



## TEXAS ETHICS COMMISSION MEETING

### Public Meeting Minutes

February 13, 2015, 10:42 a.m.  
Capitol Extension, Room E1.014  
Austin, Texas 78701



**COMMISSIONERS PRESENT:** Paul W. Hobby, Chair; Chase Untermeyer, Vice Chair; Hugh C. Akin, Jim Clancy, Wilhelmina Delco, Tom Harrison, Bob Long, and Tom Ramsay.

**COMMISSIONERS NOT PRESENT:** None.

**STAFF PRESENT:** Anitra Abdullah-Levy, Natalia Luna Ashley, Amy Barden, Margie Castellanos, Robbie Douglas, Nick Espinosa, Michelle Griffin, Jessie Haug, Cristina Hernandez, Jessica Hurtado, Bobby Mannas, Mike McElhaney, John Moore, Patti Shannon, Ian M. Steusloff, and Jim Tinley.

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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 Hobby. Natalia Luna Ashley, Executive Director, called the roll. All Commissioners were present. Chair Hobby reported on the progress of the electronic filing software project, and stated that the Commission had passed a motion that would give filers with an April 6, 2015, filing deadline a 30-day grace period.

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

Joseph M. Nixon, Attorney, representing Empower Texans, Inc., spoke before the Commission.

### **Agenda Item 3: Approve minutes for the following meetings:**

- Workshop on New Electronic Filing System – December 2, 2014;
- Executive session (discussion of pending lawsuits) – December 2, 2014;
- AM public meeting – December 2, 2014; and
- PM public meeting – December 2, 2014.

Chair Hobby pointed out two minor typographical corrections on the meeting minutes drafts. Motion by Commissioner Harrison to approve the meeting minutes listed under agenda item 3 as amended; second by Commissioner Ramsay. **Motion passed by a vote of eight ayes.**

**Agenda Item 4: Report on the San Antonio Training Symposium.**

Vice Chair Untermeyer and Executive Director Natalia Luna Ashley briefed the Commission on the Commission's Training Symposium held in San Antonio on Friday, January 23, 2015. There were 250 attendees from 79 different municipalities and jurisdictions. The Commission is already planning the next symposium.

**Agenda Item 5: Briefing and discussion of ethics legislation in the 2015 legislative session, including status of Ethics Commission legislative recommendations.**

Chair Hobby suggested that individuals be allowed to "test drive" the new electronic software in a dummy state, without being at risk for submitting false data. Filers are informed of errors before filing. Chair Hobby and Natalia Luna Ashley, Executive Director, briefed the Commission on this agenda item. The Commission promulgated 23 proposed legislative recommendations to the Legislature in December 2014. The Commission is currently tracking about 90 bills, and 25 bills that directly impact the Commission's jurisdiction are posted on the Commission's website.

**Vice Chair Untermeyer left for the day during the briefing under Agenda Item 5.**

**Agenda Item 6: Discussion of Opinion Request AOR-592: Whether a legislator may receive, donate to charity, or otherwise attribute to out-of-pocket expenses the proceeds from certain book sales.**

Ian Steusloff, Assistant General Counsel, briefed the Commission on this item. Commissioner Akin made a motion to adopt AOR-592 with no changes; second by Commissioner Ramsay. Motion passed by seven ayes. **AOR-592 is adopted.**

**Agenda Item 7: Discussion of Opinion Request AOR-593: Whether a current member of the Texas Legislature may use political contributions to pay the mandatory monthly assessments adopted by the owners' association of an Austin residence owned by the Legislator who does not ordinarily reside in Travis County.**

Ian Steusloff, Assistant General Counsel, briefed the Commission on this item. Commissioner Ramsay made a motion to adopt AOR-593 with no changes; second by Commissioner Harrison. Motion passed by seven ayes. **AOR-593 is adopted.**

**Agenda Item 8: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 50.1 (Legislative Per Diem) relating to the legislative per diem required to be set under Article III, Section 24a, of the Texas Constitution.**

Natalia Luna Ashley, Executive Director, briefed the Commission on this agenda item. She informed the Commission that no further public comments were received after the item was republished in the Texas Register to amend the per diem rate for the 2015 legislative session to \$190. Motion by Commissioner Delco to adopt this amendment to Texas Ethics Commission Rules § 50.1 (Legislative Per Diem); second by Commissioner Akin.

**Motion passed by a vote of seven ayes.**

**Agenda Item 9: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 18.23 (Administrative Waiver of Fine).**

**Agenda Item 10: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 6.1 (Definitions) to add a definition of the phrase “first responder.”**

Chair Hobby and Natalia Luna Ashley, Executive Director, addressed these Agenda items. Motion by Commissioner Akin to adopt the amendments to Texas Ethics Commission Rules §§ 6.1 (Definitions) and 18.23 (Administrative Waiver of Fine); second by Commissioner Ramsay. **Motion passed by a vote of seven ayes.**

**Commissioner Akin left the dais during the discussion of Agenda Item 11.**

**Agenda Item 11: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of new Texas Ethics Commission Rules §§ 18.24 (General Guidelines for Other Administrative Waiver or Reduction of Fine), 18.25 (Administrative Waiver or Reduction of Fine: Report Type I), and 18.26 (Administrative Waiver or Reduction of Fine: Report Type II).**

Chair Hobby and Natalia Luna Ashley, Executive Director, addressed this Agenda Item. Motion by Commissioner Ramsay to adopt the new Texas Ethics Commission Rules §§ 18.24 (General Guidelines for Other Administrative Waiver or Reduction of Fine), 18.25 (Administrative Waiver or Reduction of Fine: Report Type I), and 18.26 (Administrative Waiver or Reduction of Fine: Report Type II); second by Commissioner Long. **Motion passed by a vote of six ayes.**

**Commissioner Akin returned to the dais after the vote on Agenda Item 11.**

**Agenda Item 12: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 6.5 (Authority to Adopt Rules) relating to the Commission’s authority to adopt rules.**

Joe Nixon addressed the Commission on this agenda item. He believes that being able to change rules during the pendency of litigation means that you have no rules; it is a failure of due process. Chair Hobby responded that there should be a distinction between rules and policies and procedures. Motion by Commission Clancy to publish the amendment to Texas Ethics Commission Rules § 6.5 (Authority to Adopt Rules) in the Texas Register for public comment; second by Commissioner Ramsay. **Motion passed by a vote of seven ayes.**

**Agenda Item 13: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Section 251.001(7) of the Election Code regarding the definition of campaign expenditure.**

**Commissioner Harrison was off the dais during a portion of Agenda Item 13.**

Ian Steusloff, Assistant General Counsel, briefed the Commission on this agenda item. Three different options were presented to the Commission. Joe Nixon addressed the Commission. Discussion ensued among the Commissioners and Mr. Nixon. Mr. Nixon questioned whether these new rules would require the news media to file reports. Chris Gober then addressed the Commission. Discussion ensued among the Commissioners and Mr. Gober. Chair Hobby requested that Mr. Gober submit ideas to Mr. Steusloff after the meeting. The Commission decided not to act on this item.

**For Agenda Item 14, the following represents actions taken by the Ethics Commission in the order they occurred during the meeting.**

**Agenda Item 14: 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.**

**21. Marquis C. Williams (00059802)  
Treasurer, 'BCDP' Bexar County Democratic Party (CEC)**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$500  
Recommendation: waiver

Mr. Williams spoke before the Commission. Chair Hobby stated that staff had recommended waiver. Motion by Commissioner Long to waive the late-filing penalty; second by Commissioner Delco. **Motion to waive the fine passed by a vote of seven ayes on Agenda Item 14, number 21.**

**Chair Hobby announced the meeting would recess at 12:14 p.m.**

**Reconvened at 12:54 p.m.**

**35. Pamela Greenroyd (00054640)  
Treasurer, Wichita County Republican Women**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$5,000  
Recommendation: reduction to \$1,000

Annette Barfield, President of the Wichita County Republican Women, spoke before the Commission. Amy Barden, Senior Legal Assistant, then briefed the Commission on this matter. Motion by Commissioner Harrison to reduce the late-filing penalty to \$500; second by Commissioner Long. Motion passed by a vote of seven ayes. **Motion to reduce the late-filing penalty to \$500 passed by a vote of seven ayes on Agenda Item 14, number 35.**

**30. Thomas C. Merritt (00023181) – RECONSIDERATION  
Candidate, Agriculture Commissioner**

Report: 8-day pre-election report due February 24, 2014  
Penalty: \$1,000 (reduced from 1,300 at the August 2014 meeting)  
Recommendation: waiver

Commissioner Ramsay requested information on this agenda item. Amy Barden, Senior Legal Assistant, then briefed the Commission on this matter. It was previously discussed at the August 2014 meeting. Mr. Merritt requested reconsideration and provided new information. Staff recommendation, based on the new information, is to waive the late-filing penalty. No specific motion was made on this agenda item at this time.

**1. Edward L. 'Eddie' Bravenec (00058588)  
Candidate, District Judge**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$500  
Recommendation: substantial compliance

**2. Robert G. Button (00054753)  
Treasurer, 'DPCC' Democratic Party of Collin County (CEC)**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$5,800  
Recommendation: substantial compliance

**3. Sarah M. Davis (00066272)  
State Representative**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$500  
Recommendation: substantial compliance

**4. John P. Cyrier (00070492)  
Candidate, State Representative**

Report: 8-day pre-election report due December 29, 2014  
Penalty: \$500  
Recommendation: substantial compliance

**5. Denise Frank (00015952)  
Treasurer, 'TEX HY PAC' Texas Dental Hygienists' PAC**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$2,700  
Recommendation: substantial compliance

**6. John F. Gay (00069592)**  
**Candidate, State Representative**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$6,000  
Recommendation: substantial compliance

**7. Stephen J. Gilles (00016108)**  
**Treasurer, Gardere Wynne Sewell LLP Campaign Fund**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$5,400  
Recommendation: substantial compliance

**8. Diana McIver (00064949)**  
**Treasurer, 'TAAHP-PAC' Texas Affiliation of Affordable Housing Providers PAC, Inc.**

Report: 8-day pre-election report due December 29, 2014  
Penalty: \$1,100  
Recommendation: substantial compliance

**9. Mary Ann G. Perez (00068026)**  
**Candidate, State Representative**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$500  
Recommendation: substantial compliance

**10. Leslie Midgley (00016375)**  
**Treasurer, Texas Land Title Assn. PAC**

- a) Report: 8-day pre-election report due February 24, 2014  
Penalty: \$10,000  
Recommendation: substantial compliance
- b) Report: 8-day pre-election report due December 1, 2014  
Penalty: \$2,100  
Recommendation: substantial compliance

**11. James I. 'Jim' Reaves (00015571)**  
**Treasurer, 'TNLA-PAC' Texas Nursery & Landscape Association Political Action Committee**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$500  
Recommendation: substantial compliance

**12. Martina Salinas (00069864)**  
**Candidate, Railroad Commissioner**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$2,600  
Recommendation: substantial compliance

**13. James C. Shaw (00051076)**  
**Treasurer, 'TAL' Texas Alliance for Life**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$500  
Recommendation: substantial compliance

**14. Joseph O. Slovacek (00063767)**  
**Treasurer, 'HRBC' Houston Realty Business Coalition**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$1,100  
Recommendation: substantial compliance

**15. Allan R. Sutherlin (00016934)**  
**Treasurer, 'EXPAC' Exxon Mobil Corporation Political Action Committee of Texas**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$7,700  
Recommendation: substantial compliance

**16. Karen S. Witte (00069549)**  
**Treasurer, Mednax, Inc. Texas Political Action Committee**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$1,300  
Recommendation: substantial compliance

**17. Lydia Wylie (00016182)**  
**Treasurer, 'CETXPAC' Chevron Employees Political Action Committee – Chevron Corporation**

Report: 8-day pre-election report due February 24, 2014  
Penalty: \$10,000  
Recommendation: substantial compliance

**18. Delwin Jones (00020196)  
Candidate, State Senator**

Report: 8-day pre-election report due September 2, 2014  
Penalty: \$10,000  
Recommendation: waiver

**19. Karl G. Kinsel (00059760)  
Treasurer, 'TDA-PAC' Texas Deer Association Political Action Committee**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$3,200  
Recommendation: waiver

**20. Stephen K. 'Steve' Brown, II (00057996)  
Candidate, Railroad Commissioner**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$500  
Recommendation: waiver

**22. Gary W. Gates, Jr. (00051418)  
Candidate, State Senator**

Report: 8-day pre-election report due December 1, 2014  
Penalty: \$500  
Recommendation: waiver

**23. Linda J. Curtis (00065175)  
Treasurer, ChangeAustin.org**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$600  
Recommendation: waiver

**24. Tony D. Tinderholt (00069489)  
State Representative**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$1,100  
Recommendation: waiver



**25. Cindy G. Burkett (00065930)**  
**State Representative**

Report: special pre-election report due October 31, 2014  
Penalty: \$500  
Recommendation: waiver

**26. Vincent Tallman (00070368)**  
**Treasurer, Texas Coalition of Dental Service Organizations**

Report: special pre-election report due November 1, 2014  
Penalty: \$500  
Recommendation: waiver

**27. Joe Bernal (00069858)**  
**Treasurer, Leticia Van de Putte For Lieutenant Governor Campaign Committee**

- a) Report: special pre-election report due October 27, 2014  
Penalty: \$500  
Recommendation: waiver
- b) Report: special pre-election report due October 31, 2014  
Penalty: \$500  
Recommendation: waiver
- c) Report: special pre-election report due November 3, 2014  
Penalty: \$500  
Recommendation: waiver

**28. Elijah I. Casas (00069754)**  
**Candidate, State Representative**

Report: special pre-election report due October 30, 2014  
Penalty: \$500  
Recommendation: waiver

**29. James Coles (00016755)**  
**Treasurer, 'Texas ACEP' Texas College of Emergency Physicians PAC**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$6,100  
Recommendation: waiver

**31. Jose Menendez (00042411)**  
**State Representative/Candidate, State Senator**

Report: 8-day pre-election report due December 29, 2014 (original filed late)  
Penalty: \$600 (\$500 for late original + \$100 for correction)  
Recommendation: reduction to \$400

**32. Patricia P. 'Pat' Baig (00037828)**  
**Treasurer, 'RPOFBC' Republican Party of Fort Bend County (CEC)**

Report: 8-day pre-election report due October 27, 2014 (original filed late)  
Penalty: \$900 (\$500 for late original + \$400 for correction)  
Recommendation: reduction to \$300

**33. Rita Lucido (00069650)**  
**Candidate, State Senator**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$1,000  
Recommendation: reduction to \$500

**34. Augustin 'Augie' Rivera, Jr. (00051292)**  
**Candidate, District Judge**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$1,100  
Recommendation: reduction to \$500

**36. Marisa Marquez (00062161)**  
**State Representative**

Report: 8-day pre-election report due February 24, 2014  
Penalty: \$10,000  
Recommendation: reduction to \$1,000

**37. Michael R. 'Mike' Martinez (00028799)**  
**Candidate, State Senator**

Report: 8-day pre-election report due February 24, 2014 (original filed late; paid \$150 fine)  
Penalty: \$9,850  
Recommendation: reduction to \$1,500

Motion by Commissioner Ramsay to approve the recommendations based on previous Commission decisions on Agenda Item 14, numbers 1 through 20, 22 through 34, and 36 through 37; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **The recommendations on Agenda Item 14, numbers 1 through 20, 22 through 34, and 36 through 37 are adopted.**

**Agenda Item 15: Comments by the Executive Director.**

Natalia Luna Ashley, Executive Director, discussed the release of the new Campaign Finance portion of the new electronic filing application. She explained the 30-day grace period being given to filers with an April 6, 2015, filing deadline. The Commission is in the process of scheduling hands-on training for the new software; this training will be held throughout the state. Multiple trainings will be held in the Sam Houston State Building in Austin. Four training videos will also be available on the website shortly.

Commissioner Long asked when the software for Personal Financial Statements will be online. Ms. Ashley replied that the release date has not yet been determined, but it will be sometime after April 2015. Personal financial statements are not required to be filed electronically, but this program will allow it.

**Agenda Item 16: Comments by the Commissioners.**

Discussion among the Commissioners regarding scheduling of future commission meetings. Commissioner Ramsay complimented Chair Hobby and all Commissioners on the handling of the lawsuit mentioned several times today, and believes it was handled correctly.

**Agenda Item 17: Adjourn.**

Motion by Commissioner Ramsay to adjourn; second by Commissioner Clancy. **Motion passed by unanimous consent.**

Meeting adjourned at 1:10 p.m.