

TEXAS ETHICS COMMISSION

IN THE MATTER OF
CYNTHIA REYES-REVILLA,
RESPONDENT

§
§
§
§
§

BEFORE THE
TEXAS ETHICS COMMISSION
SC-32310281 AND SC-32310302

RECEIVED
AUG 22 2024
Texas Ethics Commission

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (TEC) met on September 24, 2024, to consider sworn complaint SC-32310281, filed on October 17, 2023, and sworn complaint SC-32310302, filed on October 30, 2023. A quorum of the TEC was present. The TEC determined that there is credible evidence of violations of Sections 253.003, 253.094, 253.031(a), 254.031(a)(1), 254.031(a)(1-a), 254.031(a)(3), 254.031 (a)(5), 254.031(a)(6), 254.064(b), and 255.001 of the Election Code, and 20.61 of the TEC Rules, laws administered and enforced by the TEC.

To resolve and settle this complaint without further proceedings, the TEC adopted this resolution imposing a \$500 civil penalty.

II. Allegations

Sworn complaint SC-32310281 alleged that the respondent, as a candidate for Houston City Council, District H, in the November 7, 2023 general election: 1) accepted political contributions from corporations, in violation of Sections 253.094 and 253.003 of the Election Code; 2) accepted campaign contributions or made or authorized campaign expenditures at a time when her campaign treasurer appointment was not in effect, in violation of Section 253.031 of the Election Code; 3) failed to properly report the purpose of each political expenditure disclosed in her July 2023 semiannual campaign finance report, in violation of Section 254.031 of the Election Code and Section 20.61 of the TEC Rules; 4) failed to fully report the political contributions she accepted during the reporting periods covered by the January 2023 semiannual and July 2023 semiannual campaign finance reports, in violation of Section 254.031 of the Election Code; and 5) failed to properly report the political contributions she maintained as of the last day of the July 2023 semiannual reporting period, in violation of Section 254.031 of the Election Code.

Sworn complaint SC-32310302 alleged that during this same candidacy the respondent: 1) failed to timely file her 30-day pre-election campaign finance report and failed to cover the correct reporting period, in violation of Sections 254.036 and 254.064 of the Election Code; 2) failed to properly report the total amount of political contributions accepted during the reporting period by

not including non-monetary (in kind) political contributions, in violation of Section 254.031(a)(6) of the Election Code; and 3) failed to include a complete political advertising disclosure statement on her campaign mailers by not including the words “political advertising,” or a recognizable abbreviation thereof, in violation of Section 255.001 of the Election Code.

III. Findings of Fact and Conclusions of Law

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

1. The respondent was an unsuccessful candidate for Houston City Council, District H, in the November 7, 2023 general election.

The Respondent Accepted a Political Contribution from a Corporation

2. On May 21, 2023, the respondent included a post on her campaign Facebook webpage, which identified seven businesses as sponsors of a May 20, 2023 fundraising event supporting the respondent’s campaign. Of the seven businesses identified in the respondent’s Facebook post, three are corporations: A&A Tile Coping, Integrity Specialists International, Inc., and Tepatitlan Mexican Grill. Tex. Elec. Code § 253.091.
3. Corporations are prohibited from making a political contribution to a candidate, and candidates are prohibited from knowingly accepting corporate contributions. *Id.* §§ 253.003, 253.094.
4. The respondent admitted that she accepted a \$500 political contribution in connection with her fundraising event from A&A Tile Coping and provided a copy of the check she received from the business dated March 3, 2023. Therefore, there is credible evidence that the respondent accepted a political contribution from A&A Tile Coping in violation of Sections 253.003 and 253.094 of the Election Code.
5. As to Integrity Specialists International, Inc. and Tepatitlan Mexican Grill, the respondent’s July 2023 semiannual report¹ did not disclose political contributions from either corporation. Rather, the report disclosed two \$1,500 pledged contributions from Brandon Hillman, the sole director of Integrity Specialists International, Inc., which are reflected in the respondent’s ActBlue records. The report also disclosed that the respondent accepted a \$1,500 pledged contribution from Efred Gonzalez, the sole director of Tepatitlan Mexican Grill, prior to the date of the event. Consistent with this disclosure, the respondent provided a photograph of a check she received from Efred Gonzalez for \$1,500, dated April 4, 2023.

¹ The July 2023 semiannual report covers the period during which the fundraising event occurred. Tex. Elec. Code § 254.063(b).

6. For these reasons, there is credible evidence that the respondent did not accept political contributions from either Integrity Specialists International, Inc. or Tepatitlan Mexican Grill, and, thus, did not violate Sections 253.003 or 253.094 of the Election Code in connection with those contributions.

The Respondent Accepted Political Contributions and Made Political Expenditures Without a Campaign Treasurer Appointment in Effect

7. The respondent filed her July 2023 semiannual report on July 17, 2023. Included with this report was a designation of final report, in which the respondent indicated that she did not expect any further political contributions or political expenditures in connection with her candidacy. By filing this designation of final report, the respondent terminated her campaign treasurer appointment. Tex. Elec. Code § 254.065(b)(2). Despite terminating her campaign treasurer appointment, the respondent continued to accept political contributions and make political expenditures. *Id.* § 253.031(a). Therefore, there is credible evidence that the respondent violated Section 253.031(a) of the Election Code.

The Respondent Failed to Properly Report the Purpose of Her Political Expenditures

8. The respondent's July 2023 semiannual report does not provide descriptions for the political expenditures she incurred² beyond identifying the general category of each expenditure. Tex. Elec. Code 254.031(a)(3); 1 Tex. Admin. Code § 20.61. Therefore, there is credible evidence that the respondent violated Section 254.031(a)(3) of the Election Code and Section 20.61 of the TEC Rules.

The Respondent Failed to Fully Report Her Political Contributions

9. The respondent's July 2023 semiannual report disclosed that she accepted \$105,294.93 in pledged contributions, \$0 in monetary political contributions, and \$30,555 in total political contributions accepted. The respondent admitted that all of the pledged contributions she disclosed were actually monetary political contributions that should have been reported as such. Tex. Elec. Code §§ 254.031(a)(1), -(1-a). Additionally, the respondent did not include these monetary political contributions in the total political contributions accepted during that reporting period. *Id.* § 254.031(a)(5)-(6). Although it appears that the respondent filed an amended report,³ the correction affidavit she provided does not state that she disclosed the missing information.⁴ For these reasons, there is credible evidence that the respondent violated Sections 254.031(a)(1), (1-a), (5), and (6) of the Election Code.

² The respondent reported \$8,950.47 in total political expenditures for this period.

³ The amended report is not available through the City of Houston's campaign finance filing system. However, records provided by the respondent indicate that she did file an amended report.

⁴ The respondent's "explanation of correction" on her correction statement states, "Incorrect placement of total campaign amount, corrected and placed on the correct page. Also made edits to the expenses for ActBlue and final page of the report."

10. The complaint also alleged that the respondent received a \$5,000 monetary political contribution during the period covered by her January 2023 semiannual report, but incorrectly disclosed it as a pledged contribution. However, filing records provided by the respondent from the City of Houston show that the political contribution at issue was properly reported as a monetary political contribution. Therefore, there is credible evidence of no violation of Section 254.031(a)(1), (1-a), (5), (6) of the Election Code, as to this political contribution.

The Respondent Properly Reported Her Political Contributions Maintained

11. The respondent's January 2023 semiannual report disclosed \$7,025 in total monetary political contributions accepted, \$0 in total political expenditures, and \$7,000 in total political contributions maintained as of the last day of the reporting period.
12. The respondent's July 2023 semiannual report disclosed \$105,294.93 in total pledged contributions, which the respondent admitted were actually monetary political contributions, \$8,950.47 in total political expenditures, and \$100,463.65 in total political contributions maintained as of the last day of the reporting period.
13. The balance on deposit in a filer's political bank account as of the last day of the reporting period, combined with the value of the filer's readily cash-convertible investments and funds in any online fundraising account, authoritatively determines the total contributions maintained that the filer must disclose on the report. 1 Tex. Admin. Code § 20.50(a). The contributions maintained figure may not reflect contribution checks that the filer has accepted but not yet deposited, or which the filer has deposited but which have not yet cleared, or expenditure payments for which the filer's bank account has not yet been debited.
14. Although the respondent improperly reported her monetary political contributions in her July 2023 semiannual report, her total political contributions maintained as of the last day of the July 2023 semiannual reporting period is consistent with the total monetary political contributions she accepted and total political expenditures she spent over the January and July 2023 semiannual reporting periods, barring a few thousand dollars' difference that is easily explained by contributions or expenditures not yet deposited or cleared. Therefore, there is credible evidence that the respondent did not violate Section 254.031(a)(8) of the Election Code.

The Respondent Failed to Timely File Her 30-Day Pre-Election Report

15. The respondent had opponents named on the November 7, 2023 general election ballot. Therefore, she was required to file pre-election campaign finance reports. *See* Tex. Elec. Code § 254.064. The respondent's 30-day pre-election report for the November 7, 2023 general election was due by October 10, 2023. *See id.* § 254.064(b); 1 Tex. Admin. Code § 20.21.

16. The respondent did not file a 30-day pre-election report for the November 7, 2023 general election until October 11, 2023. Therefore, there is credible evidence that the respondent failed to timely file her 30-day pre-election report, in violation of Section 254.064(b) of the Election Code.

The Respondent Failed to Cover the Correct Reporting Period for her 30-Day Pre-Election Report

17. The respondent filed a July 2023 semiannual report on July 17, 2023, which covered the period beginning January 1, 2023, through June 30, 2023.
18. On October 11, 2023, the respondent filed a campaign finance report, which she marked as a July 2023 semiannual report. Additionally, the coversheet of the report stated that the report covered the period beginning January 1, 2023 through June 30, 2023. However, the actual disclosures in the report covered the period beginning July 1, 2023 through October 6, 2023.
19. In this case, the 30-day pre-election report was required to cover the period beginning the first day after the period covered by the last report required to be filed, which was July 1, 2023, and continuing through the 40th day before election day, which was September 28, 2023. Tex. Elec. Code § 254.064(b).
20. The respondent admitted in her response that the report at issue was her 30-day pre-election report, which she incorrectly labeled on the report's cover sheet as the July 2023 semiannual report. The dates of the disclosures also do not cover the correct reporting period for the 30-day pre-election report as they cover beyond the last day of the reporting period. Therefore, there is credible evidence of a violation of Section 254.064(b) of the Election Code.

The Respondent Failed to Properly Report Her Total Political Contributions

21. The respondent's 30-day pre-election report disclosed \$20,081 in monetary political contributions and \$13,889 in in-kind political contributions. However, the respondent only disclosed \$20,018 in total political contributions accepted during this reporting period and failed to include the in-kind contributions she received in her total contributions. Tex. Elec. Code § 254.031(a)(6). Therefore, there is credible evidence that the respondent violated Section 254.031(a)(6) of the Election Code.

The Respondent Failed to Include a Complete Disclosure Statement on Her Campaign Mailers

22. On or about October 23, 2023, the respondent created and distributed a political advertising mailer supporting her campaign. Tex. Elec. Code § 251.001(16)(B)(i). The mailer included the following disclosure statement: "Paid by Cynthia for District H Campaign, David Corpus Treasurer." However, the disclosure statement did not state that the mailer was a political advertisement. *Id.* § 255.001(a)(1). The respondent spent \$7,012.19 to publish and distribute the mailer. *Id.* § 255.001(d)(3). Therefore, there is credible evidence that the respondent violated Section 255.001 of the Election Code by failing to include a complete disclosure statement.

IV. Representations and Agreement by Respondent

By signing this order and agreed resolution and returning it to the TEC:

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 these sworn complaints.
2. The respondent consents to this order and agreed resolution and waives any right to further proceedings in this matter. The respondent consents to TEC staff presenting this resolution to the Commissioners outside of the respondent's presence.
3. The respondent acknowledges that candidates are prohibited from accepting political contributions from corporations and must have a campaign treasurer appointment in effect before accepting political contributions or making political expenditures. The respondent also acknowledges that: 1) when providing the purpose of a political expenditure a filer must include the general category and a description of the political expenditure; 2) monetary political contributions should not be reported as pledged contributions unless the pledged amount is to be made in a future reporting period; 3) a candidate's 30-day pre-election report should be filed not later than the 30th day before election day; and 4) campaign finance reports must cover the reporting periods set forth in Title 15 of the Election Code. The respondent further acknowledges that political advertising disclosure statements must identify an advertisement as a political advertisement.
4. The respondent agrees to fully and strictly comply with the above requirements of law. The respondent further agrees not to accept political contributions from corporations and will ensure that she has a campaign treasurer appointment in effect before accepting political contributions or making political expenditures. The respondent also agrees to ensure that all political contributions and political expenditures are properly disclosed and categorized in accordance with the instructions in the latest campaign finance report instruction guide, and that any campaign finance reports she files in the future will be timely filed. Lastly, the respondent agrees that when required by law, she will provide a complete political advertising disclosure statement on any political advertisements she publishes or distributes in the future.

V. Confidentiality

This order and agreed resolution describes violations that the TEC 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 TEC.

VI. Sanction

The TEC may impose a civil penalty of not more than \$5,000 or triple the amount at issue, whichever amount is more. Tex. Gov't Code § 571.173. The TEC shall consider the following factors in assessing a sanction: 1) the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the violation; 2) the history and extent of previous violations; 3) the demonstrated good faith of the violator, including actions taken to rectify the consequences of the violation; 4) the penalty necessary to deter future violations; and 5) any other matters that justice may require. Tex. Gov't Code § 571.177.

The Amount at Issue

The total amount at issue between the two sworn complaints is approximately \$199,428.26. This amount includes: 1) the \$105,294.93 the respondent received in monetary political contributions that she improperly reported as pledged contributions; 2) the \$7,012.19 the respondent spent on political advertising mailers that did not contain complete disclosure statements; 3) the \$33,907 in political contributions the respondent accepted without a campaign treasurer appointment on file; 4) the \$52,714.14 the respondent spent on political expenditures without a campaign treasurer appointment on file;⁵ and 5) the \$500 corporate contribution the respondent accepted from A&A Tile Coping.⁶

Factor 1: The Seriousness of the Violation

The violations caused meaningful harm to disclosure and the amount at issue is significant. However, the seriousness of the respondent's violations is mitigated by the fact that the respondent did disclose all of her political contributions and political expenditures prior to election day, albeit incorrectly. Similarly, although the respondent's political advertising mailers did not contain a complete disclosure statement, the disclosure statement provided did state that the respondent paid for mailers.

Factor 2: The History and Extent of Previous Violations

The respondent has no previous violations.

Factor 3: The Demonstrated Good Faith of the Violator

Given that the respondent disclosed all of her political contributions and political expenditures, albeit incorrectly, there is no reason to believe that she deliberately attempted to conceal or obscure her activity. In response to the complaint, the respondent stated that none of the violations identified in this order were made intentionally. For example, as evidenced by her continued

⁵ The respondent also accepted \$5,505 in political contributions and made \$17,259.30 in political expenditures during the 8-day reporting period without a campaign treasurer appointment on file. However, these amounts were not alleged in either sworn complaint.

⁶ The political contributions and political expenditures at issue in the remaining allegations are covered by the listed amounts.

campaign activity, the respondent swore that she never intended to file a final report and terminate her campaign treasurer appointment during the middle of her campaign. Furthermore, as to the political contribution by A&A Tile Coping, the respondent swore that she did not realize at the time of acceptance that the check she received was a corporate check. The respondent also swore that at the time she sent out her campaign mailers, she did not know that the political advertising disclosure statement was incomplete.

The respondent has also taken steps to correct her reporting violations by: 1) returning the political contribution from A&A Tile Coping and reporting the return of the money as a political expenditure; 2) amending her July 2023 semiannual report to provide a description of all her expenditures and properly report each of her monetary contributions;⁷ and 3) amending her 30-day pre-election report to reflect the reporting period actually disclosed in the report, identify the proper report type, and disclose the correct total amount of political contributions accepted.

Factor 4: The Penalty Necessary to Deter Future Violations

There is no reason to believe that this respondent intends to commit future violations; however, a penalty is justified by the general need to deter violations with significant disclosure consequences.

Factor 5: Any Other Matters that Justice May Require

None.

Conclusion


After considering the factors prescribed by Section 571.177 of the Government Code, the TEC imposes a \$500 civil penalty. If the penalty is not paid in full within 30 days of the date of this Order and Agreed Resolution, then the TEC orders that an additional \$2,500 civil penalty be imposed pursuant to Section 571.173 of the Government Code for delay in complying with this Order and Agreed Resolution, and that the agreed-upon penalty and the additional \$2,500 penalty be referred to the Office of the Attorney General of Texas for collection.

⁷ The respondent has submitted her amended July 2023 semiannual campaign finance report to the City of Houston showing the monetary contributions she received. However, the respondent's Schedule A1 did not upload with the rest of the report and the respondent's subsequent attempts to upload the entire report again were not successful. The respondent has provided TEC staff records from the City of Houston showing that she has made multiple submissions, an email from the Assistant City Secretary indicating that the submissions were received, and a copy of the submitted amended report with a unsworn declaration affirming, under penalty of perjury, that the attached report was the amended report submitted to the City of Houston.

VII. Order

The TEC hereby orders that if the respondent consents to the proposed resolution, this order and agreed resolution is a final and complete resolution of SC-32310281 and SC-32310302.

AGREED to by the respondent on this 22 day of August, 2024.



Cynthia Reyes-Revilla, Respondent

EXECUTED by the Texas Ethics Commission on: 9/24/24.

Texas Ethics Commission

By: 

J.R. Johnson, Executive Director