



TEXAS ETHICS COMMISSION MEETING MINUTES

December 4, 2008, 3:07 p.m.

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



COMMISSIONERS PRESENT: Tom Harrison, Chair; Ross Fischer, Vice Chair; Raymond R. "Tripp" Davenport, III; Wilhelmina Delco; Jim Graham; Paula M. Mendoza; David Montagne; and Nicholas C. Taylor.

COMMISSIONERS ABSENT: None.

STAFF PRESENT: Natalia L. Ashley, Amy Barden, Margie Castellanos, Homer Diaz, Robbie Douglas, Susana Esparza, Sharon Finley, Ginger Hunter, Brad Johnson, Becky Levy, Bobby Mannas, Mike McElhaney, Peggy McGee, Sandy Mitchell, David A. Reisman, Nadina Rose, Veronica Scott, 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 Harrison. 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 briefed the Commission on personnel issues. Peggy McGee, Human Resource Specialist, is retiring at the end of the month. Regarding reorganization, Cristina Hernandez, Purchaser, will be assuming the human resource duties and overseeing the purchasing duties of the agency. We have a posting for a Clerk III position on our website to help in purchasing and human resources. Nadina Rose, Computer Services, has been promoted to Deputy Director, Computer Services Division.

2. This calendar year, 384 sworn complaints have been filed. Last year, 238 sworn complaints were filed. We may see 400 sworn complaints filed by the end of the year.
3. The legislature has started filing legislative bills that affect the Ethics Commission. Staff will be tracking legislation and will serve as a resource to the legislature.
4. This will be the last meeting for Chair Harrison as chair of the Commission. We appreciate the guidance and leadership of Chair Harrison.

Agenda Item 5: Approve minutes of the October 13, 2008, meeting.

Motion by Commissioner Taylor to adopt the October 13, 2008, meeting minutes; second by Commissioner Montagne. Motion passed by a vote of eight ayes.

Agenda Item 6: Discussion and possible action regarding the Texas Ethics Commission's legislative appropriations request for the 2010-2011 biennium; David A. Reisman, Executive Director.

Chair Harrison stated that regarding the state budget and the exceptional items in the LAR, it would be acceptable to let House Appropriations and Senate Finance know ahead of time that the Commission would not be asking for the exceptional items and that this would help in getting the rest of the Ethics Commission's budget items through. Chair Harrison thought it would be appropriate to ask the Commission to give Mr. Reisman the authority to remove the exceptional items. The Commission voted unanimously to approve the appropriations request.

Agenda Item 7: Discussion and possible action regarding possible recommendations for statutory changes to the Legislature in accordance with section 571.073 of the Government Code.

Vice Chair Ross Fischer briefed the Commission on this agenda item. Vice Chair Fischer thanked the members of the Task Force. Chair Harrison provided additional comments on Recommendation No. 1: Statewide Electronic Filing System. Motion by Commissioner Taylor to adopt recommendations; second by Commissioner Graham. Motion passed by a vote of eight ayes.

For Agenda Items 8 and 9, the following represents the actions taken by the Ethics Commission in the order they occurred during the meeting.

Agenda Item 8: 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.

**1. Susan P. Baker (00020753)
Candidate, District Judge**

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

- 2. Lloyd Criss, Jr. (00015838)**
Chair, Galveston County Democratic Party (P)

Report: 50-day pre-election political party report due September 15, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 3. Allen Craig Eiland (00025069)**
State Representative

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 4. Dan Flynn (00032881)**
State Representative

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 5. Howard H. Gano, Jr. (00062855)**
Candidate, State Representative

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 6. Mary Ellen Hamm (00015817)**
Chair, Chambers County Democratic Party (P)

Report: 50-day pre-election political party report due September 15, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 7. Louisa S. Hodges (00040715)**
Treasurer, 'BAND' Bay Area New Democrats

Report: 8-day pre-election report due October 27, 2008
Penalty: \$1,500
Staff recommendation: waiver of late-filing penalty
- 8. J. Shane Howard (00024020)**
Chair, Jefferson County Republican Party (P)

Report: 50-day pre-election political party report due September 15, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

9. Sam L. Marullo (00016610)
Treasurer, Local #527 PAC

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

10. Sharon S. McCally (00054943)
District Judge

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

11. William Grayson 'Bill' Moore, III (00062733)
Candidate, District Judge

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

12. Gilbert Pena (00058277)
Candidate, State Senator

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

13. Donna K. Vining (00016488)
Treasurer, Texas Assn. For Interior Design PAC

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

Motion by Commissioner Montagne to adopt staff's recommendations on Agenda Item 8, numbers 1 through 13; second by Commissioner Delco. Motion passed by a vote of eight ayes. **Staff's recommendations are adopted on Agenda Item 8, numbers 1 through 13.**

14. Dee Ann Burns (00031846)
Treasurer, 'LTR PAC' Lake Travis Republican PAC

Report: 8-day pre-election report due October 27, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

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- 15. Paul J. Malir (00061809)**
Treasurer, TranSystems Corporation PAC
- Report: 8-day pre-election report due October 27, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 16. Linda R. Yanez (00024868)**
Candidate, Supreme Court Justice
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 17. Jennifer K. Ahrens (00015578)**
Treasurer, Life Insurance PAC
- Report: 8-day pre-election report due October 27, 2008
Penalty: \$1,300
Staff recommendation: waiver of late-filing penalty
- 18. Karen Raye Brown (00055959)**
Treasurer, Republican Party of Kendall County (CEC)
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 19. Laverne Kennimer (00055004)**
Treasurer, 'RCRW' Rockwall County Republican Women
- Report: 8-day pre-election report due October 27, 2008
Penalty: \$600
Staff recommendation: waiver of late-filing penalty
- 20. Teresa S. 'Terri' Leo (00032045)**
Member Elect, State Board of Education
- Report: 8-day pre-election report due October 27, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty
- 21. Kelly Smith (00057553)**
Treasurer, 'TCSD-PAC' Tarrant County Stonewall Democrats – PAC
- Report: 8-day pre-election report due October 27, 2008
Penalty: 1,900
Staff recommendation: waiver of late-filing penalty
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**22. Peter R. 'Pete' Veeck (00058389)
Candidate, State Representative**

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

**23. Rose E. Wall (00016168)
Treasurer, 'HGLBTPCPAC' Houston GLBT Political Caucus PAC**

Report: monthly report due September 5, 2008
Penalty: \$500
Staff recommendation: waiver of late-filing penalty

Motion by Commissioner Montagne to adopt staff's recommendations on Agenda Item 8, numbers 14 through 23; second by Commissioner Graham. Motion passed by a vote of eight ayes. **Staff's recommendations are adopted on Agenda Item 8, numbers 14 through 23.**

**40. Kathleen Thomas (00016343)
Treasurer, Hays County Democratic Party Executive Committee (CEC)**

Report: semiannual report due July 15, 2008
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Kathleen Thomas spoke before the Commission. Motion by Commissioner Montagne to waive the late-filing penalty for Agenda Item 8, number 40; second by Commissioner Delco. Motion passed by a vote of six ayes. Vice Chair Fischer abstained. Commissioner Davenport was off the dais. **Waiver of the late-filing penalty is adopted on Agenda Item 8, number 40.**

Agenda Item 9: 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.

**15. Hubert Vo (00054795)
State Representative**

Report (a): semiannual report due July 15, 2005
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Report (b): semiannual report due January 17, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Report (c): semiannual report due July 17, 2006
 Penalty: \$10,000
 Staff recommendation: waiver of the late-filing penalty

Report (d): 30-day pre-election report due October 10, 2006
 Penalty: \$500
 Staff recommendation: no waiver of the late-filing penalty

Report (e): 8-day pre-election report due October 30, 2006
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$500

Report (f): semiannual report due January 16, 2007
 Penalty: \$10,000
 Staff recommendation: reduction of the late-filing penalty to \$1,000

Report (g): semiannual report due July 16, 2007
 Penalty: \$500
 Staff recommendation: waiver of the late-filing penalty

Total penalties: \$32,000 Total recommended penalties: \$2,000

Hubert Vo, State Representative, spoke before the Commission. Motion by Commissioner Montagne to adopt staff's recommendations on Agenda Item 9, number 15; second by Commissioner Mendoza. Motion passed by a vote of seven ayes. Commissioner Davenport was off the dais. **Staff's recommendation is adopted on Agenda Item 9, number 15.**

Return to Agenda Item 8.

55. Kathryn Ward (00023991) Chair, Collin County Republican Party (P)

Report: political party report due July 15, 2008
 Penalty: \$500
 Staff recommendation: At the October 2008 meeting, the Commission voted not to waive the late-filing penalty

Fred Moses spoke before the Commission. Motion by Vice Chair Fischer to reduce the \$500 late-filing penalty to \$100; second by Commissioner Montagne. Motion passed by a vote of seven ayes. Commissioner Davenport was off the dais. **Reduction of the late-filing penalty to \$100 on Agenda Item 8, number 55, is adopted.**

26. Joan Carder (00016494) Treasurer, Hutchinson County RWC PAC

Report: 8-day pre-election report due October 27, 2008
 Penalty: \$500
 Staff recommendation: no waiver of late-filing penalty

- 32. Kaye H. Hopkins (00051123)**
Treasurer, Republican Women of Northeast Texas
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty
- 45. Michael L. Fostel (00021154)**
District Attorney
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
- 47. Martha C. Hulseley (00052986)**
Treasurer, Ector County Democratic Club
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
- 52. Mike Wilkinson (00021014)**
District Judge
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: reduction of late-filing penalty to \$250
- Motion by Chair Harrison to waive the late-filing penalties on Agenda Item 8, numbers 26, 32, 45, 47, and 52; second by Commissioner Montagne. Motion passed by a vote of seven ayes. Commissioner Davenport was off the dais. **Waiver of the late-filing penalties is adopted on Agenda Item 8, numbers 26, 32, 45, 47, and 52.**
- 24. Gerald Alley (00063509)**
Member, Texas Public Finance Authority
- Report: personal financial statement due June 30, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty
- 25. Jim T. Brown (00040265)**
Lobbyist
- Report: lobby activities report due September 10, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

**27. Tom Cate (00019860)
Candidate, District Judge**

Report: 8-day pre-election report due October 27, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

**28. John Fidler (00024033)
Chair, Johnson County Republican Party (P)**

Report: 50-day pre-election political party report due September 15, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

**29. George Hawkins (00063670)
Treasurer, Texans For Courthouse Excellence**

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

**30. Stephen L. Heinrich (00015536)
Treasurer, Republican Party Of Bexar County (CEC)**

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

**31. Arthur Robert Hinojosa (00027120)
District Judge Elect**

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

**33. Robert W. James (00051025)
Treasurer, 'RCVZC-PAC' Republican Club of Van Zandt County PAC**

Report: 8-day pre-election report due October 27, 2008
Penalty: \$600
Staff recommendation: no waiver of late-filing penalty

**34. Byron E. Miller (00038405)
Member, Texas Emancipation Juneteenth Cultural & Historical Commission**

Report (a): personal financial statement due April 30, 1999
Penalty: \$100
Staff recommendation: no waiver of late-filing penalty

Report (b): personal financial statement due May 1, 2000
Penalty: \$100
Staff recommendation: no waiver of late-filing penalty

Report (c): personal financial statement due April 30, 2004
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

Report (d): personal financial statement due May 2, 2005
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

Total penalties: \$1,200

**35. Nancy J. Moffat (00020479)
Candidate, State Representative**

Report: 8-day pre-election report due October 27, 2008
Penalty: \$700
Staff recommendation: no waiver of late-filing penalty

**36. Art Nicholson (00063518)
Treasurer, 'APPAC' Alvin Proud Political Action Committee**

Report (a): 30-day pre-election report due April 10, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

Report (b): 8-day pre-election report due May 2, 2008
Penalty: \$9,100
Staff recommendation: no waiver of late-filing penalty

Report (c): semiannual report due July 15, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

Total penalties: \$10,100

**37. Wayne F. Salvant (00026795)
Criminal District Court Judge**

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

38. Susan L. Strawn (00062187)
Candidate, Court of Criminal Appeals Judge

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

39. Aubrey R. Thoede (00041082)
Candidate, State Representative

Report: semiannual report due July 15, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

41. Melvin D. Williams (00061376)
Treasurer, The Bowie County Republicans

Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

42. Rebecca Young (00064998)
Lobbyist

Report: lobby activities report due October 10, 2008
Penalty: \$500
Staff recommendation: no waiver of late-filing penalty

Motion by Commissioner Taylor to adopt staff's recommendations on Agenda Item 8, numbers 24, 25, 27 through 31, and 33 through 42; second by Vice Chair Fischer. Motion passed by a vote of seven ayes. Commissioner Davenport was off the dais. **Staff's recommendations are adopted on Agenda Item 8, numbers 24, 25, 27 through 31, and 33 through 42.**

43. C. Brandon Creighton (00051451)
State Representative

Report: semiannual report due July 15, 2008
Penalty: \$500
Staff recommendation: reduction of late-filing penalty to \$250

44. Gail G. Dinham (00015857)
Treasurer, 'TAMB PAC' Texas Assn. Of Mortgage Brokers PAC

Report: 8-day pre-election report due October 27, 2008
Penalty: \$1,800
Staff recommendation: reduction of late-filing penalty to \$500

- 46. Jeffrey Hons (00055999)**
Treasurer, Winning for Women: A PAC for the Gov't Affairs Council at Planned Parenthood of SA & S. Central TX
- Report: monthly report due November 5, 2008
Penalty: \$500
Staff recommendation: reduction of late-filing penalty to \$250
- 48. Connie L. Johnson (00013302)**
Lobbyist
- Report: lobby activities report due September 10, 2008
Penalty: \$500
Staff recommendation: reduction of late-filing penalty to \$250
- 49. Robert M. Pritchett (00058876)**
Candidate, State Representative
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: reduction of late-filing penalty to \$100
- 50. Brent Sheets (00016001)**
Treasurer, 'CCST' Career Colleges & Schools Of Texas
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: reduction of late-filing penalty to \$250
- 51. Michael Shultz (00060034)**
Treasurer, Consolidated Communications PAC, Inc. – Texas
- Report: 8-day pre-election report due October 27, 2008
Penalty: \$1,500
Staff recommendation: reduction of late-filing penalty to \$500
- 53. James Hoytt 'Jim' Wood (00062813)**
Candidate, State Representative
- Report: 30-day pre-election report due October 6, 2008
Penalty: \$500
Staff recommendation: reduction of late-filing penalty to \$250

Motion by Commissioner Montagne to adopt staff's recommendations on Agenda Item 8, numbers 43, 44, 46, 48 through 51, and 53; second by Commissioner Mendoza. Motion passed by a vote of seven ayes. Commissioner Davenport was off the dais. **Staff's recommendations are adopted on Agenda Item 8, numbers 43, 44, 46, 48 through 51, and 53.**

**54. James Clancy (00062868)
Member, Nueces River Authority**

Report: personal financial statement due April 30, 2008

Penalty: \$500

Staff recommendation: At the August 2008 meeting, the Commission voted not to waive the late-filing penalty

James Clancy spoke before the Commission. Motion by Commissioner Montagne to waive the late-filing penalty on Agenda Item 8, number 54; second by Vice Chair Fischer. Motion passed by a vote of seven ayes. Commissioner Davenport was off the dais. **Waiver of the late-filing penalty is adopted on Agenda Item 8, number 54.**

Agenda Item 9: 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.

**13. Boyd Richie (00015831)
Treasurer, Texas Democratic Party**

Report: special pre-election report of direct expenditures due October 29, 2008

Penalty: \$500

Staff recommendation: no waiver of the late-filing penalties

Shelley Smith spoke before the Commission. **Agenda Item 9, number 13, tabled until the next Commission meeting.**

**16. Andres C. 'Andy' Pereira (00036265)
Candidate, District Judge**

Report: 8-day pre-election report due February 25, 2008

Penalty: \$10,000 (reduced to \$1,000)

Staff recommendation: At the October 2008 meeting, the Commission voted to reduce to \$1,000 the \$10,000 late-filing penalty

Kristin Capps spoke before the Commission. Motion by Commissioner Montagne that the original report substantially complied with the applicable law on Agenda Item 9, number 16; second by Commissioner Graham. Motion passed by a vote of seven ayes. Commissioner Davenport was off the dais. **The report substantially complied with the applicable law is adopted on Agenda Item 9, number 16.**

**1. Erwin A. Cain (00062810)
Candidate, District Judge**

Report: 8-day pre-election report due October 27, 2008

Penalty: \$1,100

Staff recommendation: that the original report substantially complied with the applicable law

2. Laura S. Ewing (00063217)
Candidate, State Board of Education

Report: 8-day pre-election report due October 27, 2008

Penalty: \$600

Staff recommendation: that the original report substantially complied with the applicable law

3. Catherine Lauterbach (00038639)
Treasurer, 'CLIC' Counselors Legislative Involvement Committee

Report: 8-day pre-election report due October 27, 2008

Penalty: \$500

Staff recommendation: that the original report substantially complied with the applicable law

4. Noemi M. Lopez (00015809)
Treasurer, Texas Women's Political Caucus Campaign Support Fund

Report: 8-day pre-election report due October 27, 2008

Penalty: \$500

Staff recommendation: that the original report substantially complied with the applicable law

5. Sidney C. Miller (00042143)
State Representative

Report: 8-day pre-election report due October 27, 2008

Penalty: \$500

Staff recommendation: that the original report substantially complied with the applicable law

6. Connie L. Scott (00061976)
Candidate, State Representative

Report: 8-day pre-election report due October 27, 2008

Penalty: \$800

Staff recommendation: that the original report substantially complied with the applicable law

Motion by Vice Chair Fischer that the original reports substantially complied with the applicable law on Agenda Item 9, numbers 1 through 6; second by Commissioner Montagne. Motion passed by a vote of seven ayes. Commissioner Davenport was off the dais. **The report substantially complied with the applicable law is adopted on Agenda Item 9, numbers 1 through 6.**

7. Abel Herrero (00054318)
State Representative

Report: special pre-election report due October 27, 2008

Penalty: \$500

Staff recommendation: waiver of the late filing penalty

8. Brian T. Hoyle (00060026)
Justice, Court of Appeals

Report (a): personal financial statement due August 25, 2006
Penalty: \$500

Report (b): personal financial statement due April 30, 2007
Penalty: \$500
Staff recommendation: waiver of the late filing penalty

Total penalties: \$1,000

9. Timothy A. 'Tim' Kleinschmidt (00041994)
State Representative Elect

Report: 8-day pre-election report due October 27, 2008
Penalty: \$500
Staff recommendation: waiver of the late filing penalty

10. W. Kenneth 'Ken' Paxton, Jr. (00051407)
State Representative

Report: semiannual report due July 16, 2007
Penalty: \$500
Staff recommendation: waiver of the late filing penalty

Motion by Commissioner Taylor to adopt the staff's recommendations on Agenda Item 9, numbers 7 through 10; second by Commissioner Delco. Motion adopted by a vote of seven ayes. Commissioner Davenport was off the dais. **Staff's recommendations are adopted on Agenda Item 9, numbers 7 through 10.**

11. Robert Bryan 'Bryan' Daniel (00062670)
Candidate, State Representative

Report: 8-day pre-election report due October 27, 2008
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

12. James Tony Goolsby (00020224)
State Representative

Report: 8-day pre-election report due October 27, 2008
Penalty: \$800
Staff recommendation: no waiver of the late-filing penalty

Motion by Vice Chair Fischer to adopt staff's recommendations on Agenda Item 9, numbers 11 and 12; second by Commissioner Graham. Motion adopted by a vote of seven ayes. Commissioner Davenport was off the dais. **Staff's recommendations are adopted on Agenda Item 9, numbers 11 and 12.**

**14. Fred C. Bosse (00016560)
Treasurer, American Insurance Assn. PAC**

Report (a): semiannual report due July 15, 2005
Penalty: \$400
Staff recommendation: waiver of the late-filing penalty

Report (b): semiannual report due January 17, 2006
Penalty: \$400
Staff recommendation: waiver of the late-filing penalty

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

Report (d): semiannual report due January 16, 2007
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500

Total penalties: \$20,800 Total recommended penalties: \$500

Motion by Commissioner Graham to adopt staff's recommendations on Agenda Item 9, number 14; second by Commissioner Delco. Motion is adopted by a vote of seven ayes. Commissioner Davenport was off the dais. **Staff's recommendations are adopted on Agenda Item 9, number 14.**

Agenda Item 10: Public discussion and possible action on the adoption 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 Graham to adopt Agenda Item 10; second by Commissioner Taylor. Motion passed by a vote of six ayes. Commissioners Davenport and Mendoza were off the dais. **Ethics Commission Rule § 50.1 is adopted.**

Agenda Item 11. Presentation of the Nominating Committee report regarding the positions of Chair and Vice Chair of the Texas Ethics Commission. Election of Chair and Vice Chair of the Texas Ethics Commission.

Commissioner Graham nominated Vice Chair Ross Fischer for Chair and Commissioner David Montagne for Vice Chair. Motion by Commissioner Graham to appoint Vice Chair Fischer as Chair and Commissioner Montagne as Vice Chair; second by Commissioner Delco. Motion passed by a vote of six ayes. Commissioners Davenport and Mendoza were off the dais.

The next Ethics Commission meetings are tentatively scheduled for February 12 and 13, 2009, and April 16 and 17, 2009.

Agenda Item 18: Adjourn.

Commission meeting adjourned by unanimous consent.