

TEXAS ETHICS COMMISSION

IN THE MATTER OF
OTSO, INC.,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-3140106

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on October 29, 2014, to consider sworn complaint SC-3140106. A quorum of the commission was present. The commission determined that there is credible evidence of a violation of sections 253.003 and 253.094 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. Allegation

The complaint alleged that the respondent made a prohibited corporate political contribution.

III. Facts Supported by Credible Evidence

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

1. The complaint alleged that the respondent made a prohibited corporate contribution to a candidate or officeholder. According to the records of the Texas Secretary of State, the respondent is a domestic for-profit corporation doing business under the assumed name Valley Wide Security.
2. A campaign finance report of a state representative disclosed accepting a \$100 political contribution on August 13, 2011, from Valley Wide Security.
3. In response to the complaint, the president of the respondent corporation (“president”) swore: “I ... was unaware that contributing to a State Representative was a crime if we used a corporate check. ... I mistakenly used a company check not realizing the consequences.”

IV. Findings and Conclusions of Law

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

1. A person may not knowingly make a political contribution in violation of chapter 253 of the Election Code. ELEC. CODE § 253.003(a).
2. A corporation may not make a political contribution that is not authorized by subchapter D, Chapter 253, Election Code. ELEC. CODE § 253.094(a). Subchapter D does not authorize a corporation to make a political contribution to a candidate or officeholder.
3. 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.
4. Credible evidence indicates that the respondent made the political contribution at issue to a candidate or officeholder. The respondent was a corporation. Therefore, there is credible evidence of a violation of sections 253.003 and 253.094 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 a corporation may not make a political contribution to a candidate or officeholder. The respondent agrees to comply with this requirement of the law.

VI. Confidentiality

This order and agreed resolution describes a violation that the commission has determined is 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 violation described under Sections III and IV, and after considering the sanction necessary to deter future violations, the commission imposes a \$100 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-3140106.

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

Otso, Inc., Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
Natalia Luna Ashley,
Executive Director