

TEXAS ETHICS COMMISSION

IN THE MATTER OF	§	BEFORE THE
NORTHEAST SERVICE, INC.,	§	TEXAS ETHICS COMMISSION
RESPONDENT	§	SC-31906121CI

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on November 20, 2019, to consider sworn complaint SC-31906121CI. A quorum of the Commission was present. The Commission determined that there is credible evidence of a violation of sections 253.003 and 253.094 of the Election Code, laws administered and enforced by the Commission. To resolve and settle the complaint without further proceedings, the Commission adopted this resolution.

II. Allegation

The complaint alleged that the respondent, a corporation, made a political contribution to a candidate/officeholder, in violation of sections 253.003 and 253.094 of the Election Code.

III. Findings of Fact and Conclusions of Law

1. The Commission met on June 27, 2019, and on its own motion initiated this sworn complaint.
2. At all times relevant to the complaint, the respondent was a domestic for-profit corporation in Tarrant County, Texas.
3. The contribution at issue was disclosed in Gerald Joubert's 30-day pre-election report for the May 5, 2018, election as from "D.B.A. Horton Tree Service" in the amount of \$5,000, accepted on February 28, 2018. Joubert was a candidate for City Council of Forest Hill, Texas, when he disclosed the contribution. Joubert originally did not disclose the contributor's address, but later corrected the report to disclose the contributor's address as "P.O. Box 1185, Kennedale, Texas 76060."
4. Texas Secretary of State (SOS) records show that Horton Tree Service is the assumed name of Northeast Service, Inc., a domestic for-profit corporation with the mailing address of P.O. Box 1185, Kennedale, Texas 76060. SOS records also show that the principal place of business of Northeast Service, Inc., is 5120 SE Loop 820, Fort Worth, Texas 76140.

5. In response to a request from Commission staff, Joubert produced a copy of the contribution check that was dated February 28, 2018, in the amount of \$5,000, payable to “Gerald Joubert Campaign Fund.” Joubert swore the check was a true and correct copy. The check was imprinted with:

Northeast Service, Inc.
D.B.A. Horton Tree Service
P.O. Box 1185
Kennedale, TX 76060
6. In response to the complaint, the respondent asserted its Fifth Amendment right against self-incrimination.
7. A corporation may not make a political contribution or political expenditure that is not authorized by subchapter D, Chapter 253, Election Code. ELEC. CODE § 253.094(a). Subchapter D does not authorize a corporation to make a political contribution to a candidate or officeholder.
8. A person may not knowingly make a political contribution in violation of Chapter 253 of the Election Code. *Id.* § 253.003(a).
9. The prohibition applies to corporations that are organized under the Texas Business Corporation Act, the Texas For-Profit Corporation Law, the Texas Non-Profit Corporation Act, the Texas Nonprofit Corporation Law, federal law, or law of another state or nation. *Id.* § 253.091.
10. Credible evidence indicates that the respondent, a corporation, made a prohibited political contribution to a candidate/officeholder. Therefore, there is credible evidence of a violation of sections 253.003 and 253.094 of the Election Code.

IV. 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 findings of fact and conclusions of law described under Section III, 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) a corporation may not make a political contribution or political expenditure that is not authorized by subchapter D, Chapter 253, Election Code. Subchapter D does not authorize a corporation to make a political contribution to a candidate or officeholder; and 2) a person may not knowingly make a political contribution

in violation of Chapter 253, Election Code. The respondent agrees to fully and strictly comply with these requirements of the law.

V. Confidentiality

This order and agreed resolution describes a violation that the Commission has determined is 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.

VI. Sanction

After considering the nature, circumstances, and consequences of the violation described under Section III, and after considering the sanction necessary to deter future violations, the Commission imposes a \$5,000 civil penalty.

VII. 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-31906121CI.

AGREED to by the respondent on this ____ day of _____, 2019.

Northeast Service, Inc., Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
Anne Temple Peters, Executive Director