



TEXAS ETHICS COMMISSION MEETING MINUTES

Public Agenda

May 17, 2017, 10:03 a.m.
Capitol Extension, Room E1.014
Austin, Texas 78701



COMMISSIONERS PRESENT: Chase Untermeyer, Chair; Steven D. Wolens, Vice Chair, Hugh C. Akin, Jim Clancy, Chad M. Craycraft, Chris Flood, Mary K. "Katie" Kennedy and Tom Ramsay.

COMMISSIONERS NOT PRESENT: None.

STAFF PRESENT: Anitra Abdullah-Levy, Allicia Anderson, Amy Barden, Ron Bennett, Margie Castellanos, Nick Espinosa, Betty Gallegos, Jessie Haug, Ferjie Hontanosas, Jessica Hurtado, Cristina Hernandez, Joseph Keeney, Becky Levy, Patti Shannon, Ian Steusloff, Jim Tinley, Patty Williams and Seana Willing.

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 Untermeyer. Seana Willing, Executive Director, called the roll. All Commissioners were present, except Commissioner Akin.

Agenda Item 2: Comments by the Commissioners.

Vice Chair Wolens expressed appreciation to the other Commissioners for changing one of the days for the July meetings.

Commissioner Akin arrived during this agenda item.

Agenda Item 3: Comments by the Executive Director.

Seana Willing, Executive Director, addressed the Commission. Ms. Willing stated that the Commission had hired a new Director of Disclosure Filings, Ron Bennett. The Commission is in the planning process for its next symposium, which is tentatively scheduled for October 20, 2017, in Houston. All registrants will attend a plenary session in the morning, and then have breakout sessions in the afternoon. The Commission will be holding a workshop in the morning of July 12, 2017, to discuss rules for Sworn Complaints, preliminary review hearings, and formal hearings.

Agenda Item 4: Approve minutes for the following meetings:

- Executive Session – March 30, 2017; and
- Public Meeting – March 30, 2017.

Motion by Commissioner Kennedy to approve the meeting minutes listed under Agenda Item 4; second by Commissioner Akin. **Motion passed by a vote of eight ayes.**

Agenda Item 5: Briefing and discussion of ethics legislation in the 2017 legislative session, including status of Ethics Commission legislative recommendations.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Untermeyer, Commissioners Clancy and Kennedy, and Mr. Steusloff responded with questions and comments. No action was taken.

Agenda Item 6: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 6.21 (Officers of the Commission).

Chair Untermeyer briefed the Commission on this agenda item. Motion by Commissioner Clancy to adopt an amendment to Ethics Commission Rules § 6.21; second by Commissioner Flood. **Motion passed by a vote of eight ayes.**

Vice Chair Wolens left the dais briefly during this agenda item.

Agenda Item 7: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of rules regarding the disclosure of political expenditures to vendors and others, including an amendment to Ethics Commission Rules § 20.1 (Definitions) and § 20.61 (Purpose of Expenditure), and new Ethics Commission Rules § 20.56 (Expenditures to Vendors).

Commissioner Craycraft briefed the Commission on this agenda item. Commissioner Craycraft stated that it was his intention to leave these items pending until the July meeting because no public comments have been received and he wished to allow those who were working on the legislative session to review them after *sine die*. Trey Trainor addressed the Commission. Vice Chair Wolens and Commissioner Akin responded with questions and comments. Chair Untermeyer recognized the presence of Chairman Geren at the meeting. Gardner Pate addressed the Commission. Chair Untermeyer and Commissioners Clancy and Craycraft responded with questions and comments. No action was taken.

Agenda Item 8: **Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 12.81 (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.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item, including an amendment to the published draft. Chair Untermeyer and Commissioners Craycraft and Flood responded with questions and comments. Motion by Commissioner Flood to publish an amendment to Ethics Commission Rules § 12.81 in the Texas Register for public comment; second by Commissioner Clancy. **Motion passed by a vote of eight ayes.**

Agenda Item 9: **Public discussion and possible action on the creation of a pending litigation committee.**

Commissioner Craycraft briefed the Commission on this agenda item. Chair Untermeyer, Commissioner Clancy and Ian Steusloff, General Counsel, responded with questions and comments. Mr. Steusloff stated that Commission rules allow the Commission to create advisory committees by resolution; advisory committees must include the Presiding Officer (Chair), Vice Presiding Office (Vice Chair) and two additional members to be determined by the Presiding Officer. Motion by Commissioner Craycraft to appoint Chair Untermeyer, Vice Chair Wolens and Commissioners Craycraft and Flood to the pending litigation committee; second by Commissioner Ramsay. **Motion passed by a vote of eight ayes.**

Agenda Item 10: **Appointment of a Nominating Committee of Commissioners for the positions of Chair and Vice Chair of the Texas Ethics Commission.**

Chair Untermeyer appointed Commissioner Ramsay as the Chair, and Commissioners Craycraft and Kennedy as members of the Nominating Committee of Commissioners for the positions of Chair and Vice Chair. Chair Untermeyer requested that the election of the officers occur at the beginning of the next meeting so that the new Chair can immediately take over the meeting.

Agenda Item 11: **Discussion of Advisory Opinion Request No. 621: Questions regarding whether reimbursements for certain travel expenses to the executive director of a state agency are prohibited honoraria or benefits under Chapter 36 of the Penal Code, and whether the reimbursements are required to be reported on a personal financial statement.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Untermeyer, Vice Chair Wolens, and Commissioner Akin responded with questions and comments. Motion by Commissioner Akin to adopt Advisory Opinion Request No. 621 without changes; second by Commissioner Kennedy. Motion passed by a vote of eight ayes. **AOR-621 is adopted.**

For Agenda Items 12 and 13, the following represents the actions taken by the Commission in the order they occurred during the meeting.

Agenda Item 12: Briefing, discussion, and possible action on appeal of fines increased by the Commission, and on appeals of determinations made under Ethics Commission Rules §§ 18.25 and 18.26 relating to administrative waiver or reduction of a fine, for the following individuals and political committee:

**3. Robert Thomas Ratliff (00031723)
Former Member, State Board of Education**

Report: Semiannual report due January 17, 2017
Penalty: \$500 – reduction to \$400
Recommendation: None
Appeal Received: March 21, 2017

Mr. Ratliff appeared before the Commission. Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Untermeyer, Vice Chair Wolens, and Commissioners Akin and Kennedy responded with questions and comments. Motion by Commissioner Kennedy to waive the penalty on Agenda Item 12, number 3; second by Commissioner Ramsay. **Motion to waive the penalty on Agenda Item 12, number 3 passed by a vote of eight ayes.**

**1. Jeffrey Brooks (00070573)
Lobbyist**

Report: annual lobby activities report due January 11, 2016
Penalty: \$1,000 (increased at the February 2017 meeting)
Recommendation: Waiver – based on new information
Appeal Received: February 28, 2017

**2. Matthew Haertner (00070567)
Lobbyist**

Report: annual lobby activities report due January 11, 2016
Penalty: \$1,000 (increased at the February 2017 meeting)
Recommendation: Waiver – based on new information
Appeal Received: March 1, 2017

Motion by Commissioner Flood to waive the penalty on Agenda Item 12, numbers 1 and 2; second by Commissioner Ramsay. **Motion to waive the penalty on Agenda Item 12, numbers 1 and 2 passed by a vote of eight ayes.**

**4. John Halloran Romanow (16232)
Treasurer, 'TAS-PAC' Texas Assn. of Staffing PAC**

Report: 30-day pre-election report due October 11, 2016
 Penalty: \$500 – no waiver
 Recommendation: None
 Appeal Received: April 7, 2017

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Untermeyer, Vice Chair Wolens and Commissioner Kennedy responded with questions and comments. No action was taken at this time.

Agenda Item 13: Briefing, discussion, and possible action to waive or reduce the late-filing penalty in connection with a corrected report or to determine whether the corrected report as originally filed substantially complied with the applicable law for the following individuals and political committees:

**7. Douglas R. Deason (00067846)
Treasurer, Texans for Jason Villalba (SPAC)**

- 1) Report:8-day pre-election report due February 22, 2016
 Penalty: \$10,000
 Recommendation Based on Commission Guidelines: reduce to \$2,000
- 2) Report:8-day pre-election report due October 31, 2016
 Penalty: \$10,000
 Recommendation Based on Commission Guidelines: reduce to \$2,000

Rep. Villalba appeared before the Commission. Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Vice Chair Wolens and Commissioner Akin responded with questions and comments. Motion by Commissioner Akin to waive the penalties on Agenda Item 13, number 7; second by Vice Chair Wolens. **Motion to waive the penalties on Agenda Item 13, number 7 passed by a vote of eight ayes.**

Commissioners Akin and Craycraft were off the dais briefly during this agenda item.

**10. Gary W. Gates, Jr. (00051418)
Candidate, Railroad Commissioner**

Report:8-day pre-election report due February 22, 2016
 Penalty: \$9,000 (no waiver at the February 2017 meeting)
 Recommendation Based on Commission Guidelines: None.

Mr. Gates appeared before the Commission. Mr. Gates' attorney, Kawika Vellalos, appeared but did not testify. Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Vice Chair Wolens and Commissioners Akin, Craycraft and Flood responded with questions and comments. Motion by Commissioner Flood to waive the penalty on Agenda Item 13, number 10; second by Commissioner

Akin. **Motion to waive the penalty on Agenda Item 13, number 10 passed by a vote of eight ayes.**

**1. C. Tucker Anderson (00080970)
Treasurer, 'Neighbors PAC' Neighbors Health Advocacy Political Action Committee**

Report: 8-day pre-election report due October 31, 2016
Penalty: \$8,200
Recommendation Based on Commission Guidelines: substantial compliance

**3. Barbara Hawkins (00080284)
State Representative**

Report: 8-day pre-election report due October 31, 2016
Penalty: \$9,400
Recommendation Based on Commission Guidelines: substantial compliance

**4. Carlos I. 'Charlie' Uresti (00035921)
State Senator**

Report: 8-day pre-election report due February 22, 2016
Penalty: \$10,000
Recommendation Based on Commission Guidelines: substantial compliance

**5. Deborah S. 'Debbie' Gibson (00024835)
Treasurer, 'ABNA PAC' ZB, N.A. dba Amegy Bank**

Report: 8-day pre-election report due October 31, 2016
Penalty: \$10,000
Recommendation Based on Commission Guidelines: substantial compliance

**6. Kenneth Besserman (00015665)
Treasurer, Texas Restaurant Association Political Action Committee**

Report: 8-day pre-election report due October 31, 2016
Penalty: \$10,000
Recommendation Based on Commission Guidelines: substantial compliance

Amy Barden, Senior Legal Assistant, briefed the Commission on these agenda items. Chair Untermeyer and Commissioner Clancy responded with questions and comments. Motion by Commissioner Craycraft to accept staff recommendations on Agenda Item 13, numbers 1 and 3 through 6; second by Commissioner Ramsay. **Motion to accept staff recommendations on Agenda Item 13, numbers 1 and 3 through 6 passed by a vote of eight ayes.**

**2. Scott E. Rozzell (00080072)
Treasurer, Sarahjane Swanson Campaign (SPAC)**

Report: 8-day pre-election report due October 31, 2016
Penalty: \$8,200
Recommendation Based on Commission Guidelines: substantial compliance

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Commissioner Craycraft to accept staff recommendation on Agenda Item 13, number 2; second by Commissioner Ramsay. **Motion to accept staff recommendation on Agenda Item 13, number 2 passed by a vote of six ayes (Chair Untermeyer and Commissioner Kennedy recused themselves).**

Chair Untermeyer and Commissioner Clancy discussed the need for a future agenda item on self-reporting errors. Chair Untermeyer established a subcommittee of Commissioners Akin and Clancy to study this item.

**8. Rhetta A. Bowers (00080443)
Candidate, State Representative**

Report: 8-day pre-election report due October 31, 2016
Penalty: \$1,400
Recommendation Based on Commission Guidelines: reduce to \$500

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Untermeyer and Commissioner Kennedy responded with questions and comments. Motion by Commissioner Kennedy to waive the penalty on Agenda Item 13, number 8; second by Commissioner Akin. **Motion to waive the penalty on Agenda Item 13, number 8 passed by a vote of eight ayes.**

The Commission considered Agenda Item 12, Number 4, and Agenda Item 13, Number 9, together since both items pertain to the same individual.

**4. John Halloran Romanow (16232)
Treasurer, 'TAS-PAC' Texas Assn. of Staffing PAC**

Report: 30-day pre-election report due October 11, 2016
Penalty: \$500 – no waiver
Recommendation: None
Appeal Received: April 7, 2017

**9. John Halloran Romanow (00016232)
Treasurer, 'TAS-PAC' Texas Assn. Of Staffing PAC**

Report: 8-day pre-election report due October 31, 2016
Penalty: \$7,400 (reduced to \$1,000 at the March 2017 meeting)
Recommendation Based on Commission Guidelines: None.

Amy Barden, Senior Legal Assistant, briefed the Commission on these agenda items. Chair Untermeyer and Commissioners Akin, Flood and Kennedy responded with questions and comments. Motion by

Commissioner Akin to affirm the penalty of \$500 on Agenda Item 12, number 4; second by Commissioner Flood. **Motion to affirm the penalty of \$500 on Agenda Item 12, number 4 passed by a vote of eight ayes.** Motion by Commissioner Akin to reduce the penalty to \$1,000 on Agenda Item 13, number 9; second by Commissioner Flood. **Motion to reduce the penalty to \$1,000 on Agenda Item 13, number 9 passed by a vote of eight ayes.**

Agenda Item 14: Discussion and possible action regarding the termination of a campaign treasurer appointment for the following inactive individuals and political committees:

CANDIDATES

1. Demetria Smith (00080343)

Last report filed: February 1, 2016
Treasurer appointment filed: November 16, 2015
Office sought: State Representative, District 149

2. Andrew J. Condie (00080412)

Last report filed: February 4, 2016
Treasurer appointment filed: December 8, 2015
Office sought: District Attorney, multi-county, District 24

3. Ruby Resendez (00080511)

Last report filed: February 22, 2016
Treasurer appointment filed: December 11, 2015
Office sought: State Representative, District 116

4. Veronica Aleman (00080612)

Last report filed: February 22, 2016
Treasurer appointment filed: December 22, 2015
Office sought: State Senator, District 21

POLITICAL COMMITTEES

**5. Citizens for Property Rights (00068064)
Keith Houser, Treasurer**

Last report filed: March 14, 2016
Treasurer appointment filed: November 1, 2015

Chair Untermeyer briefed the Commission on this agenda item. Motion by Vice Chair Wolens to adopt staff recommendations to terminate the campaign treasurer appointments on Agenda Item 14, numbers 1 through 5; second by Commissioner Flood. Motion passed by a vote of eight ayes. **Recommendations to**

terminate the campaign treasurer appointments are adopted on Agenda Item 14, numbers 1 through 5.

Agenda Item 15: Reports more than 30 days late: Discussion and possible action regarding the imposition of an additional fine on the following filers:

Candidates/Officeholders

1. **Jose David Garza (00080642)**
Candidate for County Party Chair

Lobbyists

2. **Charles Briscoe (00081049)**

Chair Untermeyer briefed the Commission on this agenda item. Motion by Vice Chair Wolens to increase the penalty to \$1,000 on Agenda Item 14, numbers 1 through 2; second by Commissioner Akin. **Motion to increase the penalty to \$1,000 on Agenda Item 14, numbers 1 through 2 passed by a vote of eight ayes.**

3. **Anthony Haley (00051002)**

Chair Untermeyer briefed the Commission on this agenda item. Chair Untermeyer and Commissioners Akin, Clancy, Flood, and Kennedy responded with questions and comments. Motion by Vice Chair Wolens to increase the penalty to \$1,000 on Agenda Item 14, number 3; second by Commissioner Akin. **Motion to increase the penalty to \$1,000 on Agenda Item 14, number 3 passed by a vote of seven ayes (Chair Untermeyer recused himself).**

Agenda Item 16: Discussion and possible action on the approval of a format for electronic filing of campaign finance reports, as proposed by Travis County.

Chair Untermeyer and Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Akin to approve the format for electronic filing of campaign finance reports, as proposed by Travis County; second by Commissioner Clancy. **Motion passed by a vote of eight ayes.**

Agenda Item 17: Communication to the Commission from the public.

None.

Agenda Item 18: Adjourn.

Motion by Commissioner Ramsay to adjourn. **Commission meeting adjourned by unanimous consent.**

Meeting adjourned at 11:42 a.m.