

TEXAS ETHICS COMMISSION

IN THE MATTER OF
TERRI WILLIAMS,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-32206269

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on December 13, 2022, to consider sworn complaint SC-32206269. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of Sections 252.001, 253.031, 254.063, 254.064, 254.031, and 254.036 of the Election Code, laws administered and enforced by the Commission. To resolve and settle this complaint without further proceedings, the Commission adopted this resolution.

II. Allegations

The complaint alleged that the respondent: 1) did not file a campaign treasurer appointment, in violation of Section 252.001 of the Election Code; 2) accepted campaign contributions and made or authorized campaign expenditures at a time when a campaign treasurer appointment was not in effect, in violation of Section 253.031 of the Election Code; 3) failed to file a July 2021 semiannual campaign finance report, due by July 15, 2021, in violation of Section 254.063(b) of the Election Code; 4) failed to file a January 2022 semiannual campaign finance report, due by January 18, 2022, in violation of Section 254.063(c) of the Election Code; 5) did not timely file the 8-day pre-election report for the May 7, 2022 election, in violation of Section 254.064(c) of the Election Code; 6) did not report on her 30-day pre-election report the full address of people making political contributions in violation of Section 254.031(a)(1) of the Election Code; 7) did not report on her 30-day pre-election report the full address of the people to whom expenditures were made, in violation of Section 254.031(a)(3) of the Election Code; 8) did not report all political contributions accepted on her 30-day pre-election report, in violation of Section 254.031 of the Election Code; and 9) did not sign her 8-day pre-election report, in violation of Section 254.036 of the Election Code.

III. Findings of Fact and Conclusions of Law

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

1. The respondent was the successful incumbent candidate for the North East ISD Board of Trustees, District 2, in the May 7, 2022 election.

Failure to File Campaign Treasurer Appointment

2. The complaint alleged that the respondent failed to timely file a campaign treasurer appointment.
3. The information submitted with the complaint shows that the respondent filed her final report for the May 5, 2018 election on July 16, 2018. The information submitted with the complaint also shows that the respondent posted political advertising on her campaign Facebook page on October 26, 2021, which read “Re-elect Terri Williams for NEISD Board of Trustees District 2 May 2022.” On November 2, 2021, the respondent made a post on her campaign Facebook page that read “Campaign contributions are being accepted to help pay for yard signs, door hangars, information cards, postcards for mailing, mailing labels, block walking and bulk mailing.” The post included a physical address contributions could be sent to, as well as a Venmo link for digital transfers.
4. In response to the complaint, the respondent provided a copy of the campaign treasurer appointment she filed on November 4, 2021. The respondent swore that there was no intention to accept contributions without a campaign treasurer on file.
5. According to the respondent’s January 2022 semiannual report, the respondent accepted \$250 in political contributions before she filed her campaign treasurer appointment on November 4, 2021. The respondent disclosed no political expenditures dated before she filed her campaign treasurer appointment.
6. Each candidate and each political committee shall appoint a campaign treasurer. Tex. Elec. Code § 252.001.
7. “Candidate” means a person who knowingly and willingly takes affirmative action for the purpose of gaining nomination or election to public office or for the purpose of satisfying financial obligations incurred by the person in connection with the campaign for nomination or election. Examples of affirmative action include the making of a public announcement of a definite intent to run for public office in a particular election and the soliciting or accepting of a campaign contribution or the making of a campaign expenditure. *Id.* § 252.001(1)(E),(G).

8. A technical, clerical, or *de minimis* violation for purposes of § 571.0631 of the Government Code may include a first-time allegation against a respondent for failure to timely file a campaign treasurer appointment if, before filing the campaign treasurer appointment, the total amount of political contributions accepted does not exceed \$2,500 and the total amount of political expenditures made or authorized does not exceed \$2,500. 1 Tex. Admin. Code § 12.81(a)(9).
9. Credible evidence indicates that the respondent made a public announcement of a definite intent to run for public office in a particular election on October 26, 2021, when she posted the initial political advertising to Facebook. Credible evidence also indicates that the respondent solicited campaign contributions on November 2, 2021. Therefore, the respondent was a candidate and required to file a campaign treasurer appointment by October 26, 2021. Finally, credible evidence indicates that the respondent filed her campaign treasurer appointment on November 4, 2021. However, the respondent accepted less than \$2,500 in political contributions and made less than \$2,500 in political expenditures with no campaign treasurer appointment on file. A review of Commission records reveals no previous sworn complaints or administrative notices of violation concerning the respondent. Therefore, there is credible evidence of a technical or *de minimis* violation of Section 252.001 of the Election Code.

Accepted Political Contributions without a Campaign Treasurer Appointment on File

10. The sworn complaint alleged that the respondent accepted campaign contributions and/or made or authorized campaign expenditures without a campaign treasurer appointment on file.
11. The respondent filed her campaign treasurer appointment on November 4, 2021. The information submitted with the complaint shows that the respondent reported accepting \$250 in political contributions before November 4, 2021 on her January 2022 semiannual campaign finance report.
12. A candidate may not knowingly accept a campaign contribution or make or authorize a campaign expenditure at a time when a campaign treasurer appointment for the candidate is not in effect. Tex. Elec. Code § 253.031(a).
13. “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(2).
14. Credible evidence indicates that the respondent accepted campaign contributions at a time when a campaign treasurer appointment was not in effect. Therefore, credible evidence indicates a violation of Section 253.031 of the Election Code.

Failure to Timely File Reports

15. The complaint alleged that the respondent failed to file the July 2021 semiannual report, which was due by July 15, 2021, and the January 2022 semiannual report, which was due by January 18, 2022, and failed to timely file the 8-day pre-election report for the May 7, 2022 election, which was due by April 29, 2022.
16. Information submitted with the complaint shows that the respondent filed a 30-day pre-election report on April 7, 2022, which covered activity from June 1, 2021, through April 7, 2022, rather than filing either a July 2021 semiannual report or a January 2022 semiannual report.
17. The information submitted with the complaint also shows that the respondent filed her 8-day pre-election report on May 6, 2022, 7 days late. The report disclosed \$775 in total political contributions, \$589.17 in total political expenditures, and \$1,248.47 in total political contributions maintained as of the last day of the reporting period.
18. In response to the complaint, the respondent swore that she had believed that officeholders were not required to file a campaign treasurer appointment and therefore were not required to file campaign finance reports.
19. In response to the complaint, the respondent filed a January 2022 semiannual report on July 20, 2022. The report covered the period from June 1, 2021, through January 15, 2022. The report disclosed \$2,210 in total political contributions, \$1,795.24 in total political expenditures, and \$414.76 in total political contributions maintained. On that report, the respondent disclosed receiving a single \$100 contribution on June 22, 2021, which should have been disclosed on a July 2021 semiannual report, if one were required.
20. The respondent also filed in response to the complaint an amended 30-day pre-election report, to correct reporting errors further addressed in a separate section below. The report covered the period from January 16, 2022, through April 7, 2022. The report disclosed \$1,821.62 in total political contributions, \$948.94 in total political expenditures, and \$1,287.44 in total political contributions maintained as of the last day of the reporting period.
21. Candidates and officeholders shall file two reports for each year. Tex. Elec. Code §§ 254.063(a); 254.093(a). The first report shall be filed not later than July 15. The report covers the period beginning January 1, the day the officeholder takes office, or the first day after the period covered by the last report required to be filed, as applicable, and continuing through June 30. *Id.* §§ 254.063(b); 254.093(b). The second report shall be filed not later than January 15. The report covers the period beginning July 1, the day the candidate's campaign treasurer appointment is filed, or the first day after the period covered by the last

report required to be filed under this subchapter, as applicable, and continuing through December 31. *Id.* §§ 254.063(c); 254.093(c).

22. In addition to other required reports, for each election in which a person is a candidate and has an opponent whose name is to appear on the ballot, the person shall file two reports. The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day. The report covers the period beginning the 39th day before election day and continuing through the 10th day before election day. *Id.* § 254.064(c).
23. If at the end of any reporting period an officeholder who is required to file a report with an authority other than the Commission has not accepted political contributions that in the aggregate exceed \$930 or made political expenditures that in the aggregate exceed \$930, for reports required to be filed in 2021, the officeholder is not required to file a report covering that period. Tex. Elec. Code § 254.095; 45 Tex. Reg. 8511 (2020) (codified at 1 Tex. Admin. Code § 18.31) (Tex. Ethics Comm'n) (establishing inflation-adjusted reporting thresholds for the 2021 calendar year).
24. Credible evidence indicates that the respondent filed a late January 2022 semiannual report and a late 8-day pre-election report. At the time these reports were owed, the respondent was a candidate for office. Therefore, credible evidence indicates violations of Sections 254.063 and 254.064 of the Election Code.
25. The evidence available to the Commission indicates that the respondent accepted only a single \$100 political contribution during the reporting period for the July 2021 semiannual report, during which she was not a candidate. There is therefore no credible evidence of any violation of Section 254.063 or 254.093 of the Election Code for the respondent's failure to file a July 2021 semiannual report.

Reporting Violations

26. The sworn complaint alleged that the respondent failed to report the full addresses of persons making political contributions and the full addresses of the people to whom political expenditures were made on her 30-day pre-election report.
27. Information submitted with the complaint shows that the respondent reported only the names of contributors, and failed to report the addresses of people to whom expenditures were made for two expenditures on her 30-day pre-election report.

28. In response to the complaint, the respondent swore that the errors were unintended and filed a corrected 30-day pre-election report on July 20, 2022. The report properly disclosed the addresses of both the contributors and people to whom expenditures were made.
29. Each report filed must include the amount of political contributions from each person that in the aggregate exceed \$50 (\$90 as of January 1, 2022) and that are accepted during the reporting period by the person required to file a report, the full name and address of the person making the contributions, and the dates of the contributions. Tex. Elec. Code § 254.031(a)(1); 1 Tex. Admin. Code § 18.31.
30. Each report filed must include the amount of political expenditures that in the aggregate exceed \$100 (\$190 as of January 1, 2022) 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. Tex. Elec. Code § 254.031(a)(3); 1 Tex. Admin. Code § 18.31.
31. Credible evidence indicates that the respondent failed to report the full addresses of people making political contributions and the full addresses of two people to whom political expenditures were made on her 30-day pre-election report. Therefore, credible evidence indicates violations of Section 254.031 of the Election Code.

Improper Signature

32. The sworn complaint alleged that the respondent did not sign her 8-day pre-election report.
33. The information submitted with the complaint shows that the respondent did not sign her 8-day pre-election report.
34. In response to the complaint the respondent filed an amended 8-day pre-election report which was signed.
35. Each report filed under this chapter with an authority other than the Commission must be in a format prescribed by the Commission. Tex. Elec. Code § 254.036. The campaign finance forms promulgated by the Commission require the filer's signature.
36. A technical, clerical, or de minimis violation for purposes of § 571.0631 of the Government Code may include a first-time allegation against a respondent for filing an incomplete or corrected campaign finance report if the incomplete or corrected information is not misleading and does not substantially affect disclosure. 1 Tex. Admin. Code § 12.81(a)(8).

37. Credible evidence indicates that the respondent failed to sign her 8-day pre-election report. However, as the lack of a signature did not substantially affect disclosure, and, as noted above, there is no indication of prior violations by the respondent, there is credible evidence of a technical or *de minimis* violation of Section 254.036 of the Election Code.

IV. 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 findings of fact and conclusions of law described under Section III, 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: 1) each candidate and each political committee shall appoint a campaign treasurer; 2) a candidate may not knowingly accept a campaign contribution or make or authorize a campaign expenditures at a time when a campaign treasurer appointment for the candidate is not in effect; 3) an officeholder shall file two reports for each year. The first report shall be filed not later than July 15. The report covers the period beginning January 1, the day the officeholder takes office, or the first day after the period covered by the last report required to be filed, as applicable, and continuing through June 30; 4) a candidate shall file two reports for each year. The second report shall be filed not later than January 15. The report covers the period beginning July 1, the day the candidate's campaign treasurer appointment is filed, or the first day after the period covered by the last report required to be filed under this subchapter, as applicable, and continuing through December 31; 5) in addition to other required reports, for each election in which a person is a candidate and has an opponent whose name is to appear on the ballot, the person shall file two reports. The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day. The report covers the period beginning the 39th day before election day and continuing through the 10th day before election day; 6) each report filed must include the amount of political contributions from each person that in the aggregate exceed \$90 and that are accepted during the reporting period by the person required to file a report, the full name and address of the person making the contributions, and the dates of the contributions; 7) each report filed must include the amount of political expenditures that in the aggregate exceed \$190 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 8) each report filed under this chapter with an authority other than the Commission must be in a format prescribed by the Commission. The respondent further acknowledges that, consistent with

the forms provided by the Commission, each campaign finance report must be signed by the filer. The respondent agrees to comply with these requirements of the law.

V. Confidentiality

This order and agreed resolution describes violations that the Commission has determined are 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.

VI. Sanction

After considering the seriousness of the violations described under Section III, including the nature, circumstances, consequences, extent, gravity of the violations, and after considering the sanction necessary to deter future violations, the Commission imposes a \$750 civil penalty.

VII. 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-32206269.

AGREED to by the Respondent on this _____ day of _____, 2022.

Terri Williams, Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
J.R. Johnson, Executive Director