



TEXAS ETHICS COMMISSION MEETING MINUTES

Public Agenda

June 28, 2019, 9:02 a.m.
Capitol Extension, Room E1.014
Austin, Texas 78701



COMMISSIONERS PRESENT: Steven D. Wolens, Chair; Chad M. Cray Craft, Vice Chair; Randall H. Erben, Chris Flood, Mary K. “Katie” Kennedy, Patrick W. Mizell, Richard S. Schmidt and Joseph O. Slovacek

COMMISSIONERS NOT PRESENT: None.

STAFF PRESENT: Margie Castellanos, Nick Espinosa, Betty Gallegos, Domingo Gonzales, Lovern Grant, Jessie Haug, Cristina Hernández, Jordan Hunn, Haksoon Andrea Low, Katie Orr, Amy Padilla, Scarlett Scalzo, Ian Steusloff, Jim Tinley, and Preston Tom.

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. Ian Steusloff, Interim Executive Director, called the roll. All Commissioners were present

Agenda Item 2: Election of Chair and Vice-Chair of the Commission.

Chair Wolens and Commissioner Flood addressed the Commission on this agenda item. Motion by Commissioner Flood to elect Vice Chair Craycraft as Chair of the Texas Ethics Commission; second by all remaining Commissioners. **Motion passed by a vote of eight ayes.** Commissioner Slovacek addressed the Commission on this agenda item. Motion by Commissioner Slovacek to elect Commissioner Kennedy as Vice Chair of the Texas Ethics Commission; second by all remaining Commissioners. **Motion passed by a vote of eight ayes.**

Agenda Item 3: Discussion regarding dates for next Commission meeting.

Chair Wolens addressed the Commission on this agenda item. Chair Wolens, Commissioners Flood and Kennedy, Ian Steusloff, Interim Executive Director, and Nick Espinosa, Director of

Enforcement, responded with questions and comments. Tentative dates for the next Commission meeting, subject to change, are October 3-4, 2019.

Agenda Item 4: Approve minutes for the following meetings:

- **Executive Session – March 21, 2019;**
- **Public Meeting – March 21, 2019;**
- **Executive Session – March 22, 2019; and**
- **Public Meeting – March 22, 2019.**

Chair Wolens addressed the Commission on this agenda item. Motion by Commissioner Flood to adopt the minutes in Agenda Item 4; second by Commissioner Erben. **Motion passed by a vote of eight ayes.**

Agenda Item 5: Possible executive session pursuant to Section 551.074, Government Code (Personnel Matters): Discussion of personnel matters specifically related to applicants for, and possible action on an appointment to the position of, Executive Director.

Agenda Item 6: Possible executive session pursuant to Section 551.074, Government Code (Personnel Matters): Discussion of and possible action on personnel matters specifically related to the salaries of the Executive Director and General Counsel.

The Commission went into Executive Session at 9:09 am, and returned at 9:31 am. Chair Wolens and Vice Chair Craycraft addressed the Commission on this agenda item. Motion by Vice Chair Craycraft to appoint Anne Peters as the Executive Director of the Texas Ethics Commission, starting on July 22, 2019, at the current salary for the Executive Director in FY 2019; second by Commissioner Kennedy. **Motion passed by a vote of eight ayes.** Motion by Commissioner Slovacek to appoint Chair Wolens and Vice Chair Craycraft as a subcommittee to review the salaries of Commission staff, as permissible under the law, to be effective on September 1, 2019 when new appropriations become effective, and to be ratified by the full commission at the next commission meeting; second by Commissioner Flood. **Motion passed by a vote of eight ayes.**

Agenda Item 7: Discussion and possible action 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 filers:

1. Sean O. Russell (00082663)

Chair Wolens and Ian Steusloff, Interim Executive Director, briefed the Commission on this agenda item. Motion by Commissioner Erben to accept staff recommendations and reduce the fine to \$400 on Agenda Item 7, number 1; second by Commissioner Schmidt. **Motion passed by a vote of eight ayes.**

2. Philip Sevilla, Campaign Treasurer, Texas Leadership Institute for Public Advocacy (00068542)

Philip Sevilla and Jesus Tovar addressed the Commission. Chair Wolens and Commissioner Slovacek responded with questions and comments. Motion by Commissioner Slovacek to waive the fine on Agenda Item 7, number 2; second by Commissioner Flood. Ian Steusloff, Interim Executive Director, called the roll. Commissioners Flood, Kennedy, Mizell, Schmidt and Slovacek voted yes; Chair Wolens, Vice Chair Craycraft and Commissioner Erben voted no. **Motion passed by a vote of five ayes.**

- 3. Wilvin J. Carter (00069795)**
- 4. Tim Mahoney (00081838)**
- 5. Rebeca Martinez (00065774)**
- 6. Warren Blake Baker (00082398)**

Motion by Commissioner Slovacek to accept staff recommendations and reduce the fines on Agenda Item 7, numbers 3 through 6; second by Commissioner Schmidt. **Motion passed by a vote of eight ayes.**

Agenda Item 8: Reports more than 30 days late: Discussion and possible action regarding the imposition of an additional fine on the following filers:

Political Committees

- 1. Mike J. Warner, Treasurer, Texas Plumbers Association (00083188)**
- 2. Eric Leonard, Treasurer, Victoria Democrats Club (00067043)**
- 3. William Elliot, Jr., Treasurer, Texas Card Players Association Political Action Committee (00065814)**

Lobbyist

- 4. James Andrew Campbell, Lobbyist (00035512)**

Personal Financial Statements

- 5. Adan D. Arellano (00082424)**
- 6. Roberto D. Martinez (00082870)**
- 7. Sonya Sanderson (00080916)**

Candidates

- 8. Yvette T. Gbalazeh (00081812)**
- 9. Joseph G. McElligott (00080621)**
- 10. Martina Salinas (00069864)**

Chair Wolens addressed the Commission on this agenda item. Motion by Commissioner Slovacek to adopt staff recommendations and increase the penalties from \$500 to \$1,000 on Agenda Item 8, numbers 1 through 3; second by Commissioner Kennedy. **Motion passed by a**

vote of eight ayes. Motion by Commissioner Slovacek to adopt staff recommendations and increase the penalties from \$500 to \$1,000 on Agenda Item 8, numbers 4 through 10; second by Commissioner Erben. **Motion passed by a vote of eight ayes.**

Agenda Item 9: Discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules §§12.26 and 12.86, regarding the postponement of hearings.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens and Ian Steusloff, Interim Executive Director, responded with questions and comments. No action was taken.

Agenda Item 10: Discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rule §12.174, regarding the summary disposition of a matter in a formal hearing.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Commissioners Kennedy and Mizell, and Ian Steusloff, Interim Executive Director, responded with questions and comments. Chair Wolens appointed Commissioners Kennedy and Mizell to work with staff on this agenda item. No action was taken.

Agenda Item 11: Discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rule §18.21, regarding the jurisdiction to consider a request to waive or reduce a fine assessed for failure to file a timely report or for filing a correction to a report.

Chair Wolens and Ian Steusloff, Interim Executive Director, briefed the Commission on this agenda item. Motion by Commissioner Erben to publish in Texas Register an amendment to Ethics Commission Rules §18.21; second by Commissioner Flood. **Motion passed by a vote of eight ayes.**

Agenda Item 12: Discussion and possible action on the proposal and publication in the Texas Register of amendments to the Ethics Commission Rule §18.31, regarding the adjustments of reporting thresholds, and Ethics Commission Rules that are affected by the adoption of an amendment to Ethics Commission Rule §18.31, including §§20.62, 20.65, 20.217, 20.219, 20.220, 20.221, 20.275, 20.279, 20.301, 20.303, 20.313, 20.329, 20.331, 20.333, 20.401, 20.405, 20.431, 20.433, 20.434, 20.435, 20.553, 20.555, 22.1, 22.6, 22.7, 34.41, and 34.43.

Chair Wolens and Ian Steusloff, Interim Executive Director, briefed the Commission on this agenda item. Motion by Commissioner Erben to publish in Texas Register amendments to Ethics Commission Rules §§18.31, 20.62, 20.65, 20.217, 20.219, 20.220, 20.221, 20.275, 20.279, 20.301, 20.303, 20.313, 20.329, 20.331, 20.333, 20.401, 20.405, 20.431, 20.433, 20.434, 20.435,

20.553, 20.555, 22.1, 22.6, 22.7, 34.41, and 34.43; second by Commissioner Schmidt. **Motion passed by a vote of eight ayes.**

Agenda Item 13: Discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules §18.27, regarding the procedures for waiving or reducing fines assessed for corrected reports, and an amendment to Ethics Commission Rules §18.9, regarding corrected and amended reports.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Commissioner Kennedy, and Haksoon Andrea Low, Assistant General Counsel, responded with questions and comments. Chair Wolens requested that Commissioner Kennedy and Ms. Low work together to rewrite these rule changes. No action was taken.

Agenda Item 14: Discussion and possible action regarding procedures for advisory opinion requests received by the Texas Ethics Commission.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens and Ian Steusloff, Interim Executive Director, responded with questions and comments. No action was taken.

Agenda Item 15: Advisory Opinion Draft No. SP-14: Whether a public officer may use government resources for political advertising.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, and Commissioners Erben and Kennedy responded with questions and comments. Motion by Commissioner Erben to adopt Agenda Item 15, as amended; second by Commissioner Mizell. **Motion passed by a vote of eight ayes. SP-14 is adopted.**

Agenda Item 16: Advisory Opinion Draft No. SP-17: Regarding the reporting of certain expenditures made for the placement of Internet political advertising.

Chair Wolens briefed the Commission on this agenda item. Commissioner Kennedy responded with comments. No action was taken.

Agenda Item 17: Discussion regarding per diem applicable to Commission members.

Chair Wolens briefed the Commission on this agenda item. No action was taken.

Agenda Item 18: Update on legislative action concerning the Commission's budget.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens and Jessie Haug, Director of Computer Services and Director of Disclosure Filing, responded with comments. No action was taken.

Agenda Item 19: Update on legislation affecting the Commission.

Chair Wolens and Ian Steusloff, Interim Executive Director, briefed the Commission on this agenda item. Chair Wolens, Commissioners Erben, Flood, Kennedy and Schmidt, and Mr. Steusloff responded with questions and comments. No action was taken.

Agenda Item 20: Discussion and possible action on any unfinished business from March 21, 2019, Public Meeting.

Commissioners Mizell addressed the Commission; his comments were agreed to by all of the Commissioners. No action was taken.

Agenda Item 21: Adjourn.

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

Meeting adjourned at 10:34 a.m.