

TEXAS ETHICS COMMISSION  
P.O. Box 12070, Austin, Texas 78711-2070  
(512) 463-5800

Steven D. Wolens, Chair  
Hugh C. Akin, Vice Chair  
Jim Clancy  
Chad M. Craycraft

Chris Flood  
Mary K. "Katie" Kennedy  
Tom Ramsay  
Chase Untermeyer

## AGENDA

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Date and Time: 8:00 a.m., Monday, November 13, 2017  
Location: Room E1.014, Capitol Extension, Austin, Texas

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1. Call to order; roll call.
2. **Executive session pursuant to Section 551.071, Government Code, Consultation with Attorneys; Closed Meeting.** Discussion of pending litigation to seek legal advice relating to the following:
  - A. Cause No. D-1-GN-17-001878, *Michael Quinn Sullivan v. Texas Ethics Commission, by and through its executive director, Natalia Luna Ashley, in her official capacity*, in the 250<sup>th</sup> Judicial District Court in Travis County, Texas; and Cause No. 03-17-00392-CV, *Michael Quinn Sullivan v. Texas Ethics Commission*, in the Third Court of Appeals at Austin, Texas.
  - B. Cause No. D-1-GN-14-001252; *Empower Texans, Inc. and Michael Quinn Sullivan v. State of Texas Ethics Commission, Natalia Luna Ashley, in her capacity as Executive Director of the Texas Ethics Commission, Tom Ramsay, individually and in his capacity as Commissioner, Paul Hobby, individually and in his capacity as Commissioner, Hugh C. Akin, individually and in his capacity as Commissioner, James T. Clancy, individually and in his capacity as Commissioner, Wilhelmina R. Delco, individually and in her capacity as Commissioner, Warren T. Harrison, individually and in his capacity as Commissioner, Robert K. Long, individually and in his capacity as Commissioner, and Charles G. Untermeyer, individually and in his capacity as Commissioner*; in the 53<sup>rd</sup> Judicial District Court of Travis County, Texas; and related case, Cause No. 03-16-00019-CV; *Empower Texans, Inc. and Michael Quinn Sullivan v. The State of Texas Ethics Commission; Natalia Luna Ashley, in her capacity as Executive Director of the Texas Ethics Commission; Tom Ramsay, individually and in his capacity as Commissioner; Steven P. Wolens, individually and in his capacity as Commissioner; Hugh C. Akin, individually and in his capacity as Commissioner; James T. Clancy, individually and in his capacity as*

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For more information, contact Seana Willing, Executive Director, at (512) 463-5800.

*Commissioner; Wilhelmina R. Delco, individually and in her capacity as Commissioner; Mary K. Kennedy, individually and in her capacity as Commissioner; Chad M. Craycraft, individually and in his capacity as Commissioner; and Charles G. Untermeyer, individually and in his capacity as Commissioner, in the Third Court of Appeals, Austin, Texas.*

C. Cause No. D-1-GN-15-004455; *Texas Ethics Commission v. Empower Texans, Inc. and Michael Quinn Sullivan*; in the 345<sup>th</sup> Judicial District Court of Travis County, Texas; and related case, Cause No., 03-16-00872-CV, *Empower Texans, Inc., and Michael Quinn Sullivan*, in the Third Court of Appeals, Austin, Texas.

D. Civil Action No. 5:14-cv-00133-C; *Texas Home School Coalition Association, Inc. v. Matthew D. Powell, in his official capacity as District Attorney of Lubbock County, et al.*; in the United States District Court for the Northern District of Texas, Lubbock Division.

E. Cause No. D-1-GN-16-000149, *Texas Home School Coalition Association, Inc. v. Texas Ethics Commission*; in the 261<sup>st</sup> Judicial District Court of Travis County, Texas; and related case, Cause No. 03-17-00167-CV, *Texas Home School Coalition Association, Inc. v. Texas Ethics Commission*, in the Court of Appeals for the Third District of Texas at Austin.

F. Cause No. D-1-GN-15-003454; *Mike Barnes v. Texas Ethics Commission*, in the 201<sup>st</sup> Judicial District Court of Travis County, Texas; and related case Civil Action No. 1:13-cv-00916; *Mike Barnes v. Texas Ethics Commission*; in the United States District Court for the Western District of Texas, Austin Division.

3. Discussion of personnel issues.

4. Reconvene in open session.

5. Adjourn.

**CERTIFICATION:** I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Certifying Official & Agency Liaison: Seana Willing, Executive Director.

**NOTICE:** Under the Americans with Disabilities Act, an individual with a disability must have an equal opportunity for effective communication and participation in public meetings. Upon request, the Texas Ethics Commission will provide auxiliary aids and services, such as interpreters for the deaf and hearing impaired, readers, and large print or Braille documents. In determining the type of auxiliary aid or service, the Commission will give primary

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*For more information, contact Seana Willing, Executive Director, at (512) 463-5800.*

consideration to the individual's request. Those requesting auxiliary aids or services should notify Margie Castellanos at (512) 463-5800 or RELAY Texas at (800) 735-2989 two days before this meeting so that appropriate arrangements can be made. Please also contact Ms. Castellanos if you need assistance in having English translated into Spanish.

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TEXAS ETHICS COMMISSION  
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Tom Ramsay  
Chase Untermeyer

## AGENDA

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Date and Time:	10:30 a.m., Monday, November 13, 2017
Location:	Room E1.014, Capitol Extension, Austin, Texas

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1. Call to order; roll call.
2. Comments by the Commissioners.
3. Comments by the Executive Director.
4. Approve minutes for the following meetings:
  - o Workshop Meeting – September 27, 2017;
  - o Executive Session – September 28, 2017; and
  - o Public Meeting – September 28, 2017

### RULEMAKING

5. Public discussion and possible action on the adoption or proposal and publication in the Texas Register of new Ethics Commission Rules § 12.36 (Assessment of Civil Penalty) and a repeal of Ethics Commission Rules § 18.27 (Sworn Complaints), clarifying the facts that the Commission will consider when assessing a civil penalty in the complaint process.
6. Public discussion and possible action on the adoption or proposal and publication in the Texas Register of new Ethics Commission Rules § 12.37 (Dismissal of Complaint After Public Disclosure), regarding the Commission's authority to dismiss a complaint filed by a complainant who publicly discloses confidential information regarding the complaint.
7. Public discussion and possible action on the adoption or proposal and publication in the Texas Register of amendments to Ethics Commission Rules § 12.85 (Preliminary Review Hearing) and § 12.87 (Resolution of Preliminary Review Hearing), regarding procedures for preliminary review hearings.

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8. Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 12.21 (Notice) and new Ethics Commission Rules § 12.84 (Notice of Preliminary Review Hearing) and § 12.103 (Notice of Formal Hearing), regarding notices and exchange of documents for hearings.
9. Public discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules § 12.28 (Production of Documents During a Preliminary Review), regarding procedures for production or inspection and subpoenas during preliminary review.
10. 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 disclosure of the purpose of a political expenditure.
11. Public discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules Chapter 16 (Facial Compliance Review & Full Audits), including §§ 16.1 – 16.11, regarding procedures for facial compliance reviews and audits.

### **ADVISORY OPINIONS**

12. Discussion of Advisory Opinion Request No. AOR-623: Whether an associate judge may use in political advertising and campaign communications in connection with the associate judge's candidacy for district judge: 1) the title “associate judge” and 2) photographs depicting the associate judge in a judicial robe, sitting on the bench over which the associate judge currently presides.

This opinion request construes section 255.006 of the Election Code and Chapter 39 of the Penal Code.

### **OTHER POLICY MATTERS**

13. Discussion and possible action on the approval of a format for electronic filing of campaign finance reports, as proposed by Galveston County.
14. Discussion regarding surveys to determine level of local filer compliance, including Form 1295 compliance.
15. Discussion regarding filer ability to perform “error check” in campaign finance reporting application.

16. 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. Lawrence E. Meyers (00020530)
  2. Elizabeth Choate (00066252)
  3. James D. Morrison (00080120)
  4. Richard Knight, Jr., Treasurer, 'DCUA' Dallas Committee on Urban Affairs (00039199)
  5. Adnan Tovar, Treasurer, 'ROCKGPAC' Rockwall Republican Executive Committee General Purpose PAC (CEC) (00056027)
17. 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. Jeff W. Baldwin, Treasurer, 'GPFFPAC' Grand Prairie Fire Fighter's Political Action Committee (00068929)
  2. Terry L. Barker, Treasurer, Metrocrest Democrats (00080175)
  3. John C. 'Chris' Allen, Treasurer, Focus Irving PAC (00069672)
18. Communication to the Commission from the public.
19. Adjourn.

**CERTIFICATION:** I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Certifying Official & Agency Liaison: Seana Willing, Executive Director.

**NOTICE:** Under the Americans with Disabilities Act, an individual with a disability must have an equal opportunity for effective communication and participation in public meetings. Upon request, the Texas Ethics Commission will provide auxiliary aids and services, such as interpreters for the deaf and hearing impaired, readers, and large print or Braille documents. In determining the type of auxiliary aid or service, the Commission will give primary consideration to the individual's request. Those requesting auxiliary aids or services should notify Margie Castellanos at (512) 463-5800 or RELAY Texas at (800) 735-2989 two days before this meeting so that appropriate arrangements can be made. Please also contact Ms. Castellanos if you need assistance in having English translated into Spanish.

The draft meeting minutes will be available on our website the day before the meeting, at <https://www.ethics.state.tx.us/DraftMinutes>.

If you would like a copy of the draft minutes, please provide your email address below, and return this sheet to Ethics Commission staff at the meeting.

Email address:

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## Civil Penalties

**Text of Proposed Rule and Repeal**

The proposed new language is indicated by underlined text.  
The deleted text is indicated by [~~strikethrough~~] text.

**Chapter 12. SWORN COMPLAINTS**  
**Subchapter A. GENERAL PROVISIONS AND PROCEDURES**

**§ 12.36. Assessment of Civil Penalty.**

- (a) The commission shall consider the factors listed in §571.177 of the Government Code when assessing a civil penalty against a respondent, including whether the respondent timely responds to written questions or subpoenas.
- (b) The commission may consider the fine amounts established by chapter 18 of this title in determining the amount of a fine to be assessed in a sworn complaint proceeding.
- (c) The commission is not required to waive the fine for a respondent who files a late or corrected report or makes a corrective action, but may consider the report or action to be a mitigating factor in determining the amount of any fine.

**Chapter 18. GENERAL RULES CONCERNING REPORTS**

**[§ 18.27. Sworn Complaints.**

- (a) The commission may consider the fine amounts established by this chapter in determining the amount of a fine to be assessed in a sworn complaint proceeding.
- (b) The commission is not required to waive the fine for a respondent who files a corrected report but may consider the correction to be a mitigating factor in determining the amount of any fine.]



EXHIBIT A

Dismissal of Complaint After Public Disclosure

**Text of Proposed Rule**

The proposed new language is indicated by underlined text.

**Chapter 12. SWORN COMPLAINTS**  
**Subchapter A. GENERAL PROVISIONS AND PROCEDURES**

**§ 12.37. Dismissal of Complaint After Public Disclosure.**

If a complainant publicly discloses confidential information about a sworn complaint filed or to be filed by the complainant, the commission may dismiss the complaint with prejudice as to the complainant.

**Ian Steusloff - Comment re: § 12.37. Dismissal of Complaint After Public Disclosure.**

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**From:** Steve Southwell <steve@LewisvilleTexan.com>  
**To:** <public\_comment@ethics.state.tx.us>  
**Date:** 10/31/2017 6:14 PM  
**Subject:** Comment re: § 12.37. Dismissal of Complaint After Public Disclosure.

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Per the proposed rules listed here:

[https://www.ethics.state.tx.us/rules/proposed\\_Sept\\_2017.html#Dismissal](https://www.ethics.state.tx.us/rules/proposed_Sept_2017.html#Dismissal)

**§ 12.37. Dismissal of Complaint After Public Disclosure.**

**If a complainant publicly discloses confidential information about a sworn complaint filed or to be filed by the complainant, the commission may dismiss the complaint with prejudice as to the complainant.**

Regarding the above proposed rule, the definition of "confidential" would need to be defined.

In general, though it may be distasteful that some file complaints and attempt to try them in the media, it shouldn't be a get-out-of-jail free card for wrongdoers.

As a journalist, I am concerned about the chilling effect this may have on free speech. As someone who has covered complaints and commission findings, as well as the campaign finance irregularities which have led to them, it bothers me that this could be interpreted to prevent citizens from sharing their findings with the media.

I am not aware of any other type of complaint of wrongdoing that would require a complainant to be denied justice because they have made their complaint public.

Imagine a case where a victim of an assault or robbery cannot speak out for fear that doing so would allow their assailant to walk free.

This rule seems to assume that the general public is stupid and can't handle the idea that a complaint is not a conviction. It serves as an easy-out for the commission not to have to do its job in enforcing the law.

Further, assuming that irregularities that lead to a complaint end up in the public sphere, how does the TEC prove where the information came from? How does TEC prove that a given leak didn't come from the accused themselves?

This kind of rule is a slippery slope.

I recommend against its passage.

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Steve Southwell  
Publisher  
The Lewisville Texan Journal  
Office: 469-322-4265 Cell: 214-280-6439  
lewisvilletexan.com

**Patti Shannon - Proposal**

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**From:** "Shannon Richardson" <mamasan2000@verizon.net>  
**To:** <public\_comment@ethics.state.tx.us>  
**Date:** 11/1/2017 10:03 AM  
**Subject:** Proposal

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MID #35494

Hello.

I would like to speak out about the new proposal below

**Chapter 12. SWORN COMPLAINTS**

**Subchapter A. GENERAL PROVISIONS AND PROCEDURES**

**§ 12.37. Dismissal of Complaint After Public Disclosure.**

If a complainant publicly discloses confidential information about a sworn complaint filed or to be filed by the complainant, the commission may dismiss the complaint with prejudice as to the complainant.

I feel this is a complete violation of my rights as a citizen. I rely on journalism to find things out. Doing this will eliminate an avenue for people to learn about malfeasance by politicians and gives any politician a free pass to do as awful things as they want without any reproach. We are already in the midst of ethical violations on every level and I feel it is important to have journalistic integrity when there is a lack of political integrity. I request that you remove this information. As a citizen, if I find malfeasance and report it, there is a possibility that nothing will be done. If it is made public, I can be assured that others will see it and watch for future malfeasance as well. I feel journalism is important and whistleblowers will not have any protection from malfeasance by politicians. Please do away with this change.

Shannon Richardson

**Patti Shannon - Proposed Rule 12.37 Dismissal of Complaint OPPOSED**

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**From:** TJ Gilmore <tgilmore@cityoflewisville.com>  
**To:** <public\_comment@ethics.state.tx.us>  
**Date:** 11/1/2017 10:54 AM  
**Subject:** Proposed Rule 12.37 Dismissal of Complaint OPPOSED

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MID # 35495

I'm a bit aghast that if a politician is caught cheating and that that information is disclosed, which is our First Amendment right, then the politician who cheated the system is allowed off the hook.

This is unconscionable. The threat of public shame is one of the strongest checks we have to ensure ethical behavior from our elected representatives.

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TJ Gilmore  
Councilman Place 3  
Lewisville, Texas  
[tgilmore@cityoflewisville.com](mailto:tgilmore@cityoflewisville.com)  
[469-322-9432](tel:469-322-9432)

DISCLAIMER: <http://www.cityoflewisville.com/index.aspx?page=905>

## Exhibit A

## Prelim Rev Hearing Resolution

**Text of Proposed Rule**

The proposed new language is indicated by underlined text.  
The deleted text is indicated by [~~striketrough~~] text.

**Chapter 12. SWORN COMPLAINTS**  
**Subchapter C. Investigation and Preliminary Review**

**12.85. Preliminary Review Hearing.**

(a) Commission staff [~~The executive director~~] and the respondent may present any relevant evidence at a preliminary review hearing, including examination and cross-examination of witnesses.

(b) Commission staff and the respondent may present an opening and closing statement at a preliminary review hearing.

**§ 12.87. Resolution of Preliminary Review Hearing.**

(a) At the conclusion of a preliminary review hearing in which the commission finds credible evidence of a violation:

(1) commission staff shall send to the respondent a proposed resolution within 10 days; and

(2) not later than 30 days after the respondent receives the proposed resolution, or by a later date determined by the commission, commission staff must receive from the respondent:

(A) the proposed resolution signed by the respondent;

(B) a written counter offer; or

(C) a written request that the matter be set for a formal hearing.

(b) If the respondent does not comply with subsection (a)(2) of this section, commission staff may request that the commission order a formal hearing.

## Exhibit A

### Prelim Rev Hearing Resolution

(c) Commission staff shall report to the commission any written counter offer, staff's recommendation to accept or reject a counter offer, if any, or any written request that a matter be set for a formal hearing received from the respondent under subsection (a)(2) of this section.

(d) After a written counter offer or a written request that a matter be set for a formal hearing is reported to the commission, the commission by record vote of at least six commissioners shall:

(1) accept the respondent's counter offer, if any; or

(2) determine the complaint cannot be resolved and settled and order a formal hearing.

(e) The executive director shall dismiss a complaint if the commission does not order a formal hearing [~~fails to issue a decision under section 571.126 of the Government Code~~] within 180 days after the conclusion of a preliminary review hearing.

(f) This section may not be construed as limiting the commission's authority to agree to the settlement of a complaint under section 571.121 of the Government Code, including sending a revised proposed resolution to a respondent.

**EXHIBIT B**

**GOVERNMENT CODE**

**TITLE 5. OPEN GOVERNMENT; ETHICS**

**SUBTITLE B. ETHICS**

**CHAPTER 571. TEXAS ETHICS COMMISSION**

**SUBCHAPTER E. COMPLAINT PROCEDURES AND HEARINGS**

**Sec. 571.126. PRELIMINARY REVIEW HEARING: RESOLUTION.**

(a) As soon as practicable after the completion of a preliminary review hearing, the commission by vote shall issue a decision stating:

(1) whether there is credible evidence for the commission to determine that a violation within the jurisdiction of the commission has occurred and whether the violation is technical or de minimis; or

(2) that there is insufficient evidence for the commission to determine whether a violation within the jurisdiction of the commission has occurred.

(b) If the commission determines that there is credible evidence for the commission to determine that a violation has occurred, the commission shall resolve and settle the complaint or motion to the extent possible. If the commission successfully resolves and settles the complaint or motion, not later than the fifth business day after the date of the final resolution of the complaint or motion, the commission shall send to the complainant, if any, and the respondent a copy of the decision stating the commission's determination and written notice of the resolution and the terms of the resolution. If the commission is unsuccessful in resolving and settling the complaint or motion, the commission shall:

(1) order a formal hearing to be held in accordance with Sections 571.129 through 571.132; and

(2) not later than the fifth business day after the date of the decision, send to the complainant, if any, and the respondent:

- (A) a copy of the decision;
- (B) written notice of the date, time, and place of the formal hearing;
- (C) a statement of the nature of the alleged violation;
- (D) a description of the evidence of the alleged violation;
- (E) a copy of the complaint or motion;
- (F) a copy of the commission's rules of procedure; and
- (G) a statement of the rights of the respondent.

(c) If the commission determines that there is credible evidence for the commission to determine that a violation within the jurisdiction of the commission has not occurred, the commission shall:

(1) dismiss the complaint or motion; and

(2) not later than the fifth business day after the date of the dismissal, send to the complainant, if any, and the respondent a copy of the decision stating the commission's determination and written notice of the dismissal and the grounds for dismissal.

(d) If the commission determines that there is insufficient credible evidence for the commission to determine that a violation within the jurisdiction of the commission has occurred, the commission may dismiss the complaint or motion or promptly conduct a formal hearing under Sections 571.129 through 571.132. Not later than the fifth business day after the date of the commission's determination under this subsection, the commission shall send to the complainant, if any, and the respondent a copy of the decision stating the commission's determination and written notice of the grounds for the determination.

## Staff Version 1: Three Notice and Exchange Rules

**Text of Proposed Rule**

The proposed new language is indicated by underlined text.

The deleted text is indicated by [~~striketrough~~] text.

**Chapter 12. SWORN COMPLAINTS**  
**Subchapter A. GENERAL PROVISIONS AND PROCEDURES**

**§ 12.21. Notice**

(a) A notice required to be sent to a complainant under chapter 571 of the Government Code shall be sent to the address most recently provided by the complainant.

(b) A notice required to be sent to a respondent under chapter 571 of the Government Code shall be sent to the address provided by the complainant or to the address most recently provided by the respondent.

~~[(c) Notice of a hearing must be given at least 10 business days before the date of the hearing, and must include:~~

~~(1) the date, time, place, and nature of the hearing;~~

~~(2) a statement of the legal authority and jurisdiction under which the hearing is to be held;~~

~~(3) a reference to the particular sections of the statutes and rules involved; and~~

~~(4) a short and plain statement of the matters asserted.]~~

(c) ~~[(d)]~~ A person entitled to receive notice may waive that right by filing a written waiver with the executive director.

(d) ~~[(e)]~~ A respondent or complainant in a complaint may waive the right under section 571.032 of the Government Code to receive written notices related to the complaint by registered or certified mail, restricted delivery, return receipt requested, and may agree to receive written notices related to the complaint by first class mail, electronic mail, or other means.



## EXHIBIT A

### Staff Version 1: Three Notice and Exchange Rules

#### **Subchapter D. PRELIMINARY REVIEW HEARING**

##### **§ 12.84. Notice of Preliminary Review Hearing**

(a) Commission staff shall provide notice of a preliminary review hearing to a respondent and complainant at least 45 days before the date of the hearing and must include:

- (1) the date, time, place, and nature of the hearing;
- (2) a statement of the legal authority and jurisdiction under which the hearing is to be held;
- (3) a reference to the particular sections of the statutes and rules involved; and
- (4) a short and plain statement of the factual matters asserted.

(b) Commission staff shall provide to a respondent at least 30 days before the date of the hearing:

- (1) a list of proposed witnesses to be called at the hearing and a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing; and
- (2) copies of all documents expected to be used or introduced as exhibits at the hearing.

(c) The respondent shall provide to commission staff the contents described by subsection (b) of this section. The contents must be received by commission staff at least 10 business days before the date of the hearing. If a respondent or commission staff fail to comply with this section, the commission may reschedule the hearing or proceed with the hearing and exclude at the hearing evidence, documents, and testimony provided by the respondent or commission staff, as applicable, but such failure may be excused upon a showing of good cause.

#### **Subchapter E. FORMAL HEARING**

##### **§12.103. Notice of Formal Hearing**

(a) Commission staff shall provide notice of a formal hearing to a respondent and complainant at least 60 days before the date of the hearing and must include, in addition to the contents required by section 571.126(b) of the Government Code:

## EXHIBIT A

### Staff Version 1: Three Notice and Exchange Rules

(1) the date, time, place, and nature of the hearing;

(2) a statement of the legal authority and jurisdiction under which the hearing is to be held;

(3) a reference to the particular sections of the statutes and rules involved; and

(4) a short and plain statement of the factual matters asserted.

(b) Commission staff shall provide to a respondent and complainant at least 30 days before the date of the hearing:

(1) a list of proposed witnesses to be called at the hearing and a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing; and

(2) copies of all documents expected to be used or introduced as exhibits at the hearing.

(c) The respondent shall provide to commission staff the contents described by subsection (b) of this section. The contents must be received by commission staff at least 10 business days before the date of the hearing. If a respondent or commission staff fail to comply with this section, the commission may reschedule the hearing or proceed with the hearing and exclude at the hearing evidence, documents, and testimony provided by the respondent or commission staff, as applicable, but such failure may be excused upon a showing of good cause.

## Staff Version 2: Single Notice and Exchange Rule

**Text of Proposed Rule**

The proposed new language is indicated by underlined text.

The deleted text is indicated by [~~strikethrough~~] text.

**Chapter 12. SWORN COMPLAINTS**  
**Subchapter A. GENERAL PROVISIONS AND PROCEDURES**

**§ 12.21. Notice**

(a) A notice required to be sent to a complainant under chapter 571 of the Government Code shall be sent to the address most recently provided by the complainant.

(b) A notice required to be sent to a respondent under chapter 571 of the Government Code shall be sent to the address provided by the complainant or to the address most recently provided by the respondent.

(c) Commission staff shall provide notice [~~Notice~~] of a preliminary review hearing to a respondent and complainant [~~must be given~~] at least 45 [~~10 business~~] days before the date of the hearing [~~hearing,~~] and must include:

- (1) the date, time, place, and nature of the hearing;
- (2) a statement of the legal authority and jurisdiction under which the hearing is to be held;
- (3) a reference to the particular sections of the statutes and rules involved; and
- (4) a short and plain statement of the factual matters asserted.

(d) Commission staff shall provide to a respondent at least 30 days before the date of a preliminary review hearing:

- (1) a list of proposed witnesses to be called at the hearing and a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing; and
- (2) copies of all documents expected to be used or introduced as exhibits at the hearing.

## EXHIBIT B

### Staff Version 2: Single Notice and Exchange Rule

(e) Commission staff shall provide notice of a formal hearing to a respondent and complainant at least 60 days before the date of the hearing and must include, in addition to the contents required by section 571.126(b) of the Government Code:

- (1) the date, time, place, and nature of the hearing;
- (2) a statement of the legal authority and jurisdiction under which the hearing is to be held;
- (3) a reference to the particular sections of the statutes and rules involved; and
- (4) a short and plain statement of the factual matters asserted.

(f) Commission staff shall provide to a respondent and complainant at least 30 days before the date of a formal hearing:

- (1) a list of proposed witnesses to be called at the hearing and a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing; and
- (2) copies of all documents expected to be used or introduced as exhibits at the hearing.

(g) The respondent shall provide to commission staff the contents described by subsections (d) or (f) of this section, as applicable. The contents must be received by commission staff at least 10 business days before the date of the hearing. If a respondent or commission staff fail to comply with this section, the commission may reschedule the hearing or proceed with the hearing and exclude at the hearing evidence, documents, and testimony provided by the respondent or commission staff, as applicable, but such failure may be excused upon a showing of good cause.

(h) [~~(d)~~] A person entitled to receive notice may waive that right by filing a written waiver with the executive director.

(i) [~~(e)~~] A respondent or complainant in a complaint may waive the right under section 571.032 of the Government Code to receive written notices related to the complaint by registered or certified mail, restricted delivery, return receipt requested, and may agree to receive written notices related to the complaint by first class mail, electronic mail, or other means.

## September Draft with Commission Changes: Notice and Exchange Rule

**Text of Proposed Rule**

The proposed new language is indicated by underlined text.

The deleted text is indicated by ~~strikethrough~~ text.

**Chapter 12. SWORN COMPLAINTS****Subchapter A. GENERAL PROVISIONS AND PROCEDURES****§ 12.21: Notice**

(a) A notice required to be sent to a complainant under chapter 571 of the Government Code shall be sent to the address most recently provided by the complainant.

(b) A notice required to be sent to a respondent under chapter 571 of the Government Code shall be sent to the address provided by the complainant or to the address most recently provided by the respondent.

(c) The commission shall provide notice ~~[Notice]~~ of a hearing to a respondent ~~[must be given]~~ at least 60 ~~[10-business]~~ days before the date of the hearing ~~[hearing,]~~ and must include:

- (1) the date, time, place, and nature of the hearing;
- (2) a statement of the legal authority and jurisdiction under which the hearing is to be held;
- (3) a reference to the particular sections of the statutes and rules involved; ~~[and]~~
- (4) a short and plain statement of the factual matters asserted with any additional attachments, factual matters, and legal theories asserted; ~~[-]~~
- (5) a list of proposed witnesses to be called at the hearing;
- (6) copies of all documents expected to be used or introduced as exhibits at the hearing; and
- (7) a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(d) The respondent shall provide to the commission the contents described by subsections (c)(5), (c)(6), and (c)(7) of this section. The contents must be received by the commission at least 30 days before the date of the hearing. If a respondent or commission staff fail to

## EXHIBIT C

### September Draft with Commission Changes: Notice and Exchange Rule

comply with this section, the commission may exclude at the hearing evidence, documents, and testimony provided by the respondent or commission staff, as applicable, but such failure may be excused upon a showing of good cause.

(e) [~~(d)~~] A person entitled to receive notice may waive that right by filing a written waiver with the executive director.

(f) [~~(e)~~] A respondent or complainant in a complaint may waive the right under section 571.032 of the Government Code to receive written notices related to the complaint by registered or certified mail, restricted delivery, return receipt requested, and may agree to receive written notices related to the complaint by first class mail.

## Production for Preliminary Review, Subpoenas

**Text of Proposed Rule**

The proposed new language is indicated by underlined text.

**Chapter 12. SWORN COMPLAINTS**  
**Subchapter A. GENERAL PROVISIONS AND PROCEDURES**

**§12.28. Production of Documents During Preliminary Review**

(a) Before applying for the commission to issue a subpoena under section 571.137(a-1) of the Government Code, commission staff must send to the person from whom records are sought a written request for the production or inspection of documents or other tangible things that:

(1) specifies the items to be produced or inspected, either by individual item or by category, and describes with reasonable particularity each item and category; and

(2) provides a reasonable amount of time, but not less than 30 days, to comply with the request.

(b) The person from whom records are sought must produce or allow the inspection of documents or other tangible things within the person's possession, custody or control within the time provided in the request, or submit in writing, as appropriate:

(1) objections or assertions of privilege of the type recognized by the Texas Rules of Civil Procedure; or

(2) that, after a diligent search, no items have been identified that are responsive to the request.

(c) Commission staff shall provide to the commission any response it receives to its request for production or inspection when applying for a subpoena under section 571.137(a-1) of the Government Code.

**EXHIBIT A**

**Text of Proposed Rule Amendment**

The proposed new language is indicated by underlined text.

The deleted language is indicated by [~~striketrough~~] text.

**Chapter 20. REPORTING POLITICAL CONTRIBUTIONS AND EXPENDITURES**

**Subchapter B. GENERAL REPORTING RULES**

**§20.61. Purpose of Expenditure.**

(a) For reporting required under Section 254.031 of the Election Code, the purpose of an expenditure means:

(1) A description of the category of goods, services, or other thing of value for which an expenditure is made. Examples of acceptable categories include:

(A) advertising expense;

(B) accounting/banking;

(C) consulting expense;

(D) contributions/donations made by candidate/officeholder/political committee;

(E) event expense;

(F) fees;

(G) food/beverage expense;

(H) gifts/awards/memorials expense;

(I) legal services;

(J) loan repayment/reimbursement;

(K) office overhead/rental expense;

(L) polling expense;



- (M) printing expense;
- (N) salaries/wages/contract labor;
- (O) solicitation/fundraising expense;
- (P) transportation equipment and related expense;
- (Q) travel in district;
- (R) travel out of district;
- (S) other political expenditures; and

(2) A brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure and an additional indication if the expenditure is an officeholder expenditure for living in Austin, Texas. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

(b) The description of a political expenditure for travel outside of the state of Texas must provide the following:

- (1) The name of the person or persons traveling on whose behalf the expenditure was made;
- (2) The means of transportation;
- (3) The name of the departure city or the name of each departure location;
- (4) The name of the destination city or the name of each destination location;
- (5) The dates on which the travel occurred; and
- (6) The campaign or officeholder purpose of the travel, including the name of a conference, seminar, or other event.

(X) The description of a political expenditure made as an in-kind contribution to a candidate, officeholder, or political committee must provide the following:

- (1) the name of the candidate, officeholder, or political committee accepting the in-kind contribution; and

(2) if accepted by a candidate or officeholder, the office sought or office held by the candidate or officeholder.

~~[(e) Except as provided by subsection (d) of this section, this rule applies to expenditures made on or after July 1, 2010.]~~

~~[(d) The requirement to include an additional indication if an expenditure is an officeholder expenditure for living in Austin, Texas, applies to an expenditure made on or after July 1, 2014.]~~

(e) Comments:

The purpose of an expenditure must include both a description of the category of goods or services received in exchange for the expenditure and a brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure. A description of an expenditure that merely states the item or service purchased is not adequate because doing so does not allow a person reading the report to know the allowable activity for which an expenditure was made.

The following is a list of examples that describe how the purpose of an expenditure may be reported under section 20.61. This list is for illustrative purposes only. It is intended to provide helpful information and to assist filers in reporting the purpose of an expenditure under this rule. However, it is not, and is not intended to be, an exhaustive or an exclusive list of how a filer may permissibly report the purpose of an expenditure under this rule. The rule does not require the candidate or officeholder to identify by name or affiliation an individual or group with whom the candidate or officeholder meets.

...

(22) Example: Candidate X is seeking the office of State Representative, District 2000. Political Committee Y, with the prior consent or approval of Candidate X, contracts with a newspaper to publish political advertising supporting Candidate X. The acceptable category for the expenditure made by Political Committee Y is “advertising expense” and an acceptable brief description is “in-kind contribution to support Candidate X for State Representative, District 2000.”

**CANDIDATE / OFFICEHOLDER  
CAMPAIGN FINANCE REPORT**

**FORM C/OH  
COVER SHEET PG 1**

<b>The C/OH Instruction Guide explains how to complete this form.</b>		<b>1</b> Filer ID (Ethics Commission Filers) 00049141	<b>2</b> Total pages filed:  4
<b>3</b> CANDIDATE / OFFICEHOLDER NAME	MS / MRS / MR                      FIRST    MI  lan	<b>OFFICE USE ONLY</b>	
	NICKNAME                              LAST    SUFFIX  Steusloff TEST ACCOUNT		
<b>4</b> CANDIDATE / OFFICEHOLDER MAILING ADDRESS  <input type="checkbox"/> Change of Address	ADDRESS / PO BOX; APT / SUITE #; CITY;    ZIP CODE 101 Imagination Lane	Date Hand-delivered or Date Postmarked	
	Austin, TX 78711	Receipt #	Amount
		Date Processed	
		Date Imaged	
<b>5</b> CAMPAIGN TREASURER NAME	MS / MRS / MR                      FIRST    MI  Pat		
	NICKNAME                              LAST    SUFFIX  Jones		
<b>6</b> CAMPAIGN TREASURER ADDRESS  (Residence or Business)	STREET ADDRESS (NO PO BOX PLEASE);                      APT / SUITE #;                      CITY;                      STATE;                      ZIP CODE 101 Imagination Lane		
	Austin, TX 78711		
<b>7</b> CAMPAIGN TREASURER PHONE	AREA CODE                      PHONE NUMBER                      EXTENSION (111) 111-1111		
<b>8</b> REPORT TYPE	<input checked="" type="checkbox"/> January 15 <input type="checkbox"/> 30th day before election <input type="checkbox"/> Runoff <input type="checkbox"/> 15th day after campaign treasurer appointment (officeholder only) <input type="checkbox"/> July 15 <input type="checkbox"/> 8th day before election <input type="checkbox"/> Exceeded \$500 limit <input type="checkbox"/> Final Report (Attach C/OH-FR)		
<b>9</b> PERIOD COVERED	Month    Day    Year    Month    Day    Year 07/01/2017    THROUGH    12/31/2017		
<b>10</b> ELECTION	ELECTION DATE Month    Day    Year 03/06/2018	ELECTION TYPE <input checked="" type="checkbox"/> Primary <input type="checkbox"/> Runoff <input type="checkbox"/> Other <input type="checkbox"/> General <input type="checkbox"/> Special	
	<b>11</b> OFFICE  OFFICE HELD (if any) None	<b>12</b> OFFICE SOUGHT (if known) State Representative District 808	

**GO TO PAGE 2**

**CANDIDATE / OFFICEHOLDER REPORT:  
SUPPORT & TOTALS**

**FORM C/OH  
COVER SHEET PG 2**

2 of 4

<b>13 C / OH NAME</b> Steusloff TEST ACCOUNT, Ian	<b>14 Filer ID</b> (Ethics Commission Filers) 00049141
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<b>15 NOTICE FROM POLITICAL COMMITTEE(S)</b>  <input type="checkbox"/> Additional Pages	This box is for notice of political contributions accepted or political expenditures made by political committees to support the candidate / officeholder. <i>These expenditures may have been made without the candidate's or officeholder's knowledge or consent.</i> Candidates and officeholders are required to report this information only if they receive notice of such expenditures.																	
<table border="1" style="width:100%"> <tr> <td style="width:25%"><b>COMMITTEE TYPE</b></td> <td colspan="2"><b>COMMITTEE NAME</b></td> </tr> <tr> <td><input type="checkbox"/> GENERAL</td> <td colspan="2" rowspan="2"></td> </tr> <tr> <td><input type="checkbox"/> SPECIFIC</td> </tr> <tr> <td colspan="3"><b>COMMITTEE ADDRESS</b></td> </tr> <tr> <td colspan="3"><b>COMMITTEE CAMPAIGN TREASURER NAME</b></td> </tr> <tr> <td colspan="3"><b>COMMITTEE CAMPAIGN TREASURER ADDRESS</b></td> </tr> </table>	<b>COMMITTEE TYPE</b>	<b>COMMITTEE NAME</b>		<input type="checkbox"/> GENERAL			<input type="checkbox"/> SPECIFIC	<b>COMMITTEE ADDRESS</b>			<b>COMMITTEE CAMPAIGN TREASURER NAME</b>			<b>COMMITTEE CAMPAIGN TREASURER ADDRESS</b>				
	<b>COMMITTEE TYPE</b>	<b>COMMITTEE NAME</b>																
	<input type="checkbox"/> GENERAL																	
	<input type="checkbox"/> SPECIFIC																	
<b>COMMITTEE ADDRESS</b>																		
<b>COMMITTEE CAMPAIGN TREASURER NAME</b>																		
<b>COMMITTEE CAMPAIGN TREASURER ADDRESS</b>																		

<b>16 CONTRIBUTION TOTALS</b>	1. TOTAL POLITICAL CONTRIBUTIONS OF \$50 OR LESS (OTHER THAN PLEDGES, LOANS, OR GUARANTEES OF LOANS), UNLESS ITEMIZED	\$	0.00
	2. TOTAL POLITICAL CONTRIBUTIONS (OTHER THAN PLEDGES, LOANS, OR GUARANTEES OF LOANS)	\$	0.00
<b>EXPENDITURE TOTALS</b>	3. TOTAL POLITICAL EXPENDITURES OF \$100 OR LESS, UNLESS ITEMIZED	\$	0.00
	4. TOTAL POLITICAL EXPENDITURES	\$	10,000.00
<b>CONTRIBUTION BALANCE</b>	5. TOTAL POLITICAL CONTRIBUTIONS MAINTAINED AS OF THE LAST DAY OF THE REPORTING PERIOD	\$	0.00
<b>OUTSTANDING LOAN TOTALS</b>	6. TOTAL PRINCIPAL AMOUNT OF ALL OUTSTANDING LOANS AS OF THE LAST DAY OF THE REPORTING PERIOD	\$	0.00

**17 AFFIDAVIT**

I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code.

\_\_\_\_\_

Signature of Candidate or Officeholder

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said \_\_\_\_\_, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, to certify which, witness my hand and seal of office.

\_\_\_\_\_  
Signature of officer administering      Printed name of officer administering      Title of officer administering oath

**SUBTOTALS - C/OH**

<b>18 FILER NAME</b> Steusloff TEST ACCOUNT, Ian		<b>19 Filer ID</b> (Ethics Commission Filers) 00049141
<b>20 SCHEDULE SUBTOTALS</b>		<b>SUBTOTAL AMOUNT</b>
NAME OF SCHEDULE		
1.	<input type="checkbox"/> SCHEDULE A1: MONETARY POLITICAL CONTRIBUTIONS	\$
2.	<input type="checkbox"/> SCHEDULE A2: NON-MONETARY (IN-KIND) POLITICAL CONTRIBUTIONS	\$
3.	<input type="checkbox"/> SCHEDULE B: PLEDGED CONTRIBUTIONS	\$
4.	<input type="checkbox"/> SCHEDULE E: LOANS	\$
5.	<input checked="" type="checkbox"/> SCHEDULE F1: POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS	\$ 10,000.00
6.	<input type="checkbox"/> SCHEDULE F2: UNPAID INCURRED OBLIGATIONS	\$
7.	<input type="checkbox"/> SCHEDULE F3: PURCHASE OF INVESTMENTS FROM POLITICAL CONTRIBUTIONS	\$
8.	<input type="checkbox"/> SCHEDULE F4: EXPENDITURES MADE BY CREDIT CARD	\$
9.	<input type="checkbox"/> SCHEDULE G: POLITICAL EXPENDITURES FROM PERSONAL FUNDS	\$
10.	<input type="checkbox"/> SCHEDULE H: PAYMENT FROM POLITICAL CONTRIBUTIONS TO A BUSINESS OF C/OH	\$
11.	<input type="checkbox"/> SCHEDULE I: NON-POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS	\$
12.	<input type="checkbox"/> SCHEDULE K: INTEREST, CREDITS, GAINS, REFUNDS, AND CONTRIBUTIONS RETURNED TO FILER	\$

# POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS

SCHEDULE F1

### EXPENDITURE CATEGORIES FOR BOX 8(a)

Advertising Expense  
Accounting/Banking  
Consulting Expense  
Contributions/ Donations Made By -  
Candidate/Officeholder/Political Committee  
Credit Card Payment

Event Expense  
Fees  
Food/Beverage Expense  
Gifts/Awards/Memorials Expense  
Legal Services

Loan Repayment/Reimbursement  
Office Overhead/Rental Expense  
Polling Expense  
Printing Expense  
Salaries/Wages/Contract Labor

Solicitation/Fundraising Expense  
Transportation Equipment & Related Expense  
Travel in District  
Travel Out of District  
OTHER (enter a category not listed above)

The Instruction Guide explains how to complete this form.

1 Total pages Schedule F1: Sch: 1/1 Rpt: 4/4	2 FILER NAME Steusloff TEST ACCOUNT, Ian	3 Filer ID (Ethics Commission Filers) 00049141
4 Date 11/06/2017	5 Payee name XYZ Printing & Mailing	
6 Amount (\$) \$10,000.00	7 Payee address; City; State; Zip Code 9000 Penny Lane  Texas City, TX 99999	
8 PURPOSE OF EXPENDITURE	(a) Category (See Categories listed at the top of this schedule) Advertising Expense	(b) Description <input type="checkbox"/> Check if travel outside of Texas. Complete Schedule T. <input type="checkbox"/> Check if Austin, TX, officeholder living expense In-kind political contribution to Jane Doe, candidate for State Representative District 512
9 Complete ONLY if direct expenditure to benefit C/OH	Candidate/Officeholder name	Office sought Office held

<b>GENERAL-PURPOSE COMMITTEE CAMPAIGN FINANCE REPORT</b>		<b>FORM GPAC COVER SHEET PG 1</b>	
The GPAC Instruction Guide explains how to complete this form.		1 Filer ID (Ethics Commission Filers) 00049107	2 Total pages filed: 4
3 COMMITTEE NAME Ian Steusloff TEST GPAC ACCOUNT		<b>OFFICE USE ONLY</b>	
4 COMMITTEE ADDRESS  <input type="checkbox"/> Change of Address		ADDRESS / PO BOX; APT / SUITE #; CITY; STATE; ZIP CODE 2206 Johnstone Blvd  Austin, TX 78710  Date Received  Date Hand-delivered or Date Postmarked  Receipt #                      Amount  Date Processed  Date Imaged	
5 CAMPAIGN TREASURER NAME	MS / MRS / MR                      FIRST Pat		MI
	NICKNAME                      LAST Jones		SUFFIX
6 CAMPAIGN TREASURER STREET ADDRESS  (Residence or Business)	STREET ADDRESS (NO PO BOX PLEASE);                      APT / SUITE #;                      CITY;                      STATE;                      ZIP CODE 795 Winding Way, Suite 101  Austin, TX 78722		
7 CAMPAIGN TREASURER MAILING ADDRESS  <input type="checkbox"/> Change of Address	STREET OR PO BOX;                      APT / SUITE #;                      CITY;                      STATE;                      ZIP CODE 795 Winding Way, Suite 101  Austin, TX 78722		
8 CAMPAIGN TREASURER PHONE	AREA CODE                      PHONE NUMBER                      EXTENSION (555) 555-5555		
9 REPORT TYPE	<input checked="" type="checkbox"/> January 15 <input type="checkbox"/> 30th day before election <input type="checkbox"/> Dissolution (Attach PAC-DR) <input type="checkbox"/> July 15 <input type="checkbox"/> 8th day before election <input type="checkbox"/> 10th day after campaign treasurer termination <input type="checkbox"/> Runoff		
10 PERIOD COVERED	Month                      Day                      Year                      Month                      Day                      Year 07/01/2017                      THROUGH                      12/31/2017		
11 ELECTION	ELECTION DATE Month                      Day                      Year 03/06/2018	ELECTION TYPE <input checked="" type="checkbox"/> Primary <input type="checkbox"/> Runoff <input type="checkbox"/> Other <input type="checkbox"/> General <input type="checkbox"/> Special	
<b>GO TO PAGE 2</b>			

**GENERAL-PURPOSE COMMITTEE REPORT:  
PURPOSE AND TOTALS**

**FORM GPAC  
COVER SHEET PG 2**

<b>12 COMMITTEE NAME</b> Ian Steusloff TEST GPAC ACCOUNT		<b>13 Filer ID</b> (Ethics Commission Filers) 00049107
<b>14 COMMITTEE ACTIVITY</b>  (Attach lists on plain paper to complete this report if necessary.)	<b>1. Candidates</b> (Identify by name or, if applicable, classify by party.)	A. Supported Jane Doe State Representative
		B. Opposed
	<b>2. Measures</b> (Describe by date and location of election and nature of issue.)	A. Supported
		B. Opposed
	<b>3. Officeholders Assisted</b> (Identify by name or, if applicable, classify by party.)	
<b>15 CONTRIBUTION TOTALS</b>	<b>1. TOTAL UNITEMIZED POLITICAL CONTRIBUTIONS (OTHER THAN PLEDGES, LOANS, OR GUARANTEES OF LOANS)</b> <input type="checkbox"/> check here if this report qualifies for the higher itemization threshold	\$ 0.00
	<b>2. TOTAL POLITICAL CONTRIBUTIONS</b> (OTHER THAN PLEDGES, LOANS, OR GUARANTEES OF LOANS)	\$ 0.00
EXPENDITURE TOTALS	<b>3. TOTAL POLITICAL EXPENDITURES OF \$100 OR LESS, UNLESS ITEMIZED</b>	\$ 0.00
	<b>4. TOTAL POLITICAL EXPENDITURES</b>	\$ 10,000.00
CONTRIBUTION BALANCE	<b>5. TOTAL POLITICAL CONTRIBUTIONS MAINTAINED AS OF THE LAST DAY OF THE REPORTING PERIOD</b>	\$ 0.00
OUTSTANDING LOAN TOTALS	<b>6. TOTAL PRINCIPAL AMOUNT OF ALL OUTSTANDING LOANS AS OF THE LAST DAY OF THE REPORTING PERIOD</b>	\$ 0.00

**16 AFFIDAVIT**

I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code.

\_\_\_\_\_

Signature of Campaign Treasurer

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said \_\_\_\_\_, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, to certify which, witness my hand and seal of office.

\_\_\_\_\_  
Signature of officer administering oath      Printed name of officer administering oath      Title of officer administering oath



**SUBTOTALS - GPAC**

<b>17 COMMITTEE NAME</b> Ian Steusloff TEST GPAC ACCOUNT		<b>18 Filer ID</b> 00049107	(Ethics Commission Filers)
<b>19 SCHEDULE SUBTOTALS</b>			<b>SUBTOTAL AMOUNT</b>
NAME OF SCHEDULE			
1.	<input type="checkbox"/> SCHEDULE A1: MONETARY POLITICAL CONTRIBUTIONS		\$
2.	<input type="checkbox"/> SCHEDULE A2: NON-MONETARY (IN-KIND) POLITICAL CONTRIBUTIONS		\$
3.	<input type="checkbox"/> SCHEDULE B: PLEDGED CONTRIBUTIONS		\$
4.	<input type="checkbox"/> SCHEDULE C1: MONETARY CONTRIBUTIONS FROM CORPORATION OR LABOR ORGANIZATION		\$
5.	<input type="checkbox"/> SCHEDULE C2: NON-MONETARY (IN-KIND) CONTRIBUTIONS FROM CORPORATION OR LABOR ORGANIZATION		\$
6.	<input type="checkbox"/> SCHEDULE C3: MONETARY SUPPORT FROM CORPORATION OR LABOR ORGANIZATION		\$
7.	<input type="checkbox"/> SCHEDULE C4: NON-MONETARY SUPPORT FROM CORPORATION OR LABOR ORGANIZATION		\$
8.	<input type="checkbox"/> SCHEDULE D: PLEDGED CONTRIBUTIONS FROM CORPORATION OR LABOR ORGANIZATION		\$
9.	<input type="checkbox"/> SCHEDULE E: LOANS		\$
10.	<input checked="" type="checkbox"/> SCHEDULE F1: POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS		\$ 10,000.00
11.	<input type="checkbox"/> SCHEDULE F2: UNPAID INCURRED OBLIGATIONS		\$
12.	<input type="checkbox"/> SCHEDULE F3: PURCHASE OF INVESTMENTS FROM POLITICAL CONTRIBUTIONS		\$
13.	<input type="checkbox"/> SCHEDULE F4: EXPENDITURES MADE BY CREDIT CARD		\$
14.	<input type="checkbox"/> SCHEDULE I: NON-POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS		\$
15.	<input type="checkbox"/> SCHEDULE K: INTEREST, CREDITS, GAINS, REFUNDS, AND CONTRIBUTIONS RETURNED TO FILER		\$

# POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS

**SCHEDULE F1**

**EXPENDITURE CATEGORIES FOR BOX 8(a)**

Advertising Expense  
Accounting/Banking  
Consulting Expense  
Contributions/ Donations Made By -  
Candidate/Officeholder/Political Committee  
Credit Card Payment

Event Expense  
Fees  
Food/Beverage Expense  
Gift/Awards/Memorials Expense  
Legal Services

Loan Repayment/Reimbursement  
Office Overhead/Rental Expense  
Polling Expense  
Printing Expense  
Salaries/Wages/Contract Labor

Solicitation/Fundraising Expense  
Transportation Equipment & Related Expense  
Travel in District  
Travel Out of District  
OTHER (enter a category not listed above)

The Instruction Guide explains how to complete this form.

<b>1</b> Total pages Schedule F1: Sch: 1/1 Rpt: 4/4	<b>2</b> FILER NAME Ian Steusloff TEST GPAC ACCOUNT	<b>3</b> Filer ID (Ethics Commission Filers) 00049107	
<b>4</b> Date 11/06/2017	<b>5</b> Payee name XYZ Printing & Mailing		
<b>6</b> Amount (\$) \$10,000.00  <input type="checkbox"/> Expenditure from corporate funds	<b>7</b> Payee address; City; State; Zip Code 9000 Penny Lane  Texas City, TX 99999		
<b>8</b> PURPOSE OF EXPENDITURE	<b>(a)</b> Category (See Categories listed at the top of this schedule) Advertising Expense	<b>(b)</b> Description <input type="checkbox"/> Check if travel outside of Texas. Complete Schedule T. <input type="checkbox"/> Check if Austin, TX, officeholder living expense In-kind political contribution to Jane Doe, candidate for State Representative District 512	
<b>9</b> Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate/Officeholder name	Office sought	Office held

<b>GENERAL-PURPOSE COMMITTEE CAMPAIGN FINANCE REPORT</b>		<b>FORM GPAC COVER SHEET PG 1</b>							
The GPAC Instruction Guide explains how to complete this form.		<b>1</b> Filer ID (Ethics Commission Filers) 00049107	<b>2</b> Total pages filed: 5						
<b>3</b> COMMITTEE NAME Ian Steusloff TEST GPAC ACCOUNT		<b>OFFICE USE ONLY</b>							
<b>4</b> COMMITTEE ADDRESS  <input type="checkbox"/> Change of Address	ADDRESS / PO BOX; APT / SUITE #; CITY; STATE; ZIP CODE 2206 Johnstone Blvd  Austin, TX 78710		Date Received  Date Hand-delivered or Date Postmarked  <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Receipt #</td> <td style="width: 50%; padding: 2px;">Amount</td> </tr> <tr> <td colspan="2" style="padding: 2px;">Date Processed</td> </tr> <tr> <td colspan="2" style="padding: 2px;">Date Imaged</td> </tr> </table>	Receipt #	Amount	Date Processed		Date Imaged	
Receipt #	Amount								
Date Processed									
Date Imaged									
<b>5</b> CAMPAIGN TREASURER NAME	MS / MRS / MR FIRST MI Pat  NICKNAME LAST SUFFIX Jones								
<b>6</b> CAMPAIGN TREASURER STREET ADDRESS  (Residence or Business)	STREET ADDRESS (NO PO BOX PLEASE); APT / SUITE #; CITY; STATE; ZIP CODE 795 Winding Way, Suite 101  Austin, TX 78722								
<b>7</b> CAMPAIGN TREASURER MAILING ADDRESS  <input type="checkbox"/> Change of Address	STREET OR PO BOX; APT / SUITE #; CITY; STATE; ZIP CODE 795 Winding Way, Suite 101  Austin, TX 78722								
<b>8</b> CAMPAIGN TREASURER PHONE	AREA CODE PHONE NUMBER EXTENSION (555) 555-5555								
<b>9</b> REPORT TYPE	<input checked="" type="checkbox"/> January 15 <input type="checkbox"/> 30th day before election <input type="checkbox"/> Dissolution (Attach PAC-DR) <input type="checkbox"/> July 15 <input type="checkbox"/> 8th day before election <input type="checkbox"/> 10th day after campaign treasurer termination <input type="checkbox"/> Runoff								
<b>10</b> PERIOD COVERED	Month Day Year    Month Day Year 07/01/2017    THROUGH    12/31/2017								
<b>11</b> ELECTION	ELECTION DATE Month Day Year 03/06/2018	ELECTION TYPE <input checked="" type="checkbox"/> Primary <input type="checkbox"/> Runoff <input type="checkbox"/> Other <input type="checkbox"/> General <input type="checkbox"/> Special							
<b>GO TO PAGE 2</b>									

# GENERAL-PURPOSE COMMITTEE REPORT: PURPOSE AND TOTALS

FORM GPAC  
COVER SHEET PG 2

<b>12 COMMITTEE NAME</b> Ian Steusloff TEST GPAC ACCOUNT		<b>13 Filer ID</b> (Ethics Commission Filers) 00049107	
<b>14 COMMITTEE ACTIVITY</b>  <small>(Attach lists on plain paper to complete this report if necessary.)</small>	<b>1. Candidates</b> <small>(Identify by name or, if applicable, classify by party.)</small>	A. Supported    Jane Doe    State Representative  B. Opposed	
	<b>2. Measures</b> <small>(Describe by date and location of election and nature of issue.)</small>	A. Supported  B. Opposed	
	<b>3. Officeholders Assisted</b> <small>(Identify by name or, if applicable, classify by party.)</small>		
	<b>15 CONTRIBUTION TOTALS</b>	<b>1. TOTAL UNITEMIZED POLITICAL CONTRIBUTIONS (OTHER THAN PLEDGES, LOANS, OR GUARANTEES OF LOANS)</b> <input type="checkbox"/> check here if this report qualifies for the higher itemization threshold	\$ 0.00
		<b>2. TOTAL POLITICAL CONTRIBUTIONS</b> <small>(OTHER THAN PLEDGES, LOANS, OR GUARANTEES OF LOANS)</small>	\$ 0.00
	EXPENDITURE TOTALS	<b>3. TOTAL POLITICAL EXPENDITURES OF \$100 OR LESS, UNLESS ITEMIZED</b>	\$ 0.00
	<b>4. TOTAL POLITICAL EXPENDITURES</b>	\$ 10,000.00	
CONTRIBUTION BALANCE	<b>5. TOTAL POLITICAL CONTRIBUTIONS MAINTAINED AS OF THE LAST DAY OF THE REPORTING PERIOD</b>	\$ 0.00	
OUTSTANDING LOAN TOTALS	<b>6. TOTAL PRINCIPAL AMOUNT OF ALL OUTSTANDING LOANS AS OF THE LAST DAY OF THE REPORTING PERIOD</b>	\$ 0.00	

**16 AFFIDAVIT**

I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code.

\_\_\_\_\_

Signature of Campaign Treasurer

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said \_\_\_\_\_, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, to certify which, witness my hand and seal of office.

\_\_\_\_\_  
Signature of officer administering oath      Printed name of officer administering oath      Title of officer administering oath

**GENERAL-PURPOSE COMMITTEE REPORT:  
PURPOSE**

**FORM GPAC  
ADDENDUM**

Page 3 of 5

<b>12 COMMITTEE NAME</b> Ian Steusloff TEST GPAC ACCOUNT	<b>13 Filer ID</b> (Ethics Commission Filers) 00049107
---	---

<b>14 COMMITTEE ACTIVITY</b>  (Attach lists on plain paper to complete this report if necessary.)	<b>1. Candidates</b> (Identify by name or, if applicable, classify by party.)	A. Supported Tom Jones State Senator
		B. Opposed
	<b>2. Measures</b> (Describe by date and location of election and nature of issue.)	A. Supported
		B. Opposed
	<b>3. Officeholders Assisted</b> (Identify by name or, if applicable, classify by party.)	

**SUBTOTALS - GPAC**

<b>17 COMMITTEE NAME</b> Ian Steusloff TEST GPAC ACCOUNT		<b>18 Filer ID</b> 00049107	(Ethics Commission Filers)
<b>19 SCHEDULE SUBTOTALS</b>			<b>SUBTOTAL AMOUNT</b>
NAME OF SCHEDULE			
1.	<input type="checkbox"/> SCHEDULE A1: MONETARY POLITICAL CONTRIBUTIONS		\$
2.	<input type="checkbox"/> SCHEDULE A2: NON-MONETARY (IN-KIND) POLITICAL CONTRIBUTIONS		\$
3.	<input type="checkbox"/> SCHEDULE B: PLEDGED CONTRIBUTIONS		\$
4.	<input type="checkbox"/> SCHEDULE C1: MONETARY CONTRIBUTIONS FROM CORPORATION OR LABOR ORGANIZATION		\$
5.	<input type="checkbox"/> SCHEDULE C2: NON-MONETARY (IN-KIND) CONTRIBUTIONS FROM CORPORATION OR LABOR ORGANIZATION		\$
6.	<input type="checkbox"/> SCHEDULE C3: MONETARY SUPPORT FROM CORPORATION OR LABOR ORGANIZATION		\$
7.	<input type="checkbox"/> SCHEDULE C4: NON-MONETARY SUPPORT FROM CORPORATION OR LABOR ORGANIZATION		\$
8.	<input type="checkbox"/> SCHEDULE D: PLEDGED CONTRIBUTIONS FROM CORPORATION OR LABOR ORGANIZATION		\$
9.	<input type="checkbox"/> SCHEDULE E: LOANS		\$
10.	<input checked="" type="checkbox"/> SCHEDULE F1: POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS		\$ 10,000.00
11.	<input type="checkbox"/> SCHEDULE F2: UNPAID INCURRED OBLIGATIONS		\$
12.	<input type="checkbox"/> SCHEDULE F3: PURCHASE OF INVESTMENTS FROM POLITICAL CONTRIBUTIONS		\$
13.	<input type="checkbox"/> SCHEDULE F4: EXPENDITURES MADE BY CREDIT CARD		\$
14.	<input type="checkbox"/> SCHEDULE I: NON-POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS		\$
15.	<input type="checkbox"/> SCHEDULE K: INTEREST, CREDITS, GAINS, REFUNDS, AND CONTRIBUTIONS RETURNED TO FILER		\$

# POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS

SCHEDULE F1

### EXPENDITURE CATEGORIES FOR BOX 8(a)

- |  |                               |                                |  |
|--|-------------------------------|--------------------------------|--|
| Advertising Expense                        | Event Expense                 | Loan Repayment/Reimbursement   | Solicitation/Fundraising Expense           |
| Accounting/Banking                         | Fees                          | Office Overhead/Rental Expense | Transportation Equipment & Related Expense |
| Consulting Expense                         | Food/Beverage Expense         | Polling Expense                | Travel in District                         |
| Contributions/ Donations Made By -         | Gift/Awards/Memorials Expense | Printing Expense               | Travel Out of District                     |
| Candidate/Officeholder/Political Committee | Legal Services                | Salaries/Wages/Contract Labor  | OTHER (enter a category not listed above)  |
| Credit Card Payment                        |                               |                                |  |

The Instruction Guide explains how to complete this form.

<b>1</b> Total pages Schedule F1: Sch: 1/1 Rpt: 5/5	<b>2</b> FILER NAME Ian Steusloff TEST GPAC ACCOUNT	<b>3</b> Filer ID (Ethics Commission Filers) 00049107
<b>4</b> Date 11/06/2017	<b>5</b> Payee name XYZ Printing & Mailing	
<b>6</b> Amount (\$) \$10,000.00	<b>7</b> Payee address; City; State; Zip Code 9000 Penny Lane  Texas City, TX 99999	
<input type="checkbox"/> Expenditure from corporate funds		
<b>8</b> PURPOSE OF EXPENDITURE	<b>(a)</b> Category (See Categories listed at the top of this schedule) Advertising Expense	<b>(b)</b> Description <input type="checkbox"/> Check if travel outside of Texas. Complete Schedule T. <input type="checkbox"/> Check if Austin, TX, officeholder living expense In-kind political contribution to candidates listed on Cover Sheet, section 14
<b>9</b> Complete <u>ONLY</u> if direct expenditure to benefit C/OH	Candidate/Officeholder name	Office sought                      Office held

**EXHIBIT A**

**Text of Proposed Rules**

The proposed new language is indicated by underlined text.

**Chapter 16. FACIAL COMPLIANCE REVIEWS AND AUDITS**

**§ 16.1. Definitions**

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Deficiency—An error, omission, inaccuracy, or violation of a law or rule administered and enforced by the commission that is apparent of the face of a report or statement filed with the commission.

(2) Compliance review report—A report sent to a filer detailing deficiencies in a report that is the subject of a facial compliance review.

(3) Facial compliance review—A review conducted under section 571.069 of the Government Code of the information disclosed on a report or statement filed with the commission for facial completeness, accuracy, reliability, and compliance with the law.

**§ 16.2. Corrected or Amended Report Filed During a Facial Compliance Review; Late Fines**

(a) A statement or report that corrects or amends a statement or report that is subject to a facial compliance review shall be filed not later than the seventh business day after the date the person filing the statement or report receives a compliance review report. A statement or report that is timely corrected or amended is considered filed as of the date the statement or report was originally filed.

(b) A statement or report that corrects or amends a statement or report that is the subject of a facial compliance review is not subject to a late fine if:

(1) The report is filed not later than 14 business days after the date the filer receives the compliance review report; and

(2) The report complies with the law.

(c) A report that corrects the total amount of political contributions maintained disclosed in the report that was filed immediately prior to the report that is subject to the facial compliance review is not subject to a late fine if:



(1) The report is filed not later than 14 business days after the date the filer receives the compliance review report; and

(2) The report complies with the law.

(d) A statement or report filed to correct or amend a statement or report in accordance with this section will not be considered a prior late offense for purposes of determining the waiver or reduction of a fine under chapter 18 of this title.

**§ 16.3. Additional Documents and Information Submitted in Response to a Facial Compliance Review; Timeliness**

(a) The commission may request from a filer documentation and other information used by the filer to compile a report or statement that is subject to a facial compliance review.

(b) Documentation and other information requested by the commission is timely submitted if received by the commission not later than the seventh business day after the date the filer receives the request for additional documentation.

(c) Documentation or other information submitted by a filer to refute a deficiency cited in a compliance review report is timely submitted if received by the commission not later than the later of:

(1) the 14th day after the date the filer receives the compliance review report; or

(2) the 31st day after the date the statement or report subject to a facial compliance review was originally due.

**§ 16.4. Commission Initiated Preliminary Review or Audit Resulting from a Facial Compliance Review**

(a) By a vote of at least six commission members, the commission may initiate a preliminary review as authorized by section 571.124 of the Government Code or perform a complete audit of a statement or report that is subject to a facial compliance review under section 571.069 of the Government Code if:

(1) a corrected or amended report or statement is not resubmitted to the commission in accordance with section 16.2;

(2) documentation or other information requested by the commission during a facial compliance review is not submitted to the commission in accordance with section 16.3; or

(3) the commission has determined by a vote of at least six commission members that the corrected statement or report filed in response to a compliance review report,

when considered with any additional documentation or information, does not comply with the law.

**§ 16.5. Notice of Audit of Report or Statement**

The commission shall notify a filer that the commission will perform a complete audit of a report or statement that is the subject of a facial compliance review not later than the fifth business day after the date the commission votes to initiate the audit.

**§16.6. Supporting Documentation in Response to Audit; Timeliness**

(a) A filer must submit to the commission supporting documentation containing information necessary for filing the statement or report that is subject to the audit, such as:

- (1) Bank statements;
- (2) Cancelled checks;
- (3) Receipts;
- (4) Credit card statements;
- (5) Invoices;
- (6) Loan documents;
- (7) Books or ledgers
- (8) Employee timesheets and payroll records
- (9) Certificates of formation or other business documents; and
- (10) Real property records.

(b) A filer must submit to the commission the supporting documentation in response to an audit not later than the 25th business day from the date the filer receives notice of the audit.

**§ 16.7. Complete Audit Report**

(a) Upon completion of an audit, the commission shall send to the filer a complete audit report that includes:

- (1) a notification that the commission has determined the report or statement that was subject to the audit complies with the law; or

(2) required corrective actions that the filer must take to cure any deficiency found in the report or statement that is subject to the audit.

(b) A filer must correct or amend a report or statement to correct all deficiencies identified in a complete audit report not later than the 30th business day from the date the filer receives the complete audit report.

(c) A filer may submit to the commission exceptions to any deficiency not corrected under subsection (b) or other information contained in the complete audit report not later than the 30th business day from the date the filer received the complete audit report.

#### **§ 16.8. Representation by Attorney**

(a) A filer has the right to be represented by an attorney retained by the filer during a facial compliance review or an audit initiated by the commission as a result of a facial compliance review.

(b) A letter of representation must be submitted to the commission if the filer is represented by an attorney.

#### **§ 16.9. Authority of the Commission**

This chapter may not be construed as limiting or affecting the commission's authority to, on the filing of a motion or receipt of a sworn complaint, review or investigate the sufficiency of a statement or report.

#### **§ 16.10. Extension of Deadlines**

The executive director may extend all deadlines related to this chapter except as provided by section 571.069(a) of the Government Code (relating to when a corrected or amended report is considered filed as of the date the report or statement was originally filed).

#### **§ 16.11. Waiver of Delivery by Certified Mail**

A filer may waive the right under section 571.032 of the Government Code to receive written notices related to a facial compliance review or audit by registered or certified mail, restricted delivery, return receipt requested, and may agree to receive written notices by first class mail, electronic mail, or other means.

**EXHIBIT B**

**Section 571.069 of the Government Code. Review of Statements and Reports; Audits**

(a) The commission shall review for facial compliance randomly selected statements and reports filed with the commission and may review any available documents. The commission shall return for resubmission with corrections or additional documentation a statement or report that does not, in the opinion of the commission, comply with the law requiring the statement or report. A statement or report returned for resubmission is considered to have been filed on the date the statement or report was originally filed if:

(1) the statement or report is resubmitted to the commission not later than the seventh business day after the date the person filing the statement or report receives the returned statement or report; and

(2) the resubmitted statement or report complies with law.

(b) The commission may by a vote of at least six commission members initiate a preliminary review as provided by Section 571.124 or perform a complete audit of a statement or report:

(1) if, before the 31st day after the date the statement or report was originally due, the executive director does not obtain from the person information that permits the executive director to determine that the statement or report complies with law;

(2) if a statement or report returned for resubmission is not resubmitted within the time prescribed by Subsection (a); or

(3) on an affirmative vote of at least six commission members that a statement or report resubmitted under Subsection (a), together with any corrections or additional documentation, does not, in the opinion of the commission, comply with the law requiring the statement or report.

(c) Any audited statement, report, document, or other material is confidential and may not be disclosed unless the statement, report, document, or other material:

(1) was previously public information; or

(2) is entered into the record of a formal hearing or a judicial proceeding.

(d) The party who is the subject of the audit may waive confidentiality by sending written notice to the commission.

(e) The commission may not audit a statement or report filed before January 1, 1992, under a law administered and enforced before that date by the secretary of state.

(f) This section may not be construed as limiting or affecting the commission's authority to, on the filing of a motion or receipt of a sworn complaint, review or investigate the sufficiency of a statement or report.

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# Texas Ethics Commission



## Compliance Reviews Manual

Revised February 2, 2017

**DRAFT**

**Table of Contents**

**Mission** .....1  
**Policy** .....1  
**Purpose** .....1  
**Definitions** .....2  
**Types of Compliance Reviews** .....2  
**Compliance Review Procedures** .....3  
**Deficiencies** .....6  
**Reporting of Results** .....7  
**Enforcement** .....8  
**Tracking/Peer Review** .....8  
**Retention of Compliance Reviews** .....8  
**Exhibit A** .....9  
**Exhibit B** .....11  
**Exhibit C** .....12

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**Texas Ethics Commission  
Compliance Reviews Manual**

**Mission**

The mission of the Texas Ethics Commission (Commission) is to promote public confidence in government. The Commission will conduct business in an efficient, accurate, and courteous manner according to the highest ethical standards. The Commission will be accountable, responsible and open in its endeavors and dedicated to the people it serves.

**Policy**

Section 571.069 of the Government Code requires the Commission to review for facial compliance randomly selected statements and reports filed with the Commission. In addition to these facial compliance reviews, this section authorizes the Commission to initiate a complete audit of a statement or report by a vote of at least six members of the Commission. (See Exhibit A.)

**Purpose**

The purpose of this manual is to guide the Commission in conducting the required compliance reviews in accordance with section 571.069 of the Government Code to ensure compliance with the disclosure requirements set out in the following applicable laws administered and enforced by the Commission:

- 1) Title 15, Election Code, concerning political contributions and expenditures, and political advertising;
- 2) Chapter 302, Government Code, concerning the election of the Speaker of the Texas House of Representatives;
- 3) Chapter 303, Government Code, concerning the governor for a day and speaker's reunion day ceremonies;
- 4) Chapter 305, Government Code, concerning lobbyist registration, reports, and activities;
- 5) Chapter 572, Government Code, concerning personal financial disclosure of state officers and conduct of state officers and employees;
- 6) Chapter 2004, Government Code, concerning representation before state agencies; and
- 7) Chapter 159, Local Government Code, concerning judges of statutory county courts or statutory probate courts who elect to file a financial statement with the Commission.

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### **Definitions**

- A. Compliance Review – A facial compliance review or a complete audit review.
- B. Facial Compliance Review – A review of the information disclosed on randomly selected reports or statements filed with the Commission for facial completeness, accuracy, and reliability and compliance with applicable laws.
- C. Complete Audit Review – An in-depth review as authorized by the Commission of information disclosed on randomly selected reports or statements filed with the Commission by comparing the information with supporting documentation obtained from the filer, contacting third parties, or other investigation.
- D. Commission – Texas Ethics Commission.
- E. Commissioners – The eight (8) members of the Commission.
- F. Filer ID – A unique number assigned to a filer for administrative purposes.
- G. Filers – Persons required by law to file reports and/or statements with the Commission, such as candidates, officeholders, political committees, persons who make direct campaign expenditures, lobbyists, state officers, and state agencies.
- H. Auditor – Commission staff conducting the compliance reviews.
- I. CSD – The Computer Services Division of the Commission.
- J. Database – A large amount of information gathered and organized together in one location. The Commission's database includes information from reports and statements filed with the Commission.
- K. Tool – An instrument used to test data for completeness and accuracy and used as working papers.
- L. Query – Parameters chosen from the database to generate reports for facial compliance reviews.
- M. Population – Disclosure reports and statements required to be filed with the Commission.
- N. Deficiency – An apparent inaccuracy, error, or omission in the report.



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### **Types of Compliance Reviews**

The compliance reviews may consist of facial compliance reviews or complete audit reviews.

- A. Facial Compliance Review – A review on its face for completeness, accuracy, and reliability of the information disclosed on randomly selected reports or statements filed with the Commission (potential deficiencies).
- B. Complete Audit Review – An in-depth review as authorized by the Commissioners of information disclosed on randomly selected reports or statements filed with the Commission by comparing the information with supporting documentation obtained from the filer, contacting third parties, or other investigation.
  - Pursuant to section 571.069(b) of the Government Code, the Commission may by a vote of at least six Commission members direct the auditor to perform a full and complete audit of a statement or report if:
    - Before the 31st day after the date the statement or report was originally due, the executive director does not obtain information from the person responsible for filing the statement or report that permits the executive director to determine that the statement or report complies with law;
    - The statement or report was the subject of a facial compliance review that found errors or omissions and the corrected statement or report filed in response to the findings notice was not resubmitted within seven business days of receiving the notice; or
    - The statement or report was the subject of a facial compliance review that found errors or omissions and, on an affirmative vote of at least six Commission members, the Commission determined that the resubmitted corrected statement or report, together with any additional documentation, does not, in the opinion of the Commission, comply with the law requiring the statement or report.

### **Compliance Review Procedures** (See Exhibit B - Procedures Flowchart)

- A. Planning – The auditor, in consultation with management, will determine the selection of required facial compliance reviews.
- B. Population – All reports filed with the Commission that will be included in the random selection process. The population will be all reports of a given type (e.g. C/OH, PFS) filed for a given reporting deadline.
  - 1) The auditor will request from CSD a list of Filer IDs that filed a report with the Commission via electronic or paper format by reporting period and type of report.

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- 2) Once the Filer ID spreadsheet is provided by CSD (see sample below), the auditor conducts the following steps to randomly select the Filer IDs for review:

	A
1	00012345
2	00067890
3	00123435
4	00178980
5	00234525
6	00290070
7	00345615
8	00401160
9	00456705
10	00512250
11	00567795
12	00623340
13	00678885
14	00734430
15	00789975
16	00845520
17	00901065
18	00956610
19	01012155
20	01067700
21	01123245
22	01178790
23	01234335
24	01289880
25	01345425
26	01400970
27	01456515
28	01512060
29	01567605
30	01623150
31	01678695
32	01734240

	A
292	16175940
293	16231485
294	16287030
295	16342575
296	16398120
297	16453665
298	16509210
299	16564755
300	16620300
301	16675845
302	16731390
303	16786935
304	16842480
305	16898025
306	16953570
307	17009115
308	17064660
309	17120205
310	17175750
311	17231295
312	17286840
313	17342385
314	17397930
315	17453475
316	17509020
317	17564565
318	17620110
319	17675655
320	17731200
321	17786745
322	17842290
323	17897835

- a) The URL displayed below is used to conduct the random number generator:  
[http://www.mathgoodies.com/calculators/random\\_no\\_custom.html](http://www.mathgoodies.com/calculators/random_no_custom.html).
- b) Based on the number of rows included on the filer id spreadsheet, enter 1 as the “lower limit” and enter the 323 as “upper limit”, then click on ENTER, and the random number will be displayed.
- c) Once the random number is displayed, find that row in the Filer ID spreadsheet, and select the **Filer ID** located on Column A of that row for review.
- d) The auditor will keep records by taking screen captures of the selection process to verify the selection was done randomly.

## **DRAFT**

### **Custom Random Number Generator**

This program will generate a random number between two numbers of your choice. Just enter a lower limit and an upper limit and click ENTER.

Enter a lower limit:	<input type="text" value="1"/>
Enter an upper limit:	<input type="text" value="323"/>
<input type="button" value="ENTER"/>	<input type="button" value="CLEAR"/>
Random Number:	<input type="text"/>

[Other Calculators](#)

- C. Facial Compliance Review Selection – Once the random selection is completed, the auditor will print and/or save filer reports by filer name in O:\Compliance Reviews\Facials Reviews.
- D. Assessment – The auditor will assess the randomly selected reports or statements and determine if the report is required to be reviewed.
- 1) A compliance review is not required, if any of the following factors are met:
    - a) A facial compliance review of the report was already conducted;
    - b) The report is part of an active sworn complaint at the time of the review;
    - c) The report was not required under the applicable law; or
    - d) The report is the same type of report filed by a Filer ID that has been the subject of a FCR within a one-year period.
  - 2) Document the file.
    - a) If a facial compliance review is not required, the auditor will document the results of the assessment as “No review required” and document the results as listed on subsection A. The auditor will then select the next assigned report on the random selection listing for an assessment.
    - b) If an assignment does not meet the factors listed in subsection A, a review is required and the auditor will document the results of the assessment. The report is now ready for review.
- E. Compliance Review – The auditor will begin by conducting a facial review of the randomly selected report or statement to ensure the disclosure requirements are met.
1. Facial Compliance Review:
    - a) The auditor will complete the designated testing tool to review the reports for completeness, accuracy and reliability of the disclosed information.

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- b) The auditor will identify and make note of any non-compliance issues found during review as deficiencies found in the report using the testing tool. See examples of possible deficiencies listed in the "Deficiencies" section of this manual.

### 2. Complete Audit Review (if necessary):

- a) The Commission may by a vote of at least six (6) Commission members direct the auditor to perform a complete audit of a statement or report.
- b) The auditor will prepare a notification letter to notify the filer in writing of the recommended audit review along with the confidentiality provisions.
- c) The auditor will include a "Limited Confidentiality Waiver" form to be completed and returned to the Commission, if the filer chooses to do so.
- d) A representation letter is required if the filer will be represented by an attorney.
- e) The auditor must request supporting disclosure documentation used to compile the report such as, but not limited to:
  - i. Bank statements;
  - ii. Cancelled checks;
  - iii. Receipts;
  - iv. Credit card statements;
  - v. Invoices;
  - vi. Log of contributions and expenditures.

### F. Results

- A. Results and conclusions are determined based on the reviews.
- B. Results and conclusions are subject to peer review and/or managerial review and approval.
- C. The auditor must identify any deficiencies noted during the reviews.
- D. The auditor will document the results of the review for the file.

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### Deficiencies

- A. No Deficiencies – If no deficiencies are identified during the facial compliance review, no action is required and the review is considered **CLOSED**.
- B. Deficiencies – If non-compliance issues are identified during the review, a deficiency letter will be prepared and sent to the filer. Possible deficiencies considered to be apparent non-compliance with the applicable disclosure laws will include issues such as: (*subject to change*)
- 1) Any errors found in the calculation, reconciliation, or missing data;
  - 2) Missing schedules and information required to be disclosed in the report under the applicable laws;
  - 3) A political contribution accepted from a corporation or labor organization. Political contributions from labor organizations and from most corporations are prohibited. Elec. Code § 253.091, *et seq.* Partnerships that include one or more corporate partners are subject to the prohibition.
  - 4) The required documentation is missing for a political contribution from an out-of-state political committee. Certain documentation must be obtained in order to accept contributions from an out-of-state political committee. Elec. Code § 253.032.
  - 5) A political contribution of cash from a single contributor in an amount that exceeds \$100 in the reporting period. Cash contributions of more than \$100 in the aggregate from one contributor in a reporting period are prohibited. (Here "cash" means coins and currency, not checks.) Elec. Code § 253.033.
  - 6) A political expenditure to purchase real property. The use of political contributions to purchase real property is prohibited. There is also a restriction on the use of political funds to rent or purchase real property from a person related to the candidate or officeholder within the second degree of consanguinity or affinity or from a business in which the candidate or officeholder or such a relative has a participating interest of more than 10 percent, holds a position on the governing body, or serves as an officer. Elec. Code § 253.038.
  - 7) The full name of the contributor of a political contribution is not disclosed. Texas law does not allow anonymous contributions. Reports must also disclose the actual source of a contribution, not an intermediary. Elec. Code § 253.001.
  - 8) A political expenditure for personal purposes, such as a family trip or gift. Personal use of political contributions is prohibited. Elec. Code § 253.035.
  - 9) A political expenditure to pay for the personal services of the candidate or officeholder or the personal services of the candidate's or officeholder's spouse or

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dependent child. A candidate or officeholder or specific-purpose committee may not use political contributions to pay for personal services rendered by the candidate or officeholder or by the spouse or dependent children of the candidate or officeholder. There are also restrictions on a candidate's, officeholder's, or specific-purpose committee's use of political contributions to make payments to a business in which the candidate or officeholder holds a participating interest of more than 10 percent, a position on the governing body of the business, or a position as an officer of the business. *See* Ethics Advisory Opinion No. 35 (1992) (regarding the combined effect of this prohibition and the prohibition on corporate contributions). Elec. Code § 253.041.

- 10) The candidate or officeholder makes a political expenditure to reimburse personal funds without properly disclosing the expenditure made from personal funds and the candidate's or officeholder's intention to seek reimbursement. There are restrictions on the use of political contributions to reimburse personal funds for political expenditures from personal funds. Elec. Code §§ 253.035(h), 253.0351.
- 11) A candidate or officeholder for an applicable office makes a political expenditure to reimburse personal funds over the allowed amount. There are caps on the amounts for which certain candidates and officeholders may reimburse personal funds from political contributions. Elec. Code §§ 253.042, 253.162.

### **Reporting of Results**

**(See Exhibit C – Reporting Flowchart)**

- I. Deficiency Report – The auditor will prepare and send a deficiency letter to the filer with any identified deficiencies noted during the review and request the report or statement be resubmitted with any necessary corrections. The filer must then resubmit the report or statement within seven (7) business days of the filer's receipt of the deficiency letter. The deficiency letter deadlines and resubmission reports will be tracked and followed up by the auditor.
  - A. Partial Response – If the Commission receives a partial response, correcting some but not all of the deficiencies, the auditor can send a second notice letter requiring the remainder of the corrections due within seven (7) business days. The second notice will include the possible sanctions that may result if no response is received. The sanctions initiated by the Commission may result in a preliminary review or a complete audit of the report(s) resulting in possible civil penalties.
  - B. No Response – If no corrective action is received within seven (7) business days from the date of the filer's receipt of the deficiency letter, the auditor will send a second notice letter by registered mail with delivery confirmation requested including the possible sanctions that may result if no response is received. The sanctions initiated by the Commission may result in a preliminary review or a complete audit of the report(s) resulting in possible civil penalties.

## **DRAFT**

- II. Referral to Enforcement – If the resubmission report is not received at all or does not fully comply with the applicable law, the auditor will refer the review to management for action. Management may refer any facial compliance reviews to the Commission based on the number of deficiencies and serious violation(s) to initiate a complete audit or a preliminary review.
- III. Issues Resolved – If all issue(s) are resolved, a closeout letter is prepared and sent to the filer and the review is closed.

### **Enforcement**

The Commission may, on a motion adopted by an affirmative vote of at least six Commissioners, initiate enforcement actions in accordance with section 571.171 of the Government Code. (See Exhibit A.)

### **Tracking/Peer Review**

The reviews will be peer reviewed by designated Commission staff and will be logged for tracking purposes on an Excel spreadsheet or Access database by the auditor.

### **Retention of Facial Compliance Reviews**

The Commission will retain working papers and support documentation of the reviews for a minimum of four (4) years after the closed date.

**DRAFT**

**EXHIBIT A**

**Ch. 571, Government Code**

**Sec. 571.069. Review of Statements and Reports; Audits**

(a) The commission shall review for facial compliance randomly selected statements and reports filed with the commission and may review any available documents. The commission shall return for resubmission with corrections or additional documentation a statement or report that does not, in the opinion of the commission, comply with the law requiring the statement or report. A statement or report returned for resubmission is considered to have been filed on the date the statement or report was originally filed if:

(1) the statement or report is resubmitted to the commission not later than the seventh business day after the date the person filing the statement or report receives the returned statement or report; and

(2) the resubmitted statement or report complies with law.

(b) The commission may by a vote of at least six commission members initiate a preliminary review as provided by Section 571.124 or perform a complete audit of a statement or report:

(1) if, before the 31st day after the date the statement or report was originally due, the executive director does not obtain from the person information that permits the executive director to determine that the statement or report complies with law;

(2) if a statement or report returned for resubmission is not resubmitted within the time prescribed by Subsection (a); or

(3) on an affirmative vote of at least six commission members that a statement or report resubmitted under Subsection (a), together with any corrections or additional documentation, does not, in the opinion of the commission, comply with the law requiring the statement or report.

(c) Any audited statement, report, document, or other material is confidential and may not be disclosed unless the statement, report, document, or other material:

(1) was previously public information; or

(2) is entered into the record of a formal hearing or a judicial proceeding.

(d) The party who is the subject of the audit may waive confidentiality by sending written notice to the commission.

(e) The commission may not audit a statement or report filed before January 1, 1992, under a law administered and enforced before that date by the secretary of state.



**DRAFT**

(f) This section may not be construed as limiting or affecting the commission's authority to, on the filing of a motion or receipt of a sworn complaint, review or investigate the sufficiency of a statement or report.

**Sec. 571.124. Preliminary Review: Initiation**

(a) The commission staff shall promptly conduct a preliminary review on receipt of a written complaint that is in compliance with the form requirements of Section 571.122.

(b) On a motion adopted by an affirmative vote of at least six commission members, the commission, without a sworn complaint, may initiate a preliminary review of the matter that is the subject of the motion.

**Sec. 571.171. Initiation and Referral**

(a) On a motion adopted by an affirmative vote of at least six commission members, the commission may initiate civil enforcement actions and refer matters to the appropriate prosecuting attorney for criminal prosecution.

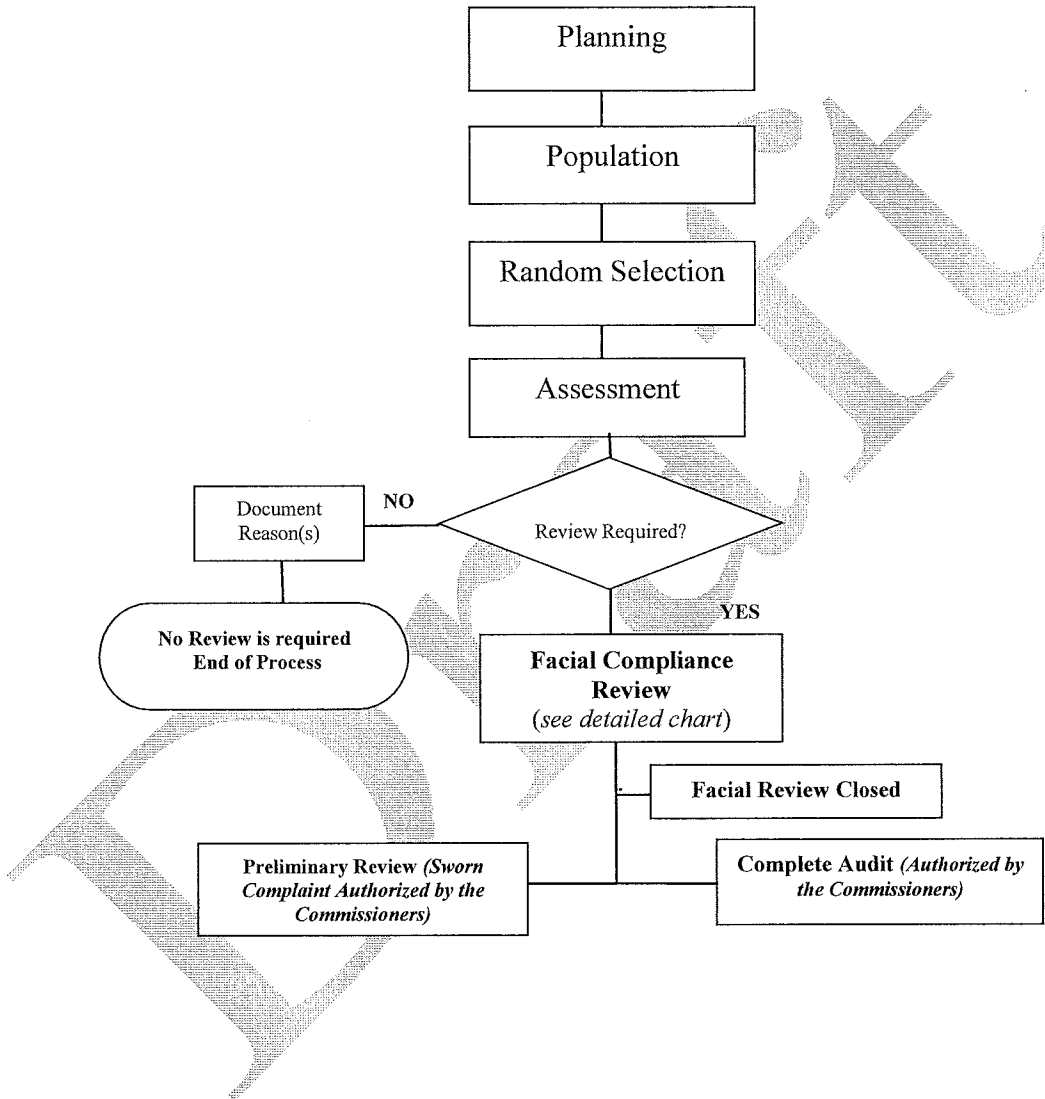
(b) On receipt of a sworn complaint, if the executive director reasonably believes that the person who is the subject of the complaint has violated Chapter 36 or 39, Penal Code, the executive director may refer the matter to the appropriate prosecuting attorney for criminal prosecution.

(c) In making a referral to a prosecuting attorney under this section, the commission or executive director may disclose confidential information.

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EXHIBIT B

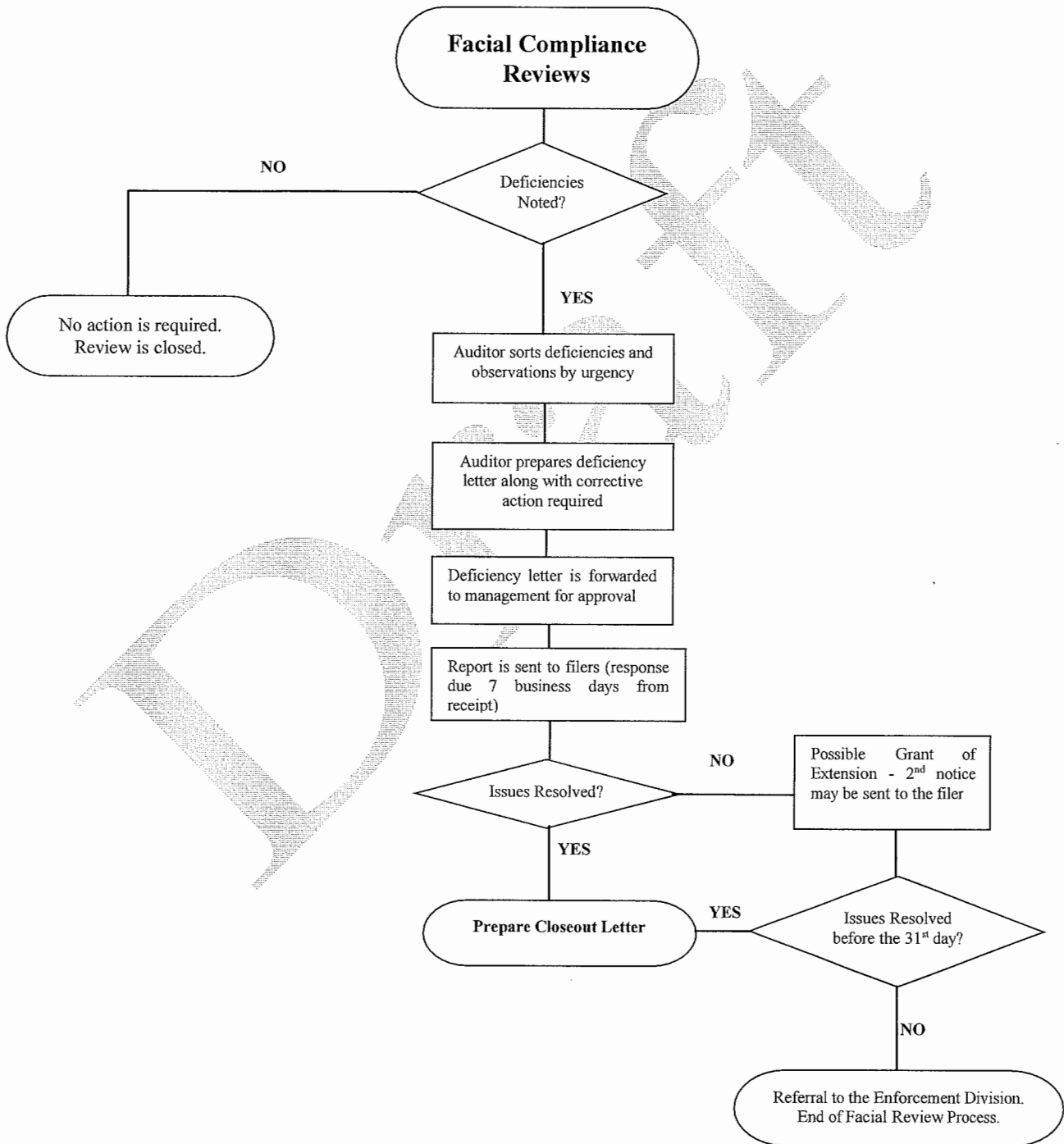
Facial Compliance Procedures Flowchart



DRAFT

EXHIBIT C

Facial Compliance Reporting Flowchart



AGENDA ITEM 13, EXHIBIT A



Log IMS  
Copy SW  
MID# 35477

Dwight D. Sullivan  
County Clerk  
County of Galveston

RECEIVED

OCT 23 2017  
PM 10:20:17

Texas Ethics Commission

October 19, 2017

Seana Willing  
Executive Director, Texas Ethics Commission  
P.O. Box 12070  
Austin, TX 78711-2070

Galveston County campaign finance filings

Dear Ms. Willing,

With this letter, Galveston County Clerk's office is requesting permission to accept campaign finance filings from local filers through an electronic filing application. Specifically, we are requesting to use EasyCampaignFinance from EasyVote.

EasyVote's **EasyCampaignFinance** module is a comprehensive campaign finance software package that provides election offices with a robust, easy-to use online tool to automate the filing and management of the necessary forms for campaign finance reporting designed to meet state requirements.

If you require further information on the software from EasyVote, you may contact Mr. Jason M. Barnett, Director of Business Development at 512-378-3834 or by email at [jbarnett@easyvotesolutions.com](mailto:jbarnett@easyvotesolutions.com).

Due to the large number of filings Galveston County receives, we believe that automating the process, as the Texas Ethics Commission has done for State filers, will make for a smoother process for both the filer and for Galveston County Elections.

If you require further information, please do not hesitate to contact me at 409-766-2210 or by email at [Dwight.Sullivan@co.galveston.tx.us](mailto:Dwight.Sullivan@co.galveston.tx.us)

Sincerely,

A handwritten signature in cursive script that reads "Dwight D. Sullivan".

Dwight D. Sullivan

Justice Center  
79th Street, Suite 2001  
Galveston, TX 77551  
Office: (409) 766-2200  
Fax: (409) 766-4596  
Cell: (409) 457-7265  
[dwight.sullivan@co.galveston.tx.us](mailto:dwight.sullivan@co.galveston.tx.us)

The Galveston County Clerk's Office is seeking a Campaign Finance System for receiving and processing of disclosure reports that improve efficiency for this office, the elected officials and candidates using the system, and the general public accessing the system's data. The Galveston County Clerk's Office is interested in a campaign finance system that includes the following requirements and/or features:

- **Cloud Based**  
Reducing the need for hardware/software support from the County IT department.
- **SaaS pricing model with no long term contracts**  
Eliminating the need for a significant upfront investment.
- System specifically designed for Campaign Finance and supported by individuals with a clear understanding of Campaign Finance and Elections law.
- US based support
- **Secure Electronic Submission**  
Candidates can quickly and efficiently submit their filings securely online, via a standard web browser. Within the module, each candidate completes, submits and updates all required forms. Submissions are time-stamped and cataloged by the system, ensuring an audit trail.
  - Each electronic submission will contain a sworn statement by the person required to file the report along with their digitized signature per Tex. Elec. 254.036(h) and in compliance with commission specifications.
- **Detailed Search & Reporting**  
Election staff can view a complete history of all campaign finance events including form submissions and communication with the office.
- **Public Display**  
Having a hosted system outside the county network, Election staff can quickly post submitted reports for public viewing without the need to first submit them to the county IT department for approval. The public interface will provide access to current and archived reports for candidates.
- **Automated Communication & Notifications**  
Election staff can easily and quickly communicate with candidates, directly or en masse via the system's online tool. Reporting deadlines and other regulatory initiated notifications are pushed to the appropriate campaign staff. Other custom notifications can be created/set by the election administrator.
- **Import Candidate History**  
The system will allow us to import and or save historical information for candidates.
- **Searchable Document Retention System Tied to Statute**  
Stores documents for the statutory retention period by candidate file or document type with a time stamp built in to know when the document can be discarded. System may include a search feature for ease of locating documents.

- **Personalized and Secure Candidate Profile**

Allow each new candidate to access the system, create an account, a profile, and allow them to submit forms or complete process(es) applicable to their situation.

**What Makes EasyCampaignFinance Stand Out from the Competition?**

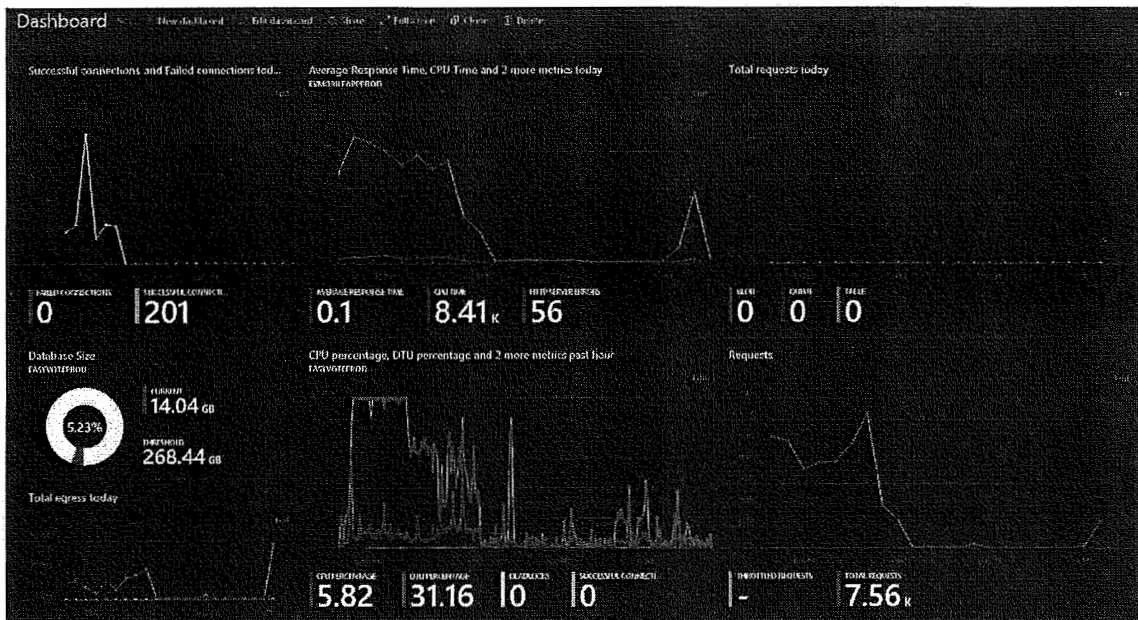
- Cloud based software with US support both locally and virtually;
- User friendly system with a dedicated portal for each user (county staff, candidate/ official, and public);
- Software is scalable to fit the evolving needs of the county and/or changes to law or regulation;
- Dedicated team of experts in the areas of campaign finance and elections both at the local and state level.

# EasyVote System Recovery

## 1 Introduction

EasyVote is based on a SaaS (Software as a Service) model and operates with the assumption that all of our customers have access to an Internet connection. That being said, SaaS must be available 99.6% of the time so that no customers experience outages due to the infrastructure that we supply being inaccessible at any time. Since EasyVote is entirely based on a green field build out on Microsoft Azure, the benefits of Cloud Based computing are inherited from the core of the Azure redundant and scalable architecture.

Azure provides the highest enterprise level performance and recovery tools as well as services that warn of saturation points before they become a problem. Below is one of the Azure dashboards that are used 24/7 to ensure the level of performance required by our customers.



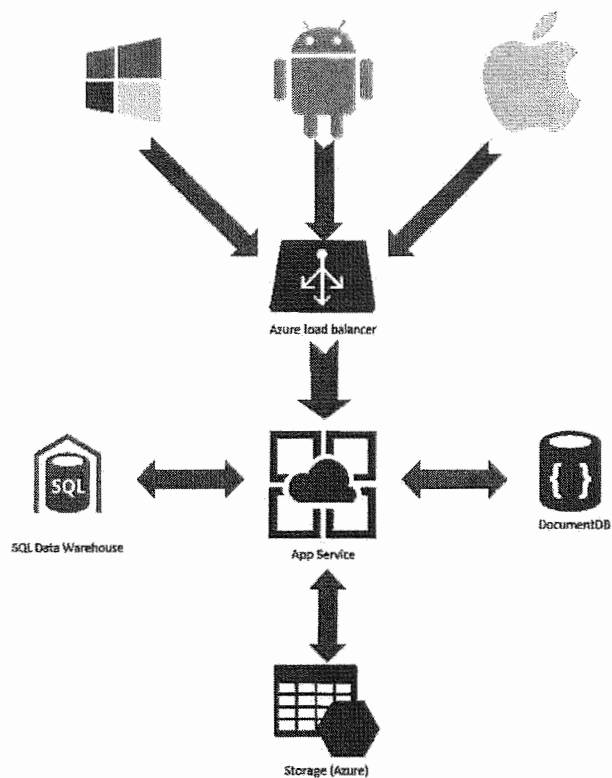
These dashboards allow the creation of **Alerts** that will send SMS and Emails to warn our administrators of any possible performance hampering issues.

### 1.1 Scale Out, Not Up

Adding more hardware is preferable to upgrading hardware. This is a new standard in the world of Cloud computing. As demand increases the Azure Auto Scale feature will initialize more hardware to handle the load, and as the load requirements diminish, hardware is taken offline.

## 2 Services and Data

EasyVote is built on your data, our services and the network. Below is a representation of how the data and services are assembled to allow continuous access to all of these services and your data.



Each part and level of EasyVote is built on a geographically redundant service and the SQL server has an added layer of protection called "Active geo-replicated". This means that each SQL Server service is running on hardware that is physically located at different data centers around the United States.

**NOTE: No data or services are allowed outside the U.S. borders.**



## 2.1 SQL Server Details

The backbone of any searchable data storage is of course the database. With today's rise of the **NoSQL** databases, EasyVote has integrated this new technology into the appropriate places and taken full advantage of these new techniques.

EasyVote uses a hybrid approach by utilizing SQL based storage (Azure MSSQL Server) and NoSQL storage (Azure DocumentDB) to ensure the best performance as well as the maximum flexibility to satisfy our customer's feature requests.

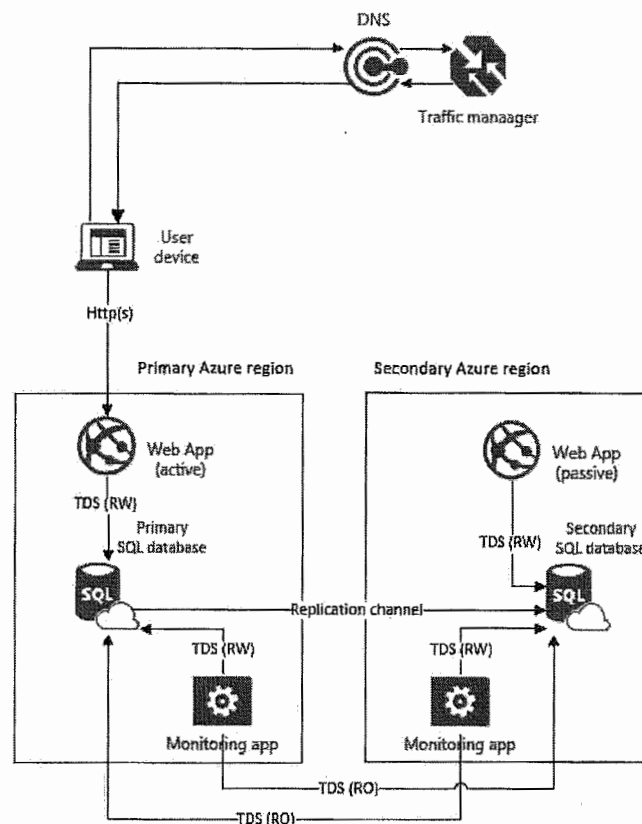
The EasyVote Microsoft SQL Server is replicated in Virginia as well as California. The physical separation of the primary and secondary databases ensures that your data is always available.

Log Shipping ensures that the databases are always in sync with each other so that when an issue arises, the Auto Fail Over will forward all SQL statements and queries to the secondary database. Once the issue is resolved the Fail Over recovery mechanism will resync the primary database and restore all edited data to the newly recovered production database.



Here are some more details about the Active geo-replication aspects of Azure SQL Server:

- Database-level disaster recovery goes quickly when you've replicated transactions to databases on different SQL Database servers in the same or different regions.
- Cross-region redundancy allows applications to recover from permanent loss of a datacenter caused by natural disasters, catastrophic human errors, or malicious acts.
- Online secondary databases are readable, and they can be used as load balancers for read-only workloads such as reporting.
- With automatic asynchronous replication, after an online secondary database has been seeded, updates to the primary database are automatically copied to the secondary database.



## 2.2 Disaster Recover Drills for SQL Server

Once a month, EasyVote DevOps performs a disaster recover drill. There is about a 25 second delay once the FAILOVER command is executed on the SQL Server and the secondary database takes over. All data is replicated before the test fail over is execute. Below is the TSQL command to execute to perform a test.

```
ALTER DATABASE <MyDB> FAILOVER;
```

In the event that disaster has occurred, the failover can be performed manually or automatically. Sometimes the automatic fail over does not react fast enough so the DevOps team can force the failover immediately by running the command below.

```
ALTER DATABASE <MyDB> FORCE_FAILOVER_ALLOW_DATA_LOSS;
```

## 2.3 File Storage

Azure File Storage is automatically protected from failure by the Microsoft Data Centers redundant servers and disk drives. This is a guaranteed service that requires no maintenance or testing from the DevOps as it is always available with a 99.90% uptime.

## 2.4 DocumentDB (NoSQL)

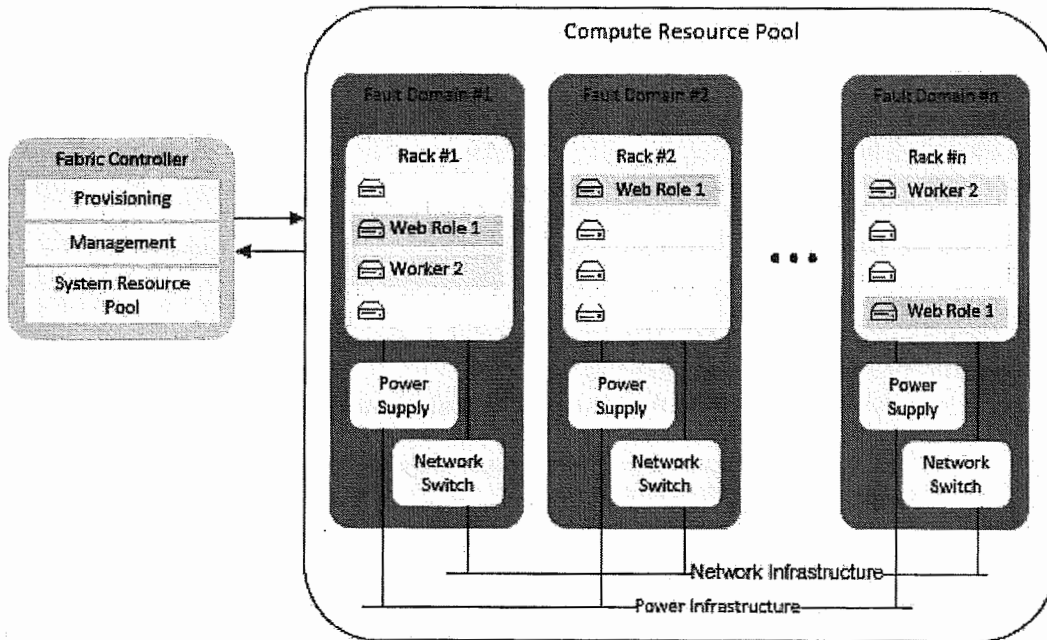
Azure DocumentDB is an enterprise level generic document (JSON/XML) storage and querying service that allows EasyVote to store unstructured data in a safe and efficient architecture.

DocumentDB has a 99.99% uptime and is by far the safest location for your custom fields and Campaign finance documents.

### 3 Web App Services

The Azure Fabric Controller (FC) is responsible for provisioning and monitoring the condition of the Azure compute instances. The Fabric Controller checks the status of the hardware and software of the host and guest machine instances. When it detects a failure, it enforces SLAs by automatically relocating the VM instances. The concept of fault and upgrade domains further supports the compute SLA.

When multiple role instances are deployed, Azure deploys these instances to different fault domains. A fault domain boundary is basically a different hardware rack in the same datacenter. Fault domains reduce the probability that a localized hardware failure will interrupt the service of an application. You cannot manage the number of fault domains that are allocated to your worker or web roles. The Fabric Controller uses dedicated resources that are separate from Azure hosted applications. It has 100% uptime because it serves as the nucleus of the Azure system. It monitors and manages role instances across fault domains. The following diagram shows Azure shared resources that are deployed and managed by the FC across different fault domains.



### 4 Summary

By building the EasyVote platform on a proven enterprise level Cloud service, an unprecedented level of reliability and consistency is derived from the massive hardware and software investments of Microsoft.

## EasyCampaignFinance Candidate Instructions

1. Open browser of choice (IE, Firefox, Chrome, Safari, etc.)
2. Enter: easyvote.county.com in address bar
3. Click on Officials/Candidates at top right
4. Click Register (there is a video to the left after you click Register – if you need further assistance)
  - a. Select your County/City from drop down menu
  - b. Enter your email address
  - c. Enter your first name
  - d. Enter your last name
  - e. Cell Phone is optional
  - f. Choose the office you are running for from the drop down menu under Office Occupying/Running for
  - g. Enter code in box
  - h. Click REGISTER
    - i. You will be sent an email thanking you for registering
    - ii. After the Filing Clerk has approved you – you will receive an e-mail with a link to click to complete your registration.
    - iii. After your registration is completed – you will be ready to login and begin submitting your documents.

### To Submit Documents

1. Follow Steps 1-3 from above
2. Click on Login
  - a. Enter your email that you registered with
  - b. Enter the **password** (if you forgot your password – click the link “Forgot Password?”)
  - c. Click Login
  - d. Click on File Reports (Instruction Video is a 5 minute video to give you instructions on how to complete the forms.)
    - i. Click Wizard/Upload next to the form that you want to complete
    - ii. Click Start Wizard
    - iii. The forms are broken down in to small snippets (after you complete each page – click NEXT STEP
    - iv. You will always be able to view your document before submitting (in pdf format) – if your document is complete on the review page – click E-Sign/Submit
    - v. Enter the **code on the right (security code)**
    - vi. Check the box next to “By checking this box you are certifying that statements on this form are complete, true and accurate.”
    - vii. Click Submit
    - viii. You will be defaulted back to the front page
    - ix. Click on My Submissions and look under STATUS and you will see that your form has been Submitted
    - x. When the Filing Clerk has accepted your form – the Submitted will be changed to Accepted
    - xi. When the Filing Clerk has faxed your form to Ethics – the Accepted will be changed to Faxed to Ethics

- xii. When you look under STATUS and it says NEW – that means that you have not E-Signed/Submitted your form.

## EasyCampaignFinance Administration Initial Set-Up

### A. Logging into System

1. Double Click the EasyVote Icon on your desktop
2. Enter your username (you will have to put the cursor in the box)
3. Enter your password
4. Choose Location from drop down menu
5. Click Login

### B. Admin Tab (Single Click ONLY)

1. Click County Setup
2. Enter County Name (i.e. Franklin – do not include the word county)
3. Enter Address – City, State and Zip
4. Enter Phone and Fax number
5. Enter Filer ID (this is the Q number issued to you by the Ethics Department)
6. Upload County Logo (must be .png)
  - a. Click Upload under County Logo
  - b. Locate file on your computer
  - c. Click Open
  - d. Click Save Changes
  - e. Click Close This Form

### C. Campaign Finance Tab (Single Click ONLY)

1. Dashboard is viewable only – you must click on Officials tab to work documents
2. Officials (once candidate has green check beside name you can begin accepting documents from them and uploading documents to public site)
  - a. To ACCEPT/REJECT document and send to ethics
    1. Highlight candidate/elected official name
    2. Highlight document name on right under Uploads/Filings
    3. Click Edit/View to Change name of Document, Click Save Changes, Click Close This Form
    4. Click Reject/Accept – Click Accept Submission to ACCEPT – Enter Reason if you want to REJECT and then Click Reject
    5. Once submission has been ACCEPTED – highlight document name and click Send to Ethics – If will ask if you are sure – click YES – it will ask if you want to make public – click YES
  - b. To Upload Scanned Document
    1. Find document and drag and drop under Uploads and Filings
    2. Once document has been dropped under the correct tab you can change date, type of document and description – click UPLOAD DOCUMENT

3. You would need to click on Edit/View and under Status click the circle beside ACCEPTED – click Save Changes – click Close This Form
4. You would then follow the steps above to Send to Ethics
3. All activity
  - a. This tab show all activity for all candidates/elected officials)

#### TABS ACROSS TOP

1. Access Request (this tab is used to approve candidate/elected official access)
  - a. Highlight name
  - b. Click Accept/Active or Deny/Inactive (if you click Deny – give reason)
2. Update Blog (like a personal website for candidates)
  - a. Click New Blog Entry
  - b. Choose Expiration Date
  - c. Enter a Subject
  - d. If applicable, insert URL
  - e. Enter information that you want your candidates/elected officials to know)
  - f. Click Save
  - g. Click Close This Form
3. Send Bulk E-Mail
  - a. Choose the candidates/elected officials you would like to send e-mail
4. Send Bulk SMS
  - a. Choose the candidates/elected officials you would like to send text
5. Email Content
  - a. You can personalize any of the emails that are automated. DO NOT remove the links that we have in the emails that have them to click to reset password or click to complete registration)
  - b. After Thank You, put in your contact information
  - c. You can change all email content before you have to Save Change
  - d. When all emails are complete – click Save Changes
  - e. Click Close This Form
6. Resend Invites (used if candidate/elected official does not complete registration)
  - a. When you click Resend Invites – it will resend the email asking them to complete their registration (at this time it sends to everyone that has not completed their registration – 2015 release you will be able to choose who to send to)
7. Doc Due Dates
  - a. Double Click on the dates that documents are due (at this point everything defaults to CCDR being due – but with new release in 2015 you will be able to select which document will be due)
  - b. You must enter document due dates for each of the four (4) tabs (Less than \$2500, \$2500 or More, \$5000 or More, Non Election Year)
  - c. Click Close This
8. Office List (you must enter each office that is elected in your city/county)
  - a. Click New Office



- b. Enter Name of Office
- c. Click Save

GALVESTON COUNTY ELECTIONS – CAMPAIGN FINANCE SECURITY FORM

This document is the undersigned's submission for the purpose of receiving access to file electronic campaign related reports with the Galveston County Clerk's Office. (This document is NOT for use by those required to file with the Texas Ethics Commission.)

Name:			
	Last	First	Middle

Committee Name: (if Committee)	
-----------------------------------	--

Mailing Address:				
	Street	City	State	ZIP

Contact Phone:			
	Area Code	Phone Number	Extension

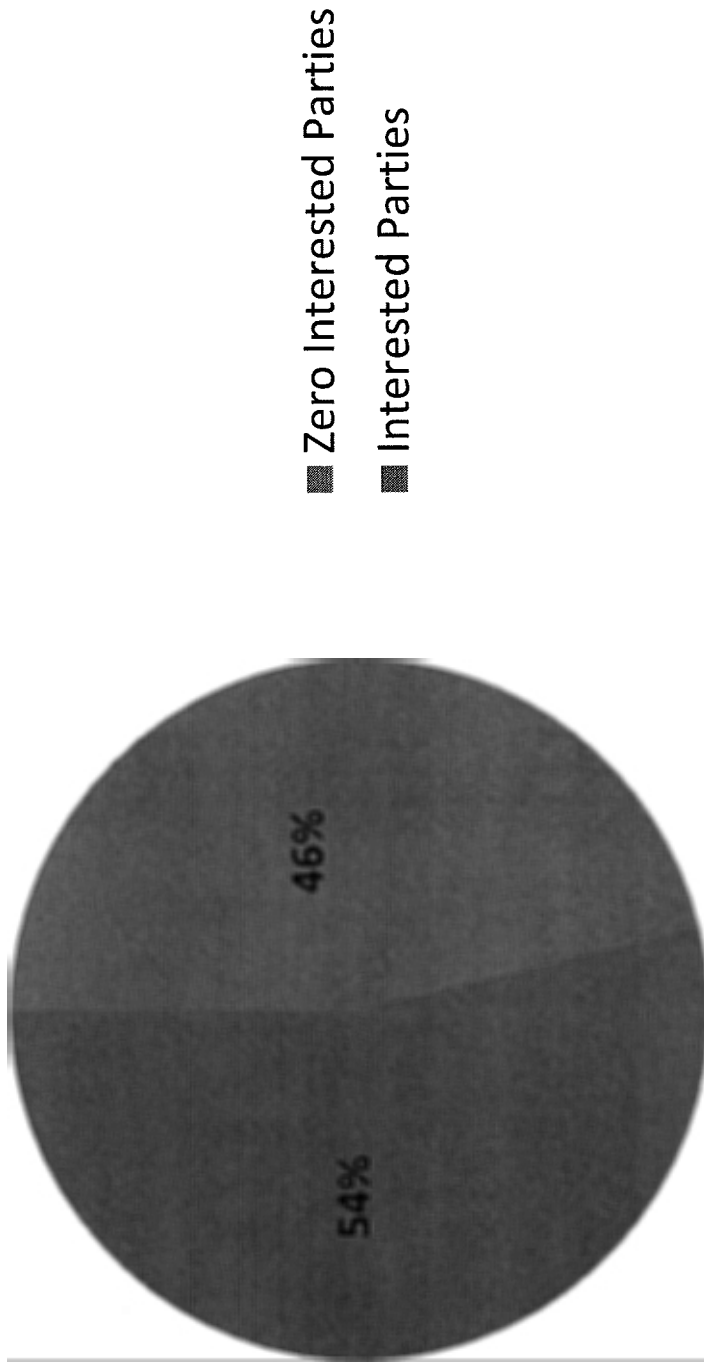
Email Address:	
----------------	--

Signature and Affirmation:	I swear, or affirm, under penalty of perjury, that I am the person required by law under the Texas Ethics Commission jurisdiction to file Campaign Finance reports with The Galveston County Clerk.
	_____ Signature

Return to Galveston County Clerk's Office, 600 59<sup>th</sup> Street, Suite 2001 Galveston, TX 76208, or fax to 409-765-3265

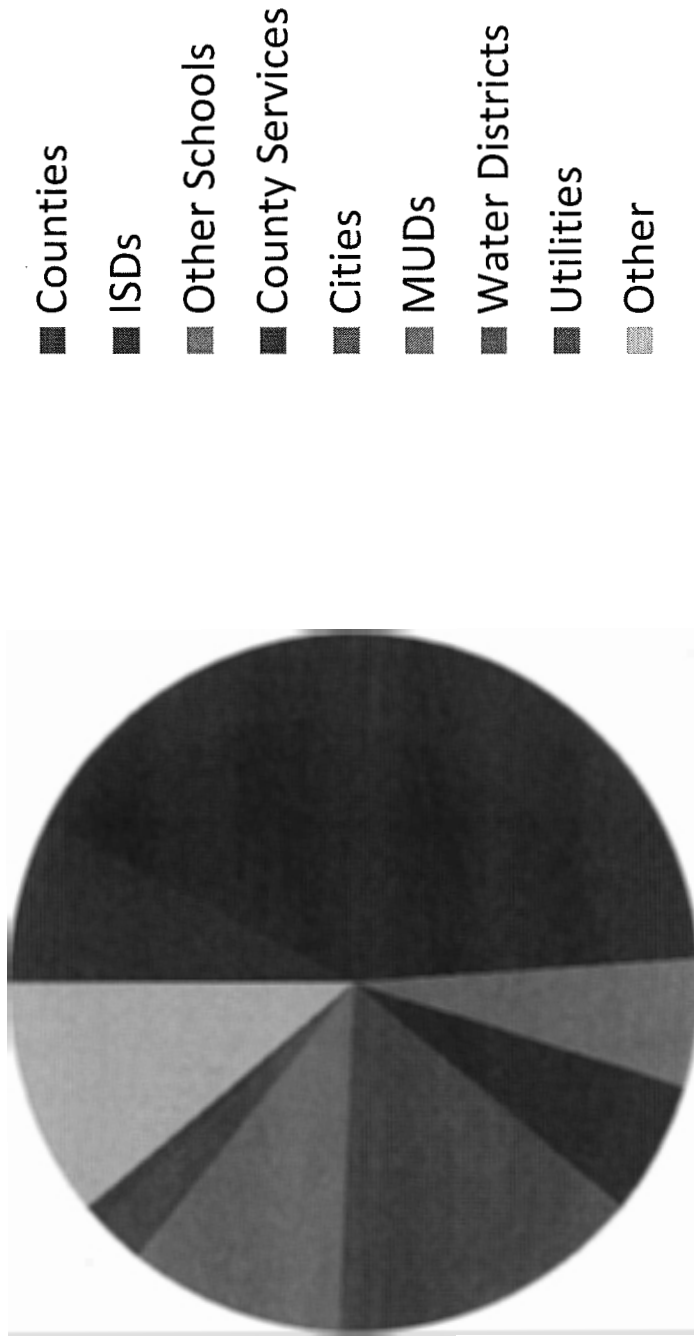
**Form 1295  
Certificate of Interested Parties  
Compliance Review  
1/1/2016 - 8/31/2017**

# All Acknowledged Certificates 1/1/2016 - 8/31/2017



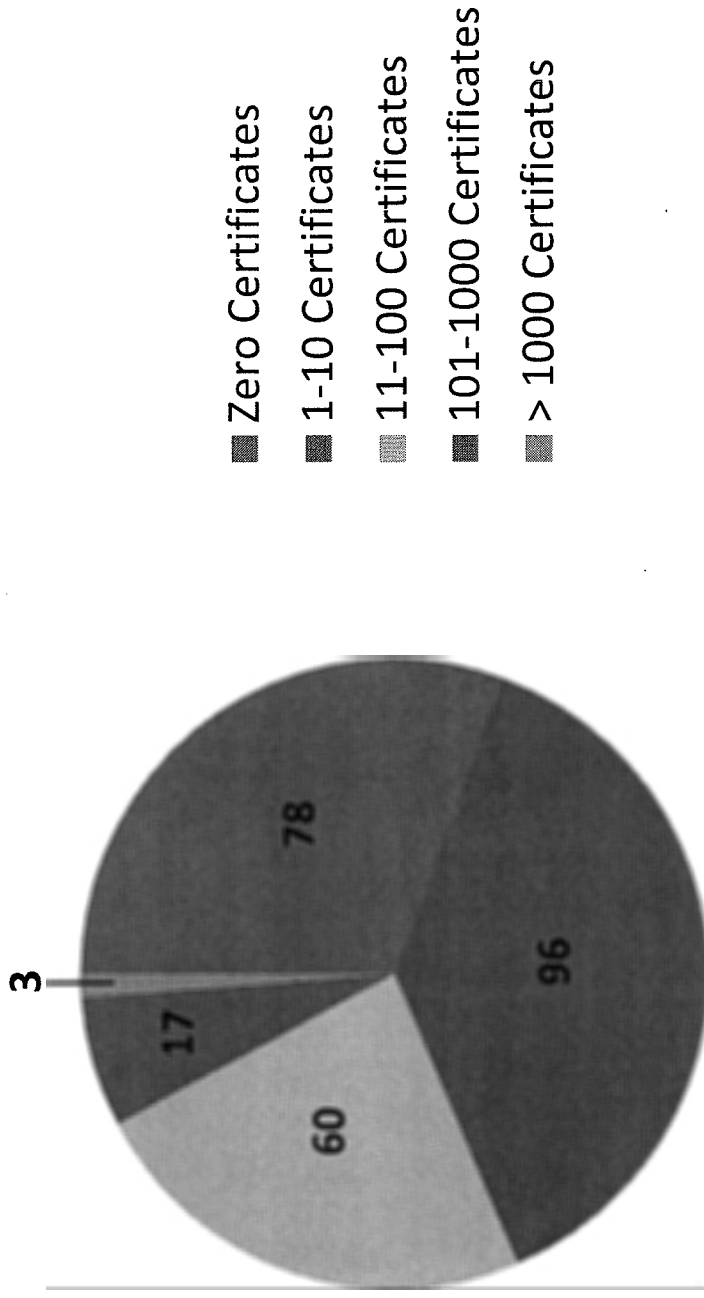
145,408	Number of Acknowledged Certificates
77,870	Number of Certificates with Interested Parties
67,538	Number of Certificates with No Interested Parties

# All Acknowledged Certificates 1/1/2016 - 8/31/2017



145,408 Number of Acknowledged Certificates

# Number of Texas Counties that Acknowledged Certificates 1/1/2016 - 8/31/2017



177/254 Number of Counties that Acknowledged Certificates

# Certificates Acknowledged by Texas Counties

1/1/2016 - 8/31/2017

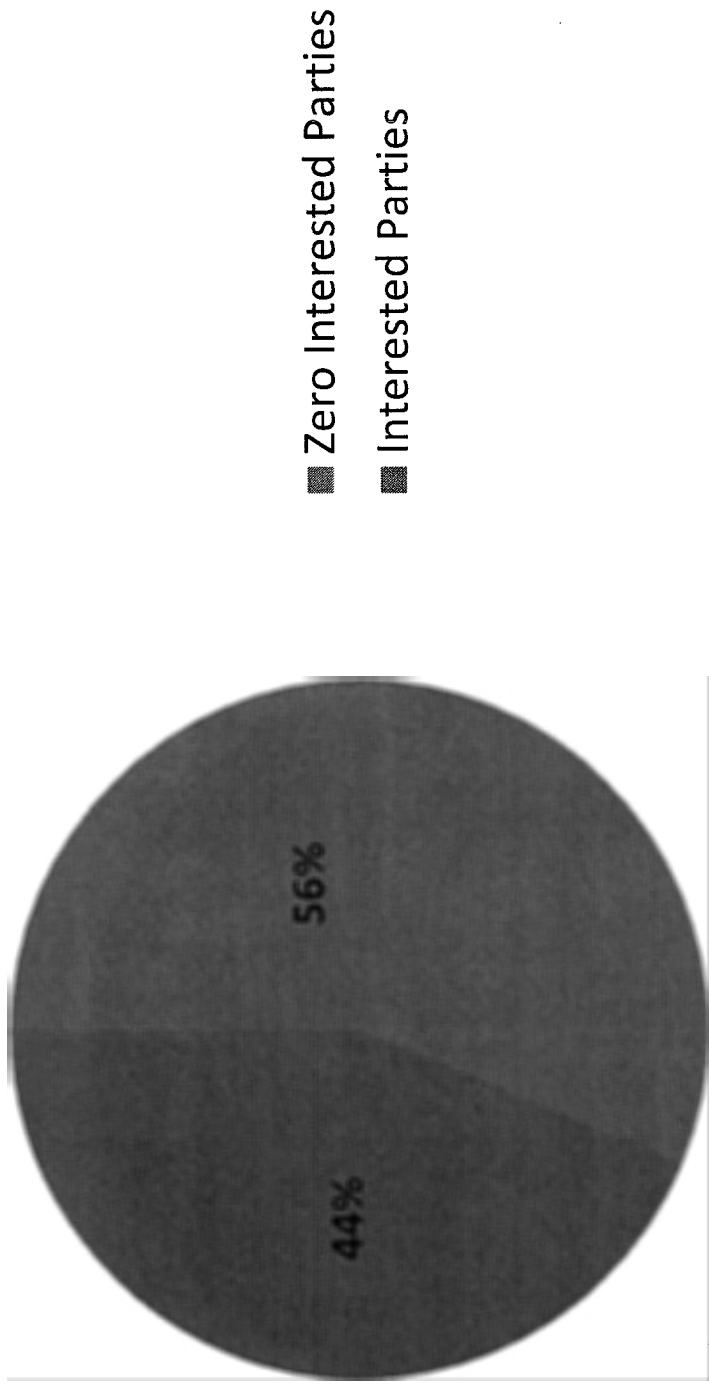


177/254 Number of Counties that Acknowledged Certificates

5,218 Number of Certificates with Interested Parties

5,897 Number of Certificates with No Interested Parties

# Certificates Acknowledged by Texas ISDs 1/1/2016 - 8/31/2017



844	Number of ISDs that Acknowledged Certificates
26,359	Number of Certificates with Interested Parties
33,996	Number of Certificates with No Interested Parties



**Random Local School District**  
**1295 Compliance Sample**

**Abbott ISD**

Certificate filed for Powell & Leon, LLP (Legal Services) (#2017-239556)

- Business File date (7/21/17)
- Gov't Acknowledge date (7/27/17)
  - Not able to find corresponding discussion/vote in Board Meeting Minutes before or after filed/acknowledged dates

**Archer City ISD**

Certificate filed for Eichelbaum, Wardell, Hansen, Powell & Mehl, PC (Legal Services) (#2016-118301)

- Business File date (9/30/16)
- Gov't Acknowledge date (10/11/16)
  - On agenda for 9/16/16 Board Meeting

**Benavides ISD**

Certificate filed for Gowland, Streatly, Morales (Audit Services) (#2016-92213) –  
[no interested party identified]

- Business File date (7/29/16)
- Gov't Acknowledge date (8/2/16)
  - On agenda for 6/21/16 Board Meeting

Certificate filed for John Womack & Co (Accounting Services) (#2017-152112)

- Business File date (1/9/17)
- Gov't Acknowledge date (1/10/17)
  - Not able to find corresponding discussion/vote in Board Meeting Minutes before or after filed/acknowledged dates
  - 11/15/16 Board Meeting Minutes reflect Professional Services Contract with Brodeur Law Firm as Agenda item but no certificate filed

**Crystal City ISD**

Certificate filed for Aztex Building & Supply (Construction Services) (#2017-208430)

- Business File date (5/16/17)
- Gov't Acknowledge date (6/23/17)
  - Not able to find corresponding discussion/vote in Board Meeting Minutes before or after filed/acknowledged dates

**Denison ISD**

Certificate filed for Three Colors Tennis Court Resurfacing (Construction Services) (#2017-172510) – [identified Denison ISD as interested party/intermediary]

- Business File date (2/28/17)
- Gov't Acknowledge date (3/6/17)
  - Item was on 2/17 Board Meeting Agenda but discussed a different bidder

## Random Sample 1295 Compliance for Counties

### Zapata

Certificate filed for J. Cruz & Associates (Legal Services) (#2016-20646)

- Business File date (3/2/16)
- Gov't Acknowledge date (8/4/16)
  - On agenda for 5/9/16 Commissioners Meeting

### Shackelford

Certificate filed for Davis Kinard & Co. (Financial Services) (#2016-112172)

- Business File date (9/14/16)
- Gov't Acknowledge date (10/11/16)
  - Meeting Minutes for 9/16 and 10/16 Commissioners Meetings not available for review; couldn't find agenda item for other dates before or after filed/acknowledged dates

### Fayette

Certificate filed for Perdue, Brandon, Fielder, Collins, Mott, LLP (Legal Services) (#2016-31046)

- Business File date (3/25/16)
- Gov't Acknowledge date (4/12/16)
  - On agenda for 3/28/16 Commissioners Meeting

### Culberson

Certificate filed for Grantworks TDHCA Home Program (Management Services) (#2016-11242)

- Business File date (2/9/16)
- Gov't Acknowledge date (11/28/16)
  - On agenda for 2/8/16 Commissioners Meeting

### Bandera

Certificate filed for Aquatech Septic OSSF Install (Construction Services) (#2016-10505) –  
[no interested party identified]

- Business File date (2/8/16)
- Gov't Acknowledge date (3/3/16)
  - On agenda for 1/14/16 Commissioners Meeting

**To: Texas Governmental Entities and State Agencies**  
**RE: Form 1295 (Certificates of Interested Parties) Compliance**

In 2015, the Texas Legislature passed House Bill 1295, adding section 2252.908 to the Texas Government Code. The law requires state agencies and other governmental entities to obtain a disclosure of interested parties from businesses wishing to contract with the State of Texas. That disclosure, using Form 1295, must be filed with the Texas Ethics Commission (TEC).

Recent surveys performed by the Commission indicate that many agencies and entities covered by the statute are not filing the forms as required and are not completing them correctly.

In an effort to assist state agencies and governmental entities with their ongoing requirement to obtain and file Form 1295s, the TEC provides this summary:

**The Statute:**

According to section 2252.908 of the Government Code, a governmental entity or state agency may not enter into certain contracts with a business entity without obtaining the Form 1295 Certificate of Interested Parties from the business at the time the signed contract is submitted to the governmental entity or state agency.

***Who is an Interested Party?***

An interested party is a person with a controlling interest in the business seeking to contract with the governmental entity or state agency or an intermediary.

Persons with controlling interest are those who:

1. Have more than a 10% ownership interest in the business;
2. Serve as a member of the board with no more than 10 members; or
3. Serve as an officer of a business with no more than four officers.

An intermediary is a person who:

1. Actively participates in the contract and receives compensation;
2. Communicates with the governmental entity regarding the contract; and
3. Is not an employee of the business.

*Unless the contracting party is a publicly traded company or an individual, it is very unlikely that there are no interested parties.*

***When Does the Law Apply?***

The law applies to **both** new contracts **and** changed or renewed contracts that:

1. Require an action or vote by the governing body of the government entity or state agency before the contract may be signed; or
2. Have a value of at least \$1 million. The disclosure requirement applies to contracts entered into on or after January 1, 2016. In some cases, a new disclosure is not required for a change to an existing contract if a Form 1295 has already been submitted.

*If the contract is approved by a vote of the entity a 1295 Certificate must be filed.*

The Texas Ethics Commission has adopted rules that clarify the statute. These rules may be found on the TEC website at <https://www.ethics.state.tx.us/legal/ch46.html>.

### **Follow-Through for Government Entities/State Agencies:**

Compliance requires the filing of a Form 1295 Certificate of Interested Parties for each contract covered by the statute. This Certificate of Interested Parties must list the interested parties for the specific contract. This Certificate of Interested Parties must be filed electronically with the Texas Ethics Commission.

### **Filing Process:**

TEC provides an online filing application that must be used to file a Form 1295 Certificate of Interested Parties. Both the business entity and the governmental entity or state agency **must use** this online filing application.

These steps must be followed in order:

#### **Step 1 – Completed by the government entity or state agency:**

The governmental entity or state agency provides the contract identification number to the business entity.

#### **Step 2 – Completed by the business entity BEFORE the contract is signed:**

- (1) The business entity logs into the 1295 filing application, creates a new certificate, and enters the required information. NOTE: Unless the business entity has publicly traded stock, the business entity will very likely have one or more business owners to list as interested parties.
- (2) The business entity submits the certificate online.
- (3) The filing application automatically adds a unique certification number and the submission date in the OFFICE USE ONLY box after the certificate is submitted online.
- (4) The business entity prints out a copy of the submitted certificate on paper. This paper copy must have the TEC generated unique certification number and the submission date printed in the OFFICE USE ONLY box.
- (5) An authorized agent of the business entity must sign the printed copy of the form and complete the unsworn declaration.
- (6) The business entity gives the completed certificate to the governmental entity or state agency.

#### **Step 3 – Completed by the governmental entity or state agency:**

- (1) The governmental entity or state agency receives the signed copy of the completed certificate from the business entity.
- (2) The governmental entity or state agency reviews the completed certificate for accuracy. If the certificate is not accurate, the business entity must start over at "Step 2" and create a new certificate.
- (3) The governmental entity or state agency logs into the 1295 filing application and acknowledges the submitted certificate. The unique certification number is located in the OFFICE USE ONLY box on the paper copy of the certificate. This acknowledgment must be completed within 30 days after the governmental entity or state agency receives the completed certificate from the business entity.
- (4) The governmental entity or state agency maintains the completed and acknowledged certificate with the signed contract.

**Step 4 – Completed by the Texas Ethics Commission:**

The Texas Ethics Commission posts the acknowledged Form 1295 certificate on the TEC website.

**Helpful Information on the TEC Website:**

You can find helpful information on the Form 1295 Certificate of Interested Parties Electronic Filing Application web page at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm), including Frequently Asked Questions (FAQs) and short videos about using the 1295 filing application.

The Frequently Asked Questions (FAQs) address many issues that are asked by both business entities and governmental entities and state agency personnel who are filing these certificates online with the Texas Ethics Commission.

Short videos are available on the TEC website to guide filers through the creating a new account and through the filing process.

**CERTIFICATE OF INTERESTED PARTIES FORM 1295**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

**4. INTERESTED PARTIES -Persons with controlling interested in the business entity.**

a. List the name and address of all persons with an ownership interest in the business entity or participating interest by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent. If no person has more than a 10 percent ownership or participating interest write that this section is not applicable.

Name	Address

b. List the name and address of all members of the board of directors or other governing body if the board or other governing body is composed of 10 or fewer members. If there is no board or governing body, or if the board or governing body is composed of 11 or more members, write that this section is not applicable.

Name	Address

c. List the name and address of business entity's officers if the business has four or fewer officers. If the business entity has more than four officers, list the name and address of the four most highly compensated officers.

Name	Address

**5. Interested Parties – Intermediaries.**

List the name and address of all non-employees of the business entity compensated for actively participating in the facilitation of the contract or negotiating the contract and communicated directly with the governmental entity or state agency on behalf of the business entity regarding the contract. Write Not Applicable if this section does not apply to this contract.

Name	Address

**An authorized representative of the business entity must complete the following:**

My name is \_\_\_\_\_, my date of birth is \_\_\_\_\_,  
 \_\_\_\_\_, and my address is \_\_\_\_\_,  
 \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (Street) \_\_\_\_\_ (City)  
 \_\_\_\_\_ (State) \_\_\_\_\_ (Country)  
 \_\_\_\_\_ (Zip Code)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in \_\_\_\_\_ County, State of \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_,  
 \_\_\_\_\_.  
 (Month) (Year)

\_\_\_\_\_  
 Signature of Declarant



# **Campaign Finance Filing Application Error Handling**

AGENDA ITEM 15

## Error Check

All TEC filing applications have a built in error checking process to catch common errors before the report is filed.

- Error check can be run standalone from the left hand menu.
- Error check always runs when the filer submits (files) a report.
- Error check provides the list of errors with a link to the respective data entry page for that error so the filer can easily find the error for correction.
- The error list can be downloaded as a PDF file or as an Excel spreadsheet.

There are two error severities:

- High errors – The report cannot be filed with high errors.
  - Examples: Report Totals are missing; Correction Affidavit is missing
- Medium errors – The filer can choose to file the report with medium errors.
  - Examples: Contributor addresses are missing; Contributor Occupation, Job Title, Law Firm are missing

Some data entry fields must be populated before the filer can move away from that page

- Contribution/Expenditure date and amount
- Pledge date and amount
- Loan date and amount
- Expenditure category and description
- Investment date, amount, and description

## Page Help for Error Check

### C/OH: Report Error Check

**Report Error Check** is a tool to assist you in fulfilling your reporting requirements. The Error Check details errors and omissions in the data entry; it does not verify that the report has satisfied all legal requirements. You should review the applicable TEC Guide and the filing application PAGE HELP to ensure that ALL required information is included before you file your report.

If the Error Check finds errors in your report, the errors will be listed for you in a table on this screen. You can also click the **View as PDF** button to view the error list as an Adobe Acrobat .PDF file (requires Adobe Acrobat reader or equivalent viewer to view) or click the **View as Excel** button to view the error list in a Microsoft Excel spreadsheet.

The errors list includes the following information:

**Severity:** The error records are ranked in terms of severity:

**HIGH:** These are major omissions in information that indicate non-compliance with certain reporting requirements (such as not entering the amount of total political contributions maintained as of the last day of the reporting period under Report Totals). This information is considered very important and you **MUST CORRECT** these errors in order to file the report.

**LOW or MEDIUM:** These are omissions or errors in other information that indicate non-compliance with certain reporting requirements (such as not entering address information for a contributor or payee). You should correct these errors to be in legal compliance with your reporting requirements. You may, however, choose to accept these errors and file the report as is. **NOTE:** If you file the report with errors, you could be subject to a sworn complaint for reporting violations.

**Tracking Information:** This column shows the transaction (contribution, loan, etc.) containing the error and other information to help you identify the transaction.

**Error Record:** This column shows the name of the data field containing the error and provides a link directly to the entry screen where the error is located. After correcting the error and saving the transaction, you may run the Error Check again by clicking the **Check For Errors** link in the Report Menu navigation sidebar always displayed down the left side of your screen.

**Message:** This column provides a brief explanation of the required information that is missing or in error.

Logged in as **COF Filer** : **Cramer, Monty (01049137)** | Logout  
 Home | Profile | Reports | Fines/Fees | Messages

Page Help  
 Schedule F1

### Outgoing Funds: Political Expenditures From Political Contributions

To Individual or Entity \*  Individual  Entity

Expense Date: \* 03/08/2016

Expense Amount: \* \$372.19  Itemize

Check if Austin TX, officeholder living expense

Signs R Us

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_

Country: United States

State: Texas

Zip Code: \_\_\_\_\_

Category: \* Select One

Description: \*  Selection required

Value required

- Current Report: Semiannual
- 01/01/2016 thru 06/30/2016
- Cover Sheet
- Notices From PACs
- Workstreet Summary
- Incoming Funds
  - Monetary Political Contributions
  - Loans
  - Other Incoming Funds
- Outgoing Funds
  - Political Expenses From Political Funds
  - Political Expenses From Personal Funds
  - Payment To Business Of A COH
  - Non-Political Expenditures
  - Purchase Of Investments
- Additional Activity
  - In-kind Political Contributions
  - Pledges
  - Unpaid Incurred Obligations
  - Expenditures By Credit Card
- Finalize Report
  - Schedule Subtotals
  - Report Totals
  - Preview Report PDF
  - Check For Errors
  - File
  - Logout

Some required data fields must be entered before the filer can exit from a specific data entry page. Such fields are marked with asterisks.

On this Outgoing Funds (expenditures) data entry page, the category of the expenditure and the description of the expenditure are absolutely required before the filer can move off this page. The filer must select the "Cancel" button to exit this page if the required data is not entered, and no data is saved for this specific expenditure if the filer selects "Cancel".

Expenditure for Out of State travel? Enter Travel Info

Direct Expenditure to benefit COH? Enter Candidate Info

Save and Add Another | Back to expenditures list | Cancel

## Results from running Error Check

- Current Report: Semiannual
- 01/01/2016 thru 06/30/2016
- ✓ Cover Sheet
- ✓ Notices From PACs
- ✓ Worksheet Summary
- Incoming Funds
  - Monetary Political Contributions
  - Loans
  - Other Incoming Funds
- Outgoing Funds
  - Political Expenses From Political Funds
  - Political Expenses From Personal Funds
  - Payment To Business Of A COH
  - Non-Political Expenditures
  - Purchase Of Investments
- Additional Activity
  - In-Kind Political Contributions
  - Pledges
  - Unpaid Incurred Obligations
  - Expenditures By Credit Card
- Finalize Report
  - ✓ Schedule Subtotals
  - ✓ Report Totals
  - Preview Report PDF
  - Check For Errors
  - File
  - Logout

**Report Error Check**  
 In the list below, you may click an Error Record link to navigate to that error item.

Severity	Tracking Information	Error Record	Message
MEDIUM	Contribution: 06/06/2016 - \$100.00 Contributor: Donor, D.	Street Address: TX	Address Line 1 is required. City is required. ZIP Code is required.
HIGH	Report	Totals Worksheet - Schedule Subtotals	Missing: Total political contributions maintained Missing: Total principal amount of all outstanding loans

(1 of 1)

This report has errors with HIGH severity and cannot be filed until these errors are corrected.

[View As PDF](#) [View As Excel](#)

← The error list can be downloaded.

The filing applications have built in error checking for common data entry errors. Errors listed in the table above have links that take the filer to the location of the specific error.

← Error check can be run from the left hand menu. The filing application always runs error check when the report is submitted for filing.

**Incoming Funds:**  
**Monetary Political Contributions**

**Error Check Items**  
 Address Line 1 is required.  
 City is required.  
 ZIP Code is required.

From Individual or Entity? \*  
 Individual  Entity

Contribution Date: \*  
 06/06/2016

Contribution Amount: \*  
 \$100.00  Itemize

Last Name: \*  
 Donor

First Name:  
 D.

Title  
 Select Title

Suffix:  
 Select Suffix

Address 1:  
 Address 1

Address 2:  
 Address 2

City:  
 City

Country:  
 United States

State:  
 Texas

Zip Code:  
 Zip Code

Principal Occupation/Job Title:  
 Principal Occupation/Job Title

Employer:  
 Employer

When the filer clicks on the link for a specific error listed in the error check error table, the filer is taken to the data entry page for that specific error.

Description of the specific error on this data entry page

[Campaign Finance Guide](#) | [TEC Filer](#) | [https://www.ethics.state.tx.us/TECFilerWeb/pages/filer/contributionsInfoPage.jsf](#) | [TEC AMS](#) | [New Tab](#) | [CapTel 24000 Help C](#) | [RED Filing App](#) | [DIR](#) | [SonicMail](#) | [System Dashboard](#) | [Home](#) | [Profile](#) | [Reports](#) | [Fines/Fees](#) | [Messages](#)

Build Number: V10.4541 (10/31/2017) | **LOGGED IN AS COH FILER : CRAMER, MONTY (00049132) | Logout**

**TEXAS ETHICS COMMISSION**

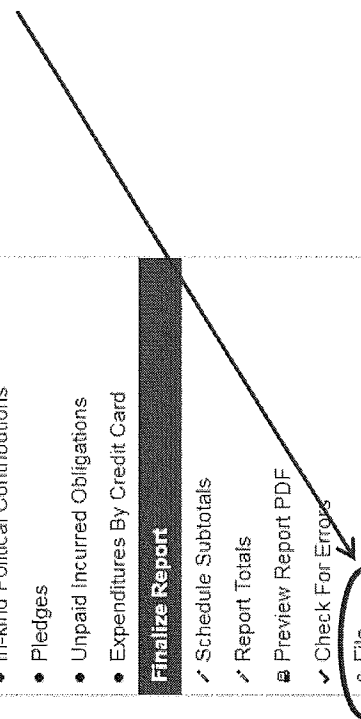
**Incoming Funds:** Page Help  
**Monetary Political Contributions** Schedule A1

Date	Contributor	Amount	Itemize	Action
06/06/2016	Donor, D.	\$100.00	Y	<a href="#">Edit</a> <a href="#">Delete</a>

(1 of 1) | [Add](#) | [Memo](#) | [Done with Contributions](#)

- [Current Report: Semiannual](#)
- [01/01/2016 thru 06/30/2016](#)
- [Cover Sheet](#)
- [Notices From PACs](#)
- [Worksheet Summary](#)
- Incoming Funds**
  - [Monetary Political Contributions](#)
  - [Loans](#)
  - [Other Incoming Funds](#)
- Outgoing Funds**
  - [Political Expenses From Political Funds](#)
  - [Political Expenses From Personal Funds](#)
  - [Payment To Business Of A C/OH](#)
  - [Non-Political Expenditures](#)
  - [Purchase Of Investments](#)
- Additional Activity**
  - [In-kind Political Contributions](#)
  - [Pledges](#)
  - [Unpaid Incurred Obligations](#)
  - [Expenditures By Credit Card](#)
- Finalize Report**
  - [Schedule Subtotals](#)
  - [Report Totals](#)
  - [Preview Report PDF](#)
  - [Check For Errors](#)
  - File**
  - [Logout](#)

The filer selects to file the report



**Error check runs automatically when the filer Report Error Check selects to File. This error check cannot be bypassed.**

In the list below, you may click an [Error Record](#) link to navigate to that error item.

Severity	Tracking Information	Error Record	Message
MEDIUM	Contribution: 06/06/2016 - \$100.00 Contributor: Donor, D.	Street Address: TX	Address Line 1 is required. City is required. ZIP Code is required.

This report has errors with MEDIUM or LOW severity. You should correct these errors to be in compliance. If you choose, you may accept the errors and file the report.

[Accept Potential Errors](#) | [View As PDF](#) | [View As Excel](#)

After the final Error Check completes, the filer is given the option to choose to file the report with the listed MEDIUM or LOW errors.

- Current Report: Semiannual**
- 01/01/2016 thru 06/30/2016
- [Cover Sheet](#)
- [Notices From PACs](#)
- [Worksheet Summary](#)
- Incoming Funds**
- [Monetary Political Contributions](#)
- [Loans](#)
- [Other Incoming Funds](#)
- Outgoing Funds**
- [Political Expenses From Political Funds](#)
- [Political Expenses From Personal Funds](#)
- [Payment To Business Of A C/OH](#)
- [Non-Political Expenditures](#)
- [Purchase Of Investments](#)
- Additional Activity**
- [In-kind Political Contributions](#)
- [Pledges](#)
- [Unpaid Incurred Obligations](#)
- [Expenditures By Credit Card](#)
- Finalize Report**
- [Schedule Subtotals](#)
- [Report Totals](#)
- [Preview Report PDF](#)



[Campaign Finance Guide](#) | [TEC Filer](#) | [Texas Ethics Commission](#) | [System Dashboard](#) | [DIR](#) | [SonicWall](#) | [RFD Filing App](#) | [TEC AMS](#) | [New Tab](#) | [CapTel 2400i Help C](#) | [Home](#) | [Profile](#) | [Reports](#) | [Fines/Fees](#) | [Messages](#)

Logged in as **COH Filer - Cramer, Monty (00049132)** | [Logout](#)

Build Number: V10.4544 (10/54/2017)

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**Report Error Check** Page Help

By filing a report with these errors, you may subject yourself to sworn complaints in the future. Are you sure you want to file with errors?

[Accept Potential Errors and File](#) | [Return To Errors List](#) | [View As PDF](#) | [View As Excel](#)

---

**Current Report: Semianntial**  
 01/01/2016 thru 05/30/2016

- ✓ Cover Sheet
- ✓ Notices From PACs
- ✓ Worksheet Summary

**Incoming Funds**

- Monetary Political Contributions
- Loans
- Other Incoming Funds

**Ongoing Funds**

- Political Expenses From Political Funds
- Political Expenses From Personal Funds
- Payment To Business Of A C/OH
- Non-Political Expenditures
- Purchase Of Investments

**Additional Activity**

- In-kind Political Contributions
- Pledges
- Unpaid Incurred Obligations
- Expenditures By Credit Card

**Finalize Report**

- ✓ Schedule Subtotals
- ✓ Report Totals
- 📄 Preview Report PDF
- 📄 One Click PDF Report
- 📁 File
- 🚪 Logout

If the filer chooses to file with errors, the filer is given a warning and another option to fix the errors before filing the report with the known errors.



## MEMORANDUM

**TO:** Commissioners, Texas Ethics Commission

**FROM:** Ian Steusloff, General Counsel

**DATE:** November 2, 2017

**SUBJECT:** Update on the Implementation of Waiver and Reduction Rules

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The rules allowing the executive director to determine whether or not a filer is eligible for a waiver or reduction of a fine for a late report continue to work well. With these rules, determinations regarding most waiver requests are handled administratively. Since the last meeting, staff has processed 53 waiver requests under TEC Rules 18.24-26 and made the following determinations:

Waiver =	21
Reduction =	15
No Waiver =	<u>17</u>
Total =	53

Under the rules, a filer who disagrees with the administrative determination may appeal to the Commission. Appeals are considered by the Commission during a public meeting, and filers have an opportunity to appear to offer testimony. At the November meeting, the Commission will consider five such appeals, which are listed in the attached memorandum (Exhibit A). At the meeting, the Commission may vote to affirm the original determination or make a new determination based on facts presented.

Please let me know if you have any questions.

**TEXAS ETHICS COMMISSION**  
**MEMORANDUM**

**TO:** Commissioners, Texas Ethics Commission  
**FROM:** Amy S. Barden, Senior Legal Assistant  
**DATE:** November 2, 2017  
**SUBJECT:** Late Reports Memo – Appeals under Ethics Commission Rule 18.24(g)  
**Meeting Date:** November 13, 2017

---

The following filers submitted requests for an appeal regarding a determination previously made under section 18.25 or 18.26 of the Ethics Commission Rules (relating to Administrative Waiver or Reduction of Fine). The Commission may vote to affirm the determination made under the Ethics Commission Rules or make a new determination based on facts presented in an appeal. Note: Staff makes no recommendation regarding an appeal, unless specifically noted in bold.

**REPORT TYPE I: NON-CRITICAL REPORTS**

**TEC Rules Determination: I-A – Levels Chart - Level 2.5 – Reduction to \$400 (Item 1):**

**1. Lawrence E. Meyers (20530)**  
**Candidate, Court of Criminal Appeals**

**Report:** semiannual report due July 17, 2017  
**File date:** August 1, 2017 (15 days late)  
**Activity:** contributions = -0-; expenditures = -0-; contributions maintained = \$441.15  
**Prior offenses:** July 2015 semiannual report (\$500 fines waived under I-A, Lev. 1) and personal financial statement due February 12, 2016 (\$500 fine reduced to \$150 under I-A, Lev. 1.5; paid)  
**Penalty:** \$500 – reduction to \$400

Basis: Not a critical report; Category A filer; two prior late-filing offenses in the last five years; good cause shown.

On August 31, 2017, the Commission sent a determination letter informing Judge Meyers that he is eligible for a reduction of the late-filing penalty to \$400 under the Ethics Commission Rules. The letter requested that he remit the payment or request appeal by October 2, 2017.

Request for Appeal: On September 18, 2017, the Commission received his appeal. In his appeal letter, Judge Meyers stated that he is grateful for the reduction but feels that the late filing was not his fault. He stated that he was never informed of the requirement to file the semiannual report because the filing notices were sent to an old e-mail address. He has since updated his e-mail address with the Commission. Judge Meyers also stated that he was neither a candidate nor an officeholder and had no campaign finance activity during the period. (*Note:* Judge Meyers has an active campaign treasurer appointment on file, and therefore is required to file campaign finance reports.) Judge Meyers stated that he would be glad to appear before the Commission and offer testimony.

**TEC Rules Determination: Report Type I Criteria Not Met – No Waiver (Item 2):**

**2. Elizabeth Choate (66252)  
Lobbyist**

Report: monthly lobby activities report due July 10, 2017  
File date: July 13, 2017 (3 days late)  
Activity: none  
Prior offenses: July 2013, March 2015, February and March 2017, monthly lobby activities reports (\$500 fine for each; paid)  
Penalty: \$500 – no waiver

Basis: Not a critical report; did not meet the criteria for a waiver or reduction because the filer has four prior late-filing offenses in the last five years.

On September 14, 2017, the Commission sent a determination letter informing Ms. Choate that she is not eligible for a waiver of the \$500 late-filing penalty under the Ethics Commission Rules. The letter requested that she remit the payment or request appeal by October 16, 2017.

Request for Appeal: On September 29, 2017, the Commission received her appeal. In her appeal letter, Ms. Choate stated that all of the prior violations are very recent occurrences that occurred around the same time. She stated that these violations occurred because the person at her office whose duty it was to handle the filings suddenly left employment without warning or a succession plan. Ms. Choate stated that she was unaware of the filing requirements and as soon as she discovered that a report was due, she called and received assistance from Commission staff. She stated, "A fine of \$500.00 for failing to file a zero-dollar report seems rather large, especially as failing to file was an honest mistake and not an attempt to obfuscate or hide anything."

## REPORT TYPE II: CRITICAL REPORTS

### TEC Rules Determination: II-A – Formulas Chart (Item 3):

**3. James D. Morrison (80120)**  
**Candidate, State Representative**

Report: semiannual report due July 15, 2016  
File date: December 1, 2016 (139 days late)  
Activity: none  
Prior offenses: 30-day pre-election report due February 1, 2016 (\$500 fine appealed at the February 2017 meeting; Commission reduced to \$150; paid); and personal financial statement due February 12, 2016 (\$500 fine waived by Commission)  
Penalty: \$10,000 – reduction to \$3,500; reverted to \$10,000 due to no response

Basis: Critical report; Category A filer; two prior late-filing offenses in the last five years; no good cause shown.

Formula: The fine is calculated at \$500 (no good cause, 1st day late) + \$1,000 (next 10 days late @ \$100 per day) + \$2,000 (four 30-day segments @ \$500 per segment) + \$0 (remaining 8 days late do not add up to a full 30-day segment) = \$3,500.

On March 29, 2017, the Commission sent a determination letter informing Mr. Morrison that he is eligible for a reduction of the penalty to \$3,500 under the Ethics Commission Rules. The letter informed Mr. Morrison that the reduced fine would revert to the original amount assessed if he did not remit the payment or request appeal by April 28, 2017. The Commission received no response, so the fine reverted to \$10,000 and was referred to the Attorney General for collection.

Request for Appeal: On May 18, 2017, the Commission received the appeal. Mr. Morrison requested an opportunity to attend the meeting and explain to the Commission his extenuating circumstances that led to his failure to file.

**TEC Rules Determination: II-B – Formulas Chart (Items 4-5):**

**4. Richard Knight, Jr. (39199)  
Treasurer, 'DCUA' Dallas Committee on Urban Affairs**

- 1) Report: 30-day pre-election report due April 6, 2017  
File date: April 10, 2017 (filed on paper; received 4 days late)  
Activity: contributions = \$8,000.00; expenditures = \$5,000.00;  
contributions maintained = \$5,309.41  
Prior offenses: January 2014 semiannual report (\$500 fine waived under HB 89); and  
as a PFS Filer – April 2015 PFS (\$500 fine paid)  
Penalty: \$500 – no waiver

Basis: Critical report; Category B filer; two prior late-filing offenses in the last five years; good cause shown.

Formula: The fine is calculated at \$300 (good cause, 2 priors, 1st day late) + \$200 (next 2 days late @ \$100 per day) + \$0 (remaining 1 day late) = \$500. (The maximum statutory late fine for this report is \$500.)

- 2) Report: 8-day pre-election report due April 28, 2017  
File date: May 1, 2017 (filed on paper; received 3 days late)  
Activity: contributions = -0-; expenditures = \$800.00;  
contributions maintained = \$5,009.41  
Prior offenses: 30-day pre-election report due April 6, 2017 (report (1) above);  
January 2014 semiannual report (\$500 fine waived under HB 89); and  
as a PFS Filer – April 2015 PFS (\$500 fine paid)  
Penalty: \$700 – no waiver

Basis: Critical report; Category B filer; did not meet the criteria for a waiver or reduction because the filer has three prior late-filing offenses in the last five years.

Total penalties: \$1,200

On July 19, 2017, the Commission sent a determination letter informing Mr. Knight that he is not eligible for a waiver of the total \$1,200 late-filing penalties under the Ethics Commission Rules. The letter requested that Mr. Knight remit the payment or request appeal by August 18, 2017.

Request for Appeal: On July 24, 2017, the Commission received the appeal from Donald W. Hicks, Sr., P.C., General Counsel for DCUA. The appeal stated:

I hereby request an appeal of the July 19, 2017, Letter Determination made under the Commission Rules. The DCUA (the Committee) has been filing its required Reports via Certified Mail Return Receipt Requested since its establishment and participation in local elections. This is the first time these penalties have arisen since the Committee was established. The penalties are based on a misinterpretation of what is meant by "*filing*." Every Government organization that I know of allows for *timely mailing as timely filing*. I would like to provide testimony regarding this appeal, if the Commission finds it helpful. I would like to know what appeal rights the Committee has beyond the requested appeal.

5. **Adan Tovar (56027)**  
**Treasurer, 'ROCKGPAC' Rockwall Republican Executive Committee General Purpose PAC (CEC)**

Report: 8-day pre-election report due April 28, 2017  
File date: May 3, 2017 (5 days late)  
Activity: contributions = -0-; expenditures = \$1,000.00;  
contributions maintained = \$19,558.11  
Prior offenses: 30-day pre-election report due February 3, 2014 (\$500 fine reduced to \$100 by Commission; paid); and runoff report due May 19, 2014 (\$500 fine waived under HB 89)  
Penalty: \$900 – reduction to \$700

Basis: Critical report; Category B filer; two prior late-filing offenses in the last five years; good cause shown.

Formula: The fine is calculated at \$300 (good cause, 2 priors, 1st day late) + \$400 (next 4 days late @ \$100 per day) = \$700.

On May 24, 2017, the Commission sent a determination letter informing Mr. Tovar that he is eligible for a reduction of the penalty to \$700 under the Ethics Commission Rules. The letter requested that he remit the payment or request appeal by June 23, 2017.

Request for Appeal: On June 12, 2017, the Commission received the appeal. Mr. Tovar requested an opportunity to appeal his case to the Commission at its meeting.





## Corrected Reports Memo

Page 2

### 2. Terry L. Barker (80175) Treasurer, Metrocrest Democrats

Report: 8-day pre-election report due April 28, 2017 (original filed late)  
Correction date: July 17, 2017  
Original report: contributions = -0-; expenditures = \$2,233.53  
contributions maintained = \$2,185.21  
Corrected report: contributions = \$1,952.01; expenditures = \$617.62  
contributions maintained = \$2,185.21  
Prior corrections: none  
Penalty: \$8,400 (\$7,900 for late original + \$500 for correction)  
Recommendation: reduction to \$500

On July 12, 2017, Mr. Barker filed the original report late and the fine accrued to \$7,900. Based on the Ethics Commission Rules, the original late report is eligible for a reduction of the fine to \$500 (II-B, Level 3).

On July 17, 2017, Mr. Barker filed the corrected report and the fine accrued an additional \$500. He corrected the original report to change the period covered; to add \$1,952.01 in total contributions; and to decrease total expenditures by \$1,615.91. Based on Commission guidelines for corrected reports, the amounts of the changes do not exceed \$2,000, and therefore the correction would be in substantial compliance with no additional fine for the correction.

Mr. Barker stated that other PAC officers decided to send a political mailer before the local election and did not inform him of the political activity until well after the deadline to file the 8-day pre-election report. Mr. Barker stated that he filed the report as soon as he realized it was required. After consulting Commission staff, he filed the correction to cover the correct reporting period. **Recommendation Based on the Ethics Commission Rules for Late Reports and Guidelines for Corrected Reports: reduction to \$500.**

Corrected Reports Memo

Page 3

3. **John C. 'Chris' Allen (69672)**  
**Treasurer, Focus Irving PAC**

Report: 8-day pre-election report due April 28, 2017  
Correction date: July 17, 2017  
Original report: contributions = -0-; expenditures = \$13,315.53; loans = \$13,270.16  
contributions maintained = -0-  
Corrected report: contributions = \$5,000.00; expenditures = \$7,940.81; loans = \$2,895.44  
contributions maintained = -0-  
Prior corrections: none  
Penalty: \$8,400  
Recommendation: reduction to \$1,000

Mr. Allen corrected the original report to add a \$5,000 political contribution from an entity, decrease the amount of a loan by \$5,000, and delete a \$5,374.72 loan. He also deleted a \$5,374.72 political expenditure, which he stated was a duplicate of another expenditure disclosed in the report. Mr. Allen stated that he discovered the errors while preparing the July 2017 semiannual report and filed the correction within 14 business days of learning the report was incorrect. The amount of the changes in the totals are over 10% of the total. The correction was filed after the election date. **Recommendation Based on Commission Guidelines: reduction to \$1,000.**