

TEXAS ETHICS COMMISSION

IN THE MATTER OF
PHILLIP S. KING,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-280282

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on December 2, 2009, to consider sworn complaint SC-280282. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 253.035 and 254.031 of the Election Code and section 20.61 of the Ethics Commission Rules, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposed this resolution to the respondent.

II. Allegations

The complaint alleged that the respondent converted political contributions to personal use.

III. Facts Supported by Credible Evidence

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

1. The respondent is currently the state representative for District 61 (Parker and Wise counties) and held that office during the period at issue.
2. The complaint alleged that the respondent converted political contributions to personal use by using political contributions to pay for food, accommodations, groceries, office refreshments, dry cleaning, travel expenses, maid services, cable services, and mobile phone services.

Expenditures for Mobile Phone Services in Austin, totaling approximately \$9,650

3. The complaint alleged that the respondent converted political contributions to personal use when he made expenditures during 2007 to AT&T Mobility and Cingular Wireless.

4. The complaint alleged approximately \$10,840 in expenditures, but the actual amount disclosed for 2007 totaled approximately \$9,650 for the purpose of telephone expense. These expenditures were disclosed on the respondent's July 2007 and January 2008 semiannual reports.
5. The July 2007 semiannual report disclosed 30 expenditures to Cingular Wireless totaling approximately \$5,960 for the purpose of "Telephone Expense."
6. The January 2008 semiannual report disclosed 13 expenditures to AT&T Mobility totaling approximately \$1,990, and nine expenditures to Cingular Wireless totaling approximately \$1,700 for the purpose of "Telephone Expenses."

Expenditures for Cleaning Services in Austin, totaling approximately \$2,670

7. The complaint alleged that the respondent converted political contributions to personal use with regard to 36 expenditures to Morehand's Inc. totaling approximately \$2,670 for the purpose of accommodations expense. These expenditures were disclosed on the respondent's July 2007 and January 2008 semiannual reports.
8. The July 2007 semiannual report disclosed 24 expenditures to Morehand's Inc. totaling approximately \$1,680 for the purpose of "Accommodations Expense."
9. The January 2008 semiannual report disclosed 14 expenditures to Morehand's Inc. totaling approximately \$990 for the purpose of "Accommodations Expense."
10. On April 13, 2009, the respondent corrected the expenditures at issue to change the purpose of the expenditures from "Accommodations Expense" to "Maidservice for Austin apartment."

Expenditures for Cable Services in Austin, totaling approximately \$1,960

11. The complaint alleged that the respondent converted political contributions to personal use when he made expenditures during 2007 to Time Warner Cable totaling approximately \$1,960 for the purpose of accommodations expense. These expenditures were disclosed on the respondent's July 2007 and January 2008 semiannual reports.
12. The complaint asserted that because the legislative session began on January 9, 2007, and ended on May 28, 2007, the expenditures for cable during the period of June 2007 through December 2007 were not "reasonable household expenses while residing in Austin during the legislative sessions."
13. The July 2007 semiannual report disclosed six expenditures to Time Warner Cable totaling approximately \$1,180 for the purpose of "Accommodations Expense." Two of these expenditures were made after May 28, 2007, totaling approximately \$320.

14. The January 2008 semiannual report disclosed five expenditures to Time Warner Cable, totaling approximately \$780 for the purpose of "Accommodations Expense." All of these expenditures were made after May 2007.
15. On April 13, 2009, the respondent corrected the expenditures at issue to change the purpose of the expenditures from "Accommodations Expense" to "Cable TV High Speed Data Digital Telephone for Austin Apartment."

Expenditures to Grocery Stores, totaling approximately \$4,340

16. The complaint included a list of 22 expenditures to HEB and Randalls ("Randal's" on reports) in Austin, totaling approximately \$2,590 for a combination of food, accommodations, groceries and office refreshments. These expenditures were disclosed on the respondent's July 2007 and January 2008 semiannual reports, and his February 2008 30-day pre-election report.
17. The July 2007 semiannual report disclosed nine expenditures to "Randal's" totaling approximately \$1,330, and four expenditures to HEB totaling approximately \$150, for the purpose of "Food and Accommodations Expense."
18. The January 2008 semiannual report disclosed eight expenditures to "Randal's" totaling approximately \$1,000 for the purpose of "Groceries Office Refreshments and Accommodations Expense."
19. The February 2008 30-day pre-election report disclosed one expenditure to "Randal's" of approximately \$110 for the purpose of "Groceries Office Refreshments and Accommodations Expense."
20. The complaint also listed 18 expenditures to "Randal's" and one expenditure to Kroger totaling approximately \$1,750 for the purpose of travel expenses. These expenditures were disclosed on the respondent's July 2005, January 2006, July 2006, and January 2007 semiannual reports, and the October 2006 30-day and 8-day pre-election reports.
21. The July 2005 semiannual report disclosed five expenditures to "Randal's" totaling approximately \$470 for the purpose of "Travel expense."
22. The January 2006 semiannual report disclosed one expenditure to "Randal's" totaling approximately \$120 for the purpose of "Travel expense."

23. The July 2006 semiannual report disclosed eight expenditures to “Randal’s” totaling approximately \$600 for the purpose of “Travel Expense.”
24. The October 2006 30-day pre-election report disclosed two expenditures to “Randal’s” totaling approximately \$140, and one expenditure to Kroger totaling approximately \$60, for the purpose of “Travel Expense.”
25. The October 2006 8-day pre-election report disclosed one expenditure to “Randal’s” totaling approximately \$110 for the purpose of “Travel Expense.”
26. The January 2007 semiannual report disclosed one expenditure to “Randal’s” totaling approximately \$250 for the purpose of “Travel Expense.”
27. On April 13, 2009, the respondent corrected the expenditures at issue to change the purpose of the expenditures to “Fuel – Officeholder/Staff” or “Household supplies needed to maintain Austin apartment.”

Expenditures to Hotels, totaling approximately \$2,050

28. The complaint included a list of 12 expenditures to hotels totaling approximately \$2,050. The expenditures were disclosed on the respondent’s January 2006, July 2006, January 2007, and January 2008 semiannual reports, and the October 2006 8-day pre-election report.
29. The January 2006 semiannual report disclosed five expenditures to hotels (one expenditure to Hawthorne Suites in San Antonio, two expenditures to Emily Morgan Hotel in Houston, and two expenditures to Hilton Hotel - DFW) totaling approximately \$640 for the purpose of “Travel expense.”
30. The July 2006 semiannual report disclosed one expenditure to Crowne Plaza in Dallas totaling approximately \$140 for the purpose of “Lodging.”
31. The October 2006 8-day pre-election report disclosed one expenditure to Hilton Americas Hotel in Houston totaling approximately \$380 for the purpose of “Travel Expense.”
32. The January 2007 semiannual report disclosed two expenditures to Hilton Hotel - DFW totaling approximately \$260 for the purpose of “Accomodations [sic] Expense.”
33. The January 2008 semiannual report disclosed three expenditures (one expenditure to Alden Hotel in Houston and two expenditures to Intercontinental Hotel in Houston) totaling approximately \$630 for the purpose of “Travel Expense.”
34. On April 13, 2009, the respondent corrected the expenditures at issue to change the purpose of the expenditures to “Hotel Lodging.”

Expenditure to Car rental business, totaling approximately \$880

35. The complaint included an expenditure to Enterprise Rent-A-Car in Austin totaling approximately \$880 for the purpose of "Travel Expense." The expenditure was disclosed on the respondent's January 2008 semiannual report.
36. On April 13, 2009, the respondent corrected the expenditure at issue to change the purpose of the expenditure from "Travel Expense" to "Rental Car for Legislative Business Travel."

Expenditures to Banks, totaling \$200

37. The complaint included a list of two expenditures to banks totaling \$200 for the purpose of "Travel Expenses." The respondent's October 2006 8-day pre-election report disclosed one expenditure to Prosperity Bank for \$100, and the respondent's January 2007 semiannual report disclosed one expenditure to Texas Bank for \$100.

Expenditures to Airports, totaling \$200

38. The complaint included a list of two expenditures to Dallas Love Field totaling \$200 for the purpose of "Travel Expense." The expenditures were disclosed on the respondent's January 2007 semiannual report.
39. On April 13, 2009, the respondent corrected the expenditures at issue to change the purpose of the expenditures from "Travel Expense" to "Airline Ticket for Legislative Business Travel."

Expenditures to Airlines, totaling approximately \$5,680

40. The complaint included a list of 39 expenditures to American Airlines and Southwest Airlines, totaling approximately \$5,680 for the purpose of "Travel Expense." The expenditures were disclosed on the respondent's January 2006, July 2006, January 2007, and January 2008 semiannual reports, and the October 2006 8-day and February 2008 30-day pre-election reports.
41. The January 2006 semiannual report disclosed 10 expenditures (eight expenditures to Southwest Airlines and two expenditures to American Airlines) totaling approximately \$1,310 for the purpose of "Travel expense."
42. The July 2006 semiannual report disclosed 10 expenditures (nine expenditures to Southwest Airlines and one expenditure to American Airlines) totaling approximately \$1,890 for the purpose of "Travel Expense."

43. The October 2006 8-day pre-election report disclosed one expenditure to Southwest Airlines totaling approximately \$230 for the purpose of "Travel Expense."
44. The January 2007 semiannual report disclosed four expenditures to Southwest Airlines totaling approximately \$570 for the purpose of "Travel Expense."
45. The January 2008 semiannual report disclosed 13 expenditures (10 expenditures to Southwest Airlines and three expenditures to American Airlines) totaling approximately \$1,570 for the purpose of "Travel Expense."
46. The February 2008 30-day pre-election report disclosed one expenditure to Southwest Airlines totaling approximately \$110 for the purpose of "Travel Expense."
47. On April 13, 2009, the respondent corrected the expenditures at issue to change the purpose of the expenditures from "Travel Expense" to "Airline Ticket for Legislative Business Travel."

Expenditures to Dry Cleaners, totaling approximately \$550

48. The complaint included a list of 24 expenditures to Westbank Dry Cleaners in Austin totaling approximately \$550 for the purpose of "Travel Expense." These expenditures were disclosed on the respondent's January 2006 and July 2007 semiannual reports.
49. The January 2006 semiannual report disclosed four expenditures totaling approximately \$90 for the purpose of "Travel expense."
50. The July 2007 semiannual report disclosed 20 expenditures totaling approximately \$460 for the purpose of "Travel Expense."
51. The commission received the sworn complaint on February 26, 2008, and mailed the notice of complaint on March 4, 2008. The deadline for response was 25 business days from the date of receipt of the notice of complaint.
52. On April 4, 2008, the respondent's attorney requested an extension of the deadline to respond.
53. The respondent's attorney submitted a general denial on the deadline, April 10, 2008. The attorney stated that the response will be supplemented at a later date due to the fact that the employee that assists the respondent in compiling the information for filing with the commission, is an accountant who has other clients who need assistance with their income tax filings and it is not possible for him to devote enough time to locating all of the numerous documents necessary to respond to the sworn complaint by the response deadline.

54. On January 2, 2009, the commission received a supplemental response. The response addressed the allegation related to dry cleaning, and stated that a second supplemental response to address the other alleged violations would be forthcoming at “a future date.”
55. The respondent swore that at the time the expenditures at issue were made, he was not aware of the ethics advisory opinion restricting the use of political contributions for dry cleaning expenditures. The respondent swore that in December 2007, prior to the filing of the sworn complaint, he engaged a third party to audit his report, and that the third party notified the respondent of the relevant advisory opinion and the need to reimburse his campaign. The respondent swore that he reimbursed his campaign the full amount of \$581.43.
56. The respondent provided a copy of a check dated December 31, 2007, for \$581.43, to “Phil King Campaign,” and a deposit slip with the same date. The respondent’s reports do not disclose a \$581.43 credit on the optional credits schedule.
57. On January 22, 2009, the commission received the second supplemental response. The respondent swore that “he was under the impression that campaign funds could be used for any living expense incurred while in Austin as a member of the legislature. Therefore, when completing the reports at issue, the preparer considered the Austin dry cleaning expenditures Rep. King made to be travel expenses.” The respondent restated that all dry cleaning expenses were reimbursed by the respondent before the complaint was filed. The respondent admits that he “does not recall the purpose behind each and every purchase complained of by [the complainant].”
58. The respondent swore that:
- When decisions were made on the descriptions to be used when reporting political expenditures, there were two basic objectives: 1) to standardize the entries for the preparer; and 2) shortening the actual language used in the descriptions because electronic filers are given limited space in which to insert descriptive language. Rep. King now realizes that neither objective was in the best interest of either his campaign staff or the public perusing his report. Therefore, Rep. King has now made efforts to be more descriptive in the language used for expenditures as is demonstrated in his recent reports.
59. The respondent further swore that:
- As you will note, there were expenditures at Randall’s for “Groceries, Office Refreshments and Accommodations Expense” or “Food and Accommodations Expense.” Although food, cleaning products, and other products may be purchased at Randall’s for political purposes, the descriptions were generic enough to cover any expenditure made. Each expenditure was reported in full and the Representative was reporting expenditures in the manner in which he had been advised. Rep. King has

now taken steps to ensure that no future purchases will be made without retention of an itemized receipt in order to avoid any unintended conversion of political funds to personal use. Furthermore, Representative King offers to reimburse his campaign account the total of the expenditures at issue to ensure that any conversion, real or perceived is fully reimbursed.

As to travel expenses enumerated within the Complaint, Rep. King has reviewed these as well. The reported trips were to attend committee meetings, legislative conferences, and/or political functions. There were also travel expenses for fuel that were made when Rep. King purchased gasoline for his vehicle while in Austin or while travelling in his district on campaign or state business. Some purchases of gasoline were for campaign staff and volunteers who were using their personal vehicles for travel to assist at political events, to deliver campaign signs, and similar activities. Again, generic descriptions were inappropriately used to describe these expenses.

60. With regard to the expenditures to Time Warner Cable, the respondent swore that, “A legislative member needs to have access to the committee hearings televised on cable channels throughout the session, as well as internet access.”
61. The respondent also swore that the expenditures for cell phone services “related to expenditures for a cell phone for the Representative and his campaign staff” and “are an expense made by the campaign to ensure that state telephones are not misused.”
62. The respondent stated that the use of cell phones for the campaign and for officeholder purposes is a commonplace practice. He further swore that he “purchased the cell phone service primarily for these purposes and not primarily for a personal use.”
63. The respondent requested that the commission provide guidance “for a percentage of expenditures at Randall’s to be paid from his personal funds to the campaign in order to ensure that any possible conversion to personal use is reimbursed. Alternatively, he has offered to pay for all those expenses in full to avoid any appearance of conversion although many would be permissible expenditures.”
64. On April 13, 2009, the respondent filed corrections to the reports at issue and submitted an affidavit providing additional information.
65. The respondent swore that he believed that “every expenditure made since beginning my first campaign in 1998 I believed appropriate and within the rules at the time made.”
66. The respondent swore that he “was of the understanding that certain expenses were allowable which I now understand to not be the case.” The respondent swore that he had attempted to identify these expenses but in some instances was unable to “because receipts or other documentation is no longer available.”

67. The respondent swore:

Therefore, in good faith and to avoid even the appearance or suggestion of conversion of campaign funds to my personal use, I have reimbursed my campaign account from my personal funds in the amount of \$4,590.47. I actually believe that most of these expenditures were appropriate. However, I cannot review the records because they simply do not exist or I no longer have them due to the fact that some expenditures in question were made four years ago. For example, there is an ATM located in the Capitol lunchroom. I have paid staff and non-paid or nominally paid interns who work in my Capitol office. We would routinely purchase a meal card for the staff to use generically for office snacks, late meals, etc. These were not itemized but shown as ATM withdrawal. Obviously, this is not a “best practice” and this we have ceased.

68. The respondent swore that he corrected the reports at issue for the purpose of clarification, by expanding the description of the expenditures.

69. The respondent swore that he has instituted new procedures to avoid future problems and insure that all expenses and descriptions of the expenses “are transparent and well documented.”

IV. Findings and Conclusions of Law

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

Personal Use

1. A person who accepts a political contribution as a candidate or officeholder may not convert the contribution to personal use. ELEC. CODE § 253.035(a). The prohibitions include the personal use of an asset purchased with the contribution and the personal use of any interest and other income earned on the contribution. *Id.* § 253.035(c).
2. “Personal use” means a use that primarily furthers individual or family purposes not connected with the performance of duties or activities as a candidate for or holder of a public office. *Id.* § 253.035(d). Personal use does not include payments made to defray ordinary and necessary expenses incurred in connection with activities as a candidate or in connection with the performance of duties or activities as a public officeholder, including payment of rent, utility, and other reasonable housing or household expenses incurred in maintaining a residence in Travis County by members of the legislature who do not ordinarily reside in Travis County, but excluding payments prohibited under section 253.038 of the Election Code. *Id.* § 253.035(d)(1).
3. In Ethics Advisory Opinion No. 241, the commission stated that the exception to the definition of personal use for “household expenses” does not extend to the cost of meals in

Austin because it is meant to cover costs associated with the necessity of maintaining a second residence in the Austin area and that they are costs that a legislator would not incur if he were not required by his public office to reside in Austin during the legislative session. *See* Ethics Advisory Opinion No. 241 (1995). In contrast, the commission stated, the legislator would incur meal costs whether or not he was required to reside in Austin. *Id.* The commission also stated that a legislator may use political contributions to purchase small gifts such as flags or souvenirs for volunteers or constituents made in connection with campaign or officeholder activities. *Id.*

4. In Ethics Advisory Opinion No. 237, the commission determined that a member of the legislature who does not ordinarily reside in Travis County may use political contributions to lease or purchase furniture for a residence in Travis County. *See* Ethics Advisory Opinion No. 237 (1994).

Cleaning Services

5. The respondent's reports disclosed that expenditures totaling approximately \$2,670 were made to a cleaning service for the purpose of accommodations expense.
6. The expenditures at issue were made for cleaning services related to the respondent's residence in Austin that is used for officeholder purposes.
7. Thus, there is credible evidence that the expenditures were made in connection with the performance of duties or activities as a holder of a public office. Therefore, there is credible evidence that the respondent did not violate section 253.035(a) of the Election Code with regard to these expenditures.

Cell Phone Services

8. The respondent's reports disclosed that expenditures totaling approximately \$9,650 were made to cell phone providers for the purpose of telephone expenses.
9. The respondent swore that the expenditures at issue were for cell phones for the respondent and his campaign staff, and that the expenditures were related to the respondent's campaign and officeholder purposes.
10. There is no evidence to contradict the respondent's sworn statements. Thus, there is insufficient evidence that the expenditures were not made in connection with the performance of duties or activities as a candidate or holder of a public office. Therefore, there is insufficient evidence that the respondent violated section 253.035(a) of the Election Code with regard to these expenditures.

Cable Service

11. In Ethics Advisory Opinion No. 405, the commission determined that a public officeholder may not use political contributions to pay for family recreation or entertainment, in part because a spouse or parent would be engaging in recreational activities with family members regardless of whether he or she was running for office. *See* Ethics Advisory Opinion No. 405 (1998).
12. The respondent's reports disclosed that expenditures totaling approximately \$1,960 were made to a cable service for the purpose of accommodations expense.
13. The expenditures at issue were made for cable services at the residence that the respondent kept while in Austin for the legislative session.
14. The evidence is not available to show that the respondent used the subscription primarily for personal or family purposes not connected with the performance of duties or activities as a candidate for or holder of public office. Therefore, there is insufficient evidence that the respondent violated section 253.035(a) of the Election Code with regard to these expenditures.

Grocery Stores

15. The respondent's reports disclosed that expenditures totaling approximately \$4,340 were made to HEB, Randalls, and Kroger for the purposes of "Food and Accommodations Expense," "Groceries Office Refreshments and Accommodations Expense," and "Travel Expense." It is unclear from the original reports what exactly was purchased with each expenditure.
16. Although the respondent corrected the expenditures at issue to disclose the purpose as "Fuel – Officeholder/Staff" or "Household supplies needed to maintain Austin apartment," in his response, the respondent admitted that he did not recall the purpose behind each expenditure at issue, and indicated that he did not retain receipts for the purchases. In addition, the respondent offered to reimburse his campaign for the full amount at issue and suggests that there may have been some personal use of the food items purchased. However, the available evidence is insufficient to show which, if any, of the expenditures constituted a conversion of political contributions to personal use. Therefore, there is insufficient evidence of a violation of section 253.035 of the Election Code.

Remaining "Travel Expenses"

17. The respondent's reports disclosed that the remaining expenditures at issue totaling approximately \$9,010 were made to various vendors (hotels, car rental business, banks, airlines and airports) for the purpose of travel expenses.

18. The respondent made corrections to the purpose for all of the expenditures at issue, except for the two expenditures to banks.
19. The respondent's most recent affidavit indicates that the expenditures to banks were expenditures to ATM machines for cash withdrawals. Although the respondent states that these withdrawals were typically related to expenditures for campaign or officeholder activity, he admits that he did not retain receipts or other records of the transactions.
20. The corrections made by the respondent disclosed that the expenditures were for "Hotel Lodging," "Rental Car for Legislative Business Travel," and "Airline Ticket for Legislative Business Travel." The respondent admitted that he did not recall the purpose behind each expenditure at issue. However, he swore that the "reported trips were to attend committee meetings, legislative conferences, and/or political functions," and that there were also travel expenses for himself and his staff related to campaign and officeholder activities.
21. The available evidence is insufficient to show that the expenditures at issue constituted a conversion of political contributions to personal use. Therefore, there is insufficient evidence of a violation of section 253.035 of the Election Code with regard to these expenditures.

Dry Cleaning

22. The commission has determined that legislators may not use political contributions to pay laundry and dry cleaning expenses incurred in Austin, and that such an expenditure would constitute a conversion of a political contribution to personal use. *See* Ethics Advisory Opinion No. 104 (1992).
23. The respondent's reports disclosed that expenditures totaling approximately \$550 were made to a dry cleaning service for the purpose of travel expense.
24. The respondent is, and was at the time in question, a legislator, and that the expenditures at issue were for dry cleaning expenses that the respondent incurred while in Austin during the legislative session. Thus, the respondent converted approximately \$550 of political contributions to personal use when he paid for dry cleaning with political contributions. Such use of political contributions is prohibited by section 253.035 of the Election Code. The respondent has reimbursed his campaign for the expenditures. Nevertheless, as to the expenditures at issue for dry cleaning, there is credible evidence that the respondent violated section 253.035 of the Election Code.

Disclosing Purpose of Expenditure

25. Each 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). The report of a political expenditure for goods or services must describe the categories of goods or services received in exchange for the expenditure. *See* Ethics Commission Rules § 20.61.
26. The reports at issue disclosed that the expenditures at issue were made to a variety of vendors, including maid services, cable services, grocery stores, dry cleaners, airports, and banks, for the purposes of ‘food and accommodations expense,’ ‘groceries, office refreshments and accommodations expense,’ ‘accommodations expense,’ and ‘travel expense.’ The total amount at issue related to the description of the purpose of the expenditures is \$9,240.
 27. The respondent indicated that he used standardized descriptions to make it easier for his staff, and to make sure that the information fit in the space provided by the filing software. With regard to the expenditures for the purpose of ‘travel expense,’ the respondent admits that generic descriptions were inappropriately used to describe the expenditures.
 28. The expenditures at issue to grocery stores for the purpose of “Travel Expense” totaled approximately \$1,160. The expenditures at issue to Westbank Dry Cleaners for the purpose of “Travel Expense” totaled approximately \$460. The expenditures at issue to airports for “Travel Expense” totaled \$200. The expenditures at issue to banks for the purpose of “Travel Expense” totaled \$200. The total amount of expenditures at issue related to travel expenses is approximately \$2,020.
 29. Merely disclosing “Travel Expenses” does not state the purpose of the expenditures to grocery stores, dry cleaners, airports and banks, i.e. food and beverages for Austin apartment during session/food and beverages for campaign staff, dry cleaning services, etc. Under these circumstances, the respondent did not sufficiently describe the purpose or the categories of goods or services received. Therefore, there is credible evidence that the respondent violated section 254.031 of the Election Code and section 20.61 of the Ethics Commission Rules with regard to these expenditures.
 30. The expenditures at issue to Morehand’s Inc. for the purpose of “Accommodations Expense” totaled approximately \$2,670. The expenditures at issue to a Time Warner Cable for the purpose of “Accommodations Expense” totaled approximately \$1,960. The expenditures at issue to grocery stores for the purpose of “Food & Accommodations Expense,” and “Groceries Office Refreshments and Accommodations Expense” totaled approximately \$2,590. The total amount of the expenditures at issue related to the accommodations expenses is approximately \$7,220.
 31. Disclosing food and accommodations does not state the purpose of the expenditure, i.e. house cleaning services for Austin apartment during session, cable/internet/phone services for Austin apartment during session, food and beverages for Austin apartment during session/food and beverages for campaign staff, etc. Under these circumstances, the respondent did not sufficiently describe the purpose or the categories of goods or services received. Therefore, there is credible evidence that the respondent violated section 254.031

of the Election Code and section 20.61 of the Ethics Commission Rules with regard to 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 person who accepts a political contribution as a candidate or officeholder may not convert the contribution to personal use. The respondent further acknowledges that each 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. The respondent also acknowledges that the report of a political expenditure for goods or services must describe the categories of goods or services received in exchange for the expenditure. 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 \$1,300 civil penalty.

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-280282.

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

Phillip S. King, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director