

TEXAS ETHICS COMMISSION

IN THE MATTER OF
GORDON QUAN,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-31008253

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on December 14, 2011, to consider sworn complaint SC-31008253. A quorum of the commission was present. The commission determined that there is credible evidence of violations of section 254.031 of the Election Code, a law 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 did not report political contributions and political expenditures as required by section 254.031 of the Election Code.

III. Facts Supported by Credible Evidence

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

1. The respondent was a candidate for county judge in the Harris County March 2010 primary election.
2. The respondent filed a campaign treasurer appointment with the Houston City Secretary on February 5, 1999, indicating that he sought the office of Houston City Council, Position 2. On January 14, 2010, he filed a final campaign finance report with the city secretary. The report covered a period from July 1, 2009, through December 31, 2009, and disclosed \$9,732.88 in total political expenditures.
3. On January 5, 2010, the respondent filed an Appointment of a Campaign Treasurer by a Candidate with the Harris County Clerk, indicating that he sought the office of county judge.
4. The complaint alleged that the respondent made the following political expenditures in connection with his campaign for county office before filing a campaign treasurer

appointment with the county clerk and did not disclose the expenditures on a campaign finance report:

- Payment for a political consultant
 - Blast e-mail invitations to a 12/29/09 campaign announcement event
 - Creation of a campaign logo
 - Filing fees with the Harris County Democratic Party
 - Creation of a campaign website: www.gordonquan.org
5. On December 29, 2009, the respondent filed an application for a place on the 2010 Harris County Democratic Party general primary ballot. The application indicated that the respondent sought the office of county judge. The respondent paid a \$1,250 filing fee with his application. To date, the filing fee has not been disclosed on a campaign finance report.
 6. On January 29, 2010, the respondent filed with the Harris County Clerk a 30-day pre-election report for the March 2010 primary election. The report covered a period from January 1, 2010, through January 21, 2010, and disclosed \$16,605.79 in total political contributions and \$54.95 in total political expenditures. The report itemized one political expenditure of \$54.95 on January 21, 2010, for campaign business cards.
 7. According to domain registry information, the domain name of gordonquan.org was created on July 1, 1999. The registrant of the website was identified as Gordon Quan Campaign.
 8. The campaign logo at issue was designed by the respondent's daughter who received no compensation for the design. The respondent swore that the announcement event was hosted by an individual. On August 18, 2010, the respondent filed a corrected 30-day pre-election report to disclose a \$200 in-kind contribution from the individual on January 9, 2010, for "venue, food, drinks." The respondent hired a consulting company in January 2010 to provide political consulting. The respondent's 8-day pre-election report for the March 2010 primary election disclosed a \$4,200 political expenditure to the consulting company on January 28, 2010, for "Monthly campaign fee and postage."

IV. Findings and Conclusions of Law

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

1. Each report by a candidate 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. ELEC. CODE § 254.031(a)(1).
2. Each report by a candidate 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).

3. A political contribution consisting of an individual's personal service is not required to be reported if the individual receives no compensation for the service. ELEC. CODE § 254.033.
4. Regarding the consultant that was hired in January 2010, the respondent's 8-day pre-election report for the March 2010 primary election shows an expenditure to the consultant. There is credible evidence of no violation of section 254.031 of the Election Code regarding this expenditure.
5. The website at issue was created in 1999. There was no evidence that the respondent paid renewal or annual fees for the website during the period at issue in the complaint. The respondent's daughter designed the logo at issue as a personal service to the respondent at no cost and thus it was not required to be reported. Therefore, there is credible evidence of no violation of section 254.031 of the Election Code regarding the website and the logo.
6. There was no evidence that an expense was incurred or compensation was received by anyone to send the email invitations to the December 29, 2009, announcement event. However, there were expenses incurred for the food and drinks provided at the event. Although the respondent corrected his 30-day pre-election report to disclose an in-kind contribution from an individual for the venue, food and drinks, the respondent failed to disclose the contribution at the time the report was originally due. Therefore, there is credible evidence of a violation of section 254.031(a)(1) of the Election Code regarding the in-kind contribution.
7. The respondent made a \$1,250 payment on December 29, 2009, for filing fees with his application for a place on the ballot, but he did not disclose the expenditure in any of his campaign finance reports. To date, the expenditure has not been disclosed. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code regarding this expenditure.

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 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, and that each report 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 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 \$300 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-31008253.

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

Gordon Quan, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director