



**TEXAS ETHICS COMMISSION  
PUBLIC MEETING MINUTES**

December 14, 2011, 9:42 a.m.

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



**COMMISSIONERS PRESENT:** Jim Graham, Chair; Jim Clancy, Tom Harrison, Paul W. Hobby, Bob Long, Paula M. Mendoza, Tom Ramsay, and Chase Untermeyer.

**COMMISSIONERS ABSENT:** None.

**STAFF PRESENT:** Natalie Adelaja, Natalia L. Ashley, Amy Barden, Lauren Bellomy, Margie Castellanos, Homer Diaz, Robbie Douglas, Sue Edwards, Susana Esparza, Nick Espinosa, Jessie Haug, Becky Levy, Bobby Mannas, Mike McElhaney, David A. Reisman, Tim Sorrells, Ian Steusloff, and Mary Young.

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**MINUTES**

This meeting was 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 recordings on file at the Commission's office.

**Agenda Item 1: Call to order; roll call.**

The meeting was called to order by Chair Graham. David A. Reisman, Executive Director, called the roll. All Commissioners were present.

**Agenda Item 2: Communication to the Commission from the public.**

Jack Gullahorn, representing the Professional Advocacy Association of Texas (PAAT), spoke before the Commission. He wanted to thank Commissioner Clancy and Natalia Luna Ashley for participating in PAAT's seventh annual compliance institute held last week. Mr. Gullahorn wanted to mention feedback that was received from some of the participants at the institute regarding Sunset recommendations.

**Agenda Item 3: Comments by the Commissioners.**

Commissioner Clancy discussed the Sunset Advisory Commission review process. He proposed another workshop to be held before the February 2012 Commission meeting. Commissioner Clancy wanted to discuss the goals of the Commission in the Sunset Advisory Commission review process. Commissioner Hobby asked about any proposals for structural or procedural form before the Sunset Advisory Commission. Commissioner Untermeyer asked about scheduling a workshop to discuss input regarding the Sunset Advisory Commission review recommendations.

**Agenda Item 4: Comments by the executive director.**

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

1. Mr. Reisman welcomed the new commissioner, Paul W. Hobby.
2. Mr. Reisman introduced Emily Morganti, the new Legislative Budget Board analyst. She replaced Demetrio Hernandez. He also introduced Heather Fleming, House Appropriations staff member.
3. Mr. Reisman stated that there was a new political fundraiser guide on the Ethics Commission's website. He thanked Nick Espinosa, Ian Steusloff, Natalia Luna Ashley, and Tim Sorrells for their work on the guide.
4. Mr. Reisman introduced the new attorney, Lauren Bellomy.
5. Mr. Reisman discussed the first quarter of FY 2012 quarterly report. He discussed expenditures by strategies and the changes that may be made to these strategies and the strategic plan.
6. Mr. Reisman discussed the sworn complaint filings for the first quarter of FY2012. He stated that 61 complaints had been filed and that there were 188 pending complaints. Mr. Reisman discussed the sworn complaint chart that he had prepared.
7. Mr. Reisman discussed the Sunset Advisory Commission review process and that the review process was in the third stage or the issue stage. He discussed the impetus for the creation of the Ethics Commission.

**Agenda Item 5: Approve minutes of the October 6, 2011, Commission meeting.**

Motion by Commissioner Mendoza to adopt the minutes of the October 6, 2011, Commission meeting, second by Commissioner Long. **Motion passed by a vote of eight ayes.**

**For Agenda Item 6, the following represents the actions taken by the Ethics Commission in the order they occurred during the meeting.**

**Agenda Item 6: 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. Chuck Rice, Jr. (00013547)  
Lobbyist**

Report: lobby activities report due June 10, 2011

Penalty: \$500

Staff recommendation: At the October 2011 meeting, the commission voted not to waive the late-filing penalty.

Chuck Rice spoke before the Commission. Motion by Commissioner Harrison to waive the \$500 late-filing penalty on Agenda Item 6, number 34; second by Commissioner Untermeyer. Motion passed by a vote of eight ayes on Agenda Item 6, number 34. **The waiver of the late-filing penalty is adopted on Agenda Item 6, number 34.**

**32. Connie J. Reese (00031247)  
Treasurer, Friends Of Bob Reese**

Report: semiannual report due July 15, 2011

Penalty: \$500

Staff recommendation: At the October 2011 meeting, the commission voted not to waive the late-filing penalty.

**33. Robert A. 'Bob' Reese, Jr. (00031249)  
Candidate, State Senator**

Report: semiannual report due July 15, 2011

Penalty: \$500

Staff recommendation: At the October 2011 meeting, the commission voted not to waive the late-filing penalty.

Bob Reese spoke before the Commission. Motion by Commissioner Harrison to reduce the two \$500 late-filing penalties to \$250 for each report on Agenda Item 6, numbers 32 and 33; second by Commissioner Long. Motion passed by a vote of eight ayes on Agenda Item 6, numbers 32 and 33. **The reduction of the late-filing penalties is adopted on Agenda Item 6, numbers 32 and 33.**

**1. Susan L. Hawk (00051972)  
District Judge**

Report: semiannual report due July 15, 2011

Penalty: \$1,500 (increased at the October 2011 meeting)

Staff recommendation: waiver of the late-filing penalty

**2. Kevin S. O'Farrell (00067521)  
Treasurer, 'TCUOA PAC' Travis County United Officer Association PAC**

Report: semiannual report due July 15, 2011

Penalty: \$500

Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Harrison to adopt staff's recommendations on Agenda Item 6, numbers 1 and 2; second by Commissioner Mendoza. Motion passed by a vote of eight ayes on Agenda Item 6, numbers 1 and 2. **Staff's recommendations are adopted on Agenda Item 6, numbers 1 and 2.**

**3. Robert A. Barnard (00051016)**  
**Treasurer, Houston Police Retired Officers Association - P.A.C.**

Report: monthly report due October 5, 2011  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

**4. James Frinzi (00067108)**  
**Lobbyist**

Report: lobby activities report due August 10, 2011  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

**5. Stephen G. Nagle (00065955)**  
**Candidate, District Judge**

Report: semiannual report due July 15, 2011  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

**6. Shawn Nicole Thierry (00065781)**  
**Candidate, District Judge**

Report: semiannual report due July 15, 2011  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

**7. Mary L. Tipps (00056279)**  
**Lobbyist**

Report: lobby activities report due October 11, 2011  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Mendoza to adopt staff's recommendations on Agenda Item 6, numbers 3 through 7; second by Commissioner Harrison. Motion passed by a vote of eight ayes on Agenda Item 6, numbers 3 through 7.  
**Staff's recommendations are adopted on Agenda Item 6, numbers 3 through 7.**

**13. Richard D. Garza-Ray (00065850)**  
**Candidate, Lieutenant Governor**

Report: semiannual report due January 15, 2010  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Harrison to reduce the \$500 late-filing penalty to \$50 on Agenda Item 6, number 13; second by Commissioner Long. Motion passed by a vote of eight ayes on Agenda Item 6, number 13. **The reduction of the late-filing penalty is adopted on Agenda Item 6, number 13.**

**8. Sabrina Thomas Brown (00038968)  
Lobbyist**

Report: lobby activities report due October 11, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**9. Howard Cohen (00061224)  
Lobbyist**

Report: lobby activities report due October 11, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**10. J. Lawrence Collins (00053516)  
Lobbyist**

Report: lobby activities report due August 10, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**11. Marty De Leon (00050569)  
Lobbyist**

Report: lobby activities report due September 12, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**12. Judge Edwards (00066851)  
Lobbyist**

Report: lobby activities report due October 11, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**14. Hispanic Republican Conference (00067194)  
Legislative Caucus**

Report: legislative caucus report due July 15, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**15. Carl Holshouser (00067192)**  
**Lobbyist**

Report: lobby activities report due August 10, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**16. Elizabeth A. Jones (00041485)**  
**Railroad Commissioner**

Report: semiannual report due July 15, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**17. Jason Smith (00066847)**  
**Lobbyist**

Report: lobby activities report due August 10, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**18. Terral R. Smith (00014747)**  
**Lobbyist**

Report: lobby activities report due August 10, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**19. John 'Rick' Thompson (00053597)**  
**Lobbyist**

Report: lobby activities report due August 10, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**20. Joseph Tornberg (00031537)**  
**Treasurer, 'RCPAC' R Club PAC**

Report: semiannual report due July 15, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**21. Lindy Suze aka Lindy Suzanne Jackson (00066367)  
Candidate, State Representative**

- a) Report: semiannual report due January 18, 2011  
Penalty: \$1,500 (increased at the April 2011 meeting)  
Staff recommendation: no waiver of the late-filing penalty
- b) Report: semiannual report due July 15, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

Total penalties: \$2,000

**22. Javier Villalobos (00060169)  
County Party Chair**

Report: semiannual report due July 15, 2011  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Mendoza to adopt staff's recommendations on Agenda Item 6, numbers 8 through 12 and 14 through 22; second by Commissioner Untermeyer. Motion passed by a vote of eight ayes on Agenda Item 6, numbers 8 through 12 and 14 through 22. **Staff's recommendations are adopted on Agenda Item 6, numbers 8 through 12 and 14 through 22.**

**23. Angelica E. Hernandez (00057436)  
District Judge**

Report: semiannual report due July 15, 2011  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Clancy to reduce the \$500 late-filing penalty to \$100 on Agenda Item 6, number 23; second by Commissioner Harrison. Motion passed by a vote of eight ayes on Agenda Item 6, number 23. **The reduction of the late-filing penalty is adopted on Agenda Item 6, number 23.**

**24. Todd R. Kercheval (00067161)  
Lobbyist**

Report: lobby activities report due August 10, 2011  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250

**25. John E. Littel (00066525)**  
**Treasurer, 'AGPTX PAC' Amerigroup Corporation Texas Political Action Committee**

Report: monthly report due October 5, 2011  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250

**26. Susan Bridges Patten (00053186)**  
**Lobbyist**

Report: lobby activities report due August 10, 2011  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250

**27. J. Hoke Peacock, II (00016303)**  
**Treasurer, ORBETUCK POLITICAL ACTION COMMITTEE**

Report: monthly report due October 5, 2011  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250

**28. Richard J. Trabulsi, Jr. (00030746)**  
**Lobbyist**

Report: lobby activities report due October 11, 2011  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250

**29. Felice Trirogoff (00067532)**  
**Treasurer, Stand for Children Texas PAC**

Report: 8-day pre-election report due October 31, 2011  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Untermeyer to adopt staff's recommendations on Agenda Item 6, numbers 24 through 29; second by Commissioner Mendoza. Motion passed by a vote of eight ayes on Agenda Item 6, numbers 24 through 29. **Staff's recommendations are adopted on Agenda Item 6, numbers 24 through 29.**



**31. Manuel J. Barraza (00062515)  
Criminal District Court Judge**

Report: personal financial statement due May 2, 2011

Penalty: \$500

Staff recommendation: At the October 2011 meeting, the commission voted not to waive the late-filing penalty.

Motion by Commissioner Clancy to waive the \$500 late-filing penalty on Agenda Item 6, number 31; second by Commissioner Harrison. Motion passed by a vote of eight ayes on Agenda Item 6, number 31. **The waiver of the late-filing penalty is adopted on Agenda Item 6, number 31.**

**30. House Rural Caucus (00058242)**

Report: legislative caucus report due January 18, 2011

Penalty: \$500

Staff recommendation: At the October 2011 meeting, the commission voted not to waive the late-filing penalty. Based on new information, staff recommends waiver of the late-filing penalty.

Motion by Commissioner Mendoza to adopt staff's recommendation on Agenda Item 6, number 30; second by Commissioner Untermeyer. Motion passed by a vote of eight ayes on Agenda Item 6, number 30. **Staff's recommendation is adopted on Agenda Item 6, number 30.**

**Agenda Item 7: Briefing, discussion, and possible action to waive or reduce late-filing penalties in connection with certain corrected reports or to determine whether certain corrected reports as originally filed substantially complied with the applicable law.**

**1. Tamela Gough (00017224)  
Treasurer, 'Pediatric Dentists PAC' Texas Academy of Pediatric  
Dentistry Political Action Committee**

Report: 8-day pre-election report due December 6, 2010

Penalty: \$10,000

Staff recommendation: that the original report substantially complied with the applicable law

**2. Texas Organizing Project (TOP) (00067485)  
Entity Filing Direct Expenditure Report**

Report: 8-day pre-election report due October 31, 2011

Penalty: \$600

Staff recommendation: that the original report substantially complied with the applicable law

Motion by Commissioner Harrison to adopt staff's recommendations on Agenda Item 7, numbers 1 and 2; second by Commissioner Mendoza. Motion passed by a vote of eight ayes on Agenda Item 7, numbers 1 and 2. **Staff's recommendations are adopted on Agenda Item 7, numbers 1 and 2.**

**3. Patrick M. Rose (00051263)  
Former State Representative**

- a) Report: personal financial statement due February 11, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty
- b) Report: personal financial statement due May 2, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty
- c) Report: personal financial statement due February 13, 2006  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty
- d) Report: personal financial statement due April 30, 2007  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Total penalties: \$2,000

**4. Brent Taylor (00017327)  
Treasurer, Teamsters Local #745 Drive**

- Report: 8-day pre-election report due October 31, 2011  
Penalty: \$600  
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Untermeyer to adopt staff's recommendations on Agenda Item 7, numbers 3 and 4; second by Commissioner Mendoza. Motion passed by a vote of eight ayes on Agenda Item 7, numbers 3 and 4. **Staff's recommendations are adopted on Agenda Item 7, numbers 3 and 4.**

**5. Vivian Garza-Steele (00017353)  
Treasurer, 'ZACOPAC' Zachry Construction Corporation Political Action Committee**

- Report: 8-day pre-election report due May 6, 2011  
Penalty: \$10,000  
Staff recommendation: reduction of the late-filing penalty to \$500

**6. Bonnie Rangel (00037747)  
District Judge**

Report: 8-day pre-election report due February 22, 2010  
Penalty: \$6,900  
Staff recommendation: reduction of the late-filing penalty to \$500

Motion by Commissioner Untermeyer to adopt staff's recommendations on Agenda Item 7, numbers 5 and 6; second by Commissioner Long. Motion passed by a vote of eight ayes on Agenda Item 7, numbers 5 and 6. **Staff's recommendations are adopted on Agenda Item 7, numbers 5 and 6.**

**Agenda Item 8. Presentation, discussion, and possible action on the fines for late and corrected reports. Presentation by Commissioner Jim Clancy.**

Commissioner Clancy presented this agenda item. He discussed late-filing penalty considerations. Commissioner Clancy stated that the general considerations in determining late-filing penalties should be: the amount of the fine should be enough to encourage compliance, leniency for first time filers, and that the fines should increase exponentially for repeated late-filings. He discussed specific considerations in determining penalties and reasons for late-filings (for good cause).

**Agenda Item 9. Presentation, discussion, and possible action on recommendations to the legislature on reducing the number of reporting deadlines. Presentation by Commissioner Jim Clancy.**

Commissioner Clancy presented this agenda item. He stated that there are too many reporting deadlines. Commissioner Clancy stated that there should be a way to simplify the reporting deadlines and have the personal financial statement due date fixed.

**Agenda Item 10. Reports More than 30-days Late; Imposition of Additional Fine.**

- 1. Reverend R. E. Price**  
**Treasurer, Texas Alliance for Good Government (PAC) (00066889)**  
Semiannual Report due July 15, 2011 – Report not filed; Penalty = \$500
- 2. Remelle Farrar (00063754)**  
**Member, Texas Department of Rural Affairs**  
Personal Financial Statement due July 1, 2011 – Report not filed; Penalty = \$500
- 3. Jeff Sandford (00067380)**  
**Member, North East Texas Regional Mobility Authority**  
Personal Financial Statement due July 1, 2011 – Report not filed; Penalty = \$500

Motion by Commissioner Harrison to direct staff to notify the appointing authority of a sitting member of a state board who fails to respond to a letter notifying them that their personal financial statement is more than 30 days late. Staff is directed to send the appointing authority a copy of the letter in which the board member is notified that because they did not respond to the letter notifying them that the report was more than 30 days late, the commission increased the fine; second by Commissioner Long. Motion passed by a vote of eight ayes on Agenda Item 10.

Motion by Commissioner Clancy to increase each fine by \$1,000 for a total penalty of \$1,500 for each and refer the late filers to the Attorney General's office on Agenda Item 10, numbers 1 through 3; second by Commissioner Mendoza. Motion passed by a vote of eight ayes on Agenda Item 10, numbers 1 through 3. **Staff's recommendations to increase the penalties are adopted on Agenda Item 10, numbers 1 through 3.**

**Agenda Item 11: Discussion and possible action regarding the termination of a campaign treasurer appointment.**

Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 11; second by Commissioner Mendoza. Motion passed by a vote of eight ayes on Agenda Item 11. **Staff's recommendation is adopted on Agenda Item 11.**

**Agenda Item 12: AOR-564: Whether a communication relating to a measure election complies with section 255.003 of the Election Code.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Untermeyer to adopt AOR-564; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **AOR-564 is adopted.**

**Agenda Item 13: AOR-565: Whether an officeholder may use political contributions to reimburse an individual for expenses incurred due to clerical errors made by his office.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Untermeyer to adopt AOR-565; second by Commissioner Mendoza. Motion passed by a vote of eight ayes. **AOR-565 is adopted.**

**Agenda Item 14: AOR-566: Whether a corporation makes a campaign contribution to a candidate by making a campaign expenditure that benefits the candidate, to a vendor shared by the corporation and the candidate.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. AOR-566 was tabled.

**Agenda Item 15: AOR-567: Whether a group that distributes information regarding candidates for judicial offices constitutes a political committee required to file a campaign treasurer appointment and campaign finance reports.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Gardner Pate, attorney, spoke before the Commission. AOR-567 was tabled.

**Agenda Item 16: Public discussion and possible action on the proposal or adoption and publication in the Texas Register of amendments and/or repeals to Ethics Commission Rules §§ 18.9 (Corrected Reports), 20.63 (Reporting the Use and Reimbursement of Personal Funds), and 40.3 (Expenditures Reported under the Election Code, Title 15).**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Untermeyer to adopt sections 18.9, 20.63, and 40.3 of the Ethics Commission Rules; second by Commissioner Mendoza. Motion passed by a vote of eight ayes. **Sections 18.9, 20.63, and 40.3 of the Ethics Commission Rules are adopted.**

**Agenda Item 17: Public discussion and possible action on the proposal and publication in the Texas Register of amendments and/or repeals to Ethics Commission Rules §§ 20.219 (Content of Candidate's Sworn Report of Contributions and Expenditures), 20.279 (Contents of Officeholder's Sworn Report of Contributions and Expenditures), 20.331 (Contents of Specific-Purpose Committee Sworn Report of Contributions and Expenditures), 20.433 (Contents of General-Purpose Committee Sworn Report of Contributions and Expenditures), 22.11 (Prohibition on Contributions during Regular Session), 22.13 (Contributions in the Capitol Prohibited), and 22.15 (Prohibition on Payments Made to Purchase Real Property).**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Ed Shack, attorney, spoke before the Commission. Motion by Commissioner Harrison to propose and publish in the Texas Register sections 20.219, 20.279, 20.331, 20.433, 22.11, 22.13, and 22.15 of the Ethics Commission Rules, with a noted deletion of section 22.11(f) of the Ethics Commission Rules; second by Commissioner Hobby. Motion passed by a vote of eight ayes. **Sections 20.219, 20.279, 20.331, 20.433, 22.11, 22.13, and 22.15 of the Ethics Commission Rules, with a noted deletion of section 22.11(f) of the Ethics Commission Rules, are proposed for publication in the Texas Register for comment.**

**Agenda Item 18: Presentation of the Nominating Committee report regarding the positions of Chair and Vice Chair of the Texas Ethics Commission. Election of Chair and Vice Chair of the Texas Ethics Commission.**

Motion by Commissioner Clancy to postpone vote until after the workshop on fines, reporting deadlines, and Sunset recommendations to be held in January 2012; second by Commissioner Untermeyer. Motion passed by a vote of five ayes. Chair Graham, Commissioner Mendoza, and Commissioner Ramsay voted no. The election of the Chair and Vice Chair of the Ethics Commission is postponed.

The next Commission meeting is tentatively scheduled for February 8, 2012, at 8:30 A.M. The workshop is tentatively scheduled for January 17, 2012.

Commissioner Untermeyer thanked Vice Chair Wilhelmina Delco for her service to the Commission.

**Agenda Item 19: Adjourn.**

Commission meeting adjourned by unanimous consent. Motion passed by unanimous vote.