



TEXAS ETHICS COMMISSION MEETING MINUTES

Public Meeting

October 4, 2018, 9:02 a.m.
Capitol Extension, Room E1.014
Austin, Texas 78701



COMMISSIONERS PRESENT:

Steven D. Wolens, Chair; Chad M. Craycraft, Vice Chair; Randall H. Erben, Chris Flood, Mary K. "Katie" Kennedy, Patrick W. Mizell, and Richard S. Schmidt.

COMMISSIONERS NOT PRESENT:

Joseph O. Slovacek, absent due to unexpected and important business.

STAFF PRESENT:

Amy Barden, Margie Castellanos, Terri Counts, Nick Espinosa, Betty Gallegos, Domingo Gonzales, Angela Goodwin, Jessie Haug, Cristina Hernandez, Joseph Keeney, Becky Levy, Haksoon Andrea Low, Amy Padilla, Ian Steusloff, Jim Tinley, and Seana Willing.

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 either the video recording available to view online at: <http://www.house.state.tx.us/video-audio/capitol-events/>, or 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 Wolens. Seana Willing, Executive Director, called the roll. All Commissioners were present except Commissioner Slovacek, who was absent due to unexpected and important business.

Agenda Item 2: Comments by Commissioners.

Chair Wolens addressed the Commission on this agenda item. Seana Willing, Executive Director, Becky Levy, Administrative Assistant and Amy Barden, Senior Legal Assistant, addressed the Commission. No action was taken.

Agenda Item 3: Discussion about policy for Texas Ethics Commission spokesperson.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Commissioner Flood and Ian Steusloff, General Counsel, responded with question and comments. No action was taken.

Agenda Item 4: Update regarding Texas Ethics Commission Legislative Appropriations Request for FY 2020-2021.

Seana Willing, Executive Director, addressed the Commission on this agenda item. Chair Wolens and Commissioner Schmidt, responded with questions and comments. No action was taken.

Agenda Item 5: Approve minutes for the following meetings:

- Executive Session – June 26, 2018; and
- Public Meeting – June 27, 2018.

Chair Wolens addressed the Commission on this agenda item. Motion by Vice Chair Craycraft to approve the meeting minutes listed under Agenda Item 4, as amended; second by Commissioner Schmidt. **Motion passed by a vote of seven ayes.**

Agenda Item 6: Discussion and possible action on appeal of fines increased by the Commission, and on appeals of determinations made under Ethics Commission Rules §§ 18.25 and 18.26 relating to administrative waiver or reduction of a fine, for the following individuals and legislative caucus:**1. Larry S. Smith (00080158)
Candidate, State Representative**

Report: Semiannual report due January 16, 2018
 Penalty: \$1,000
 Recommendation: waiver based on new information
 Appeal Received: April 18, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Commissioner Erben to adopt staff recommendation and waive the penalty on Agenda Item 6, number 1; second by Commissioner Flood. **Motion to waive the penalty on Agenda Item 6, number 1 passed by a vote of seven ayes.**

**2. Laura R. Thompson (00080388) – reconsideration
Candidate, State Representative**

Report: Semiannual report due January 16, 2018
 Penalty: \$500 – reduction to \$400
 Recommendation: None.
 Appeal Received: July 30, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Ms. Thompson addressed the Commission. Chair Wolens, Commissioner Kennedy and Ms. Barden responded with questions and comments. Motion by Commissioner Kennedy to waive the penalty on Agenda Item 6, number 2; second by Commissioner Schmidt. **Motion to waive the penalty on Agenda Item 6, number 2 passed by a vote of seven ayes.**

**3. Amanda J. Marzullo (00065422)
Lobbyist**

Report: Monthly lobby activities reports due February 12, 2018, March 12, 2018, April 10, 2018, June 11, 2018 and July 10, 2018
Penalty: Total of \$2,500 – reduction to \$1,300
Recommendation: None.
Appeal Received: August 14, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Commissioner Flood to reduce the penalty on Agenda Item 6, number 3 from \$2,500 to \$1,300; second by Commissioner Mizell. **Motion to reduce the penalty on Agenda Item 6, number 3 from \$2,500 to \$1,300 passed by a vote of seven ayes.**

**4. Perry L. Fowler (00067017)
Lobbyist**

Report: Monthly lobby activities report due April 10, 2018
Penalty: \$500 – no waiver
Recommendation: None.
Appeal Received: August 23, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Mr. Fowler addressed the Commission. Chair Wolens, Commissioners Flood and Mizell, and Ms. Barden responded with questions and comments. Motion by Commissioner Mizell to waive the penalty on Agenda Item 6, number 4; second by Commissioner Flood. **Motion to waive the penalty on Agenda Item 6, number 4 passed by a vote of seven ayes.**

**5. Kelly Sullivan (00081216)
Member, Texas Agricultural Finance Authority**

Report: Personal financial statement due June 30, 2017
Penalty: \$500 – no waiver
Recommendation: None.
Appeal Received: November 2, 2017

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Ms. Sullivan addressed the Commission. Chair Wolens and Commissioners Flood and Kennedy responded with questions and comments. Motion by Commissioner Mizell to waive the penalty on Agenda Item 6, number 5; second by Commissioner Flood. **Motion to waive the penalty on Agenda Item 6, number 5 passed by a vote of seven ayes.**

**6. Cooke W. Kelsey (00082053)
Candidate, District Judge**

Report: 8-day pre-election report due February 26, 2018
Penalty: \$500 – reduction to \$150
Recommendation: None.
Appeal Received: August 27, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Wolens, Commissioners Flood, Kennedy, Mizell and Schmidt, and Ms. Barden responded with questions and comments. Motion by Commissioner Flood to reduce the penalty on Agenda Item 6, number 6 from \$500 to \$150; second by Commissioner Schmidt. **Motion to reduce the penalty on Agenda Item 6, number 6 from \$500 to \$150 passed by a vote of seven ayes.**

**7. Cheryl Surber (00082432)
Candidate, State Board of Education**

Report: 8-day pre-election report due February 26, 2018
Penalty: \$500 – reduction to \$150
Recommendation: None.
Appeal Received: June 29, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Wolens and Ms. Barden responded with questions and comments. Motion by Commissioner Flood to waive the penalty on Agenda Item 6, number 7; second by Commissioner Kennedy. **Motion to waive the penalty on Agenda Item 6, number 7 passed by a vote of seven ayes.**

**8. Daniel “Dan” Wyde (00058687)
Candidate, Court of Appeals Justice**

Report: 8-day pre-election report due February 26, 2018
Penalty: \$1,800 – reduction to \$1,150
Recommendation: None.
Appeal Received: May 31, 2018

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Wolens, Commissioners Erben, Flood, Kennedy and Mizell, and Ms. Barden responded with questions and comments. Motion by Vice Chair Craycraft to reduce the penalty from \$1,800 to \$1,150 on Agenda Item 6, number 8; second by Commissioner Erben. **Motion to reduce the penalty from \$1,800 to \$1,150 on Agenda Item 6, number 8 passed by a vote of seven ayes.**

The follow agenda item is listed in the order it was discussed.

Agenda Item 7: Discussion and possible action to waive or reduce the late-filing penalty in connection with a corrected report or to determine whether the corrected report as originally filed substantially complied with the applicable law for the following individuals and political committees:

1. Ana Lisa Garza (00065756)
Candidate, State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$800
Recommendation Based on Commission Guidelines: substantial compliance

2. Katherine Elizabeth “Katy” Boatman (00082007)
Candidate, Court of Appeals Justice

Report: 8-day pre-election report due February 26, 2018
Penalty: \$1,100
Recommendation Based on Commission Guidelines: substantial compliance

3. Melissa Johnson (00054674)
Treasurer, “CCRW” Clear Creek Republican Women

Report: 8-day pre-election report due February 26, 2018
Penalty: \$1,400
Recommendation Based on Commission Guidelines: substantial compliance

4. Christopher A. Miller (00082030)
Candidate, State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$1,400
Recommendation Based on Commission Guidelines: substantial compliance

5. Stuart M. Lane (00050436)
Treasurer, “DFW Conservative Voters” Dallas/Fort Worth Conservative Voters

Report: 8-day pre-election report due February 26, 2018
Penalty: \$1,500
Recommendation Based on Commission Guidelines: substantial compliance

6. Jill A. Wolfskill (00082329)
Candidate, State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$1,600
Recommendation Based on Commission Guidelines: substantial compliance

7. Robert J. Ramos (00081852)
Candidate, District Judge

Report: 8-day pre-election report due February 26, 2018
Penalty: \$1,700
Recommendation Based on Commission Guidelines: substantial compliance

8. Roman James Alfred McAllen (0081739)
Candidate, Railroad Commissioner

Report: 8-day pre-election report due February 26, 2018 (original filed late; paid \$400 fine)
Penalty: \$1,400
Recommendation Based on Commission Guidelines: substantial compliance

9. Sheri Soltes (00081732)
Candidate, State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$3,000
Recommendation Based on Commission Guidelines: substantial compliance

10. Tom Banning (00016860)
Treasurer, Texas Academy of Family Physicians PAC

Report: 8-day pre-election report due February 26, 2018 (original filed late; paid \$800 fine)
Penalty: \$2,600
Recommendation Based on Commission Guidelines: substantial compliance

11. Susan R. Barrick (00053935)
Treasurer, "TDW PAC" Texas Democratic Women PAC

Report: 8-day pre-election report due February 26, 2018
Penalty: \$3,900
Recommendation Based on Commission Guidelines: substantial compliance

12. Sarah J. Roddy (00015952)
Treasurer, "Tex Hy-PAC" Texas Dental Hygienists' Political Action Committee

Report: 8-day pre-election report due February 26, 2018 (original filed late; paid \$600 fine)
Penalty: \$3,300
Recommendation Based on Commission Guidelines: substantial compliance

13. Christopher S. "Chris" Shields (00016365)
Treasurer, Ag Air PAC

Report: 8-day pre-election report due February 26, 2018
Penalty: \$4,200
Recommendation Based on Commission Guidelines: substantial compliance

14. Patricia A. "Pat" Hardy (00051772)
Member, State Board of Education

Report: 8-day pre-election report due February 26, 2018
Penalty: \$6,100
Recommendation Based on Commission Guidelines: substantial compliance

15. Eric L. Johnson (00065751)
State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$6,300
Recommendation Based on Commission Guidelines: substantial compliance

16. J.D. Sheffield (00066222)
State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$9,700
Recommendation Based on Commission Guidelines: substantial compliance

17. Carlos Antonio Raymond (00080137)
Candidate, State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: substantial compliance

18. David E. Gibson (00068159)
Treasurer, Texas Corn PAC of the Corn Producers Association of Texas

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: substantial compliance

19. Dabney D. Bassel (00080342)
Candidate, Court of Appeals Justice

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: substantial compliance

20. Kirsten B. Cohoon (00081710)
Candidate, District Judge

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: substantial compliance

21. Mark J. Beausoleil (00082310)
Candidate, District Judge

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: substantial compliance

22. Christopher V. Tyrone (00065031)
Treasurer, "HCFRCFRG" Haltom City Firefighters Committee for Responsible Government

Report: 8-day pre-election report due April 27, 2018
Penalty: \$900
Recommendation Based on Commission Guidelines: substantial compliance

23. Abel J. Austin, (00082694)
Treasurer, SSPFRG" Sulphur Springs Professional Firefighters for Responsible Government

Report: 8-day pre-election report due April 27, 2018
Penalty: \$7,400
Recommendation Based on Commission Guidelines: substantial compliance

24. Charles Shockley (00053132)
Treasurer, "CFFRG" Carrollton Firefighters for Responsible Government

Report: 8-day pre-election report due April 27 2018
Penalty: \$7,800
Recommendation Based on Commission Guidelines: substantial compliance

Chair Wolens and Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Commissioner Schmidt to adopt staff recommendations of substantial compliance on Agenda Item 7, numbers 1 through 24; second by Commissioner Erben. **Motion to adopt staff recommendation on Agenda Item 7, numbers 1 through 24 passed by a vote of seven ayes.**

25. Jay A. Thompson (00017277)
Treasurer, "AFACT" Association of Fire & Casualty Cos. of Texas PAC

Report: 8-day pre-election report due October 30, 2017
Penalty: \$10,000
Recommendation Based on Commission Guidelines: waiver

26. Aida R. Rojas (00065785)
Candidate, District Judge

Report: 8-day pre-election report due February 26, 2018
Penalty: \$600
Recommendation Based on Commission Guidelines: waiver

27. Jason B. Huddleston (00081916)
Candidate, State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$800
Recommendation Based on Commission Guidelines: waiver

28. Don Dyer (00082072)
Treasurer, New Leadership PAC

Report: 8-day pre-election report due February 26, 2018
Penalty: \$800
Recommendation Based on Commission Guidelines: waiver

29. Scott Janson (00016036)
Treasurer, Texas Beverage Alliance of the Texas Package Stores Association

Report: 8-day pre-election report due February 26, 2018 (original filed late; paid \$850 fine)
Penalty: \$4,650
Recommendation Based on Commission Guidelines: waiver

30. Greg Hitt (00081849)
Candidate, District Judge

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: waiver

31. Audra L. Conwell (00068711)
Treasurer, "IPRX PAC" Independent Pharmacists RX PAC

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: waiver

32. Claudia Natali Hurtado (00082288)
Candidate, State Representative

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: waiver

33. Kristin Tassin (00082010)
Candidate, State Senator

Report: daily special pre-election report of contributions due February 27, 2018
Penalty: \$500
Recommendation Based on Commission Guidelines: waiver

Chair Wolens and Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Commissioner Kennedy to adopt staff recommendations of waiver on Agenda Item 7, numbers 25 through 33; second by Commissioner Flood. **Motion to adopt staff recommendation on Agenda Item 7, numbers 25 through 33 passed by a vote of seven ayes.**

35. Henry G. “Hank” Segelke (00082315)
Candidate, State Senator

Report: 8-day pre-election report due February 26, 2018
Penalty: \$2,100
Recommendation Based on Commission Guidelines: reduction to \$500

36. Steven Halvorson (00066821)
Treasurer, “TOP PAC” TOP Political Action Committee

Report: 8-day pre-election report due February 26, 2018
Penalty: \$6,300
Recommendation Based on Commission Guidelines: reduction to \$1,000

37. Whitney Tymas (00082400)
Treasurer, Texas Justice & Public Safety PAC

Report: 8-day pre-election report due February 26, 2018
Penalty: \$6,300
Recommendation Based on Commission Guidelines: reduction to \$1,000

38. Kent W. Johns (00082373)
Candidate, District Judge

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: reduction to \$1,000

39. Guadalupe “Lupe” Valdez (00082283)
Candidate, Governor

Report: 8-day pre-election report due February 26, 2018
Penalty: \$10,000
Recommendation Based on Commission Guidelines: reduction to \$1,000

40. Karrie C. Washenfelder (00055453)**Treasurer “FBF-COPE” Fort Bend Employee Federation Committee on Political Education**

Report: 8-day pre-election report due February 26, 2018 (original filed late; paid \$200 fine)

Penalty: \$9,800

Recommendation Based on Commission Guidelines: reduction to \$1,000

Chair Wolens and Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Vice Chair Craycraft, Commissioner Kennedy and Ms. Barden responded with questions and comments. Motion by Commissioner Erben to adopt staff recommendations of reduction on Agenda Item 7, numbers 35 through 40; second by Commissioner Schmidt. **Motion to adopt staff recommendation on Agenda Item 7, numbers 35 through 40 passed by a vote of seven ayes.**

41. American Wind Action, Entity Filing Direct Campaign Expenditure (DCE) Reports (00082640)

Report: daily special pre-election report of direct expenditures due February 28, 2018

Penalty: \$500

Recommendation Based on Commission Guidelines: no waiver

Chair Wolens briefed the Commission on this agenda item. Motion by Commissioner Schmidt to adopt staff recommendations of no waiver on Agenda Item 7, number 41; second by Commissioner Flood. **Motion to adopt staff recommendation on Agenda Item 7, number 41 passed by a vote of seven ayes.**

34. Lillie J. Schechter (00015507)**Treasurer, “HCDP” Harris County Democratic Party (CEC)**

Report: 8-day pre-election report due February 26, 2018

Penalty: \$1,200

Recommendation Based on Commission Guidelines: reduction to \$500

Commissioner Kennedy recused herself on this agenda item. Chair Wolens and Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Vice Chair Craycraft to adopt staff recommendation of reduction on Agenda Item 7, number 34; second by Commissioner Erben. **Motion to adopt staff recommendation on Agenda Item 7, number 34 passed by a vote of six ayes (Commissioner Kennedy recused herself).**

Vice Chair Craycraft and Commissioner Flood were off the dais briefly during this agenda item.

Agenda Item 8: Discussion of Advisory Opinion Request No. SP-14: Whether a judge or a candidate for judicial office may use public resources for campaign purposes, and whether an associate judge may wear judicial robes and use the title “associate judge” in political advertising.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Commissioners Erben, Flood, Kennedy, Mizell and Schmidt, and Ian Steusloff, General Counsel, responded with questions and comments. No action was taken.

Agenda Item 9: Update regarding Advisory Opinion Request No. AOR-628: Whether section 572.069 of the Government Code would prohibit a former employee of a state agency from accepting employment from a person to which the state agency had awarded a contract.

This agenda item was not discussed.

Agenda Item 10: Discussion of possible recommendations for statutory changes to the 86th Legislature as required by § 571.073 of the Government Code.

Seana Willing, Executive Director, briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioners Erben, Flood, Kennedy, Mizell and Schmidt, Ms. Willing, Ian Steusloff, General Counsel, and Jessie Haug, Director of Computer Services and Director of Disclosure Filing, responded with questions and comments. No action was taken.

Agenda Item 11: Discussion and possible action on a petition for rulemaking concerning the designation of a corporation's political contributions made to a general-purpose committee for administrative expenses under § 253.100(a) of the Election Code.

Agenda Item 12: Discussion and possible action on the proposal and publication in the Texas Register of new and amended Ethics Commission rules regarding corporations and labor organizations making political expenditures to finance the establishment and administration of, and solicitation of political contributions to, a general-purpose committee and making political contributions to a political committee for supporting or opposing measures exclusively under §§ 253.096 and 253.100 of the Election Code.

Chair Wolens briefed the Commission on these agenda items. Chair Wolens and Commissioners Erben, Flood, Kennedy, and Mizell responded with questions and comments. Chair Wolens requested that Commissioners Erben, Flood and Mizell form a subcommittee to discuss this issue. Commissioner Erben is chair of the subcommittee. No action was taken

Agenda Item 13: Discussion of unfinished business from the Public Meeting Agenda for October 3, 2018.

Chair Wolens addressed the Commission. No action was taken.

Agenda Item 14: Adjourn.

Motion by Chair Wolens to adjourn. **Commission meeting adjourned by unanimous consent.**

Meeting adjourned at 11:16 a.m.