



TEXAS ETHICS COMMISSION MEETING MINUTES

June 9, 2009, 8:34 a.m.
Capitol Extension, Room E1.010, Austin, Texas 78701



COMMISSIONERS PRESENT: Ross Fischer, Chair; Paula M. Mendoza, Vice Chair; Wilhelmina Delco, Jim Graham, Tom Harrison, George H. "Trey" Henderson, III; and Nicholas C. Taylor.

COMMISSIONERS ABSENT: David Montagne.

STAFF PRESENT: Natalia L. Ashley, Amy Barden, Margie Castellanos, Homer Diaz, Robbie Douglas, Sharon Finley, Ginger Hunter, Brad Johnson, Becky Levy, Bobby Mannas, Mike McElhaney, 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 Fischer. David A. Reisman, Executive Director, called the roll. All Commissioners were present, except for Commissioner Montagne.

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

Jack Gullahorn, President, Professional Advocacy Association of Texas, spoke before the Commission regarding rulemaking and H.B. 3445.

Agenda Item 3: Comments by the Commissioners.

Chair Fischer welcomed the new commissioner, George H. "Trey" Henderson, III. Chair Fischer discussed legislation. He thanked Commission staff for their hard work during the legislative session. Chair Fischer commented on Commissioner Delco's appearance on the cover of the May 2009 edition of Austin Woman magazine.

Agenda Item 5: Approve minutes of the April 16, 2009, executive session and April 16, 2009, commission meeting.

Motion by Commissioner Harrison to adopt the April 16, 2009, executive session minutes and the April 16, 2009, commission meeting minutes; second by Commissioner Delco. Motion passed by a vote of seven ayes.

Agenda Item 4: Comments by the executive director.

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

1. Mr. Reisman welcomed the new commissioner, Mr. Henderson from Lufkin, Texas.
2. Mr. Reisman stated that 160 sworn complaints have been filed so far this year. He discussed the report compiled listing the types and numbers of specific violations involving sworn complaints and what types of violations occurred most often. Mr. Reisman also stated that the Commission has posted information for filers on the Commission's website, including instructions, guides, brochures, and a video for candidates and officeholders on filing reports.
3. Mr. Reisman updated the Commission on the legislative bills passed. He discussed the budget bill, S.B. 1, and the effect on the Commission. Mr. Reisman also discussed the supplemental appropriations bill regarding payment for the attorneys' fees in the lawsuit. Fourteen bills were passed and a brief summary of each bill was included in the Commissioners' notebooks. Mr. Reisman mentioned that five legislative recommendations submitted by the Commission are included in these bills.

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

Agenda Item 6: 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.**16. Raul G. Martinez (00010272)
Lobbyist**

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Raul G. Martinez spoke before the Commission. Motion by Commissioner Harrison to reduce the \$500 late-filing penalty to \$250 on Agenda Item 6, number 16; second by Vice Chair Mendoza. Motion passed by a vote of six ayes. Commissioner Graham voted no. **The reduction of the late-filing penalty to \$250 is adopted on Agenda Item 6, number 16.**

**25. Pamela R. Beachley (00012298)
Lobbyist**

Report: lobby activities report due March 10, 2009
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Sue Morris spoke before the Commission. Motion by Commissioner Delco to waive the \$500 late-filing penalty on Agenda Item 6, number 25; second by Commissioner Taylor. Motion failed. Motion by Commissioner Harrison to

adopt staff's recommendation on Agenda Item 6, number 25; second by Vice Chair Mendoza. Motion passed by a vote of six ayes. Commissioner Delco voted no. **Staff's recommendation is adopted on Agenda Item 6, number 25.**

29. Perry Singer (00016232)
Treasurer, 'TAS-PAC' Texas Assn. Of Staffing PAC

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| (a.) | Report: | 30-day pre-election report due October 6, 2008 | |
| | Penalty: | \$500 | |
| | Staff recommendation: | no waiver of the late-filing penalty | |
| (b.) | Report: | semiannual report due January 15, 2009 | |
| | Penalty: | \$5,800 | |
| | Staff recommendation: | reduction of the late-filing penalty to \$500 | |
| | Total penalties: | \$6,300 | Total recommended penalties: \$1,000 |

Kate Thornberry Hill spoke before the Commission. Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 6, number 29; second by Commissioner Graham. Motion passed by a vote of seven ayes. **Staff's recommendation is adopted on Agenda Item 6, number 29.**

31. Michael S. Duncan (00050788)
Lobbyist

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| Report: | lobby activities report due January 12, 2009 |
| Penalty: | \$500 |
| Staff recommendation: | at the April 2009 meeting, the Commission voted not to waive the late-filing penalty. |

Michael S. Duncan spoke before the Commission. Motion by Commissioner Harrison to reduce the \$500 late-filing penalty to \$250; second by Commissioner Henderson. Motion passed by a vote of seven ayes. **The reduction of the late-filing penalty to \$250 is adopted on Agenda Item 6, number 31.**

32. Jonathan D. Klein (00036048)
Lobbyist

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| Report: | lobby activities report due January 12, 2009 |
| Penalty: | \$500 |
| Staff recommendation: | at the April 2009 meeting, the Commission voted not to waive the late-filing penalty. |

Jonathan D. Klein spoke before the Commission. Motion by Commissioner Harrison to reduce the \$500 late-filing penalty to \$250 on Agenda Item 6, number 32; second by Vice Chair Mendoza. Motion passed by a vote of seven ayes. **The reduction of the late-filing penalty to \$250 is adopted on Agenda Item 6, number 32.**

**34. Carol L. McDonald (00010965)
Lobbyist**

Report: lobby activities report due February 10, 2009
Penalty: \$500
Staff recommendation: at the April 2009 meeting, the Commission voted not to waive the late-filing penalty.

Carol L. McDonald spoke before the Commission. **The late-filing penalty for Agenda Item 6, number 34, stands due to lack of a motion.**

**1. Cecelia B. Gilbreath (00057250)
Treasurer, Fort Worth Retired Firefighters and Widows Committee for Responsible Government**

Report: 30-day pre-election report due April 9, 2009
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

**2. Thomas R. Kelsey (00059669)
Member, Farm and Ranch Lands Conservation Council**

Report: personal financial statement due April 30, 2009
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Graham to adopt staff's recommendations on Agenda Item 6, numbers 1 and 2; second by Commissioner Delco. Motion passed by a vote of seven ayes. **Staff's recommendations are adopted on Agenda Item 6, numbers 1 and 2.**

**3. David Garcia (00057336)
Lobbyist**

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

David Garcia spoke before the Commission.

**4. Carlos H. 'Charlie' Garza (00062853)
Candidate, State Representative**

Report: semiannual report due January 15, 2009
Penalty: \$10,000
Staff recommendation: waiver of the late-filing penalty

**5. Glasheen, Valles, Inderman & DeHoyos, L.L.P. (00065324)
Lobbyist**

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

**6. Mario Munoz (00035019)
Lobbyist**

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

**7. Leonard A. Olson, Jr. (00065232)
Lobbyist**

Report: lobby activities report due March 10, 2009
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

**8. Javier Villalobos (00060169)
Candidate, State Representative**

Report: semiannual report due January 15, 2009
Penalty: \$4,400
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Taylor to adopt staff's recommendations on Agenda Item 6, numbers 3 through 8; second by Commissioner Henderson. Motion passed by a vote of seven ayes on Agenda Item 6, numbers 3 through 6 and 8. Motion passed by a vote of six ayes on Agenda Item 6, number 7. Chair Fischer abstained on Agenda Item 6, number 7. **Staff's recommendations are adopted on Agenda Item 6, numbers 3 through 8.**

**9. Joan Campbell (00037541)
District Judge**

Report: personal financial statement due April 30, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

**10. Robert W. Francis (00033062)
Senior Judge**

Report: personal financial statement due April 30, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

11. Noe Gonzalez (00026783)
District Judge

Report: personal financial statement due April 30, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

12. Edward Johnson (00059127)
Executive Director, Texas Facilities Commission

Report: personal financial statement due April 30, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

13. Stephanie Sokolosky, MPS (00042818)
Member, Texas Council on Autism and Pervasive Developmental Disorders

Report: personal financial statement due April 30, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Taylor to adopt staff's recommendations on Agenda Item 6, numbers 9 through 13; second by Commissioner Graham. Motion passed by a vote of seven ayes on Agenda Item 6, numbers 9 through 13.
Staff's recommendations are adopted on Agenda Item 6, numbers 9 through 13.

14. Darrell L. Dingmore, Jr. (00029855)
Lobbyist

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

15. William C. Markley, III (00053716)
Treasurer, Jacobs Carter & Burgess, Inc. Political Committee

Report: 30-day pre-election report due April 9, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

17. Deborah Ann Reyes (00056002)
Lobbyist

Report: lobby activities report due February 10, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

18. Tom Sanders (00050818)
Lobbyist

Report: lobby activities report due January 12, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

19. William E. 'Bill' Siebert (00021037)
Lobbyist

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

20. Robin Joseph Stallings (00065402)
Lobbyist

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

21. Raymond C. Sullivan (00053484)
Lobbyist

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

22. Kristi Sutterfield (00052556)
Lobbyist

Report: lobby activities report due January 12, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

23. Jimmy P. 'Jim' Wrotenbery (00062722)
Candidate, District Judge

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

(b) Report: semiannual report due January 15, 2009
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Total penalties: \$1,000

Motion by Commissioner Taylor to adopt staff's recommendations on Agenda Item 6, numbers 14, 15, and 17 through 23; second by Commissioner Henderson. Motion passed by a vote of seven ayes on Agenda Item 6, numbers 14 and 17 through 23. Motion passed by a vote of six ayes on Agenda Item 6, number 15. Chair Fischer abstained on Agenda Item 6, number 15. **Staff's recommendations are adopted on Agenda Item 6, numbers 14, 15, and 17 through 23.**

24. Thomas J. Allen, III (00062565)
Lobbyist

Report: lobby activities report due April 10, 2009
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

26. Jeff Humber (00061978)
Candidate, State Representative

(a) Report: semiannual report due January 15, 2008 (combined report)
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

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

(c) Report: semiannual report due January 15, 2009 (combined report)
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Total penalties: \$1,500 Total recommended penalties: \$1,000

27. Scott K. Joslove (00013438)
Lobbyist

Report: lobby activities report due March 10, 2009
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$100

28. Ken Whalen (00051214)
Lobbyist

Report: lobby activities report due January 12, 2009
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Delco to adopt staff's recommendations on Agenda Item 6, numbers 24 and 26 through 28; second by Vice Chair Mendoza. Motion passed by a vote of seven ayes on Agenda Item 6, numbers 24 and 26 through 28. **Staff's recommendations are adopted on Agenda Item 6, numbers 24 and 26 through 28.**

**30. Rosendo Carranco (00063943)
Treasurer, Texas First PAC**

Report: 8-day pre-election report due October 27, 2008
Penalty: \$3,900
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Taylor to adopt staff's recommendation on Agenda Item 6, number 30, second by Commissioner Delco. Motion passed by a vote of seven ayes on Agenda Item 6, number 30. **Staff's recommendation is adopted on Agenda Item 6, number 30.**

**33. James W. Mathis (00030353)
Lobbyist**

Report: lobby activities report due December 10, 2008
Penalty: \$500
Staff recommendation: at the April 2009 meeting, the Commission voted not to waive the late-filing penalty.

Agenda Item 6, number 33, stands due to lack of a motion.

Agenda Item 7: 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.

**1. Karen Raye Brown (00055959)
Treasurer, Republican Party of Kendall County (CEC)**

Report: 8-day pre-election report due October 27, 2008
Penalty: \$10,000
Staff recommendation: that the original report substantially complied with the applicable law

**2. Todd A. Smith (00032415)
State Representative**

Report: 8-day pre-election report October 27, 2008
Penalty: \$3,900
Staff recommendation: that the original report substantially complied with the applicable law

Motion by Commissioner Harrison to adopt staff's recommendations on Agenda Item 7, numbers 1 and 2; second by Vice Chair Mendoza. Motion passed by a vote of seven ayes on Agenda Item 7, numbers 1 and 2. **Staff's recommendations are adopted on Agenda Item 7, numbers 1 and 2.**

3. Santiago S. 'Jim' Coronado (00054327)
District Judge

- (a) Report: personal financial statement due April 30, 2004
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- (b) Report: personal financial statement due May 2, 2005
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- (c) Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Total penalties: \$1,500

4. Hilary Dennis (00055882)
Lobbyist

Report: lobby activities report due May 10, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

5. Lee F. Jackson (00052346)
Chancellor, University of North Texas System

- (a) Report: personal financial statement due April 30, 2004
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- (b) Report: personal financial statement due May 2, 2005
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- (c) Report: personal financial statement due May 1, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty
- (d) Report: personal financial statement due April 30, 2007
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Total penalties: \$2,000

6. Chris C. Russell (00061712)
Treasurer, NuStarpac

Report: monthly report due March 5, 2009
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

7. Cara C. Wood (00058280)
District Judge

(a) Report: personal financial statement due February 13, 2006
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

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

Total penalties: \$1,000

Motion by Commissioner Harrison to adopt staff's recommendations on Agenda Item 7, numbers 3 through 7; second by Commissioner Henderson. Motion passed by a vote of seven ayes on Agenda Item 7, numbers 3 through 7. **Staff's recommendations are adopted on Agenda Item 7, numbers 3 through 7.**

8. Kelton G. Seliger (00052862)
State Senator

Report: special pre-election report due October 31, 2008
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 7, number 8; second by Commissioner Graham. Motion passed by a vote of seven ayes on Agenda Item 7, number 8. **Staff's recommendation is adopted on Agenda Item 7, number 8.**

9. Betty Adams (00015561)
Treasurer, 'FBRWC PAC' Fort Bend Republican Women's Club PAC

Report: 8-day runoff report due December 8, 2008 (original filed late)
Penalty: \$2,900 (reduced to \$500)
Staff recommendation: at the February 2009 meeting, the Commission voted to reduce the late-filing penalty to \$500.

Agenda Item 7, number 9, stands due to lack of a motion.

**10. William B. 'Bill' Thornton (00016943)
Treasurer, Citizens For A Better Fort Worth**

Report: 8-day pre-election report due May 2, 2008

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

Staff recommendation: at the February 2009 meeting, the Commission voted to reduce the late-filing penalty to \$1,000.

Agenda Item 7, number 10, is postponed at filer's request.

Agenda Item 8. Discussion and possible action regarding the termination of a campaign treasurer appointment of inactive candidates.

Natalia Luna Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Graham to adopt staff's recommendations on Agenda Item 8; second by Vice Chair Mendoza. Motion passed by a vote of six ayes. Commissioner Delco was off the dais. **Staff's recommendations are adopted on Agenda Item 8.**

Agenda Item 9: AOR 547: Whether an elected officeholder may accept transportation, meals, and lodging from a corporation or labor organization in return for addressing an audience or participating in a seminar when the reason they are asked to participate is their public position or duties and the service is more than perfunctory.

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Ed Shack, attorney, spoke before the Commission. Jack Gullahorn, President, Professional Advocacy Association of Texas, spoke before the Commission. Commissioner Harrison proposed that the decision on this item be postponed until the August 2009 Commission meeting.

Agenda Item 10: Public discussion and possible action on the proposal or adoption and publication in the Texas Register of Ethics Commission Rules relating to the standard for determining the value of a ticket to an entertainment event, including a sporting event under Chapter 305 of the Government Code (the lobby law).

The Commission will consider the following two options:

**Option 1: § 34.22 (Valuation of Ticket)
§ 34.23 (Valuation of Ticket to a Suite)**

**Option 2: § 34.24 (Valuation of Ticket)
§ 34.25 (Valuation of a Suite at an Entertainment Event)**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Jack Gullahorn, President, Professional Advocacy Association of Texas, spoke before the Commission. Motion by Commissioner Taylor to adopt Option 1; second by Commissioner Graham. Motion failed by a vote of four ayes. Commissioners Delco, Harrison, and Mendoza voted no. Motion by Commissioner Harrison to adopt section 34.22 by amending subsection (a); no second on the motion. Commissioner Harrison withdrew his motion.

Agenda Item 11: Public discussion and possible action on the adoption and publication in the Texas Register of Ethics Commission Rule § 6.5 (Authority to Adopt Rules), relating to the authority of the commission to adopt rules.

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Harrison to adopt Agenda Item 11; second by Commissioner Graham. Motion passed by a vote of seven ayes. **Ethics Commission Rule § 6.5 is adopted.**

Agenda Item 12: Public discussion and possible action on the adoption and publication in the Texas Register of Ethics Commission Rule § 8.3 (Subject of an Advisory Opinion), relating to the subject matter of an advisory opinion.

Natalia L. Ashley, General Counsel, briefed the Commission on Agenda Item 12. Motion by Commissioner Graham to adopt Agenda Item 12; second by Commissioner Harrison. Motion passed by a vote of seven ayes. **Ethics Commission Rule § 8.3 is adopted.**

The next Ethics Commission meeting is tentatively scheduled for August 6, 2009.

Agenda Item 13: Adjourn.

Commission meeting adjourned by unanimous consent.