



## TEXAS ETHICS COMMISSION MEETING MINUTES

### Public Meeting

June 27, 2018, 9:02 a.m.

Capitol Extension, Room E1.014

Austin, Texas 78701



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

**COMMISSIONERS NOT PRESENT:** Chris Flood (out on business).

**STAFF PRESENT:** Amy Barden, Margie Castellanos, Nick Espinosa, Betty Gallegos, Angela Goodwin, Jessie Haug, Cristina Hernandez, Joseph Keeney, Haksoon Andrea Low, Amy Padilla, Ian Steusloff, Sonya Subash, 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 except Commissioner Flood, who was unable to attend due to trial.

### **Agenda Item 2: Comments by Commissioners.**

Chair Wolens addressed the Commission and welcomed new Commissioners Mizell and Schmidt.

### **Agenda Item 3: Discussion and possible appointment of a Nominating Committee of Commissioners for the positions of Chair and Vice Chair of the Texas Ethics Commission.**

Chair Wolens and Commissioner Erben addressed the Commission. Motion by Commissioner Erben to renominate Steven Wolens as Chair and Chad Craycraft as Vice Chair of the Texas Ethics Commission; second by Commissioner Schmidt. **Motion passed by a vote of seven ayes.**

**Agenda Item 4: Approve minutes for the following meetings:**

- **Executive Session – March 27, 2018; and**
- **Public Meeting – March 28, 2018.**

Motion by Vice Chair Craycraft to approve the meeting minutes listed under Agenda Item 4; second by Commissioner Kennedy. **Motion passed by a vote of seven ayes.**

**Agenda Item 5: Discussion regarding the next Texas Ethics Commission meeting.**

Chair Wolens addressed the Commission. Chair Wolens, Commissioner Slovacek and Seana Willing, Executive Director, responded with comments. The next Texas Ethics Commission meetings are tentatively set for October 3 and 4, 2018 and December 4, and 5, 2018, subject to change.

**Agenda Item 6: Discussion regarding adding Commissioner photographs and short biographies to Texas Ethics Commission website.**

Chair Wolens addressed the Commission. Commissioner Slovacek and Seana Willing, Executive Director, responded with comments. No action was taken.

**Agenda Item 7: Briefing, discussion, and possible action on appeal of fines increased by the Commission, and on appeals of determinations made under Ethics Commission Rules §§ 18.25 and 18.26 relating to administrative waiver or reduction of a fine, for the following individuals and legislative caucus:****1. Laura Thompson (00080388)  
Candidate, State Representative**

Report: Semiannual report due January 16, 2018  
Penalty: \$500 – reduction to \$400  
Recommendation: None.  
Appeal Received: April 18, 2018

**2. Aerospace Caucus (00070741)  
Legislative Caucus**

Report: legislative caucus semiannual report due January 16, 2018  
Penalty: \$500 – no waiver  
Recommendation: None.  
Appeal Received: April 10, 2018

**3. Richard L. “Rick” Range (00082135)  
Candidate, Land Commissioner**

Report: personal financial statement due February 12, 2018  
Penalty: \$500 – reduction to \$400  
Recommendation: None.  
Appeal Received: May 29, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioner Kennedy and Ms. Barden responded with questions and comments. Motion by Commissioner Kennedy to adopt staff recommendations and reduce the penalty from \$500 to \$400 on Agenda Item 7, numbers 1 and 3; second by Commissioner Slovacek. **Motion to reduce the penalty to \$400 on Agenda Item 7, numbers 1 and 3 passed by a vote of seven ayes.** Motion by Commissioner Kennedy to adopt staff recommendations and leave the penalty at \$500 on Agenda Item 7, number 2; second by Commissioner Slovacek. **Motion to leave the penalty at \$500 on Agenda Item 7, number 2 passed by a vote of seven ayes.**

**Agenda Item 8: Briefing, discussion, and possible action to waive or reduce the late-filing penalty in connection with a corrected report or to determine whether the corrected report as originally filed substantially complied with the applicable law for the following individuals and political committees:**

**1. Democrats Choice For The People’s Voice (00070005)  
Michael Gipson, Treasurer**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$600  
Recommendation Based on Commission Guidelines: substantial compliance

**2. Nathan M. Johnson (00081605)  
Candidate, State Senator**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$600  
Recommendation Based on Commission Guidelines: substantial compliance

**3. Angela Paxton(00081932)  
Candidate, State Senator**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$600  
Recommendation Based on Commission Guidelines: substantial compliance

**4. Ramona L. Thompson (00082095)  
Candidate, State Representative**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$600  
Recommendation Based on Commission Guidelines: substantial compliance

**5. Texas Crane Owners Political Action Committee (00064304)  
Clint Hackney, Treasurer**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$700  
Recommendation Based on Commission Guidelines: substantial compliance

**6. Lone Star Project Nonfederal (00068390)  
Matthew Angle, Treasurer**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$700  
Recommendation Based on Commission Guidelines: substantial compliance

**7. Melody G. Chappell (00081890)  
Candidate, District Judge**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$8000  
Recommendation Based on Commission Guidelines: substantial compliance

**8. 'PCC' Parker County Conservatives (00070872)  
Stephanie C. Schnaible, Treasurer**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$8000  
Recommendation Based on Commission Guidelines: substantial compliance

**9. Latosha Lewis Payne (00069496)  
Candidate, District Judge**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$1,100  
Recommendation Based on Commission Guidelines: substantial compliance

**10. Michael Curran (00082458)  
Candidate, District Judge**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$1,100  
Recommendation Based on Commission Guidelines: substantial compliance

**11. 'Enbridge-DCP PAC' Enbridge (U.S.) Inc. Political Action Committee (00063939)  
Ritu Talwar, Treasurer**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$3,200  
Recommendation Based on Commission Guidelines: substantial compliance

**12. Aiesha Redmond (00082213)  
Candidate, District Judge**

Report: 8-day pre-election report due February 26, 2018  
Penalty: \$1,100  
Recommendation Based on Commission Guidelines: Reduction to \$500

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft and Ms. Barden responded with questions and comments. Motion by Commissioner Mizell to adopt staff recommendations on Agenda Item 8, numbers 1 through 11; second by Commissioner Schmidt. **Motion to adopt staff recommendation on Agenda Item 8, numbers 1 through 11 passed by a vote of seven ayes.** Motion by Commissioner Mizell to adopt staff recommendation on Agenda Item 8, number 12; second by Commissioner Erben. **Motion to adopt staff recommendation on Agenda Item 8, number 12 passed by a vote of seven ayes.**

**Agenda Item 9: Discussion of Advisory Opinion Request No. SP-14: Whether a judge or a candidate for judicial office may use public resources for campaign purposes, and whether an associate judge may wear judicial robes and use the title "associate judge" in political advertising.**

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

**Agenda Item 10: Discussion of Advisory Opinion Request No. AOR-627: Whether a candidate may use political contributions to pay for childcare expenses incurred during a campaign.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioners Erben, Kennedy, Schmidt and Slovacek, and Mr. Steusloff, responded with questions and comments. Motion by Commissioner Slovacek to adopt AOR-627; second by Commissioner Kennedy. **Motion passed by a vote of seven ayes. AOR-627 is adopted.**

**Commissioner Schmidt left the dais briefly during this agenda item.**

**Agenda Item 11: Discussion of Advisory Opinion Request No. AOR-628: Whether section 572.069 of the Government Code would prohibit a former employee of a state agency from accepting employment from a person to which the state agency had awarded a contract.**

Ardas Khalsa addressed the Commission. Ian Steusloff, General Counsel, and Seana Willing, Executive Director, briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioners Erben, Kennedy, Mizell, Schmidt and Slovacek and Mr. Steusloff responded with questions and comments. No action was taken.

**Agenda Item 12: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of amendments to Ethics Commission Rules §§ 12.53 and 12.83, regarding communications between commission staff and members.**

Chair Wolens briefed the Commission on this agenda item. Trey Trainor addressed the Commission. Chair Wolens, Vice Chair Craycraft, Commissioners Erben and Slovacek, and Ian Steusloff, General Counsel responded with questions and comments. Motion by Commissioner Erben to adopt Exhibit C of Agenda Item 12, which includes amendments to Ethics Commission Rules §§ 12.53 and 12.83; second by Commissioner Kennedy. **Motion passed by a vote of seven ayes.**

**Agenda Item 13: Public 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, Margo Cardwell and Donna Davidson addressed the Commission. Chair Wolens, Commissioners Schmidt and Slovacek, and Ian Steusloff, General Counsel, responded with questions and comments. No action was taken.

**Agenda Item 14: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 12.13, regarding non-resident attorneys appearing before the commission.**

Chair Wolens briefed the Commission on this agenda item. Motion by Commissioner Slovacek to adopt an amendment to Ethics Commission Rules § 12.13; second by Commissioner Erben. **Motion passed by a vote of seven ayes.**

**Commissioner Slovacek left the dais briefly during this agenda item.**

**Agenda Item 15: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of new Ethics Commission Rules in Chapter 12, regarding new procedural rules for the formal hearing process.**

Chair Wolens briefed the Commission on this agenda item. Trey Trainor addressed the Commission. Chair Wolens, Commissioners Erben, Kennedy, Mizell and Slovacek responded with questions and comments. Motion by Commissioner Slovacek to adopt new Ethics Commission Rules in Chapter 12, specifically §§12.101, 12.102, 12.121, 12.123, 12.125, 12.127, 12.131, 12.133, 12.151, 12.153, 12.155, 12.161, 12.163, 12.165, 12.167, 12.171, 12.173, and 12.175; second by Commissioner Schmidt. **Motion passed by a vote of seven ayes.**

**Agenda Item 16: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of new Ethics Commission Rules §§ 12.31 and 12.33, regarding decorum and sanctions in sworn complaint proceedings.**

Chair Wolens briefed the Commission on this agenda item. Motion by Commissioner Slovacek to adopt new Ethics Commission Rules § 12.31 and 12.33; second by Commissioner Mizell. **Motion passed by a vote of seven ayes.**

**Agenda Item 17: Public discussion and possible action on the 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 briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioners Erben, Schmidt and Slovacek, Seana Willing, Executive Director, Ian Steusloff, General Counsel, and Jessie Haug, Director of Computer Services and Director of Disclosure Filings, responded with questions and comments. Motion by Commissioner Erben to publish Exhibit A of the drafts provided, including an amendment to Ethics Commission Rules § 18.7, in the Texas Register for public comment, as amended; second by Commissioner Slovacek. **Motion passed by a vote of seven ayes.**

**Agenda Item 18: Public discussion and possible action on the 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.**

Gardner Pate and Donna García Davidson addressed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioners Kennedy and Slovacek, and Ian Steusloff, General Counsel, responded with questions and comments. Chair Wolens briefed the Commission on this agenda item. Motion by Commissioner Kennedy to publish new Ethics Commission Rules §§ 16.1 through 16.11 in the Texas Register for public comment; second by Vice Chair Craycraft. **Motion passed by a vote of seven ayes.**

**Agenda Item 19: Discussion and possible action regarding the termination of a campaign treasurer appointment for the following inactive individuals and political committees:**

**Individuals**

**1. Paul K. Stafford (00069699)**

Last report filed: July 15, 2016  
Treasurer appointment filed: November 14, 2013  
Office sought: State Representative, District 115

**2. Elizabeth R. Tarrant (00080357)**

Last report filed: November 1, 2016  
Treasurer appointment filed: November 23, 2015  
Office sought: State Representative, District 97

**3. LaTronda T. Darnell (00080505)**

Last report filed: July 15, 2016  
Treasurer appointment filed: December 21, 2015  
Office sought: State Representative, District 120

**4. Andy M. Chatham (00058203)**

Last report filed: January 7, 2015  
Treasurer appointment filed: July 25, 2016  
Office sought: 195<sup>th</sup> District Court Judge

**5. David M. Medina (00033991)**

Last report filed: July 15, 2013  
Treasurer appointment filed: December 28, 1999  
Office sought: 157<sup>th</sup> District Court Judge  
Former office held: 157<sup>th</sup> District Court Judge;  
Supreme Court Justice, Place 4

**6. Angus Kelly McGinty (00051528)**

Last report filed: July 15, 2014  
Treasurer appointment filed: October 22, 2001  
Office sought: 144<sup>th</sup> District Court Judge  
Former office held: 144<sup>th</sup> District Court Judge



**Political Committees****7. CAAAD Asian American Progress PAC (00062603)  
Ms. Selena Xie, Treasurer**

Last report filed: July 26, 2016  
Treasurer appointment filed: March 3, 2014

**8. Conventional Wisdom, Inc. PAC (00065533)  
Mr. Skylor R. Williams, Treasurer**

Last report filed: July 14, 2016  
Treasurer appointment filed: March 25, 2009

**9. Texas Leadership Council (00070202)  
Mr. Eric Garza, Treasurer**

Last report filed: June 3, 2016  
Treasurer appointment filed: May 27, 2014

**10. Inclusive Austin (00070479)  
Mr. Houston Ray McClenny, Treasurer**

Last report filed: July 15, 2016  
Treasurer appointment filed: November 24, 2014

**11. United Republicans of Texas (00080370)  
Mr. Antoine Noun, Treasurer**

Last report filed: July 15, 2016  
Treasurer appointment filed: April 26, 2016

Chair Wolens briefed the Commission on this agenda item. Ian Steusloff, General Counsel, responded with comments. Motion by Commissioner Schmidt to adopt staff recommendations to terminate the campaign treasurer appointments on Agenda Item 19, numbers 1 through 11; second by Commissioner Slovacek. Motion passed by a vote of seven ayes. **Recommendations to terminate the campaign treasurer appointments are adopted on Agenda Item 19, numbers 1 through 11.**

**Agenda Item 20: Report more than 30 days late: Discussion and possible action regarding the imposition of an additional fine on the following filers:**

**Candidates/Officeholders**

1. Nicole D. Collier (00067957)
2. Nicole Elizalde Henning (00067765)
3. Lawrence Wade Johnson (00082419)
4. Jeffrey Rank (00081926)

5. Janis M. Richards (00082393)
6. Larry S. Smith (00080158)

### **Personal Financial Statements**

7. Matthew S. Beebe (00067964)
8. Matthew S. Green (00082255)
9. Stephen A. West (00082342)

### **Lobbyists**

10. Nathanael Ferguson (00069152)
11. Connie Heyer (00053927)

Chair Wolens briefed the Commission on this agenda item. Vice Chair Craycraft, Jessie Haug, Director of Computer Services and Director of Disclosure Filing and Amy Barden, Senior Legal Assistant, responded with questions and comments. Motion by Commissioner Mizell to increase the penalty to \$1,000 on Agenda Item 20, numbers 1 through 11; second by Commissioner Schmidt. **Motion to increase the penalty to \$1,000 on Agenda Item 20, numbers 1 through 11, passed by a vote of seven ayes.**

**Agenda Item 21: Discussion of possible recommendations for statutory changes to the 86th Legislature as required by § 571.073 of the Government Code.**

Seana Willing, Executive Director, briefed the Commission on this agenda item. Chair Wolens, Commissioner Slovacek, and Ian Steusloff, General Counsel, responded with questions and comments. No action was taken.

**Agenda Item 22: Public discussion and possible action on a petition for rulemaking concerning the designation of a corporation's political contributions made to a general-purpose committee for administrative expenses under § 253.100(a) of the Election Code.**

Donna García Davidson addressed the Commission. Chair Wolens briefed the Commission on this agenda item. Chair Wolens and Ian Steusloff, General Counsel, responded with questions and comments. Motion by Commissioner Slovacek to consider Agenda Item 22 at the next Commission meeting; second by Commissioner Schmidt. **Motion to consider Agenda Item 22 at the next Commission meeting passed by a vote of seven ayes.**

**Agenda Item 23:** Public discussion and possible action on the proposal and publication in the Texas Register of new and amended Ethics Commission rules regarding corporations and labor organizations making political expenditures to finance the establishment and administration of, and solicitation of political contributions to, a general-purpose committee and making political contributions to a political committee for supporting or opposing measures exclusively under §§ 253.096 and 253.100 of the Election Code.

Chair Wolens briefed the Commission on this agenda item. Motion by Commissioner Slovacek to consider Agenda Item 23 at the next Commission meeting; second by Commissioner Erben. **Motion to consider Agenda Item 23 at the next Commission meeting passed by a vote of seven ayes.**

**Agenda Item 7:** Briefing, discussion, and possible action on appeal of fines increased by the Commission, and on appeals of determinations made under Ethics Commission Rules §§ 18.25 and 18.26 relating to administrative waiver or reduction of a fine, for the following individual:

**2. Aerospace Caucus (00070741)  
Legislative Caucus**

Report: legislative caucus semiannual report due January 16, 2018  
Penalty: \$500 – no waiver  
Recommendation: None.  
Appeal Received: April 10, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Ms. Mitzi Stoute Faniola, Chief of Staff for Rep. Dennis Paul, addressed the Commission. Chair Wolens, Vice Chair Craycraft, Commissioners Kennedy and Slovacek, and Ms. Barden responded with questions and comments. Motion by Commissioner Mizell to reconsider Agenda Item 7, number 2; second by Commissioner Kennedy. **Motion to reconsider the penalty on Agenda Item 7, number 2 passed by a vote of seven ayes.** Motion by Commissioner Mizell to waive the penalty on Agenda Item 7, number 2; second by Commissioner Schmidt. **Motion to waive the penalty on Agenda Item 7, number 2 passed by a vote of six ayes. (Chair Wolens voted no).**

**Agenda Item 24: Adjourn.**

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

Meeting adjourned at 12:38 p.m.