

TEXAS ETHICS COMMISSION

IN THE MATTER OF

WILLIAM CRAIG BRADSHAW,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-2407121

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission met on November 12, 2004, to consider sworn complaint SC-2407121. A quorum of the commission was present. The commission determined that there is credible evidence of a violation of sections 253.035(h), 254.031(a)(3), and 254.063 of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposes this resolution to the respondent.

II. Allegations

The complaint alleges that the respondent filed two campaign finance reports after the filing deadline; that the respondent failed to file reports of unexpended contributions; that the respondent failed to report information about expenditures; and that the respondent improperly reimbursed himself for political expenditures from personal funds.

III. Facts Supported by Credible Evidence

Credible evidence available to the commission supports the following findings of fact:

1. The candidate was an unsuccessful mayoral candidate in an election on May 4, 2002.
2. The complainant alleges that the respondent filed the semiannual report due on July 15, 2002, after the filing deadline. The respondent filed the report on July 19, 2002.
3. The complainant alleges the respondent filed the 8-day pre-election report due on April 26, 2002, after the filing deadline. The respondent filed the report on April 30, 2002.
4. The complainant alleges that the respondent maintained unexpended political contributions after the respondent filed his final report and has failed to file annual unexpended contribution reports. The respondent denies this allegation.
5. The complainant alleges that the respondent did not disclose certain required information on the reports due on April 4, 2002; April 26, 2002; and July 15, 2002.

6. In regard to the report due on July 15, 2002, the complainant specifically alleges that the respondent failed to disclose the purpose of two expenditures that exceeded \$50 and the addresses of two payees to whom expenditures exceeding \$50 were made. The information in question is missing from the report. The complainant also alleges that “coffee meetings reimbursement” was an inadequate description of the purpose of an \$85 expenditure to an individual. The violations alleged in regard to the other two reports are outside of the applicable statute of limitations.
7. The complainant alleges that the respondent improperly reimbursed himself for political expenditures made from personal funds and thus converted political contributions to personal use.
8. On the report timely filed on April 4, 2002, the respondent disclosed \$1,200 in payments to a telephone company as political expenditures from personal funds. The respondent did not check the box to indicate he intended to reimburse himself from political contributions.
9. On the report due on April 26, 2002, which was filed on April 30, 2002, the respondent disclosed a \$450 payment to an individual for secretarial assistance and a \$200 payment to a telephone company as political expenditures made from personal funds. The respondent did not check the box to indicate he intended to reimburse himself from political contributions. On that report the respondent disclosed a \$1,000 payment to himself for “reimbursement of personal exp.”
10. On the report due on July 15, 2002, which was filed on July 19, 2002, the respondent disclosed three payments totaling \$760 to a telephone company as political expenditures made from personal funds. On that report the respondent also disclosed a \$760 payment to himself for “reimbursement of personal exp.”
11. The respondent stated in a telephone conversation with staff that at the time he filed his reports he was unaware of the requirement to check the box to indicate his intention to reimburse himself from political contributions for political expenditures from personal funds.

IV. Findings and Conclusions of Law

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

1. A candidate is required to file a semiannual report by July 15 of each year. ELEC. CODE § 254.063. The respondent filed the July 2002 semiannual report four days after the filing deadline. Therefore, there is credible evidence that the respondent violated section 254.063 of the Election Code.
2. The complainant alleges the respondent filed the 8-day pre-election report due on April 26, 2002, after the filing deadline. The respondent filed the report on April 30, 2002. The alleged offense is outside of the applicable statute of limitations.
3. A person who is no longer a candidate or officeholder must file an annual report for each year in which the person retains unexpended contributions. ELEC. CODE § 254.201. The

complainant provides no evidence to support his allegation that the respondent violated this requirement. The respondent denies the allegation. Therefore, there is credible evidence that the respondent did not violate section 254.201 of the Election Code.

4. The complainant alleges that the respondent did not disclose required information on three campaign finance reports.
5. The allegations regarding the reports due on April 4 and April 26, 2002, are outside the applicable statute of limitations.
6. A filer must report the purpose of an expenditure of more than \$50 and the address of the payee. ELEC. CODE § 254.031(a)(3). The July 2002 semiannual report shows that in two instances the respondent failed to report a required payee address and that in two other instances he failed to report the purpose of an expenditure. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code.
7. The description “coffee meetings reimbursement” adequately describes the purpose of an \$85 payment to an individual. Therefore, there is credible evidence that the respondent did not violate section 254.031(a)(3) of the Election Code in connection with that description.
8. The complainant alleges that the respondent improperly reimbursed himself for political expenditures made from personal funds. A candidate or officeholder who makes political expenditures from personal funds may reimburse those personal funds from political contributions only if the expenditures were fully and timely reported and if the report disclosing the expenditures indicates that the expenditures were made from personal funds and that the filer intends to reimburse himself from political contributions. ELEC. CODE § 253.035(h); Ethics Commission Rules § 22.19(d).
9. The evidence shows that the respondent made over \$2,600 in political expenditures from personal funds and that he reimbursed himself \$1,760 from political contributions. The respondent timely reported \$1,200 in political expenditures from personal funds on the proper schedule but he did not check the box showing that he intended to reimburse himself from political contributions. The respondent reported the remaining political expenditures from personal funds four days late and again did not check the box showing that he intended to reimburse himself from political contributions. Therefore, there is credible evidence that the respondent violated section 253.035(h) of the Election Code.

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 described under Section III or the commission's findings and conclusions of law described under Section IV, and consents to the entry of this order and agreed resolution solely for the purpose of resolving this sworn complaint.

2. The respondent consents to this order and agreed resolution and waives any right to further proceedings in this matter.
3. The respondent acknowledges that a candidate or officeholder who makes political expenditures from personal funds may reimburse those personal funds from political contributions only if the expenditures were fully and timely reported and if the report disclosing the expenditures indicates that the expenditures were made from personal funds and that the filer intends to reimburse himself from political contributions. The respondent further acknowledges that a filer must report the purpose of an expenditure of more than \$50 and the address of the payee and that a candidate is required to file a semiannual report by July 15 of each year. The respondent agrees to fully comply with these requirements of the law.

VI. Confidentiality

This order and agreed resolution describes violations that the commission has determined are neither technical nor *de minimis*. Accordingly, this order and agreed resolution is not confidential under section 571.140 of the Government Code, and may be disclosed by members and staff of the commission.

VII. Sanction

After considering the seriousness of the violations described under Sections III and IV, including the nature, circumstances, and consequences of the violations, and after considering the sanction necessary to deter future violations, the commission imposes a \$200 civil penalty.

VIII. Order

The commission hereby orders that if the respondent consents to the proposed resolution, this order and agreed resolution is a final and complete resolution of SC-2407121.

AGREED to by the respondent on this _____ day of _____, 20____.

William Craig Bradshaw, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director