

TEXAS ETHICS COMMISSION

IN THE MATTER OF

CURTIS WILLIAMS, II,
CAMPAIGN TREASURER,
UNITY PAC,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-31205159

FINAL ORDER

The Texas Ethics Commission (Commission), having heard this case and voting to find a violation of a law under its jurisdiction, makes the following Findings of Fact and Conclusions of Law:

Findings of Fact

1. The respondent is Curtis Williams, II, whose last known address is 4771 Sweetwater Boulevard, #124, Sugar Land, Texas, 77479-3121. Sworn complaint SC-31205159 was filed with the Commission against the respondent on May 16, 2012. The Notice of Hearing was mailed to the respondent on October 30, 2015, by certified mail, return receipt requested, and delivery confirmation. United States Postal Service records indicate that the Notice of Hearing was delivered to the respondent on November 4, 2015.
2. The preliminary review hearing was held on November 30, 2015, by the Commission in Austin, Texas.
3. The respondent did not file a reply to the Notice of Hearing and did not appear at the hearing.
4. At the time relevant to the complaint, the respondent was the campaign treasurer for Unity PAC, a general-purpose political committee (committee) required to file with the Commission.

Filing of Pre-Election Reports

5. Sworn complaint SC-31205159 alleged that the respondent, as campaign treasurer for a general-purpose political committee, did not file pre-election campaign finance reports in connection with the May 12, 2012, uniform election.
6. The complaint involved a political advertising mailer supporting two candidates for school board of the Katy ISD in the May 2012 uniform election, which was mailed to

school district residents. The complainant received the mailer on May 2, 2012. The mailer included a disclosure statement that it was paid for by Unity PAC and that listed the respondent as the committee's treasurer.

7. The complaint alleged that the committee was involved in the May 2012 uniform election and that the respondent did not file the committee's 30-day and 8-day pre-election reports for the election.
8. Based on Commission records, the respondent was appointed as Unity PAC's campaign treasurer on December 19, 2011. The reporting period for the 30-day pre-election report at issue was January 1, 2012, through April 2, 2012. The reporting period for the 8-day pre-election report at issue was April 3, 2012, through May 2, 2012. The respondent did not file the pre-election reports at issue.
9. On July 16, 2012, the respondent timely filed the July 2012 semiannual report covering January 1, 2012, through June 30, 2012. The report disclosed \$14,325 in total political contributions and \$13,709.18 in total expenditures, including a \$3,209.18 expenditure on May 7, 2012, to a printing company categorized as a "Printing Expense" for "Opposition Mailer." The committee's reports disclosed no other printing expenses during the reporting period.

Notice to Candidates

10. Sworn complaint SC-31205159 also alleged that the respondent did not deliver written notice to affected candidates or officeholders that the committee accepted political contributions or made political expenditures on their behalf for the political advertising mailer at issue.
11. Campaign finance reports filed by the two candidates named in the political advertising mailer at issue neither disclosed that they received notice from the respondent that Unity PAC accepted political contributions or made political expenditures for their benefit nor disclosed that they accepted political contributions from Unity PAC.

Conclusions of Law

1. Disposition of this case is within the jurisdiction of the Texas Ethics Commission. GOV'T CODE § 571.061.
2. The respondent received legally sufficient notice of the hearing in this case. GOV'T CODE § 571.032 and 1 TAC § 12.21. The hearing was held in accordance with section 12.23, 1 Texas Administrative Code.

Filing of Pre-Election Reports

3. In addition to other required reports, for each election in which a general-purpose committee is involved, the committee's campaign treasurer shall file two reports. ELEC.

CODE § 254.154(a). The first report must be received by the authority with whom the report is required to be filed not later than the 30th day before election day and covers the period beginning the day the committee's campaign treasurer appointment is filed or the first day after the period covered by the committee's last required report, as applicable, and continuing through the 40th day before election day. *Id.* § 254.154(b). The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day and covers the period beginning the 39th day before election day and continuing through the 10th day before election day. *Id.* § 254.154(c).

4. For purposes of reporting, a political expenditure is not considered to have been made until the amount is readily determinable by the person making the expenditure, except as provided by subsection (b). *Id.* § 254.035(a). If the character of an expenditure is such that under normal business practice the amount is not disclosed until receipt of a periodic bill, the expenditure is not considered made until the date the bill is received. *Id.* § 254.035(b).
5. The evidence indicates that the respondent was the campaign treasurer for Unity PAC during the periods at issue.
6. There is insufficient evidence regarding whether the committee had activity in connection with the May 2012 uniform election during the 30-day pre-election reporting period. Therefore, there is insufficient evidence of a violation of section 254.154(b) of the Election Code.
7. Credible evidence indicates that the political advertising mailer at issue was prepared and mailed before May 2, 2012, and the amount of the campaign expenditure at issue would have been readily determinable during the 8-day pre-election reporting period. Thus, the respondent was required to file Unity PAC's 8-day pre-election report by May 4, 2012, and did not do so. Therefore, there is credible evidence of a violation of section 254.154(c) of the Election Code.

Notice to Candidates

8. If a general-purpose committee other than the principal political committee of a political party or a political committee established by a political party's county executive committee accepts political contributions or makes political expenditures for a candidate or officeholder, notice of that fact shall be given to the affected candidate or officeholder as provided by section 254.128 of the Election Code for a specific-purpose committee. ELEC. CODE § 254.161.
9. If a specific-purpose committee accepts political contributions or makes political expenditures for a candidate or officeholder, the committee's campaign treasurer shall deliver written notice of that fact to the affected candidate or officeholder not later than the end of the period covered by the report in which the reportable activity occurs. *Id.* § 254.128(a). The notice must include the full name and address of the political

committee and its campaign treasurer and an indication that the committee is a specific-purpose committee. *Id.* § 254.128(b).

10. The evidence indicates that the political committee made a political expenditure for two candidates by paying for the mailer at issue. However, there is insufficient evidence regarding whether the respondent delivered written notice to the candidates. Therefore, there is insufficient evidence of a violation of section 254.161 of the Election Code.
11. The Texas Ethics Commission may impose a sanction against the respondent of not more than \$5,000 or triple the amount at issue, whichever amount is greater. GOV'T CODE § 571.173.

Therefore, the Commission orders that:

1. The respondent pay to the Commission, within 30 days of the date of this order, a civil penalty in the amount of \$1,500.

Order Date: _____

FOR THE COMMISSION

Natalia Luna Ashley
Executive Director
Texas Ethics Commission