



TEXAS ETHICS COMMISSION MEETING MINUTES

August 12, 2010, 8:35 a.m.

Capitol Extension, Room E1.010, Austin, Texas 78701



COMMISSIONERS PRESENT: Paula M. Mendoza, Chair; Jim Graham, Vice Chair; Jim Clancy, Wilhelmina Delco, Tom Harrison, George H. "Trey" Henderson, III, Tom Ramsay, and Chase Untermeyer.

COMMISSIONERS ABSENT: None.

STAFF PRESENT: Natalie Adelaja, Natalia L. Ashley, Amy Barden, Margie Castellanos, Homer Diaz, Robbie Douglas, Susana Esparza, Ginger Hunter, Brad Johnson, Becky Levy, Lily Lopez, Bobby Mannas, Mike McElhaney, David A. Reisman, Nadina Rose, Tim Sorrells, Ian Steusloff, and Mary Young.

MINUTES

This meeting was recorded. These minutes are a summary record of the Commission's actions at the meeting. For a detailed record of discussions and statements made by persons speaking at the meeting, please consult the audio recordings on file at the Commission's office.

Agenda Item 1: Call to order; roll call.

The meeting was called to order by Chair Mendoza. David A. Reisman, Executive Director, called the roll. All Commissioners were present.

Agenda Item 2: Communication to the Commission from the public.

Jack Gullahorn, President, Professional Advocacy Association of Texas, spoke before the Commission. Fred Lewis, attorney, spoke before the Commission.

Agenda Item 3: Comments by the Commissioners.

None.

Agenda Item 4: Comments by the executive director.

David A. Reisman, Executive Director, made the following comments:

1. Mr. Reisman introduced Lily Lopez, Administrative Assistant in Disclosure Filings, as the new Administrative Assistant in Legal.
2. Mr. Reisman stated that during this fiscal year, 359 sworn complaints had been filed, while 275 had been filed during the last fiscal year. There should be about 400 sworn complaints filed by the end of the calendar year.

3. Mr. Reisman stated that the budget hearings are to start later this month for the next legislative session.

Agenda Item 5: Approve minutes of the June 11, 2010, commission meeting.

Motion by Commissioner Henderson to adopt the June 11, 2010, commission meeting minutes, second by Commissioner Delco. **Motion passed by a vote of eight ayes.**

Agenda Item 6: Presentation of the FY2012-13 Legislative Appropriations Request of the Texas Ethics Commission; David A. Reisman, Executive Director.

David A. Reisman, Executive Director, presented the FY2012-13 Legislative Appropriations Request of the Texas Ethics Commission.

Agenda Item 7: Discussion and possible action on a letter from the commissioners to the state leadership regarding the budget of the Texas Ethics Commission.

Chair Paula Mendoza presented the letter from the commissioners to the state leadership. Motion by Commissioner Delco to accept the letter from the commissioners to the state leadership, second by Commissioner Harrison. Motion passed by a vote of eight ayes. **The letter from the commissioners to the state leadership regarding the budget of the Texas Ethics Commission is adopted.**

Agenda Item 8: Report from the subcommittee of commissioners on recommendations for statutory changes to the 82nd Legislature as required by section 571.073 of the Government Code.

Commissioner Jim Clancy presented the recommendations for statutory changes to the 82nd Legislature. Commissioner Clancy thanked the subcommittee. Jack Gullahorn, President, Professional Advocacy Association of Texas, spoke before the Commission.

For Agenda Items 9 and 10, the following represents the actions taken by the Ethics Commission in the order they occurred during the meeting.

Agenda Item 9: Briefing, discussion, and possible action to waive or reduce certain penalties assessed for late filing of campaign finance reports, lobby reports, or personal financial statements.

**42. Harold J. 'J.R.' Reddish (00015787)
Treasurer, S & B Engineers & Constructors, Ltd. PAC Texas Contribution Account**

Report: monthly report due May 5, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Josue Perez spoke before the Commission. Motion by Vice Chair Graham to reduce the \$500 late-filing penalty to \$100 on Agenda Item 9, number 42; second by Commissioner Henderson. Motion passed by a vote of eight ayes on Agenda Item 9, number 42. **The reduction of the late-filing penalty to \$100 is adopted on Agenda Item 9, number 42.**

29. Brian D. Birdwell (00062137)
State Senator

Report: personal financial statement due May 3, 2010
Penalty: \$500
No staff recommendation

Melva Birdwell spoke before the Commission. Motion by Commissioner Harrison to waive the \$500 late-filing penalty on Agenda Item 9, number 29; second by Commissioner Henderson. Motion passed by a vote of eight ayes on Agenda Item 9, number 29. **The waiver of the late-filing penalty is adopted on Agenda Item 9, number 29.**

Agenda Item 10: Briefing, discussion, and possible action to waive or reduce late-filing penalties in connection with certain corrected reports or to determine whether certain corrected reports as originally filed substantially complied with the applicable law.

13. Dustin R. Burrows (00055780)
Treasurer, Lubbock County Republican Party (CEC)

Report: 8-day pre-election report due February 22, 2010
Penalty: \$8,800
Staff recommendation: reduction of the late-filing penalty to \$1,000

Dustin R. Burrows spoke before the Commission. Motion by Commissioner Harrison to waive the \$8,800 late-filing penalty on Agenda Item 10, number 13; second by Commissioner Henderson. Motion passed by a vote of seven ayes on Agenda Item 10, number 13. Commissioner Delco abstained. **The waiver of the late-filing penalty is adopted on Agenda Item 10, number 13.**

Return to Agenda Item 9.

1. Alan Mayfield (00020393)
Senior Judge

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

2. Jose S. Mayorga, Jr. (00065436)
Adjutant General of Texas

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Henderson to adopt staff's recommendations on Agenda Item 9, numbers 1 and 2; second by Vice Chair Graham. Motion passed by a vote of eight ayes on Agenda Item 9, numbers 1 and 2. **Staff's recommendations are adopted on Agenda Item 9, numbers 1 and 2.**

3. **Sylvia Barnes (00063774)**
Member, Harris County – Houston Sports Authority

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
4. **Kirk A. Calhoun (00053298)**
President, University of Texas Health Science Center at Tyler

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
5. **Sharon T. Carr (00058282)**
Member, Texas State Library and Archives Commission

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
6. **Colleen E. Cummings (00063773)**
Member, Texas Property & Casualty Insurance Guaranty Assn. Board of Directors

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
8. **John V. Garza (00062837)**
Candidate, State Representative

Report: personal financial statement due February 16, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
9. **Nathan Goldstein, III (00030852)**
Member, Texas Medical Disclosure Panel

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
11. **Zena Heather ‘Heather’ Hollub (00062136)**
District Attorney

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

- 13. Robert Elliott Jones (00054092)**
Member, Coastal Coordination Council
- Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 15. Lori B. McCool (00065619)**
Member, Finance Commission of Texas
- Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 16. Steven C. McCraw (00065856)**
Director, Texas Department of Public Safety
- Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 17. Tom C. Mesa, Jr. (00060266)**
Member, Texas Real Estate Commission
- Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 18. Arthur C. 'A.C.' Nelson (00057718)**
District Judge
- Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 19. Charles L. Perry (00066066)**
Candidate, State Representative
- Report: personal financial statement due February 16, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 20. Scott C. Sanders (00057529)**
Member, Cancer Prevention and Research Institute of Texas Oversight Committee
- Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Vice Chair Graham to adopt staff's recommendations on Agenda Item 9, numbers 3 through 6, 8, 9, 11, 13, and 15 through 20; second by Commissioner Harrison. Motion passed by a vote of eight ayes on Agenda Item 9, numbers 3 through 6, 8, 9, 11, 13, and 15 through 20. **Staff's recommendations are adopted on Agenda Item 9, numbers 3 through 6, 8, 9, 11, 13, and 15 through 20.**

21. Alfred H. 'Al' Bennett (00057938)
District Judge

Report: personal financial statement due June 29, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

22. Ismael 'Kino' Flores (00031847)
State Representative

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

23. Gary Hall (00020349)
Senior Judge

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

24. James H. Keeshan (00020269)
Senior Judge

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

25. Patrick B. Nolan (00033650)
Director, Sam Houston Memorial Museum

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

26. Douglas E. Oldmixon (00050934)
Administrator, Texas Real Estate Commission and Texas Appraiser Licensing & Certification Board

Report: personal financial statement due April 19, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

27. William Eugene 'Bill' Parham (00037774)
District Attorney

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

28. Melvin K. 'Kent' Sims (00021043)
Senior Judge

Report: personal financial statement due April 30, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Delco to adopt staff's recommendations on Agenda Item 9, numbers 21 through 28; second by Commissioner Harrison. Motion passed by a vote of eight ayes on Agenda Item 9, numbers 21 through 28. **Staff's recommendations are adopted on Agenda Item 9, numbers 21 through 28.**

30. Myron J. Goins (00065459)
Treasurer, 'GRIT' Grass Roots Institute of Texas

Report: semiannual report due January 15, 2010
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Untermeyer to adopt staff's recommendation on Agenda Item 9, number 30; second by Vice Chair Graham. Motion passed by a vote of eight ayes on Agenda Item 9, number 30. **Staff's recommendation is adopted on Agenda Item 9, number 30.**

31. Mimi Rebecca Espinoza (00056338)
Lobbyist

Report: lobby activities report due May 10, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

32. Carlos Isidoro Gutierrez (00053032)
Lobbyist

Report: lobby activities report due June 10, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

33. June Perdue Jenkins (00059913)
Treasurer, 'TDWCC' Texas Democratic Women of Collin County

Report: semiannual report due January 15, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

34. Tracy King (00033945)
Lobbyist

Report: lobby activities report due June 10, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Christie Villarreal spoke before the Commission.

35. Louis J. Malfaro (00031918)
Treasurer, 'AFT/AEW PAC' Education Austin PAC

Report: 8-day pre-election report due April 30, 2010
Penalty: \$2,100
Staff recommendation: no waiver of the late-filing penalty

37. Women's Health Caucus (00056574)

Report: legislative caucus report due January 15, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Delco to adopt staff's recommendations on Agenda Item 9, numbers 31 through 35 and 37; second by Commissioner Untermeyer. Motion passed by a vote of eight ayes on Agenda Item 9, numbers 31 through 35 and 37. **Staff's recommendations are adopted on Agenda Item 9, numbers 31 through 35 and 37.**

38. Mark F. Banar (00065870)
Treasurer, 'Old American PAC' Old American Holdings, LLC PAC

Report: 8-day pre-election report due February 22, 2010
Penalty: \$4,100
Staff recommendation: reduction of the late-filing penalty to \$500

Mark F. Banar spoke before the Commission.

39. Luke Bellsnyder (00053527)
Lobbyist

Report: lobby activities report due May 10, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

40. Jana S. Blasi (00029805)
Lobbyist

Report: lobby activities report due May 10, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

41. Jose E. Camacho (00010257)
Lobbyist

Report: lobby activities report due May 10, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

43. Alan Schoenbaum (00062162)
Treasurer, 'RACK PAC' Rackspace Political Action Committee

Report: 8-day pre-election report due February 22, 2010
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$1,000

44. Charles B. Wilkison (00038496)
Lobbyist

Report: lobby activities report due May 10, 2010
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Delco to adopt staff's recommendations on Agenda Item 9, numbers 38 through 41, 43 and 44; second by Vice Chair Graham. Motion passed by a vote of eight ayes on Agenda Item 9, numbers 38 through 41, 43 and 44. **Staff's recommendations are adopted on Agenda Item 9, numbers 38 through 41, 43 and 44.**

45. Amy L. Everhart (00025689)
Treasurer, 'SAD PAC' South Austin Democrats PAC

Report: 30-day pre-election report due February 1, 2010
Penalty: \$500
Staff recommendation: At the April 2010 meeting, the commission voted not to waive the \$500 late-filing penalty.

46. Teresa J. Hawthorne (00033149)
Candidate, Criminal District Court Judge

Report: 8-day pre-election report due February 22, 2010
Penalty: \$700
Staff recommendation: At the June 2010 meeting, the commission voted not to waive the \$700 late-filing penalty.

47. Cliff L. Messina (00033097)
Candidate, State Representative

Report: personal financial statement due February 16, 2010
Penalty: \$500
Staff recommendation: At the June 2010 meeting, the commission voted not to waive the \$500 late-filing penalty.

**48. Oscar J. Palma, Jr. (00058874)
Candidate, State Representative**

Report: semiannual report due January 15, 2010

Penalty: \$500

Staff recommendation: At the April 2010 meeting, the commission voted not to waive the \$500 late-filing penalty.

Agenda Item 9, number 48 is postponed at the filer's request.

**49. Rosemarie Selman (00016070)
Treasurer, San Antonio Apartment Assn. PAC**

Report: runoff report due April 5, 2010

Penalty: \$500

Staff recommendation: At the June 2010 meeting, the commission voted not to waive the \$500 late-filing penalty.

Motion by Commissioner Henderson to let previous decision stand on Agenda Item 9, numbers 45 through 47 and 49; second by Vice Chair Graham. Motion passed by a vote of eight ayes on Agenda Item 9, numbers 45 through 47 and 49. **The Commission's previous decision stands on Agenda Item 9, numbers 45 through 47 and 49.**

**7. Caroline Kupstas Daley (00061288)
Member, Texas School for the Blind & Visually Impaired**

Report: personal financial statement due April 30, 2010

Penalty: \$500

Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Clancy to reduce the \$500 late-filing penalty to \$50 on Agenda Item 9, number 7; second by Vice Chair Graham. Motion passed by a vote of eight ayes on Agenda Item 9, number 7. **The reduction of the late-filing penalty to \$50 is adopted on Agenda Item 9, number 7.**

**10. Teresa J. Hawthorne (00033149)
Candidate, Criminal District Court Judge**

Report: personal financial statement due February 16, 2010

Penalty: \$500

Staff recommendation: no waiver of the late-filing penalty

**12. Maria T. 'Terri' Jackson (00062432)
District Judge**

Report: personal financial statement due April 30, 2010

Penalty: \$500

Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Clancy to adopt staff's recommendations on Agenda Item 9, numbers 10 and 12; second by Commissioner Henderson. Motion passed by a vote of eight ayes on Agenda Item 9, numbers 10 and 12. **Staff's recommendations are adopted on Agenda Item 9, numbers 10 and 12.**

**14. Ricardo Maestas (00066543)
President, Sul Ross State University**

Report: personal financial statement due April 19, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Clancy to waive the late-filing penalty on Agenda Item 9, number 14; second by Commissioner Delco. Motion passed by a vote of six ayes on Agenda Item 9, number 14. Vice Chair Graham and Commissioner Ramsay voted no. **The waiver of the late-filing penalty is adopted on Agenda Item 9, number 14.**

**36. Brenda A. Trolin (00059355)
Lobbyist**

Report: lobby activities report due January 11, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Untermeyer to reduce the \$500 late-filing penalty to \$50 on Agenda Item 9, number 36; second by Commissioner Clancy. Motion passed by a vote of eight ayes on Agenda Item 9, number 36. **The reduction of the late-filing penalty is adopted on Agenda Item 9, number 36.**

Agenda Item 10: Briefing, discussion, and possible action to waive or reduce late-filing penalties in connection with certain corrected reports or to determine whether certain corrected reports as originally filed substantially complied with the applicable law.

**1. John Bass (00053011)
Treasurer, 'NUCOR PAC OF TEXAS' Nucor Corporation Political Action Committee of Texas**

Report: 8-day pre-election report due February 22, 2010
Penalty: \$10,000
Staff recommendation: that the original report substantially complied with the applicable law

**2. Elizabeth 'Betty' Blackwell (00065687)
Treasurer, Committee to Elect Judge David Crain for the 331st District Court**

Report: 8-day pre-election report due February 22, 2010
Penalty: \$8,500
Staff recommendation: that the original report substantially complied with the applicable law

- 3. Patricia Botello (00015973)**
Treasurer, 'SARPAC' San Antonio Board of Realtors PAC

Report: 8-day pre-election report due April 30, 2010
Penalty: \$6,600
Staff recommendation: that the original report substantially complied with the applicable law
- 4. Barbara Buxton (00058757)**
Treasurer, 'CFRW' Cy-Fair Republican Women PAC

Report: 8-day pre-election report due February 22, 2010
Penalty: \$9,600
Staff recommendation: that the original report substantially complied with the applicable law
- 5. Stephen Dietz (00065840)**
Treasurer, 'LIG-PAC' Loya Insurance Group Employee PAC

Report: 8-day pre-election report due February 22, 2010
Penalty: \$10,000
Staff recommendation: that the original report substantially complied with the applicable law
- 6. Stephen J. Gilles (00016108)**
Treasurer, Gardere Wynne Sewell LLP Campaign Fund

Report: 8-day pre-election report due April 30, 2010
Penalty: \$2,400
Staff recommendation: that the original report substantially complied with the applicable law
- 7. Mary Kay Green (00051338)**
Candidate, Family District Judge

Report: 8-day pre-election report due February 22, 2010
Penalty: \$10,000
Staff recommendation: that the original report substantially complied with the applicable law
- 8. Joe Heflin (00058397)**
State Representative

Report: 8-day pre-election report due October 27, 2008
Penalty: \$10,000
Staff recommendation: that the original report substantially complied with the applicable law
- 9. Terri Tipton Holder (00065609)**
Candidate, District Judge

Report: 8-day pre-election report due February 22, 2010
Penalty: \$10,000
Staff recommendation: that the original report substantially complied with the applicable law

**10. Jim L. Peacock (00066151)
Candidate, District Judge**

Report: 8-day pre-election report due February 22, 2010

Penalty: \$10,000

Staff recommendation: that the original report substantially complied with the applicable law

**11. Mr. Allan 'Bud' Shivers, Jr. (00065153)
Treasurer, Texans for Kay Bailey Hutchison**

Report: 8-day pre-election report due February 22, 2010

Penalty: \$9,000

Staff recommendation: that the original report substantially complied with the applicable law

Motion by Commissioner Harrison to adopt staff's recommendations on Agenda Item 10, numbers 1 through 11; second by Commissioner Henderson. Motion passed by a vote of eight ayes on Agenda Item 10, numbers 1 through 11. **Staff's recommendations are adopted on Agenda Item 10, numbers 1 through 11.**

**12. Matt Shaheen (00055994)
Member, Texas State Board of Social Worker Examiners**

Report: personal financial statement due June 29, 2007

Penalty: \$500

Staff recommendation: waiver of the late-filing penalty

Matt Shaheen spoke before the Commission. Motion by Vice Chair Graham to adopt staff's recommendation on Agenda Item 10, number 12; second by Commissioner Harrison. Motion passed by a vote of eight ayes on Agenda Item 10, number 12. **Staff's recommendation is adopted on Agenda Item 9, number 12.**

**14. Mattie Youngblood (00064962)
Treasurer, 'NTL PAC' North Texas Leadership PAC**

Report: 8-day pre-election report due February 22, 2010

Penalty: \$10,000

Staff recommendation: reduction of the late-filing penalty to \$1,000

Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 10, number 14; second by Vice Chair Graham. Motion passed by a vote of eight ayes on Agenda Item 10, number 14. **Staff's recommendation is adopted on Agenda Item 10, number 14.**

Agenda Item 11: Public discussion and possible action on the proposal or adoption and publication in the Texas Register of section 12.81 of the Ethics Commission Rules (Technical, Clerical or *De Minimis* Violations), relating to the procedures for investigating and resolving technical and clerical violations of laws within the Commission's jurisdiction as provided by section 571.0631 of the Government Code.

Vice Chair Jim Graham briefed the Commission on this agenda item. Motion by Commissioner Untermeyer to publish Exhibit B for public comment in the Texas Register; second by Commissioner Delco. Motion passed by a vote of eight ayes. **Proposed section 12.81 (Exhibit B) of the Ethics Commission Rules is to be published in the Texas Register for public comment.**

Agenda Items 12 and 13 were considered together.

Agenda Item 12: Public discussion and possible action on the adoption and publication in the Texas Register of section 22.6 of the Ethics Commission Rules (Reporting Direct Campaign Expenditures), relating to the reporting of direct campaign expenditures after *Citizens United v. Federal Election Commission* and Ethics Advisory Opinion No. 489.

Agenda Item 13: Public discussion and possible action on the adoption and publication in the Texas Register of the repeal of section 22.5 of the Ethics Commission Rules (Direct Campaign Expenditures), relating to direct campaign expenditures before *Citizens United v. Federal Election Commission* and Ethics Advisory Opinion No. 489.

Natalia L. Ashley, General Counsel, briefed the Commission on these agenda items. Motion by Commissioner Henderson to adopt sections 22.6 (Exhibit C) and 22.5 (Exhibit A) of the Ethics Commission Rules; second by Vice Chair Graham. Motion passed by a vote of eight ayes. **Sections 22.6 and 22.5 of the Ethics Commission Rules are adopted.**

Agenda Item 14: In request for advisory opinion AOR-555, the Texas Ethics Commission has been asked whether a conclusion that an expense is “reimbursable with public money” for purposes of sections 251.001(4) and (9) of the Election Code requires that public funds be appropriated or otherwise available to cover the expense.

The commission requests the public to comment on AOR-555. Possible action on AOR-555.

Natalia Luna Ashley, General Counsel, briefed the Commission on this agenda item. David Garcia, Judge, Denton County Criminal Court No. 3, spoke before the Commission. Steve Smith spoke before the Commission. Eric M. Shepperd, Judge, County Court at Law No. 2, spoke before the Commission. Guy Herman, Judge, Probate Court of Travis County, Texas, spoke before the Commission. Martha Dickie, attorney, spoke before the Commission. Ed Shack, attorney, spoke before the Commission.

Returned to Agenda Item 9, number 8.

**8. John V. Garza (00062837)
Candidate, State Representative**

Report: personal financial statement due February 16, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

John V. Garza spoke before the Commission. Motion by Commissioner Henderson to reconsider Agenda Item 9, number 8; second by Vice Chair Graham. Motion passed by a vote of eight ayes. Motion by Commissioner Harrison to reduce the late-filing penalty to \$100; second by Commissioner Delco. Motion passed by a vote of eight ayes on Agenda Item 9, number 8. **The reduction of the late-filing penalty is adopted on Agenda Item 9, number 8.**

The next Commission meeting is scheduled for October 21, 2010.

Agenda Item 15: Adjourn.

Motion by Commissioner Delco to adjourn the Commission meeting; second by Vice Chair Graham. Motion passed by unanimous vote.