

TEXAS ETHICS COMMISSION

IN THE MATTER OF
MICHAEL A. STEVENS,
RESPONDENT

§
§
§
§
§

BEFORE THE
TEXAS ETHICS COMMISSION
SC-32205243

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on December 13, 2022, to consider sworn complaint SC-32205243. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of Section 254.154 of the Election Code, a law administered and enforced by the Commission. To resolve and settle this complaint without further proceedings, the Commission adopted this resolution.

II. Allegations

The complaint alleged that the respondent, as campaign treasurer of the political committee Texas Voters PAC: 1) failed to file a 30-day pre-election report for the May 7, 2022 election, despite being involved in the election, in violation of Section 254.154(b) of the Election Code; and 2) failed to file an 8-day pre-election report for the May 7, 2022 election, despite being involved in the election, in violation of Section 254.154(c) of the Election Code.

III. Findings of Fact and Conclusions of Law

Credible evidence available to the Commission supports the following findings of fact and conclusions of law:

1. The respondent is the campaign treasurer for Texas Voters PAC (“the PAC”), a general-purpose committee that files with the Commission.
2. The complaint alleged that the respondent did not file the PAC’s 30-day and 8-day pre-election reports for the May 7, 2022 election, despite the PAC being involved in the election.

3. The information submitted with the complaint shows that the PAC distributed political advertising flyers supporting three incumbent candidates for Lubbock ISD school board in the May 7, 2022 election. The political advertising disclosure statement read “Pol. Adv. paid for by Texas Voters PAC.” The complaint also included the 8-day pre-election report for the general-purpose committee Champions for Business, which disclosed a \$5,000 political contribution to the PAC on April 20, 2022.
4. In response to the complaint, the respondent swore that he had understood that there was a difference between receiving and accepting a contribution but that he did not know the decision to accept had to be made before the end of the reporting period. The respondent further swore that the political advertising at issue had been assembled by the PAC at a heavily reduced cost and that interested parties would have to contribute \$8,500 for the production and distribution of the material. The political advertising was produced before the 8-day reporting deadline, but no political contributions were used to pay for the production. The respondent swore that the intent was to return any received contributions if the total amount of \$8,500 was not received before election day. The respondent swore in his response to the complaint that he did not consider the received political contributions as “accepted” because the total balance had not been received. The respondent stated that he believed he had to report all activity on the “post election report” because the final contribution was not received until after the 8-day reporting period.
5. The respondent filed both the 30-day pre-election report and the 8-day pre-election report on July 14, 2022. The 30-day pre-election report disclosed \$7,000 in total political contributions, \$0 in total political expenditures, and \$11,000 in total political contributions maintained. The 8-day pre-election report disclosed \$31,295 in total political contributions, \$56,070 in total political expenditures, and \$6,225 in total political contributions maintained.
6. In addition to other required reports, for each election in which a general-purpose committee is involved, the committee’s campaign treasurer shall file two reports. Tex. Elec. Code § 254.154(a). The first report must be received by the authority with whom the report is required to be filed not later than the 30th day before election day. The report covers the period beginning the day the committee’s campaign treasurer appointment is filed or the first day after the period covered by the committee’s last required report, as applicable, and continuing through the 40th day before election day. *Id.* § 254.154(b). The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day. The report covers the period beginning the 39th day before election day and continuing through the 10th day before election day. *Id.* § 254.154(c).
7. A determination to accept or refuse a political contribution that is received by a candidate, officeholder, or political committee shall be made not later than the end of the reporting period during which the contribution is received. Tex. Elec. Code § 254.034(a). If the

determination to accept or refuse a political contribution is not made before the time required by Subsection (a), the contribution is considered to have been accepted on the last day of that reporting period. *Id.* § 254.034(b).

8. A general-purpose committee that accepts political contributions or makes political expenditures in support of or in opposition to a candidate or measure to be voted on in an election shall file pre-election reports. 1 Tex. Admin. Code § 20.425(a).
9. The PAC accepted political contributions and made political expenditures in connection with the May 7, 2022 election during the 30-day and 8-day pre-election reporting periods. The PAC was therefore required to file a 30-day pre-election report not later than April 7, 2022, and an 8-day pre-election report not later than April 29, 2022. The respondent filed both the 30-day and 8-day pre-election reports late on July 14, 2022. Therefore, there is credible evidence of violations of Section 254.154 of the Election Code.

IV. 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 findings of fact and conclusions of law described under Section III, 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 in addition to other required reports, for each election in which a general-purpose committee is involved, the committee's campaign treasurer shall file two reports. The first report must be received by the authority with whom the report is required to be filed not later than the 30th day before election day. The report covers the period beginning the day the committee's campaign treasurer appointment is filed or the first day after the period covered by the committee's last required report, as applicable, and continuing through the 40th day before election day. The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day. The report covers the period beginning the 39th day before election day and continuing through the 10th day before election day. The respondent agrees to comply with these requirements of the law.

V. 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.

VI. Sanction

After considering the seriousness of the violations described under Section III, including the nature, circumstances, consequences, extent, and gravity of the violations, and after considering the sanction necessary to deter future violations, the Commission imposes a \$1,450 civil penalty.

VII. 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-32205243.

AGREED to by the Respondent on this _____ day of _____, 2022.

Michael A. Stevens, Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
J.R. Johnson, Executive Director