

TEXAS ETHICS COMMISSION

IN THE MATTER OF	§	BEFORE THE
	§	
LINDA LOVE, CAMPAIGN	§	
TREASURER, NORTH DALLAS	§	TEXAS ETHICS COMMISSION
TEXAS DEMOCRATIC WOMEN	§	
	§	
RESPONDENT	§	SC-31008260

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on February 23, 2011, to consider sworn complaint SC-31008260. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031 and 254.151 of the Election Code, and section 20.62 of the Ethics Commission Rules, and credible evidence of technical or *de minimis* violations of sections 252.003 and 253.037 of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposed this resolution to the respondent.

II. Allegations

The complaint alleged that the respondent, as campaign treasurer of a political committee, failed to properly report political contributions and political expenditures.

III. Facts Supported by Credible Evidence

Credible evidence available to the commission supports the following findings of fact:

1. The respondent is the campaign treasurer for North Dallas Texas Democratic Women (NDTDW), a general-purpose committee.

Total Political Contributions Maintained

2. The complaint alleged that the respondent incorrectly reported the amount of total political contributions maintained on seven campaign finance reports. The respondent's first corrected 8-day pre-election report for the November 2008 general election disclosed \$1,569.02 in total political contributions maintained. The complaint alleged that the total

- political contributions maintained should be \$1,340.07. In response to the complaint, the respondent swore that the amount was properly disclosed.
3. The respondent's January 2009 semiannual report disclosed \$537.26 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$583.51. In response to the complaint, the respondent swore that the amount was properly disclosed.
 4. The respondent's July 2009 semiannual report disclosed \$3,770.42 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$1,459.62. In response to the complaint, the respondent filed a corrected report and acknowledged that the original report was incorrect, but not as alleged. The respondent stated that the correct amount of total political contributions maintained was \$3,751.01.
 5. The respondent's January 2010 semiannual report disclosed \$1,941.82 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be -\$349.60. In response to the complaint, the respondent swore that the amount was properly disclosed.
 6. The respondent's 30-day pre-election report for the March 2010 primary election disclosed \$2,775.72 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$484.30. In response to the complaint, the respondent filed a corrected report and acknowledged that the original report was incorrect, but not as alleged. The respondent stated that the correct amount of total political contributions maintained was \$2,719.36.
 7. The respondent's 8-day pre-election report for the March 2010 primary election disclosed \$970 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$1,454.30. In response to the complaint, the respondent filed a corrected report and acknowledged that the original report was incorrect, but not as alleged. The respondent stated that the correct amount of total political contributions maintained was \$3,724.36.
 8. The respondent's July 2010 semiannual report disclosed \$3,951.01 in total political contributions maintained. The complaint alleged that the total political contributions maintained should be \$1,680.95. In response to the complaint, the respondent filed a corrected report and acknowledged that the original report was incorrect, but not as alleged. The respondent stated that the correct amount of total political contributions maintained was \$3,922.18.

Disclosure of Full Names of Persons Receiving Political Expenditures

9. The complaint alleged that the respondent failed to disclose the full name for a payee that received a political expenditure that was disclosed on the respondent's January 2010

semiannual report. The report disclosed an acronym instead of the committee's full name. The acronym is used in commission records.

Disclosure of Purposes of Political Expenditures

10. The complaint alleged that, based on disclosures in two campaign finance reports, the respondent failed to properly disclose the purposes of nine political expenditures. The original purposes of four of the political expenditures were stated as "Items for gifts," and "Items for gifts and donations."

Disclosure of Political Expenditures as Reimbursements

11. The complaint alleged that the respondent improperly reported 15 political expenditures as reimbursements on seven campaign finance reports. Three of the expenditures at issue disclosed the actual vendor payee. Twelve of the expenditures did not disclose the actual vendor payee. The respondent filed corrected reports.

Disclosure of Principal Occupation of Contributor

12. The complaint alleged that the respondent failed to disclose the principal occupation of a contributor on a campaign finance report. The individual's occupation was disclosed as an acronym. The respondent filed a corrected report to disclose the full occupation of the contributor.

Disclosure of Names of Candidates and Officeholders Supported or Assisted by the Committee

13. The complaint alleged that the respondent failed to disclose the names of each identified candidate supported or opposed by the committee, and each identified officeholder assisted by the committee on five campaign finance reports. On one of the reports at issue, the "Committee Purpose" section of the cover sheet disclosed the "Democratic Party" as being supported by the committee. On the remaining four reports at issue, the "Committee Purpose" section was left blank. On those same four reports, the evidence indicates that the committee did not have activity in support of candidates or officeholders during the applicable reporting periods.

Disclosure of Recipient General-purpose Committees

14. The complaint alleged that NDTDW made political contributions to other general-purpose committees without disclosing those committees on its campaign treasurer appointment. At issue were the respondent's July 2009 and January 2010 semiannual reports. The reports disclosed three political contributions totaling \$2,200 to general-purpose committees. The names and addresses of the general-purpose committees were not disclosed on NDTDW's campaign treasurer appointment. In response to the complaint, the respondent filed an amended appointment of a campaign treasurer by a general-purpose committee and disclosed the names and addresses of the recipient general-purpose committees.

IV. Findings and Conclusions of Law

The facts described in Section III support the following findings and conclusions of law:

Total Political Contributions Maintained

1. Each report must include as of the last day of the reporting period, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. A *de minimis* error in calculating or reporting a cash balance under subsection (a)(8) is not a violation. ELEC. CODE §§ 254.031(a)(8) and (a-1).
2. With regard to the respondent's November 2008 8-day pre-election report, July 2009 semiannual report, January 2010 semiannual report, March 2010 30-day pre-election report, and July 2010 semiannual report, there is insufficient evidence of a violation of section 254.031(a)(8) of the Election Code. With regard to the respondent's January 2009 semiannual report, the difference between the amount disclosed and the amount alleged is minor, and even if incorrect would appear to be a *de minimis* error. Therefore, there is credible evidence of no violation with respect to that report. The respondent corrected the March 2010 8-day pre-election report and disclosed a discrepancy of approximately \$2,750 between the original and the corrected report. Therefore, there is credible evidence of a violation of section 254.031(a)(8) of the Election Code with respect to that report.

Disclosure of Full Names of Persons Receiving Political Expenditures

3. A campaign finance report must include, for all political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
4. The respondent filed a corrected report to disclose the full name of the payee political committee rather than its acronym. However, the acronym is used in the committee's name in commission records. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code.

Disclosure of Purposes of Political Expenditures

5. A campaign finance report must include, for all political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
6. The respondent's original reports disclosed four political expenditures for "Items for gifts," and "Items for gifts and donations" totaling approximately \$795 that did not provide a complete purpose description. The respondent filed corrected reports to

provide additional information for the political expenditures at issue. However, at the time the reports were originally filed, the respondent failed to properly disclose this information. With respect to those four political expenditures, there is credible evidence of violations of section 254.031(a)(3) of the Election Code. With respect to the remaining expenditures, there is credible evidence of no violation.

Disclosure of Political Expenditures as Reimbursements

7. A campaign finance report must include, for all political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
8. Political expenditures made out of personal funds by a staff member of an officeholder, a candidate, or a political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee that in the aggregate do not exceed \$5,000 during the reporting period may be reported as follows if the reimbursement occurs during the same reporting period that the initial expenditure was made: the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made and the dates and purposes of the expenditures; and included with the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. Except as provided above, a political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee must be reported as follows: the aggregate amount of the expenditures made by the staff member as of the last day of the reporting period is reported as a loan to the officeholder, candidate, or political committee; the expenditure made by the staff member is reported as a political expenditure by the officeholder, candidate, or political committee; and the reimbursement to the staff member to repay the loan is reported as a political expenditure by the officeholder, candidate, or political committee. Ethics Commission Rules § 20.62.
9. The respondent filed corrected reports to disclose the actual vendor payees for 12 political expenditures. However, at the time the original reports were filed, the respondent failed to properly disclose this information. Therefore, there is credible evidence of violations of section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules. There is credible evidence of no violation of those provisions with regard to the remaining expenditures at issue.

Disclosure of Principal Occupation of Contributor

10. Each report by a campaign treasurer of a general-purpose committee must include the principal occupation of each person from whom political contributions that in the aggregate exceed \$50 are accepted during the reporting period. ELEC. CODE § 254.151(6).

11. The respondent filed a corrected report to disclose the full occupation of the contributor at issue. However, at the time the original report was filed, the respondent failed to properly disclose this information. Therefore, there is credible evidence of a violation of section 254.151(6) of the Election Code.

Disclosure of Names of Candidates and Officeholders Supported or Assisted by the Committee

12. Each report by a campaign treasurer of a general-purpose committee must include the name of each identified candidate or measure or classification by party of candidates supported or opposed by the committee, indicating whether the committee supports or opposes each listed candidate, measure, or classification by party of candidates, and the name of each identified officeholder or classification by party of officeholders assisted by the committee. ELEC. CODE §§ 254.151(4) and (5).
13. The respondent disclosed in the 8-day pre-election report for the November 2008 election that the committee made campaign expenditures to support two Democratic Party candidates. The respondent indicated in the "Committee Activity" section of the report that the committee supported Democratic Party candidates. Therefore, there is credible evidence of no violation of sections 254.151(4) and (5) of the Election Code. As to the remaining reports, the evidence indicates that the committee did not have activity in support of candidates or officeholders during the reporting periods at issue. Therefore, there is credible evidence of no violation of sections 254.151(4) and (5) of the Election Code.

Disclosure of Recipient General-purpose Committees

14. The campaign treasurer appointment of a general-purpose committee must include the full name and address of each general-purpose committee to whom the committee intends to make political contributions. ELEC. CODE § 252.003(2).
15. A general-purpose committee may not knowingly make a political contribution to another general-purpose committee unless the other committee is listed in the campaign treasurer appointment of the contributor committee. ELEC. CODE § 253.037(b).
16. The respondent filed an amended appointment of a campaign treasurer by a general-purpose committee and disclosed the names and addresses of the recipient general-purpose committees that received contributions from her committee. At the time the contributions were originally made, this information was not disclosed on the committee's campaign treasurer appointment. However, the names and addresses of the recipient committees were disclosed on Schedule F of the committee's campaign finance reports. Thus, the information was readily apparent to anyone who may have viewed the report, and in context did not substantially affect disclosure. Therefore, there is credible evidence of technical or *de minimis* violations of sections 252.003(2) and 253.037(b) of the Election Code.

V. Representations and Agreement by Respondent

By signing this order and agreed resolution and returning it to the commission:

1. The respondent neither admits nor denies the facts described under Section III or the commission's findings and conclusions of law described under Section IV, and consents to the entry of this order and agreed resolution solely for the purpose of resolving this sworn complaint.
2. The respondent consents to this order and agreed resolution and waives any right to further proceedings in this matter.
3. The respondent acknowledges that each report must include as of the last day of the reporting period, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. The respondent also acknowledges that a campaign finance report must include, for all political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made and the dates and purposes of the expenditures. The respondent also acknowledges that the proper way to report reimbursements to staff is in accordance with section 20.62 of the Ethics Commission Rules. The respondent also acknowledges that each report by a campaign treasurer of a general-purpose committee must include the principal occupation of each person from whom political contributions that in the aggregate exceed \$50 are accepted during the reporting period. The respondent also acknowledges that the campaign treasurer appointment of a general-purpose committee must include the full name and address of each general-purpose committee to whom the committee intends to make political contributions. The respondent also acknowledges that a general-purpose committee may not knowingly make a political contribution to another general-purpose committee unless the other committee is listed in the campaign treasurer appointment of the contributor committee. The respondent agrees to comply with these requirements of the law.

VI. Confidentiality

This order and agreed resolution describes violations that the commission has determined are neither technical nor *de minimis*. Accordingly, this order and agreed resolution is not confidential under section 571.140 of the Government Code and may be disclosed by members and staff of the commission.

VII. Sanction

After considering the violations described under Sections III and IV, including the nature, circumstances, and consequences of the violations, and after considering the sanction necessary to deter future violations, the commission imposes a \$200 civil penalty.

VIII. Order

The commission hereby orders that if the respondent consents to the proposed resolution, this order and agreed resolution is a final and complete resolution of SC-31008260.

AGREED to by the respondent on this _____ day of _____, 20__.

Linda Love, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director