

TEXAS ETHICS COMMISSION

IN THE MATTER OF
KAREN MAHONEY,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-2811383

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) held a preliminary review hearing on June 11, 2010, to consider sworn complaint SC-2811383. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 253.035, 254.031, 254.036, and 254.063 of the Election Code, and credible evidence of technical or *de minimis* violations of section 254.031 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: 1) failed to file campaign finance reports in a format prescribed by the Texas Ethics Commission, 2) failed to properly report political contributions and political expenditures, 3) failed to properly disclose total political contributions maintained, 4) failed to disclose the total principal amount of all outstanding loans, 5) improperly reimbursed political expenditures made from personal funds, 6) accepted cash contributions that exceeded \$100, and 7) failed to timely file a 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 member of the Galveston city council and had a campaign treasurer appointment in effect during the time at issue.
2. The allegations relate to the respondent's 30-day and 8-day pre-election reports for the May 10, 2008, city election and July 2008 semiannual report.

3. The respondent filed an affidavit in response to the sworn complaint, and also appeared at the hearing.

Filing of Reports in Prescribed Format

4. The complaint alleged that the respondent failed to use the format prescribed by the Texas Ethics Commission for her 30-day and 8-day pre-election reports for the May 10, 2008, city election and July 2008 semiannual report.
5. The respondent's 30-day pre-election report has an entry on Schedule A (used for reporting political contributions) which states, "See Attached for cash contributions \$1,575.00." The report includes an attachment with the heading "Attachment to Schedule A, Karen A. Mahoney Election Receipts, 03-01-08 thru 03-31-08." The attachment is a list of dates, names, addresses, and amounts (one entry is listed as "Cash" with no address disclosed).
6. The respondent's 8-day pre-election report has an entry on Schedule A that states, "See attached for cash contributors \$6,315.00." The report includes an attachment with the heading, "Karen A. Mahoney Election Receipts, 04-01-08 thru 04-30-08, Attachment to Schedule A." The attachment is a list of dates, names, addresses, and amounts (three entries are labeled, "Misc. - @ <\$50").
7. The respondent's 8-day pre-election report has an entry on Schedule G (used for reporting political expenditures made from personal funds) that states, "See attached for cash expenditures." The report includes an attachment with the heading, "Karen A. Mahoney Election Expenses, 04-01-08 thru 04-30-08." The attachment is a list of dates, items, and amounts.
8. The respondent's July 2008 semiannual report has an entry on Schedule A that states, "See attached for cash contributions \$1,525.00." The report includes an attachment with the heading, "Karen A. Mahoney Election Receipts, 05-01-08 thru 06-30-08." The attachment is a list of dates, names, addresses, and amounts (one entry is labeled, "Misc. - @ <\$50").
9. The respondent's July 2008 semiannual report has an entry on Schedule F (Political Expenditures) that states, "See attached for cash expenditures \$2,719.75." The report includes an attachment with the heading, "Karen A. Mahoney Election Expenses, 05-01-08 thru 06-30-08." The attachment is a list of dates, items, and amounts.
10. The respondent did not use the prescribed forms to report the political contributions and political expenditures at issue.

11. The respondent filed corrected reports using the prescribed forms to disclose the political contributions and political expenditures at issue.

Reporting of Political Contributions and Political Expenditures

30-Day Pre-Election Report

12. The complaint alleged that the respondent failed to properly report \$427.88 of political expenditures disclosed on Schedule G of her 30-day pre-election report.
13. The respondent's 30-day pre-election report included a Schedule G with an entry that stated "Various Payees for kick-off open house March 15 & 16, 2008" in the payee box and \$427.88 in the amount box.
14. The respondent did not itemize approximately \$430 of political expenditures from personal funds.
15. The respondent filed a corrected 30-day pre-election report which included a Schedule G that itemized nine political expenditures totaling approximately \$610, and indicating reimbursement was intended. Thus, the corrected report included \$180.40 of additional political expenditures on Schedule G. The purposes of the expenditures were for items for the campaign kick-off held on March 15 & 16, 2008.

8-Day Pre-Election Report

16. The respondent's 8-day pre-election report includes an attachment to Schedule A. The entry for a political contribution states, "04-30-08, [contributor], 20 Colony Park Circle, \$100."
17. The respondent did not disclose the complete address of the contributor at issue.
18. The respondent filed a corrected report covering the 8-day pre-election period. She mistakenly marked it as a 30-day pre-election report. The report included a Schedule A that disclosed the complete address of the political contributor.
19. The complaint alleged that the respondent failed to disclose the addresses of four political expenditure payees on the attachment to Schedule G of her 8-day pre-election report.
20. The respondent's 8-day pre-election report includes an attachment to Schedule G. The political expenditures at issue on this attachment total approximately \$4,510 and include the following: 1) 04-17-08, (1004), Ad – *Islander*, \$400; 2) 04-17, (1005), Printing –

Minuteman, \$3,690.81; 3) 04-18, (1007), Ad – *GDN* (4-20), \$208.20; 4) 04-29, Ad – *GDN*(4-27), \$208.20.

21. The respondent did not disclose the payee addresses for the political expenditures at issue.
22. The respondent filed a corrected report covering the 8-day pre-election period. She marked it as a 30-day pre-election report. The report included a Schedule F that disclosed the payee addresses of three of the political expenditures at issue. The corrected report did not include the April 29, 2008, political expenditure described as “AD – *GDN*” in the amount of \$208.20 (the corrected entry for the April 18, 2009, expenditure to the same payee included the complete name and address.)

July 2008 Semiannual Report

23. The complaint alleged that the respondent failed to disclose the complete address of one political contributor on the attachment to Schedule A of her July 2008 semiannual report.
24. The respondent’s July 2008 semiannual report includes an attachment to Schedule A. The political contribution at issue is entered as follows: 1) [contributor], Galveston, Texas 77550, \$100.
25. The respondent did not disclose the complete address of the contributor at issue.
26. The respondent filed a corrected July 2008 semiannual report that disclosed on Schedule A the complete address of the contributor at issue. The report included an additional contribution of \$1,000.
27. The respondent’s affidavit states that the street address of the contributor at issue was inadvertently left out.
28. The complaint alleged that the respondent failed to disclose the payee addresses for three political expenditures on the attachment to Schedule F of her July 2008 semiannual report.
29. The respondent’s July 2008 semiannual report includes an attachment to Schedule F. The political expenditures at issue on this attachment for this allegation total approximately \$1,820 and include the following: 1) 05-01-08, (1008), Ad – *GDN* (4-27), \$208.20; 2) 06-24, (1011), Printing – *Minuteman*, \$1,008.54; 3) 05-09, (1012), Ad – *GDN* (5-4, 7, 10), \$605.40.
30. The respondent did not disclose the payee addresses for the three political expenditures at issue.

31. The respondent filed a corrected July 2008 semiannual report that disclosed on Schedule F the payee addresses for the political expenditures.
32. The complaint alleged that the respondent failed to disclose the payees, dates, purposes, and amounts of the other political expenditures disclosed on her July 2008 semiannual report.
33. As noted, the respondent's July 2008 semiannual report includes an attachment to Schedule F. The political expenditures at issue on this attachment for this allegation that exceed \$50 in the aggregate per payee total \$420 and include the following: 1) 05-07, (1013), Food – Campaign Callers, \$60; 2) 05-09, (1014), Supplies (TY Notes) – Willie King, \$60; 3) 05-23, (1015), Victory Celebration – H.C. Mills, \$300.
34. The respondent did not properly itemize \$420 of political expenditures on the report at issue.
35. The respondent filed a corrected July 2008 semiannual report that purports to itemize on Schedule F the political expenditures at issue. The report included three additional political expenditures on Schedule F totaling approximately \$215.
36. The respondent did not report approximately \$215 of political expenditures on the original report at issue.
37. The respondent's July 2008 semiannual report includes an attachment to Schedule G. The political expenditures at issue on this attachment total \$540.39 and include the following: 1) 05-02-08, Postage, \$410.00; 2) 05-10, Election Night Supplies, \$71.37; 3) 05-30, Thank you gifts, \$59.02.
38. The respondent did not properly itemize approximately \$540 of political expenditures on the original report at issue.
39. The respondent filed a corrected July 2008 semiannual report that purports to itemize on Schedule G the political expenditures at issue. The report included four additional political expenditures totaling approximately \$440.
40. The respondent did not report approximately \$440 of political expenditures on the original report at issue.

Total Political Contributions Maintained

41. The complaint alleged that the respondent failed to properly disclose total political contributions maintained as of the last day of the reporting period on her 30-day and 8-day pre-election reports for the May 10, 2008, city election and July 2008 semiannual report.

42. The respondent's 30-day pre-election report had a line through the total political contributions maintained amount box. The respondent's corrected report disclosed that this amount was \$1,568 (although the respondent's affidavit stated that the amount was \$1,183.93).
43. The respondent's 8-day pre-election report did not have an entry for total political contributions maintained. The respondent's corrected report disclosed that this amount was \$2,662.75.
44. The respondent's July 2008 semiannual report did not have an entry for total political contributions maintained. The respondent's corrected report disclosed that this amount was \$2,259.64.

Total Principal Amount of All Outstanding Loans

45. The complaint alleged that the respondent failed to disclose the total principal amount of all outstanding loans on her 30-day and 8-day pre-election reports and July 2008 semiannual report.
46. The respondent's 30-day pre-election report had a line through the total principal amount of all outstanding loans amount box. The respondent's corrected report disclosed that this amount was zero.
47. The respondent's 8-day pre-election report did not have an entry for total principal amount of all outstanding loans. The respondent's corrected report disclosed that this amount was zero.
48. The respondent's July 2008 semiannual report did not have an entry for total principal amount of all outstanding loans. The respondent's corrected report disclosed that this amount was zero.
49. The respondent stated in her affidavit that on each of these reports she put a dash through the amount box to show that there were no outstanding loans.
50. There was no evidence that showed the respondent had any outstanding loans.

Reimbursement of Political Expenditures Made from Personal Funds

51. The complaint alleged that on the respondent's 30-day pre-election report the respondent disclosed reimbursing herself \$427.88 but did not disclose the payees, dates, purposes, and amounts of the political expenditures.

52. The respondent's 30-day pre-election report has an entry on Schedule G that states under Payee name, "Various Payees for kick-off open house March 15 & 16, 2008." The amount is \$427.88 and the respondent checked the box indicating that reimbursement from political contributions was intended. The respondent was not disclosing a reimbursement to herself as alleged by the complainant. Schedule G is for political expenditures made from personal funds. The respondent disclosed that she spent \$427.88 of her personal funds for political expenditures. The respondent did not itemize the political expenditures. The respondent's corrected 30-day pre-election report itemized these expenditures.
53. The complaint alleged that on the respondent's 8-day pre-election report the respondent disclosed reimbursing herself three amounts \$606, \$869.88, and \$164 totaling \$1,639.88 but did not disclose the payees, dates, purposes, and amounts of the political expenditures.
54. The respondent's 8-day pre-election report has an entry on Schedule G that states that the payee of the political expenditure from personal funds is the respondent, that the purpose is for postage, and the amount is \$606. The report has an attachment to Schedule G that has six entries. There is a "DATE" column, an "ITEM" column, and an "AMOUNT" column. Under the "ITEM" column there are two entries that state, "Reimburse – Karen Mahoney," one entry is for \$869.88 and the other one is for \$164. (If in fact the respondent reimbursed herself from political contributions, she should have used Schedule F to disclose reimbursing herself with political funds for political expenditures she made with personal funds.) The respondent did not itemize the expenditures. The respondent filed a corrected 8-day pre-election report which disclosed the \$869.88 reimbursement to herself on Schedule F. The report also itemized the \$606 of political expenditures from personal funds that had been disclosed naming the respondent as the payee on Schedule G of the original report. The corrected report did not include the \$164 reimbursement to the respondent.
55. The complaint alleged that on the respondent's July 2008 semiannual report the respondent disclosed reimbursing herself \$442 but did not disclose the payees, dates, purposes, and amounts of the political expenditures.
56. The respondent's July 2008 semiannual report has an attachment to Schedule F that has ten entries. There is a "DATE" column, an "ITEM" column, and an "AMOUNT" column. Under the "ITEM" column there is an entry that states, "Reimburse – Karen Mahoney," the amount is \$442. The respondent did not itemize the expenditures. The respondent filed a corrected July 2008 semiannual report that itemized the \$442 of expenditures from personal funds on Schedule G.

Cash Contributions

57. The complaint alleged that the respondent accepted cash contributions that exceeded \$100.

58. The respondent's 30-day pre-election report included a Schedule A which stated, "See Attached for cash contributions, \$1,575.00." One entry stated "Cash" in the space for the contributor's name, and the amount was \$205.
59. As to the 30-day pre-election report, the respondent's affidavit stated, "Except where specifically designated "cash," receipts were in the form of checks. Affiant has copies of checks from contributors. The March 24 entry of \$205.00 cash was from an event, but each cash contribution was less than \$50."
60. The respondent's 8-day pre-election report included a Schedule A which stated, "See attached for cash contributions, \$6,315.00." No entry stated "Cash" in the space for the contributor's name.
61. As to the 8-day pre-election report, the respondent's affidavit states, "All listed contributions were in the form of checks except where 'cash.' Affiant has copies of checks from contributors. No cash was received."
62. The respondent's July 2008 semiannual report included a Schedule A which stated, "See attached for cash contributions, \$1,525.00." No entry stated "Cash" in the space for the contributor's name.
63. As to the July 2008 semiannual report, the respondent's affidavit states, "All listed contributions were in the form of checks, except where specified 'cash.' Affiant has copies of checks from contributors. No cash was received."
64. There was no other evidence that the respondent accepted cash contributions as alleged.

Filing a Campaign Finance Report

65. The complaint alleged that the respondent failed to timely file the July 2008 semiannual report. The respondent's July 2008 semiannual report was date stamped as filed on July 17, 2008. The report was due July 15, 2008.
66. The respondent acknowledged in her affidavit that she filed the July 2008 semiannual report two days late.

Disclosure of Total Political Contributions of \$50 or Less, Unless Itemized

67. The respondent's 8-day pre-election report disclosed \$6,415 for total political contributions of \$50 or less, unless itemized. The respondent's corrected report disclosed that this amount was zero.

68. The respondent's original July 2008 semiannual report did not have an entry for total political contributions of \$50 or less, unless itemized. The respondent's corrected report disclosed that this amount was zero.

Total Political Contributions

69. The respondent's 8-day pre-election report had a line through the total political contributions amount box and stated "see list" to the side of that box. The respondent's corrected report disclosed that this amount was \$6,522.87.
70. The respondent's original July 2008 semiannual report disclosed \$1,525 for total political contributions. The respondent's corrected report disclosed \$2,259.64 for this amount.

Disclosure of Total Political Expenditures of \$50 or Less, Unless Itemized

71. The respondent's original 8-day pre-election report did not have an entry for total political expenditures of \$50 or less, unless itemized. The respondent's corrected report disclosed that this amount was zero.
72. The respondent's July 2008 semiannual report did not have an entry for total political expenditures of \$50 or less, unless itemized. The respondent's corrected report disclosed that this amount was zero.

Disclosure of Total Political Expenditures

73. The respondent's 8-day pre-election report did not have an entry for total political expenditures. The respondent's corrected report disclosed that this amount was \$5,826.25.
74. The respondent's original July 2008 semiannual report disclosed \$2,719.75 for total political expenditures. The respondent's corrected report disclosed \$3,910.50 for this amount.

IV. Findings and Conclusions of Law

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

Filing of Reports in Prescribed Format

1. Each report filed under this chapter with an authority other than the commission must be in a format prescribed by the commission. ELEC. CODE § 254.036(a).

2. The respondent failed to use the prescribed forms to report political contributions and political expenditures on her 30-day and 8-day pre-election reports and July 2008 semiannual report. Therefore, there is credible evidence that the respondent violated section 254.036(a) of the Election Code.

Reporting of Political Contributions and Political Expenditures

3. Each report filed under this chapter 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).
4. Each report filed under this chapter 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).

30-Day Pre-Election Report

5. The respondent failed to report approximately \$180 in political expenditures and failed to itemize approximately \$430 of political expenditures from personal funds on her original 30-day pre-election report. The respondent filed a corrected report that itemized all of the expenditures. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code.

8-Day Pre-Election Report

6. The respondent failed to disclose the complete address of a contributor of \$100 on her 8-day pre-election report. Therefore, there is credible evidence that the respondent violated section 254.031(a)(1) of the Election Code.
7. The respondent failed to disclose on her 8-day pre-election report the payee addresses for four political expenditures totaling approximately \$4,510 that were made from political contributions. The respondent filed a corrected report disclosing the addresses of the payees. One expenditure of approximately \$210 was deleted. The amount corrected was approximately \$4,300. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code.

July 2008 Semiannual Report

8. The respondent failed to disclose the complete address of one political contributor of \$100 on her July 2008 semiannual report. The respondent filed a corrected report disclosing the complete address of the contributor. The report included an additional contribution of \$1,000. Therefore, there is credible evidence that the respondent violated section 254.031(a)(1) of the Election Code.
9. The respondent failed to disclose the addresses of three political expenditure payees totaling approximately \$1,820 on the attachment to Schedule F of her July 2008 semiannual report. The respondent filed a corrected report that disclosed the payee addresses for the political expenditures at issue. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code.
10. The respondent failed to report approximately \$215, and failed to properly itemize \$420, of political expenditures on Schedule F of her July 2008 semiannual report. The respondent filed a corrected report that purports to itemize all of the expenditures. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code.
11. The respondent failed to report approximately \$440, and failed to properly itemize approximately \$540, of political expenditures on Schedule G of her July 2008 semiannual report. The respondent filed a corrected report that purports to itemize all of the expenditures. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code.

Total Political Contributions Maintained

12. A 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 maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. ELEC. CODE § 254.031(a)(8).
13. The respondent failed to disclose the total political contributions maintained amount on her 30-day and 8-day pre-election reports and July 2008 semiannual report. Therefore, there is credible evidence that the respondent violated section 254.031(a)(8) of the Election Code.

Total Principal Amount of All Outstanding Loans

14. Each report filed under this chapter must include the aggregate principal amount of all outstanding loans as of the last day of the reporting period. *Id.* § 254.031(a)(2).

15. The respondent's 8-day pre-election report and July 2008 semiannual report did not have an entry for total principal amount of all outstanding loans. The respondent's corrected reports disclosed that these amounts were zero. Therefore, there is credible evidence that the respondent committed technical or *de minimis* violations of section 254.031(a)(2) of the Election Code.

Reimbursement of Political Expenditures Made from Personal Funds

16. A candidate or officeholder who makes political expenditures from the candidate's or officeholder's personal funds may reimburse those personal funds from political contributions in the amount of those expenditures only if the expenditures from personal funds were fully reported as political expenditures, including the payees, dates, purposes, and amounts of the expenditures, in the report covering the period during which the expenditures from personal funds were made, and the report on which the expenditures from personal funds are disclosed clearly designates those expenditures as having been made from the person's personal funds and that the expenditures are subject to reimbursement. ELEC. CODE § 253.035(h).
17. The respondent disclosed on her 30-day pre-election report that she made approximately \$430 of political expenditures from personal funds. The respondent itemized these expenditures on a corrected report filed after the due date for the 30-day pre-election report.
18. The respondent disclosed on her 8-day pre-election report that she reimbursed herself three amounts, \$606, \$869.88, and \$164 totaling approximately \$1,640 for political expenditures made from personal funds. The respondent itemized the \$606 of political expenditures made from personal funds on a corrected report filed after the due date for the 8-day pre-election report. The respondent has not itemized the other political expenditures from personal funds for which she reimbursed herself.
19. The respondent disclosed on her July 2008 semiannual report that she reimbursed herself \$442 for political expenditures made from personal funds. The respondent itemized \$442 of political expenditures made from personal funds on a corrected report filed after the due date for the July 2008 semiannual report.
20. The respondent reimbursed herself approximately \$2,080 for political expenditures made from personal funds that she did not itemize by the due dates for the reports that covered the periods when the expenditures were made. Therefore, there is credible evidence that the respondent violated section 253.035(h) of the Election Code.

Cash Contributions

21. A candidate, officeholder, or specific-purpose committee may not knowingly accept from a contributor in a reporting period political contributions in cash that in the aggregate exceed \$100. ELEC. CODE § 253.033(a).
22. The evidence is insufficient to show that the respondent accepted contributions in cash that exceeded \$100 from a contributor during a reporting period. Therefore, there is insufficient evidence that the respondent violated section 253.033(a) of the Election Code.

Filing a Campaign Finance Report

23. A candidate shall file two reports for each year as provided by this section. The first report shall be filed not later than July 15. The second report shall be filed not later than January 15. ELEC. CODE § 254.063.
24. The respondent filed her July 2008 semiannual report late. Therefore, there is credible evidence that the respondent violated section 254.063 of the Election Code.

Disclosure of Total Political Contributions of \$50 or Less, Unless Itemized

25. Each report filed under this chapter must include the total amount or a specific listing of the political contributions of \$50 or less accepted during the reporting period. ELEC. CODE § 254.031(a)(5).
26. The respondent's 8-day pre-election report failed to disclose the correct amount and the respondent's July 2008 semiannual report did not have an entry for total political contributions of \$50 or less, unless itemized. Therefore, there is credible evidence that the respondent violated section 254.031(a)(5) of the Election Code.

Total Political Contributions

27. Each report filed under this chapter must include the total amount of all political contributions accepted during the reporting period. ELEC. CODE § 254.031(a)(6).
28. The respondent's 8-day pre-election report and July 2008 semiannual report failed to disclose the correct amount for total political contributions. Therefore, there is credible evidence that the respondent violated section 254.031(a)(6) of the Election Code.

Disclosure of Total Political Expenditures of \$50 or Less, Unless Itemized

29. Each report filed under this chapter must include the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. ELEC. CODE § 254.031(a)(5).
30. The respondent's 8-day pre-election report and July 2008 semiannual report did not have an entry for total political contributions of \$50 or less, unless itemized. The corrected reports disclose that the amount was zero on both reports. Therefore, there is credible evidence that the respondent committed a technical or *de minimis* violation of section 254.031(a)(5) of the Election Code.

Disclosure of Total Political Expenditures

31. Each report filed under this chapter must include the total amount of all political expenditures made during the reporting period. ELEC. CODE § 254.031(a)(6).
32. The respondent's 8-day pre-election report and the respondent's July 2008 semiannual report failed to disclose the correct amount for total political expenditures. Therefore, there is credible evidence that the respondent violated section 254.031(a)(6) 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 report filed under this chapter with an authority other than the commission must be in a format prescribed by the commission. The respondent acknowledges that each report filed under this chapter 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. The respondent acknowledges that each report filed under this chapter 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. The respondent acknowledges that a 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 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 report filed under this chapter must include the aggregate principal amount of all outstanding loans as of the last day of the reporting period. The respondent acknowledges that a candidate or officeholder who makes political expenditures from the candidate's or officeholder's personal funds may reimburse those personal funds from political contributions in the amount of those expenditures only if the expenditures from personal funds were fully reported as political expenditures, including the payees, dates, purposes, and amounts of the expenditures, in the report covering the period during which the expenditures from personal funds were made, and the report on which the expenditures from personal funds are disclosed clearly designates those expenditures as having been made from the person's personal funds and that the expenditures are subject to reimbursement. The respondent acknowledges that a candidate shall file two reports for each year as provided by this section. The first report shall be filed not later than July 15. The second report shall be filed not later than January 15. The respondent acknowledges that each report filed under this chapter must include the total amount or a specific listing of the political contributions of \$50 or less accepted and the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. The respondent also acknowledges that each report filed under this chapter must include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. 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-2811383.

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

Karen Mahoney, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director