

TEXAS ETHICS COMMISSION

IN THE MATTER OF

JUAN FLORES LEAL,
CAMPAIGN TREASURER,
BROWNSVILLE TAXPAYERS PAC,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-3170479

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on June 26, 2018, to consider sworn complaint SC-3170479. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of section 254.151 of the Election Code, a law administered and enforced by the Commission. To resolve and settle this complaint without further proceedings, the Commission adopted this resolution.

II. Allegations

The complaint alleged that, as the campaign treasurer of a political committee, the respondent: 1) did not disclose his actual residence or business street address on two pre-election campaign finance reports; 2) improperly disclosed candidates supported by the committee; and 3) did not disclose all political contributions accepted and political expenditures made by the committee.

III. Facts Supported by Credible Evidence

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

1. During the period at issue, the respondent was the campaign treasurer for Brownsville Taxpayers PAC, a general-purpose committee that files with the Commission.

Campaign Treasurer Street Address

2. The complaint alleged that the respondent did not disclose his actual residence or business street address on the committee's 30-day and 8-day pre-election reports for the November 8, 2016, election.

3. The committee filed a campaign treasurer appointment with the Commission on September 22, 2016, and listed the respondent as the campaign treasurer and sole decision maker. The respondent appointed himself as treasurer. The respondent is a resident of Fort Worth, Texas.
4. As campaign treasurer of Brownsville Taxpayers PAC, the respondent disclosed in the committee's 30-day pre-election report that his residence or business street address was 925 N. Iowa Avenue, Brownsville, TX 78521. The report was filed with the Commission on October 11, 2016, and covered the period of September 22, 2016, through September 29, 2016. Cameron County Appraisal District records list the owner of the property as MARSER Corp. The respondent does not appear to have any direct connection to MARSER Corp. During the period at issue, the property was being offered for sale by MARSER Corp. through the company Liz Realty, which is owned by Liz Vera, the sister of the Brownsville Independent School District (BISD) board of trustees' general counsel, Baltazar Salazar.
5. The respondent disclosed in the committee's 8-day pre-election report that his address was 9574 Ravensworth, Houston, TX 77031. Harris County Appraisal District records list the owners of the property as Maria and Baltazar Salazar.
6. In response to the complaint, the respondent initially denied the allegation regarding providing false addresses. In response to written questions submitted by the Commission, the respondent stated that the Brownsville address he disclosed in the 30-day pre-election report was an "inadvertent error" and that "the address had been used on the same computer writing the report and it was mistakenly left on the digital page by mistake." The respondent stated that the Houston address he disclosed in the 8-day pre-election report was the address that the committee was going to use for mailing and business but the committee was unable to get local utilities under the committee's name.
7. The respondent filed an amended campaign treasurer appointment on November 8, 2016, the day of the election, to list his actual residential address, 3740 Glenmont Drive, Fort Worth, TX 76133. Tarrant County Appraisal District records confirm the respondent is the owner of the property.

Candidates Supported/Opposed

8. The complaint alleged that the respondent did not properly identify the candidates supported and opposed, and the officeholders assisted, by the committee in the 30-day and 8-day pre-election reports at issue. Regarding the 30-day pre-election report, the respondent did not identify any candidates or officeholders in the "Committee Activity" section of the report. Credible evidence indicates that the committee did not accept any political contributions or make any political expenditures during that reporting period.

9. Regarding the 8-day pre-election report, the respondent disclosed that the committee supported three candidates and opposed one candidate, all of whom were running for BISD board of trustees. The report disclosed that the committee accepted in-kind contributions totaling \$13,200.42 from Baltazar Salazar for web design, legal services, and political advertising mailers. This was the only activity disclosed in the report. The evidence indicates that the campaign communications from the committee directly opposed only one candidate, and there is no evidence to show that the committee actively or directly supported the other three candidates that were identified in the 8-day pre-election report as being supported.

Disclosure of Political Contributions and Expenditures

10. The complaint alleged that the respondent did not disclose all political contributions accepted and political expenditures made by the committee.
11. The respondent did not disclose any activity in the committee's 30-day pre-election report. The respondent disclosed in the committee's 8-day pre-election report five in-kind political contributions totaling \$13,200.42 from Baltazar Salazar for web design, legal services, and political advertising mailers. This was the only activity disclosed in the 8-day pre-election report. In response to the complaint, the respondent swore that all activity was reported and that there were no expenditures made by the committee. In response to written questions from the Commission, the respondent swore that the committee did not have a bank account and that the committee only accepted in-kind contributions, all of which were disclosed in the 8-day pre-election report. The respondent provided copies of invoices that verified the information that was disclosed in the 8-day pre-election report. The invoices were from an advertising and marketing firm in Brownsville, Texas, named Breeden/McCumber, and the invoices were billed directly to Baltazar Salazar.
12. In response to written questions asking who the members of the committee were during the period of September 22, 2016, to December 31, 2016, the respondent swore that the members were Maria E. Salazar, Liz Vera (Baltazar Salazar's sister), and Maria Salazar (Baltazar Salazar's wife). The respondent swore that "Baltazar Salazar was not a member of the PAC on December 16, 2016." The answer was nonresponsive. Nonetheless, the evidence shows that Baltazar Salazar directly purchased the political advertising for the committee from his personal funds and that he was not reimbursed by the committee. Accordingly, the respondent was not required to disclose expenditures to Breeden/McCumber, and the evidence indicates that the respondent properly disclosed the political advertising as in-kind contributions from Baltazar Salazar.

IV. Findings and Conclusions of Law

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

Campaign Treasurer Street Address

1. Each report by a campaign treasurer of a general-purpose committee must include the full name, residence or business street address, and telephone number of the committee's campaign treasurer. ELEC. CODE § 254.151(2).
2. As the campaign treasurer of a general-purpose committee, the respondent was required to list his residence or business street address on the committee's campaign finance reports. Credible evidence indicates that the addresses the respondent disclosed on the committee's 30-day and 8-day pre-election reports at issue were not his residence or business addresses. Therefore, there is credible evidence of violations of section 254.151(2) of the Election Code.

Candidates Supported/Opposed

3. 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. ELEC. CODE § 254.151(4).
4. Credible evidence indicates that the committee did not directly support three candidates that were disclosed in the "Committee Activity" section of the report as supported candidates. Therefore, there is credible evidence of violations of section 254.151(4) of the Election Code.

Disclosure of Political Contributions and Expenditures

5. Each campaign finance report must include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. ELEC. CODE § 254.031(a)(6).
6. There is no evidence to show that the committee made political expenditures or accepted additional political contributions that were not reported. The invoices provided by the respondent match the information that was disclosed in the committee's reports. Since Baltazar Salazar purchased the political advertising using his own funds and was not reimbursed by the committee, the respondent was not required to disclose expenditures to Breeden/McCumber. The evidence indicates that the respondent properly disclosed in-kind contributions. Therefore, there is credible evidence of no violation of section 254.031 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: 1) each report by a campaign treasurer of a general-purpose committee must include the full name, residence or business street address, and telephone number of the committee's campaign treasurer; and 2) 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.

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 \$1,500 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-3170479.

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

Juan Flores Leal, Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
Seana Willing, Executive Director