

TEXAS ETHICS COMMISSION

IN THE MATTER OF
RONALD C. GREEN,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-2512242

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on September 21, 2006, to consider sworn complaint SC-2512242. A quorum of the commission was present. The commission determined that there is credible evidence of a violation of sections 254.031 and 253.032 of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposes this resolution to the respondent.

II. Allegations

The complaint alleges that the respondent failed to include information regarding contributions, expenditures, and out-of-state political committees in campaign finance reports.

III. Facts Supported by Credible Evidence

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

1. At the time relevant to the complaint, the respondent was a candidate for city council of Houston in a November 2003 election. The respondent won the following runoff election on December 6, 2003.
2. The respondent's January 2004 semiannual campaign finance report did not include the amount of political contributions maintained at the end of the reporting period.
3. In response to the complaint, the respondent filed a corrected report that disclosed political contributions maintained at the end of the reporting period.
4. The respondent's January 2004 report discloses a \$1,000 political contribution from an out-of-state committee. The respondent's July 2004 report discloses a \$500 political contribution from an out-of-state committee and the committee's Federal Election Commission ("FEC") identification number. FEC records show that both committees are

out-of-state political committees that file reports with the FEC. The reports did not include the committees' FEC statements of organization.

5. In response to the complaint, the respondent filed corrected reports that include a copy of each committee's statement of organization filed with the FEC.
6. The respondent's January 2004 semiannual report includes 24 political expenditures paid to 14 different payees but does not disclose a payee address for the expenditures.
7. In response to the complaint, the respondent filed a corrected report that discloses the full payee address for each of the expenditures at issue.
8. The respondent's January 2004 and January 2005 reports disclose four political expenditures, made for the purpose of "reimbursement." The original reports do not disclose information about the expenditures that were actually paid to the vendors or merchants for goods or services.
9. In response to the complaint, the respondent filed corrected reports that disclose the dates, amounts, and purposes of the expenditures that were described as reimbursements, and the names and addresses of the payees who were actually paid for the goods or services.

IV. Findings and Conclusions of Law

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

1. A campaign finance report must include the total amount of political contributions accepted and maintained in one or more accounts as of the last day of the reporting period. ELEC. CODE § 254.031(a)(8).
2. The respondent's January 2004 report did not disclose the total amount of political contributions maintained as of the last day of the reporting period. Therefore, there is credible evidence that the respondent violated section 254.031(a)(8) of the Election Code.
3. In a reporting period, a candidate who accepts political contributions totaling more than \$500 from an out-of-state political committee must include in the campaign finance report that covers the period either: (1) a written statement, certified by an officer of the out-of-state committee, listing the full name and address of each person who contributed more than \$100 to the out-of-state committee during the 12 months immediately preceding the date of the contribution; or (2) a copy of the out-of-state committee's statement of organization filed as required by law with the Federal Election Commission and certified by an officer of the out-of-state committee. ELEC. CODE §§ 253.032(d).

4. In a reporting period, a candidate who accepts political contributions totaling \$500 or less from an out-of-state political committee must include in the campaign finance report that covers the period either: (1) the committee's full name, address, and telephone number; the name of the person appointing the campaign treasurer; and the appointed campaign treasurer's (and assistant campaign treasurer's) full name, residence or business street address, and telephone number; or (2) a copy of the committee's statement of organization filed as required by law with the Federal Election Commission. ELEC. CODE § 253.032(e), 1 T.A.C. § 22.7(d).
5. The reports show that the respondent accepted political contributions of \$1,000 and \$500 from two out-of-state political committees without disclosing the information specified by sections 253.032(d) and 253.032(e) of the Election Code, respectively, in a campaign finance report. Therefore, there is credible evidence that the respondent violated sections 253.032(d) and 253.032(e) of the Election Code.
6. A campaign finance report must include the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
7. The respondent's report did not disclose the payee address for any of the 24 political expenditures at issue. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code.
8. In Ethics Advisory Opinion No. 450, the commission stated that in a situation in which a member of a candidate's campaign staff makes a campaign expenditure on behalf of the candidate and later receives reimbursement from the candidate, the candidate is required to report a single expenditure by listing the name of the individual or entity paid by the campaign worker as the payee, showing the date of the expenditure as the date the campaign worker made the expenditure, and explaining in the "purpose" section that a campaign worker made the expenditure from personal funds and that the candidate subsequently reimbursed the campaign worker. Ethics Advisory Opinion No. 450 (2003).
9. Regarding the political expenditures that were described as reimbursements in the respondent's original reports, the respondent disclosed information about the reimbursements that were paid to himself and another person but did not disclose information about the actual individuals or entities to whom the expenditures were made. All of the expenditures were in excess of \$50. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) in connection with these expenditures.

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 or 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 this order and agreed resolution and waives any right to further proceedings in this matter.
3. The respondent acknowledges: that a campaign finance report must include the total amount of political contributions accepted and maintained in one or more accounts as of the last day of the reporting period; that a campaign finance report must include the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures; and that in a situation in which a candidate or a member of a candidate's campaign staff makes a campaign expenditure on behalf of the candidate and later receives reimbursement from the candidate, the candidate is required to report a single expenditure by listing the name of the individual or entity paid by the candidate or campaign worker as the payee, showing the date of the expenditure as the date the candidate or campaign worker made the expenditure, and explaining in the "purpose" section that the candidate or campaign worker made the expenditure from the candidate's personal funds and that the candidate subsequently reimbursed himself or the campaign worker. The respondent also acknowledges that in a reporting period, a candidate who accepts political contributions totaling more than \$500 from an out-of-state political committee must include in the campaign finance report that covers the period either: (1) a written statement, certified by an officer of the out-of-state committee, listing the full name and address of each person who contributed more than \$100 to the out-of-state committee during the 12 months immediately preceding the date of the contribution; or (2) a copy of the out-of-state committee's statement of organization filed as required by law with the Federal Election Commission and certified by an officer of the out-of-state committee. The respondent agrees to 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 violations described under Sections III and IV, including the nature, circumstances, and consequences of the violations, and after considering the sanction necessary to deter future violations, the commission imposes a \$100 civil penalty for the violations described under Sections III and IV.

VIII. Order

The commission hereby orders that if the respondent consents to the proposed resolution, this order and agreed resolution is a final and complete resolution of SC-2512242.

AGREED to by the respondent on this _____ day of _____, 20____.

Ronald C. Green, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director