

# TEXAS ETHICS COMMISSION

IN THE MATTER OF  
ERNEST E. CHANCE,  
RESPONDENT

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BEFORE THE  
TEXAS ETHICS COMMISSION  
SC-231069

## ORDER and AGREED RESOLUTION

### I. Recitals

The Texas Ethics Commission met on March 11, 2004, to consider Sworn Complaint SC-231069. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.061(2), 254.031(a)(1), and 254.031(a)(3) of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposes this agreed resolution to the respondent.

### II. Allegations

The complainant alleges that the respondent, a county commissioner, filed incomplete campaign finance reports and accepted corporate contributions.

### III. Facts Supported by Credible Evidence

Credible evidence available to the commission supports the following findings of fact:

1. The respondent is a county commissioner.
2. The complainant alleges that the respondent failed to include required information on the semiannual report due on January 18, 2000, and on the semiannual report due on January 16, 2001.
3. The complainant alleges that the respondent's January 2000 semiannual report shows that the respondent violated section 255.003 of the Election Code by accepting corporate contributions.
4. The complainant alleges that the respondent's January 15, 2002, semiannual report did not include the following required information: the campaign treasurer's address; complete contributor addresses; contribution dates; complete payee addresses; and contributor occupations.

The report includes the campaign treasurer's name but not the address. The report includes 98 contributions of more than \$50. The report does not include a zip code in connection with any of the contributions. The report does not include any contributor address information in connection with 64 of the contributions. The report does not include a date for any of the contributions. The report itemizes 10 expenditures of over \$50. In connection with two of those expenditures, the respondent reported no payee address information. In connection with the other eight expenditures, the respondent reported no payee street address. The respondent filed a corrected report on November 14, 2003, that corrected most of the omissions.

5. The complainant alleges that the respondent omitted the campaign treasurer's address on his January 2003 semiannual report. The respondent's January 2003 semiannual report includes the campaign treasurer's name but not the address. The respondent filed a corrected report on November 14, 2003, that included the campaign treasurer's address.
6. The complainant alleges that the respondent accepted corporate contributions. In support of his allegations that the respondent accepted corporate contributions, the complainant submitted documents that have to do with an "appreciation breakfast" for the respondent. One of the documents lists "gold sponsors" of the breakfast. One of the documents explains that a "gold sponsor" must pledge \$1,000. Three of the gold sponsors appear to be business corporations.
7. The respondent submitted a sworn response in which he states that he has accepted no corporate contributions. With his response, the respondent submitted a reply sheet that he states was part of the invitation to the fundraiser. The reply sheet states, "BY LAW, CORPORATE CHECKS CANNOT BE ACCEPTED." He explains that business names were listed as sponsors "only to publicize individual contributors' occupations and businesses."
8. The respondent submitted copies of the three checks in question. The checks are not from corporations.

#### **IV. Findings and Conclusions of Law**

The facts described in Section III support the following findings and conclusions of law:

1. The commission has no jurisdiction to consider allegations regarding the January 2000 and January 2001 semiannual reports because the reports were filed before October 7, 2001. 1 T.A.C. § 12.3(3).
2. The commission has no jurisdiction to consider an allegation of a violation of section 253.003 that is alleged to have occurred before October 7, 2000. 1 T.A.C. § 12.3(3).

3. An individual who has a campaign treasurer appointment on file is a candidate. ELEC. CODE § 251.001(1)(A). A candidate is required to include his or her campaign treasurer's name and address on each report. *Id.* § 254.061(2). The respondent's January 2002 and January 2003 semiannual reports include the campaign treasurer's name but not the address. Therefore, there is credible evidence that the respondent violated section 254.061(2) of the Election Code.
4. The complainant alleges that the respondent's January 2002 semiannual report did not include complete contributor addresses. A filer is required to report the full address of a contributor who contributes more than \$50 during the reporting period. ELEC. CODE § 254.031(a)(1). Because the report did not include complete contributor address information in connection with 64 of the contributions, there is credible evidence that the respondent violated section 254.031(a)(1) of the Election Code in connection with those contributions.
5. The complainant alleges that the respondent's January 2002 semiannual report did not include the dates of the contributions. A filer is required to report the date of any contribution from a contributor who contributed more than \$50 during the reporting period. ELEC. CODE § 254.031(a)(1). Because the report did not include a date for any of the contributions, there is credible evidence that the respondent violated section 254.031(a)(1) of the Election Code in connection with those contributions.
6. The complainant alleges that the respondent's January 2002 semiannual report did not include complete payee addresses. A filer is required to report the address of any payee to whom the filer made expenditures of more than \$50 during the reporting period. ELEC. CODE § 254.031(a)(3). Because the report failed to include complete payee addresses for any of the expenditures of more than \$50, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code.
7. The complainant alleges that the respondent's January 2002 semiannual report did not include contributor occupations. The respondent was not required to provide contributor occupations.
8. The complainant alleges that the respondent accepted corporate contributions.

A corporation organized under the Texas Business Corporations Act or the Texas Non-Profit Corporation Act may not make a political contribution to a candidate or officeholder. ELEC. CODE § 253.094. A candidate may not knowingly accept a political contribution that the candidate knows was made in violation of chapter 253 of the Election Code. *Id.* § 253.003(b). Although the respondent's political advertising regarding gold sponsors create the impression that he accepted corporate contributions, the evidence he submitted supports a finding that he did not accept corporate contributions. Therefore, there is credible evidence that the respondent did not violate section 253.003 of the Election Code.

## V. Representations and Agreement by Respondent

By signing this ORDER and AGREED RESOLUTION and returning it to the commission:

1. The respondent neither admits nor denies the facts described under Section III and the commission's findings and conclusions of law described under Section IV, and consents to the entry of this ORDER and AGREED RESOLUTION solely for the purpose of resolving this sworn complaint.
2. The respondent consents to the entry of this Order before any adversarial evidentiary hearings before the commission, and before any formal adjudication by the commission. The respondent waives any right to a hearing before the commission or an administrative law judge, and further waives any right to a post-hearing procedure provided by law.
3. The respondent acknowledges that: a candidate is required to include his or her campaign treasurer's name and address on each report; a filer is required to report the full address of a contributor who contributes more than \$50 during the reporting period; a filer is required to report the date of any contribution from a contributor who contributed more than \$50 during the reporting period; and a filer is required to report the address of any payee to whom the filer made expenditures of more than \$50 during the reporting period. The respondent agrees to fully comply with these requirements of the law.

## VI. Confidentiality

This ORDER and AGREED RESOLUTION describes violations that the commission has determined are neither technical nor *de minimis*. Accordingly, this ORDER and AGREED RESOLUTION is not confidential under section 571.140 of the Government Code, and may be disclosed by members and staff of the commission.

## VII. Sanction

After considering the seriousness of the violation described under Sections III and IV, including the nature, circumstances, and consequences of the violation, and after considering the sanction necessary to deter future violations, the commission imposes a \$100 civil penalty for the violation described under Section IV.

## VIII. Order

The commission hereby ORDERS that if the respondent consents to the proposed AGREED RESOLUTION, this ORDER and AGREED RESOLUTION is a final and complete resolution of SC-231069.

AGREED to by the respondent on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Ernest E. Chance, Respondent

EXECUTED ORIGINAL received by the commission on: \_\_\_\_\_.

Texas Ethics Commission

By: \_\_\_\_\_  
Karen Lundquist, Executive Director