

TEXAS ETHICS COMMISSION

IN THE MATTER OF	§	BEFORE THE
	§	
INTERNATIONAL BUSINESS SCHOOL, a Division of INTERNATIONAL BUSINESS COLLEGE, LUBBOCK, INC.,	§	TEXAS ETHICS COMMISSION
	§	
RESPONDENT	§	SC-96060
	§	
	§	

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (commission) met on January 10, 1997, to consider sworn complaint SC-96060 filed against International Business School, a division of International Business College, Lubbock, Inc., a Texas corporation (respondent). A quorum of the commission was present. The commission voted to accept jurisdiction. Based on the investigation conducted by commission staff to date, the commission determined there was credible evidence of a violation of Section 253.094, Election Code, a law administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposes this agreed resolution to the respondents.

II. Allegations

The complainant alleges that the respondent, a division of a Texas corporation, made a campaign contribution to a mayoral candidate and made a direct campaign expenditure in support of that candidate in violation of Section 253.094, Election Code, by and through the actions of its operations manager, Ray C. Croff.

III. Facts Supported by Credible Evidence

Credible evidence available to the commission would support the following findings of fact:

1. Respondent International Business School is a division of International Business College, Lubbock, Inc., a Texas corporation. Mr. Croff is the operations manager of International Business School.
2. On March 8, 1996, Mr. Croff made a political contribution of \$500 to a mayoral candidate drawn on the corporate account of International Business School. In addition, on April 29, 1996, Mr. Croff mailed political advertising on corporate letterhead to voters in the district which supported the candidacy of a mayoral candidate.

3. Mr. Croff submitted an affidavit to the Ethics Commission stating that the “\$500.00 contribution to the [...] campaign was inadvertently made out of the [respondent’s] account.” He swore that he was notified by the corporate office and the candidate’s campaign treasurer that this was not permissible. In addition, he swore that when the corporate contribution was refunded by the candidate, he made a personal contribution to the candidate, which he states was his intent all the time. Mr. Croff further swore that he reimbursed the corporation \$178.99 to cover the costs of the postage, stationery, and envelopes for political advertising mailed on corporate letterhead.

IV. Conclusions of Law

The facts described in Section III would support the following findings and conclusions of law:

1. A corporation may not make political contributions or political expenditures that are not authorized by Subchapter D, Chapter 253, Election Code. *See* Section 253.094, Election Code. Subchapter D, Chapter 253, Election Code, does not authorize a corporation to make political contributions in support of or opposition to a candidate for election to public office. Section 253.095, Election Code, provides that an officer, director, or other agent of the corporation who commits an offense relating to impermissible corporate contributions or expenditures is punishable for the grade of offense applicable to the corporation.

There is credible evidence that the Respondent International Business School, a division of International Business College, Lubbock, Inc., and its operations manager, Mr. Ray C. Croff, violated Section 253.094, Election Code by the acts of Mr. Croff.

2. Section 253.098, Election Code, authorizes a corporation to make direct campaign expenditures from its own property for the purpose of communicating directly with its own stockholders or with the families of its stockholders. The mailout of political advertising constitutes a direct campaign expenditure and would be authorized by Section 253.098, Election Code, if the mailout had been limited to the corporation’s stockholders or their families. However, the mailout was not limited to those persons, and thus there is credible evidence that a violation of Section 253.094, Election Code, has occurred.

V. Representations and Agreement by Respondent

By signing this *ORDER and AGREED RESOLUTION* and returning it to the commission:

1. The respondent neither admits nor denies the facts detailed under Section III and the commission’s findings and conclusions of law detailed under Section IV, and consents to the entry of this *ORDER and AGREED RESOLUTION* solely for the purpose of resolving and settling this sworn complaint.

2. The respondent consents to the entry of this Order before any adversarial evidentiary hearings or arguments before the commission, and before any formal adjudication of law or fact by the commission. The respondent waives any rights to a hearing before the commission or an administrative law judge appointed by the commission, and further waives any rights to a post-hearing procedure established or provided by law.
3. The respondent acknowledges that Section 253.094, Election Code, prohibits corporate campaign contributions in support of or opposition to a candidate for election to public office. The respondent further acknowledges that Section 253.098, Election Code, authorizes a corporation to make direct campaign expenditures from its own property only for the purpose of communicating directly with its own stockholders or with the families of its stockholders. The respondent agrees to fully and strictly comply with these requirements of the law.
4. Notwithstanding any other provisions of this *ORDER and AGREED RESOLUTION*, the respondent understands and agrees that the commission will consider the respondent to have committed the violations detailed in Section IV if it is necessary to consider a sanction to be assessed in any future sworn complaint proceedings against the respondent.

VI. Confidentiality

This *ORDER and AGREED RESOLUTION* describes an alleged violation that the commission has determined would be neither technical nor *de minimis*. Accordingly, this *ORDER and AGREED RESOLUTION* is not confidential under Section 571.140, Government Code, and may be disclosed by members and staff of the Texas Ethics Commission.

VII. Sanction

After considering the seriousness of the violations described under Sections III and IV, including the nature, circumstances, consequences, extent, and gravity of the violation; that no previous violations by the respondent are known to the commission; and the sanction deemed necessary to deter future violations, the commission imposes a \$200 civil penalty against Mr. Croff, Operations Manager, for the violations described under Section IV. No penalty is assessed against Respondent International Business School, a division of International Business College, Lubbock, Inc.

VIII. Order

The Texas Ethics Commission hereby ORDERS:

1. that this proposed AGREED RESOLUTION be presented to the respondent;
2. that if the respondent consents to the proposed AGREED RESOLUTION, this *ORDER and AGREED RESOLUTION* is a final and complete resolution of SC-96060;

- 3. that Respondent International Business School, a division of International Business College, Lubbock, Inc. and Mr. Croff may consent to the proposed AGREED RESOLUTION only by signing an original of this document and mailing the signed original, together with Mr. Croff's payment for the \$200 civil penalty, to the Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711, no later than February 10, 1997; and
- 4. that the executive director shall promptly refer SC-96060 to the commission or an administrative law judge to conduct hearings and to propose findings of fact and conclusions of law in accordance with law if the Respondent International Business School, a division of International Business College, Lubbock, Inc. and Mr. Croff do not agree to the resolution of SC-96060 as proposed in this *ORDER and AGREED RESOLUTION*.

AGREED to by Ray C. Croff on this the _____ day of _____, 1997.

Ray C. Croff, Operations Manager

AGREED to by _____, an authorized officer of International Business College, Lubbock, Inc., on behalf of International Business School, a division, on this the _____ day of _____, 1997.

International Business College, Lubbock, Inc.

By: _____

Respondent

EXECUTED ORIGINAL received by the commission on _____, 1997.

By: _____

**Tom Harrison, Executive Director
Texas Ethics Commission**