



TEXAS ETHICS COMMISSION MEETING MINUTES

June 9, 2011, 9:01 a.m.

Texas Workforce Commission

101 E. 15th Street, Capitol Extension Room E1.010

Austin, Texas 78701



COMMISSIONERS PRESENT: Wilhelmina Delco, Vice Chair; Jim Clancy, Tom Harrison, Bob Long, Paula M. Mendoza, Tom Ramsay, and Chase Untermeyer.

COMMISSIONERS ABSENT: Jim Graham, Chair.

STAFF PRESENT: Natalie Adelaja, Natalia L. Ashley, Amy Barden, Margie Castellanos, Homer Diaz, Robbie Douglas, Sue Edwards, Susana Esparza, Ginger Hunter, Becky Levy, Bobby Mannas, Lowell McCormack, Mike McElhaney, David A. Reisman, 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 Vice Chair Delco. David A. Reisman, Executive Director, called the roll. All Commissioners were present, except for Chair Graham.

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

None.

Agenda Item 3: Comments by the Commissioners.

Commissioner Clancy suggested that a workshop to address collective goals of the Ethics Commission be scheduled on the afternoon before the next Commission meeting in August. After discussion by the Commissioners, it was agreed that the workshop will be scheduled prior to the next Commission meeting.

Agenda Item 4: Comments by the executive director.

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

1. Mr. Reisman welcomed the new commissioner, Bob Long, appointed by the Governor.

2. Mr. Reisman introduced the new attorney, Nick Espinosa. Mr. Reisman stated that Jessie Haug will be the new computer services director and would be starting the following week.
3. Mr. Reisman stated that the general counsel, Natalia Luna Ashley, had been invited by the U.S. Department of State's Bureau of International Information Programs, the U.S. Embassy in Honduras, and in conjunction with the Honduran government, to participate in a project on anti-corruption issues, which is being held in Honduras.
4. Mr. Reisman discussed the quarterly report for the third quarter. He stated that in this fiscal year there were 338 sworn complaints filed.
5. Mr. Reisman discussed the legislative updates. He stated that HB 2359 by Representative Hopson, regarding direct campaign expenditures, had been filed in response to the Ethics Commission's legislative recommendation and *Citizens United*. SB 652 by Representative Hegar, moved up the Ethics Commission's sunset review schedule to 2013. Mr. Reisman discussed HB 1616 by Representative Geren per the request of Commissioners Untermeyer and Ramsay. Mr. Reisman stated that the enacted bills would be posted on our website.

Agenda Item 5: Approve minutes of the April 21, 2011, Commission meeting.

Motion by Commissioner Mendoza to adopt the April 21, 2011, commission meeting minutes, second by Commissioner Harrison. **Motion passed by a vote of six ayes.** Commissioner Long abstained.

Agenda Item 6: Presentation and discussion by Ronald Del Vento, Bankruptcy and Collections, Office of the Attorney General, regarding the collections' policies and procedures of the Attorney General's Office.

Ronald Del Vento presented this agenda item to the Commission. Mr. Del Vento stated that the referral of past due accounts or delinquent debts is governed by Chapter 2107 of the Government Code. He stated that all state agencies are required to refer past due accounts to the Attorney General no later than 90 days after the account becomes past due. The Attorney General has the authority to establish the dollar tolerances per agency regarding the amount of the delinquent debt that should be referred. The dollar tolerances normally range from \$1,000 to \$5,000 depending on the agency involved, number of accounts, and type of debt involved. The Attorney General has yet to establish a dollar tolerance for the Ethics Commission and handles referrals as low as \$500. Mr. Del Vento then discussed the collection process. He then stated that due to budget constraints and the cost of litigation, establishing a dollar tolerance for the Ethics Commission would be in line with other state agencies and seemed appropriate at this time.

For Agenda Item 7, the following represents the actions taken by the Ethics Commission in the order they occurred during the meeting.

Agenda Item 7: 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.

**22. Paula Barnett (00065882)
Lobbyist**

Report: lobby activities report due March 10, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Paula Barnett spoke before the Commission. Motion by Commissioner Clancy to waive the late-filing penalty on Agenda Item 7, number 22; second by Commissioner Harrison. Motion passed by a vote of six ayes on Agenda Item 7, number 22. Commissioner Ramsay voted no. **The waiver of the late-filing penalty is adopted on Agenda Item 7, number 22.**

**26. Michael H. 'Mike' Schneider, Jr. (00057713)
Family District Judge**

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Mike Schneider spoke before the Commission. Motion by Commissioner Harrison to waive the late-filing penalty on Agenda Item 7, number 26; second by Commissioner Mendoza. Motion passed by a vote of five ayes on Agenda Item 7, number 26. Commissioner Ramsay voted no and Commissioner Untermeyer abstained. **The waiver of the late-filing penalty is adopted on Agenda Item 7, number 26.**

**1. Nancy L. Berger (00058140)
Family District Judge**

Report: personal financial statement due May 2, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Harrison to accept staff's recommendation on Agenda Item 7, number 1; second by Commissioner Mendoza. Motion passed by a vote of seven ayes on Agenda Item 7, number 1. **Staff's recommendation is adopted on Agenda Item 7, number 22.**

**2. Mary Helen Berlanga (00019726)
Member, State Board of Education**

Report: personal financial statement due May 2, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

3. **Susan E. Criss (00037252)**
District Judge
Report: personal financial statement due May 2, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Agenda Item 7, number 3, postponed at filer's request.

4. **John A. Ellisor, Jr. (00028632)**
District Judge
Report: personal financial statement due May 2, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

5. **Ana Lisa Garza (00065756)**
District Judge
Report: personal financial statement due May 2, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

6. **Stanley Ray (00063516)**
Member, Texas Agricultural Finance Authority
Report: personal financial statement due May 2, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Harrison to accept staff's recommendations on Agenda Item 7, numbers 2, and 4 through 6; second by Commissioner Mendoza. Motion passed by a vote of six ayes on Agenda Item 7, number 2. Commissioner Untermeyer abstained. Motion passed by a vote of seven ayes on Agenda Item 7, numbers 4 through 6. **Staff's recommendations are adopted on Agenda Item 7, numbers 2, and 4 through 6.**

7. **Gerald A. Goodwin (00020222)**
Senior Judge
Report: personal financial statement due May 2, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Harrison to accept staff's recommendation on Agenda Item 7, number 7; second by Commissioner Mendoza. Motion passed by a vote of six ayes on Agenda Item 7, number 7. Commissioner Ramsay voted no. **Staff's recommendation is adopted on Agenda Item 7, number 7.**

8. David P. Dodson (00065488)
Treasurer, ACE Cash Express Texas PAC

Report: monthly report due February 7, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

9. Douglas Dunsavage (00055935)
Lobbyist

Report: lobby activities report due March 10, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

10. Cheryl A. Hunka (00032546)
Treasurer, 'TABA Home – PAC' Temple Area Builders Assn. Home – PAC

Report: 30-day pre-election report due April 14, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

11. Ann B. Pierce (00067112)
Treasurer, Citizens for Integrity in Forest Hill

(a) Report: 30-day pre-election report due April 14, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

(b) Report: 8-day pre-election report due May 6, 2011
Penalty: \$800
Staff recommendation: waiver of the late-filing penalty

Total penalties: \$1,300

12. Brandon C. Pitts (00066897)
Treasurer, 'RCA' Richardson Citizen Alliance

Report: 30-day pre-election report due April 14, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Harrison to accept staff's recommendations on Agenda Item 7, numbers 8 through 12; second by Commissioner Mendoza. Motion passed by a vote of seven ayes on Agenda Item 7, numbers 8 through 12. **Staff's recommendations are adopted on Agenda Item 7, numbers 8 through 12.**

13. Daniel Jay Eden (00065984)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

14. George E. Emery (00066350)
Candidate, State Representative

Report: semiannual due January 18, 2011
Penalty: \$2,700
Staff recommendation: waiver of the late-filing penalty

15. John 'Rick' Thompson (00053597)
Lobbyist

Report: lobby activities report due March 10, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

16. Daniel Womack (00066984)
Lobbyist

Report: lobby activities report due March 10, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Harrison to accept staff's recommendations on Agenda Item 7, numbers 13 through 16; second by Commissioner Ramsay. Motion passed by a vote of seven ayes on Agenda Item 7, numbers 13 through 16. **Staff's recommendations are adopted on Agenda Item 7, numbers 13 through 16.**

17. Terry Robert Boucher (00016104)
Treasurer, Texas Osteopathic Medical Assn. PAC

Report: monthly report due March 7, 2005
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Harrison to waive the \$500 late-filing penalty on Agenda Item 7, number 17; second by Commissioner Untermeyer. Motion passed by a vote of six ayes on Agenda Item 7, number 17. Commissioner Ramsay voted no. Commissioner Ramsay reversed his vote to aye. Motion passed by a vote of seven ayes on Agenda Item 7, number 17. **The waiver of the late-filing penalty is adopted on Agenda Item 7, number 17.**

18. Michael W. Cunningham (00061134)
Lobbyist

Report: lobby activities report due March 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

19. John H. Fostel (00024208)
District Judge

Report: semiannual report due January 18, 2011
Penalty: \$600
Staff recommendation: no waiver of the late-filing penalty

20. Borris Lee Miles (00052983)
State Representative

Report: semiannual due January 18, 2011
Penalty: \$700
Staff recommendation: no waiver of the late-filing penalty

21. Jack C. Ogg (00014863)
Lobbyist

Report: lobby activities report due January 10, 2008
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Harrison to accept staff's recommendations on Agenda Item 7, numbers 18 through 21; second by Commissioner Mendoza. Motion passed by a vote of seven ayes on Agenda Item 7, numbers 18 through 20. Motion passed by a vote of six ayes on Agenda Item 7, number 21. Commissioner Untermeyer abstained.
Staff's recommendations are adopted on Agenda Item 7, numbers 18 through 21.

23. Eddie Cavazos (00019871)
Lobbyist

Report: lobby activities report due April 11, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

24. Steve M. Hazlewood (00050716)
Lobbyist

Report: lobby activities report due April 11, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

25. Tara Reilly-Mica (00034621)
Lobbyist

Report: lobby activities report due February 10, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

27. Lyndon Taylor (00051854)
Treasurer, 'DEC PAC' Devon Energy Corporation Political Action Committee

Report: monthly report due March 7, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Harrison to accept staff's recommendations on Agenda Item 7, numbers 23 through 25, and 27; second by Commissioner Mendoza. Motion passed by a vote of seven ayes on Agenda Item 7, numbers 23 through 25, and 27. **Staff's recommendations are adopted on Agenda Item 7, numbers 23 through 25, and 27.**

30. Delwin Jones (00020196)
Former State Representative

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: At the April 2011 meeting, the commission voted to reduce the late-filing penalty to \$250.

Motion by Commissioner Harrison to waive the previously reduced \$250 late-filing penalty on Agenda Item 7, number 30; second by Commissioner Ramsay. Motion passed by a vote of seven ayes on Agenda Item 7, number 30. **The waiver of the late-filing penalty is adopted on Agenda Item 7, number 30.**

29. Mary E. Kelly (00050801)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: At the April 2011 meeting, the commission voted not to waive the late-filing penalty.

There was no motion on Agenda Item 7, number 29. The \$500 late-filing penalty stands on Agenda Item 7, number 29.

**28. Cecil Anthony Ince (00066370)
Candidate, State Representative**

(a) Report: 30-day pre-election report due October 4, 2010 (one report covers two report periods)
Penalty: \$500

(b) Report: 8-day pre-election report due October 25, 2010 (one report covers two report periods)
Penalty: \$2,200

Staff recommendation: At the February 2011 meeting, the commission voted not to waive the late-filing penalty in connection with the 30-day pre-election report and to reduce the \$2,200 late-filing penalty in connection with the 8-day pre-election report to \$500, for a total of \$1,000 in penalties. There was no response from the filer within 30 days of the date of the notice regarding the reduced penalty, and the penalty amount for the 8-day report reverted to the full \$2,200 amount originally assessed.

Total penalties: \$2,700

Motion by Commissioner Clancy to reduce the total \$2,700 late-filing penalties to \$50 payable in 90 days or will revert to \$2,700 on Agenda Item 7, number 28; second by Commissioner Harrison. Motion passed by a vote of five ayes on Agenda Item 7, number 28. Commissioners Mendoza and Ramsay voted no. **The reduction of the late-filing penalty is adopted on Agenda Item 7, number 28.**

Agenda Item 8. Reports More than 30-days Late; Imposition of Additional Fine.

David A. Reisman, Executive Director, briefed the Commission on this agenda item. Motion by Commissioner Untermeyer to reduce the fine to \$500 on Agenda Item 8, second by Commissioner Harrison. Motion passed by a vote of seven ayes on Agenda Item 8. **The reduction of the fine is adopted on Agenda Item 8.**

Agenda Item 9. Discussion and possible action regarding the termination of a campaign treasurer appointment.

Natalia Luna Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Mendoza to adopt staff's recommendation on Agenda Item 9; second by Commissioner Ramsay. Motion passed by a vote of seven ayes on Agenda Item 9. **Staff's recommendation is adopted on Agenda Item 9.**

The next Commission meeting is tentatively scheduled for August 11, 2011, at 8:30 A.M. The workshop discussed in Agenda Item 3 is scheduled for August 10, 2011, at 1:00 P.M.

Agenda Item 10: Adjourn.

Commission meeting adjourned by unanimous consent. Motion passed by unanimous vote.