

TEXAS ETHICS COMMISSION

IN THE MATTER OF
ELIZABETH BEETON,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-2811382

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on December 2, 2009, to consider sworn complaint SC-2811382. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031 and 254.064 of the Election Code, and credible evidence of a technical or *de minimis* violation of sections 254.031(a)(2) and 254.061 of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposed this resolution to the respondent.

II. Allegations

The complaint alleged that the respondent failed to properly report political contributions, political expenditures, and loans, improperly disclosed notice of support from a political committee, and failed to timely file her 30-day pre-election campaign finance report.

III. Facts Supported by Credible Evidence

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

1. The respondent was a successful opposed candidate for Galveston city council in the May 10, 2008, election.
2. The complaint included copies of the respondent's 30-day pre-election report filed on April 11, 2008, 8-day pre-election report filed on April 30, 2008, and July 2008 semiannual report filed on June 14, 2008.
3. The complaint alleged that the respondent failed to properly disclose total political contributions maintained, the total principal amount of all outstanding loans, the address of

- 12 contributors, the address of three persons receiving expenditures, and total political contributions accepted on her 30-day pre-election report.
4. The complaint alleged that the respondent failed to properly disclose the address of 12 contributors, the purpose of five expenditures, and notice of support from a political committee on her 8-day pre-election report.
 5. The complaint alleged that the respondent failed to properly disclose the address of seven contributors, the purpose of two expenditures, and notice of support from a political committee on her July 2008 semiannual report.
 6. The respondent's 30-day and 8-day pre-election and July 2008 semiannual reports disclosed notice from a political committee named "Elizabeth Beeton" at box 17, on cover sheet page 2, and disclosed the committee type as "General."
 7. On her 30-day pre-election report, the respondent drew a line through the blanks provided to disclose total political expenditures of \$50 or less, total political contributions maintained as of the last day of reporting period, and total principal amount of all outstanding loans as of the last day of the reporting period. The 30-day pre-election report also disclosed a total of 12 political contributions all of which disclosed the contributor's city and state, but no street address. Eleven of the contributions were from contributors who contributed \$50 or more to the respondent, and included a \$3,200 political contribution from the respondent to herself. The 30-day pre-election report further disclosed a total of seven political expenditures, one of which was \$160 to "San Jacinto Neighborhood Association," where no address was disclosed.
 8. On her 8-day pre-election report, the respondent left blank the spaces to disclose total political contributions maintained as of the last day of reporting period and total principal amount of all outstanding loans as of the last day of the reporting period. The 8-day report also disclosed a total of 12 political contributions which disclosed the contributors' city and state, but no street address. All were for \$50 or more and included a \$4,000 political contribution from the respondent herself. The 8-day pre-election report further disclosed five political expenditures one of which was \$788.06 to payee "A Budget Sign Co.," where no purpose was disclosed.
 9. On her July 2008 semiannual report, the respondent left blank the spaces to disclose total political contributions maintained as of the last day of the reporting period and total principal amount of all outstanding loans as of the last day of the reporting period. The July 2008 semiannual report disclosed seven political contributions all of which disclosed the contributors' city and state, but no street address and two political expenditures to payees "San Jacinto Neighborhood Association" and "Galveston Kiwanis Club" where no address

- was disclosed. The expenditure to the San Jacinto Neighborhood Association disclosed a purpose of “Refund for Overpayment” and the amount disclosed is “(110).” The report also disclosed three political expenditures to payee “People Calling People” and one political expenditure to payee “Minuteman Printing,” where no purpose was disclosed.
10. The respondent admitted that her 30-day pre-election report was filed late, one day after the April 10, 2008 deadline. She further admitted that she failed to include full addresses for certain contributors and left blank or drew a line through spaces used to disclose total political contributions maintained and total principal amount of outstanding loans on her 30-day and 8-day pre-election reports and July 2008 semiannual report, and that she left blank or drew a line through the space used to disclose political expenditures of \$50 or less on her 30-day pre-election report.
 11. With respect to disclosing her own name under box 17, in the space provided to disclose notice from political committees, on the cover sheet page two, on each of the reports at issue, the respondent swore, “I did not intend to create the impression that I am a general purpose committee by supplying the name and address of myself and my campaign treasurer in section 17. I thought the form was asking for our information there[.]”
 12. On December 10, 2008, the respondent filed corrections to each of the reports at issue. The respondent disclosed complete addresses for each contribution at issue and disclosed a purpose for each expenditure at issue. On her corrected 30-day pre-election report, the respondent removed the notice by political committee from box 17, disclosed “0” totals for political expenditures of \$50 or less and principal amount of outstanding loans, and disclosed \$253.68 in total political contributions maintained on page two of the cover sheet. On her corrected 8-day pre-election report, the respondent removed the notice by political committee from box 17, disclosed “0” in the space provided to disclose total principal amount of outstanding loans, and disclosed \$167.25 in total political contributions maintained on page two of the cover sheet. On her corrected July 2008 semiannual report, the respondent removed the entry from box 17, notice by political committee, disclosed “0” in the space provided to disclose total principal amount of outstanding loans, and disclosed \$9.26 in total political contributions maintained on page two of the cover sheet.

IV. Findings and Conclusions of Law

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

Failure to Properly Disclose Political Contributions, Expenditures, and Loans

1. Each campaign finance report must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by

- the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
2. Each campaign finance report must include the aggregate principal amount of all outstanding loans as of the last day of the reporting period. ELEC. CODE § 254.031(a)(2).
 3. Each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
 4. Each campaign finance report must include the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. *Id.* § 254.031(a)(5).
 5. Each campaign finance report must include, as of the last day of a reporting period for which the person is required to file a report, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. *Id.* § 254.031(a)(8).
 6. The respondent failed to disclose total political expenditures of \$50 or less on her 30-day pre-election report in violation of section 254.031(a)(5) of the Election Code. The respondent failed to disclose total political contributions maintained as of the last day of the reporting period in violation of section 254.031(a)(8) of the Election Code. The respondent failed to disclose total principal amount of all outstanding loans as of the last day of the reporting period on her 30-day and 8-day pre-election reports and July 2008 semiannual report (although she had no loans, she left the space blank), technical or *de minimus* violations of section 254.031(a)(2) of the Election Code.
 7. The complaint alleged that the respondent also failed to disclose the full addresses of 31 contributors who made contributions that in the aggregate exceeded \$50 during the reporting periods at issue. One of the contributions did not exceed \$50, and two were incorrectly disclosed as contributions from herself. The respondent failed to disclose the full address for 28 contributors. Therefore, there is credible evidence of violations of section 254.031(a)(1) of the Election Code.
 8. The \$110 expenditure to San Jacinto Neighborhood Association disclosed on the respondent's July 2008 semiannual report appears to be a credit, improperly reported as an expenditure. Therefore, the respondent failed to report the full addresses of two payees, one

on her 30-day pre-election report and another on her July 2008 semiannual report in violation of section 254.031(a)(3) of the Election Code.

9. The respondent failed to disclose the purpose of five political expenditures that in the aggregate exceeded \$50 on the reports at issue in violation of section 254.031(a)(3) of the Election Code.

Improperly Disclosed Notice of Support from a Political Committee

10. Each campaign finance report filed by a candidate must include the full name and address for each political committee from which the candidate received notice of a direct expenditure and the full name and address of the committee's campaign treasurer. The candidate must also include the full name and address for each individual from which the candidate received notice of a direct expenditure. ELEC. CODE § 254.061(3).
11. The reports at issue disclosed support from a political committee with the respondent's name, and the respondent's campaign treasurer's name and address. There is no political committee by this name, instead, the respondent mistakenly reported her own campaign information in this space on each of the reports at issue. Therefore, there is credible evidence of technical or *de minimus* violations of section 254.061 of the Election Code.

Failure to Timely File Pre-election Campaign Finance Reports

12. In addition to other required reports, for each election in which a person is a candidate and has an opponent whose name is to appear on the ballot, the person shall file two reports. The first report shall be filed not later than the 30th day before election day. The report covers the period beginning the day the candidate's campaign treasurer appointment is filed or the first day after the period covered by the last report required to be filed, as applicable, and continuing through the 40th day before election day. ELEC. CODE § 254.064.
13. The respondent was an opposed candidate required to file a 30-day pre-election report by April 10, 2008. The respondent filed the report on April 11, 2008. Therefore, there is credible evidence of a violation of section 254.064 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 each campaign finance report must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period, the full name and address of the person making the contributions, and the dates of the contributions, the aggregate principal amount of all outstanding loans as of the last day of the reporting period, the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures, the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period, and as of the last day of a reporting period for which the person is required to file a report, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. The respondent acknowledges that each campaign finance report must include the full name and address for each political committee from which the candidate received notice of a direct expenditure and the full name and address of the committee's campaign treasurer, and the full name and address for each individual from which the candidate received notice of a direct expenditure. The respondent further acknowledges that for each election in which a person is a candidate and has an opponent whose name is to appear on the ballot, the person shall file two reports, the first report shall be filed not later than the 30th day before election day. The respondent agrees to 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 \$500 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-2811382.

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

Elizabeth Beeton, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director