



TEXAS ETHICS COMMISSION MEETING MINUTES

Public Meeting Minutes

April 16, 2015, 10:40 a.m.

Capitol Extension, Room E1.014

Austin, Texas 78701



COMMISSIONERS PRESENT: Paul W. Hobby, Chair; Chase Untermeyer, Vice Chair; Hugh C. Akin, Jim Clancy, Wilhelmina Delco, Tom Harrison, Bob Long, and Tom Ramsay.

COMMISSIONERS NOT PRESENT: None.

STAFF PRESENT: Anitra Abdullah-Levy, Natalia Luna Ashley, Amy Barden, Margie Castellanos, Robbie Douglas, Sue Edwards, Nick Espinosa, Michelle Griffin, Jessie Haug, Cristina Hernandez, Jessica Hurtado, Bobby Mannas, Mike McElhaney, John Moore, Patti Shannon, Ian M. Steusloff, and Jim Tinley.

MINUTES

This meeting was 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 recordings on file at the Commission's office.

Agenda Item 1: Call to order; roll call.

The meeting was called to order by Chair Hobby. Natalia Luna Ashley, Executive Director, called the roll. All Commissioners were present. Chair Hobby reported on the progress of the electronic filing software project. The start date was moved to April 28, 2015, because of several elections. The Commission passed a motion during the Workshop Session that gives filers with a May 5, 2015, non-critical filing deadline a 30-day grace period; any critical reports will be reviewed on a case-by-case basis.

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

Tony McDonald, General Counsel for Empower Texans; Jack Gullahorn, representing Professional Advocacy Association of Texas; Steve Bresnen; Trey Trainor, representing Texas Right to Life; and Joseph M. Nixon, representing Empower Texans, Inc.; each spoke separately before the Commission.

Before Agenda Item 3, Chair Hobby exercised Chair's privilege and addressed the Commission. Chair Hobby spoke about the new Electronic Filing Application, which now has a live date of April 28, 2015. The release date is later than originally anticipated because of a special and runoff election. Chair Hobby reiterated that non-critical reports that are due on May 5, 2015, will get a grace period of one month; non-critical reports that are involved in an election cycle will be considered on a case-by-case basis.

Agenda Item 3: Approve minutes for the following meetings:

- Workshop on New Electronic Filing System – February 13, 2015;
- Executive session (discussion of pending lawsuits) – February 13, 2015; and
- AM public meeting –February 13, 2015.

Motion by Vice Chair Untermeyer to approve the meeting minutes for the February 13, 2015, Workshop on New Electronic Filing System; second by Commissioner Long. **Motion passed by a vote of eight ayes.**

Motion by Commissioner Delco to approve the meeting minutes for the February 13, 2015, Executive session (discussion of pending lawsuits); second by Commissioner Long. **Motion passed by a vote of eight ayes.**

Motion by Vice Chair Untermeyer to approve the meeting minutes for the February 13, 2015, AM public meeting; second by Commissioner Harrison. **Motion passed by a vote of eight ayes.**

Agenda Item 4: Discussion and possible action relating to appeals made to final orders issued by the Texas Ethics Commission. Letter by Commissioner Clancy on Commission website at: <http://ethics.state.tx.us/whatsnew/Comm-Clancy-letter-3-24-15.pdf>.

Commissioner Clancy began discussion on this agenda item. Chair Hobby, Vice Chair Untermeyer, and Commissioners Akin, Clancy, Harrison, Long and Ramsay had comments on this item. Joe Nixon and Trey Trainor spoke before the Commission on this item. No action was taken.

Agenda Item 5: Briefing and discussion of ethics legislation in the 2015 legislative session, including status of Ethics Commission legislative recommendations.

Natalia Luna Ashley, Executive Director, briefed the Commission on this agenda item. The Commission is tracking approximately 80 bills. Sixteen of the 24 statutory changes recommended by the Commission in December 2014 have been addressed in seven bills. Vice Chair Untermeyer requested information on the status of the Commission's budget in both the House and the Senate; Ms. Ashley responded.

Agenda Item 6: Discussion of Opinion Request AOR-594: Whether a communication relating to a measure election complies with section 255.003 of the Election Code.

Ian Steusloff, Assistant General Counsel, briefed the Commission on this item. Commissioner Harrison made a motion to adopt AOR-594 with no changes; second by Commissioner Akin. Motion passed by eight ayes. **AOR-594 is adopted.**

Agenda Item 7: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 6.5 (Authority to Adopt Rules) relating to the Commission's authority to adopt rules.

Natalia Luna Ashley, Executive Director, briefed the Commission on this agenda item. Motion by Commissioner Akin to adopt the amendment to Texas Ethics Commission Rules § 6.5 (Authority to Adopt Rules); second by Commissioner Harrison. **Motion passed by a vote of eight ayes.**

Agenda Item 8: Public discussion and possible action on the proposal and publication in the Texas Register of rules and amendments to existing rules to address disclosure of expenditures made by credit card and payments to a credit card company.

Natalia Luna Ashley, Executive Director, briefed the Commission on this agenda item. Ms. Ashley outlined three options available to the Commissioners. Brad Johnson spoke before the Commission on this item. Motion by Commissioner Clancy to publish the amendment to Texas Ethics Commission Rules § 20.59 (Reporting Expenditure by Credit Card) in the Texas Register for public comment, using Option 1, with one change in subsection (b) to change “an expenditure” to “a payment”; second by Commission Akin. **Motion passed by a vote of eight ayes.**

Agenda Item 9: Public discussion and possible action on the proposal and publication in the Texas register of an amendment to Section 251.001(7) of the Election Code regarding the definition of campaign expenditure.

Commissioner Harrison was off the dais during a portion of Agenda Item 13.

Ian Steusloff, Assistant General Counsel, briefed the Commission on this agenda item. Motion by Vice Chair Untermeyer to publish in the Texas Register for public comment an amendment to Texas Ethics Commission Rules § 20.1 (definition of “in Connection with a Campaign”), which clarifies Texas Election Code § 251.001(7) (definition of campaign expenditure) in the Texas Register for public comment; second by Commissioner Delco. **Motion passed by a vote of eight ayes.**

Agenda Item 10: 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 for the following individuals:

Natalia Luna Ashley, Executive Director, briefed the Commission on how the new rules on Administrative Waivers and Reductions that were adopted at the February 2015 Commission meeting are working.

**1. Brandin Lea (00069928)
Candidate, State Senator**

Report: Personal Financial Statement due January 21, 2014 - RECONSIDERATION
Penalty: \$500 – reduction to \$150 (at the May 2014 meeting); reverted to \$500
Recommendation: Waiver (based on new information)

Amy Barden, Senior Legal Assistant, briefed the Commission on this matter. Motion by Commissioner Delco to waive the late-filing penalty; second by Commissioner Long. Motion passed by a vote of eight ayes. **Motion to waive the late-filing penalty passed by a vote of eight ayes on Agenda Item 10, number 1.**

**2. Bruce C. Tough (00069684)
Candidate, State Representative**

Report: Semiannual report due July 15, 2014 - RECONSIDERATION

Penalty: \$9,000 – reduction to \$500 (at the December 2014 meeting); paid

Recommendation: None.

Amy Barden, Senior Legal Assistant, briefed the Commission on this matter. Mr. Tough addressed the Commission. Motion by Commissioner Akin to waive the late-filing penalty; second by Commissioner Long. Motion passed by a vote of eight ayes. **Motion to waive the late-filing penalty passed by a vote of eight ayes on Agenda Item 10, number 2.**

Agenda Item 11: 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 for the following individuals:

**1. Linda J. Curtis (00042341)
Candidate, State Representative**

Report: 8-day pre-election report due December 29, 2014

Penalty: \$2,000

Recommendation: Substantial compliance

Amy Barden, Senior Legal Assistant, briefed the Commission on this matter. Motion by Commissioner Akin to waive the late-filing penalty; second by Commissioner Ramsay. **Motion to approve staff's recommendations passed by a vote of eight ayes on Agenda Item 11, number 1.**

**2. Mark C. Thering (00069772)
Candidate, Criminal District Court Judge**

Report: 8-day pre-election report due October 27, 2014

Penalty: \$8,300

Recommendation: Substantial compliance

Amy Barden, Senior Legal Assistant, briefed the Commission on this matter. Motion by Commissioner Akin to waive the late-filing penalty; second by Commissioner Long. **Motion to approve staff's recommendations passed by a vote of eight ayes on Agenda Item 11, number 2.**

**3. Jim M. Grace, Jr. (00052773)
Lobbyist**

Report: lobby registration update due December 10, 2014

Penalty: \$500

Recommendation: Waiver

Amy Barden, Senior Legal Assistant, briefed the Commission on this matter. Motion by Commissioner Ramsay to waive the late-filing penalty; second by Commissioner Harrison. Vice Chair Untermeyer recused himself from this agenda item. **Motion to waive the fine passed by a vote of seven ayes on Agenda Item 11, number 3.**

Agenda Item 12: Discussion and possible action regarding the termination of a campaign treasurer appointment of the following inactive candidates and political committees:

CANDIDATES

1. Derek A. Anthony (00069790)

Last report filed: February 19, 2014
Treasurer appointment filed: January 7, 2014
Office sought: State Senator

2. Chester Daniel “Dan” Anderson (00069901)

Last report filed: Report has never been filed
Treasurer appointment filed: January 15, 2014
Office sought: State Representative

3. Beatriz “Betty” Berry (00069671)

Last report filed: February 11, 2014
Treasurer appointment filed: November 7, 2013
Office sought: State Senator

4. Craig A. Bonham (00069841)

Last report filed: February 25, 2014
Treasurer appointment filed: December 19, 2013
Office sought: District Judge

5. Genevieve Gregory (00069700)

Last report filed: Report has never been filed
Treasurer appointment filed: November 12, 2013
Office sought: State Representative

6. Mary K Huls (00065798)

Last report filed: February 23, 2014
Treasurer appointment filed: August 15, 2013
Office sought: State Representative

7. Brett Pritchard (00067805)

Last report filed: Report has never been filed
Treasurer appointment filed: August 20, 2013
Office sought: District Judge

8. Nigel H. Redmond (00069808)

Last report filed: February 26, 2014
Treasurer appointment filed: December 13, 2013
Office sought: District Judge

9. Lady Theresa M. Thombs DJ (00067751)

Last report filed: February 24, 2014
Treasurer appointment filed: September 8, 2011
Office sought: State Board of Education

10. Felicia L. Whatley (00069902)

Last report filed: Report has never been filed
Treasurer appointment filed: January 16, 2014
Office sought: State Representative

11. Demetra Jefferson-Wysinger (00069827)

Last report filed: January 13, 2014
Treasurer appointment filed: December 16, 2013
Office sought: Governor

POLITICAL COMMITTEES**12. Substance Abuse Program PAC (00036359)
Cynthia K. Humphrey, Treasurer**

Last report filed: September 19, 2013
Treasurer appointment filed: July 18, 1997

**13. Wimberley Valley Republican Group (00065030)
James R. Clements, Treasurer**

Last report filed: July 29, 2013
Treasurer appointment filed: May 31, 2013

**14. United for Allen's Future PAC (00068002)
Somiya Bhatnagar, Treasurer**

Last report filed: August 15, 2013
Treasurer appointment filed: December 5, 2011

Motion by Commissioner Long to adopt recommendations to terminate the campaign treasurer appointments on Agenda Item 12, numbers 1 through 14; second by Commissioner Delco. Motion passed by a vote of eight ayes. **Recommendations to terminate the campaign treasurer appointments are adopted on Agenda Item 12, numbers 1 through 14.**

Agenda Item 13: Comments by the Executive Director.

Natalia Luna Ashley, Executive Director, introduced new Legal Assistant, Patti Shannon, and stated that Becky Levy is now working for the Commission on a part-time basis.

Ms. Ashley discussed the release of the new Campaign Finance portion of the new electronic filing application, and thanked Commission staff for all of their hard work. She stated that free training will be held in seven cities throughout the state, and several online training videos will also be available shortly. Ms. Ashley spoke about the training to be held in Weslaco on April 18, 2015. Ms. Ashley stated that 24 Sworn Complaints have been received since the last Commission meeting, and 78 have been received since the beginning of 2015.

Agenda Item 14: Comments by the Commissioners.

None.

Agenda Item 15: Adjourn.

Motion by Commissioner Ramsay to adjourn; second by Vice-Chair Untermeyer. **Motion passed by unanimous consent.**

Meeting adjourned at 12:45 p.m.