



TEXAS ETHICS COMMISSION

P. O. Box 12070, Capitol Station
Austin, Texas 78711-2070

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December 9, 2014

The Honorable Arturo Cisneros Nelson
Judge, 138th Judicial District Court

**RE: Notice of Reporting Error
SC-31206194
(Arturo Cisneros Nelson, Respondent)**

Dear Judge Nelson:

The Texas Ethics Commission (Commission) met on December 2, 2014, to consider SC-31206194. A quorum of the Commission was present. **The Commission determined that there is credible evidence of reporting errors that do not materially defeat the purpose of disclosure.** To resolve and settle this case without further proceedings, the Commission proposed this Notice of Reporting Error Agreement (agreement).

The Commission **found credible evidence** that:

1. The respondent did not properly disclose total political contributions maintained as required by section 254.031(a)(8) of the Election Code;
2. The respondent did not properly disclose the principal occupation and job title and employer information for certain contributors as required by section 254.0611(a)(2) of the Election Code;
3. The respondent did not properly disclose an asset purchased with political contributions valued at \$500 or more as required by section 254.0611(a)(3) of the Election Code;
4. The respondent did not properly disclose the purpose of political expenditures as required by section 254.031(a)(3) of the Election Code and section 20.61(a) of the Ethics Commission Rules; and
5. The respondent did not properly disclose political expenditures for which reimbursements were made as required by section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules.

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The Texas Ethics Commission does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

The Commission **did not find credible evidence** that:

1. The respondent did not properly report total outstanding loans as required by section 254.031(a)(2) of the Election Code; and
2. The respondent did not properly disclose the name of a payee as required by section 254.031(a)(3) of the Election Code.

At issue in the complaint were the respondent's July 2010, January and July 2011, and January 2012 semiannual reports, and the 30-day and 8-day pre-election reports for the May 2012 primary election.

Credible evidence available to the Commission supports the following findings of fact and conclusions of law:

Disclosure of Total Outstanding Loans

1. It was contended that the respondent reported an incorrect amount for total outstanding loans on each of the reports at issue.
2. No loans are disclosed on Schedule E (used for loans) of the reports at issue. The respondent disclosed expenditures from personal funds on Schedule G (used for political expenditures from personal funds) and indicated that he intended to seek reimbursement. The evidence indicates that the respondent disclosed as Total Outstanding Loans the amount of political expenditures from personal funds that had not been reimbursed. Although the respondent was not required to include in Total Outstanding Loans the amount of political expenditures made from personal funds that had not been reimbursed, the amounts disclosed appear to be correct. **Therefore, there is credible evidence of compliance with section 254.031(a)(2) of the Election Code.**

Disclosure of Total Political Contributions Maintained

3. It was contended that the respondent reported an incorrect balance of total political contributions maintained on the July 2010, January and July 2011 semiannual reports, and 30-day and 8-day pre-election reports for the May 2012 primary election. The complaint included no specific information to support the allegation other than disclosures from the respondent's reports. The respondent provided copies of his political account bank statements.
4. Regarding the January 2011 semiannual report and the 30-day pre-election report for the May 2012 primary election, the evidence indicates that the respondent properly reported the total political contributions maintained balance on the reports at issue. **Therefore, there is credible evidence of compliance with section 254.031(a)(8) of the Election Code with respect to those reports.**
5. Regarding the July 2010 semiannual report and the 8-day pre-election report for the May 2012 primary election, the Commission has previously determined that there is no violation of section 254.031(a)(8) of the Election Code if the difference between the amount of

political contributions maintained as originally disclosed and the correct amount does not exceed the lesser of 10% of the amount originally disclosed or \$2,500. The amounts disclosed on the July 2010 semiannual report and the 8-day pre-election report for the May 2012 primary election are within that threshold. **Therefore, there is credible evidence of compliance with section 254.031(a)(8) of the Election Code with respect to those reports.**

6. Regarding the July 2011 semiannual report, the evidence indicates that the respondent did not properly report the total political contributions maintained balance. The respondent over reported the total political contributions maintained balance by approximately \$110. **Therefore, there is credible evidence of noncompliance with section 254.031(a)(8) of the Election Code with respect to that report.**

Principal Occupation and Job Title and Employer of Contributor

7. It was contended that the respondent did not properly disclose on the January 2012 semiannual report and 30-day and 8-day pre-election reports for the May 2012 primary election, the principal occupations, job titles, and/or names of employers for 13 contributions totaling approximately \$4,200.
8. The respondent properly disclosed the principal occupation, job title, and/or name of employer for one contribution at issue of approximately \$250. **Therefore, there is credible evidence of compliance with section 254.0611 of the Election Code with respect to the contribution.**
9. The respondent did not properly disclose the principal occupations, job titles, and/or names of employers for 12 contributions at issue totaling approximately \$3,950. **Therefore, there is credible evidence of noncompliance with section 254.0611 of the Election Code with respect to the contributions.**

Disclosure of Assets

10. It was contended that the respondent did not disclose on Schedule M (used to disclose the purchase of assets valued at \$500 or more) of the 30-day and 8-day pre-election reports for the May 2012 primary election, assets purchased with political contributions valued at \$500 or more.
11. The respondent's 30-day pre-election report disclosed on January 20, 2012, a political expenditure of \$665.71 to Best Buy for "I-Pad used for Campaign." In response to the allegation, the respondent swore "Best Buy had an accurate description of initial purchase price of an I-Pad of \$565.00 for campaign use now for officeholders [sic] use which has a present value of less than \$500.00." Credible evidence indicates that the respondent used campaign funds to purchase a single asset valued at \$500 or more and did not disclose the asset on Schedule M of any campaign finance report. **Therefore, there is credible evidence of noncompliance with section 254.0611(a)(3) of the Election Code regarding that expenditure.**

12. The respondent's original 30-day pre-election report disclosed on April 9, 2012, a political expenditure of \$607.24 to Staples for "Printer and Printing Supplies." In response to the allegation, the respondent swore that the "Staples amount included printer paper, extra ink and a printer which had a sale price of \$367.25." Credible evidence indicates that the expenditure did not include the purchase of an asset valued at \$500 or more. **Therefore, there is credible evidence of compliance with section 254.0611(a)(3) of the Election Code regarding that expenditure.**

Name of Payee

13. It was contended that the respondent did not fully disclose the name of a payee of two political expenditures, one in the amount of \$211.50 disclosed on the 30-day pre-election report for the May 2012 primary election, and one in the amount of \$800.31 disclosed on the 8-day pre-election report for the May 2012 primary election.
14. In the reports at issue, the respondent disclosed "LAD" for the payee's name and listed the purpose descriptions as "T-Shirts." The respondent swore that "LAD was the payee/vendor that sold t-shirts with the candidate's name on them." The address of the payee was disclosed as 433 Lancer Lake, Brownsville, TX 78526. According to an Internet search, a business named "Lad T Shirts" is located at that address. The Secretary of State's office does not have a listing for "LAD" or for "Lad T Shirts." **There is insufficient evidence of noncompliance with section 254.031(a)(3) of the Election Code as to the disclosure of the full name of the payee at issue.**

Purpose of Political Expenditures

15. It was contended that the respondent did not fully disclose the purpose of seven political expenditures totaling approximately \$1,400 on the 30-day and 8-day pre-election reports for the May 2012 primary election.
16. The respondent fully disclosed the purpose of one of the political expenditures at issue in the amount of \$30. **Therefore, there is credible evidence of compliance with section 254.031(a)(3) of the Election Code and section 20.61(a) of the Ethics Commission Rules as to the disclosure of the purpose of the political expenditure at issue.**
17. For six of the political expenditures at issue totaling approximately \$1,440, the respondent did not sufficiently describe the expenditures and/or did not describe the candidate or officeholder activity that was conducted by making the expenditures. **Therefore, there is credible evidence of noncompliance with section 254.031(a)(3) of the Election Code and section 20.61(a) of the Ethics Commission Rules as to the disclosure of the purpose of these political expenditures.**

Actual Vendor Payee Information, Reimbursement of Political Expenditures

18. It was contended that the respondent did not disclose the actual vendor payee, address, date, and/or amount of 24 political expenditures totaling approximately \$7,260 disclosed on each of the reports at issue.

19. The respondent disclosed the actual vendor payee, address, date, and/or amount of 19 of the political expenditures at issue. **Therefore, there is credible evidence of compliance with section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules as to the disclosure of the actual vendor payee information of the political expenditures at issue.**
20. The respondent did not disclose the actual vendor payee, address, date, and/or amount of five of the political expenditures at issue. **Therefore, there is credible evidence of noncompliance with section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules as to the disclosure of the actual vendor payee information of the political expenditures at issue.**

By signing this agreement and returning it to the Commission:

1. You consent to this agreement.
2. You accept the determinations made by the Commission in this agreement.
3. You waive any right to further proceedings in this matter.
4. You understand and agree that the Commission will consider this agreement in any future proceedings against you.
5. You acknowledge that:

A campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 on or before 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.

A campaign finance 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.

Each report by a candidate for judicial office must include a specific listing of each asset valued at \$500 or more that was purchased with political contributions and on hand as of the last day of the reporting period.

Each report by a candidate for a judicial office must include, for each individual from whom the person filing the report has accepted political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period: the principal occupation and job title of the individual and the full name of the employer of the individual or of the law firm of which the individual or the individual's spouse is a member, if any; or if the individual is a child, the full name of the law firm of which either of the individual's parents is a member, if any.

The purpose of an expenditure means a description of the category of goods, services, or other thing of value for which an expenditure is made 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.

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 must be reported in accordance with section 20.62 of the Ethics Commission Rules.

You agree to comply with these requirements of the law.

This agreement describes reporting errors that the Commission has determined are neither technical nor *de minimis*. Accordingly, this agreement is not confidential under section 571.140 of the Government Code.

The respondent agrees to tender a \$450 assessment fee to the Commission.

This agreement is a final and complete resolution of SC-31206194.

Arturo Cisneros Nelson, Respondent

Date signed by Respondent

Executed original agreement received by the Commission on: _____.

Texas Ethics Commission

By:

Natalia Luna Ashley,
Executive Director