

TEXAS ETHICS COMMISSION MEETING MINUTES

July 14, 2006, 9:02 a.m.

Capitol Extension, Room E1.010, Austin, Texas 78701

COMMISSIONERS PRESENT: Cullen R. Looney, Chair; Raymond R. "Tripp" Davenport, III, Vice Chair; Ross Fischer; Tom Harrison; Wales H. Madden, III; David Montagne; and Nicholas C. Taylor.

COMMISSIONERS ABSENT: Francisco Hernandez.

STAFF PRESENT: Natalia L. Ashley, Liz Brenner, William Calem, Margie Castellanos, Sharon Finley, Jeanine C. Hudson, Jason D. King, Becky Levy, Bobby Mannas, Veronica Medrano, Robbie Miller, David A. Reisman, Amy Simms, Tim Sorrells, and Mary Young.

MINUTES

This meeting was tape recorded. These minutes are a summary record of the commission's actions at the meeting. For a detailed record of discussions and statements made by persons speaking at the meeting, please consult the audio tapes on file at the Commission's office.

Agenda Item 1: Call to order; roll call.

The meeting was called to order by Chair Looney. David A. Reisman, Executive Director, called the roll. All commissioners were present, except Commissioner Hernandez.

Agenda Item 4: Communication to the commission from the public.

None.

Agenda Item 3: Comments by the executive director.

David A. Reisman, Executive Director, made the following comments:

1. Mr. Reisman introduced Cyndi Johnson, the new agency receptionist.
2. The financial management audit by the State Auditor's Office regarding the revenue and expenditures at the Texas Ethics Commission has been released. The report found that the revenues processed by the commission were recorded correctly and in a timely manner, and no errors were found in testing the commission's expenditures for salaries and wages, rentals and leases, and repairs and maintenance, which represent the majority of the commission's expenditures.

The report gave recommendations that will provide greater assurances that expenditures are for valid purposes and that record-keeping for accounting and revenues is accurate. Most of the recommendations have already been implemented within the timeframe provided in our response. Mr. Reisman expressed his

appreciation of the State Auditor's Office in accommodating the Ethics Commission's request for an audit of our financial systems.

3. As of July 14, 2006, 174 complaints have been filed with the commission. Mr. Reisman anticipates over 300 complaints being filed in 2006.
4. Monday, July 17, 2006, is the deadline for filing the July semiannual report for campaign finance.
5. In June 2006, the Ethics Commission released new campaign finance software which contains the latest changes in the commission's rules and laws. Half of the filings have already been received.
6. The warrant hold procedure has been implemented. Filers who do not pay their fines to the Ethics Commission in a timely fashion are referred to the Attorney General's Office for collection. If these filers are owed money from the state by the Comptroller, that money would then be directed to the Ethics Commission.
7. The first statewide online ethics training program that was developed in-house for executive branch employees has been released to better assist agencies in obtaining ethics training or supplementing the current ethics training given to employees by the agencies.

The Connecticut State Ethics Commission has inquired about our program as they were looking to create one of their own. The Ethics Commission plans to produce a similar online ethics training program for legislators and their staffs prior to the next legislative session.

Agenda Item 2: Comments by the commissioners.

Chair Looney and Commissioner Davenport commended staff for their work.

Agenda Item 5: Approve minutes of the May 12, 2006, meeting.

Motion by Commissioner Taylor to adopt the May 12, 2006, meeting minutes; second by Vice Chair Davenport. Motion passed by a vote of seven ayes.

Agenda Item 6: Presentation by Chair of Task Force, Commissioner Ross Fischer.

Commissioner Fischer briefed the commission on this agenda item. Vice Chair Davenport inquired about Possible Recommendation Number 12 and Commissioner Taylor inquired about Possible Recommendation number 13.

Agenda Item 7: Presentation, discussion, and possible action regarding the Legislative Appropriation Request (LAR) for the 2008-2009 Biennium of the Texas Ethics Commission; William Calem, Director of Administration, Chief Fiscal Officer.

William Calem, Director of Administration and Chief Fiscal Officer, briefed the commission on this agenda item. Vice Chair Davenport attended a meeting to discuss budgetary issues conducted by Governor Perry and Mike Morrissey. Vice Chair Davenport briefed the commission on the budget meeting. Chair Looney appointed Vice Chair Davenport and Commissioners Fischer and Harrison to a subcommittee to assist William Calem and David Reisman with the budget hearing process.

For Agenda Items 8 and 9, the following represents the actions taken by the Ethics Commission in the order they occurred during the meeting.

Agenda Item 8: Briefing, discussion, and possible action to waive or reduce certain penalties assessed for late filing of campaign finance reports, lobby reports, or personal financial statements.

34. Jon N. Wisser, District Judge (00021015)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Judge Jon N. Wisser spoke before the commission on Agenda Item 8, number 34. Motion by Commissioner Fischer to reduce the \$500 late-filing penalty to \$250 on Agenda Item 8, number 34; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$250 is adopted on Agenda Item 8, number 34.**

35. Dan Wyde, Candidate, Criminal District Attorney (00058687)
Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Dan Wyde spoke before the commission on Agenda Item 8, number 35. Motion by Commissioner Taylor to reduce the \$500 late-filing penalty to \$100 on Agenda Item 8, number 35; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$250 is adopted on Agenda Item 8, number 35.**

36. Raif Massey Calvert, Lobbyist (00054676)
Report: lobby activities reports due April 10, 2006, and May 10, 2006
Penalty: \$500 (each report)
Staff recommendation: no waiver of the late-filing penalty

Raif Massey Calvert spoke before the commission on Agenda Item 8, number 36. Motion by Commissioner Madden to waive each of the \$500 late-filing penalties for Agenda Item 8, number 36; second by Vice Chair Davenport. Motion passed by a vote of seven ayes. **The late-filing penalty is waived on Agenda Item 8, number 36.**

37. C. Brandon Creighton, Candidate, State Representative (00051451)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

C. Brandon Creighton spoke before the commission on Agenda Item 8, number 37. Motion by Commissioner Fischer to reduce the \$500 late-filing penalty to \$100 on Agenda Item 8, number 37; second by Vice Chair Davenport. Motion passed by a vote of six ayes. Commissioner Madden voted no. **Reduction of the late-filing penalty to \$100 is adopted on Agenda Item 8, number 37.**

Agenda Item 9: Briefing, discussion, and possible action to waive or reduce late-filing penalties in connection to certain corrected reports or to determine whether certain corrected reports as originally filed substantially complied with the applicable law.

27. C. Brandon Creighton, Candidate, State Representative (00051451)

Report: 30-day pre-election report due February 6, 2006

Penalty: \$500

Report: 8-day pre-election report due February 27, 2006

Penalty: \$600

Total penalties: \$1,100

C. Brandon Creighton spoke before the commission on Agenda Item 9, number 27. Motion by Commissioner Harrison to reduce the \$500 and \$600 late-filing penalties to \$100 each; second by Commissioner Montagne. Motion passed by a vote of five ayes. Vice Chair Davenport and Commissioner Madden voted no. **Reduction of the late-filing penalties to \$100 each is adopted on Agenda Item 9, number 27.**

Return to Agenda Item 8.

49. Maria Luisa Alvarado, Candidate, Lieutenant Governor (00057429)

Report: 8-day pre-election report due February 27, 2006

Penalty: \$3,600

Staff recommendation: reduction of the late-filing penalty to \$700

Maria Luisa Alvarado spoke before the commission on Agenda Item 8, number 49. Motion by Commissioner Madden to reduce the \$3,600 late-filing penalty to \$300 on Agenda Item 8, number 49; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$300 is adopted on Agenda Item 8, number 49.**

50. Tina Benkiser, Chair, Texas Republican Party (P) (00015664)

Report: 8-day pre-election political party report due February 27, 2006

Penalty: \$6,300

Staff recommendation: reduction of the late-filing penalty to \$1,500

Donna Garcia Davidson and Susan McClain spoke to the commission on Agenda Item 8, number 50. Motion by Commissioner Harrison to reduce the \$6,300 late-filing penalty to \$1,000; second by Commissioner Fischer. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$1,000 is adopted on Agenda Item 8, number 50.**

53. Sergio Contreras, Lobbyist (00051434)

Report: lobby activities reports due April 11, 2005, May 10, 2005, June 10, 2005, July 11, 2005, August 10, 2005, September 12, 2005, October 11, 2005, November 10, 2005, and December 12, 2005

Total penalties: \$4,500 (\$500 each report)

Staff recommendation: no waiver of the late-filing penalty in connection with report due April 11, 2005, and reduction of the late-filing penalties in connection with reports due May 10, 2005, through December 12, 2005 to \$100 each report

Total recommended penalties: \$1,300

Sergio Contreras spoke before the commission on Agenda Item 8, number 53. Motion by Commissioner Harrison to adopt staff's recommendation not to waive the \$500 late-filing penalty on the report due April 11, 2005, and to waive the \$500 late-filing penalties on reports due May 10, 2005, through December 12, 2005; second by Commissioner Taylor. Commissioner Fischer was off the dais. Motion passed by a vote of six ayes. **Motion is adopted not to waive the late-filing penalty in connection with the report due April 11, 2005, and to waive the late-filing penalties in connection with the reports due May 10, 2005 through December 12, 2005, on Agenda Item 8, number 53.**

55. Christopher L. Elliott, Chair, Travis County Democratic Party (P) (00023921)
Report: 8-day pre-election political party report due February 27, 2006
Penalty: \$4,500
Staff recommendation: reduction of the late-filing penalty to \$700

Elizabeth Yevich, Executive Director, Travis County Democratic Party, spoke before the commission on Agenda Item 8, number 55. Motion by Vice Chair Davenport to reduce the \$4,500 late-filing penalty to \$100; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$100 is adopted on Agenda Item 8, number 55.**

19. Ricardo Hernandez, Texas Commission on the Arts (00053908)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Ricardo Hernandez spoke before the commission on Agenda Item 8, number 19. Motion by Vice Chair Davenport to waive the \$500 late-filing penalty for Agenda Item 8, number 19; second by Commissioner Montagne. Motion passed by a vote of six ayes. Commissioner Madden was off the dais. **The late-filing penalty is waived on Agenda Item 8, number 19.**

58. W. James Jonas, Treasurer, Holland & Knight LLP/Texas PAC (00053252)
Report: monthly reports due April 5, 2006, and May 5, 2006
Penalty: \$500 (each report)
Staff recommendation: reduction of the late-filing penalties to \$250 each

Motion by Commissioner Harrison to adopt staff's recommendation to reduce the \$500 late-filing penalties to \$250 each; second by Commissioner Madden. Motion passed by a vote of seven ayes. **Staff's recommendation to reduce the late-filing penalties to \$250 for each report is adopted on Agenda Item 8, number 58.**

63. Charles F. Baird, Candidate, District Judge (00021113)
Report: personal financial statement due February 13, 2006
Penalty: \$500

Charles F. Baird spoke before the commission on Agenda Item 8, number 63. Motion by Commissioner Taylor to reduce the \$500 late-filing penalty to \$100 on Agenda Item 8, number 63; second by Commissioner Fisher. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$100 is adopted on Agenda Item 8, number 63.**

64. Margaret Doescher, Treasurer, Kingwood Area Republican Women's Club (00015511)
 Report: 8-day pre-election report due October 31, 2005
 Penalty: \$3,000

Margaret Doescher spoke before the commission on Agenda Item 8, number 64. Motion by Commissioner Harrison to waive the \$3,000 late-filing penalty on Agenda Item 8, number 64; second by Commissioner Madden. Motion passed by a vote of seven ayes. **Late-filing penalty is waived on Agenda Item 8, number 64.**

Return to Agenda Item 9.

14. Fran Vincent, Treasurer, Democracy for Texas (00055660)
 Report: semiannual reports due January 18, 2005, July 15, 2005, and January 17, 2006
 Penalty: \$500 (each report)
 Staff recommendation: no waiver of the late-filing penalties

Fran Vincent spoke before the commission on Agenda Item 9, number 14. Motion by Commissioner Taylor to reduce the \$1,500 late-filing penalties to \$100 for each report; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalties to \$100 for each report is adopted on Agenda Item 9, number 14.**

17. Rosie Mendoza, Treasurer, Annie's List (00053715)
 Report: semiannual report due July 15, 2005
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty
- Report: 8-day pre-election report due October 31, 2005
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$1,000
- Report: 8-day before runoff report due December 2, 2005
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$1,000
- Report: semiannual report due January 17, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty
- Report: 8-day pre-election report due February 6, 2006
 Penalty: \$9,100
 Staff recommendation: reduction of the late-filing penalty to \$1,000

Report: 8-day pre-election report due February 21, 2006
 Penalty: \$7,600
 Staff recommendation: reduction of the late-filing penalty to \$1,000

Total penalties: \$37,700
 Total recommended penalties: \$5,000

Kelly White, Executive Director of Annie's List, spoke before the commission on Agenda Item 9, number 17. Motion by Commissioner Madden to waive the late-filing penalties on the semiannual reports due July 15, 2005, and January 17, 2006, and reduction of the late-filing penalties on the 8-day pre-election reports due October 31, 2005, December 2, 2005, February 6, 2006, and February 21, 2006, to \$500 for each report on Agenda item 9, number 17; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Motion is adopted to waive the late-filing penalties in connection with the reports due July 15, 2005, and January 17, 2006, and to reduce to \$500 for each report on the late-filing penalties in connection with the reports due October 31, 2005, December 2, 2005, February 6, 2006, and February 21, 2006, on Agenda Item 9, number 17.**

19. Lorraine O'Donnell, Candidate, State Representative (00058103)

Report: semiannual report due January 17, 2006
 Penalty: \$500
 Staff recommendation: waiver of the late-filing penalty

Report: 30-day pre-election report due February 6, 2006
 Penalty: \$500
 Staff recommendation: waiver of the late-filing penalty

Report: 8-day pre-election report due February 27, 2006
 Penalty: \$5,300
 Staff recommendation: reduction of the late-filing penalty to \$1,000

Total penalties: \$6,300
 Total recommended penalties: \$1,000

20. Leonard Goodman, III, Treasurer, Friends of Dr. Lorraine O'Donnell (00058104)

Report: semiannual report January 17, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty

Report: 30-day pre-election report due February 6, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty

Report: 8-day pre-election report due February 27, 2006
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$1,000

Total penalties: \$11,000
Total recommended penalties: \$2,000

Dr. Lorraine O'Donnell spoke before the commission on Agenda Item 9, numbers 19 and 20. Motion by Commissioner Madden to waive the late-filing penalties on Agenda Item 9, numbers 19 and 20; second by Commissioner Harrison. Motion passed by a vote of six ayes. Vice Chair Davenport abstained. **Late-filing penalties are waived on Agenda Item 9, numbers 19 and 20.**

26. Fred C. Bosse, Treasurer, American Insurance Association PAC (00016560)
Report: semiannual reports due July 15, 2005, and January 17, 2006
Penalty: \$500 (each report)

Cynthia Baschnagel spoke before the commission on Agenda Item 9, number 26. Motion by Commissioner Harrison to reduce the late-filing penalties to \$100 for each report on Agenda Item 9, number 26; second by Commissioner Taylor. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalties to \$100 for each report is adopted on Agenda Item 9, number 26.**

29. Dianne Kathryn Jones, Candidate, District Judge (00058681)
Report: 8-day pre-election report due February 27, 2006
Penalty: \$2,900 (reduced to \$500)

Dianne Jones spoke before the commission on Agenda Item 9, number 29. Motion by Commissioner Montagne that the original report substantially complied with the applicable law; second by Commissioner Taylor. Motion passed by a vote of seven ayes. **The report due February 27, 2006, substantially complied with the applicable law.**

30. Bailey C. Moseley, Candidate, Court of Appeals Justice (00058546)
Report: 30-day pre-election report due February 6, 2006
Penalty: \$500

Bailey C. Moseley spoke before the commission on Agenda Item 9, number 30. Motion by Commissioner Madden to waive the late-filing penalty on Agenda Item 9, number 30; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Late-filing penalty is waived on Agenda Item 9, number 30.**

Return to Agenda Item 8.

1. J. Lawrence Collins, Lobbyist (00053516)
Report: lobby activities report due March 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
2. Brenda Hansler, Treasurer, 'E.C.R.W.' Ector County Republican Women's Club (00016322)
Report: monthly report due May 5, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

3. Jerome S. Hennigan, District Judge (00058628)
Report: 8-day before runoff report due April 3, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Montagne to adopt staff's recommendation on Agenda Item 8, numbers 1 through 3; second by Commissioner Madden. Motion passed by a vote of six ayes. Commissioner Harrison was off the dais. **Staff's recommendation to waive the late-filing penalties is adopted on Agenda Item 9, numbers 1 through 3.**

4. George Benavides, Treasurer, 'D.O.C.C. PAC' Doctors of Corpus Christi Political Action Committee (00053832)
Report: monthly report due May 5, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
5. Mary Lopez Dale, Treasurer, 'Travis County RNHA' Travis County Republican National Hispanic Assembly (00058218)
Report: 8-day pre-election report due May 5, 2006
Penalty: \$700
Staff recommendation: waiver of the late-filing penalty
6. Joe Camarillo, Treasurer, Glass, Molders, Pottery, Plastics & Allied Workers Local Union #201 (00028547)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Madden to adopt staff's recommendation to waive the late-filing penalties on Agenda Item 8, numbers 4 through 6; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Staff's recommendation to waive the late-filing penalties is adopted on Agenda Item 8, numbers 4 through 6.**

7. Ralph J. Anderson, Texas Medical Disclosure Panel (00042890)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
8. Cheryl Y. Armitige, Candidate, State Representative (00058721)
Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
9. Richard Barajas, Chief Justice, Court of Appeals (00021116)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

10. J. David Bradley, State Board of Education (00032542)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
11. Bryan K. Brown, State Securities Board (00053205)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
12. Joe Brown, Criminal District Attorney (00055131)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
13. David E. Cervantes, District Attorney (00056578)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Agenda Item 8, number 13, is withdrawn at staff's request.

14. Richard W. 'Rick' Davis, District Judge (00037847)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
15. Ralph Diaz, Produce Recovery Fund Board (00050458)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
16. Elma S. Ender, District Judge (00019951)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
17. William H. Fleming, III, Texas Woman's University Board of Regents (00022269)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
18. Howard Wallace 'Wally' Hatch, Jr., District Judge (00054713)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

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20. Edward L. Johnson, Texas Building and Procurement Commission (00059127)
Report: personal financial statement due March 6, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
21. Gerald W. 'Jerry' La Fleur, Candidate, State Representative (00058924)
Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
22. Jere M. Lawrence, Brazos River Authority (00032103)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
23. Tryon D. Lewis, District Judge (00020175)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
24. C. Glen Mayhall, Texas Medical Disclosure Panel (00055479)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
25. Anibal Olague, Candidate, State Representative (00057730)
Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
26. Roy Graham Quisenberry, District Judge (00055190)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
27. Martha J. Rhymes, Texas Funeral Service Commission (00036408)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
28. James M. Rubin, Texas Property & Casualty Insurance Guaranty Association Board of Directors (00038129)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

29. Severita Sanchez, Texas School Safety Center Board (00053769)
Report: personal financial statement due June 30, 2003
Penalty: \$100
Staff recommendation: no waiver of the late-filing penalty
- Report: personal financial statements due April 30, 2004, and May 2, 2005
Penalty: \$500 (each report)
Staff recommendation: no waiver of the late-filing penalty
30. Randall C. Sims, District Attorney (00026119)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
31. Sandra Smith, Texas Board of Chiropractic Examiners (00053932)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
32. Macario Tristan, Jr., Texas Automobile Theft Prevention Authority (00035743)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
33. Joseph V. Turner, San Jacinto River Authority (00042913)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Madden to adopt staff's recommendation not to waive the late-filing penalty for Agenda Item 8, numbers 7 through 12, 14 through 18, and 20 through 33; second by Vice Chair Davenport. Motion passed by a vote of six ayes. Commissioner Harrison was off the dais. **Staff's recommendation not to waive the late-filing penalties is adopted on Agenda Item 8, numbers 7 through 12, 14 through 18, and 20 through 33.**

38. Bill Jones, Lobbyist (00033614)
Report: lobby activities reports due February 10, 2006, and April 10, 2006
Penalty: \$500 (each report)
Staff recommendation: no waiver of the late-filing penalty
39. Frederick I. Lewis, Lobbyist (00054102)
Report: lobby activities report due January 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

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40. Campaigns for People, a dba of The Center for Public Democracy, Inc., Lobbyist (00053706)
Report: lobby activities report due January 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
41. David E. Morris, Treasurer, 'SDD-PAC' Stonewall Democrats of Dallas PAC (00053855)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
42. Linda Owen, Treasurer, Real Estate Council Community Leadership Committee (00029754)
Report: monthly report due April 5, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
43. Linda Owen, Treasurer, Real Estate Council Community Issues Committee (00030309)
Report: monthly report due April 5, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
44. Gary Paul Porras, Treasurer, 'AGCPAC' Associated General Contractors Of El Paso PAC (00041885)
Report: monthly report due May 5, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
45. Richard J. 'Rick' Roach, Former District Attorney (00032840)
Report: semiannual reports due July 15, 2005, and January 17, 2006
Penalty: \$500 (each report)
Staff recommendation: no waiver of the late-filing penalty
46. Eric W. Thode, Treasurer, Republican Party of Fort Bend County (CEC) (00037828)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
47. James E. Ussery, Treasurer, Brotherhood of Locomotive Engineers and Trainmen (00015731)
Report: monthly report due April 5, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
48. Rogelio 'Roy' Valdez, Chief Justice, Court of Appeals (00021201)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Fischer to adopt staff's recommendation for no waiver of the late-filing penalties on Agenda Item 8, numbers 38 through 48; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Staff's recommendation not to waive the late-filing penalties is adopted on Agenda Item 8, numbers 38 through 48.**

Return to Agenda Item 9.

7. Michael Scott Geeslin, Texas Department of Insurance (00057440)
Report: personal financial statements due July 22, 2005, and May 1, 2006
Penalty: \$500 (each report)
Staff recommendation: waiver of the late-filing penalties

Michael Scott Geeslin spoke before the commission on Agenda Item 9, number 7. Motion by Commissioner Montagne to adopt staff's recommendation to waive the late-filing penalties on Agenda Item 9, number 7; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Staff's recommendation to waive the late-filing penalties is adopted on Agenda Item 9, number 7.**

Return to Agenda Item 8.

51. Question D. 'Duke' Burge, Jr., Candidate, State Representative (00057700)
Report: 30-day pre-election report due February 6, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
52. Scott Cain, Candidate, State Representative (00054697)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
54. Adrian De Leon, Candidate, Lieutenant Governor (00058594)
Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- Report: 8-day pre-election report due February 27, 2006
Penalty: \$4,900
Staff recommendation: reduction of the late-filing penalty to \$700
56. Gerald Henigsmann, Treasurer, Apartment Assn. Of Greater Dallas PAC (00016482)
Report: 8-day pre-election report due February 27, 2006
Penalty: \$3,900
Staff recommendation: reduction of the late-filing penalty to \$700

57. Sandra Gunter Holland, Texas State Library and Archives Commission
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100
59. Robin L. Moore, Candidate, State Representative (00051767)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
60. Alena Morris, Treasurer, Kendall County Republican Club (00054423)
Report: 30-day pre-election report due February 6, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- Report: 8-day pre-election report due February 27, 2006
Penalty: \$3,900
Staff recommendation: reduction of the late-filing penalty to \$250
61. Rita P. Sarinana, Candidate, County Party Chair (00058816)
Report: 30-day pre-election report due February 6, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- Report: 8-day pre-election report due February 27, 2006
Penalty: \$5,400
Staff recommendation: reduction of the late-filing penalty to \$500
62. Randall Todd 'Randy' Smith, Candidate, State Representative (00058430)
Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100

Motion by Commissioner Madden to adopt staff's recommendation on Agenda Item 8, numbers 51, 52, 54, 56, 57, 59 through 62; second by Vice Chair Davenport. Commissioner Fischer recused himself on Agenda Item 8, number 60. Motion passed by a vote of seven ayes, except number 60. **Staff's recommendations on the late-filing penalties are adopted on Agenda Item 8, numbers 51, 52, 54, 56, 57, 59 through 62.**

65. Vannessa R. Stewart, Treasurer, Texas Independent Ginners Assn. PAC (00017217)
Report: 8-day pre-election report due February 27, 2006
Penalty: \$1,800 (reduced to \$900)

Motion by Commissioner Montagne to reduce the late-filing penalty to \$100; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Motion is adopted to reduce the late-filing penalty to \$100 on Agenda Item 8, number 65.**

Return to Agenda Item 9.

1. Guillermo Candara, Jr., Candidate, State Representative (00057999)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: that the original report substantially complied with the applicable law

Motion by Commissioner Montagne to adopt staff's recommendation on Agenda Item 9, number 1, that the original report substantially complied with the applicable law; second by Commissioner Madden. Motion passed by a vote of seven ayes. **Staff's recommendation is adopted on Agenda Item 9, number 1, that the original report substantially complied with the applicable law.**

2. Luis Aguilar, District Judge (00051320)
Report: 8-day before runoff report due April 3, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
3. Eric Boog, Treasurer, Carrollton Fire Fighters for Responsible Government (00053132)
Report: 30-day pre-election report due April 13, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
4. Sue L. Brewis, Treasurer, Compass Bancshares, Inc. PAC (00018757)
Report: 8-day before runoff report due April 3, 2006
Penalty: \$3,300
Staff recommendation: waiver of the late-filing penalty
5. Thomas R. 'Tom' Craddick, Speaker of the Texas House of Representatives (00020051)
Report: personal financial statements due February 11, 2004, and May 2, 2005
Penalty: \$500 (each report)
Staff recommendation: waiver of the late-filing penalties
6. Ronald D. Earle, District Attorney (00038197)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
8. Dewey O. Jolley, Treasurer, UA Plumbers & Pipefitters Local 100 PAC Fund (00052939)
Report: 8-day pre-election report due May 5, 2006
Penalty: \$700
Staff recommendation: waiver of the late-filing penalty
9. Donald R. 'Dee' Margo, II, Candidate, State Senator (00058443)
Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

10. Carmen I. Perez, State Bar of Texas Board of Directors (00054961)
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
11. George James Sales, III, Candidate, District Judge (00057228)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
12. Laurance Yahia, Treasurer, Liberty Mutual Insurance Company PAC-Texas (00016481)
Report: 8-day pre-election report due February 27, 2006
Penalty: \$4,300
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 9, numbers 2 through 6, and 8 through 12; second by Commissioners Montagne. Commissioner Taylor abstained on Agenda Item 9, number 5, and Commissioner Fischer recused himself on Agenda Item 9, number 10. Motion passed by a vote of seven ayes on Agenda Item 9, numbers 2 through 4, 6, 8, 9, 11 and 12. Motion passed by a vote of six ayes on Agenda Item 9, numbers 5 and 10. **Staff recommendations adopted on Agenda Item 9, numbers 2 through 6, and 8 through 12.**

13. Gerald Henigsmann, Treasurer, Apartment Assn. Of Greater Dallas PAC (00016482)
Report: 8-day before runoff report due April 3, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
15. Christopher L. Williston, Treasurer, Independent Bankers Assn. Of Texas PAC (00016467)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Montagne to adopt staff's recommendation not to waive the late-filing penalties on Agenda Item 9, numbers 13 and 15; second by Commissioner Madden. Motion passed by a vote of seven ayes. **No waiver of the late-filing penalties is adopted on Agenda Item 9, numbers 13 and 15.**

16. Gregory T. Brewer, Candidate, District Judge (00055352)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Report: 30-day pre-election report due February 6, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Agenda Item 9, number 16, is postponed until the next meeting at the filer's request.

18. William R. Noble, Treasurer, The Future of Texas Alliance (00058064)
Report: 8-day pre-election report due February 27, 2006
Penalty: \$7,500
Staff recommendation: reduction of the late-filing penalty to \$1,000
21. Sonia J. Phillips, Treasurer, Southwestern Committee on Political Education (00015514)
Report: semiannual report due July 15, 2004
Penalty: \$10,000
Staff recommendation: waiver of the late-filing report
- Report: 30-day pre-election report due October 4, 2004
Penalty: \$500
Staff recommendation: that the original report substantially complied with the applicable law
- Report: 8-day pre-election report due October 25, 2004
Penalty: \$10,000
Staff recommendation: waiver of the late-filing penalty
- Report: semiannual report due January 18, 2005
Penalty: \$10,000
Staff recommendation: waiver of the late-filing penalty
- Report: semiannual report due July 15, 2005
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- Report: 8-day pre-election report due February 27, 2006
Penalty: \$5,300
Staff recommendation: that the original report substantially complied with the applicable law
22. Margaret Faye Scott, Treasurer, 'ACRO' Aransas County Republican Organization (00015674)
Report: 8-day pre-election report due February 27, 2006
Penalty: \$3,900
Staff recommendation: reduction of the late-filing penalty to \$600
23. Charles B. Wilkison, Treasurer, 'C.L.E.A.T. PAC' Combined Law Enforcement Assns. Of Texas PAC (00017358)
Report: monthly reports due May 5, 2004, June 7, 2004, July 6, 2004, August 5, 2004, September 7, 2004, October 5, 2004, November 5, 2004, December 6, 2004, January 5, 2005, February 7, 2005, March 7, 2005, April 5, 2005, May 5, 2005, June 6, 2005, July 5, 2005, August 5, 2005, March 6, 2006
Penalty: \$500 (each report)

Staff recommendation: no waiver of the late-filing penalty in connection with the report due May 5, 2004, and reduction of the late-filing penalties in connection with the reports due June 7, 2004, July 6, 2004, August 5, 2004, and September 7, 2004, November 5, 2004, January 5, 2005, March 6, 2006, to \$100 for each report, and that the original reports due October 5, 2004, December 6, 2004, February 7, 2005, March 7, 2005, April 5, 2005, May 5, 2005, June 6, 2005, July 5, 2005, August 5, 2005, substantially complied with the applicable law

Motion by Commissioner Montagne to adopt staff's recommendations on Agenda Item 9, numbers 18, 21, 22, and 23; second by Vice Chair Davenport. Motion passed by a vote of seven ayes. **Staff's recommendations are adopted on Agenda Item 9, numbers 18, 21, 22, and 23.**

24. Sam G. Griffith, Court of Appeals Justice (00042266)
Report: personal financial statement due February 13, 2006
Penalty: \$500

Motion by Commissioner Taylor that the original report substantially complied with the applicable law; second by Commissioner Madden. Motion passed by a vote of seven ayes. **Motion is adopted that the original report substantially complied with the applicable law on Agenda Item 9, number 24.**

25. Phillip S. 'Phil' King, State Representative (00036483)
Report: personal financial statements due February 11, 2004, and February 13, 2006
Penalty: \$500 (each report)

Motion by Vice Chair Davenport not to waive the late-filing penalties on Agenda Item 9, number 25; second by Commissioner Fischer. Motion passed by a vote of seven ayes. **Late-filing penalties are adopted on Agenda Item 9, number 25.**

28. David Siller Gonzales, III, Candidate, State Representative (00057805)
Report: 30-day pre-election report due February 6, 2006
Penalty: \$500

Motion by Commissioner Montagne to reduce the \$500 late-filing penalty to \$100 on Agenda Item 9, number 28; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$100 is adopted on Agenda Item 9, number 28.**

31. Edlu Thom, Treasurer, Lyondell Petrochemical Company PAC (00032100)
Report: semiannual report due January 17, 2006
Penalty: \$500

Motion by Commissioner Taylor to reduce the \$500 late-filing penalty to \$100 on Agenda Item 9, number 31; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$100 is adopted on Agenda Item 9, number 31.**

32. Layne W. Walker, District Judge (00051414)
Report: semiannual report due January 17, 2006
Penalty: \$500
- Report: 30-day pre-election report due February 6, 2006
Penalty: \$500

Motion by Commissioner Harrison to reduce the \$500 late-filing penalties to \$100 for each report on Agenda Item 9, number 32; second by Commissioner Fischer. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalties to \$100 for each report is adopted on Agenda Item 9, number 32.**

Agenda Item 10: Discussion and possible action regarding the termination of campaign treasurer appointments of inactive candidates.

Candidate

1. Andrew Butler Hill (00054912)

Political Committees

1. Stanley J. Briers, Plumbing Air Conditioning Mechanical Contractors Assoc. (00038691)

Filer requested to be removed due to illness and will file report the following week on Agenda Item 10 number 1 (Political Committees).

2. Brenda A. Kindt, Dallas BOMA PAC (00056078)

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Commissioner Taylor to adopt staff's recommendation on Agenda Item 10, number 2 political committees; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Staff's recommendation is adopted on Agenda Item 10, number 2 political committees, to terminate the campaign treasurer appointments of inactive candidates or treasurers.**

Agenda Item 11: AOR 534: Determination of the effective date of an order suspending certain limits issued under the Judicial Campaign Fairness Act.

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Robert Heath, attorney for Jose Lopez, requestor of the advisory opinion, spoke before the commission. Chair Looney appointed a subcommittee of Commissioners Harrison and Montagne to meet with Mr. Heath regarding the opinion.

Agenda Item 12: Public discussion and possible action on the adoption and publication in the Texas Register of amendments to Ethics Commission Rule § 20.1 (Definitions), regarding amendments to the definition of political advertising and the definition of campaign communication, and the repeal of definitions that are duplicative of the statutory definitions.

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Commissioner Taylor to adopt the proposed Ethics Commission Rule; second by Vice Chair Davenport. Motion passed by a vote of seven ayes. **Ethics Commission Rule § 20.1 is adopted.**

Agenda Item 13: Public discussion and possible action on the adoption and publication in the Texas Register of amendments to Ethics Commission Rule § 18.9 (Corrected Reports), which relates to corrected reports.

Agenda Item 14: Public discussion and possible action on the adoption and publication in the Texas Register of Ethics Commission Rule § 12.27 (Deadline Extension), regarding the authority of the executive director to extend certain deadlines relating to a sworn complaint.

Agenda Item 15: Public discussion and possible action on the adoption and publication in the Texas Register of Ethics Commission Rule § 12.117 (Formal Hearing: Venue), regarding the proper venue for a formal hearing held under the sworn complaint process in chapter 571 of the Government Code.

Natalia L. Ashley, General Counsel, briefed the commission on these agenda items. Motion by Commissioner Taylor to adopt the proposed Ethics Commission Rules; second by Vice Chair Davenport. Motion passed by a vote of seven ayes. **Ethics Commission Rules §§ 18.9, 12.27 and 12.117 are adopted.**

Agenda Item 16: Public discussion and possible action on the proposal and publication in the Texas Register of Ethics Commission Rule § 20.57 (Time of Making Expenditure), regarding the reporting of a political expenditure by credit card.

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Commissioner Taylor to publish in the Texas Register Ethics Commission Rule § 20.57; second by Vice Chair Davenport. Motion passed by a vote of seven ayes. **Ethics Commission Rule § 20.57 to be published in the Texas Register for comments.**

Agenda Item 17: Public discussion and possible action on the proposal and publication in the Texas Register of Ethics Commission Rule § 24.14 (Administrative Expenditure), regarding the permissibility of an expenditure by a corporation to deliver a political contribution.

Motion by Vice Chair Davenport to publish in the Texas Register Ethics Commission Rule § 24.14; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Ethics Commission Rule § 24.14 to be published in the Texas Register for comments.**

Agenda Item 18: Adjourn.

Commission meeting adjourned by unanimous consent.