

TEXAS ETHICS COMMISSION

IN THE MATTER OF
R & M TRANSPORTATION
CONSULTANTS, INC.,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-31408185

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on October 29, 2014, to consider sworn complaint SC-31408185. 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 prohibited corporate political contribution.

III. Facts Supported by Credible Evidence

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

1. The respondent is a domestic for-profit corporation located in Montgomery, Texas. The complaint alleged that the respondent made an unlawful political contribution to a specific-purpose committee for supporting a candidate/officeholder.
2. The complaint included a copy of a campaign finance report by Friends of Cecil Bell Jr., a specific-purpose committee that supports a candidate/officeholder, where the committee disclosed accepting a \$750 political contribution on October 17, 2013, from "R and M Transportation Consultants Inc."

3. In response to the complaint, the president of the respondent corporation swore:

On October 17, 2013, I attended a golf outing at Walden Country Club. I thought the outing was a meet and greet for Mr. Bell. I invited a potential business contact to attend with me at my companies [sic] expense. Being new to Texas and just recently establishing my company here I failed to read the the [sic] laws governing the contribution of companies to political campaigns. I did not realize the cost of the outing was going towards Mr. Bells [sic] campaign. I am in the process of dissolving the company.

4. According to a registration form for the golf outing, the event in question was the “2013 Cecil Bell Invitational Golf Tournament” held on October 14, 2013, at Walden on Lake Conroe Golf Club in Montgomery, Texas. The registration form contained the statement “YES, I support Cecil Bell and will participate at the following level” and contained three different sponsorship levels of \$1,500 for a group of four players, \$750 for a group of two players, and \$250 for a single player. The registration form contained a political advertising disclosure statement indicating that it was “Pd. Pol. Ad. by Friends of Cecil Bell, Jr. Sara Taylor Treasurer,” and also requested that registrants mail the registration form to Friends of Cecil Bell, Jr.

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, Election Code. ELEC. CODE § 253.003(a).
2. A corporation may not make a political contribution or political expenditure that is not authorized by subchapter D, Chapter 253, Election Code. *Id.* § 253.094(a).
3. “Corporation” means a corporation that is 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. “Contribution” means a direct or indirect transfer of money, goods, services, or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. *Id.* § 251.001(2).
5. “Political contribution” means a campaign contribution or an officeholder contribution. *Id.* § 251.001(5).
6. “Campaign contribution” means a contribution to a candidate or political committee that is offered or given with the intent that it be used in connection with a campaign for

elective office or on a measure. Whether a contribution is made before, during, or after an election does not affect its status as a campaign contribution. *Id.* § 251.001(3).

7. “Officeholder contribution” means a contribution to an officeholder or political committee that is offered or given with the intent that it be used to defray expenses that are incurred by the officeholder in performing a duty or engaging in an activity in connection with the office and are not reimbursable with public money. *Id.* § 251.001(4).
8. Credible evidence indicates that the event in question was a political fundraising event for a state legislator in the form of a golf tournament. Based on the event registration form and the name and nature of the event, credible evidence indicates that people playing in the event would have known that the purpose of the event was to support an officeholder and that some or all of the proceeds would be used to support that officeholder. Credible evidence indicates that the respondent made a direct or indirect transfer of money to a political committee that supports a state legislator. The political contribution at issue was made by a prohibited corporation. Therefore, there is credible evidence of a violation of sections 253.003(a) and 253.094(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, or to a specific-purpose committee for supporting a candidate or officeholder. The respondent agrees to comply with these requirements 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 nature, circumstances, and consequences of the violation described under Sections III and IV, and after considering the sanction necessary to deter future violations, the commission imposes a \$750 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-31408185.

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

R & M Transportation Consultants, Inc.,
Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
Natalia Luna Ashley,
Executive Director