

TEXAS ETHICS COMMISSION

IN THE MATTER OF	§	BEFORE THE
	§	
EAGLE SUPPLY & MANUFACTURING, L.P.	§	TEXAS ETHICS COMMISSION
	§	
RESPONDENT	§	SC-3120494

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on August 30, 2012, to consider sworn complaint SC-3120494. A quorum of the commission was present. The commission determined that there is credible evidence of a violation of sections 253.003 and 253.094 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. Allegation

The complaint alleged that the respondent made a corporate political contribution to a candidate or officeholder.

III. Facts Supported by Credible Evidence

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

1. The complaint alleged that on December 29, 2011, the respondent made an unlawful political contribution to a candidate for state representative. The candidate's January 2012 semiannual report disclosed the acceptance of a \$500 political contribution from "Eagle Supply & Manufacturing LP" on December 29, 2011. The contributor's address was disclosed as PO Box 1534, Eastland, Texas, 76448.
2. According to records of the Texas Secretary of State (SOS), the respondent is a domestic limited partnership and its general partner is Eagle Construction and Environmental Services-1, Inc., a domestic for-profit corporation. The respondent initially formed as a for-profit corporation on June 7, 1985. On January 27, 2000, the corporation was converted to Eagle Construction and Environmental Services, L.P., a domestic limited partnership. On November 6, 2008, the limited partnership amended its name to Eagle Supply & Manufacturing, L.P. (which is the name of the respondent). The respondent's general partner also amended its name on November 6, 2008, to Eagle Specialized Services, Inc. The general partner has the same address as the contributor.

3. In response to the sworn complaint, an officer of the general partner submitted an affidavit in which he swore that, "I was completely unaware that the donation of \$500.00 from Eagle Supply and Manufacturing, L.P. was in violation of Sec. 253.094."

IV. Findings and Conclusions of Law

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

1. A person may not knowingly make a political contribution in violation of chapter 253 of the Election Code. ELEC. CODE § 253.003(a).
2. A corporation may not make a political contribution to a candidate or an officeholder. *Id.* § 253.094(a).
3. 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.
4. In Ethics Advisory Opinion No. 221 (1994), the commission determined that a partnership that has corporate partners is subject to the same restrictions on political activity that apply to corporations.
5. The respondent is a partnership that has a corporate partner. Accordingly, the respondent was subject to the same restrictions on political activity that apply to corporations. Although the respondent stated that it did not know that it was illegal to make a political contribution to a candidate, the respondent knew that the recipient of the check was a candidate for a public office and the respondent intended to make a contribution to him. Therefore, there is credible evidence that the respondent violated sections 253.003(a) and 254.094(a) 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 corporation may not make a political contribution to a candidate or officeholder. The respondent agrees to comply with this requirement of the law.

VI. Confidentiality

This order and agreed resolution describes a violation that the commission has determined is 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 violation described under Sections III and IV, including the nature, circumstances, and consequences of the violation, 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-3120494.

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

Eagle Supply & Manufacturing, LP
Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director