

TEXAS ETHICS COMMISSION

IN THE MATTER OF	§	BEFORE THE
	§	
NEREIDA LOPEZ-SINGLETERRY,	§	TEXAS ETHICS COMMISSION
	§	
RESPONDENT	§	SC-3220248

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on May 11, 2022, to consider sworn complaint SC-3220248. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of Sections 254.031(a)(2) and 254.036 of the Election Code, laws 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 the respondent: 1) failed to file her January 2022 semiannual campaign finance report on the form prescribed by the Commission for non-judicial candidates and officeholders (Form C/OH), in violation of Section 254.036 of the Election Code; and 2) did not report a loan or reported an incorrect amount of outstanding loans on her January 2022 semiannual campaign finance report, in violation of Section 254.031(a)(2) of the Election Code or Section 253.0351 of the Election Code.

III. Findings of Fact and Conclusions of Law

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

1. The respondent was an unsuccessful candidate for Hidalgo County District Attorney in the March 1, 2022 primary election. The respondent is not a first-time candidate and previously ran for Justice, 13th Court of Appeals, in the 2020 election cycle.

Form of Campaign Finance Report

2. The complaint alleged that the respondent did not file her January 18, 2022 semiannual report on the form prescribed by the Commission.
3. The information submitted with the complaint shows that the respondent filed her January 18, 2022, semiannual report on Form JC/OH (used for judicial candidates and officeholders) rather than on Form C/OH (used for non-judicial candidates and officeholders).
4. In response to the complaint, the respondent filed an amended report on February 14, 2022, on Form C/OH.
5. Each report filed under this chapter with an authority other than the Commission must be in a format prescribed by the Commission. Tex. Elec. Code § 254.036(a). The Commission prescribes different forms for non-judicial filers and judicial filers subject to Subchapter F of Chapter 253 of the Election Code. *See, e.g.*, Tex. Elec. Code § 254.0611 (prescribing additional disclosure requirements applicable only to judicial candidates subject to the Judicial Campaign Fairness Act).
6. Credible evidence indicates that the respondent filed her January 18, 2022, semiannual report on the incorrect form. Therefore, the evidence indicates a violation of Section 254.036 of the Election Code.

Failure to Properly Disclose Loan on Campaign Finance Report

7. The complaint alleged that the respondent failed to properly disclose a \$150,000 loan on her January 18, 2022 semiannual report.
8. The information submitted with the complaint shows that the respondent indicated on page two of the report cover sheet that she had an outstanding \$150,000 loan. The respondent also indicated on page three of the report, used for disclosing schedule subtotals, that Schedule E contained an itemization of the \$150,000 loan. The respondent included Schedule E (or rather Schedule E(J), as is included with Form JC/OH) with her January 18, 2022 semiannual report, but left the schedule blank, disclosing no loans. The judicial form JC/OH filed by the respondent also contains a Schedule L to itemize outstanding loans, but that schedule was also blank.
9. In response to the complaint, the respondent denied the allegation and claimed that she was only required to disclose outstanding loans in the January 2022 semiannual report, and that the outstanding loan amount was properly disclosed. Nonetheless, the respondent filed an amended January 2022 semiannual report on February 14, 2022, which contained Schedule E and disclosed the details of the loan. In the correction affidavit, the respondent did not

indicate that she was correcting the report to disclose the loan and only indicated that she was correcting the report to use the appropriate form C/OH. According to the corrected report, the loan was made on December 8, 2021 from Texas National Bank, in the amount of \$150,000. The loan had an interest rate of 2.87%, maturity date of January 6, 2023, and was secured with a certificate of deposit as the collateral.

10. 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 (\$90 as of January 1, 2021), 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. Tex. Elec. Code § 254.031(a)(2), 1 Tex. Admin. Code § 18.31.
11. Credible evidence indicates that the respondent did not properly disclose a loan on her January 18, 2022 semiannual report. The respondent filed a corrected report 10 days after the sworn complaint was filed. However, given the amount of the loan, the error substantially affected disclosure and was not technical or *de minimis*. Therefore, there is credible evidence of a violation of Section 254.031(a)(2) 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) each campaign finance report filed with an authority other than the Commission must be in a format prescribed by the Commission; 2) the campaign finance report form prescribed by the Commission for non-judicial candidates and officeholders is Form C/OH; and 3) each campaign finance 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 (\$90 as of January 1, 2021), the dates the loans are made, the interest rate, the maturity day, 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. The respondent agrees to comply with these requirements of the law.

V. 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.

VI. Sanction

After considering the seriousness of the violations described under Section III, including the nature, circumstances, consequences, extent, gravity of the violations, and after considering the sanction necessary to deter future violations, the Commission imposes a \$250 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-3220248.

AGREED to by the Respondent on this _____ day of _____, 2022.

Nereida Lopez-Singleterry, Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
Anne Temple Peters, Executive Director