



TEXAS ETHICS COMMISSION MEETING MINUTES

Public Meeting Minutes
September 15, 2020, 9:09 a.m.
Via Teleconference



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

COMMISSIONERS NOT PRESENT: Joseph O. Slovacek.

STAFF PRESENT: Margie Castellanos, Nick Espinosa, Betty Gallegos, Jessie Haug, Cristina Hernández, Jordan Hunn, J.R. Johnson, Haksoon Andrea Low, Natalie McDermon, Amy Padilla, Anne Temple Peters, Lindsay Powers, Patti Shannon, Jim Tinley, and Preston Tom.

MINUTES

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 Craycraft. Anne Temple Peters, Executive Director, called the roll. All Commissioner were present except Commissioner Slovacek, who was absent due to medical illness.

Agenda Item 2: Executive session pursuant to Section 551.071, Government Code, Consultation with Attorneys, and Section 551.074, Government Code, Personnel Matters; Closed Meeting.

- A. Discussion of pending litigation to seek legal advice relating to the following:
- i. Cause No. D-1-GN-17-001878: *Texas Ethics Commission v. Michael Quinn Sullivan*, in the 250th Judicial District Court in Travis County, Texas; Cause No.03-17-00392-CV: *Michael Quinn Sullivan v. Texas Ethics Commission*, in the Third Court of Appeals at Austin, Texas; and Cause No. 18-0580: *Michael Quinn Sullivan v. Texas Ethics Commission*, in the Supreme Court of Texas.

- ii. Cause No. D-1-GN-15-004455: *Texas Ethics Commission v. Empower Texans, Inc. and Michael Quinn Sullivan*, in the 345th Judicial District Court of Travis County, Texas; and related case, Cause No. 03-16-00872-CV: *Empower Texans, Inc., and Michael Quinn Sullivan v. Texas Ethics Commission*, in the Third Court of Appeals, Austin, Texas.
- B. Discussion of personnel matters.
- C. Reconvene in open session and Public meeting at 9:59am.

Agenda Item 3: Discussion regarding dates for next quarterly Commission meeting.

Chair Craycraft briefed the Commission on this agenda. Chair Craycraft, Vice Chair Kennedy, and Commissioners Erben, Flood, Mizell, Schmidt, and Wolens responded with questions and comments. Tentative dates for the next Commission meeting, subject to change, are December 1-2, 2020.

Agenda Item 4: Approve minutes for the following meetings:

- Executive Session – June 19, 2020; and
- Public Meeting – June 19, 2020.

Chair Craycraft briefed the Commission on this agenda item. Motion by Commissioner Erben to adopt the minutes in Agenda Item 4; second by Commissioner Mizell. Motion passed unanimously.

Agenda Item 5: Discussion and possible action regarding the termination of a campaign treasurer appointment for the following inactive filers:

1. Rio Grande Valley Apartment Assn. Pac, treasurer Chad W. Anderson (00037999)
2. North Texas Committee on Judicial Excellence, treasurer Casey K. Bingham (00083096)
3. Galveston Maritime Business Association Political Action Committee, treasurer Jonathan T. Edwards (00082769)
4. Southside Today, PAC, treasurer Lorenzo Gonzalez (00081596)
5. Move Hutto Forward, treasurer James Guzman (00083734)
6. Texas Students United, treasurer Gabrielle Harris (00081393)
7. SFA College Democrats, treasurer Gabrielle Harris (00083801)
8. Vote Yes for Sweeny ISD, treasurer Dusty Lee Hopkins (00083712)
9. Strategic International Development PAC, treasurer Prisylla Ann Jasso (00083277)
10. Conservative Tea Party of Texas, treasurer David Leib (00080652)
11. Texans for Pro-Life, treasurer David Leib (00080653)
12. CodeRed TEXAS, treasurer Angie Morrison (00083596)
13. Asian Leaders, treasurer Angie Morrison (00083597)

14. Election Integrity Advocates, treasurer Nathan G. Schwarz (00083567)
15. A Better Texas PAC, treasurer Michael J. Warner (00083091)

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Motion by Vice Chair Kennedy to adopt staff recommendation on Agenda Item 5 numbers 1 through 15, omitting number 12; second by Commissioner Schmidt. **Motion passed unanimously.**

Agenda Item 6: Discussion and possible action 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 filers:

- 1. Elizabeth Choate (00066252)**
- 2. Mary E. Williams (00084541)**
- 3. Charles Lauersdorf (00082133)**

J.R. Johnson, General Counsel, introduced this agenda item to the Commission. Preston Tom, Assistant General Counsel, briefed the Commission on the agenda items. Elizabeth Choate and Charles Lauersdorf addressed the Commission. Chair Craycraft, Vice Chair Kennedy, Commissioner Flood, Mizell, Schmidt and Assistant General Counsel Preston Tom responded with questions and comments. Motion by Commissioner Mizell to waive the fine on Agenda Item 6, number 1; second by Commissioner Erben; third by Commissioner Schmidt. **Motion passed unanimously.** Motion by Commissioner Schmidt to adopt staff recommendation on Agenda Item 6, number 2; second by Commissioner Wolens. **Motion passed unanimously.** Motion by Commissioner Mizell to adopt staff recommendation and reduce the fine to \$300 on Agenda Item 6, number 3; second by Commissioner Schmidt. **Motion passed unanimously.**

Agenda Item 7: Advisory Opinion Draft No. AOR-636: Whether an apparel company may contract with candidates, political parties, and political committees to design, manufacture, market, and fulfill sales of campaign merchandise in return for a portion of the sales proceeds, and if so, whether such a business model involves any reportable campaign contributions.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Chair Craycraft, Vice Chair Kennedy, Commissioners Erben, Mizell, Schmidt, and Wolens and Mr. Johnson responded with questions and comments. Motion by Commissioner Mizell to adopt Agenda Item 7; second by Commissioner Erben. **Motion passed unanimously.**

Agenda Item 8: Amendment to Advisory Opinion No. EAO-556, issued June 19, 2020, to correct typographical error: whether a registered lobbyist can be “present” at an event via videoconference technology. (AOR-635)

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Schmidt to approve edits on Agenda Item 8; second by Vice Chair Kennedy. **Motion passed unanimously.**

Agenda Item 9: Discussion and possible action on the proposal and publication in the Texas Register of an amendment to 1 Tex. Admin. Code § 18.31, regarding the adjustments of reporting thresholds, and Ethics Commission Rules that are affected by the adoption of an amendment to 1 Tex. Admin. Code § 18.31, including §§ 20.61, 20.65, 20.217, 20.219, 20.220, 20.221, 20.275, 20.279, 20.301, 20.303, 20.313, 20.329, 20.331, 20.333, 20.401, 20.405, 20.433, 20.434, 20.435, 20.553, 20.555, 22.1, 22.6, 22.7, 34.41, and 34.43

J.R. Johnson, General Counsel briefed the Commission on this agenda item. Motion by Commissioner Erben to adopt Agenda Item 9; second by Commissioner Flood. **Motion passed unanimously.**

Agenda Item 10: Discussion and possible action on the proposal and publication in the Texas Register of an amendment to 1 Tex. Admin. Code §§ 18.31 and 18.24, regarding changes to administrative waiver rules.

J.R. Johnson, General Counsel briefed the Commission on this agenda item. Vice Chair Kennedy, Commissioners Flood, and Wolens and Mr. Johnson responded with questions and comments. Motion by Commissioner Flood to publish with amendment Agenda Item 10; second by Commissioner Wolens. **Motion passed unanimously.**

Agenda Item 11: Discussion and possible action on the proposal and publication in the Texas Register of an amendment to 1 Tex. Admin. Code § 50.1 (Legislative Per Diem) relating to the legislative per diem required to be set under Article III, Section 24a, of the Texas Constitution..

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Alicia Caballero addressed the Commission. Chair Craycraft, Vice Chair Kennedy, Commissioners Flood, Mizell, Schmidt, and Wolens, Anne Temple Peters, Executive Director, and Mr. Johnson responded with questions and comments. Motion by Commissioner Flood to adopt Agenda Item 11; second by Vice Chair Kennedy. **Motion passed unanimously.**

Agenda Item 12: Adjourn.

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

Meeting adjourned at 11:03 a.m.