

TEXAS ETHICS COMMISSION

IN THE MATTER OF
MARIA TALAMO,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-3160499 AND SC-31604101

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on January 30 and 31, 2018, to consider sworn complaints SC-3160499 and SC-31604101. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of sections 253.041 and 254.031 of the Election Code, laws administered and enforced by the Commission. To resolve and settle these complaints without further proceedings, the Commission adopted this resolution.

II. Allegations

Sworn complaint SC-3160499 alleged that the respondent used political contributions to pay her dependent child for personal services rendered for her campaign. Sworn complaint SC-31604101 alleged that the respondent did not report the total amount of political contributions maintained in a 30-day pre-election report. Sworn complaint SC-31604101 also alleged that the respondent improperly reported the aggregate principal amount of all outstanding loans in a 30-day pre-election report.

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 Cedar Park City Council in the May 9, 2015, election, and the May, 7, 2016, election.
2. Sworn complaint SC-3160499 alleged that the respondent used \$200 in political contributions to pay her dependent child for personal services rendered for her campaign.
3. In her 8-day pre-election report for the May 9, 2015, election, the respondent reported that she paid her son \$200 on April 22, 2015, for contract labor for sign installation.
4. In her 8-day pre-election report for the May 7, 2016, election, the respondent reported that she received \$200 from her son on April 20, 2016, to "Repay \$200.00 for contract labor on

4/22/15.”

5. In response to written questions from the Commission, the respondent swore that the payee is her biological son, who lived at her residence, and that the respondent provided more than 50% of his support at the time the payment was made.
6. In response to written questions from the Commission, the respondent produced a copy of a check for \$200, dated April 18, 2016, and signed by her son, which she swore was given to her by her son on April 20, 2016, to repay the money.
7. Sworn complaint SC-31604101 alleged that the respondent did not complete her 30-day pre-election report for the May 7, 2016, election and left a blank in the space for reporting total political contributions maintained.
8. In her correction/amendment affidavit dated April 29, 2016, the respondent swore that the amount of \$3,935.09 “was inadvertently omitted during transcription.” The respondent corrected the error.
9. Sworn complaint SC-31604101 also alleged that the respondent did not properly report the total principal amount of all outstanding loans in that same 30-day pre-election report.
10. In her 8-day pre-election report for the May 9, 2015, election, the respondent reported a loan of \$10,000 from an individual on April 15, 2015. The respondent did not accept any other loans.
11. In her 30-day pre-election report for the May 7, 2016, election, the respondent reported a loan repayment of \$8,000 to the individual on February 20, 2016. However, in the same 30-day pre-election report, the respondent also reported \$10,000 as the total principal amount of all outstanding loans as of March 28, 2016.
12. In response to written questions from the Commission, the respondent swore that the individual offered to donate \$2,000 to the respondent’s campaign and that the respondent therefore wrote the individual a check for \$8,000 to satisfy the full \$10,000 loan.
13. In her 30-day pre-election report for the May 7, 2016, election, the respondent reported a contribution of \$2,000 from the individual on February 19, 2016.
14. In response to written questions from the Commission, the respondent produced a copy of a check for \$8,000, dated February 22, 2016, and written to the individual. Since the \$8,000 constituted full repayment of the loan, the respondent should have disclosed \$0 as the total principal amount of all outstanding loans in the 30-day pre-election report.

IV. Findings and Conclusions of Law

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

1. A candidate or officeholder or a specific-purpose committee for supporting, opposing, or assisting the candidate or officeholder may not knowingly make or authorize a payment from a political contribution if the payment is made for personal services rendered by the candidate or officeholder or by the spouse or dependent child of the candidate or officeholder to the candidate or officeholder or the spouse or dependent child of the candidate or officeholder. ELEC. CODE § 253.041(a)(2).
2. Ethics Advisory Opinion No. 434 (2001) reiterates that a candidate may not use political contributions to pay a spouse or dependent child for campaign work.
3. As of the last day of a reporting period for which the person is required to file a report, each report filed must include 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. Each report filed must include the amount of loans that are made during the reporting period for campaign or officeholder purposes to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period. *Id.* § 254.031(a)(2).
5. There is credible evidence that the respondent, while she was a candidate, knowingly made a payment from political contributions for personal services rendered by her dependent son, in violation of section 253.041(a)(2) of the Election Code, for sworn complaint SC-3160499. Credible evidence indicates that the money was paid back.
6. There is credible evidence that the respondent did not report in her 30-day pre-election report the balance of political contributions maintained in her account, in violation of section 254.031(a)(8) of the Election Code, for sworn complaint SC-31604101.
7. There is credible evidence that the respondent did not report in her 30-day pre-election report the correct aggregate principal amount of all outstanding loans, in violation of section 254.031(a)(2) of the Election Code, for sworn complaint SC-31604101.

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 these sworn complaints.

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) a candidate is prohibited from making a payment from political contributions to a dependent child for personal services rendered to the candidate; 2) each campaign finance report must include 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; and 3) each campaign finance report must include the aggregate principal amount of all outstanding loans as of the last day of 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 nature, circumstances, and consequences of the violations described under Sections III and IV, and after considering the sanction necessary to deter future violations, the Commission imposes a \$400 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-3160499 and SC-31604101.

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

Maria Talamo, Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
Seana Willing, Executive Director