

# TEXAS ETHICS COMMISSION

IN THE MATTER OF

**MATTHEW ANGLE,  
CAMPAIGN TREASURER,  
TEXAS DEMOCRATIC TRUST,  
  
RESPONDENT**

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BEFORE THE

**TEXAS ETHICS COMMISSION**

**SC-31012425**

## **ORDER and AGREED RESOLUTION**

### **I. Recitals**

The Texas Ethics Commission (the commission) met on June 6, 2012, to consider sworn complaint SC-31012425. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 252.003, 253.032, 253.037, 254.031, and 254.151 of the Election Code, and section 20.29 of the Ethics Commission Rules, 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, as the campaign treasurer of Texas Democratic Trust (TDT), the respondent: 1) did not properly report political contributions and political expenditures, 2) did not include in campaign finance reports information required by section 254.151 of the Election Code, 3) made political contributions to other general-purpose committees without having listed the recipient committees in TDT's campaign treasurer appointment, and 4) did not include on a campaign finance report information regarding a political contribution from an out-of-state political committee.

### **III. Facts Supported by Credible Evidence**

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

1. The respondent is the campaign treasurer of the general-purpose committee Texas Democratic Trust (TDT).
2. There are six reports at issue: the 30-day and 8-day pre-election reports for the November 2010 election, and the January 2009, July 2009, corrected January 2010, and July 2010 semiannual reports.

3. The respondent submitted a sworn response to the complaint.

### **Identification of Candidates Supported or Opposed and Officeholders Assisted**

4. The complaint alleged that the respondent did not identify the candidates supported or opposed and the officeholders assisted by the committee on the cover sheet of each of the reports at issue.
5. Almost all of the political contributions made by the committee were made to other political committees. The evidence indicated that any candidate or officeholder directly assisted by TDT was a member of the Democratic Party, and any election related activity was in connection with a partisan election.

### **Total Political Contributions Maintained**

6. The complaint alleged that the respondent disclosed the incorrect amount for the total political contributions maintained as of the last day of the reporting period on each report at issue or, in the alternative, did not report additional political contributions or political expenditures.

#### January 2009 Semiannual Report

7. In the January 2009 semiannual report, the respondent disclosed \$38,799.93 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the amount of total political contributions maintained should be \$38,442.62. The difference between the amount originally disclosed and amount alleged is \$357.11 which did not exceed the lesser of 10% of the amount disclosed, \$3,879.99, or \$2,500.

#### July 2009 Semiannual Report

8. In the July 2009 semiannual report, the respondent disclosed \$224,692.24 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the amount of total political contributions maintained should be \$224,327.13. The difference between the amount originally disclosed and amount alleged is \$365.11 which did not exceed the lesser of 10% of the amount disclosed, \$22,469.22, or \$2,500.

#### Corrected January 2010 Semiannual Report

9. In the corrected January 2010 semiannual report, the respondent disclosed \$453.46 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the amount of total political contributions maintained should be “<\$49,911.65>”. The total political contributions maintained is the amount of contributions the committee has in their bank account. This cannot be a negative number. Even if the committee has

overdrawn its account or has a \$0 balance and unpaid bills the correct amount to enter for total political contributions maintained would be \$0. The difference between the amount originally disclosed and the amount alleged is \$50,365.11 which exceeded the lesser of 10% of the amount disclosed, \$45.34, or \$2,500.

10. The respondent's affidavit stated that the difference is accounted for as follows:
  - The Complaint carried forward the cumulative difference of \$365.11 identified in previous reports, which was inappropriate given the accounting above.
  - While reporting the correct Contribution Balance to the Commission, the Committee did not immediately itemize one contribution it received in the amount of \$50,000 due to an administrative oversight. . . .
11. The respondent filed a corrected report correcting the error. The cumulative difference from the prior reports and the \$50,000 error in total contributions substantially accounts for the difference between the amount disclosed and the alleged discrepancy.

#### July 2010 Semiannual Report

12. In the July 2010 semiannual report, the respondent disclosed \$157,833.74 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the amount of total political contributions maintained should be \$94,366.63. The difference between the amount originally disclosed and amount alleged is \$63,467.11 which exceeded the lesser of 10% of the amount disclosed, \$15,783.37, or \$2,500. The apparent discrepancy occurred because of the unreported \$50,000 contribution described above, and in-kind contributions.

#### 30-day Pre-election Report for the November 2010 Election

13. In the 30-day pre-election report for the November 2010 election, the respondent originally disclosed \$566,370.69 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the amount of total political contributions maintained should be \$502,503.58. The difference between the amount originally disclosed and amount alleged is \$63,867.11 which exceeded the lesser of 10% of the amount disclosed, \$56,637.06, or \$2,500. The apparent discrepancy occurred because of the unreported \$50,000 contribution and in-kind contributions.

#### 8-day Pre-election Report for the November 2010 Election

14. In the 8-day pre-election report for the November 2010 election, the respondent disclosed \$62,105.65 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the amount of total political contributions maintained should be "<\$8,437.86>". The difference between the amount originally disclosed and

amount alleged is \$70,543.51 which exceeded the lesser of 10% of the amount disclosed, \$6,210.56, or \$2,500. The apparent discrepancy occurred because of the unreported \$50,000 contribution and in-kind contributions.

### **Disclosure of Political Contribution**

15. As stated above, the respondent admitted to not disclosing a \$50,000 political contribution on TDT's January 2010 semiannual report "due to an administrative oversight." On January 3, 2011, after the complaint was filed, the respondent corrected the error.

### **Contributor Principal Occupation**

16. The complaint alleged that the respondent did not disclose the principal occupation for persons contributing more than \$50 disclosed in the January 2009 and July 2010 semiannual reports.
17. Out of 75 total contributions itemized in the January 2009 semiannual report, the complaint alleged that the respondent did not disclose the principal occupation of the contributor for three contributions totaling \$850. For a \$100 contribution from an individual the report disclosed "Information Requested" for the principal occupation of the contributor and "Self-Employed" for the employer of the contributor. For a \$250 contribution from an individual the report disclosed "Information Requested" for the principal occupation of the contributor. For a \$500 contribution from an entity the report left the space for principal occupation blank.
18. Out of 24 total contributions itemized in the July 2010 semiannual report, the complaint alleged that the respondent did not disclose the principal occupation for one contributor, an entity that contributed \$25,000. The report left the space for principal occupation blank.
19. The response stated the following:

For the first contributor, [an individual], the Committee correctly reported that [name of individual] was "Self-Employed." For the next contributor, [name of individual], the Committee requested but was not provided with occupation information. The Committee accordingly reported "Information Requested" and then continued to make repeated inquiries and a good faith effort to obtain the occupation information. To the best of my knowledge, [name of individual] is not employed and spends her time as a volunteer. Finally, the Complaint identifies contributions from two partnerships, [names of two entities]. As both of these contributions came from entities, the requirement to list the "Principal occupation/ Job title" does not seem applicable. The fact that these entities are law firms is also readily obtainable public knowledge.

**Disclosure of Recipient General-Purpose Committees**

20. The complaint alleged that the TDT made political contributions to other general-purpose committees without disclosing those committees on its campaign treasurer appointment. The general-purpose committees at issue are: House Democratic Campaign Committee; Texas Progress Council Political Action Committee; Annie's List; Texas Values in Action Coalition; First Tuesday; and MOVING WILCO FORWARD. During the period at issue, TDT reported making contributions to each of these general-purpose committees.
21. As to the House Democratic Campaign Committee, TDT's initial appointment of campaign treasurer filed on July 26, 2005, named this committee as a recipient general-purpose committee.
22. As to the Texas Progress Council Political Action Committee and the Texas Values in Action Coalition, TDT filed an amended appointment of campaign treasurer on October 31, 2005, that named these committees as recipient general-purpose committees.
23. As to the First Tuesday committee, TDT filed an amended appointment of campaign treasurer on October 10, 2008, that named this committee as a recipient general-purpose committee.
24. As to the Annie's List committee, TDT filed an amended appointment of campaign treasurer on July 15, 2009, that named this committee as a recipient general-purpose committee. TDT made a contribution of \$10,000 on May 4, 2009, and a contribution of \$15,000 on October 22, 2009, to this committee.
25. As to the Moving WilCo Forward PAC, TDT filed an amended appointment of campaign treasurer on October 22, 2010, that named this committee as a recipient general-purpose committee. TDT made a contribution of \$4,000 on October 21, 2010, to this committee.

**Actual Payees of Political Expenditures**

26. The complaint alleged that the respondent did not properly disclose the actual vendor payees, addresses, dates, and amounts "pertaining to the stated purpose" of political expenditures on each of the reports at issue.

January 2009 Semiannual Report

27. Out of 34 expenditures itemized in the January 2009 semiannual report, the complaint alleged that the respondent did not properly disclose the actual vendor payee information for the following expenditure:

- \$11,822.12 to Angle & Associates for Consulting Services on December 8, 2009

July 2009 Semiannual Report

28. Out of 104 expenditures itemized in the July 2009 semiannual report, the complaint alleged that the respondent did not properly disclose the actual vendor payee information for the following ten expenditures:

- \$7,478.11 to Angle & Associates for Travel on January 7, 2009
- \$9,095.16 to Angle & Associates for Travel on February 9, 2009
- \$6,726.18 to Angle & Associates for Travel on March 10, 2009
- \$1,815.90 to Angle & Associates for Travel on April 1, 2009
- \$7,766.98 to Angle & Associates for Travel on May 5, 2009
- \$561.09 to Angle & Associates for Travel on May 13, 2009
- \$34,875.06 to Angle & Associates for Consulting Services & Travel on June 3, 2009
- \$317.70 to an individual for Travel on May 4, 2009
- \$550.00 to an individual for Legal Services on April 1, 2009
- \$6,310.35 to an individual for Consulting Services & Travel on February 9, 2009

Corrected January 2010 Semiannual Report

29. Out of 135 expenditures itemized in the corrected January 2010 semiannual report, the complaint alleged that the respondent did not properly disclose the actual vendor payee information for the following 13 expenditures:

- \$34,020.45 to Angle & Associates for Consulting Services and Travel on July 1, 2009
- \$39,632.26 to Angle & Associates for Consulting Services and Travel on August 5, 2009
- \$33,111.62 to Angle & Associates for Consulting Services and Travel on September 2, 2009
- \$6,303.74 to Angle & Associates for Travel on September 30, 2009
- \$3,937.77 to Angle & Associates for Travel on October 28, 2009

- \$34,604.98 to Angle & Associates for Consulting Services and Travel on November 24, 2009
- \$6,713.13 to Angle & Associates for Travel on December 23, 2009
- \$7,468.91 to an individual for Consulting Services & Office Furniture on July 1, 2009
- \$7,551.93 to an individual for Consulting Services Office Furniture & Supplies on August 5, 2009
- \$6,408.37 to an individual for Consulting Services Office Furniture & Supplies on September 30, 2009
- \$7,468.91 to an individual for Consulting Services & Office Furniture on July 1, 2009
- \$189.70 to an individual for Travel on August 5, 2009
- \$6,233.82 to an individual for Consulting Services & Travel on October 28, 2009
- \$3,021.44 to an individual for Consulting Services & Office Expenses on December 23, 2009

#### July 2010 Semiannual Report

30. Out of 141 expenditures itemized in the July 2010 semiannual report, the complaint alleged that the respondent did not properly disclose the actual vendor payee information for the following 14 expenditures:
- \$7,875.42 to Angle & Associates for OTHER – General Travel / Travel on January 27, 2010
  - \$13,462.97 to Angle & Associates for OTHER – General Travel / Travel on February 24, 2010
  - \$7,548.96 to Angle & Associates for OTHER – General Travel / Travel on March 31, 2010
  - \$8,293.97 to Angle & Associates for OTHER – General Travel / Travel on April 28, 2010
  - \$8,163.52 to Angle & Associates for OTHER – General Travel / Travel on May 26, 2010
  - \$10,172.82 to Angle & Associates for OTHER – General Travel / Travel on June 30, 2010
  - \$225.46 to an individual for Office Overhead/Rental Expense / Office Supplies on June 3, 2010
  - \$2,850.00 to a candidate for Texas for Contributions/Donations Made By Candidate/Officeholder/Political Committee / In-Kind Rent on June 21, 2010
  - \$69.47 to an individual for Office Overhead/Rental Expense / Equipment & Subscription on June 30, 2010

- \$1,500.00 to Texas Democratic Party for Contributions/Donations Made By Candidate/Officeholder/Political Committee / In-Kind Video Production Services on April 16, 2010
- \$400.00 to Texas Democratic Party for Contributions/Donations Made By Candidate/Officeholder/Political Committee / In-Kind Rent on June 8, 2010
- \$750.00 to Texas Democratic Party for Contributions/Donations Made By Candidate/Officeholder/Political Committee / In-Kind Video Production Services on June 9, 2010
- \$7,602.00 to Texas Progress Council PAC for Contributions/Donations Made By Candidate/Officeholder/Political Committee / In-Kind Rent on June 30, 2010
- \$417.92 to an entity for Event Expense / Travel on March 31, 2010

30-day Pre-election Report for the November 2010 General Election

31. Out of 50 expenditures itemized in the 30-day pre-election report for the November 2010 general election, the complaint alleged that the respondent did not properly disclose the actual vendor payee information for the following five expenditures:

- \$7,299.76 to Angle & Associates for OTHER – General Travel / Travel on July 28, 2010
- \$5,088.14 to Angle & Associates for OTHER – General Travel / Travel on September 1, 2010
- \$396.66 to an individual for OTHER – General Travel / Travel on August 4, 2010
- \$3,555.00 to an individual for Consulting Expense / Consulting Services & Travel on July 28, 2010
- \$400.00 to Texas Democratic Party for Contributions/Donations Made By Candidate/Officeholder/Political Committee / In-Kind Rent on August 18, 2010

8-day Pre-election Report for the November 2010 General Election

32. Out of 60 expenditures itemized in the 8-day pre-election report for the November 2010 general election, the complaint alleged that the respondent did not properly disclose the actual vendor payee information for the following four expenditures:

- \$5,558.69 to Angle & Associates for OTHER – General Travel / Travel on September 29, 2010
- \$1,900.00 to a candidate for Texas for Contributions/Donations Made By Candidate/Officeholder/Political Committee / In-Kind Rent on October 23, 2010



- \$267.02 to an entity for OTHER – General Travel / Travel on October 13, 2010
- \$2,954.00 to Texas Progress Council PAC for Contributions/Donations Made By Candidate/Officeholder/Political Committee / In-Kind Rent on September 30, 2010

33. The respondent's affidavit stated:

Finally, the Complaint alleges that the Committee violated section 254.031(a)(3), Election Code, and section 20.62 of the Commission's rules by not disclosing the actual payee for each expenditure. However, in each instance identified in the Complaint, the Committee reported the "full name and address of the persons to whom the expenditures [were] made" and the other information as required by section 254.031(a)(3). While section 20.62 requires a different type of reporting, it appears that the provision only applies to "staff" reimbursement according to the rule's plain language. None of the expenditures identified in the Complaint were for reimbursement of "employees" of the Committee. Conversely, the payments were to outside consultants and other third party entities.

Additionally, the Complaint also singles out in-kind contributions made by the Committee but in such instances, I believe that the recipient of the in-kind contribution was the proper "payee" because the Committee was providing the recipient goods or services under its own control. For example, the Committee reported an in-kind contribution of video production services when it allowed another entity to use a few minutes from a video that the Committee had already produced along with the editing services of a consultant that the Committee had already paid to work on its own projects. There was no new payment to a third party to be reported as part of the in-kind contribution. Similarly, when the Committee reported in-kind contributions of "rent," it was merely allowing other entities to use its own space. The Committee made its best efforts to report the correct "payee" and other information in each instance.

34. The respondent is the treasurer and contribution decision maker for TDT, as well as the president of Angie and Associates.

**Purpose Description of a Political Expenditure**

35. The complaint alleged that the respondent did not properly disclose the purpose description of political expenditures on each of the reports at issue. The purpose descriptions as disclosed were adequate.

**Reporting of Corporate Contribution**

36. The complaint alleged that the respondent did not “identify political contributions from a corporation or labor organization (1 place)” on the 8-day pre-election report for the November 2010 general election.
37. The report disclosed the following on Schedule A (used for political contributions):
  - \$5,000.00 from Sacramento Street Partners, 303 Sacramento Street, 4th Floor, San Francisco, California 94111, on October 7, 2010
38. Public records indicate that the contributor is not incorporated.

**Out-of-state PAC Information**

39. The complaint alleged that the respondent did not include information concerning an out-of-state political committee on the 30-day pre-election report for the November 2010 general election. At issue is a \$7,500 political contribution from “Service Employees International Union COPE,” disclosed on the report at issue.
40. According to Ethics Commission records, Service Employees International Union COPE is not a Texas general-purpose political committee.
41. The respondent’s affidavit stated:

Finally, from all the reports subject to this matter, the Complaint claims that the Committee failed to include the out-of-state PAC ID number on a single occasion. This oversight was merely clerical in nature and was not intentional. The FEC number for the PAC in [question], the Service Employees International Union Committee on Political Education, is C00004036. The committee has amended the relevant report accordingly.
42. The error was corrected.

**IV. Findings and Conclusions of Law**

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

**Identification of Candidates Supported or Opposed and Officeholders Assisted**

1. Each report by a campaign treasurer of a general-purpose committee must include the name of each identified candidate or measure or classification by party of candidates supported or opposed by the committee, indicating whether the committee supports or opposes each listed

candidate, measure, or classification by party of candidates, and the name of each identified officeholder or classification by party of officeholders assisted by the committee. ELEC. CODE §§ 254.151(4), 254.151(5).

2. The commission has previously determined that when the name of a committee includes a party identification, the legal requirement that each report identify candidates or officeholders supported by party classification is satisfied if the committee's expenditures are to assist candidates or officeholders of that party. The name of the committee at issue includes a party identification. The evidence indicated that any candidate or officeholder assisted by the committee was a member of the Democratic Party, and any election related activity was in connection with a partisan election. Therefore, there is credible evidence of no violation of sections 254.151(4) and 254.151(5) of the Election Code.

### **Total Political Contributions Maintained**

3. A 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. ELEC. CODE § 254.031(a)(8).
4. The total amount of political contributions maintained in one or more accounts includes balance on deposit in banks, savings and loan institutions and other depository institutions, and the present value of any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks, bonds, treasury bills, etc. Ethics Commission Rules § 20.50(a).
5. A *de minimis* error in calculating or reporting a cash balance under section 254.031(a)(8) of the Election Code is not a violation of that section. ELEC. CODE § 254.031(a-1).
6. The complaint alleged that the respondent disclosed the incorrect amount of total political contributions maintained on each of the reports at issue. The amount of political contributions maintained cannot necessarily be calculated by looking at the face of a report, and the complaint did not provide any evidence showing that the disclosed amounts were incorrect.
7. As to the January 2009 and July 2009 semiannual reports, the difference between the amount originally disclosed on the reports and the amount alleged in the complaint did not exceed the lesser of 10% of the amount originally disclosed or \$2,500. Thus, the amounts are *de minimis*. As to the other reports at issue, the evidence shows that the difference between the amount disclosed and the correct amount was *de minimis*. Therefore, there is credible evidence of no violation of section 254.031(a)(8) of the Election Code.

**Disclosure of Political Contribution**

8. Each campaign finance report must include the amount of political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period, the full name and address of the persons making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
9. The respondent admitted that he did not disclose a \$50,000 political contribution on TDT's January 2010 semiannual report. There is credible evidence of a violation of section 254.031(a)(3) of the Election Code. The respondent corrected the error.

**Contributor Principal Occupation**

10. Each report by a campaign treasurer of a general-purpose committee must include the principal occupation of each person from whom political contributions that in the aggregate exceed \$50 are accepted during the reporting period. ELEC. CODE § 254.151(6).
11. Title 15 of the Election Code does not provide an exemption for providing this information if the committee uses "best efforts" to collect the information like is provided for candidates, officeholders, and specific-purpose political committees that have to obtain similar information for individuals that contribute \$500 or more during the reporting period. *See* ELEC. CODE § 254.031(a).
12. As to the \$100 contribution from an individual, the respondent's affidavit stated that the committee correctly reported that she was "Self-Employed." The report did not disclose the occupation of the contributor, therefore there is credible evidence of a violation of section 254.151(6) of the Election Code as to this contributor.
13. As to the \$250 contribution from an individual, the respondent's affidavit stated that to the best of his knowledge, she is not employed and spends her time as a volunteer. The report disclosed "information requested." There is credible evidence of a violation of section 254.151(6) of the Election Code as to this contributor.
14. As to the other contributors, the evidence shows that they are entities. Therefore, the requirement to provide the contributor's occupation is not applicable, thus there is credible evidence of no violation of section 254.151(6) of the Election Code as to these contributors.

**Disclosure of Recipient General-Purpose Committees**

15. The campaign treasurer appointment of a general-purpose committee must include the full name and address of each general-purpose committee to whom the committee intends to make political contributions. ELEC. CODE § 252.003(a)(2).

16. A general-purpose committee may not knowingly make a political contribution to another general-purpose committee unless the other committee is listed in the campaign treasurer appointment of the contributor committee. ELEC. CODE § 253.037(b).
17. At the time of the contribution, TDT's campaign treasurer appointment did not include as a recipient committee the name and address of the recipient general-purpose committee Annie's List to which TDT made a political contribution of \$10,000 on May 4, 2009. However, the name and address of the recipient committee was disclosed on Schedule F (used for political expenditures) of the committee's campaign finance report. Thus, the information was readily apparent to anyone who may have viewed the report, and in context did not substantially affect disclosure. Therefore, there is credible evidence of a technical or *de minimis* violation of sections 252.003(a)(2) and 253.037(b) of the Election Code regarding that recipient committee. TDT included this committee's name and address as a recipient committee on an amended campaign treasurer appointment on July 15, 2009, before the complaint was filed.
18. At the time of the contribution, TDT's campaign treasurer appointment did not include as a recipient committee the name and address of the recipient general-purpose committee MOVING WILCO FORWARD to which TDT made a political contribution of \$4,000 on October 21, 2010. TDT included this committee's name and address as a recipient committee on an amended campaign treasurer appointment on the day after the contribution, October 22, 2010. The name and address of the recipient committee was disclosed on Schedule F of the committee's 8-day pre-election report for the November 2010 election and TDT had amended its campaign treasurer appointment to include the recipient committee before the report was filed. Thus, in context the error did not affect disclosure. Therefore, there is credible evidence of a technical or *de minimis* violation of sections 252.003(a)(2) and 253.037(b) of the Election Code regarding that recipient committee.
19. TDT had named the other committees as recipient general-purpose committees on its original or amended campaign treasurer appointments before making the contributions at issue to these committees. Therefore, there is credible evidence of no violation of sections 252.003(a)(2) and 253.037(b) of the Election Code regarding those recipient committees.

### **Actual Payees of Political Expenditures**

20. Each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) 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).
21. A political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or a political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee that in the aggregate do not exceed \$5,000

- during the reporting period may be reported as follows if the reimbursement occurs during the same reporting period that the initial expenditure was made: (1) the amount of political expenditures that in the aggregate exceed \$100 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; and (2) included with the total amount or a specific listing of the political expenditures of \$100 or less made during the reporting period. Except as provided by subsection (a) of this section, a political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or a political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee must be reported as follows: (1) the aggregate amount of the expenditures made by the staff member as of the last day of the reporting period is reported as a loan to the officeholder, candidate, or political committee; (2) the expenditure made by the staff member is reported as a political expenditure by the officeholder, candidate, or political committee; and (3) the reimbursement to the staff member to repay the loan is reported as a political expenditure by the officeholder, candidate, or political committee. Ethics Commission Rules § 20.62.
22. The respondent's affidavit stated that the committee reported the full name and address of the persons to whom the expenditures at issue were made, that none of the expenditures at issue were for reimbursement of "employees" of the committee, and that the payments were to outside consultants and other third party entities.
  23. None of the expenditures stated that they were reimbursements. The evidence shows that the respondent properly disclosed the required information regarding the expenditure and the actual vendor payee for the expenditure for legal services and the expenditures that stated they were in-kind contributions for rent or video production services. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules as to those expenditures.
  24. The respondent is the campaign treasurer and a contribution decision maker for the TDT. The respondent is also the president of Angle & Associates, to which TDT made approximately \$300,110 of expenditures. Since the respondent had control of how the money from the TDT was spent by Angle & Associates he was required to itemize any expenditure of over \$50 (the threshold changed to \$100 on September 28, 2011). There is credible evidence of a violation of section 254.031(a)(3) of the Election Code as to the disclosure of these expenditures.
  25. As to the remaining expenditures there is insufficient evidence to show that the expenditures were reimbursements and that the respondent did not properly disclose the required information regarding the expenditure and the actual vendor payee. Therefore, there is insufficient evidence of a violation of section 254.031(a)(3) of the Election Code or section 20.62 of the Ethics Commission Rules as to those expenditures.

**Purpose Description of a Political Expenditure**

26. Each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 prior to September 28, 2011) 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).
27. The purposes of the expenditures disclosed by the respondent were adequate. There is credible evidence of no violation of section 254.031(a)(3) of the Election Code.

**Reporting of Corporate Contribution**

28. Each report by a campaign treasurer of a general-purpose committee must include on a separate page or pages of the report, the identification of any contribution from a corporation or labor organization made and accepted under Subchapter D, Chapter 253. ELEC. CODE § 254.151(8).
29. The complaint did not provide any evidence that Sacramento Street Partners is a corporation or labor organization. Public records indicate that Sacramento Street Partners is not incorporated.
30. There is credible evidence that the contributor at issue was not a corporation. There is credible evidence of no violation of section 254.151(8) of the Election Code.

**Out-of-state PAC Information**

31. A person who files a report with the commission by electronic transfer and who accepts political contributions from an out-of-state political committee that is required to file its statement of organization with the Federal Election Commission shall either enter the out-of-state committee's federal PAC identification number in the appropriate place on the report or timely file a certified copy of the out-of-state committee's statement of organization that is filed with the Federal Election Commission. ELEC. CODE § 253.032; Ethics Commission Rules § 20.29(a).
32. The complaint alleged that "Service Employees International Union COPE" was an out-of-state political committee, and that the respondent did not include the additional information required concerning an out-of-state political committee on the report at issue. Ethics Commission records show that Service Employees International Union COPE is not a Texas general-purpose political committee. Therefore, the additional information was required on or with the report. The failure to provide this information was minor in context and did not substantially affect disclosure. There is credible evidence of a technical or *de minimis* violation of section 253.032 of the Election Code and section 20.29(a) of the Ethics Commission Rules.

### 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: 1) each campaign finance report must include the amount of political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period, the full name and address of the persons making the contributions, and the dates of the contributions; 2) each report by a campaign treasurer of a general-purpose committee must include the principal occupation of each person from whom political contributions that in the aggregate exceed \$50 are accepted during the reporting period; 3) the campaign treasurer appointment of a general-purpose committee must include the full name and address of each general-purpose committee to whom the committee intends to make political contributions, and a general-purpose committee may not knowingly make a political contribution to another general-purpose committee unless the other committee is listed in the campaign treasurer appointment of the contributor committee; 4) each campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) 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; and 5) a person who files a report with the commission by electronic transfer and who accepts political contributions from an out-of-state political committee that is required to file its statement of organization with the Federal Election Commission shall either enter the out-of-state committee's federal PAC identification number in the appropriate place on the report or timely file a certified copy of the out-of-state committee's statement of organization that is filed with the Federal Election Commission. 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 \$5,000 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-31012425.

AGREED to by the respondent on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Matthew Angle, Respondent

EXECUTED ORIGINAL received by the commission on: \_\_\_\_\_.

Texas Ethics Commission

By: \_\_\_\_\_  
David A. Reisman, Executive Director