

TEXAS ETHICS COMMISSION

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June 18, 2015

Mr. Julian Castro

**RE: Notice of Reporting Error
SC-3130334**

Dear Mr. Castro:

The Texas Ethics Commission (Commission) met on June 11, 2015, to consider SC-3130334. 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).

There are six reports at issue in the complaint: the 30-day pre-election report for the May 14, 2011, uniform election (30-day pre-election report), the 8-day pre-election report for the May 14, 2011, uniform election (8-day pre-election report), and the July 2011, January and July 2012, and January 2013 semiannual reports.

The Commission **found credible evidence** that the respondent, as a candidate for and holder of the office of Mayor of San Antonio, Texas:

1. did not properly disclose total political contributions maintained in five reports as required by section 254.031(a)(8) of the Election Code;
2. did not properly disclose the full names of 14 contributors as required by section 254.031(a)(1) of the Election Code;
3. did not timely report five political expenditures as required by section 254.031(a)(3) of the Election Code;
4. did not properly disclose the actual payee information for eight political expenditures 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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5. did not fully disclose the name of the payee of a political expenditure as required by section 254.031(a)(3) of the Election Code; and
6. did not properly disclose political expenditures for travel outside of Texas as required by section 254.151(6) of the Election Code and section 20.61(b) of the Ethics Commission Rules.

The Commission **did not find credible evidence** that the respondent, as a candidate for and holder of the office of Mayor of San Antonio, Texas:

1. improperly disclosed total political contributions maintained, as to one report, as required by section 254.031(a)(8) of the Election Code;
2. converted political contributions to personal use which is prohibited by section 253.035(a) of the Election Code;
3. did not comply with section 254.031(a)(3) of the Election Code by not disclosing the names of persons receiving gifts and meals purchased with political funds;
4. untimely filed a semiannual campaign finance report as required by section 254.063 of the Election Code;
5. improperly disclosed the actual payee information for six political expenditures as required by section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules;
6. accepted political contributions from corporations which is prohibited by sections 253.003(b) and 253.094 of the Election Code.

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

Total Political Contributions Maintained

1. It was contended that respondent reported an incorrect balance for total political contributions maintained on each of the reports at issue or, in the alternative, if the balance for contributions maintained was correct, that the respondent did not report additional political contributions or political expenditures.
2. In response to the complaint, the respondent swore that he applied the Commission's instructions for calculating total political contributions maintained. The respondent corrected the reports to reflect the correct amounts of total political contributions maintained. The original disclosures along with the corrected amounts are as follows:

30-Day Pre-Election Report – disclosed \$90,197.19; corrected to \$83,851.21; difference is \$6,345.98.

8-Day Pre-Election Report – disclosed \$115,491.26; corrected to \$125,645.79; difference is \$10,154.53.

July 2011 Semiannual Report - disclosed \$66,213.57; corrected to \$69,280.76; difference is \$3,067.19.

January 2012 Semiannual Report - disclosed \$51,347.27; corrected to \$50,309.74; difference is \$1,037.53.

July 2012 Semiannual Report - disclosed \$34,029.21; corrected to \$23,505.28; difference is \$10,523.93.

January 2013 Semiannual Report - disclosed \$8,331.49; corrected to \$3,815.81; difference is \$4,515.68.

3. A campaign finance report must include, as of the last day of a reporting period for which the person is required to file a report, 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).
4. *A de minimis* error in calculating or reporting a cash balance under Subsection (a)(8) is not a violation of this section. *Id.* § 254.031(a-1).
5. The total amount of political contributions maintained in one or more accounts includes balance on deposit in banks, savings and loan institutions and other depository institutions, and the present value of any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks, bonds, treasury bills, etc. Ethics Commission Rules § 20.50(a).
6. Regarding the January 2012 semiannual report, 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 amount disclosed on the January 2012 semiannual report is within that threshold. **Therefore, there is credible evidence of compliance with section 254.031(a)(8) of the Election Code as to that report.**
7. Regarding the 30-day and 8-day pre-election reports and the July 2011, July 2012, and January 2013 semiannual reports, credible evidence indicates that the respondent did not properly report the total political contributions maintained balance (an average of approximately \$6,020 per report at issue). The respondent corrected the errors. **Therefore, there is credible evidence of non-compliance with section 254.031(a)(8) of the Election Code as to those five reports.**

Full Names of Contributors

8. It was contended that the respondent did not properly disclose the full names of 16 contributors that were disclosed on the reports at issue. In response to the complaint, the respondent stated that for some of the contributions, staff inadvertently reported the contributors using an abbreviated contributor name, a contributor name as it appeared on

pledge sheets, or a “common name” of the donor rather than the full name listed on the contribution checks. The respondent stated that the reports were corrected to disclose the full contributor names.

30-Day Pre-Election Report

9. There are five contributions totaling \$3,600 that are at issue on the 30-day pre-election report. The names were disclosed as follows, with corrections noted in brackets:

2/28/2011	\$500.00	Friends at Goode, Casseb, Jones, Riklin, Choate & Watson [Goode Casseb Jones Riklin Choate & Watson, PC Committee for Responsible Government]
2/28/2011	\$1,000.00	Friends at Valero PAC [Valero Political Action Committee]
2/28/2011	\$1,000.00	Mr AJ Clark [Mr Albert J Clark]
3/20/2011	\$1,000.00	Union Pacific Fund [Union Pacific Corp. Fund for Effective Government]
2/23/2011	\$100.00	Rhyno Tech LLC [First Rhyno Tech LLC]

8-Day Pre-Election Report

10. There is one contribution of \$500 at issue from “Mr KP Ganeshappa” on the 8-day pre-election report. The respondent provided a copy of the check from the contributor. The name the respondent disclosed on the report for the contributor is the same as the name that appears on the contribution check.

July 2011 Semiannual Report

11. There is one contribution of \$500 at issue from “CWA–COPE PCC” on the July 2011 semiannual report. The respondent provided a copy of the check from the contributor. The name the respondent disclosed on the report for the contributor is the same as the name that appears on the contribution check.

January 2012 Semiannual Report

12. There is one contribution of \$1,000 at issue from “IBC PAC STATE” on the January 2012 semiannual report. The respondent provided a copy of the check from the contributor. The name appearing on the contribution check was “International Bank of Commerce Committee Improvement and Betterment of the Country IBC/ IBC PAC STATE.”

July 2012 Semiannual Report

13. There are seven contributions totaling \$5,000 at issue on the July 2012 semiannual report. The names were disclosed as follows, with corrections noted in brackets:

5/15/2012	\$500.00	Friends at Goode Casseb Jones Riklin Choate & Watson [Goode Casseb Jones Riklin Choate & Watson, PC Committee for Responsible Government]
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5/17/2012	\$1,000.00	Friends at Golden Steves Cohen & Gordon LLP [Golden Steves Cohen & Gordon LLP]
5/22/2012	\$500.00	Friends at RSW Consultants
5/19/2012	\$500.00	Friends at Lockwood Andrews & Newman PAC [Lockwood Andrews & Newman PAC]
5/21/2012	\$1,000.00	Friends at Halff & Associates – State PAC [Halff & Associates – State PAC]
5/22/2012	\$500.00	Friends at Rosenthal Pauerstein Sandoloske Agather LLP [Rosenthal Pauerstein Sandoloske Agather LLP]
5/22/2012	\$100.00	Friends at Valero PAC [Valero Political Action Committee]

Regarding the contribution of \$500 from Friends at RSW Consultants, according to the respondent's affidavit the contributor's name is RSW Consultants.

January 2013 Semiannual Report

14. There is one contribution of \$1,000 at issue on the January 2013 semiannual report. It was disclosed as follows, with the correction noted in brackets:

8/23/12	\$1,000.00	Davidson Troilo PAC for Civic Awareness [Davidson & Troilo A Professional Corporation Committee for Civic Awareness]
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15. 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).
16. At any stage of a proceeding under this subchapter, the Commission shall dismiss a complaint to the extent the complaint alleges that a report required under Chapter 254, Election Code, contains the improper name or address of a person from whom a political contribution was received if the name or address in the report is the same as the name or address that appears on the check for the political contribution. GOV'T CODE § 571.1222.
17. Regarding the \$500 contribution from "Mr KP Ganeshappa" disclosed in the 8-day pre-election report and the \$500 contribution from "CWA-COPE PCC" disclosed in the July 2011 semiannual report, the names of the contributors in the report are the same as the names that appear on the contribution checks. **Therefore, the allegations regarding the names of these contributors are required to be dismissed.**
18. Regarding the remaining 14 contributions totaling \$10,600, the respondent did not properly disclose the full names of the contributors. The respondent corrected the errors. The corrected names of the contributors are substantially the same as the originally disclosed names. The errors were not misleading and did not substantially affect disclosure. **Therefore, there is credible evidence of technical or *de minimis* noncompliance with section 254.031(a)(1) of the Election Code.**

Personal Use of Political Contributions

19. It was contended that the respondent converted political contributions to personal use. The complaint specified 47 political expenditures totaling approximately \$4,720 disclosed in the 30-day and 8-day pre-election reports, and the January and July 2012, and January 2013 semiannual reports.
20. Based on the disclosures in the reports, 46 of the expenditures totaling approximately \$3,600 were made to restaurants and hotels and had descriptions of “Lunch for Staff Meeting,” “Food & beverage expense,” “State Dinner for SA Federal Initiative Program,” “Mayor’s Intern Luncheon,” “Lunch with Business Delegation – Trade & Cultural Mission,” “Breakfast/National Hispanic Caucus Breakfast,” “Lunch with supporters at State Convention,” “Lunch/Obama Re-election Campaign Aug 6-7,” and “Dinner at Hotel/NBC Today Show Nov 26-27.” One expenditure in the amount of \$1,120 was to “San Antonio Spurs.” The purpose category stated “Other: Spurs Basketball Tickets” and the purpose description stated “Attend Game with Ok. City Mayor.”
21. In response to the allegations, the respondent swore “All expenditures from campaign funds were related to legitimate campaign or officeholder expenditures.” As to the expenditure for the San Antonio Spurs, respondent swore that he and his wife hosted the Mayor of Oklahoma City and a guest at a Spurs playoff game as part of his official duties. The respondent stated that, “It is common practice in professional sports for elected representatives of cities and states with competing teams to attend the games together. Even though this was a ‘reimbursable expense with public money,’ he did not want the taxpayers to pay for this event.”
22. 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). Personal use is a use that primarily furthers individual or family purposes not connected with the performance of duties or activities as a candidate or officeholder. *Id.* § 253.035(d). Personal use 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).
23. The available evidence indicates that the political expenditures at issue were in connection with campaign or officeholder activities. There was no evidence to show that the expenditures at issue primarily furthered individual or family purposes not connected with the respondent’s performance of duties or activities as a candidate or officeholder. **Therefore, there is credible evidence of compliance with section 253.035(a) of the Election Code.**

Names of Persons Receiving a Political Expenditure

24. It was contended that the respondent did not disclose the names of persons receiving a political expenditure. The complaint specified five political expenditures that were disclosed in the reports at issue. One of the expenditures was made to Godiva for “Christmas Gifts for Staff & Council.” Two of the expenditures were made to Luke for “Staff Luncheon.” The remaining two expenditures were made to La Gloria for “Staff

Luncheon.” The complaint contended that the respondent was required to disclose the name of each person receiving a gifts or meal.

25. In response to the allegations, the respondent swore that the original reports were accurate.
26. A campaign finance report must include, for all political expenditures that in the aggregate exceed \$100 (\$50 before 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).
27. Credible evidence indicates that the names disclosed by the respondent are the actual vendor payees of the political expenditures. **Therefore, there is credible evidence of compliance with section 254.031(a)(3) of the Election Code.**

Timely Reporting of Political Expenditures

28. It was contended that the respondent did not timely report five political expenditures totaling approximately \$1,260 for airfare and lodging disclosed on the 8-day pre-election report. The complaint stated: “Note that the officeholder made travel expenditures for which the amounts were readily determinable during the 30th day report time period. (See Schedule T.)”
29. The evidence indicates that the amounts of the expenditures at issue were readily determinable during the reporting period for the 30-day pre-election report and therefore, the expenditures should have been reported on that report. The respondent was reporting as the date of the expenditure the date the credit card bill was paid, not when the amount of the expenditure was readily determinable. The respondent corrected the 30-day pre-election report to disclose two of the expenditures totaling approximately \$660 on Schedule F.
30. A campaign finance report must include, for all political expenditures that in the aggregate exceed \$50 (at the time at issue) 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).
31. For purposes of reporting under this chapter, a political expenditure is not considered to have been made until the amount is readily determinable by the person making the expenditure, except as provided by Subsection (b). *Id.* § 254.035(a).
32. If the character of an expenditure is such that under normal business practice the amount is not disclosed until receipt of a periodic bill, the expenditure is not considered made until the date the bill is received. *Id.* § 254.035(b).
33. Credible evidence indicates that the amounts of the expenditures totaling approximately \$1,260 were readily determinable during the 30-day pre-election reporting period and were therefore required to be disclosed in the 30-day pre-election report. The respondent corrected the 30-day pre-election report to disclose two of the expenditures totaling approximately \$660 on Schedule F. **There is credible evidence of noncompliance with section 254.031(a)(3) of the Election Code.**

Filing of Semiannual Report

34. It was contended that the respondent did not timely file the July 2011 semiannual report. The July 2011 semiannual report was due by July 15, 2011. The original July 2011 semiannual report was timely filed by the respondent on July 15, 2011. However, the respondent filed a correction to the July 2011 semiannual report on July 19, 2011.
35. A candidate shall file two reports for each year as provided by this section. The first report shall be filed not later than July 15. ELEC. CODE § 254.063.
36. A semiannual report that is amended before the eighth day after the date the original report was filed is considered to have been filed on the date on which the original report was filed. *Id.* § 254.0405(b).
37. Since the amended report was filed before the eighth day after the date the original report was filed, it is considered to have been filed on the date on which the original report was filed, and therefore, the amended report is not considered late. **Therefore, there is credible evidence of compliance with section 254.063 of the Election Code.**

Actual Payees of Political Expenditures

38. It was contended that the respondent did not disclose “the actual vendor/company payee, address, date, and/or amount pertaining to the stated purpose” for 14 political expenditures disclosed on the July 2011, and the January and July 2012 semiannual reports. The expenditures at issue were disclosed as being made directly to individuals and appeared to be staff reimbursements.
39. The evidence indicates that the respondent properly disclosed the payee information for six political expenditures because the payments were made directly to the listed individuals for services rendered by those individuals.
40. The evidence indicates that the respondent did not properly disclose the payee information for eight political expenditures totaling approximately \$10,280 because the expenditures were made as staff reimbursements and the respondent did not disclose the actual vendor payees. The respondent corrected the errors.
41. A campaign finance report must include, for all political expenditures that in the aggregate exceed \$100 (\$50 before 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).
42. 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 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.

43. The respondent properly disclosed the payee information for six political expenditures. **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 these expenditures.**
44. The respondent did not properly disclose the payee information for eight political expenditures totaling approximately \$10,280. **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 these expenditures. The respondent corrected the errors.**

Accepting Political Contributions from Corporations

45. It was contended that the respondent accepted political contributions totaling \$3,000 from four corporations.
46. The respondent's July 2011 semiannual report disclosed a \$500.00 political contribution from Galaxy Builders Ltd. According to records from the Texas Secretary of State (SOS), Galaxy Builders Ltd. is a domestic limited partnership that has a domestic for-profit corporation, Galaxy Builders, Inc., as its general partner. In response to the complaint, the respondent stated that when he was made aware that the contributor was a corporation he returned the contribution.
47. The respondent's January 2012 semiannual report disclosed a \$1,000.00 political contribution from The Lifshutz Foundation. According to records from the SOS, The Lifshutz Foundation is a domestic non-profit corporation. In response to the complaint, the respondent stated that when he was made aware that the contributor was a corporation he returned the contribution.
48. The respondent's January 2012 semiannual report also disclosed a \$1,000 political contribution from S Barshop Investments, Ltd. According to records from the Texas Secretary of State (SOS), S Barshop Investments, Ltd is a domestic limited partnership that does not have an incorporated partner.
49. The respondent's July 2012 semiannual report disclosed a \$500 political contribution from Friends at RSW Consultants. According to records from the SOS, RSW Consulting Inc. is a

domestic for-profit corporation. The respondent stated that when he was made aware that the contributor was a corporation he returned the contribution.

50. 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(b).
51. In order to show a violation of section 253.003(b) of the Election Code, the evidence must show that the contributor was a corporation or labor organization, that at the time the respondent accepted the contribution he knew that corporate contributions were illegal, and that the respondent knew the particular contribution at issue was from a corporation or labor organization.
52. A corporation or labor organization may not make a political contribution or political expenditure that is not authorized by subchapter D, chapter 253, of the Election Code. *Id.* § 253.094.
53. 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.
54. A determination to accept or refuse a political contribution that is received by a candidate, officeholder, or political committee shall be made not later than the end of the reporting period during which the contribution is received. *Id.* § 254.034(a).
55. A Delaware limited liability company is subject to the restrictions in Election Code chapter 253, subchapter D, if it engages in a type of business listed in Election Code section 253.093 or if it is owned, in whole or in part, by an entity subject to the restrictions in Election Code chapter 253, subchapter D. Ethics Advisory Opinion No. 383 (1997).
56. Regarding the \$1,000 contribution from S Barshop Investments, Ltd, credible evidence indicates that the contribution was not made by a prohibited corporation. **Therefore, there is credible evidence of compliance with sections 253.003 and 253.094 of the Election Code with respect to that contribution.**
57. Regarding the contributions from Galaxy Builders Ltd., The Lifshutz Foundation, and RSW Consulting Inc, totaling \$2,000, there is insufficient evidence to show that the respondent knew the contributions were from corporations at the time of acceptance. **Therefore, there is insufficient evidence of noncompliance with sections 253.003 and 253.094 of the Election Code with respect to those contributions.**

Full Name of Payee of Political Expenditure

58. It was contended that the respondent did not fully disclose the name of the payee of a \$1,000 political expenditure disclosed on the July 2012 semiannual report. The respondent disclosed “DCCC” as the name of the payee. The respondent corrected the name of the payee to “Democratic Congressional Campaign Committee.”

59. A campaign finance report must include, for all political expenditures that in the aggregate exceed \$100 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).
60. The respondent did not disclose the full name of the payee at issue. **Therefore, there is credible evidence of noncompliance with section 254.031(a)(3) of the Election Code as to this expenditure.**

Political Expenditures for Travel Outside of Texas

61. It was contended that the respondent did not disclose on Schedule T of each of the reports at issue political expenditures made for travel outside of Texas. The allegation was based on disclosures from Schedule F of the respondent's reports, which indicate that the respondent traveled outside of Texas for political purposes and made numerous expenditures for airfare, lodging, meals, and taxi rides. Forty-nine of the expenditures at issue were disclosed on Schedule F and indicated that they were for airfare.
62. In response to the complaint, the respondent corrected the reports at issue to disclose travel information on Schedule T for 37 of the expenditures at issue totaling approximately \$26,900 that were made to purchase airline tickets. The respondent corrected eight of the expenditures at issue to disclose that the travel was within the State of Texas, and therefore information regarding these expenditures was not required to be disclosed on Schedule T. The respondent corrected two of the expenditures at issue to disclose that the expenditures were for lodging instead of airfare, and therefore information regarding these expenditures was not required to be disclosed on Schedule T. The respondent corrected the remaining two expenditures to delete them because they were duplicate entries.
63. The description of a political expenditure for travel outside of the state of Texas must provide the name of the person or persons traveling on whose behalf the expenditure was made, the means of transportation, the name of the departure city or the name of each departure location, the name of the destination city or the name of each destination location, the dates on which the travel occurred, and the campaign or officeholder purpose of the travel, including the name of the conference, seminar, or other event. Ethics Commission Rules § 20.61(b).
64. There is credible evidence that the respondent made political expenditures for travel outside the state of Texas and did not disclose the travel information on Schedule T of the original reports at issue. The respondent corrected the reports at issue in response to the complaint. **Therefore, there is credible evidence of noncompliance with section 20.61(b) of the Ethics Commission Rules as to the travel associated with 37 expenditures totaling approximately \$26,900.**

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 regarding similar allegations.
5. You acknowledge that:

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.

A campaign finance report must include, for all political expenditures that in the aggregate exceed \$50 (at the time at issue) 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.

A campaign finance report must include, as of the last day of a reporting period for which the person is required to file a report, 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.

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 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.

The description of a political expenditure for travel outside of the state of Texas must provide the name of the person or persons traveling on whose behalf the expenditure was made, the means of transportation, the name of the departure city or the name of each departure location, the name of the destination city or the name of each destination location,

the dates on which the travel occurred, and the campaign or officeholder purpose of the travel, including the name of the conference, seminar, or other event.

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 \$5,000 assessment fee to the Commission.

This agreement is a final and complete resolution of SC-3130334.

Julian Castro, Respondent

Date signed by Respondent

Executed original agreement received by the Commission on: _____.

Texas Ethics Commission

By: _____
Natalia Luna Ashley, Executive Director