



TEXAS ETHICS COMMISSION MEETING MINUTES

Public Meeting

September 28, 2017, 9:27 a.m.
Capitol Extension, Room E1.014
Austin, Texas 78701



COMMISSIONERS PRESENT: Steven D. Wolens, Chair, Jim Clancy, Chad M. Craycraft, Chris Flood, Mary K. “Katie” Kennedy, Tom Ramsay, and Chase Untermeyer.

COMMISSIONERS NOT PRESENT: Hugh C. Akin, Vice Chair.

STAFF PRESENT: Anitra Abdullah-Levy, Amy Barden, Margie Castellanos, Nick Espinosa, Betty Gallegos, Angela Goodwin, Jessie Haug, 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 either the video recording available to view online at: <http://www.house.state.tx.us/video-audio/capitol-events/>, or the audio recordings on file at the Commission’s office.

Prior to the start of the meeting, Former Commissioner Bob Long, Former Commissioner Wilhelmina Delco and Former Executive Director Natalia Luna Ashley were presented with plaques honoring them for their service to the Ethics Commission. Commissioner Clancy made the presentation to Former Commissioner Bob Long, who was accompanied by his wife Sue Long. Commissioners Clancy and Untermeyer made the presentation to Former Executive Director Natalia Luna Ashley. Commissioner Untermeyer made the presentation to Former Commissioner Wilhelmina Delco, who was accompanied by her husband, Dr. Exalton Delco.

Agenda Item 1: Call to order; roll call.

The meeting was called to order by Chair Wolens. Seana Willing, Executive Director, called the roll. All Commissioners were present except Vice Chair Akin.

Agenda Item 2: Comments by the Commissioners.

This item was not discussed.

Agenda Item 3: Comments by the Executive Director.

Seana Willing, Executive Director, addressed the Commission. Ms. Willing thanked Natalia Luna Ashley, former Executive Director, for the outstanding staff she inherited. Ms. Willing discussed the

special session in July, and Rep. Davis' sponsorship of several ethics bills. Ms. Willing discussed the training symposium scheduled for October 20, 2017 at the South Texas College of Law in Houston. Ms. Willing stated that the Ethics Commission had hired a new attorney, Sonya Subash, who would be starting on October 2, 2017. No action was taken.

Agenda Item 4: Approve minutes for the following meetings:

- **Executive Session – July 11, 2017;**
- **Public Meeting – July 11, 2017; and**
- **Workshop Meeting – July 12, 2017.**

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

Commissioner Flood left the dais during this agenda item.

Agenda Item 5: 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. Margo Cardwell addressed the Commission and provided a handout. Commissioner Craycraft responded with questions and comments. Gardner Pate addressed the Commission. Chair Wolens, Commissioners Craycraft, Kennedy, Mr. Steusloff and James Tinley, Assistant General Counsel, responded with questions and comments. Motion by Commissioner Craycraft to adopt new Ethics Commission Rules § 20.56; second by Commissioner Untermeyer. **Motion passed by a vote of six ayes (Vice Chair Akin and Commissioner Flood were absent).** James Tinley, Assistant General Counsel, briefed the Commission. Motion by Commissioner Craycraft to adopt amendments to Ethics Commission Rules §§ 20.1 and 20.61 and new Ethics Commission Rules § 20.56, with an amended effective date of January 1, 2018, and the rules apply to transactions that occur after January 1, 2018; second by Commissioner Clancy. **Motion passed by a vote of six ayes (Vice Chair Akin and Commissioner Flood were absent).**

Commissioner Flood returned to the dais during this agenda item. Commissioner Ramsay left the dais during this agenda item.

Agenda Item 6: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 20.61 (Purpose of Expenditure), regarding the disclosure of political expenditures made in the form of in-kind contributions to candidates, officeholders, and political committees.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens and Commissioners Clancy, Kennedy and Untermeyer responded with questions and comments. Gardner

Pate addressed the Commission. Chair Wolens, Commissioners Clancy, Craycraft and Kennedy and Mr. Steusloff responded with questions and comments. No action was taken.

Commissioner Clancy left the dais briefly during this agenda item.

Agenda Item 7: Discussion of Advisory Opinion Request No. AOR-622: Whether the revolving door law in section 572.069 of the Government Code would prohibit a former employee of a state agency from providing certain services.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Commissioners Kennedy and Untermeyer, and Mr. Steusloff responded with questions and comments. Motion by Commissioner Untermeyer to adopt Advisory Opinion Request No. AOR-622, as amended; second by Commissioner Kennedy. Motion passed by a vote of six ayes (Vice Chair Akin and Commissioner Ramsay were absent). **AOR-622 is adopted.**

The Commission recessed at 10:53 a.m. and resumed the public meeting at 2:00 p.m.

Commissioner Untermeyer returned to the dais during this agenda item.

Agenda Item 8: Discussion regarding commissioner travel reimbursement policy.

Chair Wolens led the discussion on this agenda item and clarified that members may travel to Commission meetings by personal vehicle, rental car, or commercial airline, and will be reimbursed for mileage for no greater than the Federal rate for mileage reimbursement, airfare at the coach rate, or for the cost of the rental and gas, as appropriate, based on the members' particular circumstances and business needs. Members were asked to get the best rate, given the circumstances. Chair Wolens, Commissioners Kennedy and Ramsay responded with questions and comments.

Commissioners Flood and Ramsay left the dais before this agenda item, and did not return to the meeting. Commissioner Craycraft left the dais briefly during this agenda item.

Agenda Item 9: Discussion regarding surveys to determine level of local filer compliance, including Form 1295 compliance.

Commissioner Clancy briefed the Commission on this agenda item. Commissioner Clancy and Seana Willing, Executive Director, responded with questions and comments. No action was taken.

For the remainder of the agenda items, 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 individual and political committees:

**1. James D. Morrison (00080120)
Candidate, State Representative**

Report: semiannual report due July 15, 2016
 Penalty: \$10,000 – reduction to \$3,500; reverted to \$10,000 due to no response)
 Recommendation: None
 Appeal Received: May 18, 2017

**2. Richard Knight, Jr., Treasurer, ‘DCUA’ Dallas Committee on Urban Affairs
(00039199)**

(1) Report: 30-day pre-election report due April 6, 2017
 Penalty: \$500 – no waiver
 Recommendation: None
 Appeal Received: July 24, 2017

(2) Report: 8-day pre-election report due April 28, 2017
 Penalty: \$700 – no waiver
 Recommendation: None
 Appeal Received: July 24, 2017

**3. Adnan Tovar, Treasurer, ‘ROCKGPAC’ Rockwall Republican Executive Committee
General Purpose PAC (CEC) (00056027)**

Report: 8-day pre-election report due April 28, 2017
 Penalty: \$900 – reduction to \$700
 Recommendation: None.
 Appeal Received: June 12, 2017

Amy Barden, Senior Legal Assistant, asked that the items in Agenda Item 12 be postponed at the filers’ requests. No action was taken.

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:

**1. Arcelia Trevino (00080582)
District Judge**

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

**2. Andrea B. ‘Andi’ St. Leger (00080267)
Candidate, District Judge**

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

Any Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Motion by Commissioner Clancy to accept staff recommendations on Agenda Item 13, numbers 1 and 2; second by Commissioner Untermeyer. **Motion to accept staff recommendations on Agenda Item 13, numbers 1 and 2 passed by a vote of five ayes (Vice Chair Akin and Commissioners Flood and Ramsay were absent).**

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

Individuals

1. Deborah B. Shafto (00066498)

Last report filed: January 19, 2016
Treasurer appointment filed: January 21, 2016
Office sought: State Senator, District 6

2. Lee C. Crisp (00068211)

Last report filed: January 15, 2016
Treasurer appointment filed: November 20, 2013
Office sought: State Representative, District 60

3. Anthony Alcoser (00080169)

Last report filed: January 14, 2016
Treasurer appointment filed: September 2, 2015
Office sought: State Representative, District 118

4. David Wylie (00080102)

Last report filed: February 22, 2016
Treasurer appointment filed: July 17, 2015
Office sought: Tarrant County Party Chair

5. John T. Floyd III (00080478)

Last report filed: July 13, 2016
Treasurer appointment filed: December 15, 2015
Office sought: State Representative, District 29

Political Committees**6. Alief Federation of Teachers Committee on Political Education (00063388)
Veronica F. Thibideaux, Treasurer**

Last report filed: January 15, 2016

Treasurer appointment filed: January 18, 2008

**7. Three Amigos (00070179)
Michael Gibson, Treasurer**

Last report filed: January 14, 2016

Treasurer appointment filed: May 5, 2014

**8. Citizens for Judicial Reform (00080697)
Christine A. Jager, Treasurer**

Last report filed: Report never filed

Treasurer appointment filed: February 17, 2016

**9. Texas Working People CWA Political Action Committee (80730)
Derrick Osobase, Treasurer**

Last report filed: Report never filed

Treasurer appointment filed: March 1, 2016

**10. Friends of Charters (00080868)
Wyatt Truscheit, Treasurer**

Last report filed: Report never filed

Treasurer appointment filed: April 27, 2016

Seana Willing, Executive Director, briefed the Commission on this agenda item. Motion by Commissioner Clancy to adopt staff recommendations to terminate the campaign treasurer appointments on Agenda Item 14, numbers 1 through 5; second by Commissioner Untermeyer. Motion passed by a vote of five ayes (Vice Chair Akin and Commissioners Flood and Ramsay were absent). **Recommendations to terminate the campaign treasurer appointments are adopted on Agenda Item 15, numbers 1 through 5.** Motion by Commissioner Craycraft to adopt staff recommendations to terminate the campaign treasurer appointments on Agenda Item 14, numbers 6 through 10; second by Commissioner Kennedy. Motion passed by a vote of five ayes (Vice Chair Akin and Commissioners Flood and Ramsay were absent). **Recommendations to terminate the campaign treasurer appointments are adopted on Agenda Item 15, numbers 6 through 10.**

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

Lobbyist

Zachary Male (00070517)

Seana Willing, Executive Director, briefed the Commission on this agenda item. Motion by Commissioner Kennedy to increase the penalty to \$1,000 on Agenda Item 15; second by Commissioner Craycraft. **Motion to increase the penalty to \$1,000 on Agenda Item 15 passed by a vote of five ayes (Vice Chair Akin and Commissioners Flood and Ramsay were absent).**

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

Seana Willing, Executive Director, and Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Commissioner Kennedy and Mr. Steusloff responded with questions and comments. Motion by Commissioner Kennedy to approve the format for electronic filing of campaign finance reports, as proposed by Bastrop and Navarro counties; second by Commissioner Untermeyer. **Motion passed by a vote of five ayes (Vice Chair Akin and Commissioners Flood and Ramsay were absent).**

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

None.

Chair Wolens left the dais during this agenda item; he remained in the room.

Agenda Item 11: Discussion regarding filer ability to perform “error check” in campaign finance reporting application.

Jessie Haug, Director of Computer Services, briefed the Commission on this agenda item. Commissioners Craycraft and Kennedy, and Ian Steusloff, General Counsel, responded with questions and comments. No action was taken.

Chair Wolens returned to the dais during this agenda item.

Agenda Item 10: Public discussion regarding an amendment to Form 1295, Disclosure of Interested Parties, in accordance with Senate Bill 255, 85th Legislative Session, 2017.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Commissioners Craycraft and Kennedy, Mr. Steusloff and Jessie Haug, Director of Computer Services, responded with questions and comments. No action was taken.

Agenda Item 18: Adjourn.

Motion by Chair Wolens to adjourn. **Commission meeting adjourned by unanimous consent.**

Meeting adjourned at 2:48 p.m.