

TEXAS ETHICS COMMISSION

IN THE MATTER OF

DOLLY EDGE, FORMER
CAMPAIGN TREASURER,
FRIENDS OF RANDY WEBER,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-31109215

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on August 8, 2013, to consider sworn complaint SC-31109215. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 253.032, 254.031, and 254.1212 of the Election Code and sections 20.29 and 20.61 of the Ethics Commission Rules, 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: 1) did not disclose on a campaign finance report, political contributions, political expenditures, and total outstanding loans; 2) did not include on a campaign finance report the principal occupation or job title and the full name of the employer for individuals who contributed \$500 or more during a reporting period; 3) did not disclose on a campaign finance report, information required for a political contribution from an out-of-state political committee; and 4) accepted political contributions from a corporation or labor organization.

III. Facts Supported by Credible Evidence

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

1. The respondent is the former campaign treasurer for Friends of Randy Weber (FRW), a specific-purpose committee created to support former state representative Randy Weber.
2. The respondent was the campaign treasurer for FRW at all times relevant to the complaint.
3. At issue in the complaint is FRW's January 2010 semiannual campaign finance report.

Total Political Contributions Maintained

4. The complaint alleged that the respondent did not disclose the proper amount of total political contributions maintained on the reports at issue.

January 2010 Semiannual Report

5. On January 15, 2010, the respondent filed FRW's January 2010 semiannual report. The report disclosed \$25.56 in total political contributions maintained. The complaint alleged that the correct amount of total political contributions maintained should be \$8,210.60.
6. Bank records disclose that the account for "Friends of Randy Weber," had \$352.34 on December 31, 2009.

Political Contributions from Corporations or Labor Unions

7. The complaint alleged that, based on disclosures in the committee's January 2010 semiannual report, the respondent accepted a political contribution from a corporation.
8. FRW's January 2010 semiannual report disclosed one political contribution of \$1,000 from State Farm Insurance Companies. The evidence was inconclusive as to whether the contribution was from an individual associated with the insurance company or the company itself.

Out-of State PAC Information

9. The complaint alleged that the respondent did not include information concerning one out-of-state political committee on FRW's January 2010 semiannual report.
10. The respondent's January 2010 semiannual report disclosed that it accepted a \$2,000 contribution on July 30, 2009, from Waste Management PAC, which commission records indicate is not a Texas general-purpose political committee.
11. Waste Management Employees Better Government Fund (WME) is a federal political committee with a FEC ID # of C00119008. WME's August 2010 monthly finance report disclosed one political contribution of \$2,000 on July 30, 2009, to "Randy Weber for Texas."

Principal Occupation and Employer Information

12. The complaint alleged that the respondent did not properly disclose the contributors' principal occupations or job titles and names of employers for three contributions of \$500 or more totaling approximately \$4,000 on FRW's January 2010 semiannual report.

13. Two of the political contributions at issue totaling approximately \$1,500 disclosed “researching” as the principal occupations or job titles and names of employers.
14. As to the remaining \$2,500 political contribution, the respondent swore that the information was correct but that it was transposed in the wrong boxes. The contributor was an officer or principal of an entity that bore his name. The contributor was identified as self-employed but the respondent did not list the formal name of the entity that the contributor was employed with.

Disclosure of Full Names of Contributors

15. The complaint alleged that the respondent did not disclose the full name of contributors for four political contributions totaling approximately \$2,445 disclosed on his January 2010, semiannual report.
16. The respondent provided copies of the checks for the contributions at issue.
17. At issue are the following political contributions:

Amount	Contributor	Name Disclosed on Check
\$ 75.00	ACCA Greater Houston	ACCA GREATER HOUSTON
\$ 100.00	SL Adams	S.L. ADAMS, M.D. ADAMS
\$ 20.00	MH Elam	M.H. ELAM, SUSAN ELAM (Signed by Susan Elam)
\$ 500.00	EXELONPAC	EXELONPAC
\$ 1,000.00	G T Lilie	G T LILIE
\$ 250.00	Texas DENPAC	TEXAS DENPAC
\$ 500.00	Texas FREEPAC	TEXAS CHEMICAL COUNCIL/ASSOCIATION OF CHEMICAL INDUSTRY OF TEXAS FREEPAC

18. The political contribution from ACCA Greater Houston discloses the same address as Air Conditioning Contractors Association Greater Houston, a general-purpose political committee on file with the commission. Air Conditioning Contractors Association Greater Houston does not show any political contributions to FRW during the period at issue.
19. According to the Federal Election Commission’s website, ExelonPAC is a federal political committee also known as Exelon Corporation Political Action Committee. ExelonPAC’s November 2009 monthly report disclosed a \$500 disbursement to “Randy Weber Campaign,” on October 16, 2009, the same date disclosed for the contribution on FRW’s report at issue.

FRW did not disclose a FEC identification number for this political contribution on the report at issue.

20. DENPAC is a general-purpose political committee on file with the commission, also known as Texas Dental Association Political Action Committee. DENPAC's January 2010 monthly report disclosed a \$250 political contribution to "Randy Weber." The contribution disclosed the same date as FRW disclosed for a \$250 political contribution from Texas DENPAC.
21. TCC/ACIT FREEPAC is a general-purpose political committee on file with the commission, also known as Texas Chemical Council/Assn. Of Chemical Industry Of TX Free Enterprise Political Action Committee. TCC/ACIT FREEPAC's November 2009 monthly report disclosed a \$500 political contribution to "Randy Weber Campaign." The contribution disclosed the date as one day after the date that FRW disclosed for a \$500 political contribution from Texas FREEPAC on the report at issue. The committee's reports may be found by typing the acronym "FREEPAC" into the search function on the commission's website.

Purpose of Political Expenditures

22. The complaint alleged that the respondent did not disclose on the report at issue sufficient purposes for 50 political expenditures totaling approximately \$2,880.
23. Approximately \$1,500 of the political expenditures at issue disclosed their purpose as "Office: Office Supplies." Approximately \$720 of the political expenditures at issue disclosed their purpose as "Public Promotion: Sponsorship." Approximately \$490 of the political expenditures at issue disclosed their purpose as "Fundraising: Facilities." One political expenditure at issue for \$171.38 described its purpose as "Travel: Office Holder."

Outstanding Loan Totals

24. The complaint alleged that the respondent did not properly disclose the total principal amount of all outstanding loans as of the last day of the reporting period on the report at issue. The respondent disclosed the amount as \$40,000. The respondent did not disclose any loans on Schedule E of the report, and there were no loans disclosed on the committee's only previous report. The respondent did not disclose any loan repayments made during the reporting period at issue. The complaint alleged that the total amount of outstanding loans on the report should be \$0.
25. In her response to the complaint the respondent swore, "The \$40,000 outstanding loan obligation had been transferred to the SPAC, Friends of Randy Weber by Randy Weber C/OH. The 'Outstanding Loan Totals' is correct as reported."

26. A \$45,000 outstanding loan balance first appeared on Mr. Weber's January 2009 semiannual report. However, the report disclosed only one \$15,000 loan from Mr. Weber to his campaign on Schedule E. There were multiple political expenditures from personal funds disclosed on the report, but the loan combined with those expenditures did not equal \$45,000. Mr. Weber's previously filed report disclosed \$0 in total outstanding loans. Mr. Weber's July 2009 semiannual report disclosed an additional \$10,000 loan to his campaign from himself. Mr. Weber's January 2010 semiannual report then disclosed \$15,000 in political expenditures to himself for "Repayment of Loan," and the total amount of outstanding loans disclosed on the report was reduced to \$40,000. Mr. Weber's July 2010 semiannual report disclosed \$0 in outstanding loans but shows no political expenditures on that report to pay off the loan.

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 campaign finance report must include as of the last day of a reporting period for which the person is required to file a report, 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. ELEC. CODE § 254.031(a)(8).
2. The report at issue disclosed that FRW had \$25.56 in total political contributions maintained at the end of the reporting period. The respondent denied that she disclosed the incorrect amount of total political contributions maintained on the report at issue. However, the bank records provided by the respondent disclose that FRW had \$352.34 in total political contributions maintained on the last day of the reporting period. Therefore, there is credible evidence of a violation of section 254.031(a)(8) of the Election Code.

Political Contributions from Corporations or Labor Unions

3. Each campaign finance report must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report, the full name and address of the person making the contributions, and the dates of the contribution. ELEC. CODE § 254.031(a)(1).
4. A person may not knowingly accept a political contribution that the person knows was made in violation of chapter 253 of the Election Code. ELEC. CODE § 253.003.
5. A corporation may not make a political contribution or political expenditure that is not authorized by subchapter D, chapter 253, Election Code. ELEC. CODE § 253.094.

6. The prohibition applies to corporations that are organized under the Texas Business Corporation Act, the Texas For-Profit Corporation Law, the Texas Non-Profit Corporation Act, the Texas Nonprofit Corporation Law, federal law, or law of another state or nation. ELEC. CODE § 253.091.
7. There is insufficient evidence of a violation of sections 253.003 and 253.094 of the Election Code.

Out-of-State PAC Information

8. A person who files a report with the commission by electronic transfer and who accepts political contributions from an out-of-state political committee required to file its statement of organization with the Federal Election Commission shall either enter the out-of-state committee's federal PAC identification number in the appropriate place on the report or timely file a certified copy of the out-of-state committee's statement of organization that is filed with the Federal Election Commission. ELEC. CODE § 253.032; Ethics Commission Rules § 20.29(a).
9. The complaint alleged that the respondent did not include on FRW's January 2010 semiannual report the FEC identification number for the contribution from Waste Management PAC. The political contribution came from WME and the respondent did not include its FEC identification number on the report at issue. Therefore, there is credible evidence of a violation of section 253.032 of the Election Code and section 20.29(a) of the Ethics Commission Rules.

Principal Occupation and Employer Information

10. Each report by a candidate for statewide office in the executive branch or legislative office must include, for each individual from whom the person filing the report has accepted political contributions that in the aggregate equal or exceed \$500 during the reporting period, the individual's principal occupation or job title, and the full name of the individual's employer. ELEC. CODE § 254.0612.
11. In addition to the contents required by sections 254.031 and 254.121 of the Election Code, each report by a specific-purpose committee for supporting or opposing a candidate for or assisting a holder of a statewide office in the executive branch or a legislative office must include the contents prescribed by section 254.0612 of the Election Code. ELEC. CODE § 254.1212.
12. The complaint alleged that the respondent did not properly disclose the contributors' principal occupations or job titles and names of employers for three contributions of \$500 or more totaling approximately \$4,000 in FRW's January 2010 semiannual report. Two of the political contributions at issue totaling approximately \$1,500 disclosed "researching" as the

principal occupations or job titles and names of employers. The term “researching” does not disclose the information required on the report. Therefore, with regard to \$1,500 at issue, there is credible evidence of violations of section 254.1212 of the Election Code.

13. As to the remaining \$2,500 political contribution, the respondent swore that the information was correct but that it was transposed in the wrong boxes. The contributor was an officer or principal of an entity that bore his name. The contributor was identified as self-employed but the respondent did not list the formal name of the entity that the contributor was employed with. However, the commission has previously determined that there is no violation of section 254.1212 of the Election Code for listing a contributor as self-employed as long as the contributor is an officer or principal of an entity that bears the contributor’s name, or if the contributor is otherwise self-employed. Although the terms self-employed, and self-employed investments should have been in the opposite boxes for principal occupations or job title and employer, it did not substantially affect disclosure. Therefore, there is credible evidence of no violation of section 254.1212 of the Election Code with regard to that contribution.

Disclosure of Full Names of Contributors

14. A campaign finance report must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
15. It is not a valid basis of a complaint to allege that a campaign finance report contains the improper name or address of a contributor if the name or address in the report is the same as the name or address that appears on a check for the contribution. The bill also provides that the Commission shall dismiss a complaint to the extent that the complaint makes such an allegation.¹ ELEC. CODE § 571.122(e).
16. The complaint alleged that the respondent did not disclose the full name of payees for five political contributions totaling approximately \$2,550 disclosed on the report at issue. ACCA Greater Houston is a common acronym for Air Conditioning Contractors Association - Greater Houston. There is credible evidence of no violation of section 254.031(a)(1) of the Election Code with regard to contributions from ACCA Greater Houston. Although the law has since changed, there is credible evidence of violations of section 254.031(a)(1) of the Election Code that was in effect at the time of the contributions from G T Lilie and SL Adams.

¹ This section was not effective until September 28, 2011, two days after the complaint was filed.

17. The contribution from MH Elam was only \$20 and was not required to be itemized on the report. Therefore, there is credible evidence of no violation of section 254.031(a)(1) of the Election Code with regard to that contribution.
18. The political contribution from EXELONPAC disclosed the correct name for the committee; however, it did not include the additional information required for a contribution from a federal political committee. Therefore, there is credible evidence of no violation of section 254.031(a)(1) of the Election Code, but credible evidence of a violation of section 253.032 of the Election Code and section 20.29(a) of the Ethics Commission Rules with regard to that contribution.
19. The contribution from Texas DENPAC contained the correct name of the contributor, simply adding the word Texas before the recognized acronym of the political committee. Therefore, there is credible evidence of no violation of section 254.031(a)(1) of the Election Code with regard to that contribution.
20. There is credible evidence of no violation of section 254.031(a)(1) of the Election Code with regard to the contribution from Texas FREEPAC.

Purpose of Political Expenditures

21. Each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100² 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. ELEC. CODE § 254.031(a)(3).
22. Prior to July 1, 2010, Ethics Commission Rule § 20.61 required that the report of a political expenditure for goods or services must describe the categories of goods or services received in exchange for the expenditure. Ethics Commission Rules § 20.61.
23. On December 2, 2009, the commission adopted changes to rule 20.61 to require additional information concerning the purpose of expenditures. This rule effected expenditures made after July 1, 2010. Rule 20.61 currently states that the purpose of an expenditure means a description of goods, services, or other thing of value *and* must include a brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure. Ethics Commission Rules § 20.61.

²\$50 during the time at issue.

24. During the time at issue in the complaint, the law required that a political expenditure for goods or services describe the categories of goods or services received in exchange for the expenditure. The political expenditures disclosed as “Public Promotion: Sponsorship,” do not sufficiently describe the categories of goods or services received in exchange for the expenditures. The respondent swears that the expenditures for “Public Promotion: Sponsorship” were used to describe purchases to promote the candidate by providing items to support or sponsor the fundraising of various civic and philanthropic entities. However, that term is too vague and ambiguous to describe the purpose of purchased items. Therefore, with regard to the those political expenditures, there is credible evidence of violations of section 254.031(a)(3) of the Election Code and section 20.61 of the Ethics Commission Rules.
25. The remaining political expenditures for “Fundraising: Facilities,” “Office: Office Supplies,” and “Travel: Office Holder,” sufficiently describe the purposes of those political expenditures. Therefore, with regard to those political expenditures, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code and section 20.61 of the Ethics Commission Rules.

Outstanding Loan Totals

26. Each report must include the amount of loans that are made during the reporting period for campaign or officeholder purposes to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period. ELEC. CODE § 254.031(a)(2).
27. The complaint alleged that the respondent did not properly disclose the total principal amount of all outstanding loans as of the last day of the reporting period on the report at issue. The complaint alleged that the amount was \$0. The respondent swore that FRW took over the obligation to pay back a loan for Randy Weber. There is no documentation on file showing that the committee assumed responsibility for the loan. The committee did not disclose any loans prior to or on the report at issue. It is unclear where the original loan actually came from. If the committee actually received a loan, the respondent would be required to disclose the outstanding loan amount. Based on the face of the committee’s reports, it does not appear that the committee ever received a loan. If it never received a loan it should not have disclosed an outstanding loan amount. Therefore, there is credible evidence of a violation of section 254.031(a)(2) 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: 1) each campaign finance report must include as of the last day of a reporting period for which the person is required to file a report, 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; 2) a person who files a report with the commission by electronic transfer and who accepts political contributions from an out-of-state political committee required to file its statement of organization with the Federal Election Commission shall either enter the out-of-state committee's federal PAC identification number in the appropriate place on the report or timely file a certified copy of the out-of-state committee's statement of organization that is filed with the Federal Election Commission; 3) in addition to the contents required by sections 254.031 and 254.121 of the Election Code, each report by a specific-purpose committee for supporting or opposing a candidate for or assisting a holder of a statewide office in the executive branch or a legislative office must include the contents prescribed by section 254.0612 of the Election Code; 4) a campaign finance report must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions; 5) each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 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; 6) the purpose of political expenditures must be disclosed in compliance with section 20.61 of the Ethics Commission Rules; and 7) each report must include the amount of loans that are made during the reporting period for campaign or officeholder purposes to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period.

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 nature, circumstances, and consequences of the violations described under Sections III and IV, and 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-31109215.

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

Dolly Edge, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director