

TEXAS ETHICS COMMISSION

IN THE MATTER OF

LINDA EISSLER,
CAMPAIGN TREASURER,
MONTGOMERY COUNTY
REPUBLICAN WOMEN,

RESPONDENT

§
§
§
§
§
§
§

BEFORE THE

TEXAS ETHICS COMMISSION

SC-2907186

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) held a preliminary review hearing on December 7, 2010, to consider sworn complaint SC-2907186. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031 and 254.154 of the Election Code and section 20.62 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 sworn complaint alleged that the respondent: 1) failed to timely disclose and improperly disclosed political contributions, political expenditures, and total political contributions maintained in campaign finance reports; 2) improperly disclosed political expenditures as reimbursements in campaign finance reports; 3) failed to timely file the 8-day pre-election report for the November 2008 election; and 4) accepted political contributions from corporations.

III. Facts Supported by Credible Evidence

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

1. The respondent was the campaign treasurer for Montgomery County Republican Women (MCRW), a general-purpose committee, from February 13, 2008, to December 28, 2008.
2. The sworn complaint allegations were based on MCRW's 8-day pre-election report for the March 4, 2008, election, July 2008 semiannual report, 30-day and 8-day pre-election reports for the November 4, 2008, election, and January 2009 semiannual report.

3. On April 19, 2010, the respondent filed corrections to the reports at issue. On May 10, 2010, the respondent filed additional corrections to the 8-day pre-election report for the March 2008 election and the July 2008 and January 2009 semiannual reports to reflect the correct reporting periods. The report totals listed below reflect the amounts from the original reports and the most recent corrections.
4. MCRW's 8-day pre-election report for the March 2008 election disclosed the following:
 - \$0 in total political contributions of \$50 or less unless itemized
 - \$2,349 in total political contributions (corrected to \$6,046.50)
 - \$0 in total political expenditures of \$50 or less unless itemized
 - \$2,337.69 in total political expenditures (corrected to \$6,701.42)
 - \$11.31 in total political contributions maintained as of the last day of the reporting period (corrected to \$15,910.94)
 - \$0 in outstanding loans
 - \$0 in non-political expenditures made from political contributions
5. MCRW's July 2008 semiannual report disclosed the following:
 - \$30 in total political contributions of \$50 or less unless itemized (corrected to \$192)
 - \$7,754.50 in total political contributions (corrected to \$2,652)
 - \$0 in total political expenditures of \$50 or less unless itemized
 - \$9,474.85 in total political expenditures (corrected to \$4,151.72)
 - \$14,742.22 in total political contributions maintained as of the last day of the reporting period (corrected to \$14,592.22)
 - \$0 in outstanding loans
 - \$0 in non-political expenditures made from political contributions
6. MCRW's 30-day pre-election report for the November 2008 election disclosed the following:
 - \$837 in total political contributions of \$50 or less unless itemized (corrected to \$0)
 - \$1,895 in total political contributions (corrected to \$2,128)
 - \$0 in total political expenditures of \$50 or less unless itemized
 - \$885.76 in total political expenditures (corrected to \$964.76)
 - \$13,335.52 in total political contributions maintained as of the last day of the reporting period (corrected to \$13,735.20)
 - \$0 in outstanding loans

- Approximately \$1,770 in non-political expenditures made from political contributions
7. MCRW's 8-day pre-election report for the November 2008 election disclosed the following:
- \$420 in total political contributions of \$50 or less unless itemized (corrected to \$0)
 - \$1,753 in total political contributions (corrected to \$5,501)
 - \$0 in total political expenditures of \$50 or less unless itemized
 - \$847.52 in total political expenditures (corrected to \$1,880.71)
 - \$13,725.20 in total political contributions maintained as of the last day of the reporting period (corrected to \$14,841.10)
 - \$0 in outstanding loans
 - \$0 in non-political expenditures made from political contributions
8. MCRW's January 2009 semiannual report disclosed the following:
- \$102 in total political contributions of \$50 or less unless itemized (corrected to \$132)
 - \$13,690.35 in total political contributions (corrected to \$7,095.35)
 - \$0 in total political expenditures of \$50 or less unless itemized
 - \$13,384.85 in total political expenditures (corrected to \$9,821.54)
 - \$16,007.82 in total political contributions maintained as of the last day of the reporting period
 - \$0 in outstanding loans
 - \$0 in non-political expenditures made from political contributions

Total Political Contributions Maintained

9. The complaint alleged that the respondent disclosed an incorrect amount for the total political contributions maintained as of the last day of the reporting period in the July 2008 semiannual report, 30-day and 8-day pre-election reports for the November 2008 election, and January 2009 semiannual report. The allegations were based on a discrepancy that occurs by taking the amount of the total political contributions maintained disclosed in the immediately preceding report, adding the total amount of monetary political contributions disclosed in the report at issue, and subtracting the total amount of political expenditures disclosed in the report at issue. The complaint provided no specific evidence regarding the allegations other than alleging that the amount of total political contributions maintained should be a different amount than the respondent actually disclosed in each of the reports at issue based on the complainant's calculations according to the formula.

8-day Pre-election Report for the March 2008 Election

10. In MCRW's 8-day pre-election report for the March 2008 election, the respondent disclosed \$11.31 in total political contributions maintained as of the last day of the reporting period. On April 19, 2010, the respondent corrected the 8-day pre-election report to disclose \$15,910.94 in total political contributions maintained as of the last day of the reporting period. In the correction affidavit, the respondent swore that she mistakenly thought only those contributions actually pertaining to a campaign had to be listed in the report.

July 2008 Semiannual Report

11. In the July 2008 semiannual report, the respondent disclosed \$14,742.22 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the total amount of political contributions maintained should be a negative amount, <\$1,709.04>, based on the complainant's calculations.
12. On April 19, 2010, the respondent corrected the report at issue to disclose the total political contributions maintained amount to be \$14,592.22.

30-day Pre-election Report for the November 2008 Election

13. In the 30-day pre-election report, the respondent disclosed \$13,335.52 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the total amount of political contributions maintained should be a negative amount, <\$669.80>, based on the complainant's calculations.
14. On April 19, 2010, the respondent corrected the report at issue to disclose the total political contributions maintained amount to be \$13,735.20.

8-day Pre-election Report for the November 2008 Election

15. In the 8-day pre-election report, the respondent disclosed \$13,725.20 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the total amount of political contributions maintained should be \$235.68, based on the complainant's calculations.
16. On April 19, 2010, the respondent corrected the report at issue to disclose the total political contributions maintained amount to be \$14,841.10.

January 2009 Semiannual Report

17. In the January 2009 semiannual report, the respondent disclosed \$16,007.82 in total political contributions maintained as of the last day of the reporting period. The complaint alleged that the total amount of political contributions maintained should be at least \$541.18, based on the complainant's calculations.
18. In response to the allegation, the respondent swore that the balance reported in the semiannual report was the actual balance in the bank account of MCRW.

Reporting Period for Political Contributions

19. The complaint alleged that the respondent failed to timely disclose political contributions in the 8-day pre-election report for the March 2008 election that were disclosed in the July 2008 semiannual report. The complaint also alleged that the respondent failed to timely disclose political contributions in the 30-day and 8-day pre-election reports for the November 2008 election that were disclosed in the January 2009 semiannual report. The complaint provided a list of the political expenditures at issue and alleged that the contributions were not disclosed in pre-election reports.

8-day Pre-election Report for the March 2008 Election

20. The complaint alleged that 118 political contributions totaling approximately \$5,100 were disclosed in MCRW's July 2008 semiannual report but, based on the contribution dates, should have been disclosed in the 8-day pre-election report for the March 2008 election. The 8-day pre-election report at issue disclosed 75 political contributions (other than pledged contributions) totaling approximately \$2,350 accepted during the reporting period.
21. On April 19, 2010, the respondent corrected the 8-day pre-election report at issue but covered the wrong reporting period. On May 10, 2010, the respondent filed a second correction to the report at issue to cover the correct reporting period and to disclose 169 total political contributions accepted during the reporting period. The correction added 93 political contributions totaling approximately \$3,600 that were previously disclosed only in the July 2008 semiannual report. The correction also moved a pledged contribution of \$100 from Schedule B (used for reporting pledged contributions) to Schedule A (used for reporting political contributions other than pledges or loans). The remaining 25 political contributions at issue were disclosed in both the 8-day pre-election report and the July 2008 semiannual report with different contribution dates.

30-day Pre-election Report for the November 2008 Election

22. The complaint alleged that 40 political contributions totaling approximately \$1,350 were disclosed in MCRW's January 2009 semiannual report but, based on the contribution dates, should have been disclosed in the 30-day pre-election report for the November 2008 election. The 30-day pre-election report at issue disclosed 16 political contributions totaling approximately \$1,900 accepted during the reporting period.
23. On April 19, 2010, the respondent corrected the 30-day pre-election report at issue to disclose 58 total political contributions accepted during the reporting period. The correction added 34 political contributions totaling approximately \$900 that were previously disclosed only in the January 2009 semiannual report. The remaining six political contributions at issue were disclosed in both the 30-day pre-election report and the January 2009 semiannual report with different contribution dates.

8-day Pre-election Report for the November 2008 Election

24. The complaint alleged that 71 political contributions totaling \$4,863 were disclosed in MCRW's January 2009 semiannual report but, based on the contribution dates, should have been disclosed in the 8-day pre-election report for the November 2008 election. The 8-day pre-election report at issue disclosed seven political contributions totaling approximately \$1,750 accepted during the reporting period.
25. On April 19, 2010, the respondent corrected the 8-day pre-election report at issue to disclose 85 political contributions accepted during the reporting period. The correction added 67 political contributions totaling approximately \$3,760 that were previously disclosed only in the January 2009 semiannual report. The remaining four political contributions at issue were disclosed in both the 8-day pre-election report and the January 2009 semiannual report with different contribution dates.
26. In response to the allegations, the respondent admitted that she omitted some contributions from the pre-election reports because she believed that only campaign related information needed to be reported.

Reporting Period for Political Expenditures

27. The complaint alleged that the respondent failed to timely disclose political expenditures in the 8-day pre-election report for the March 2008 election that were disclosed in the July 2008 semiannual report. The complaint also alleged that the respondent failed to timely disclose political expenditures in the 30-day and 8-day pre-election reports for the November 2008 election that were disclosed in the January 2009 semiannual report. The complaint provided a list of the political expenditures at issue and alleged that the expenditures were

not disclosed in pre-election reports.

8-day Pre-election Report for the March 2008 Election

28. The complaint alleged that 19 political expenditures totaling approximately \$5,240 were disclosed in MCRW's July 2008 semiannual report but, based on the expenditure dates, should have been disclosed in the 8-day pre-election report for the March 2008 election. The 8-day pre-election report at issue disclosed eight political expenditures totaling approximately \$2,340 made during the reporting period.
29. On April 19, 2010, the respondent corrected the 8-day pre-election report at issue but covered the wrong reporting period. On May 10, 2010, the respondent filed a second correction to the report at issue to cover the correct reporting period and to disclose 29 total political expenditures made during the reporting period. The correction added 21 political expenditures totaling approximately \$4,360 that were previously disclosed only in the July 2008 semiannual report. The remaining two political expenditures at issue were disclosed in both the 8-day pre-election report and the July 2008 semiannual report, one expenditure with a different expenditure date.
30. The corrected 8-day pre-election report disclosed three political expenditures totaling approximately \$490 that were previously undisclosed. The three political expenditures were made prior to the date the respondent was named the committee's campaign treasurer, and, therefore, were required to be reported by the committee's previous campaign treasurer.

30-day Pre-election Report for the November 2008 Election

31. The complaint alleged that 13 political expenditures totaling approximately \$2,530 were disclosed in MCRW's January 2009 semiannual report but, based on the expenditure dates, should have been disclosed in the 30-day pre-election report for the November 2008 election.
32. The 30-day pre-election report at issue disclosed three political expenditures totaling approximately \$890 on Schedule F (used for reporting political expenditures) and 10 expenditures totaling approximately \$1,770 on Schedule I (used for reporting non-political expenditures made from political contributions) during the reporting period.
33. On April 19, 2010, the respondent corrected the 30-day pre-election report at issue to disclose a new political expenditure of \$25 on Schedule F that was previously disclosed only in the January 2009 semiannual report. The remaining 12 political expenditures at issue were disclosed in both the 30-day pre-election report and the January 2009 semiannual report.

8-day Pre-election Report for the November 2008 Election

34. The complaint alleged that six political expenditures totaling approximately \$1,030 were disclosed in MCRW's January 2009 semiannual report but, based on the expenditure dates, should have been disclosed in the 8-day pre-election report for the November 2008 election.
35. The 8-day pre-election report at issue disclosed four political expenditures totaling approximately \$850 made during the reporting period.
36. On April 19, 2010, the respondent corrected the 8-day pre-election report at issue to disclose two new political expenditures totaling approximately \$70 that were previously disclosed only on the January 2009 semiannual report. The correction also added three political expenditures which appear to be duplicates of expenditures already disclosed in the 8-day pre-election report. The remaining four political expenditures at issue were disclosed on both the 8-day pre-election report and the January 2009 semiannual report.
37. In response to the allegations, the respondent admitted that she omitted some expenditures from the pre-election reports because she believed that only campaign related information needed to be reported.

Payees of Political Expenditures

38. The complaint alleged that the respondent failed to disclose the payees, dates, and amounts "pertaining to the stated purpose" of political expenditures and failed to disclose payee addresses of political expenditures in semiannual reports filed in July 2008 and January 2009, as well as in the 30-day and 8-day pre-election reports for the November 2008 election. The complaint included a list of the political expenditures at issue that were disclosed in the respondent's reports. A number of political expenditures at issue disclosed in the original July 2008 semiannual report were made during the pre-election reporting period for the March 2008 election, and a number of political expenditures at issue disclosed in the January 2009 semiannual report were made during the pre-election reporting period for the November 2008 election. The respondent filed corrected reports to disclose the expenditures in the proper reports.

8-day Pre-election Report for the March 2008 Election

39. The complaint alleged that the respondent failed to disclose the actual vendor payee, date, and amount "pertaining to the stated purpose" for political expenditures totaling approximately \$700 that were made during the reporting period for the 8-day pre-election report for the March 2008 election. The complaint also alleged that the respondent failed to disclose the payee address for political expenditures totaling approximately \$1,600 that were

made during the reporting period for the 8-day pre-election report for the March 2008 election.

40. On April 19, 2010, the respondent corrected the 8-day pre-election report at issue but covered the wrong reporting period. On May 10, 2010, the respondent filed a second correction to the report at issue to cover the correct reporting period and to disclose the vendors of the goods or services as the payees, as well as the purpose description of goods or services, for the political expenditures at issue.¹ The corrected report also disclosed the true payee addresses for three political expenditures at issue.

July 2008 Semiannual Report

41. The complaint alleged that the respondent failed to disclose the actual vendor payee, address, date, and amount “pertaining to the stated purpose” for political expenditures totaling approximately \$1,830 that were made during the reporting period for the July 2008 semiannual report. The complaint also alleged that the respondent failed to disclose the payee address for political expenditures totaling approximately \$770 that were made during the reporting period for the July 2008 semiannual report.
42. On April 19, 2010, the respondent corrected the July 2008 semiannual report but covered the wrong reporting period. On May 10, 2010, the respondent filed a second correction to the report at issue to cover the correct reporting period and to disclose the vendors of the goods or services as the payees, as well as the purpose description of goods or services, for the political expenditures at issue. The corrected report also disclosed the true payee addresses for six of the political expenditures at issue.

30-day Pre-election Report for the November 2008 Election

43. The complaint alleged that the respondent failed to disclose the actual vendor payee, address, date, and amount “pertaining to the stated purpose” for political expenditures totaling approximately \$1,950 that were made during the reporting period for the 30-day pre-election report for the November 2008 election. The complaint also alleged that the respondent failed to disclose the payee address for political expenditures totaling approximately \$180 in the report at issue.
44. On April 19, 2010, the respondent corrected the 30-day pre-election report at issue to disclose the vendors of the goods or services as the payees, as well as the purpose description of goods or services, for the political expenditures at issue. The corrected report also disclosed the true payee addresses for three political expenditures at issue.

¹ The original report disclosed five reimbursements to staff members, but the corrected report disclosed that there were actually six political expenditures at issue.

8-day Pre-election Report for the November 2008 Election

45. The complaint alleged that the respondent failed to disclose the actual vendor payee, address, date, and amount “pertaining to the stated purpose” for a \$142.93 political expenditure that was made during the reporting period for the 8-day pre-election report for the November 2008 election. The complaint also alleged that the respondent failed to disclose the payee address for a \$47.65 political expenditure that was made during the reporting period for the 8-day pre-election report for the November 2008 election.
46. On April 19, 2010, the respondent corrected the 8-day pre-election report at issue to disclose the vendors of the goods or services as the payees, as well as the purpose description of goods or services, for the political expenditures at issue.² The corrected report also disclosed the true payee address for the political expenditure at issue.

January 2009 Semiannual Report

47. The complaint alleged that the respondent failed to disclose the actual vendor payee, address, date, and amount “pertaining to the stated purpose” for political expenditures totaling approximately \$7,800 that were made during the reporting period for the January 2009 semiannual report. The complaint also alleged that the respondent failed to disclose the payee address for political expenditures totaling approximately \$120 in the report at issue.
48. On April 19, 2010, the respondent corrected the January 2009 semiannual report but covered the wrong reporting period. On May 10, 2010, the respondent filed a second correction to the report at issue to cover the correct reporting period and to disclose the vendors of the goods or services as the payees, as well as the purpose description of goods or services, for the political expenditures at issue. The corrected report also disclosed the true payee addresses for two political expenditures that were made during the reporting period for the January 2009 semiannual report.
49. In response to the allegations, the respondent swore:

In places where I failed to give the actual vendor – those were reimbursements so I reported the actual person to whom I wrote the check rather than the vendor. I will correct the expenditures to reflect the ultimate payee when I make corrections on all reports needing correction. To my knowledge, TEC rules does not say to report “ultimate payee.”

² The original report disclosed one reimbursement to a staff member, but the corrected report disclosed that there were actually two political expenditures at issue.

In areas where I failed to disclose the address of an expenditure – those were cases where that was a repetitive expenditure and I assumed all of the information would record when I clicked on the name as it popped up. I am not sure how it did not, but I will go back through to make sure an address is listed for every vendor. I tried to be very careful when typing any contributor or expenditure for the first time to include the address.

Timely Filing of Campaign Finance Report

50. The complaint alleged that the respondent failed to file the 8-day pre-election report for the November 2008 election by the reporting deadline.
51. The reporting deadline for the 8-day pre-election report for the November 2008 election was October 27, 2008. On October 27, 2008, the respondent filed an incomplete 8-day pre-election report with the commission using the general-purpose committee special pre-election report of direct expenditures (Form PAC-E). On October 28, 2008, the respondent filed the report at issue in the proper format, using the general-purpose committee campaign finance report (Form GPAC).
52. In response to the allegation, the respondent swore, “I filed an incorrect report on the correct filing date but was notified on the 28th that it was an incorrect report. I immediately filed the correct one and was granted a waiver of late-filing penalty by the TEC on 2/27/09.”
53. Commission records show that the respondent was assessed a \$500 civil late-filing penalty through the administrative process. The commission considered the respondent’s request for waiver of the late-filing penalty at its February 2009 public meeting and voted to waive the late-filing penalty in connection with the report at issue because the respondent had no previous late-filing violations and relatively little activity to report.

Political Contributions from Corporations

54. The complaint alleged that the respondent accepted two political contributions, totaling approximately \$3,500, from corporations based on disclosures in MCRW’s July 2008 and January 2009 semiannual reports.

July 2008 Semiannual Report

55. The complaint alleged that a \$100 political contribution from “Cypress Woodlands Junior Forum” on March 7, 2008, was made by a corporation or labor organization. The complaint included information from the comptroller’s website for an incorporated entity (Cypress-

Woodlands Junior Forum), which has an address that is identical to the address of the contributor at issue.

56. In response to the allegation, the respondent swore:

A check from CWJF was accepted and deposited. I understood the organization is a 501(c)(3) tax status. It did not occur to me it might have incorporation papers, which I have since found to be the case. I have contacted them and MCRW will be reimbursing the \$100 paid to MCRW for our treats for troops program.

57. According to the Internal Revenue Service, organizations that qualify for a tax-exempt status under section 501(c)(3) of the Internal Revenue Code are commonly referred to as charitable organizations and must be a corporation (or unincorporated association), community chest, fund, or foundation.

58. Records of the Texas Secretary of State (SOS) show that Cypress-Woodlands Junior Forum is a domestic nonprofit corporation.

59. MCRW's January 2010 semiannual report disclosed a \$100 political expenditure on October 26, 2009, to "Cypress Woodlands Junior Forum" for "Reimbursement."

January 2009 Semiannual Report

60. The complaint alleged that a \$3,412.35 political contribution from "Southern States Offshore" on December 1, 2008, was made by a corporation or labor organization. The complaint included information from the comptroller's website for an incorporated entity (Southern States Offshore, Inc.), which has an address that is identical to the address of the contributor at issue.

61. In response to the allegation, the respondent swore:

I did deposit a check from a corporation in December of 2008. It was a contribution for our Treats for Troops program which another lady collected, gave me a stack of checks and I stamped them on the back and deposited. It slipped right by me. I know that is against the rules of the TEC. It was an honest mistake and I have already contacted that company to inform them of the problem. We will reimburse them the \$3,412.35 they donated to our T for T program. The name of the corporation was Southern States Offshore, Inc.

62. Records of the SOS show that Southern States Offshore, Inc. is a domestic for-profit corporation.
63. MCRW's January 2010 semiannual report disclosed a \$3,412.35 political expenditure on October 13, 2009, to "Southern States Offshore, Inc." for "Refund check—reason—from a corporation."

IV. Findings and Conclusions of Law

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

Total Political Contributions Maintained

1. A campaign finance report must include, as of the last day of a reporting period for which the person is required to file a report, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. ELEC. CODE § 254.031(a)(8).
2. The total amount of political contributions maintained in one or more accounts includes balance on deposit in banks, savings and loan institutions and other depository institutions and the present value of any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks, bonds, treasury bills, etc. Ethics Commission Rules § 20.50(a).
3. The respondent swore that the amounts of total political contributions maintained were correct in the July 2008 and January 2009 semiannual reports. The evidence did not refute that assertion as to the January 2009 semiannual report. As to the July 2008 semiannual report, although the respondent swore the original amount was correct, the respondent subsequently corrected the report to decrease the total by approximately \$150. The respondent acknowledged that the amount of total political contributions maintained was incorrect in the 30-day and 8-day pre-election reports for the November 2008 election. The respondent corrected the 30-day pre-election report at issue to increase the total by approximately \$400. The respondent corrected the 8-day pre-election report at issue to increase the total by approximately \$1,116.
4. Although not specifically alleged in the complaint, the respondent also corrected the 8-day pre-election report for the March 2008 election to increase the total amount of political contributions maintained by approximately \$15,900.
5. Although the respondent filed corrected reports to properly disclose the amounts of total political contributions maintained, the information was not properly disclosed when the

reports were originally due. The amounts at issue ranged from approximately \$150 to approximately \$15,900. Therefore, there is credible evidence that the respondent violated section 254.031(a)(8) of the Election Code.

Reporting Period for Political Contributions

6. Each campaign finance report must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file the report, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
7. Each campaign finance report must include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. *Id.* § 254.031(a)(6).
8. The complaint alleged that the respondent failed to timely disclose 118 political contributions totaling approximately \$5,100 in the 8-day pre-election report for the March 2008 election. Twenty-five of the political contributions at issue were disclosed in the report at issue and disclosed again in the July 2008 semiannual report with different contribution dates. The remaining 93 political contributions at issue totaling approximately \$3,600 were not timely disclosed in the 8-day pre-election report for the March 2008 election. The respondent corrected the report at issue to disclose the political contributions in the applicable 8-day pre-election reporting period.
9. The complaint alleged that the respondent failed to timely disclose 40 political contributions totaling approximately \$1,350 in the 30-day pre-election report for the November 2008 election. Six of the political contributions at issue were disclosed in the report at issue and disclosed again in the January 2009 semiannual report with different contribution dates. The remaining 34 political contributions at issue totaling approximately \$900 were not timely disclosed in the 30-day pre-election report for the November 2008 election. The respondent corrected the report at issue to disclose the political contributions in the applicable 30-day pre-election reporting period.
10. The complaint alleged that the respondent failed to timely disclose 71 political contributions totaling approximately \$4,860 in the 8-day pre-election report for the November 2008 election. Four of the political contributions at issue were disclosed in the report at issue and disclosed again in the January 2009 semiannual report with different contribution dates. The remaining 67 political contributions totaling approximately \$3,760 were not timely disclosed in the 8-day pre-election report for the November 2008 election. The respondent corrected the report at issue to disclose the political contributions in the applicable 8-day pre-election reporting period. Therefore, there is credible evidence that the respondent violated sections 254.031(a)(1) and 254.031(a)(6) of the Election Code in connection with political

contributions totaling approximately \$8,260 in the 8-day pre-election report for the March 2008 election and the 30-day and 8-day pre-election reports for the November 2008 election.

Reporting Period for Political Expenditures

11. 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. *Id.* § 254.031(a)(3).
12. Each campaign finance report must include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. *Id.* § 254.031(a)(6).
13. The complaint alleged that the respondent failed to timely disclose political expenditures totaling approximately \$5,240 in the 8-day pre-election report for the March 2008 election. Two of the political contributions at issue were disclosed in the report at issue and disclosed again in the July 2008 semiannual report. The remaining political expenditures were not timely disclosed in the 8-day pre-election report at issue. The respondent corrected the report at issue to disclose political contributions at issue totaling approximately \$4,360 in the applicable 8-day pre-election reporting period.
14. The complaint alleged that the respondent failed to timely disclose political contributions totaling approximately \$2,530 in the 30-day pre-election report for the November 2008 election. All but one of the political expenditures at issue were disclosed in the report at issue and disclosed again in the January 2009 semiannual report. A \$25 political expenditure at issue was not timely disclosed in the 30-day pre-election report at issue. The respondent corrected the report at issue to disclose the political expenditure in the applicable 30-day pre-election reporting period.
15. The complaint alleged that the respondent failed to timely disclose political expenditures totaling approximately \$1,030 in the 8-day pre-election report for the November 2008 election. All but two of the political expenditures at issue were disclosed in the report at issue and disclosed again in the January 2009 semiannual report. Two political expenditures at issue totaling approximately \$70 were not timely disclosed in the 30-day pre-election report at issue. The respondent corrected the report at issue to disclose the political expenditures in the applicable 30-day pre-election reporting period. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code in connection with political expenditures totaling approximately \$4,460 in the 8-day pre-election report for the March 2008 election and the 30-day and 8-day pre-election reports for the November 2008 election.

Payees of Political Expenditures

16. A political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or a political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee that in the aggregate do not exceed \$5,000 during the reporting period may be reported as follows if the reimbursement occurs during the same reporting period that the initial expenditure was made: (1) 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 (2) included with the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. Except as provided by subsection (a) of this section, a political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or a political committee with the intent to seek reimbursement from the officeholder, candidate, or political committee must be reported as follows: (1) the aggregate amount of the expenditures made by the staff member as of the last day of the reporting period is reported as a loan to the officeholder, candidate, or political committee; (2) the expenditure made by the staff member is reported as a political expenditure by the officeholder, candidate, or political committee; and (3) the reimbursement to the staff member to repay the loan is reported as a political expenditure by the officeholder, candidate, or political committee. Ethics Commission Rules § 20.62.
17. The respondent improperly disclosed political expenditures totaling approximately \$12,420 as reimbursements to individuals and did not disclose the full payee address for political expenditures totaling approximately \$2,720. Although the respondent corrected the reports at issue to disclose the actual payees and addresses, the expenditures were not properly reported when the reports were originally due. Therefore, there is credible evidence that the respondent violated section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules.

Timely Filing of Campaign Finance Report

18. In addition to other required reports, for each election in which a general-purpose committee is involved, the committee's campaign treasurer shall file two reports. ELEC. CODE § 254.154(a). The first report must be received by the authority with whom the report is required to be filed not later than the 30th day before election day and covers the period beginning the day the committee's campaign treasurer appointment is filed or the first day after the period covered by the committee's last required report, as applicable, and continuing through the 40th day before election day. *Id.* § 254.154(b). The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day and covers the period beginning the 39th day before election day and continuing through the 10th day before election day. *Id.* § 254.154(c).

19. The respondent was the campaign treasurer of MCRW from February 13, 2008, to December 28, 2008. Thus, the respondent was required to file the 8-day pre-election report for the November 2008 election due October 27, 2008, if MCRW was involved in the election. The respondent acknowledged that she failed to timely file the report at issue in the proper format with the commission. The respondent requested a waiver of the late-filing penalty and the commission exercised its statutory authority to waive the penalty. Although the waiver of the penalty was granted, the report was not timely filed. Therefore, there is credible evidence of a violation of section 254.154 of the Election Code.

Political Contributions from Corporations

20. A person may not knowingly accept a political contribution that the person knows was made in violation of chapter 253 of the Election Code. *Id.* § 253.003.
21. A corporation may not make a political contribution or political expenditure that is not authorized by subchapter D, chapter 253, Election Code. *Id.* § 253.094.
22. The prohibition applies to corporations that are organized under the Texas Business Corporation Act, the Texas For-Profit Corporation Law, the Texas Non-Profit Corporation Act, the Texas Nonprofit Corporation Law, federal law, or law of another state or nation. *Id.* § 253.091.
23. In order to show a violation of section 253.003 of the Election Code, the evidence must show that the contributor was a corporation, that at the time the respondent accepted the contribution she knew that corporate contributions were illegal, and that the respondent knew the particular contribution at issue was from a corporation.
24. The July 2008 semiannual report disclosed a \$100 political contribution from Cypress Woodlands Junior Forum. Records of the SOS show that the nonprofit entity is incorporated. The respondent swore that she knew of the entity's 501(c)(3) tax status, but did not know that the entity might be incorporated. The political contribution at issue has been returned to the contributor. The evidence is insufficient to refute the respondent's assertion that she did not know that the entity was incorporated when she accepted the contribution at issue. Therefore, there is insufficient evidence that the respondent violated section 253.003 of the Election Code by accepting a political contribution that is illegal under section 253.094 of the Election Code with respect to the political contribution from Cypress Woodlands Junior Forum.
25. The January 2009 semiannual report disclosed a \$3,412.35 political contribution from Southern States Offshore. Records of the SOS show that the entity is incorporated. The respondent acknowledged that she made a mistake and the political contribution has been returned to the contributor. The respondent stated that another person collected the checks and this one "slipped right by me." The evidence does not show that the respondent knew

she had accepted a contribution from a corporation. Therefore, there is insufficient evidence that the respondent violated section 253.003 of the Election Code by accepting a political contribution prohibited under section 253.094 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 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 each campaign finance report must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file the report, the full name and address of the person making the contributions, and the dates of the contributions. The respondent 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 acknowledges that each campaign finance report must include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. The respondent acknowledges that each campaign finance report must include, as of the last day of a reporting period for which the person is required to file a report, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. The respondent acknowledges that, in addition to other required reports, for each election in which a general-purpose committee is involved, the committee's campaign treasurer shall file two reports; the first report must be received by the authority with whom the report is required to be filed not later than the 30th day before election day and covers the period beginning the day the committee's campaign treasurer appointment is filed or the first day after the period covered by the committee's last required report, as applicable, and continuing through the 40th day before election day; the second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day and covers the period beginning the 39th day before election day and continuing through the 10th day before election day. The respondent acknowledges that the proper way to report

reimbursements to staff is in accordance with section 20.62 of the Ethics Commission Rules. 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 \$560 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-2907186.

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

Linda Eissler, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director