

TEXAS ETHICS COMMISSION

IN THE MATTER OF	§	BEFORE THE
	§	
RICHARDSON CITIZENS FOR A MORE	§	TEXAS ETHICS COMMISSION
DEMOCRATIC GOVERNMENT,	§	
	§	
RESPONDENT	§	SC-3130111

FINAL ORDER

The Texas Ethics Commission (Commission), having heard this case and voting to find a violation of a law under its jurisdiction, makes the following Findings of Fact and Conclusions of Law:

Findings of Fact

1. The respondent is Richardson Citizens For a More Democratic Government, whose last known mailing address is P. O. Box 601771, Dallas, Texas 75360-1771. The sworn complaint was filed against the respondent on March 1, 2013. The Notice of Hearing was mailed to the respondent on September 8, 2016, by certified mail, return receipt requested, restricted delivery, and delivery confirmation.
2. The preliminary review hearing was held on October 13, 2016, by the Commission in Austin, Texas.
3. The respondent did not file a response to the notice of hearing or appear at the hearing.
4. Richardson Citizens for a More Democratic Government is a specific-purpose committee (SPAC) that files campaign finance reports locally with the Richardson City Secretary. The complaint was filed in connection with a special election held on November 6, 2012. The respondent SPAC was formed to support a measure on the ballot in the special election.

Political Expenditures Exceeding \$500 Without a Campaign Treasurer Appointment in Effect

5. The complaint alleged that the respondent made or authorized political expenditures totaling more than \$500 at a time when a campaign treasurer appointment for the committee was not in effect.
6. The respondent SPAC was formed to support a measure on the ballot in a special election held on November 6, 2012, in the City of Richardson, Texas. The measure related to

- amending the Richardson City Charter to allow for the direct election of the mayor, and was successfully adopted by a majority of voters.
7. The respondent's campaign treasurer appointment was filed on June 7, 2012, with the Richardson City Secretary, naming Christopher L. Cutrone as the campaign treasurer. An amended campaign treasurer appointment was filed with the Richardson City Secretary on July 9, 2012, naming Alan C. North as the campaign treasurer.
 8. The respondent's campaign treasurer, Alan C. North, filed a July 2012 semiannual report with the Richardson City Secretary on July 13, 2012. The report covered a period of January 1, 2012, through June 30, 2012. The report disclosed \$1,750 in total political contributions and \$4,000 in total political expenditures.
 9. The July 2012 semiannual report disclosed one political expenditure on Schedule F (used to disclose political expenditures) for \$4,000 dated May 14, 2012, to Cutrone Communications with a category of "Consulting Expense" and a description of "Management/Execution of Petition & Fundraising Process – To Be Paid From Funds Raised."

Response to Notice of a Sworn Complaint

10. Sworn Complaint SC-3130111 was originally filed on January 16, 2013, and the Commission sent a notice of noncompliance on January 24, 2013. The complaint was resubmitted on February 6, 2013, and the Commission sent a second notice of noncompliance on February 8, 2013. The complaint was resubmitted a second time on March 1, 2013. The Commission sent a notice of the sworn complaint to the respondent by delivery confirmation on March 5, 2013. On May 21, 2013, the notice of this complaint was returned to the Commission marked "Not deliverable as addressed, unable to forward" by the United States Postal Service.
11. The Commission contacted Alan C. North, the respondent's campaign treasurer, who provided a mailing address to a P. O. Box in Dallas, Texas.
12. The Commission sent a notice of the sworn complaint to the respondent, in care of Mr. North, on July 22, 2013, to the address provided by Mr. North by delivery confirmation. According to the United States Postal Service's record of the delivery, the notice of this complaint was delivered to the respondent in care of Mr. North on July 24, 2013. The notice informed the respondent that the alleged violations in the sworn complaint were Category One violations, that a response was required not later than 10 business days from the date the notice was received, and that failure to respond constituted a separate violation for which a separate civil penalty may be assessed. Based on the delivery date of the notice, the respondent was required to respond to the sworn complaint by August 7, 2013. The Commission did not receive a response from the respondent.

Conclusions of Law

1. Disposition of this case is within the jurisdiction of the Commission. GOV'T CODE § 571.061.
2. The respondent received legally sufficient notice of the hearing in this case. *Id.* § 571.032 and 1 TAC § 12.21. The hearing was held in accordance with section 12.23, 1 Texas Administrative Code.

Political Expenditures Exceeding \$500 Without a Campaign Treasurer Appointment in Effect

3. Each candidate and each political committee shall appoint a campaign treasurer as provided by chapter 252, Election Code. ELEC. CODE § 252.001.
4. A person may not knowingly make or authorize a political expenditure in violation of this chapter. *Id.* § 253.004(a).
5. A political committee may not knowingly accept political contributions totaling more than \$500 or make or authorize political expenditures totaling more than \$500 at a time when a campaign treasurer appointment for the committee is not in effect. *Id.* § 253.031(b).
6. A specific-purpose committee may not accept political contributions exceeding \$500 and may not make or authorize political expenditures exceeding \$500 without filing a campaign treasurer appointment with the appropriate filing authority. Ethics Commission Rules § 20.301(a).
7. The respondent's July 2012 semiannual report disclosed a political expenditure on Schedule F for \$4,000 dated May 12, 2012. The respondent's campaign treasurer appointment was not filed until June 7, 2012. There is credible evidence that the respondent made a political expenditure of more than \$500 at a time when a campaign treasurer appointment was not in effect for the respondent. Therefore, there is credible evidence of a violation of sections 253.004(a) and 253.031(b) of the Election Code and section 20.301(a) of the Ethics Commission Rules.

Response to Notice of a Sworn Complaint

8. If the alleged violation in a sworn complaint is a Category One violation, the respondent must respond to the notice required by section 571.123(b) not later than the 10th business day after the date the respondent receives the notice. GOV'T CODE § 571.1242(a)(1). A respondent's failure to timely respond as required by subsection (a)(1) or (b)(1) is a Category One violation. *Id.* § 571.1242(c).

9. The respondent received notice of this sworn complaint on July 24, 2013. The respondent was required to respond to the sworn complaint by August 7, 2013. The Commission did not receive a response from the respondent. Therefore, there is credible evidence of a violation of section 571.1242(c) of the Government Code.
10. The Commission may impose a sanction against the respondent of not more than \$5,000 or triple the amount at issue, whichever amount is greater. *Id.* § 571.173.

Therefore, the Texas Ethics Commission orders that:

1. The respondent pay to the Commission, within 30 days of the date of this order, a civil penalty in the amount of \$1,500.

Order Date: _____

FOR THE COMMISSION

Natalia Luna Ashley
Executive Director
Texas Ethics Commission