



## TEXAS ETHICS COMMISSION MEETING MINUTES

August 15, 2008, 8:38 a.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.

**COMMISSIONERS ABSENT:** Nicholas C. Taylor.

**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, Sandy Mitchell, David A. Reisman, Veronica Scott, Tim Sorrells, Ian Steusloff, and Mary Young.

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### 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, except Commissioners Delco and Taylor.

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

Chair Harrison requested the record to indicate that Commissioner Delco is present. Jim Dillon, Freedom Fighters, spoke before the Commission.

#### **Agenda Item 3: Comments by the commissioners.**

Chair Harrison stated that people in the capitol have complimented staff regarding the agency's website.

#### **Agenda Item 4: Comments by the executive director.**

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

1. Mr. Reisman introduced two new attorneys, Susana Esparza and Ginger Hunter, and congratulated Ian Steusloff for his promotion to the Attorney III position.
2. This calendar year, 308 sworn complaints have been filed. In the 2007 calendar year, 238 complaints were filed.

3. Mr. Reisman expressed his appreciation of the Governor's Office and their staff, the Speaker's Office and their staff, and the Legislative Budget Board and their staff in their coordination to give the Ethics Commission a grant for the two new attorney positions.
4. The Legislative Appropriations Request and the budget process for the next biennium was submitted on August 6, 2008. Joint budget hearings have been scheduled for September 8, 2008, which include the staff of the Legislative Budget Board, the Governor's Office, House Appropriations, and Senate Finance.
5. Mr. Reisman updated the Commission on the *Free Market Foundation vs. Texas Ethics Commission* lawsuit. A hearing was held in Federal District Court, Western District of Texas, on August 8, 2008, before Judge Sparks. No decision has been received.

**Agenda Item 5: Approve minutes of the June 10, 2008, meeting.**

Motion by Vice Chair Fischer to adopt the June 10, 2008, meeting minutes; second by Commissioner Mendoza. Motion passed by a vote of seven ayes.

**Agenda Item 6: A commissioner's request for finding of constitutional compliance under section 574.001 of the Government Code.**

Vice Chair Fischer requested a finding that acceptance of a municipal judge position for the City of Woodcreek and compensation consisting of a monthly fee is in constitutional compliance. The Vice Chair recused himself as required by Section 572.058 of the Government Code and accordingly did not vote or participate on the decision. Natalia L. Ashley, General Counsel, briefed the Commission by stating that section 574.001 of the Government Code allows a non-elective officeholder to hold more than one public office at the same time as long as no more than one of the offices is a "civil office of emolument" for purposes of the Article 16, Section 40 of the Texas Constitution. She explained that the Commissioners for the Texas Ethics Commission are reimbursed only for actual and necessary expenditures and the Office of the Attorney General has determined that that does not constitute an emolument for purposes of the constitutional provision at issue. Chair Harrison stated that he wrote a letter to the Vice Chair dated June 20, 2008, stating that acceptance of the position of municipal judge would be in constitutional compliance and that he would request that the Commission ratify the finding at the August 2008 meeting. Motion by Commissioner Davenport to accept the finding; second by Commissioner Mendoza. Motion passed by a vote of six ayes.

**Agenda Item 7: Presentation and discussion concerning the Texas Ethics Commission's legislative appropriations request for the 2010-2011 biennium; David A. Reisman, Executive Director, and Mike McElhaney, Director of Finance and Administration.**

Mike McElhaney, Director of Finance and Administration, and David A. Reisman, Executive Director, briefed the Commission on this agenda item.

**Agenda Item 8: Discussion and possible action regarding recommendations to the Legislature by the Chair of the Task Force.**

Vice Chair Fischer briefed the Commission on this agenda item. The Task Force consists of Vice Chair Fischer and Commissioners Graham, Mendoza, and Delco. Natalia L. Ashley, General Counsel, and David A. Reisman, Executive Director, all participated in a telephone conference call to discuss the recommendations to the

Legislature. Vice Chair Fischer requested staff to include in the recommendations a centralized filing system proposal for municipalities and schools and issues of administrative expenses for public discussion. Commissioner Davenport requested that prohibition of the use of political contributions to pay for fines be included in the recommendations. Vice Chair Fischer requested staff to coordinate another meeting of the Task Force.

**For Agenda Items 9 and 10, the following represents the actions taken by the Ethics Commission in the order they occurred during the meeting.**

**Agenda Item 9: 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.**

27. John Cleveland Shirley, Member, State Board for Educator Certification (00056009)  
 Report: personal financial statement due April 30, 2008  
 Penalty: \$500  
 Staff recommendation: no waiver of the late-filing penalty

John C. Shirley spoke before the Commission. Motion by Commissioner Davenport to waive the late-filing penalty for Agenda Item 9, number 27; second by Commissioner Mendoza. Motion passed by a vote of six ayes. Chair Harrison voted no. **Waiver of the late-filing penalty is adopted on Agenda Item 9, number 27.**

46. Environmental Legislative Caucus (00064905)  
 Report (a): legislative caucus report due July 16, 2007  
 Penalty: \$500  
 Staff recommendation: waiver of the late-filing penalty
- Report (b): legislative caucus report due January 15, 2008  
 Penalty: \$500  
 Staff recommendation: no waiver of the late-filing penalty

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

David A. Parnell, Attorney and General Counsel for State Representative Ana E. Hernandez, spoke before the Commission. Natalia L. Ashley, General Counsel, spoke before the Commission. Motion by Commissioner Davenport to adopt staff's recommendations on Agenda Item 9, number 46; second by Vice Chair Fischer. Motion passed by vote of seven ayes. **Staff's recommendations are adopted on Agenda Item 9, number 46.**

48. D. F. 'Rick' Miller, County Chair, Fort Bend County Republican Party (P) (00024021)  
 Report: political party report due February 25, 2008  
 Penalty: \$7,400  
 Staff recommendation: reduction of the late-filing penalty to \$500

D. F. 'Rick' Miller spoke before the Commission. Motion by Vice Chair Fischer to adopt staff's recommendation on Agenda Item 9, number 48; second by Commissioner Delco. Motion passed by a vote of seven ayes. **Staff's recommendation is adopted on Agenda Item 9, number 48.**

51. A. Scott Anderson, Lobbyist (00013637)  
Report: lobby activities report due January 10, 2008  
Penalty: \$500  
Staff recommendation: At the April 2008 meeting, the Commission voted to reduce to \$250 the late-filing penalty
55. Jim Marston, Lobbyist (00012980)  
Report: lobby activities report due January 10, 2008  
Penalty: \$500  
Staff recommendation: At the April 2008 meeting, the Commission voted to reduce to \$250 the late-filing penalty

Elaine Smith, paralegal, spoke before the Commission. **The late-filing penalties for Agenda Item 9, numbers 51 and 55, stand due to lack of a motion.**

52. Roland M. Chavez, Treasurer, Houston Professional Fire Fighters Assn. Local #341 PAC (00015754)  
Report (a): 8-day pre-election report due October 29, 2007  
Penalty: \$500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty
- Report (b): semiannual report due January 15, 2008  
Penalty: \$500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty
- Report (c): 30-day pre-election report due February 4, 2008  
Penalty: \$500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty
- Report (d): 8-day pre-election report due February 25, 2008  
Penalty: \$1,500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty
- Total penalties: \$3,000
53. Roland M. Chavez, Lobbyist (00056324)  
Report (a): lobby activities report due November 13, 2007  
Penalty: \$500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty
- Report (b): lobby activities report due December 10, 2007  
Penalty: \$500

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

Report (c): lobby activities report due January 10, 2008

Penalty: \$500

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

Total penalties: \$1,500

59. Johnny Villarreal, Lobbyist (00032807)

Report (a): lobby activities report due November 13, 2007

Penalty: \$500

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

Report (b): lobby activities report due December 10, 2007

Penalty: \$500

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

Report (c): lobby activities report due January 10, 2008

Penalty: \$500

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

Total penalties: \$1,500

Rick Mumey, Attorney, spoke before the Commission. Motion by Commissioner Graham to reduce the \$3,000 total late-filing penalty to \$1,000 on Agenda Item 9, number 52; reduce the \$1,500 total late-filing penalty to \$750 on Agenda Item 9, number 53; and reduce the \$1,500 total late-filing penalty to \$750 on Agenda Item 9, number 59; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalties to \$1,000 on Agenda Item 9, number 52; to \$750 on Agenda Item 9, number 53; and to \$750 on Agenda Item 9, number 59; is adopted.**

54. David Emerick, Lobbyist (00061159)

Report: lobby activities report due March 10, 2008

Penalty: \$500

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

David Emerick spoke before the Commission. Motion by Vice Chair Fischer to reduce the \$500 late-filing penalty to \$50 on Agenda Item 9, number 54; second by Commissioner Davenport. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$50 is adopted on Agenda Item 9, number 54.**

56. Elizabeth Gray Mayes, Treasurer, 'TI PAC' Texas Instruments Incorporated Political Action Committee (00016058)  
Report: monthly report due March 5, 2008  
Penalty: \$500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty

Elizabeth Gray Mayes, Director, Public Affairs of Texas Instruments, spoke before the Commission. Motion by Commissioner Davenport to waive the \$500 late-filing penalty on Agenda Item 9, number 56; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **The late-filing penalty is waived on Agenda Item 9, number 56.**

57. Rick Reed, Candidate, District Attorney (00037568)  
Report: personal financial statement due February 11, 2008  
Penalty: \$500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty

Richard Reed spoke before the Commission. Motion by Commissioner Montagne to reduce the \$500 late-filing penalty to \$100 on Agenda Item 9, number 57; second by Commissioner Graham. Motion passed by a vote of five ayes. Vice Chair Fischer and Commissioner Delco voted no. **Reduction of the late-filing penalty to \$100 is adopted on Agenda Item 9, number 57.**

58. Mark P. Thompson, Candidate, Railroad Commissioner (00061977)  
Report: personal financial statement due February 11, 2008  
Penalty: \$500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty

Mark Thompson spoke before the Commission. **The late-filing penalty for Agenda Item 9, number 58, stands due to lack of a motion.**

**Commission reconvened from break.**

**Return to Agenda Item 9.**

1. Michelle Alcon Eggleston, Member, Texas State Board of Examiners of Professional Counselors (00052218)  
Report: personal financial statement due June 30, 2008  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty
2. Susan Longley, Lobbyist (00035016)  
Report: lobby activities report due June 10, 2008  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

3. Thalia Munoz, Nurse Member, Statewide Health Coordinating Council (00023359)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Davenport to adopt staff's recommendations on Agenda Item 9, numbers 1 through 3; second by Commissioner Graham. Motion passed by a vote of six ayes. Commissioner Mendoza was off the dais. **Staff's recommendations are adopted on Agenda Item 9, numbers 1 through 3.**

4. Casey H. Kelley, Lobbyist (00059551)  
Report: lobby activities report due July 10, 2008  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

5. Laura McPartland Matz, Lobbyist (00039254)  
Report: lobby activities report due May 12, 2008  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Montagne to adopt staff's recommendations on Agenda Item 9, numbers 4 and 5; second by Commissioner Davenport. Motion passed by a vote of six ayes. Commissioner Mendoza was off the dais. **Staff's recommendations are adopted on Agenda Item 9, numbers 4 and 5.**

6. James Andrew 'Drew' Shirley, Candidate, Supreme Court Justice (00063080)  
Report: personal financial statement due February 11, 2008  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

7. David C. Rankin, Candidate, District Judge (00062816)  
Report: personal financial statement due February 11, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

8. James D. Schull, Candidate, State Representative (00062138)  
Report: personal financial statement due February 11, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

Motion by Vice Chair Fischer to adopt staff's recommendations on Agenda Item 9, numbers 6, 7, and 8; second by Commissioner Graham. Motion passed by a vote of six ayes. Commissioner Mendoza was off the dais. **Staff's recommendations are adopted on Agenda Item 9, numbers 6, 7, and 8.**

9. Esperanza 'Hope' Andrade, Presiding Officer, Texas Transportation Commission (00054829)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

10. James Clancy, Member, Nueces River Authority (00062868)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
11. Carrey D. Cockerell, Commissioner, Department of Family and Protective Services (00056329)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
12. Patrick H. Cordero, Jr., Member, Texas Residential Construction Commission (00051130)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
13. Kenneth R. Darden, Member, Angelina & Neches River Authority (00055948)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
14. William Daugherty, Superintendent, Texas School for the Blind and Visually Impaired (00062133)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
15. Leslie Bingham Escareno, Member, Texas Department of Housing and Community Affairs (00063428)  
Report: personal financial statement due February 29, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
16. John Fashing, Senior Judge (00052667)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
17. Jackie Ann Fowler, Member, Lavaca-Navidad River Authority (00055947)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
18. Tracy F. Holmes, District Judge (00057512)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty



19. Amanullah Khan, Member, Texas Medical Board (00036614)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
20. Keith D. McFarland, President, Texas A&M University – Commerce (00038137)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
21. Paul E. Moore, Executive Secretary, Veterans Land Board (00054437)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
22. Elsa A. Murano, President, Texas A&M University (00057055)  
Report: personal financial statement due April 28, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
23. Richard R. Nedelkoff, Conservator, Texas Youth Commission (00040199)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
24. David D. Olvera, Executive Director, Texas Board of Orthotics and Prosthetics (00063771)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
25. Pat Priest, Senior Judge (00020675)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
26. Jack H. Robison, District Judge (00025093)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
28. Rebecca Spurlock, Member, Advisory Board of Athletic Trainers (00061402)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

29. James D. Squier, Senior Judge (00026762)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
30. Gary Stephens, Senior Judge (00024131)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
31. Leopoldo R. Vasquez, III, Member, Texas Board of Criminal Justice (00039852)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
32. G. Alan Waldrop, Justice, Court of Appeals (00039778)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
33. Suzanne Walker, Member, Prescribed Burning Board (00055512)  
Report: personal financial statement due April 30, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Graham to adopt staff's recommendations on Agenda Item 9, numbers 9 through 26, and 28 through 33; second by Commissioner Delco. Motion passed by a vote of six ayes on Agenda Item 9, numbers 10 through 26, and 28 through 33. Motion passed by a vote of five ayes on Agenda Item 9, number 9. Commissioner Davenport abstained. Commissioner Mendoza was off the dais. **Staff's recommendations are adopted on Agenda Item 9, numbers 9 through 26, and 28 through 33.**

34. Harold Daniel, Treasurer, Better Austin Today PAC (00062494)  
Report: special pre-election report of direct expenditures due May 2, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

**Agenda Item 9, number 34, postponed at the filer's request.**

35. Douglas Dunsavage, Lobbyist (00055935)  
Report: lobby activities report due April 10, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
36. Brian Hawthorne, Lobbyist (00037706)  
Report: lobby activities report due June 10, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

37. Edward Kaleta, Treasurer, 'Humana TX PAC' Humana, Inc. Texas PAC (00028202)  
Report: monthly report due March 5, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
38. Gregg W. Knaupe, Lobbyist (00043033)  
Report: lobby activities report due May 12, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
39. Sam Medrano, Jr., District Judge (00041100)  
Report: 8-day pre-election report due February 25, 2008  
Penalty: \$600  
Staff recommendation: no waiver of the late-filing penalty
40. R. Gary Montgomery, Treasurer, Citizens for Lone Star College  
Report: 30-day pre-election report due April 10, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
41. Daniel O'Dell, Treasurer, 'DENPAC' Texas Dental Assn. PAC (00015960)  
Report: monthly report due May 5, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
42. Frank R. Santos, Lobbyist (00011331)  
Report: lobby activities report due May 12, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
43. Travis Weissler, Treasurer, 'YCT-PAC' Young Conservatives of Texas PAC (00050433)  
Report (a): special pre-election report of contributions due February 28, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
- Report (b): special pre-election report of contributions due February 29, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
- Total penalties: \$1,000
44. Melody M. Wilkinson, Candidate, District Judge (00040825)  
Report: special pre-election report due April 2, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Delco to adopt staff's recommendations on Agenda Item 9, numbers 35 through 44; second by Commissioner Graham. Motion passed by a vote of six ayes. Commissioner Mendoza was off the dais. **Staff's recommendations are adopted on Agenda Item 9, numbers 35 through 44.**

45. David A. H. Baker, Treasurer, 'CLGG' Citizens and Labor for Good Government (00054454)  
Report: 8-day pre-election report due May 2, 2008  
Penalty: \$1,600  
Staff recommendation: reduction of the late-filing penalty to \$500
47. Shelton Green, Lobbyist (00056055)  
Report: lobby activities report due July 10, 2008  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250
49. Rain Levy Minns, Candidate, State Senator (00062650)  
Report: semiannual report due July 15, 2008  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250
50. Cynthia A. 'Cindy' Mock, Treasurer, 'TOPAC' Texas Optometric PAC (00015622)  
Report: monthly report due May 5, 2008  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Vice Chair Fischer to adopt staff's recommendations on Agenda Item 9, numbers 45, 47, 49, and 50; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Staff's recommendations are adopted on Agenda Item 9, numbers 45, 47, 49, and 50.**

**Agenda Item 10: 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.**

4. Tommy J. Azopardi, Treasurer, Texans for Economic Development (00059603)  
Report: 8-day pre-election report due February 25, 2008  
Penalty: \$3,900  
Staff recommendation: no waiver of the late-filing penalty

Courtney Kubesch with Texans for Economic Development spoke before the Commission. Motion by Commissioner Graham to reduce the \$3,900 late-filing penalty to \$2,500 on Agenda Item 10, number 4; second by Chair Harrison. Motion passed by a vote of six ayes. Vice Chair Fischer voted no. **Reduction of the late-filing penalty to \$2,500 is adopted on Agenda Item 10, number 4.**

8. Donnie Dippel, Candidate, State Representative (00021922)  
Report: 8-day pre-election report due February 25, 2008  
Penalty: \$2,100  
Staff recommendation: At the June 2008 meeting, Commission voted not to waive the late-filing penalty

Hugh Brady spoke before the Commission. Motion by Vice Chair Fischer to reduce the \$2,100 late-filing penalty to \$500 on Agenda Item 10, number 8; second by Commissioner Montagne. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$500 is adopted on Agenda Item 10, number 8.**

9. Ralph E. Sheffield, Candidate, State Representative (00062321)  
Report: special pre-election report due April 2, 2008  
Penalty: \$500  
Staff recommendation: At the June 2008 meeting, the Commission voted not to waive the late-filing penalty

Jarod Love, Political Consultant, spoke before the Commission. Motion by Commissioner Montagne to reduce the \$500 late-filing penalty to \$250 on Agenda Item 10, number 9; second by Commissioner Graham. Motion passed by a vote of seven ayes. **Reduction of the late-filing penalty to \$250 is adopted on Agenda Item 10, number 9.**

1. Chris Edward Aldrete, Treasurer, International Bank of Commerce Comm. For Improvement & Betterment Of The Country (00015975)  
Report: 8-day pre-election report due February 25, 2008  
Penalty: \$9,900  
Staff recommendation: that the original report substantially complied with the applicable law
2. Deborah Goodell Polan, Treasurer, Texas Financial Services Assn. PAC (00016448)  
Report: 8-day pre-election report due February 25, 2008  
Penalty: \$10,000  
Staff recommendation: that the original report substantially complied with the applicable law
3. Duane B. Starkey, Treasurer, 'PRODUNC' Promoting a Robust Duncanville (00062300)  
Report: 8-day pre-election report due May 2, 2008  
Penalty: \$1,800  
Staff recommendation: that the original report substantially complied with the applicable law

Motion by Commissioner Graham that the original report substantially complied with the applicable law on Agenda Item 10, numbers 1 through 3; second by Commissioner Davenport. Motion passed by a vote of seven ayes. **The report substantially complied with the applicable law is adopted on Agenda Item 10, numbers 1 through 3.**

5. Ismael 'Kino' Flores, State Representative (00031847)  
Report: special pre-election report due February 26, 2008  
Penalty: \$500  
Staff recommendation: no waiver of the late-filing penalty
6. Paul Henley, Treasurer, 'GFFCIC' Garland Fire Fighters Community Interest Committee (00057219)  
Report: 8-day pre-election report due May 2, 2008  
Penalty: \$700  
Staff recommendation: reduction of the late filing penalty to \$500
7. John M. Heasley, Treasurer, Texas Bankers Assn. Bankers PAC (00016249)  
Report (a): monthly report due September 5, 2003  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (b): monthly report due November 5, 2003  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (c): monthly report due December 5, 2003  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (d): monthly report due January 5, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (e): monthly report due February 5, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (f): monthly report due March 5, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (g): monthly report due April 5, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (h): monthly report due May 5, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (i): monthly report due June 7, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (j): monthly report due July 6, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (k): monthly report due August 5, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (l): monthly report due September 7, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (m): monthly report due October 5, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (n): monthly report due November 5, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (o): monthly report due December 6, 2004  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (p): monthly report due January 5, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (q): monthly report due February 7, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (r): monthly report due March 7, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (s): monthly report due April 5, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (t): monthly report due May 5, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (u): monthly report due June 6, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (v): monthly report due July 5, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (w): monthly report due August 5, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (x): monthly report due September 6, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (y): monthly report due October 5, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (z): monthly report due November 7, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (aa): monthly report due December 5, 2005  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (bb): monthly report due January 5, 2006  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (cc): monthly report due February 6, 2006  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (dd): monthly report due March 6, 2006  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (ee): monthly report due April 5, 2006  
Penalty: \$500  
Staff recommendation: waiver of the late-filing penalty

Report (ff): monthly report due May 5, 2006  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (gg): monthly report due June 5, 2006  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (hh): monthly report due July 5, 2006  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (ii): monthly report due August 7, 2006  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100



Report (jj): monthly report due September 5, 2006  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (kk): monthly report due October 5, 2006  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (ll): monthly report due November 6, 2006  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (mm): monthly report due December 5, 2006  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (nn): monthly report due January 5, 2007  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (oo): monthly report due February 5, 2007  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (pp): monthly report due March 5, 2007  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (qq): monthly report due April 5, 2007  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (rr): monthly report due May 7, 2007  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (ss): monthly report due June 5, 2007  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (tt): monthly report due July 5, 2007  
Penalty: \$500  
Staff recommendation: reduction of the late-filing penalty to \$100

Report (uu): monthly report due August 6, 2007  
 Penalty: \$500  
 Staff recommendation: reduction of the late-filing penalty to \$100

Total penalties: \$23,500                      Total recommended penalties: \$1,600

Motion by Commissioner Delco to adopt staff's recommendations on Agenda Item 10, numbers 5 through 7; second by Vice Chair Fischer. Motion passed by a vote of seven ayes. **Staff's recommendations are adopted on Agenda Item 10, numbers 5 through 7.**

10. Pamela D. Waggoner, Candidate, State Representative (00062105)

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

Penalty: \$1,900

Staff recommendation: At the June 2008 meeting, the Commission voted to reduce the \$1,900 late-filing penalty to \$900

**The late-filing penalty for Agenda Item 10, number 10, stands due to lack of a motion.**

**Agenda Item 11: AOR 544: Whether a candidate for speaker of the house of representatives may expend campaign funds to employ the services of a professional fundraiser.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Jim Dillon, Freedom Fighter, spoke before the Commission. Motion by Commissioner Davenport to adopt staff's recommendation on Agenda Item 11; second by Commissioner Graham. Motion passed by a vote of five ayes. Vice Chair Fischer and Commissioner Delco voted no. **Staff's recommendation is adopted on Agenda Item 11.**

**Agenda Item 12: Public discussion and possible action on the proposal and publication in the Texas Register of Ethics Commission Rule § 22.33 (Expenditure Limits of the Judicial Campaign Fairness Act), relating to the attribution of political expenditures for purposes of the expenditure limits prescribed by section 253.168 of the Election Code.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Vice Chair Fischer to publish Agenda Item 12 for public comment in the Texas Register; second by Commissioner Delco. Motion passed by a vote of seven ayes. **Staff proposed rule on Agenda Item 12 to be published in the Texas Register for comment.**

**Agenda Item 13: Public discussion and possible action on the adoption and publication in the Texas Register of an amendment to Ethics Commission Rules §§ 34.45 (Entity Registration), 34.65 (Compensation Reported by Lobby Firm Employee), and 34.85 (Individual Reporting Expenditure by Entity), relating to reporting requirements by a lobbyist or an entity.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Vice Chair Fischer to adopt and publish in the Texas Register Option 2, Exhibit A on Agenda Item 13; second by Commissioner Mendoza. Motion passed by a vote of seven ayes. **Ethics Commission Rules § 34.45, 34.65, and 34.85 are adopted.**

**Agenda Item 14: Public discussion and possible action on the adoption and publication in the Texas Register of an amendment to Ethics Commission Rule § 34.21 (Contingent Fees for Influencing Purchasing Decisions), relating to contingent fees.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Vice Chair Fischer to adopt and publish in the Texas Register Option 2, Exhibit B on Agenda Item 14; second by Chair Harrison. Motion failed. Commissioners Davenport, Delco, Graham, Mendoza, and Montagne voted no. **Agenda Item 14 postponed until the October 2008 meeting.**

**Agenda Item 15: Public discussion and possible action on the adoption and publication in the Texas Register of an amendment to Ethics Commission Rule § 34.5 (Certain Compensation Excluded), relating to exceptions from the requirement to register as a lobbyist under the registration threshold in Government Code § 305.003(a)(2).**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. **Agenda Item 15 postponed until the October 2008 meeting.**

**Agenda Item 16: Public discussion and possible action on the adoption and publication in the Texas Register of an amendment to Ethics Commission Rule § 12.57 (Contents of a Complaint), relating to the requirements for filing a complaint.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Delco to adopt and publish in the Texas Register Agenda Item 16; second by Commissioner Mendoza. Motion passed by a vote of seven ayes. **Ethics Commission Rule § 12.57 is adopted.**

**Agenda Item 17: Public discussion and possible action on the adoption and publication in the Texas Register of an amendment to Ethics Commission Rule § 20.577(c)(2) (Reporting Schedule for a Candidate for State Chair), relating to reporting requirements for a candidate for state chair.**

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Mendoza to adopt and publish in the Texas Register Agenda Item 17; second by Commissioner Delco. Motion passed by a vote of seven ayes. **Ethics Commission Rule § 20.577(c)(2) is adopted.**

**The next Ethics Commission meeting is scheduled for October 13 and 14, 2008.**

**Agenda Item 18: Adjourn.**

Commission meeting adjourned by unanimous consent.