



## TEXAS ETHICS COMMISSION MEETING MINUTES

### Public Meeting

October 3, 2018, 4:22 p.m.  
Capitol Extension, Room E1.014  
Austin, Texas 78701



**COMMISSIONERS PRESENT:** Steven D. Wolens, Chair; Chad M. Craycraft, Vice Chair; Randall H. Erben, Chris Flood, Mary K. “Katie” Kennedy, Patrick W. Mizell, Richard S. Schmidt and Joseph O. Slovacek.

**COMMISSIONERS NOT PRESENT:** None.

**STAFF PRESENT:** Margie Castellanos, Terri Counts, Nick Espinosa, Betty Gallegos, Domingo Gonzales, Angela Goodwin, Jessie Haug, Cristina Hernandez, Joseph Keeney, Haksoon Andrea Low, Amy Padilla, Ian Steusloff, Jim Tinley, and Seana Willing.

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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 either the video recording available to view online at: <http://www.house.state.tx.us/video-audio/capitol-events/>, or 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 Wolens. Seana Willing, Executive Director, called the roll. All Commissioners were present.

**Agenda Item 2: Discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 18.7, regarding the late filing of a report when the Commission’s office is closed.**

Chair Wolens addressed the Commission on this agenda item. Motion by Commissioner Schmidt to adopt rule § 18.7; second by Commissioner Kennedy. **Motion passed by a vote of eight ayes.**

**Agenda Item 3: Discussion and possible action on the adoption or proposal and publication in the Texas Register of new Ethics Commission Rules Chapter 16 (Facial Compliance Review & Full Audits) including §§ 16.1 – 16.11, regarding procedures for facial compliance reviews and audits.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Ian Steusloff, General Counsel, and James Tinley, Assistant General Counsel, responded with question and comments. Motion by Vice Chair Craycraft to adopt new Ethics Commission Rules §§ 16.1 – 16.11; second by Commissioner Mizell. **Motion passed by a vote of eight ayes.**

**Agenda Item 4: Discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 26.1, regarding political advertising on the Internet.**

Chair Wolens briefed the Commission on this agenda item. Gardner Pate addressed the Commission. Chair Wolens and Ian Steusloff, General Counsel, responded with questions and comments. Motion by Commissioner Slovacek to publish Exhibit A of the drafts provided, including an amendment to Ethics Commission Rules § 26.1, in the Texas Register for public comment; second by Commissioner Kennedy. **Motion passed by a vote of eight ayes.** Commissioner Kennedy thanked Gardner Pate for his work on this rule.

**Agenda Item 5: Discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules § 16.12, regarding facial compliance reviews.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Commissioners Kennedy and Schmidt, Mr. Steusloff, and James Tinley, Assistant General Counsel, responded with questions and comments. No action was taken.

**Agenda Item 6: Discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 12.35, regarding frivolous complaints.**

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Commissioner Mizell and Ian Steusloff, General Counsel, responded with questions and comments. Motion by Commissioner Mizell to publish in the Texas Register an amendment to Ethics Commission Rules § 12.35; second by Commissioner Schmidt. **Motion passed by a vote of eight ayes.**

**Agenda Item 7: Discussion and possible action on the 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.**

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Commissioners Kennedy and Slovacek, and Ian Steusloff, General Counsel, responded with questions and comments. Motion by Commissioner Flood to publish in the Texas Register an amendment to Ethics Commission Rules § 50.1; second by Commissioner Mizell. **Motion passed by a vote of eight ayes.**

**Agenda Item 8: Discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules Chapter 34 (Regulation of Lobbyists) and new rule § 34.77, regarding the disclosure of foreign agent registration number on file with United States Attorney General.**

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Commissioners Erben, Kennedy and Slovacek, and Ian Steusloff, General Counsel, responded with questions and comments. Motion by Commissioner Slovacek to publish in the Texas Register an amendment to Ethics Commission Rules § 34.77, as amended and to be implemented upon funding from the Legislature; second by Commissioner Kennedy. **Motion passed by a vote of eight ayes.**

**Agenda Item 9: Discussion and possible action on adjustments to reporting thresholds based on rate of inflation under Government Code § 571.064.**

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioners Erben, Kennedy, Mizell, Schmidt and Slovacek, Seana Willing, Executive Director, Ian Steusloff, General Counsel, and Jessie Haug, Director of Computer Services and Director of Disclosure Filing, responded with questions and comments. Motion by Commissioner Flood to direct Commission staff to draft a rule addressing these adjustments; second by Commissioner Slovacek. **Motion passed by a vote of eight ayes.**

**Agenda Item 10: Discussion and possible action regarding the termination of a campaign treasurer appointment for the following inactive individuals:**

**1. Frances V. Dunham (00070817)**

Last report filed: January 17, 2017  
Treasurer appointment filed: March 16, 2015  
Office sought: 438<sup>th</sup> District Court Judge

**2. Gabriel D. Farias (00080116)**

Last report filed: March 15, 2017  
Treasurer appointment filed: July 24, 2015  
Office sought: State Representative, District 118

Chair Wolens briefed the Commission on this agenda item. Motion by Vice Chair Craycraft to adopt staff recommendations to terminate the campaign treasurer appointments on Agenda Item 10, numbers 1 and 2; second by Commissioner Erben. Motion passed by a vote of eight ayes. **Recommendations to terminate the campaign treasurer appointments are adopted on Agenda Item 10, numbers 1 and 2.**

**Agenda Item 11: Report more than 30 days late: Discussion and possible action regarding the imposition of an additional fine on the following filers:**

**Personal Financial Statements**

1. Lawrence Wade Johnson (00082419)
2. Robert Christopher Walden II (00082421)

**Candidates/Officeholders**

3. Bernardo T. Aldape III (00080183)
4. Phyllis J. Wolper (00066433)

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Commissioners Erben, Flood, Kennedy and Slovacek, Ian Steusloff, General Counsel, Angela Goodwin, Director of Enforcement, and Jessie Haug, Director of Computer Services and Director of Disclosure Filing, responded with questions and comments. Motion by Commissioner Schmidt to increase the penalty to \$1,000 on Agenda Item 11, numbers 1 and 2; second by Commissioner Flood. **Motion to increase the penalty to \$1,000 on Agenda Item 11, numbers 1 and 2, passed by a vote of eight ayes.** Motion by Commissioner Schmidt to increase the penalty to \$1,000 on Agenda Item 11, numbers 3 and 4; second by Commissioner Erben. **Motion to increase the penalty to \$1,000 on Agenda Item 11, numbers 3 and 4, passed by a vote of eight ayes.**

**Agenda Item 12: Discussion and possible action on the approval of a format for electronic filing of campaign finance reports, as proposed by Lee County.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Commissioners Kennedy, Erben, Schmidt and Slovacek, and Mr. Steusloff responded with questions and comments. Motion by Commissioner Erben to approve the format for electronic filing of campaign finance reports, as proposed by Lee County; second by Commissioner Slovacek. **Motion passed by a vote of eight ayes.**

**Agenda Item 13: Adjourn.**

Motion by Chair Wolens to adjourn. **Commission meeting adjourned by unanimous consent.**

Meeting adjourned at 5:45 p.m.