaint alleged that the respondent did not disclose the purpose of 28 expenditures totaling approximately \$28,160 in five reports.
15. The expenditures at issue include three payments totaling \$814.36 for the purpose of "food/beverages," a \$140 expenditure to "Harris County Federal Credit Union" for the purpose of "petty cash," a \$54.99 expenditure to AT&T for the purpose of "cell phone," which was later corrected to reflect a purpose of "campaign internet," and a \$2,500 expenditure to Harris County Democratic Party for the purpose of "field activities," which was later corrected to reflect the purpose of "donation."
16. In response to the allegations, the respondent swore that "while the campaign believed its descriptions were adequate and complied with Rule 20.61 both before and after its recent amendments, the amended reports add detail to some descriptions, particularly those that were naturally redundant between the category and the description, such as, 'Field Work.'"

Name and Address of Payee

17. The complaint alleged that the respondent did not disclose the full name of persons receiving political expenditures in four places totaling approximately \$2,540. Two of the entries identified by the complaint actually correspond to contributions accepted by the respondent (not expenditures). For all the entries at issue, the respondent disclosed an acronym that is commonly used as the name of the payee.
18. The complaint alleged that the respondent did not disclose in three places the full address of persons receiving political expenditures totaling approximately \$5,270. For each of the entries, the respondent provided some address information, such as the city and state, but did not provide other information, such as the street address and zip code.
19. In response to the complaint, the respondent filed corrections to disclose the full address for all of the payees at issue.

Actual Vendor Payee

20. The complaint alleged that the respondent did not disclose “the actual vendor payee, address, date, and amount pertaining to the stated purpose” for two political expenditures totaling \$993.56 in two campaign finance reports.
21. The expenditures at issue are a \$913.56 expenditure to an individual for “t-shirts” disclosed on the 8-day pre-election report and an \$80 expenditure to the respondent for “Reimbursement/Tickets – Trailblazers Luncheon” disclosed on the 30-day pre-election report.
22. The expenditure to the individual was to the actual vendor for the transaction.
23. The respondent stated that upon further review of the campaign’s banking records, the \$80 expenditure to the respondent never took place. Instead the expenditure should have been reported as an expenditure to the Harris County Democratic Party made from personal funds. The respondent filed corrections to report the expenditure accordingly.

Completing Campaign Finance Report Affidavit

24. The complaint alleged that the respondent’s January 2010 semiannual report and 30-day pre-election report did not include a properly executed affidavit. The affidavit portion of the reports at issue included the respondent’s signature, and the signature and stamp of a notary public, but included the notary’s name instead of the respondent’s printed name in the space after the statement, “Sworn to and subscribed before me, by the said _____.” The

affidavit also did not include the notary's signature, printed name, or title in the spaces provided in the affidavit portion of the form.

25. The response to the complaint stated: "On two C/OH reports . . .the notary incorrectly filled out the jurat on the affidavit. However, [the respondent's] name is clear on the report as is his signature."

Timely Filing of Campaign Finance Report

26. The complaint alleged that the respondent did not timely file the July 2011 semiannual report. The report was due on Friday, July 15, 2011. The respondent filed his report on Monday, July 18, 2011.
27. In his response, the respondent admitted the report was filed late. He said he was detained by work duties that Friday and could not make it to the county clerk's office to file his report and that he filed his report on the next business day.

Accepting Contributions from Corporation or Labor Organization

28. The complaint alleged that the respondent accepted three contributions from a corporation or labor organization. At issue are a \$1,000 contribution disclosed as being from "Houston Police Officer's Union" reported on the July 2010 semiannual report, a \$250 contribution disclosed as being from "G&A Investments" reported on the 8-day pre-election report, and a \$1,000 contribution disclosed as being from "AFSCME" reported on the January 2011 semiannual report.
29. The complaint included a copy of a franchise tax certification for "G & A Investments, Inc." However that entity is located at a different address than that of the contributor disclosed on the respondent's campaign finance report and according to Secretary of State records, was dissolved on December 27, 1991.
30. The contributions from the Houston Police Officers Union and AFSCME were from political committees.

Political Expenditures from Personal Funds and Conversion

31. The complaint alleged that the respondent converted political contributions to personal use based on the fact that the respondent's campaign finance reports indicate that the respondent reimbursed himself for political expenditures made from personal funds in an amount in excess of the reported expenditures from personal funds.

32. Prior to the alleged excess reimbursement, the respondent reported \$12,014.79 in political expenditures from personal funds, \$9,131.78 of which were originally designated as expenditures for which the respondent intended to seek reimbursement. For the remaining expenditures, the box stating “reimbursement from political contributions intended” was not selected on the entry disclosing the expenditure. These expenditures were described as being for expenses such as “campaign internet service,” donations to other campaigns, charitable donations, and association dues. The respondent originally disclosed total reimbursements of \$15,260.49 made in two payments. One payment of \$6,000 was disclosed as being made on October 28, 2008. A second payment of \$9,260.49 was disclosed as being made on February 22, 2011. Additionally, there was an \$80 payment to the respondent reported as being made on August 10, 2010.
33. The respondent also reported a \$1,000 loan from himself to the campaign made on October 30, 2007. The respondent acknowledges that at the time, this was an incorrect way to report the expenditure of personal funds. The respondent filed a correction to delete the loan and move an expenditure of \$1,000 to the Harris County Democratic Party made on April 2, 2008, from Schedule F to Schedule G.
34. The respondent stated that when he made the reimbursement payment to himself on February 22, 2011, he believed his campaign owed him in excess of \$11,000, so he simply repaid himself the balance remaining in the campaign account. He swore that at the time, he failed to recall the first reimbursement payment of \$6,000 made in 2008. After receiving the complaint and discovering this error, he swore that he immediately reimbursed the campaign an estimate of what he owed, making a deposit into his campaign account of \$5,200 on or about January 27, 2012. The respondent provided bank records that indicate this amount was transferred to the campaign account by his wife on this date.
35. In aggregate, based on the respondent’s initially filed reports, it appears he made personal expenditures of approximately \$13,010 and reimbursements of approximately \$15,340, resulting in an apparent excess reimbursement of approximately \$2,330 more than the amount of expenditures made from personal funds. In response to the complaint, he reimbursed the campaign \$5,200.
36. However, while preparing his response to the complaint, the respondent discovered errors in his reports that caused the originally reported amount of political expenditures from personal funds and the amount of reimbursements made to the respondent to be inaccurate. The \$80 expenditure on August 10, 2010, that was disclosed as being paid to the respondent was actually a payment to the Harris County Democratic Party made from the respondent’s personal funds. The reimbursement payment made on February 22, 2011, was actually in the amount of \$9,255.49 instead of \$9,260.49. Additionally, there was a \$264 payment reported as being a credit to the campaign, but it was actually paid directly to the respondent.

37. As a result, the respondent actually made political expenditures from personal funds in the amount of approximately \$13,090 and received reimbursements from political funds in the amount of approximately \$15,520, resulting in a reimbursement of approximately \$2,420 more than the amount of expenditures made from personal funds before he repaid the campaign \$5,200. The respondent filed corrections to correct the above stated errors.
38. In addition to reimbursing himself in an amount in excess of the amount of expenditures made from personal funds, the respondent also reimbursed himself for approximately \$3,960 in expenditures made from personal funds that were reported, but were either not initially reported as political expenditures from personal funds or not designated as being intended for reimbursement. The respondent argued that although he failed to check the box for each expenditure on Schedule G indicating reimbursement was intended, by virtue of the fact that officeholders are not required to report expenditures from personal funds unless they intend to seek reimbursement and the respondent reported them, intent for reimbursement was indicated by the act of an officeholder reporting the expenditures.

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. ELEC. CODE § 254.031(a)(6).
2. The complaint alleged that the respondent did not disclose the correct amount of total political expenditures on his January 2010 and July 2010 semiannual reports. The allegation appears to be based on the fact that the respondent reported political expenditures as non-political expenditures, and, therefore, did not include these expenditures in the calculation of the total political expenditures disclosed on the cover sheet of the report. The respondent corrected the reports at issue so that the expenditures are properly classified as political expenditures. Consequently, the total political expenditures now reflect these expenditures.
3. While the expenditures at issue were not initially disclosed in the total political expenditures disclosed on the cover sheet, each expenditure was disclosed on the original report and the total at issue was not substantial. Therefore, there is credible evidence of a technical or *de minimis* violation of section 254.031(a)(6) of the Election Code.

Total Political Contributions Maintained

4. 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. *Id.* § 254.031(a-1).
5. The appropriate method of determining the total political contributions maintained is by determining the balance of any and all accounts in which political contributions are maintained as of the last day of the reporting period. The corrections filed by the respondent indicate that for all but one of the reports at issue, this was not the amount that was initially disclosed. However, for all but two of the reports that originally disclosed an incorrect amount, there was a *de minimis* error in calculating or reporting a cash balance under subsection (a)(8). Therefore, there is credible evidence of no violation of section 254.031(a)(8) of the Election Code with regard to those reports. With regard to the July 2010 semiannual report and the 8-day pre-election report for the November 2010 general election, there is credible evidence of violations of section 254.031(a)(8) of the Election Code.

Purpose of Expenditure

6. Each report must include the amount of political expenditures that in the aggregate exceed \$50 (\$100 as of 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. ELEC. CODE § 254.031(a)(3).
7. The report of a political expenditure for goods or services must describe the categories of goods or services received in exchange for the expenditure. Ethics Commission Rules § 20.61.
8. For 22 expenditures totaling approximately \$24,650, the purpose of payment was adequate as originally disclosed. 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 those expenditures.
9. Regarding the three payments totaling \$814.36 for the purpose of “food/beverages,” the \$140 expenditure to the “Harris County Federal Credit Union” for the purpose of “petty cash,” the \$54.99 expenditure to AT&T for the purpose of “cell phone,” which was later corrected to reflect a purpose of “campaign internet,” and the \$2,500 expenditure to Harris County

Democratic Party for the purpose of “field activities,” which was later corrected to reflect the purpose of “donation,” the purpose descriptions were not adequate as originally disclosed. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code or section 20.61 of the Ethics Commission Rules with respect to those expenditures, which total approximately \$3,510.

10. The respondent did not disclose the actual vendor payee with regard to the expenditure that was initially disclosed as being to the Harris County Federal Credit Union.

Name and Address of Payee

11. Each report must include the amount of political expenditures that in the aggregate exceed \$50 (\$100 as of 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. ELEC. CODE § 254.031(a)(3).
12. Each 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).
13. For each of the entries for which the complaint alleged that the full name of the payee was not properly disclosed (two were actually contributions), the respondent disclosed the name as a commonly used acronym. Therefore, there is credible evidence of no violation of sections 254.031(a)(3) or 254.031(a)(1) of the Election Code with regard to these entries.
14. For the each of the entries for which the complaint alleged that the full address of the payee was not properly disclosed, the respondent did not provide the full address of the payee in the original report and corrected to provide this information. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code with regard to these entries.

Actual Vendor Payee

15. Each 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).
16. 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 (\$100 as of 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 \$50 (\$100 as of September 28, 2011) 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.

17. Regarding the expenditure paid to the individual for t-shirts, the expenditure was 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 that expenditure.
18. The expenditure that was initially disclosed as being paid to the respondent did not disclose the payee. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code.

Completing Campaign Finance Report Affidavit

19. Each campaign finance report that is not filed by electronic transfer must be accompanied by an affidavit executed by the person required to file the report. The affidavit must contain the statement: "I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code." A report filed under this chapter is considered to be under oath by the person required to file the report, and the person is subject to prosecution under Chapter 37, Penal Code, regardless of the absence of or a defect in the affidavit. *Id.* § 254.036(h).
20. The affidavit accompanying the respondent's January 2010 semiannual report did not include the respondent's printed name or the notary's signature, printed name, or title in the appropriate fields. Nevertheless, section 254.036 of the Election Code provides that a campaign finance report is considered to be under oath even if the affidavit is defective.

Therefore, with regard to the reports at issue, there is credible evidence of a technical or *de minimis* violation of section 254.036(h) of the Election Code.

Timely Filing of Campaign Finance Report

21. A candidate shall file two reports for each year. ELEC. CODE § 254.063(a). The first report shall be filed not later than July 15. The report covers the period beginning January 1, the day the candidate's campaign treasurer appointment is filed, or the first day after the period covered by the last report required to be filed under this subchapter, as applicable, and continuing through June 30. *Id.* § 254.063(b).
22. The respondent was a candidate at the time relevant to the complaint and was therefore required to file a July semiannual report no later than July 15, 2011. The report was not filed until July 18, 2011. Therefore, there is credible evidence of a violation of section 254.063(b) of the Election Code.

Accepting Contributions from Corporation or Labor Organization

23. 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.
24. A corporation or labor organization may not make a political contribution or political expenditure that is not authorized by subchapter D, chapter 253, Election Code. *Id.* § 253.094.
25. 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. *Id.* § 253.091.
26. The political contributions from the "Houston Police Officers Union" and "AFSCME" were from political committees. Therefore, there is credible evidence of no violation of sections 253.003 and 253.094 of the Election Code with respect to these political contributions.
27. The political contribution from "G & A Investments" was not from a prohibited source. Therefore, there is credible evidence of no violation of sections 253.003 and 253.094 of the Election Code with respect to this political contribution.

Political Expenditures from Personal Funds and Conversion

28. 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).

29. “Personal use” means a use that primarily furthers individual or family purposes not connected with the performance of duties or activities as a candidate for or holder of a public office. The term 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. *Id.* § 253.035(d)(1).
30. A candidate or officeholder who makes political expenditures from the candidate’s or officeholder’s personal funds may reimburse those personal funds from political contributions in the amount of those expenditures only if the expenditures from personal funds were fully reported as political expenditures, including the payees, dates, purposes, and amounts of the expenditures, in the report required to be filed under this title that covers the period in which the expenditures from personal funds were made, and the report on which the expenditures from personal funds are disclosed clearly designates those expenditures as having been made from the person’s personal funds and that the expenditures are subject to reimbursement. *Id.* § 253.035(h).
31. An officeholder is not required to report an officeholder expenditure from his or her personal funds unless he or she intends to be reimbursed from political contributions. Ethics Commission Rules § 20.63(b).
32. The respondent received reimbursements from his campaign in an amount that was approximately \$2,420 more than the amount of political expenditures made from personal funds before reimbursing the campaign \$5,200. Therefore, there is credible evidence of a violation of section 253.035(a) of the Election Code in the amount of approximately \$2,420.
33. The evidence also indicates that the respondent reimbursed himself for approximately \$3,960 in expenditures from personal funds that were not initially reported as political expenditures for which reimbursement was intended. One expenditure in the amount of \$1,000 was initially reported as a loan to the campaign from personal funds. Although this expenditure was not correctly reported, it was apparent that the respondent intended to seek reimbursement of that amount. Regarding the remaining expenditures, the respondent argues that intent to reimburse is indicated by virtue of the fact that, as an officeholder, he reported expenditures from personal funds, at least some of the expenditures at issue appear to be campaign expenditures and were therefore required to be reported, regardless of whether reimbursement was intended. Additionally, the box stating “reimbursement from political contributions intended” was not selected on the entries disclosing these expenditures. Consequently, there is credible evidence of a violation of section 253.035(h) of the Election Code for approximately \$2,960 in 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: 1) each report must include the total amount of all political expenditures made during the reporting period; 2) 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; 3) each report must include the amount of political expenditures that in the aggregate exceed \$50 (\$100 as of 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; 4) the report of a political expenditure for goods or services must describe the categories of goods or services received in exchange for the expenditure; 5) each campaign finance report that is not filed by electronic transfer must be accompanied by an affidavit executed by the person required to file the report, and that the affidavit must contain the statement: "I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code"; 6) a candidate shall file two reports for each year - the first report shall be filed not later than July 15. The report covers the period beginning January 1, the day the candidate's campaign treasurer appointment is filed, or the first day after the period covered by the last report required to be filed under this subchapter, as applicable, and continuing through June 30; 7) a person who accepts a political contribution as a candidate or officeholder may not convert the contribution to personal use, and that a candidate or officeholder who makes political expenditures from the candidate's or officeholder's personal funds may reimburse those personal funds from political contributions in the amount of those expenditures only if the expenditures from personal funds were fully reported as political expenditures, including the payees, dates, purposes, and amounts of the expenditures, in the report required to be filed under this title that covers the period in which the expenditures from personal funds were made, and the report on which the expenditures from personal funds are disclosed clearly designates those expenditures as having been made from the person's personal funds and that the expenditures are subject to reimbursement.

The respondent agrees to comply with these requirements of the law.

VI. Confidentiality

This order and agreed resolution describes certain 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 nature, circumstances, and consequences of the violations described under Sections III and IV, and after considering the sanction necessary to deter future violations, the commission imposes a \$1,000 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-31112282.

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

Loren Jackson, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director