

TEXAS ETHICS COMMISSION
P.O. Box 12070, Austin, Texas 78711-2070
(512) 463-5800

Steven D. Wolens, Chair
Hugh C. Akin, Vice Chair
Jim Clancy
Chad M. Craycraft

Chris Flood
Mary K. "Katie" Kennedy
Tom Ramsay
Chase Untermeyer

AGENDA

Date and Time: 10:00 a.m., Tuesday, July 11, 2017
Location: Room E1.014, Capitol Extension, Austin, Texas

1. Call to order; roll call.
2. **Executive session pursuant to Section 551.071, Government Code, Consultation with Attorneys; Closed Meeting.** Discussion of pending litigation to seek legal advice relating to the following:
 - A. Cause No. D-1-GN-17-001878, *Michael Quinn Sullivan v. Texas Ethics Commission, by and through its executive director, Natalia Luna Ashley, in her official capacity*, in the 250th Judicial District Court in Travis County, Texas; and Cause No. 03-17-00392-CV, *Michael Quinn Sullivan v. Texas Ethics Commission*, in the Third Court of Appeals at Austin, Texas.
 - B. Cause No. D-1-GN-14-002665; *Michael Quinn Sullivan v. Jim Clancy, Paul W. Hobby, Hugh C. Akin, Wilhelmina Delco, Tom Harrison, Bob Long, Tom Ramsay, and Chase Untermeyer, in their official capacities as Commissioners of the Texas Ethics Commission, and the Texas Ethics Commission, by and through its Executive Director, Natalia Luna Ashley, in her official capacity*; in the 345th Judicial District Court of Travis County, Texas.
 - C. Cause No. D-1-GN-14-001252; *Empower Texans, Inc. and Michael Quinn Sullivan v. State of Texas Ethics Commission, Natalia Luna Ashley, in her capacity as Executive Director of the Texas Ethics Commission, Tom Ramsay, individually and in his capacity as Commissioner, Paul Hobby, individually and in his capacity as Commissioner, Hugh C. Akin, individually and in his capacity as Commissioner, James T. Clancy, individually and in his capacity as Commissioner, Wilhelmina R. Delco, individually and in her capacity as Commissioner, Warren T. Harrison, individually and in his capacity as Commissioner, Robert K. Long, individually and in his capacity as Commissioner, and Charles G. Untermeyer, individually and in his capacity as Commissioner*; in

For more information, contact Seana Willing, Executive Director, at (512) 463-5800.

the 53rd Judicial District Court of Travis County, Texas; and related case, Cause No. 03-16-00019-CV; *Empower Texans, Inc. and Michael Quinn Sullivan v. The State of Texas Ethics Commission; Natalia Luna Ashley, in her capacity as Executive Director of the Texas Ethics Commission; Tom Ramsay, individually and in his capacity as Commissioner; Steven P. Wolens, individually and in his capacity as Commissioner; Hugh C. Akin, individually and in his capacity as Commissioner; James T. Clancy, individually and in his capacity as Commissioner; Wilhelmina R. Delco, individually and in her capacity as Commissioner; Mary K. Kennedy, individually and in her capacity as Commissioner; Chad M. Craycraft, individually and in his capacity as Commissioner; and Charles G. Untermeyer, individually and in his capacity as Commissioner*, in the Third Court of Appeals, Austin, Texas.

- D. Cause No. D-1-GN-15-004455; *Texas Ethics Commission v. Empower Texans, Inc. and Michael Quinn Sullivan*; in the 345th Judicial District Court of Travis County, Texas; and related case, Cause No., 03-16-00872-CV, *Empower Texans, Inc., and Michael Quinn Sullivan*, in the Third Court of Appeals, Austin, Texas.
- E. Civil Action No. 5:14-cv-00133-C; *Texas Home School Coalition Association, Inc. v. Matthew D. Powell, in his official capacity as District Attorney of Lubbock County, et al.*; in the United States District Court for the Northern District of Texas, Lubbock Division.
- F. Cause No. D-1-GN-16-000149, *Texas Home School Coalition Association, Inc. v. Texas Ethics Commission*; in the 261st Judicial District Court of Travis County, Texas; and related case, Cause No. 03-17-00167-CV, *Texas Home School Coalition Association, Inc. v. Texas Ethics Commission*, in the Court of Appeals for the Third District of Texas at Austin.
- G. Civil Action No. 1:13-cv-00916; *Mike Barnes v. Texas Ethics Commission*; in the United States District Court for the Western District of Texas, Austin Division; and related case, Cause No. D-1-GN-15-003454; *Mike Barnes v. Texas Ethics Commission*, in the 201st Judicial District Court of Travis County, Texas.
- H. Cause No. 2016-27417; *Briscoe Cain v. Charles G. Untermeyer, in his Official Capacity as Chairman and Commissioner of the Texas Ethics Commission and Natalia Luna Ashley, in her Official Capacity as Executive Director of the Texas Ethics Commission*; in the 270th Judicial District Court of Harris County, Texas.

3. Discussion of personnel issues.

4. Reconvene in open session.

For more information, contact Seana Willing, Executive Director, at (512) 463-5800.

5. Adjourn.

CERTIFICATION: I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Certifying Official & Agency Liaison: Seana Willing, Executive Director.

NOTICE: Under the Americans with Disabilities Act, an individual with a disability must have an equal opportunity for effective communication and participation in public meetings. Upon request, the Texas Ethics Commission will provide auxiliary aids and services, such as interpreters for the deaf and hearing impaired, readers, and large print or Braille documents. In determining the type of auxiliary aid or service, the Commission will give primary consideration to the individual's request. Those requesting auxiliary aids or services should notify Margie Castellanos at (512) 463-5800 or RELAY Texas at (800) 735-2989 two days before this meeting so that appropriate arrangements can be made. Please also contact Ms. Castellanos if you need assistance in having English translated into Spanish.

TEXAS ETHICS COMMISSION
P.O. Box 12070, Austin, Texas 78711-2070
(512) 463-5800

Steven D Wolens, Chair
Hugh C. Akin, Vice Chair
Jim Clancy
Chad M. Craycraft

Chris Flood
Mary K. "Katie" Kennedy
Tom Ramsay
Chase Untermeyer

AGENDA

Date and Time:	11:00 a.m., Tuesday, July 11, 2017
Location:	Room E1.014, Capitol Extension, Austin, Texas

1. Call to order; roll call.
2. Comments by the Commissioners.
3. Comments by the Executive Director.
4. Approve minutes for the following meetings:
 - o Executive Session – May 17, 2017;
 - o Public Meeting – May 17, 2017;
 - o Pre-Hearing Conference – May 17, 2017; and
 - o Executive Session – June 22, 2017.
5. Briefing and discussion of ethics legislation in the 2017 legislative session, including status of Ethics Commission legislative recommendations.
6. Discussion regarding surveys to determine level of local filer compliance.

RULEMAKING

7. Public discussion and possible action on the adoption or proposal and publication in the Texas Register of rules regarding the disclosure of political expenditures to vendors and others, including an amendment to Ethics Commission Rules § 20.1 (Definitions) and § 20.61 (Purpose of Expenditure), and new Ethics Commission Rules § 20.56 (Expenditures to Vendors).
8. Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 12.81 (Technical, Clerical, or De Minimis Violations), relating to the procedures for investigating and resolving technical and clerical violations of laws within the

For more information, contact Seana Willing, Executive Director, at (512) 463-5800.

Commission's jurisdiction as provided by section 571.0631 of the Government Code.

9. Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 20.61 (Purpose of Expenditure), regarding the disclosure of political expenditures made in the form of in-kind contributions to candidates, officeholders, and political committees.

ADVISORY OPINIONS

10. Discussion of Advisory Opinion Request No. SP-13: Whether the inspector general for the Department of Health and Human Services is a "state officer" required to file a personal financial statement under Chapter 572 of the Government Code.

This opinion request construes Chapter 572 of the Government Code.

11. Discussion of Advisory Opinion Request No. AOR-622: Whether the revolving door law in section 572.069 of the Government Code would prohibit a former employee of a state agency from providing certain services.

This opinion request construes Section 572.069 of the Government Code.

OTHER POLICY MATTERS

12. Briefing, discussion, and possible action on appeal of fines increased by the Commission, and on appeals of determinations made under Ethics Commission Rules §§ 18.24(g) relating to administrative waiver or reduction of a fine, for the following individuals and political committee:

1. Robin Chandler (00070814)
2. Geoffrey M. Gay (00053659)
3. Marina Hench (00068852)
4. Joy Dawson-Thomas (00080496)
5. J.M. 'Chuy' Alvarez (00051932)

13. Briefing, 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. Eric L. Johnson (00065751)

2. Frank J. Castro (00080420)
 3. Micheline Hutson, Treasurer, 'CFRW' Cy-Fair Republican Women PAC (00058757)
 4. David A. Henderson, Treasurer, 'CP Fire PAC' Cedar Park Fire PAC (00068625)
 5. Merry K. 'Katherine' McDaniel (00080130)
14. Communication to the Commission from the public.
15. Adjourn.

CERTIFICATION: I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Certifying Official & Agency Liaison: Seana Willing, Executive Director.

NOTICE: Under the Americans with Disabilities Act, an individual with a disability must have an equal opportunity for effective communication and participation in public meetings. Upon request, the Texas Ethics Commission will provide auxiliary aids and services, such as interpreters for the deaf and hearing impaired, readers, and large print or Braille documents. In determining the type of auxiliary aid or service, the Commission will give primary consideration to the individual's request. Those requesting auxiliary aids or services should notify Margie Castellanos at (512) 463-5800 or RELAY Texas at (800) 735-2989 two days before this meeting so that appropriate arrangements can be made. Please also contact Ms. Castellanos if you need assistance in having English translated into Spanish.

The draft meeting minutes will be available on our website the day before the meeting, at <https://www.ethics.state.tx.us/DraftMinutes>.

If you would like a copy of the draft minutes, please provide your email address below, and return this sheet to Ethics Commission staff at the meeting.

Email address:

EXHIBIT A

SUBCOMMITTEE DRAFT

Text of Proposed Rules

The proposed new language is indicated by underlined text.

The deleted language is indicated by ~~[striketrough]~~ text.

Chapter 20. REPORTING POLITICAL CONTRIBUTIONS AND EXPENDITURES

Subchapter B. GENERAL REPORTING RULES

§20.1. Definitions.

(24) Vendor—Any person providing goods or services to a candidate, officeholder, political committee, or other filer under this chapter. The term does not include an employee of the candidate, officeholder, political committee, or other filer.

§20.56. Expenditures to Vendors.

(a) A political expenditure made by a vendor for a candidate, officeholder, political committee, or other filer, with the intent to seek reimbursement from the filer, shall be reported by the filer in accordance with this chapter as though the filer made the expenditure directly.

(b) A vendor of a candidate, officeholder, or specific-purpose committee for supporting a candidate or assisting an officeholder may not, in providing goods or services for the candidate, officeholder, or committee, make an expenditure that, if made by the candidate, officeholder, or committee, would be prohibited by Sections 253.035, 253.038, or 253.041, Election Code.

(c) A candidate, officeholder, or specific-purpose committee for supporting a candidate or assisting an officeholder may not use political contributions to pay or reimburse a vendor for an expenditure that, if made by the candidate, officeholder, or committee, would be prohibited by Sections 253.035, 253.038, or 253.041, Election Code.

§20.61. Purpose of Expenditure.

(a) For reporting required under Section 254.031 of the Election Code, the purpose of an expenditure means:

(1) A description of the category of goods, services, or other thing of value for which an expenditure is made. Examples of acceptable categories include:

...

EXHIBIT A

(2) A brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure and an additional indication if the expenditure is an officeholder expenditure for living in Austin, Texas. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

(3) For purposes of this section, “consulting” means advice and strategy. “Consulting” does not include providing other goods or services, including without limitation media production, voter contact, or political advertising.

(b) An expenditure other than a reimbursement to a person, including a vendor, for more than one type of good or service must be reported by the filer as separate expenditures for each type of good or service provided by the person in accordance with this rule.

(c) [(b)] The description of a political expenditure for travel outside of the state of Texas must provide the following:

...

(d) [(e)] Except as provided by subsection (e) [(d)] of this section, this rule applies to expenditures made on or after July 1, 2010.

(e) [(d)] The requirement to include an additional indication if an expenditure is an officeholder expenditure for living in Austin, Texas, applies to an expenditure made on or after July 1, 2014.

(f) [(e)] Comments: ...

EXHIBIT A

Text of Proposed Rule Amendment

The proposed new language is indicated by underlined text.

The deleted language is indicated by ~~strikethrough~~ text.

Chapter 12. SWORN COMPLAINTS

Subchapter C. INVESTIGATION AND PRELIMINARY REVIEW

§12.81. Technical, Clerical, or De Minimis Violations.

(a) A technical, clerical, or de minimis violation for purposes of §571.0631 of the Government Code may include a first-time allegation against a respondent for:

(1) Typographical or incomplete information on a campaign finance report that is not misleading and ~~or~~ does not substantially affect disclosure;

(2) Failure to include a disclosure statement on political advertising;

(3) Failure of a non-incumbent to use the word “for” in a campaign ~~communication, where the~~ communication that is not otherwise misleading;

(4) Failure to include the highway right-of-way notice on political advertising;

(5) Using a representation of the state seal by a person who is not an officeholder in political advertising that is not otherwise misleading;

(6) ~~(5)~~ Filing a late campaign finance report that ~~[if the total amount of political contributions does not exceed \$2,500, the total amount of political expenditures does not exceed \$2,500, and the report]~~ is not a report due 30 or 8 days before an election ~~[election,]~~ or a special pre-election report, and the alleged violations do not substantially affect disclosure; ~~[report;]~~

(7) ~~(6)~~ Filing an incomplete or corrected campaign finance report that is not a report due 30 or 8 days before an election or a special pre-election report if:

(A) the total amount of incomplete or incorrectly reported political contributions does not exceed the lesser of 10% of the total amount of political contributions on the corrected report, or \$5,000; ~~or~~

(B) the total amount of incomplete or incorrectly reported political expenditures does not exceed the lesser of 10% of the total amount of political expenditures on the corrected report, or \$5,000; or

(C) the total amount of incomplete or incorrectly reported political contributions or political expenditures does not exceed the amount of the filing fee for a place on the ballot for the office sought or held by the respondent during the period covered by the report at issue, or, if there is not a set filing fee, \$500; [ø]

(8) Filing an incomplete or corrected campaign finance report if the incomplete or corrected information is not misleading and does not substantially affect disclosure, including:

(A) the filer's full name, address, office sought, or office held;

(B) the identity and date of the election for which the report is filed;

(C) the campaign treasurer's full name, address, or telephone number;

(D) the full name of each identified candidate or measure or classification by party of candidates supported or opposed by a political committee;

(E) the full name of each identified officeholder or classification by party of officeholders assisted by a political committee;

(F) the amount of total political contributions maintained as of the last day of the reporting period, if the error is a de minimis error as defined by §20.50 of this title;

(G) the purpose of a political expenditure; or

(H) the period covered by the report;

(9) [(7)] Failure to timely file a campaign treasurer appointment if, before filing the campaign treasurer appointment, the total amount of political contributions accepted does not exceed \$2,500 and the total amount of political expenditures made or authorized does not exceed \$2,500; [~~\$2,500.~~]

(10) Failure to disclose information related to an out-of-state political committee required by §20.29 or §22.7 of this title if the total amount of political contributions accepted from the committee does not exceed \$10,000 and the contributions are otherwise properly disclosed;

(11) Failure to disclose the principal occupation, job title, or employer of a contributor if the total amount of political contributions accepted from the contributor does not exceed \$15,000 and the contributions are otherwise properly disclosed;

(12) As a general-purpose committee, making a political contribution to another general-purpose committee without including in its campaign treasurer appointment the name of the recipient committee before making the contribution, if the contributing committee properly disclosed the contribution;

(13) Failure to file a termination report required by §20.317 or §20.417 of this title if the period covered by the termination report is included in a subsequently filed report;

(14) Filing a campaign finance report without using the form prescribed by the commission if the report:

(A) discloses all the information required by chapter 254 of the Election Code and this title;

(B) is substantially similar in size and format to the form prescribed by the commission; and

(C) is not misleading and does not substantially affect disclosure;

(15) Making a political contribution prohibited by §253.1611, Election Code, if the contribution does not exceed the limits by more than \$1,000 and the amount in excess is returned to the contributor; or

(16) Failure to timely respond to a sworn complaint if the response is no more than 30 days late and the respondent shows good cause for the late response.

(b) A technical, clerical, or de minimis violation for purposes of §571.0631 of the Government Code may include allegations against a respondent for:

(1) Typographical or incomplete information on a campaign finance report that is not misleading or does not substantially affect disclosure;

(2) Filing an incomplete or corrected campaign finance report if:

(A) the total amount of incomplete or incorrectly reported political contributions does not exceed the lesser of 5% of the total amount of political contributions on the corrected report, or \$2,500; or

(B) the total amount of incomplete or incorrectly reported political expenditures does not exceed the lesser of 5% of the total amount of political expenditures on the corrected report, or \$2,500; or [~~\$2,500.~~]

(3) Filing an incomplete or inaccurate campaign finance report by a general-purpose committee if, during the period covered by the report and during each of

the two reporting periods preceding the period covered by the report, the committee did not:

(A) accept political contributions totaling \$3,000 or more;

(B) accept political contributions from a single person totaling \$1,000 or more; or

(C) make political expenditures totaling \$3,000 or more.

(c) During the review of a sworn complaint under Chapter 571, Subchapter E of the Government Code, if the executive director determines that all the alleged violations are technical, clerical, or de minimis under subsection (a) of this section, the executive director may enter into an assurance of voluntary compliance with the respondent. Before entering into an assurance of voluntary compliance, the executive director may require a respondent to correct the violations.

(d) During the review of a sworn complaint under Chapter 571, Subchapter E of the Government Code, if the executive director determines that all the alleged violations are technical, clerical, or de minimis under subsection (b) of this section, the executive director may enter into an agreed resolution with the respondent. Before entering into an agreed resolution, the executive director may require a respondent to correct the violations.

(e) An assurance of voluntary compliance or an agreed resolution entered into under this section is [~~are~~] confidential under §571.140 of the Government Code.

(f) An assurance of voluntary compliance or an agreed resolution entered into under this section may include a penalty not to exceed \$500.

EXHIBIT B

TEXAS ETHICS COMMISSION

CURRENT RULES § 12.81

§ 12.81. Technical, Clerical, or *De Minimis* Violations

(a) A technical, clerical, or *de minimis* violation for purposes of section 571.0631 of the Government Code may include a first-time allegation against a respondent for:

(1) Typographical or incomplete information on a campaign finance report that is not misleading or does not substantially affect disclosure;

(2) Failure to include a disclosure statement on political advertising;

(3) Failure of a non-incumbent to use the word “for” in a campaign communication, where the communication is not otherwise misleading;

(4) Failure to include the highway right-of-way notice on political advertising;

(5) Filing a late campaign finance report if the total amount of political contributions does not exceed \$2,500, the total amount of political expenditures does not exceed \$2,500, and the report is not a report due 30 or 8 days before an election, or a special pre-election report;

(6) Filing an incomplete or corrected campaign finance report that is not a report due 30 or 8 days before an election or a special pre-election report if:

(A) the total amount of incomplete or incorrectly reported political contributions does not exceed the lesser of 10% of the total amount of political contributions on the corrected report, or \$5,000; or

(B) the total amount of incomplete or incorrectly reported political expenditures does not exceed the lesser of 10% of the total amount of political expenditures on the corrected report, or \$5,000; or

(C) the total amount of incomplete or incorrectly reported political contributions or political expenditures does not exceed the amount of the filing fee for a place on the ballot for the office sought or held by the respondent during the period covered by the report at issue, or, if there is not a set filing fee, \$500; or

(7) Failure to timely file a campaign treasurer appointment if, before filing the campaign treasurer appointment, the total amount of political contributions accepted does not exceed \$2,500 and the total amount of political expenditures made or authorized does not exceed \$2,500.

(b) A technical, clerical, or *de minimis* violation for purposes of section 571.0631 of the Government Code may include allegations against a respondent for:

EXHIBIT B

- (1) Typographical or incomplete information on a campaign finance report that is not misleading or does not substantially affect disclosure;
- (2) Filing an incomplete or corrected campaign finance report if:
 - (A) the total amount of incomplete or incorrectly reported political contributions does not exceed the lesser of 5% of the total amount of political contributions on the corrected report, or \$2,500; or
 - (B) the total amount of incomplete or incorrectly reported political expenditures does not exceed the lesser of 5% of the total amount of political expenditures on the corrected report, or \$2,500.
- (c) During the review of a sworn complaint under Chapter 571, Subchapter E of the Government Code, if the executive director determines that all the alleged violations are technical, clerical, or *de minimis* under subsection (a) of this section, the executive director may enter into an assurance of voluntary compliance with the respondent. Before entering into an assurance of voluntary compliance, the executive director may require a respondent to correct the violations.
- (d) During the review of a sworn complaint under Chapter 571, Subchapter E of the Government Code, if the executive director determines that all the alleged violations are technical, clerical, or *de minimis* under subsection (b) of this section, the executive director may enter into an agreed resolution with the respondent. Before entering into an agreed resolution, the executive director may require a respondent to correct the violations.
- (e) An assurance of voluntary compliance or an agreed resolution entered into under this section are confidential under section 571.140 of the Government Code.
- (f) An assurance of voluntary compliance or an agreed resolution entered into under this section may include a penalty not to exceed \$500.

TEXAS GOVERNMENT CODE

CHAPTER 571

§ 571.0631. Rules Concerning Technical and Clerical Violations

The commission shall adopt rules prescribing procedures for investigating and resolving technical and clerical violations of laws within the commission's jurisdiction. For registrations and reports filed under Chapter 305, the commission shall consider clerical violations to include obvious typographical errors. A registrant filing a registration or report under Chapter 305 may correct obvious typographical errors without penalty by filing either a corrected registration or report or an updated or amended registration or report.

EXHIBIT A

Text of Proposed Rule Amendment

The proposed new language is indicated by underlined text.

The deleted language is indicated by [~~strikethrough~~] text.

Chapter 20. REPORTING POLITICAL CONTRIBUTIONS AND EXPENDITURES

Subchapter B. GENERAL REPORTING RULES

§20.61. Purpose of Expenditure.

(a) For reporting required under Section 254.031 of the Election Code, the purpose of an expenditure means:

(1) A description of the category of goods, services, or other thing of value for which an expenditure is made. Examples of acceptable categories include:

(A) advertising expense;

(B) accounting/banking;

(C) consulting expense;

(D) contributions/donations made by candidate/officeholder/political committee;

(E) event expense;

(F) fees;

(G) food/beverage expense;

(H) gifts/awards/memorials expense;

(I) legal services;

(J) loan repayment/reimbursement;

(K) office overhead/rental expense;

(L) polling expense;

- (M) printing expense;
- (N) salaries/wages/contract labor;
- (O) solicitation/fundraising expense;
- (P) transportation equipment and related expense;
- (Q) travel in district;
- (R) travel out of district;
- (S) other political expenditures; and

(2) A brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure and an additional indication if the expenditure is an officeholder expenditure for living in Austin, Texas. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

(b) The description of a political expenditure for travel outside of the state of Texas must provide the following:

- (1) The name of the person or persons traveling on whose behalf the expenditure was made;
- (2) The means of transportation;
- (3) The name of the departure city or the name of each departure location;
- (4) The name of the destination city or the name of each destination location;
- (5) The dates on which the travel occurred; and
- (6) The campaign or officeholder purpose of the travel, including the name of a conference, seminar, or other event.

(X) The description of a political expenditure made as an in-kind contribution to a candidate, officeholder, or political committee must provide the following:

- (1) the name of the candidate, officeholder, or political committee accepting the in-kind contribution; and

(2) if accepted by a candidate or officeholder, the office sought or office held by the candidate or officeholder.

~~[(e) Except as provided by subsection (d) of this section, this rule applies to expenditures made on or after July 1, 2010.]~~

~~[(d) The requirement to include an additional indication if an expenditure is an officeholder expenditure for living in Austin, Texas, applies to an expenditure made on or after July 1, 2014.]~~

(e) Comments:

The purpose of an expenditure must include both a description of the category of goods or services received in exchange for the expenditure and a brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure. A description of an expenditure that merely states the item or service purchased is not adequate because doing so does not allow a person reading the report to know the allowable activity for which an expenditure was made.

The following is a list of examples that describe how the purpose of an expenditure may be reported under section 20.61. This list is for illustrative purposes only. It is intended to provide helpful information and to assist filers in reporting the purpose of an expenditure under this rule. However, it is not, and is not intended to be, an exhaustive or an exclusive list of how a filer may permissibly report the purpose of an expenditure under this rule. The rule does not require the candidate or officeholder to identify by name or affiliation an individual or group with whom the candidate or officeholder meets.

...

(22) Example: Candidate X is seeking the office of State Representative, District 2000. Political Committee Y, with the prior consent or approval of Candidate X, contracts with a newspaper to publish political advertising supporting Candidate X. The acceptable category for the expenditure made by Political Committee Y is “advertising expense” and an acceptable brief description is “in-kind contribution to support Candidate X for State Representative, District 2000.”

ETHICS ADVISORY OPINION NO. ____

July 11, 2017

Whether the inspector general for the Health and Human Services Commission is a “state officer” required to file a personal financial statement under Chapter 572 of the Government Code. (SP-13)

This opinion addresses whether the inspector general for the Health and Human Services Commission (“HHSC”) is a “state officer” required to file a personal financial statement under Chapter 572 of the Government Code.¹

A state officer must file a personal financial statement with the Texas Ethics Commission. Gov’t Code § 572.026. The term “state officer” includes an “appointed officer,” which includes an “*officer of a state agency* who is appointed for a term of office specified by the Texas Constitution or a statute of this state.” *Id.* §§ 572.002(1)(C), (9), (12) (emphasis added). The issue is whether the inspector general is an appointed “officer of a state agency” and, therefore, a state officer.

HHSC is a state agency, and the office of the inspector general (“the office”) is created within HHSC and assigned certain statutory responsibilities. *Id.* §§ 531.002, .102(a). The inspector general is appointed by the governor to serve for a statutory one-year term. *Id.* § 531.102(a-1). However, HHSC’s enabling statutes identify the inspector general as the “director of the office” rather than an “officer.” *Id.* § 531.102(a-1). The location of the office within HHSC, as an agency consisting of several other divisions, raises the question whether the inspector general is an “officer of a state agency” for purposes of Chapter 572.

¹ The office of inspector general was established in 2003. Act of June 2, 2003, 78th R.S., ch. 198, § 2.19(a), 2003 Tex. Gen. Laws 651.

In a prior opinion, we addressed whether a member of the board of directors of a state agency is an “appointed officer” when the agency’s statute identified its members as “directors” rather than “officers.” Ethics Advisory Opinion No. 70 (1992).² In resolving that issue, we considered legal authorities defining the term “state officer,” noting generally that the duties of the position rather than the title one holds determine whether a person is an officer. *Id.* A person is a “state officer” if the person exercises any sovereign function of government for the benefit of the public largely independent of anyone else’s control. *Id.* (citing *Aldine Indep. Sch. Dist. v. Standley*, 280 S.W.2d 578, 583 (Tex. 1955)).³ Factors in determining whether an official exercises a sovereign function of government include: (1) the scope and significance of the official’s duties; (2) whether the duties are primarily provisional or ongoing; and (3) whether the official performs those duties in his own right, “exercising discretion without the oversight of others.” Tex. Att’y Gen. Op. No. GA-0584 (2007) (addressing the meaning of “state officer” for purposes of impeachment under article XV, section 7 of the Texas Constitution and chapter 665 of the Government Code).

The office of the inspector general is responsible for preventing and detecting fraud, waste, and abuse in the delivery of all health and human services throughout Texas. Gov’t Code § 531.102(a). The office enforces state laws relating to the provision of such services and has the authority to perform audits, reviews, inspections, and investigations. *Id.* §§ 531.102, .113, .118. The office may also conduct a performance audit on any program or project administered by HHSC or any agreement entered into by HHSC, including the performance of HHSC or a health and human services

² The opinion considered a nearly identical definition in a predecessor statute. See V.T.C.S. art. 6252-9b, § 2(1).

³ See also *Knox v. Johnson*, 141 S.W.2d 698, 700 (Tex. Civ. App.—Austin 1940, writ ref’d) (“[A] position is a public office when it is created by law, with duties cast on the incumbent which involve an exercise of some portion of the sovereign power and in the performance of which the public is concerned, and which also are continuing in their nature and not occasional or intermittent.”). The attorney general has opined that the principal considerations in determining whether an official is a “state officer” are whether the official exercises a sovereign function of government and serves for a fixed term of office. Tex. Att’y Gen. Op. No. GA-0584 at 22.

agency. *Id.* § 531.1025. Thus, the inspector general, as director of the office, has authority that is significant in its scope, continuous in nature, and extends statewide.

The office also exercises discretion without the oversight of others. By statute, HHSC and its executive commissioner are required to provide administrative support to the office and to adopt rules and policies in consultation with the office, including objectives, priorities, and performance standards.⁴ However, investigations conducted by the office are independent of HHSC and its executive commissioner. *Id.* § 531.102(a-6). Additionally, the office has authority to issue a subpoena in connection with an investigation and to impose a payment hold on a Medicaid provider under certain circumstances. *Id.* §§ 531.102(g)(2), .1021. Thus, it appears that the involvement of other HHSC officers and staff does not supersede the office's discretion in meeting its statutory duties and obligations. Therefore, in our opinion, the inspector general exercises a portion of the sovereign power of government largely independent of anyone else's control.⁵

In our opinion, based on the foregoing, the inspector general for HHSC is an officer of a state agency who is appointed for a term of office specified by statute and, thus, is an "appointed officer."⁶ Therefore, the inspector general is a "state officer" required to file a personal financial statement under Chapter 572 of the Government Code.⁷

⁴ See *id.* §§ 531.102(a-2), (a-3), (b), (e), (n), (p), (q), (v). The office is also required to coordinate with the executive commissioner regarding numerous functions, including audits and oversight, in part to minimize the duplication of activities. *Id.* §§ 531.102(a-5), (q), (w). HHSC's internal audit division is also required to regularly audit the office. *Id.* § 531.102(a-4).

⁵ We also note that the inspector general serves for a term of office fixed by law and that the inspector general has, in practice, executed the constitutional oath of office and remained subject to confirmation by the Texas Senate. See Tex. Att'y Gen. Op. No. GA-0584 at 10 (service for a term fixed by law and taking the constitutional oath are additional factors supporting a person's status as a state officer).

⁶ A "salaried appointed officer" is an appointed officer who receives or is authorized to receive a salary for state service but not a per diem or other form of compensation. *Id.* § 572.002(9). Chapter 572 includes specific deadlines for a salaried appointed officer to file a personal financial statement. See Gov't Code § 572.026.

⁷ A personal financial statement will only be required for a person appointed to the office after the date of this opinion.

An additional question that has arisen is whether the principal deputy inspector general who assumes the responsibilities of the inspector general is also a “state officer.” Provided that the deputy has not been appointed as the inspector general by the governor, the individual is not a “state officer” and is therefore not required to file a personal financial statement under Chapter 572. *See Ethics Advisory Opinion No 265 (1995).*

SUMMARY

The inspector general for the Health and Human Services Commission is a “state officer” required to file a personal financial statement under Chapter 572 of the Government Code.

DRAFT

ETHICS ADVISORY OPINION NO. ____

July 11, 2017

Whether the revolving door law in section 572.069 of the Government Code would prohibit a former employee of a state agency from providing certain services. (AOR-622)

The Texas Ethics Commission has been asked whether the “revolving door” law in section 572.069 of the Government Code would prohibit the requestor of this opinion, who is a state employee (“the requestor”), from departing the state agency where the requestor is currently employed and providing certain services to two for-profit businesses (“clients”).

The requestor states that the state agency published a request for proposals (“RFP”), seeking a vendor to provide information technology services. The requestor reviewed and scored the bid proposals submitted in response to the RFP. The first of the two clients submitted a proposal, in which the second client was listed as a subcontractor. The requestor states that the requestor did not participate any further in the RFP or participate in negotiation with vendors or the vendor selection. The requestor also states that the requestor would provide the services as a “consultant” employed by a staffing agency and assigned to the clients. In addition, the requestor states that the services would be in furtherance of the executed state agency contract for which the requestor reviewed and scored bid proposals.

Revolving Door Law

Section 572.069 of the Government Code states:

A former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation involving a person may not accept employment from that person before the second anniversary of the date the officer's or employee's service or employment with the state agency ceased.

Gov't Code § 572.069.¹

¹ In the 2017 regular legislative session, the Legislature amended this section to prohibit a former state officer or employee of a state agency who, during the period of state service or employment, participated on behalf of a state agency in a procurement or contract negotiation involving a person, from accepting employment from that person before the second anniversary of the date the “contract is signed or the procurement is terminated or withdrawn.” S.B. 533, Act of May 30, 2017, 85th Leg., R.S., § 1 (eff. September 1, 2017) (emphasis added). We address the requestor’s facts under the current law.

DRAFT

Participation and Involvement

The first question is whether the requestor participated on behalf of a state agency in a procurement or contract negotiation involving the clients. In our opinion, the requestor participated in a procurement by scoring and evaluating bid proposals for a state agency contract. Further, the procurement involved both clients because they were identified in the proposal as providing services under the contract. Accordingly, section 572.069 of the Government Code would prohibit the requestor from accepting employment from either client before the second anniversary of the date the employee's employment with the state agency ceases.

Accepting Employment

The second question is whether the requestor would "accept employment" from either client by providing the services at issue, which depends upon the specific circumstances surrounding the requestor's working arrangement with the staffing agency and the two clients. The facts indicate the following:

- The staffing agency would consider the requestor its employee, pay the requestor's salary, and provide for workplace benefits;
- The staffing agency would assign the requestor to work for the clients on a "consultant basis;"
- The requestor would provide services for the clients in furtherance of the clients' obligations under the state agency contract;
- The length of the requestor's employment with the staffing agency would be contingent on the duration of the state agency contract and could be modified by the clients;
- The requestor would retain the right to terminate employment before completion of the contract without liability for its completion;
- The clients would give the requestor instructions concerning when, where, and how the work would be performed;
- The clients would provide the requestor with training as needed;
- The clients would furnish the requestor with a computer;
- The clients and staffing agency would jointly control the requestor's schedule; and
- All hours worked and paid would require the approval of both the clients and staffing agency.

When a statute uses the terms "employee" or "employed," or otherwise refers to an "employment" relationship, courts will use the common law test of employment unless the statute dictates otherwise.² Chapter 572 of the Government Code does not define the term

² See *Nationwide Mut. Ins. Co. v. Darden*, 503 U.S. 318, 322 (1992). See also *Kelley v. Southern Pacific Co.*, 419 U.S. 318, 323-24 (1974); Attorney General Opinion Nos. GA-0292, at 3-4 (2005) (GA-0292) (applying common law test to determine meaning of "employed by" in statute), DM-409, at 4-5 (1996) (DM-409) (applying common law test to define "employee" in indemnification statute).

DRAFT

“employment” or indicate that the Legislature intended the term “employment” in section 572.069 to be interpreted differently from how that term is understood in the common law. Therefore, we will in this case use the common law test of employment to determine whether a prohibited employment relationship would exist.

Under the common law test, generally, an individual renders services as an employee of an employer if:

- (1) The individual acts, at least in part, to serve the interests of the employer;
- (2) The employer consents to receive the individual’s services; and
- (3) The employer controls the manner and means by which the individual renders services, or the employer otherwise effectively prevents the individual from rendering those services as an independent businessperson.³

Under the “right to control” test,⁴ an employer’s right or ability to control the manner and means by which an individual renders services is sufficient to establish an employment relationship.⁵

In our opinion, based on the facts presented, the requestor would be acting to serve the interests of the clients, who would be consenting to receive the services. The clients would also have the right or ability to control the manner and means by which the requestor would render the services. Thus, an employment relationship would exist between the requestor and the clients. Accordingly, section 572.069 of the Government Code would prohibit the requestor from accepting the described employment arrangement before the second anniversary of the date on which the requestor’s service or employment with the state agency ceases.

SUMMARY

Under the facts described, section 572.069 of the Government Code prohibits a former state employee from providing certain services before the second anniversary of the date on which the employee’s service or employment with the state agency ceases.

³ Restatement (Third) of Employment Law: Conditions for Existence of Employment Relationship § 1.01(a) (2015).

⁴ See GA-0292, at 4 (test to determine whether a person is an employee rather than independent contractor is whether the employer has a right to control the progress, details, and methods of operations of the work); DM-409, at 5 (1996) (considering whether employer has right to control details of work). See also Comment *d* to Restatement (Third) of Employment Law § 1.01.

⁵ An individual may also be the employee of more than one employer. *St. Joseph Hosp. v. Wolff*, 94 S.W. 3d 513, 538 (Tex. 2002). An individual is an employee of two or more joint employers if: (i) the individual renders services to at least one of the employers and (ii) that employer and the other joint employers each control or supervise such rendering of services as provided in § 1.01(a)(3). Restatement (Third) of Employment Law: Employees of Two or More Employers § 1.04(b) (2015).

TEXAS ETHICS COMMISSION
MEMORANDUM

TO: Commissioners, Texas Ethics Commission
FROM: Amy S. Barden, Senior Legal Assistant
DATE: June 29, 2017
SUBJECT: Late Reports Memo – Appeals of Fines Increased by the Commission; and Appeals under Ethics Commission Rule 18.24(g)
Meeting Date: July 11, 2017

Fine Increase Appeals: Items #1 and #2 pertain to filers whose late fines were increased by the Commission at the February 2017 meeting. Typically, this action is not taken until a filer has been issued a warning of liability by registered mail and there is some indication that the registered letter was received at the address provided. On February 17, 2017, the Commission sent letters to the filers regarding the fine increase. Subsequently, each filer submitted an affidavit requesting an appeal of the late fines and swearing that the filers never received the registered letter.

After further review of Commission records and the sworn statements of the filers, it appears that the filers did not receive the final late letter sent by registered mail, and therefore, the fines should not have been increased. Based on this information, the filers should be considered for waiver or reduction according to the waiver/reduction rules, as follows:

1. Robin Chandler (70814)
Lobbyist

Report: annual lobby activities report due January 11, 2016
File date: March 24, 2017 (438 days late but within 30 days of realizing late)
Activity: none
Prior offenses: none
Penalty: \$1,000 (increased at the February 2017 meeting) – **waiver (based on new information)**

Basis: Not a critical report; Category B filer; no prior late-filing offenses in the last five years; fine increase should be excepted from the qualifying criteria based on new information.

New Information: On May 12, 2017, Ms. Chandler submitted an affidavit swearing that she never received any correspondence from the Commission because it was sent to her former lobby employer. She swore that her association with her former employer ended in June 2015, and she did not become aware of this issue until February 2017. Based on this new information, Ms. Chandler qualifies for a waiver under the Commission rules.

2. Geoffrey M. Gay (53659)
Lobbyist

Report: annual lobby activities report due January 11, 2016
File date: April 26, 2017 (471 days late but within 30 days of realizing late)
Activity: none
Prior offenses: none
Penalty: \$1,000 (increased at the February 2017 meeting) – **waiver (based on new information)**

Basis: Not a critical report; Category B filer; no prior late-filing offenses in the last five years; fine increase should be excepted from the qualifying criteria based on new information.

New Information: On March 27, 2017, Mr. Gay submitted an affidavit swearing that he decided in early 2015 to relinquish all lobby work for an Austin law firm and never received any correspondence from the Commission because it was sent to his former employer. He swore that he did not become aware of this issue until March 2017. Based on this new information, Mr. Gay qualifies for a waiver under the Commission rules.

Rules Determination Appeals: The following filers submitted requests for an appeal regarding a determination previously made under section 18.25 or 18.26 of the Ethics Commission Rules (relating to Administrative Waiver or Reduction of Fine). The Commission may vote to affirm the determination made under the Ethics Commission Rules or make a new determination based on facts presented in an appeal. Note: Staff makes no recommendation regarding an appeal, unless specifically noted in bold.

REPORT TYPE I: NON-CRITICAL REPORTS

TEC Rules Determination: I-B – Levels Chart - Level 2.5 – Reduction to \$300 (Item 3):

3. Marina Hench (68852)
Lobbyist

Report: monthly lobby activities report due February 10, 2017
File date: February 24, 2017 (14 days late)
Activity: lobby expenditures = \$146.14
Prior offenses: July 2015 monthly lobby activities report (\$500 waived because no prior offenses and no activity to report) and December 2015 monthly lobby activities report (\$500 fine reduced to \$100 under Report Type I-B, Lev. 1.5; paid)
Penalty: \$500 – reduction to \$300

Basis: Not a critical report; Category B filer; two prior late-filing offenses in the last five years; good cause shown.

On March 29, 2017, the Commission sent a determination letter informing Ms. Hench that she is eligible for a reduction of the penalty to \$300 under the Ethics Commission Rules. The letter requested that she remit the payment by April 28, 2017, or request appeal.

Request for Appeal: On April 20, 2017, the Commission received her appeal. In her appeal letter, Ms. Hench stated that while she greatly appreciates the leniency in reducing the penalty from \$500 to \$300, she must appeal the fine further due to updated circumstances.

Ms. Hench stated that on March 30, 2017, she was laid off from her job at the company for which she was lobbying. (Commission records show that she filed a final lobby activities report and terminated her 2016 lobby registration on March 31, 2017). Ms. Hench also stated that she does not yet have additional employment lined up. She stated that in these circumstances, a fine of \$300 for her clerical oversight will be felt acutely by her family.

REPORT TYPE II: CRITICAL REPORTS

TEC Rules Determination: II-A – Formulas Chart (Item 4):

4. Joy Dawson-Thomas (80496)
Candidate, State Representative

Report: 30-day pre-election report due October 11, 2016
File date: October 12, 2017 (1 day late)
Activity: contributions = \$4,705.00; expenditures = \$8,076.29;
contributions maintained = \$5,678.71
Prior offenses: none
Penalty: \$500 – reduction to \$150; reverted to \$500 due to no response
– **reduction back to \$150 (based on additional information)**

Basis: Critical report; Category A filer; total contributions and total expenditures are over \$3,000 for the reporting period; no prior late-filing offenses in the last five years; good cause shown.

Formula: The fine is calculated at \$150 (good cause, 0 priors, 1st day late) = \$150.

On January 12, 2017, the Commission sent a determination letter informing Mrs. Dawson-Thomas that she is eligible for a reduction of the penalty to \$150 under the Ethics Commission Rules. The letter informed Mrs. Dawson-Thomas that the reduced fine would revert to the original amount assessed if she did not remit the payment by February 13, 2017, or request appeal. The Commission received no response, so the fine reverted to \$500 and was referred to the Attorney General for collection.

Request for Appeal: On May 1, 2017, the Commission received her the appeal. In her sworn statement, Mrs. Dawson-Thomas stated that she never received the determination letter and therefore was unaware of the reduced penalty. She requested that the Commission please reduce the penalty to \$150. Since Mrs. Dawson-Thomas did not receive the previous reduction letter, staff recommends reducing the fine to \$150 once again to allow her to pay the reduced amount for which she is eligible under the Ethics Commission Rules.

TEC Rules Determination: Report Type II Criteria Not Met – No Waiver (Item 5):

**5. J.M. 'Chuy' Alvarez (51932)
Candidate, District Attorney**

Report: 8-day pre-election report due February 22, 2016
File date: March 31, 2016 (37 days late)
Activity: contributions = -0-; expenditures = \$1,402.84;
contributions maintained = \$1,067.18
Prior offenses: January 2016 semiannual report (\$500 fine waived by the Commission); 30-day pre-election report due February 1, 2016 (\$500 fine paid); and personal financial statement due February 12, 2016 (\$500 fine not waived under Report Type II-A, Formulas; paid)
Penalty: \$4,200 – no waiver

Basis: Critical report; did not meet the criteria for a waiver or reduction because the filer has three prior late-filing offenses in the last five years.

On April 13, 2017, the Commission sent a determination letter to Mr. Alvarez informing him that he is not eligible for a waiver of the \$500 penalty under the Ethics Commission Rules. The letter requested that Mr. Alvarez remit the payment by May 15, 2017, or submit a request for appeal.

Request for Appeal: On May 12, 2017, the Commission received the appeal. In his appeal, Mr. Alvarez stated that the filings were not submitted in a timely manner because he did not understand his filing requirements and the need to submit the reports electronically. Mr. Alvarez requested the opportunity to appear before the Commission and offer testimony regarding the appeal.

TEXAS ETHICS COMMISSION
MEMORANDUM

TO: Commissioners, Texas Ethics Commission
FROM: Amy S. Barden, Senior Legal Assistant
DATE: June 29, 2017
SUBJECT: Corrected Reports Memo
Meeting Date: July 11, 2017

Substantial Compliance (Items 1-4)

1. Eric L. Johnson (65751)
State Representative

Report: 8-day pre-election report due October 31, 2016
Correction date: April 5, 2017
Activity report #1: contributions = \$63,342.50; expenditures = \$8,705.65;
contributions maintained = \$295,421.69
Activity report #2: contributions = \$61,842.50; expenditures = \$8,705.65;
contributions maintained = \$295,421.69
Prior corrections: none
Penalty: \$10,000
Recommendation: substantial compliance

Representative Johnson corrected the original report to remove a \$1,500 contribution. The total amount of the incorrectly reported contributions does not exceed \$2,000. **Recommendation Based on Commission Guidelines: substantial compliance.**

2. Frank J. Castro (80420)
Criminal District Court Judge

Report: 8-day pre-election report due October 31, 2016
Correction date: April 13, 2017
Activity report #1: contributions = \$2,200.00; expenditures = \$8,681.04;
contributions maintained = -0-
Activity report #2: contributions = \$3,200.00; expenditures = \$8,181.04;
contributions maintained = \$500.00
Prior corrections: 8-day pre-election report due February 22, 2016 (in substantial compliance)
Penalty: \$10,000
Recommendation: substantial compliance

Judge Castro corrected the original report to add a \$1,000 contribution, to decrease the amount of an expenditure by \$500, and to increase the amount of total contributions by \$500. None of the changes to the incorrectly reported activity exceed \$2,000. **Recommendation Based on Commission Guidelines: substantial compliance.**

Corrected Reports Memo

Page 2

**3. Micheline Hutson (58757)
Treasurer, 'CFRW' Cy-Fair Republican Women PAC**

Report: 8-day pre-election report due April 28, 2017
Correction date: May 5, 2017
Activity report #1: contributions = \$887.00; expenditures = \$936.25;
contributions maintained = \$16,572.00
Activity report #2: contributions = \$967.25; expenditures = \$936.25;
contributions maintained = \$16,572.00
Prior corrections: 8-day pre-election report due October 31, 2016 (in substantial compliance)
Penalty: \$1,100
Recommendation: substantial compliance

Ms. Hutson corrected the original report to add \$80.25 in contributions. The amount of the unreported contributions does not exceed \$2,000. **Recommendation Based on Commission Guidelines: substantial compliance.**

**4. David A. Henderson (68625)
Treasurer, 'CP Fire PAC' Cedar Park Fire PAC**

Report: 8-day pre-election report due April 28, 2017
Correction date: May 10, 2017
Activity report #1: contributions = \$2,830.44; expenditures = \$2,155.75;
contributions maintained = \$5,111.16
Activity report #2: contributions = \$2,830.44; expenditures = \$2,460.49;
contributions maintained = \$5,111.16
Prior corrections: none
Penalty: \$1,600
Recommendation: substantial compliance

Mr. Henderson corrected the original report to add a \$304.74 expenditure. The amount of the unreported expenditure does not exceed \$2,000. **Recommendation Based on Commission Guidelines: substantial compliance.**

Waivers (Item 5)

**5. Merry K. 'Katherine' McDaniel (80130)
Candidate, Criminal District Court Judge**

Report: 8-day pre-election report due October 31, 2016
Correction date: January 5, 2017
Activity: contributions = \$5,784.61; expenditures = \$8,542.99;
contributions maintained = \$7,713.95 (on both reports)
Previous corrections: none
Penalty: \$7,000
Recommendation: waiver

Mrs. McDaniel corrected the original report to add her own name and address as the lender of an outstanding loan on Schedule L (used to disclose lender information for outstanding loans). The \$3,500 loan from her personal funds into her political account was made in a previous reporting period and appropriately disclosed at the time. **Recommendation Based on Commission Guidelines: waiver.**

TEXAS ETHICS COMMISSION
P.O. Box 12070, Austin, Texas 78711-2070
(512) 463-5800

Steven D. Wolens, Chair
Hugh C. Akin, Vice Chair
Jim Clancy
Chad M. Craycraft

Chris Flood
Mary K. "Katie" Kennedy
Tom Ramsay
Chase Untermeyer

AGENDA

Date and Time: 8:30 a.m., Wednesday, July 12, 2017
Location: Room El.014, Capitol Extension, Austin, Texas

Workshop on new rules regarding Sworn Complaint Procedures

1. Call to order; roll call.
2. Welcoming Remarks from Chair, outlining goals and agenda for Workshop.
3. Overview of Sworn Complaint Process
4. Proposed rules for Sworn Complaint/Preliminary Review (Stage 1).
 - Topics for Proposed Rules
 - Discussion by Commissioners
 - Public Comment
5. Proposed Rules for Preliminary Review Hearing (Stage II).
 - Topics for Proposed Rules
 - Discussion by Commissioners
 - Public Comment
6. Discuss Next Steps
 - Schedule Workshop for Drafting Rules for Formal Hearings (Stage III)
 - Proposed Deadlines for publication of Draft Rules for Stage I (Preliminary Review)
 - Proposed Deadlines for publication of Draft Rules for Stage II (Preliminary Review Hearing)
7. Adjourn.

For more information, contact Seana Willing, Executive Director, at (512) 463-5800.

CERTIFICATION: I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Certifying Official & Agency Liaison: Seana Willing, Executive Director.

NOTICE: Under the Americans with Disabilities Act, an individual with a disability must have an equal opportunity for effective communication and participation in public meetings. Upon request, the Texas Ethics Commission will provide auxiliary aids and services, such as interpreters for the deaf and hearing impaired, readers, and large print or Braille documents. In determining the type of auxiliary aid or service, the Commission will give primary consideration to the individual's request. Those requesting auxiliary aids or services should notify Margie Castellanos at (512) 463-5800 or RELAY Texas at (800) 735-2989 two days before this meeting so that appropriate arrangements can be made. Please also contact Ms. Castellanos if you need assistance in having English translated into Spanish.