



TEXAS ETHICS COMMISSION MEETING MINUTES

Public Meeting Minutes

September 1, 2021, 9:07 a.m.
Capitol Extension, Room E1.014
Austin, Texas 78701



COMMISSIONERS PRESENT: Mark K. “Katie” Kennedy, Chair; Randall H. Erben, Vice Chair; Chad M. Craycraft, Chris Flood, Patrick W. Mizell, Richard S. Schmidt, Joseph O. Slovacek, and Steven D. Wolens

COMMISSIONERS NOT PRESENT: All Present

STAFF PRESENT: Joe Brocato, Margie Castellanos, Nick Espinosa, Betty Gallegos, Jessie Haug, Cristina Hernández, Jordan Hunn, J.R. Johnson, Demetria Manning, Natalie McDermon, Amy Padilla, Anne Temple Peters, Lindsay Powers, Frances Ramirez, Brennan Szabo, Margaret Sanchez, Patti Shannon, Scarlett Scalzo, Jim Tinley, and Preston Tom.

MINUTES

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 Kennedy. Anne Temple Peters, Executive Director, called the roll. All Commissioner were present except Commissioner Slovacek.

The following agenda items are listed in the order they occurred during the meeting.

Agenda Item 3: Approve minutes for the following meetings:

- **Public Meeting – June 17, 2021.**

Chair Kennedy briefed the Commission on this agenda item. Motion by Commission Schmidt to adopt minuets in Agenda Item 3; second by Commissioner Craycraft. **Motion passed unanimously.**

Agenda Item 4: Discussion and possible action on appeals of determinations made under Ethics Commission on Rules §§ 18.25 and 18.26 relating to administrative waiver or reduction of a fine for the following filers:

- 1. Hill Country Caucus, Kyle Biederman, Chair (00067441)**
- 2. Manufacturing Caucus, Ed Thompson, Chair (00068983)**
- 3. Texas Dental Association PAC – DENPAC, Dr. Daniel O’Dell, Treasurer (00015960)**
- 4. Jennifer Ivey, Candidate for State Board of Education District 1 (84512)**
- 5. Galveston County Republican Party County Executive Committee, Donald Pollock Treasurer (00060078)**

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Chair Kennedy, Commissioner Erben, Flood, Schmidt, Slovacek, and Mr. Johnson responded with questions and comments. Motion by Commissioner Flood to waive the fine on Agenda Item 4, number 1 through 3; second by Commissioner Schmidt. **Motion passed unanimously.** Motion by Commissioner Slovacek to waive the fine on Agenda Item 4, number 4; second by Commissioner Schmidt. **Motion passed unanimously.** Donald Pollock addressed the Commission on Agenda Item 4, number 5. Motion by Commissioner Flood to waive the fine on Agenda Item 4, number 5; second by Commissioner Slovacek. **Motion passed unanimously.**

Commissioner Slovacek arrived during this agenda item.

Agenda Item 17: Discussion and possible approval of Final Orders in the following Formal Hearings:

- 1. In the Matter of Robert L. “Bob” Hall, III, Respondent. Sworn Complaint No. SC-3180254 alleges violations of sections 254.031(a)(1) and (a) (6) of the Election Code.**
- 2. In the Matter of Stephen Pennington, Respondent. Sworn Complaint No. SC-32008160 alleges a violation of section 254.063(b) of the Election Code.**

Chair Kennedy presented the Commission on this agenda item. Commissioners Schmidt, Slovacek, Wolens and Mr. Johnson responded with question and comments. Motion by Commissioner Schmidt to approve Final Order draft for Agenda Item 17 number 1; second by Vice Chair Erben. **Motion passed unanimously.** Motion by Commissioner Schmidt to approve Final Order draft for Agenda Item 17 number 2; second by Commissioner Flood. **Motion passed unanimously.**

Agenda Item 2: Discussion regarding dates for next quarterly Commission meeting.

Chair Kennedy briefed the Commission on this agenda. Chair Kennedy, Vice Chair Erben, Commissioners Craycraft, Flood, Mizell, Schmidt, Slovacek, Wolens, and J.R. Johnson, General Counsel, responded with questions and comments. Tentative dates for the next Commission meeting, subject to change, are December 8-9, 2021.

Agenda Item 5: Discussion and possible action regarding the termination of a campaign treasurer appointment for the following inactive individuals and political committee:

1. James A. Armstrong (00083954)
2. Michael Berlanga (00068114)
3. William J. Booher (00083619)
4. Sandra Crenshaw (00069780)
5. Randle C. Daniels (00084530)
6. Charlotte W. Eisenhauer (00082456)
7. Adrian Garcia (00084025)
8. Richard Gonzales (00084126)
9. Stephen P. Gunnels (00084488)
10. Whitney D. Hatter (00084314)
11. Juan R. Hernandez (00084491)
12. Shawn W. Jones (00080592)
13. Claver T. Kamau-Imani (00084230)
14. Richard F. Melendrez (00055184)
15. Demetria Nelson-McNaulty (00084554)
16. Deborah L. Russel (00082543)
17. Karen Nicole Sprabary (00084547)
18. Angeanette Thibodeaux (00084543)

Political Committee

19. Texans for Ethical Leadership, Ryan Cagney, Treasurer (00084645)
20. Taylor County Democratic PAC (CEC), Kimberly K. Chavez, Treasurer (00016594)
21. Democrats Choice For The People's Voice, Sandra Crenshaw, Treasurer (00070005)
22. Texas Motion Picture Alliance PAC, Susan R. Fowler, Treasurer (00063437)
23. Black Women Attorneys PAC, Ashlei D. Gradney, Treasurer (00084649)
24. 1836 PAC, Cindy Jackson, Treasurer (0070233)
25. Black Firefighters, United PAC, Lamonty S. Lott, Treasurer (00080045)
26. Team Donna 2020, Francisco Sanchez, Treasurer (00084847)
27. Texans Against Taxes, James Stewart, Treasurer (00084061)
28. CAFAPAC, Ward Tisdale, Treasurer (00082658)

J.R. Johnson, General Counsel, briefed the Commission on this agenda items. Motion by Vice Chair Erben to adopt staff recommendation on Agenda Item 5 numbers 1 through 28, omitting numbers 22 and 23; second by Commissioner Schmidt. **Motion passed unanimously.**

Agenda Item 6: Draft Advisory Opinion No. AOR-642: Whether certain written communications created by a political subdivision and related to the political subdivision's community outreach, constitute political advertisements for purposes of the Election Code's prohibition against using public funds for political advertising.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Chair Kennedy and Mr. Johnson responded with questions and comments. Motion by Commissioner Schmidt to approve Agenda Item 6; second by Commissioner Craycraft. **Motion passed unanimously.**

Agenda Item 7: Draft Advisory Opinion No. AOR-643: Whether certain written communications, created by a political subdivision and related to the political subdivision's upcoming election regarding a home rule charter, constitute political advertisements for purposes of the Election Code's prohibition against using public funds for political advertising.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Schmidt to approve Agenda Item 7; second by Vice Chair Erben. **Motion passed unanimously.**

Agenda Item 8: Draft Advisory Opinion No. AOR-650: Whether certain written communications, created by a political subdivision and related to the political subdivision's upcoming election regarding a home rule charter, constitute political advertisements for purposes for the Election Code's prohibition against using public funds for political advertising.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Schmidt to approve Agenda Item 8; second by Commissioner Craycraft. **Motion passed unanimously.**

Agenda Item 9: Draft Advisory Opinion No. AOR-646: Regarding a judicial officeholder's use of political contributions to seek a federal appointment.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Mizell to adopt Agenda Item 9 with modifications; second by Commissioner Craycraft. **Motion passed unanimously.**

Agenda Item 10: Draft Advisory Opinion No. AOR-649: Whether a judge may use political contributions to pay expenses related to home security systems and equipment.

J.R. Johnson, General Counsel briefed the Commission on this agenda item. Chair Kennedy, Vice Chair Erben, Commissioners Mizell, Schmidt, and Wolens, and Mr. Johnson responded with questions and comments. Motion by Commissioner Schmidt to adopt Agenda Item 10 with General Counsel instructed to add an additional paragraph regarding retention of devices after leaving office, to be amended at the Commission's next meeting; second by Vice Chair Erben. **Motion passed unanimously.**

Meeting recessed until 10:15 a.m.

Agenda Item 11: Draft Advisory Opinion No. AOR-648: 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.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Mizell to adopt Agenda Item 11; second by Commission Flood. **Motion passed unanimously.**

Agenda Item 12: Discussion and possible action on the adoption or proposal and publication in the Texas Register of new 1 Tex. Admin Code § 34.82, regarding modified reporting thresholds for lobbyists.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Commissioner Schmidt and Mr. Johnson responded with question and comments. Motion by Commissioner Schmidt to approve Agenda Item 12; second by Vice Chair Erben. **Motion passed unanimously.**

Agenda Item 13: Discussion and possible action on the adoption or proposal and publication in the Texas Register of amended 1 Tex. Admin Code § 18.17, regarding deceased or incapacitated filers.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Chair Kennedy, Commissioner Schmidt, and Mr. Johnson responded with questions and comments. Motion by Commissioner Schmidt to adopt Agenda Item 13 with amendment; second by Commissioner Craycraft. **Motion passed unanimously.**

Agenda Item 14: Discussion and possible action on the proposal and publication in the Texas Register of an amendment to 1 Tex. Admin. Code § 18.31, regarding the adjustments of reporting thresholds, and Ethics Commission Rules that are affected by the adoption of an amendment to 1 Tex. Admin. Code § 18.31, including §§ 20.62, 20.65, 20.217, 20.220, 20.221, 20.275, 20.301, 20.303, 20.313, 20.329, 20.333, 20.401, 20.405, 20.434, 20.435, 20.553, 20.555, 22.1, 22.7, 34.41, and 34.43.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Chair Kennedy, Commissioners Schmidt and Wolens, and Mr. Johnson responded with questions and comments. Motion by Commissioner Schmidt to adopt Agenda Item 14 with amendment; second by Commissioner Craycraft. **Motion passed unanimously.**

Agenda Item 15: Discussion and possible action on the proposal and publication in the Texas Register of new 1 Tex. Admin. Code § 22.37, regarding cryptocurrency contributions.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Chair Kennedy, Vice Chair Erben, Commissioners Craycraft, Flood, Schmidt and Wolens, Mr. Johnson and Mr. Andrew Cates responded with questions and comments. Motion by Commissioner Craycraft to publish Agenda Item 15 with amendment; second by Commissioner Slovacek. **Motion passed by a vote of six ayes; Commissioners Wolens and Flood voted no.**)

Agenda Item 16: Discussion and possible action on the proposal and publication in the Texas Register of amended 1 Tex. Admin. Code § 20.59, regarding credit card reporting.

J.R. Johnson, General Counsel, briefed the Commission on this agenda item. Chair Kennedy, Commissioners Schmidt and Wolens, Mr. Johnson, Mrs. Peters and Jessie Haug, Director of Computer Services and Director of Disclosure Filings, responded with questions and comments. Motion by Commissioner Craycraft to publish Agenda Item 15 with amendment; second by Commissioner Slovacek. **No action taken.**

Meeting recessed until 11:35 a.m.

Agenda Item 18: Recognition of Ethics Commission staff who have served over 10 years.

Chair Kennedy presented the Commission on this agenda item. Chair Kennedy, Vice Chair Erben, Commissioners Flood, Slovacek and Wolens and Mr. Johnson responded with comments and congratulations to recipients. Joe Brocato awarded certificate for 17 years of service with Texas Ethics Commission. Margie Castellanos awarded certificate for 29 years of service with Texas Ethics Commission. Nick Espinosa awarded certificate for 10 years of service with Texas Ethics Commission. Jessie Haug awarded certificate for 10 years of service with Texas Ethics Commission. Cristina Hernandez awarded certificate for 26 years of service with Texas Ethics Commission. Marilyn Langston awarded certificate for 11 years of service with Texas Ethics Commission. Lynda Murphree was recognized for 12 years of service with Texas Ethics Commission, and congratulated on her retirement. **No action taken.**

Agenda Item 19: Adjourn.

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

Meeting adjourned at 11:41 a.m.