



TEXAS ETHICS COMMISSION MEETING MINUTES

November 27, 2006, 1:04 p.m.

Capitol Extension, Room E1.010, Austin, Texas 78701



COMMISSIONERS PRESENT: Cullen R. Looney, Chair; Raymond R. "Tripp" Davenport, III, Vice Chair; Ross Fischer; Tom Harrison; Francisco Hernandez; Wales H. Madden, III; David Montagne; and Nicholas C. Taylor.

COMMISSIONERS ABSENT: None.

STAFF PRESENT: Natalia L. Ashley, Amy Barden, Liz Brenner, Margie Castellanos, Sharon Finley, Jeanine C. Hudson, Jason D. King, Becky Levy, Bobby Mannas, Veronica Medrano, Robbie Miller, David A. Reisman, Tim Sorrells, Ian Steusloff, and Mary Young.

MINUTES

This meeting was tape recorded. 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 tapes on file at the Commission's office.

Agenda Item 1: Call to order; roll call.

The meeting was called to order by Chair Looney. David A. Reisman, Executive Director, called the roll. All commissioners were present.

Agenda Item 2: Communication to the commission from the public.

None.

Agenda Item 3: Comments by the commissioners.

None.

Agenda Item 4: Comments by the executive director.

David A. Reisman, Executive Director, made the following comments:

1. Mr. Reisman announced that the meeting is being broadcast on the local capitol channel 36.
2. The Attorney I position being vacated by Elizabeth Brenner and the Director of Administration position being vacated by William Calem have been posted.

3. The Ethics Commission revised and upgraded its website to improve the site's usability. The website currently receives approximately 1,700 visitors per day. The website contains a link for online ethics training for members of the legislature and employees of legislative agencies, that is similar to the online ethics training program developed for state officers and employees in the executive branch of state government. Mr. Reisman thanked the staff attorneys and the computer services division for developing the training program.
4. Lobby notices and software for lobby registration and lobby activities reporting were recently mailed out. Lobbyists may begin registering on December 1, 2006, for the upcoming calendar year.
5. Mr. Reisman extended his and staff's appreciation for Chair Looney's services to the Ethics Commission.

Chair Looney thanked staff and commented on the job well done on the Ethics Commission's website.

Agenda Item 5: Approve minutes of the September 21, 2006, and September 22, 2006, meetings.

Motion by Commissioner Taylor to adopt the September 21, 2006, and September 22, 2006, meeting minutes; second by Vice Chair Davenport. Motion passed by a vote of eight ayes.

For Agenda Items 6, 7 and 8, the following represents the actions taken by the Ethics Commission in the order they occurred during the meeting.

Agenda Item 7: Briefing, discussion, and possible action to waive or reduce certain penalties assessed for late filing of campaign finance reports, lobby reports, or personal financial statements.

31. George W. Bramblett, Treasurer, 'HayBoo PAC' Haynes & Boone PAC (00040424)
Report: semiannual report due July 17, 2006
Penalty: \$4,700
Staff recommendation: reduction of the late-filing penalty to \$2,000

Hal Sanders, Attorney, spoke before the commission. Motion by Commissioner Harrison to reduce the \$4,700 late-filing penalty to \$1,000 for Agenda Item 7, number 31; second by Commissioner Fischer. Motion passed by a vote of eight ayes. **Reduction of the late-filing penalty to \$1,000 is adopted on Agenda Item 7, number 31.**

38. Kathy A. Keane, Treasurer, 'CVRW Club PAC' Concho Valley Republican Women's Club PAC (00017039)
Report: monthly report due September 5, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Kathy A. Keane spoke before the commission. Motion by Commissioner Taylor to reduce the \$500 late-filing penalty to \$100 on Agenda Item 7, number 38; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **Reduction of the late-filing penalty to \$100 is adopted on Agenda Item 7, number 38.**

46. Douglas M. 'Doug' Barlow, Candidate, Criminal District Court Judge (00058212)
Report: semiannual report due July 17, 2006
Penalty: \$1,400 (reduced to \$700)

Douglas M. Barlow spoke before the commission. Motion by Commissioner Montagne to waive the late-filing penalty on Agenda Item 7, number 46; second by Commissioner Hernandez. Motion passed by a vote of eight ayes. **Late-filing penalty is waived on Agenda Item 7, number 46.**

49. Edward L. Johnson, Texas Building and Procurement Commission (00059127)
Report: personal financial statement due March 6, 2006
Penalty: \$500

Edward L. Johnson spoke before the commission. Commissioner Harrison abstained. **The late-filing penalty for Agenda Item 7, number 49 stands due to lack of a motion.**

Agenda Item 8: Briefing, discussion, and possible action to waive or reduce late-filing penalties in connection with certain corrected reports or to determine whether certain corrected reports as originally filed substantially complied with the applicable law.

30. Chris Maska, Treasurer, Republican Party Of Texas (00015662)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Susan McClain, CPA, spoke before the commission. Motion by Commissioner Madden to adopt staff's recommendation on Agenda Item 8, number 30; second by Commissioner Hernandez. Motion passed by a vote of eight ayes. **Staff's recommendation not to waive the late-filing penalty is adopted on Agenda Item 8, number 30.**

31. Paul Moreno, State Representative (00020538)
Report: semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- Report: special session report due June 14, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- Report: semiannual report due July 17, 2006
Penalty: \$4,200
Staff recommendation: no waiver of the late-filing penalty
- Total penalties: \$5,200

Paul Moreno, State Representative, spoke before the commission. Motion by Commissioner Taylor that the original reports due January 17, 2006, June 14, 2006, and July 17, 2006, substantially complied with the applicable law due to physical disability on Agenda Item 8, number 31; second by Commissioner Montagne. Motion failed. Vice Chair Davenport, Commissioners Fischer, Hernandez, and Madden voted no. Motion by Commissioner Madden to find a violation and impose no penalty on Agenda Item 8, number 31; second by Commissioner Harrison. Motion failed. Vice Chair Davenport abstained. Commissioners Fischer, Hernandez, and Taylor voted no. Motion by Commissioner Fischer to reduce the total penalties to \$2,600 on Agenda Item 8, number 31. Motion died for lack of a second. Motion by Commissioner Taylor to find a violation and waive the late-filing penalties on Agenda Item 8, number 31; second by Commissioner Harrison. Amended motion by Commissioner Hernandez to impose a \$500 late-filing penalty for each report on Agenda Item 8, number 31; second by Vice Chair Davenport. Motion passed by a vote of five ayes. Commissioners Harrison, Montagne, and Taylor voted no. Vote on motion as amended to impose a \$500 late-filing penalty on each report on Agenda Item 8, number 31. Motion passed by a vote of five ayes. Commissioners Harrison, Montagne, and Taylor voted no. **Reduction of the late-filing penalties to \$500 each is adopted on Agenda Item 8, number 31.**

34. David Reynolds, Treasurer, 'TEXPAC' Texas Medical Assn. PAC (00015658)
Report: monthly report due October 5, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

David Reynolds spoke before the commission. Motion by Commissioner Madden to adopt staff's recommendation on Agenda Item 8, number 34; second by Commissioner Taylor. Motion passed by a vote of eight ayes. **Staff's recommendation not to waive the late-filing penalty is adopted on Agenda Item 8, number 34.**

37. Carol L. Dove, Treasurer, 'NTPPF' Nationwide Texas Political Participation Fund (00034623)
(a) Report: 8-day pre-election report due September 5, 2003
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500

(b) Report: 8-day pre-election report due October 27, 2003
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500

(c) Report: 30-day pre-election report due January 8, 2004
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100

(d) Report: semiannual report due January 15, 2004
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100

(e) Report: 8-day before election report due January 30, 2004
Penalty: \$10,000
Staff recommendation: that the report substantially complied with the applicable law

- (f) Report: semiannual report due July 15, 2004
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500
- (g) Report: 30-day pre-election report due August 12, 2004
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100
- (h) Report: 8-day pre-election report due September 3, 2004
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500
- (i) Report: 30-day pre-election report due October 4, 2004
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100
- (j) Report: 8-day pre-election report due October 25, 2004
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500
- (k) Report: 30-day pre-election report due January 6, 2005
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100
- (l) Report: semiannual report due January 18, 2005
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500
- (m) Report: 8-day pre-election report due January 28, 2005
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500
- (n) Report: 30-day pre-election report due April 7, 2005
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100
- (o) Report: 8-day pre-election report due April 29, 2005
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500
- (p) Report: semiannual report due July 15, 2005
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100
- (q) Report: 30-day pre-election report due October 11, 2005
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100

(r) Report: 8-day pre-election report due October 31, 2005
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$500

(s) Report: semiannual report due January 17, 2006
 Penalty: \$500
 Staff recommendation: reduction of the late-filing penalty to \$100

(t) Report: 30-day pre-election report due February 6, 2006
 Penalty: \$500
 Staff recommendation: reduction of the late-filing penalty to \$100

(u) Report: 8-day pre-election report due February 27, 2006
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$500

(v) Report: 8-day pre-election report due April 3, 2006
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$500

(w) Report: 8-day pre-election report due May 5, 2006
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$500

(x) Report: semiannual report due July 17, 2006
 Penalty: \$8,200
 Staff recommendation: reduction of the late-filing penalty to \$500

Total penalties: \$143,200 Total recommended penalties: \$7,500

Michael W. Jones spoke before the commission. Motion by Commissioner Hernandez to waive the late-filing penalties on (a) through (d) and (f) through (h), that (e) substantially complied with the applicable law, and to adopt staff's recommendation on (i) through (x); second by Commissioner Fischer. Motion passed by a vote of seven ayes. Commissioner Montagne was off the dais. **Motion is adopted to waive the late-filing penalties on the reports due September 5, 2003, October 27, 2003, January 8, 2004, January 15, 2004, July 15, 2004, August 12, 2004, and September 3, 2004, that the report due January 30, 2004, substantially complied with the applicable law, and adopt staff's recommendation to reduce the late-filing penalties on the reports due October 4, 2004, October 25, 2004, January 6, 2005, January 18, 2005, January 28, 2005, April 7, 2005, April 29, 2005, July 15, 2005, October 11, 2005, October 31, 2005, January 17, 2006, February 6, 2006, February 27, 2006, April 3, 2006, May 5, 2006, and July 17, 2006, on Agenda Item 8, number 37.**

44. Allen R. Vaught, State Representative Elect (00058275)
 (a) Report: 30-day pre-election report due February 6, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty

(b) Report: 8-day pre-election report due February 27, 2006
 Penalty: \$10,000
 Staff recommendation: that the report substantially complied with the applicable law

(c) Report: semiannual report due July 17, 2006
 Penalty: \$7,600
 Staff recommendation: reduction of the late-filing penalty to \$1,500

Total penalties: \$18,100 Total recommended penalties: \$2,000

Allen R. Vaught spoke before the commission. Motion by Commissioner Harrison to adopt staff's recommendation not to waive the \$500 late-filing penalty on the report due February 6, 2006, that the report due February 27, 2006, substantially complied with the applicable law, and to reduce the \$7,600 late-filing penalty to \$500 on the report due July 17, 2006, on Agenda Item 8, number 44; second by Commissioner Fischer. Motion passed by a vote of seven ayes. Commissioner Montagne was off the dais. **Staff's recommendation not to waive the late-filing penalty on the report due February 6, 2006, that the report due February 27, 2006, substantially complied with the applicable law, and reduction of the late-filing penalty to \$500 on the report due July 17, 2006, is adopted on Agenda Item 8, number 44.**

45. Dwayne A. Bohac, State Representative (00032585)
 Report: semiannual report due July 17, 2006
 Penalty: \$700 (reduced to \$250)

Dwayne A. Bohac spoke before the commission. Motion by Commissioner Harrison to waive the late-filing penalty on Agenda Item 8, number 45; second by Commissioner Madden. Motion failed. Vice Chair Davenport and Commissioners Fischer, Hernandez, and Looney voted no. **Late-filing penalty stands at \$250 on Agenda Item 8, number 45.**

46. Keith Dean, District Judge (00019861)
 Report: semiannual report due July 17, 2006
 Penalty: \$2,400 (reduced to \$500)

Keith Dean spoke before the commission. **The late-filing penalty for Agenda Item 8, number 46, stands due to lack of a motion.**

47. Phillip S. 'Phil' King, State Representative (00036483)
 (a) Report: personal financial statement due February 11, 2004
 Penalty: \$500

 (b) Report: personal financial statement due February 13, 2006
 Penalty: \$500

 Total penalties: \$1,000

Phillip S. King spoke before the commission. Motion by Commissioner Madden that the reports substantially complied with the applicable law on Agenda Item 8, number 47. Motion died for lack of a second. Motion by Commissioner Taylor to reduce the late-filing penalties to \$250 total on Agenda Item 8, number 47; second by Commissioner Madden. Motion failed. Chair Looney, Vice Chair Davenport, and Commissioners Fischer, Hernandez, and Montagne voted no. **Late-filing penalty stands on Agenda Item 8, number 47.**

49. Larry Noll, Candidate, District Judge (00054656)
Report: semiannual report due July 17, 2006
Penalty: \$500

Larry Noll spoke before the commission. **The late-filing penalty for Agenda Item 8, number 49, stands due to lack of a motion.**

50. Lawrence A. 'Larry' Phillips, State Representative (00052791)
Report: 8-day pre-election report due February 27, 2006
Penalty: \$10,000

Larry Phillips and Jack Gullahorn spoke before the commission. Motion by Commissioner Harrison that the report substantially complied with the applicable law on Agenda Item 8, number 50; second by Vice Chair Davenport. Motion passed by a vote of eight ayes. **Motion that the report substantially complied with the applicable law is adopted on Agenda Item 8, number 50.**

Agenda Item 6: Discussion and possible action regarding recommendations to the Legislature by the Chair of the Task Force, Commissioner Ross Fischer.

Commissioner Fischer thanked Commissioners Hernandez and Madden and Natalia L. Ashley, General Counsel, for their hard work on this agenda item. Commissioner Fischer briefed the commission on this agenda item. Motion by Commissioner Fischer to adopt the legislative recommendations report and that the report be presented to the legislature; second by Vice Chair Davenport. Motion passed by a vote of eight ayes.

Return to Agenda Item 7.

1. Len Goff, Treasurer, Fort Bend Democrats (00056054)
Report: semiannual report due July 17, 2006
Penalty: \$700
Staff recommendation: waiver of the late-filing penalty
2. Carolyn I. Wright, Justice, Court of Appeals (00028951)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Harrison to waive the late-filing penalties on Agenda Item 7, numbers 1 and 2; second by Vice Chair Davenport. Motion passed by a vote of eight ayes. **Staff's recommendation to waive the late-filing penalties is adopted on Agenda Item 7, numbers 1 and 2.**

3. Gloria Garvish, Treasurer, 'PARW' Plainview Area Republican Women (00055319)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
4. Gayle Ledbetter, Chair, Johnson County Democratic Party (P) (00023970)
Report: 50-day before election report due September 18, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
5. Daniel J. 'Dan' Ramos, Candidate, County Party Chair (00058797)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
6. Gary Rowe, Treasurer, Political Action Committee Of The Wichita Falls Assn. Of Insurance Agents (00015600)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
7. Kevin M. Sheeran, Treasurer, Texas Towing And Storage Assn. PAC (00016896)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
8. Karen T. Webster, Treasurer, 'CBSN' Citizens and Businesses for Safe Neighborhoods (00055119)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Montagne to waive the late-filing penalties on Agenda Item 7, numbers 3 through 8; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **Staff's recommendation to waive the late-filing penalties is adopted on Agenda Item 7, numbers 3 through 8.**

9. Charles F. Allen, III, Treasurer, Bryan/College Station Apartment Assn. PAC (00016842)
Report: monthly report due September 5, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
10. Daniel M. Chism, Treasurer, EXCORP, Inc. Political Action Committee (00057770)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

11. Randolph L. DeLay, Lobbyist (00031168)
Report: lobby activities report due July 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
12. Cassie Folk, Lobbyist (00053639)
Report: lobby activities report due September 11, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
13. John H. Jewett, Treasurer, Texans for Ted (00058364)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
14. Kerney Laday, Treasurer, North Texas African-American PAC (00039121)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
15. Richard B. Lawson, Treasurer, Verizon Communications Inc. Good Government Club – Texas (00015611)
Report: monthly report due August 7, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
16. Ginger K. Martin, Treasurer, Heart Of Texas Apartment Assn. PAC (00016366)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
17. Perry Max, Treasurer, Political Action Committee Of The Independent Insurance Agents of Dallas (00015595)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
18. Leonard C. ‘Lenny’ Morales, Candidate, District Judge (00057728)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
19. Mary Ann Neely, Treasurer, Texas Vote Environment Clean Water Action (00016699)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

20. Jose R. 'Rudy' Ochoa, Candidate, State Representative (00057806)
Report: 30-day pre-election report due February 6, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
21. Lulu P. Olson, Treasurer, 'KCIPAC' Kinetic Concepts, Inc. PAC (00015504)
Report: monthly report due September 5, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
22. Fred Shannon, Lobbyist (00050599)
Report: lobby activities reports due September 11, 2006, and October 10, 2006
Penalty: \$500 (each report)
Staff recommendation: no waiver of the late-filing penalties
23. William J. Stevens, Lobbyist (00039217)
Report: lobby activities reports due August 10, 2006, and September 11, 2006
Penalty: \$500 (each report)
Staff recommendation: no waiver of the late-filing penalties
24. William J. Stevens, Treasurer, 'TAOG PAC' Texas Alliance Oil and Gas PAC (00058143)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
25. Jim A. Stott, Treasurer, 'TPA-PAC' Texas Probation Association PAC (00055185)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$600
Staff recommendation: no waiver of the late-filing penalty
26. R. Michael Swayze, Treasurer, 'RRPAC' Round Rock Political Action Committee (00054792)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
27. Lynda P. Vine, Treasurer, 'FACT PAC' Foundation Appraisers Coalition of Texas PAC (00016772)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
28. Joe Bill Watkins, Lobbyist (00013212)
Report: lobby activities report due August 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

29. D. L. 'Dally' Willis, Lobbyist (00010026)
Report: lobby activities report due September 11, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Agenda Item 7, number 28, withdrawn at filer's request. Filer decided to pay penalty.

Motion by Commissioner Fischer to adopt staff's recommendation on Agenda Item 7, numbers 9 through 27, and 29; second by Vice Chair Davenport. Motion passed by a vote of eight ayes. **Staff's recommendations are adopted on Agenda Item 7, numbers 9 through 27, and 29.**

30. Lawrence Allen, Jr., State Board of Education (00056010)
Report: semiannual report due July 17, 2006
Penalty: \$3,300
Staff recommendation: reduction of the late-filing penalty to \$500
32. Colby W. Brown, Candidate, State Representative (00058281)
Report: semiannual report due July 17, 2006
Penalty: \$5,700
Staff recommendation: reduction of the late-filing penalty to \$500
33. Carlos Cardenas, M.D., Treasurer, Border Health PAC (00055547)
Report: monthly report due September 5, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
34. Jeffrey A. 'Jeff' Dodson, Lobbyist (00034501)
Report: lobby activities report due September 11, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
35. Robert W. Francis, Candidate, Court of Criminal Appeals Judge (00033062)
Report: semiannual report due July 17, 2006
Penalty: \$1,600
Staff recommendation: reduction of the late-filing penalty to \$500
36. House Rural Caucus (00058242)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
37. Freddie 'Fred' Jimenez, Candidate, District Judge (00057426)
Report: semiannual report due July 17, 2006
Penalty: \$8,800
Staff recommendation: reduction of the late-filing penalty to \$500

39. Tony Mandujano, Candidate, State Representative (00058719)
(a) Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- (b) Report: semiannual report due July 17, 2006
Penalty: \$7,000
Staff recommendation: reduction of the late-filing penalty to \$500
- Total penalties: \$7,500 Total recommended penalties: \$1,000
40. David R. Melanson, Candidate, State Representative (00058446)
Report: semiannual report due July 17, 2006
Penalty: \$3,300
Staff recommendation: reduction of the late-filing penalty to \$500
41. Bernhard T. Mitemeyer, M.D., Interim President, Texas Tech University Health Sciences Center (00059785)
Report: personal financial statement due August 14, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100
42. Rise J. Montrell, Treasurer, 'UNPAC' Urban Network Political Action Committee (00052618)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100
43. Barbara E. Moschner, Treasurer, 'SAAPAC' San Antonio Area Progressive Action Coalition (00057442)
(a) Report: 30-day pre-election report due October 11, 2005
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- (b) Report: 8-day pre-election report due October 31, 2005
Penalty: \$10,000
Staff recommendation: waiver of the late-filing penalty
- Total penalties: \$10,500 Total recommended penalties: \$500
44. Martha J. Rhymes, Treasurer, The Republican Club of Gregg County Texas (00054881)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

45. Richard W. Snyder, M.D., Treasurer, Heart Place PAC (00054518)
Report: semiannual report due July 17, 2006
Penalty: \$1,100
Staff recommendation: reduction of the late-filing penalty to \$500

Motion by Commissioner Madden to adopt staff's recommendations on Agenda Item 7, numbers 30, 32 through 37, 39 through 45; second by Commissioner Taylor. Motion passed by a vote of eight ayes. **Staff's recommendations are adopted on Agenda Item 7, numbers 30, 32 through 37, 39 through 45.**

Return to Agenda Item 7, number 49, at Commissioner Montagne's request.

49. Edward L. Johnson, Texas Building and Procurement Commission (00059127)
Report: personal financial statement due March 6, 2006
Penalty: \$500

Motion by Commissioner Montagne to reduce the \$500 late-filing penalty to \$100 on Agenda Item 7, number 49; second by Commissioner Hernandez. Motion passed by a vote of seven ayes. Commissioner Harrison abstained. **Reduction of the late-filing penalty to \$100 is adopted on Agenda Item 7, number 49.**

47. J. David Bradley, State Board of Education (00032542)
Report: personal financial statement due May 1, 2006
Penalty: \$500

The late-filing penalty for Agenda Item 7, number 47, stands due to lack of a motion.

48. Janice B. Howard, Texas Funeral Service Commission (00052856)
Report: personal financial statement due May 1, 2006
Penalty: \$500

Agenda Item 7, number 48, postponed at filer's request.

50. David A. Jones, Candidate, State Representative (00032432)
Report: semiannual report due July 17, 2006
Penalty: \$500

The late-filing penalty for Agenda Item 7, number 50, stands due to lack of a motion. Commissioner Harrison requested that the staff inform the commissioners at the next commission meeting whether the 1997 penalty has been paid.

51. Jim D. Lovett, District Judge (00032071)
Report: semiannual report due July 17, 2006
Penalty: \$500

The late-filing penalty for Agenda Item 7, Number 51, stands due to lack of a motion.

52. Robert C. 'Bert' Richardson, District Judge (00041161)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Taylor to adopt staff's recommendation on Agenda Item 7, number 52; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **Staff's recommendation to waive the late-filing penalty is adopted on Agenda Item 7, number 52.**

Return to Agenda Item 8.

1. Jimmie Don Aycock, State Representative Elect (00057872)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$500
Staff recommendation: that the original report substantially complied with the applicable law
2. Gerald M. Birnberg, Treasurer, Harris County Democratic Party (CEC) (00015507)
Report: 8-day pre-election report due February 27, 2006
Penalty: \$10,000
Staff recommendation: that the original report substantially complied with the applicable law
3. David W. Evans, District Judge (00037734)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$500
Staff recommendation: that the original report substantially complied with the applicable law
4. Karen P. Felthauer, Candidate, State Representative (00055862)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$600
Staff recommendation: that the original report substantially complied with the applicable law
5. Jason S. Johnson, Treasurer, 'TSC-PAC' Texans for School Choice PAC (00059692)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$600
Staff recommendation: that the original report substantially complied with the applicable law
6. P. Allan Port, Treasurer, Amegy Bank Political Action Committee (00024835)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$600
Staff recommendation: that the original report substantially complied with the applicable law

Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 8, numbers 1 through 6 that the original report substantially complied with the applicable law; second by Commissioner Taylor. Motion passed by a vote of seven ayes. Commissioner Fischer was off the dais. **Staff's recommendation that the original reports substantially complied with the applicable law is adopted on Agenda Item 8, numbers 1 through 6.**

7. Gay L. Bryant, Treasurer, Anderson County Republican Party (00016553)
Report: 30-day pre-election report due October 10, 1006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
8. Nathan A. Bryant, Treasurer, 'TBFAA PAC' Texas Burglar & Fire Alarm Assn. PAC (00028637)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
9. Tommy Engelke, Treasurer, 'TACC PAC' Texas Agricultural Cooperative Council PAC (00017363)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
10. Clint Hackney, Treasurer, Clint Hackney & Company Political Action Committee (00055382)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
11. Ann F. Hodge, Treasurer, Partners for Progress Inc. (00059910)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$600
Staff recommendation: waiver of the late-filing penalty
12. Tom Krampitz, Treasurer, SPEED PAC (00056924)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
13. Dianna Westmoreland, Treasurer, Grimes County Republican Party (CEC) (00053163)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Taylor to adopt staff's recommendation on Agenda Item 8, numbers 7 through 13 to waive the late-filing penalties; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **Staff's recommendation to waive the late-filing penalties is adopted on Agenda Item 8, numbers 7 through 13.**

14. Matt Brockman, Treasurer, 'TSCRA State PAC' Texas and Southwestern Cattle Raisers Association State PAC (00059393)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

15. Richard R. Burroughs, Candidate, District Judge (00058387)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
16. Joaquin Castro, State Representative (00051352)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
17. George S. Christian, Treasurer, Texas Civil Justice League PAC (00016805)
Report: monthly report due September 5, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
18. Michael J. Matera, Treasurer, Wells Fargo Financial Services, Inc. Political Action Committee (00016725)
Report: semiannual reports due January 17, 2006, and July 17, 2006
Penalty: \$500 (each report)
Total penalties: \$1,000
Staff recommendation: waiver of the late-filing penalty
19. Larry Olson, Executive Director, Department of Information Resources
Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
20. Vicki L. Pattillo, District Attorney (00054320)
Report: personal financial statements due February 11, 2004, May 2, 2005, and May 1, 2006
Penalty: \$500 (each report)
Total penalties: \$1,500
Staff recommendation: waiver of the late-filing penalty
21. Patrick M. Rose, State Representative (00051263)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
22. Carter T. Schildknecht, District Judge (00051275)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 8, numbers 14 through 22 to waive the late-filing penalties; second by Commissioner Fischer. Motion passed by a vote of eight ayes. **Staff's recommendation to waive the late-filing penalties is adopted on Agenda Item 8, numbers 14 through 22.**

23. Rafael M. Anchia, State Representative (00054808)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
24. Carl W. Boyd, Treasurer, Strategic Energy Political Action Committee (00055863)
Report: semiannual report due July 17, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
25. Ellen R. Cohen, State Representative Elect (00057532)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$600
Staff recommendation: no waiver of the late-filing penalty

Agenda Item 8, number 25, postponed at filer's request.

26. Gary D. Compton, Lobbyist (00014432)
Report: lobby activities report due August 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
27. Jacque P. Fuller, Treasurer, 'ROAD Women' River Oaks Area Democratic Women (00037876)
Report: monthly report due November 5, 2004
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
28. Clint Hackney, Treasurer, One Call Concepts PAC (00036419)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
29. Esther Marks, Treasurer, Friends of Judge Rene Diaz (00056405)
Report: 8-day pre-election report due October 30, 2006
Penalty: \$600
Staff recommendation: no waiver of the late-filing penalty
32. Sonia Phillips, Treasurer, 'SCOPE' Southwestern Committee On Political Education (00015514)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
33. Stephen R. Phillips, Treasurer, Dallas Chapter Texas Society Of CPA's PAC (00015505)
Report: 30-day pre-election report due October 10, 2006
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

35. Willie Wright, Treasurer, 'TxTPAC' Texas Tea PAC (00031996)
 Report: 30-day pre-election report due October 10, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Madden to adopt staff's recommendation on Agenda Item 8, numbers 23, 24, 26 through 29, 32, 33, and 35 not to waive the late-filing penalties; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **Staff's recommendation not to waive the late-filing penalties is adopted on Agenda Item 8, numbers 23, 24, 26 through 29, 32, 33, and 35.**

36. Alfred H. 'Al' Bennett, Candidate, State Representative (00057938)
 (a) Report: semiannual report due January 17, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty

 (b) Report: 30-day pre-election report due February 6, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty

 (c) Report: 8-day pre-election report due February 27, 2006
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$1,000
- | | | | |
|------------------|----------|------------------------------|---------|
| Total penalties: | \$11,000 | Total recommended penalties: | \$2,000 |
|------------------|----------|------------------------------|---------|

Agenda Item 8, number 36, postponed at filer's request.

38. James W. Gorman, Treasurer, Texans for Joe Straus (00056637)
 (a) Report: semiannual report due July 17, 2006
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$500

 (b) Report: 30-day pre-election report due October 10, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty
- | | | | |
|------------------|----------|------------------------------|---------|
| Total penalties: | \$10,500 | Total recommended penalties: | \$1,000 |
|------------------|----------|------------------------------|---------|
39. Mark Luitjen, District Judge (00037637)
 Report: semiannual report due July 17, 2006
 Penalty: \$3,700
 Staff recommendation: reduction of the late-filing penalty to \$500

40. R. Gary Montgomery, Treasurer, Citizens In Support Of College District Expansion (00032510)
 Report: semiannual report due July 17, 2006
 Penalty: \$500
 Staff recommendation: reduction of the late-filing penalty to \$100
41. Barbara E. Moschner, Treasurer, 'SAAPAC' San Antonio Area Progressive Action Coalition (00057442)
 Report: semiannual report due January 17, 2006
 Penalty: \$500
 Staff recommendation: reduction of the late-filing penalty to \$250
42. Robert E. Talton, State Representative (00020836)
 Report: semiannual reports due January 15, 2004, and July 15, 2004
 Penalty: \$500 (each report)
 Staff recommendation: that the original reports substantially complied with the applicable law
- Report: semiannual report due January 18, 2005
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$500
- Total penalties: \$11,000 Total recommended penalties: \$500
43. Dale B. Tillery, Candidate, State Representative (00026547)
 Report: semiannual reports due July 15, 2005, and January 17, 2006
 Penalty: \$500 (each report)
 Staff recommendation: reduction of the late-filing penalties to \$100 for each report

Motion by Commissioner Taylor to adopt staff's recommendations, unless it falls within the new substantial compliance, on Agenda Item 8, numbers 38 through 43; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **Staff's recommendations, unless it falls within the new substantial compliance, are adopted on Agenda Item 8, numbers 38 through 43.**

48. Donald R. 'Dee' Margo, II, Candidate, State Senator (00058443)
 Report: semiannual report due July 17, 2006
 Penalty: \$1,500 (reduced to \$1,000)

The late-filing penalty for Agenda Item 8, number 48, stands, due to lack of a motion. Vice Chair Davenport recused himself.

Agenda Item 9: Discussion and possible action regarding the termination of campaign treasurer appointments of inactive political committees.

1. Irving Citizens for Truth, Anthony E. Bond (00057161)
2. Moving Bedford Forward, Jim R. Davisson (00056167)
3. 'RCRW' Robertson County Republican Women, Susan Jo Tipton (00055357)

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 9, numbers 1 through 3; second by Vice Chair Davenport. Motion passed by a vote of eight ayes. **Staff's recommendation is adopted on Agenda Item 9, numbers 1 through 3, to terminate the campaign treasurer appointments of inactive political committees.**

Agenda Item 10: AOR 535: Whether the description of a gift of cash of over \$250 is required to include the value of the gift.

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Vice Chair Davenport to adopt staff's recommendation; second by Commissioner Fischer. Motion passed by a vote of five ayes. Commissioners Harrison, Montagne, and Taylor voted no. **AOR 535 is adopted as Ethics Advisory Opinion No. 473.**

Agenda Item 11: AOR 538: Whether certain conduct constitutes legislative bribery and whether there is a duty to report such conduct.

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Commissioner Fischer to adopt staff's recommendation and strike the word "scenario" on page 1, add "or against" in the last paragraph on page 3, and add in the summary that "it is never the role of the Texas Ethics Commission in opinions to resolve fact issues;" second by Commissioner Hernandez. Motion passed by a vote of six ayes. Commissioner Taylor abstained. Chair Looney recused himself and turned the meeting over to Vice Chair Davenport. **AOR 538 with changes is adopted as Ethics Advisory Opinion No. 474.**

Chair Looney returned to preside over meeting.

Agenda Item 12: AOR 537: Whether an incorporated local organization that is a member of an incorporated statewide organization may make donations to charities that match the amount of political contributions made by individual members of the local organization to the statewide organization's general-purpose political committee.

Postponed until the next commission meeting at the filer's request.

Agenda Item 13: Public discussion and possible action on the proposal and publication in the Texas Register of Ethics Commission Rule § 20.62 (Reporting Staff Reimbursement), regarding the reporting of political expenditures made out of personal funds by a staff member of either a candidate or political committee.

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Vice Chair Davenport to republish in the Texas Register Ethics Commission Rule § 20.62; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **Ethics Commission Rule § 20.62 to be republished in the Texas Register for comments.**

Agenda Item 14: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rule § 24.1 (Corporations and Certain Associations Covered) relating to the newly enacted Texas Business Organizations Code.

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Commissioner Harrison to publish in the Texas Register Ethics Commission Rule § 24.1; second by Commissioner Madden. Motion passed by a vote of eight ayes. **Ethics Commission Rule § 24.1 to be published in the Texas Register for comments.**

Agenda Item 15: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rule § 50.1 (Legislative Per Diem) relating to the legislative per diem required to be set under Article III, Section 24a, of the Texas Constitution.

Natalia L. Ashley, General Counsel, briefed the commission on this agenda item. Motion by Commissioner Taylor to publish in the Texas Register Ethics Commission Rule § 50.1; second by Commissioner Harrison. Motion passed by a vote of eight ayes. **Ethics Commission Rule § 50.1 to be published in the Texas Register for comments.**

Agenda Item 16: Presentation of the Nominating Committee report regarding the positions of Chair and Vice Chair of the Texas Ethics Commission.

Agenda Item 17: Election of Chair and Vice Chair of the Texas Ethics Commission.

Commissioner Fischer nominated Vice Chair Davenport for Chair and Commissioner Harrison for Vice Chair. Motion by Commissioner Fischer to appoint Vice Chair Davenport as Chair and Commissioner Harrison as Vice Chair; second by Commissioner Montagne. Motion passed by a vote of eight ayes.

The next Ethics Commission meeting is tentatively scheduled for February 1 and 2, 2007.

Agenda Item 18: Adjourn.

Commission meeting adjourned by unanimous consent.