



## TEXAS ETHICS COMMISSION MEETING MINUTES

### Public Meeting Minutes

August 7, 2015, 10:23 a.m.

Capitol Extension, Room E1.014

Austin, Texas 78701



**COMMISSIONERS PRESENT:** Paul W. Hobby, Chair; Chase Untermeyer, Vice Chair; Hugh C. Akin, Jim Clancy, Tom Harrison, Bob Long, and Tom Ramsay.

**COMMISSIONERS NOT PRESENT:** Wilhelmina Delco.

**STAFF PRESENT:** Anitra Abdullah-Levy, Natalia Luna Ashley, Amy Barden, Marcus Cardenas, Margie Castellanos, Robbie Douglas, Katie Drummond, Nick Espinosa, Jessie Haug, Jessica Hurtado, Bobby Mannas, Mike McElhaney, John Moore, Patti Shannon, Ian M. Steusloff, Jim Tinley and Patty Williams.

---

### 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 Hobby. Natalia Luna Ashley, Executive Director, called the roll. All Commissioners except Commissioner Delco were present.

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

Joe Nixon, representing Empower Texans, Inc., and Trey Trainor, representing Jim Graham and Texas Right to Life Committee, Inc., spoke before the Commission. Mr. Trainor gave the Commission a handout.

**Agenda Item 3: Comments by Commissioners.**

None.

**Agenda Item 4: Approve minutes for the following meetings:**

- Executive session (discussion of pending lawsuits) – June 11, 2015;
- AM Public Meeting – June 11, 2015; and
- Prehearing Conference – June 11, 2015

Motion by Vice Chair Untermeyer to approve the meeting minutes listed under Agenda Item 4; second by Commissioner Long. **Motion passed by a vote of seven ayes.**

**Agenda Item 5: Briefing, discussion and possible action on the new Electronic Filing Application, including status of Lobby and Personal Financial Statement applications and making the campaign finance code available to Texas political subdivisions.**

Natalia Luna Ashley, Executive Director, and Jessie Haug, Director of Computer Services, briefed the Commission on this agenda item. Leticia Vasek, City Clerk for the City of San Antonio, spoke before the Commission, and gave the Commission a handout. Ms. Ashley commented that the electronic filing of the July semiannual campaign finance reports went well. Ms. Haug commented that the mobile application became available about two weeks ago; the Lobby application will be available on August 20, 2015. The Commission has been approached by several cities for permission to use the code for its filing application. The Commission is not prepared to share or sell this code at this time. Chair Hobby and Commissioner Clancy responded with questions and comments. No action was taken.

**Chair Hobby and Commissioner Ramsay left the dais briefly during Agenda Item 6.**

**Agenda Item 6: Discussion and possible action on rules and form required to be adopted by the Commission in accordance with House Bill 1295, 84th Legislative Session, 2015.**

Chair Hobby and Commissioner Clancy briefed the Commission on this agenda item. Sedora Jefferson, Associate Executive Director and General Counsel of the Texas Association of School Boards; Katy Aldridge from Rep. Giovanni Capriglione's office gave the Commission a handout; Chris Howell; Donald Lee, Executive Director of the Texas Conference of Urban Counties; and Mark Mendez, Assistant County Administrator of Tarrant County spoke before the Commission. Chair Hobby, Vice Chair Untermeyer and Commissioners Akin, Clancy and Harrison responded with questions and comments. Motion by Commissioner Ramsay to appoint a subcommittee (including Commissioner Clancy (Chair), Vice Chair Untermeyer and Commissioner Harrison) to study this agenda item and report back to the full Commission at the next meeting; second by Commissioner Long. **Motion passed by a vote of seven ayes.**

**Agenda Item 7: Discussion and possible action on a form required to be adopted by the Commission in accordance with House Bill 23, 84th Legislative Session, 2015.**

Chair Hobby and Natalia Luna Ashley, Executive Director, briefed the Commission on this agenda item. Vice Chair Untermeyer and Commissioner Long responded with questions and comments. Motion by Commissioner Harrison to approve the changes to Forms CIQ and CIS; second by Commissioner Long. **Motion passed by a vote of seven ayes.**

**Agenda Item 8: Public discussion and possible action on a clarification of Texas Ethics Commission Rules § 34.5, relating to lobby registration requirements.**

Ian M. Steusloff, General Counsel, briefed the Commission on this agenda item. Jack Gullahorn, representing himself and the Professional Advocacy Association of Texas, spoke before the Commission. Chair Hobby, Vice Chair Untermeyer and Commissioners Harrison and Ramsay responded with questions and comments. Motion by Vice Chair Untermeyer to publish for public comment the changes to Texas Ethics Commission Rule § 34.5, as amended; second by Commissioner Harrison. **Motion passed by a vote of seven ayes.**

**For the remaining Agenda Items 9 through 21, the following represents the actions taken by the Commission in the order they occurred during the meeting.**

**Agenda Item 13: Discussion of Advisory Opinion No. SP 12: Regarding whether a person appointed to the Cancer Prevention and Research Institute of Texas Oversight Committee is an “appointed officer” for purposes of Chapter 572 of the Government Code.**

Chair Hobby briefed the Commission on this agenda item. Kristen Doyle, General Counsel and Deputy Executive Officer of the Cancer Prevention and Research Institute of Texas, spoke before the Commission. Chair Hobby responded with questions. Motion by Vice Chair Untermeyer to adopt Advisory Opinion No. SP-12 with no changes; second by Commissioner Long. Motion passed by a vote of seven ayes. **SP-12 is adopted.**

**Lunch break, at 12:05 p.m.**

**Reconvened at 12:42 p.m.**

**Agenda Item 9: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 20.1 (Definitions), adding a definition for “In connection with a Campaign”, for purposes of Election Code § 251.001(7), relating to the definition of campaign expenditure.**

Commissioner Clancy briefed the Commission on this agenda item. No action was taken on this agenda item at this time.

**Commissioner Ramsay left the dais during discussion on Agenda Item 11.**

**Agenda Item 11: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 20.1(Definitions), adding a definition for “discount” for purposes of Title 15 of the Election Code.**

Chair Hobby and Natalia Luna Ashley, Executive Director, briefed the Commission on this agenda item. Two different options were presented to the Commission. Chair Hobby, Vice Chair Untermeyer, Commissioner Harrison and Natalia Luna Ashley, Executive Director, responded with questions and comments. Motion by Vice Chair Untermeyer to publish both options for public comment, as amended; second by Commissioner Harrison. **Motion passed by a vote of six ayes.**

**Commissioner Ramsay returned to the dais during discussion on Agenda Item 9.**

**Agenda Item 9: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 20.1 (Definitions), adding a definition for “In connection with a Campaign”, for purposes of Election Code § 251.001(7), relating to the definition of campaign expenditure.**

Commissioner Clancy continued his briefing to the Commission on this agenda item. Vice Chair Untermeyer, Commissioner Clancy and Natalia Luna Ashley, Executive Director, responded with questions and comments. Motion by Commissioner Clancy to republish the rule for public comment, as amended; second by Vice Chair Untermeyer. **Motion passed by a vote of seven ayes.**

**Agenda Item 12: Discussion of Advisory Opinion Request No. AOR-600: Regarding the legislative advertising disclosure requirements for legislative advertising that is broadcast pursuant to a contract personally signed by an individual on behalf of a corporation.**

Ian M. Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Hobby responded with questions and comments. Motion by Commissioner Ramsay to adopt AOR-600 with no changes; second by Vice Chair Untermeyer. Motion passed by a vote of seven ayes. **AOR-600 is adopted.**

**Agenda Item 14: Briefing, discussion and possible action regarding the meaning of “fact finding trip” for purposes of the lobby law.**

Chair Hobby briefed the Commission on this agenda item. Vice Chair Untermeyer and Natalia Luna Ashley, Executive Director, responded with questions and comments. No action was taken.

**Agenda Item 15: Briefing, discussion, and possible action regarding the level of disclosure of political expenditures to political consultants.**

Chair Hobby and Natalia Luna Ashley, Executive Director, briefed the Commission on this agenda item. Chair Hobby, Commissioners Akin, Harrison, and Ramsay, and Natalia Luna Ashley, Executive Director, responded with questions and comments. Ms. Ashley stated that this topic generated a lot of public comments. No action was taken.

**Agenda Item 16: Discussion and possible action regarding posting on the Commission’s website open records requests received by the Commission and the responses of those requests.**

Chair Hobby tabled this agenda item.

**Commissioner Ramsay left the dais during discussion on Agenda Item 10.**

**Agenda Item 10: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 20.1(20), defining “principal purpose.”**

Commissioner Clancy briefed the Commission on this agenda item. Chair Hobby, Vice Chair Untermeyer, and Commissioner Clancy responded with questions and comments. Commissioner Clancy requested more time to review the proposal. No action was taken on this agenda item at this time.

**Agenda Item 17: Briefing, discussion, and possible action to waive or reduce certain penalties assessed for campaign finance reports filed late due to issues with the new electronic filing application for the following individuals:**

- 1. Paul H. Rodgers (00070426)  
Treasurer, 'DGA' Dallas Green Alliance**

Report: 8-day pre-election report due May 1, 2015

Penalty: \$600

Recommendation: Waiver

**2. Thomas J. Bond (00065629)**  
**Treasurer, Greenberg Traurig, P.A. PAC**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$700  
Recommendation: Waiver

**3. Ronald Hamilton, Jr. (00080002)**  
**Treasurer, Citizen Input PAC**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$700  
Recommendation: Waiver

**4. Carol Miller (00033911)**  
**Treasurer, 'LCARW PAC' Lake Conroe Area Republican Women PAC**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$700  
Recommendation: Waiver

**5. Mark W. Walker (00070882)**  
**Treasurer, Inform McAllen**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$700  
Recommendation: Waiver

**6. Sheryl A. LaBoyteaux (00039102)**  
**Treasurer, Conservative Voters Forum**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$800  
Recommendation: Waiver

**7. Sandra H. Burson (00018757)**  
**Treasurer, Compass Bancshares, Inc. PAC**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$1,100  
Recommendation: Waiver

**8. Joe R. Straus, III (00019498)**  
**Speaker of the House**

Report: speaker report due May 1, 2015  
Penalty: \$500  
Recommendation: Waiver

Chair Hobby and Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Commissioner Akin to accept staff's recommendations to waive the late-filing penalty on Agenda Item 17, numbers 1 through 8; second by Commissioner Harrison. **Motion to waive the late-filing penalty on Agenda Item 17, numbers 1 through 8 passed by a vote of seven ayes.**

**Commissioner Clancy was off the dais during Agenda Item 18.**

**Agenda Item 18: Briefing, discussion, and possible action on appeals to determinations made under Texas Ethics Commission Rules §§ 18.25 and 18.26 relating to administrative waiver or reduction of a fine.**

Chair Hobby commented that the new rules on Administrative Waivers and Reductions that were adopted at the February 2015 Commission meeting continue to work well.

**Items under Agenda Item 18 are listed in the order they were heard.**

**1. Gary A. Louie (00069666)**

**Candidate, State Representative**

Report: semiannual report due January 15, 2015

Penalty: \$500 – reduction to \$300

Recommendation: No change

Appeal Received: May 26, 2015

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Commissioner Long to reduce the penalty to \$142.43; second by Commissioner Akin. **Motion to reduce the penalty on Agenda Item 18, number 1 to \$142.43 passed by a vote of six ayes.**

**2. Moiz Abbas (00069722)**

**Candidate, State Representative**

Report: 8-day pre-election report due October 27, 2014

Penalty: \$500 – reduction to \$150

Recommendation: Waiver (based on additional information)

Appeal Received: April 14, 2015

**3. Ty F. McDonald (00069219)**

**Candidate, State Representative**

Report: 8-day pre-election report due December 29, 2014

Penalty: \$500 – reduction to \$150; reverted to \$500

Recommendation: Reduction to \$150 (based on additional information)

Appeal Received: July 7, 2015

**4. Rose M. Harrison (00069811)  
Candidate, District Judge**

Report:30-day pre-election report due October 6, 2014

Penalty: \$500 – reduction to \$150; reverted to \$500

Recommendation: Reduction to \$150 (based on additional information)

Appeal Received: July 1, 2015

**5. Cole H. Ballweg (00069717)  
Candidate, State Representative**

Report:semiannual report due January 15, 2015

Penalty: \$1,500 – reduction to \$1,150

Recommendation: No change

Appeal Received: June 16, 2015

**6. Christopher D. 'Chris' Osborn (00069753)  
Candidate, State Representative**

Report:semiannual report due January 15, 2015

Penalty: \$2,400 – reduction to \$1,150

Recommendation: No change

Appeal Received: June 27, 2015

Amy Barden, Senior Legal Assistant, briefed the Commission on these agenda items. Commissioner Long recused himself on Agenda Item 18, number 3. Motion by Vice Chair Untermeyer to accept staff recommendations on numbers 2 through 6 of Agenda Item 18; second by Commissioner Akin. **Motion to accept staff's recommendations on Agenda Item 18, numbers 2, 4, 5 and 6 passed by a vote of six ayes; motion to accept staff's recommendation on Agenda Item 18, number 3 passed by a vote of five ayes.**

**6. Christopher D. 'Chris' Osborn (00069753)  
Candidate, State Representative**

Report:semiannual report due January 15, 2015

Penalty: \$2,400 – reduction to \$1,150

Recommendation: No change

Appeal Received: June 27, 2015

Mr. Osborn identified himself after the initial vote. Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Mr. Osborn spoke before the Commission. Commissioner Ramsay and Natalia Luna Ashley, Executive Director, responded with comments. Motion by Commissioner Long to reconsider the previous vote on Agenda Item 18, number 6; second by Commissioner Harrison. **Motion passed by a vote of six ayes.** Motion by Commissioner Harrison to reduce the fine to \$500; second by Commissioner Long. **Motion passed by a vote of six ayes.**

**Agenda Item 19: 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 for the following persons:**

**1. Robert G. Button (00054753)  
Treasurer, 'DPCC' Democratic Party of Collin County (CEC)**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$9,700  
Recommendation: Substantial Compliance

**2. Shelley W. Cartier (00070527)  
Candidate, State Representative**

Report: 8-day pre-election report due December 29, 2014  
Penalty: \$1,500  
Recommendation: Substantial Compliance

**3. Eric & Tammy Humes (00070865)  
Entity Filing Direct Expenditure Reports**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$1,500  
Recommendation: Substantial Compliance

**4. Patrick E. Fallon (00067539)  
State Representative**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$9,500  
Recommendation: Substantial Compliance

**5. Cecelia B. Gilbreath (00057250)  
Treasurer, Fort Worth Retired Firefighters Committee for Responsible Government**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$2,300  
Recommendation: Substantial Compliance

**6. D. Bryan Hughes (00051630)  
State Representative**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$8,800  
Recommendation: Substantial Compliance



**7. Michael Maloney (00016640)**  
**Treasurer, 'NFIB/TX' National Federation of Independent Business/Texas Save America's Free Enterprise Trust**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$8,400  
Recommendation: Substantial Compliance

**8. Leslie Midgley (00016375)**  
**Treasurer, Texas Land Title Assn. PAC**

- a) Report: 8-day pre-election report due October 27, 2014  
Penalty: \$8,300  
Recommendation: Substantial Compliance
- b) Report: 8-day pre-election report due December 1, 2014  
Penalty: \$4,800  
Recommendation: Substantial Compliance

**9. Daphne J. Previti Austin (00069373)**  
**District Judge**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$7,900  
Recommendation: Substantial Compliance

**10. Matthew R. Schaefer (00067583)**  
**State Representative**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$8,900  
Recommendation: Substantial Compliance

**11. Mark W. Walker (00070882)**  
**Treasurer, Inform McAllen**

Report: 8-day pre-election report due May 1, 2015  
Penalty: \$6,000  
Recommendation: Substantial Compliance

**12. Wayne Faircloth (00067849)**  
**State Representative**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$8,400  
Recommendation: Substantial Compliance

Motion by Vice Chair Untermeyer to accept staff's recommendations of substantial compliance and waive the penalty on Agenda Item 19, numbers 1 through 12; second by Commissioner Akin. **Motion to accept staff's recommendation on Agenda Item 19, numbers 1 through 12 passed by a vote of six ayes.**

**Commissioner Clancy returned to the dais during Agenda Item 19, number 13.**

**13. Marisa Marquez (00062161) – 2nd Reconsideration  
State Representative**

Report: 8-day pre-election report due February 24, 2014  
Penalty: \$1,000 (reduced from 10,000 at the February 2015 meeting; reduction reconsidered and affirmed at the June 2015 meeting)  
Recommendation: No recommendation

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Ms. Marquez sent in an email the morning of the meeting, which was distributed to the Commissioners and that Chair Hobby read to the Commission. Chair Hobby and Natalia Luna Ashley, Executive Director, responded with comments. Motion by Vice Chair Untermeyer to reaffirm the Commission's previous decision to reduce the penalty to \$1,000; second by Commissioner Ramsay. **Motion to reaffirm the Commission's previous decision to reduce the penalty to \$1,000 on Agenda Item 19, number 13 passed by a vote of seven ayes.**

**14. Texas Home School Coalition Association (00070169) – Reconsideration  
Entity Filing Direct Expenditure Reports**

Report: 8-day pre-election report due October 27, 2014  
Penalty: \$1,900 (no waiver at the June 2015 meeting)  
Recommendation: No recommendation

Trey Trainor, representing Texas Home School Coalition Association, addressed the Commission. Chair Hobby, Vice Chair Untermeyer, Commissioners Clancy, Long and Ramsay, Natalia Luna Ashley, Executive Director, and Amy Barden, Senior Legal Assistant, responded with questions and comments. Motion by Commissioner Harrison to reduce the penalty to \$1,300; second by Vice Chair Untermeyer. **Motion to reduce the penalty to \$1,300 on Agenda Item 19, number 14 passed by a vote of five ayes; Commissioners Akin and Clancy voted no.**

**Short Break.**

**Agenda Item 10: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Texas Ethics Commission Rules § 20.1(20), defining "principal purpose."**

Commissioner Clancy briefed the Commission on this agenda item. Chair Hobby responded with comments. Motion by Commissioner Clancy to publish § 20.1(20) for public comment, as amended; second by Commissioner Long. **Motion passed by a vote of seven ayes.**

**Agenda Item 20: Comments by the Executive Director.**

None.

**Agenda Item 21: Adjourn.**

Motion by Commissioner Ramsay to adjourn; second by Commissioner Akin. **Motion passed by unanimous consent.**

**Meeting adjourned at 2:54 p.m.**