

TEXAS ETHICS COMMISSION

IN THE MATTER OF
FRED RANGEL,
RESPONDENT

§
§
§
§
§

BEFORE THE
TEXAS ETHICS COMMISSION
SC-31011378

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on April 21, 2011, to consider sworn complaint SC-31011378. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 252.001 and 253.031 of the Election Code, 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 accepted campaign contributions and made or authorized campaign expenditures at a time when a campaign treasurer appointment was not in effect.

III. Facts Supported by Credible Evidence

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

1. During the time at issue, the respondent was a candidate for San Antonio City Council in a May 14, 2011, election.
2. The complaint included printed pages from an Internet website with the address of www.fredrangel.com. The website stated the following "calendar of events:"
 - Sept 25, 2010 – The All New FredRangel.com is launched offering more information and a more user friendly design to keep citizens informed.
 - October 9, 2010 – Campaign contribution fundraiser event. Location to be announced.

- October 21, 2010 – Campaign Birthday fundraiser event. Location to be announced.
3. The complaint included a flyer for a “Birthday Celebration and Fundraiser,” which identified the respondent as a candidate for city council, included the respondent’s website address, and provided the date of the event as October 28, 2010.
 4. The complaint alleged that, as of October 25, 2010, the respondent had not filed a campaign treasurer appointment with the city clerk of San Antonio.
 5. According to the City of San Antonio’s website, the respondent filed a campaign finance report on January 18, 2006, in connection with a May 6, 2007, election. The cover page of the report indicated that it was a “Final COH Report.” The respondent also filed a semiannual report with the city on January 18, 2011, that covered the period from October 28, 2010, to January 15, 2011. The report disclosed:
 - \$0 in total political contributions of \$50 or less
 - \$3,884.86 in total political contributions
 - \$0 in total political expenditures of \$50 or less
 - \$2,669.71 in total political expenditures
 - \$0 in total political contributions maintained
 - \$0 in total principal amount of outstanding loans
 6. In response to the allegations, the respondent swore:

On October 9, 2010, and on October 21, 2010 No Fundraiser was held as they had been cancelled. On October 28th, an announcement birthday fundraiser was held at Lisa’s Restaurant in San Antonio.

I have over the last ten years maintained the highest standards in observing rules of the Texas Ethics Commission. Even when not a candidate, I observed the rules. Up to 2006, I have had a treasure [sic] with all documentation in order. It was through the date of October 28th, 2010 that I believed the filings were active. A few days later, I received a call from your office on November 1st, 2010. The very next day on Nov. 2nd, I approached the City Clerks office in San Antonio where I was advised that I had in fact closed the status in 2006, four years ago. I quickly and without fail, submitted the completed documents for my treasurer. On another note, the bank account . . . has remained open for this purpose since 2006 with a balance.

I erred in memory, but it has continually been my intention to obey the rules of the Commission. All records and bank statements will be submitted in a timely and professional manner as required for all candidates on all contributions. Please see enclosures for the filings on November 2nd.

7. The respondent submitted a copy of a campaign treasurer appointment that indicated it was received by the city clerk of San Antonio on November 2, 2010. The appointment stated that the respondent sought the office of "City Council Dist 7."
8. The respondent's January 2011 semiannual report itemized approximately \$1,230 in political contributions and a \$250 political expenditure on dates from October 28, 2010, through November 1, 2010. The respondent's website was registered by an individual in San Antonio on September 22, 2010.

IV. Findings and Conclusions of Law

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

1. A candidate may not knowingly accept a campaign contribution or make or authorize a campaign expenditure at a time when a campaign treasurer appointment for the candidate is not in effect. ELEC. CODE § 253.031(a).
2. A political contribution includes a campaign contribution. *Id.* § 251.001(5). A campaign contribution means, in pertinent part, a contribution that is offered or given with the intent that it be used in connection with a campaign for elective office. *Id.* § 251.001(3). A contribution means, in pertinent part, a direct or indirect transfer of money and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. *Id.* § 251.001(2).
3. A political expenditure includes a campaign expenditure. *Id.* § 251.001(10). A campaign expenditure means, in pertinent part, an expenditure made by any person in connection with a campaign for an elective office. *Id.* § 251.001(7). An expenditure means a payment of money or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a payment. *Id.* § 251.001(6).
4. Each candidate shall appoint a campaign treasurer as provided by chapter 252 of the Election Code. *Id.* § 252.001.
5. The respondent did not have a campaign treasurer appointment in effect since January 18, 2006. He filed a campaign treasurer appointment in connection with the May 2011 campaign on November 2, 2010. The respondent accepted approximately \$1,230 in campaign contributions and made a \$250 campaign expenditure before the appointment was

filed. Therefore, there is credible evidence that the respondent violated sections 253.031(a) and 252.001 of the Election Code by accepting campaign contributions and making campaign expenditures without filing a required campaign treasurer appointment.

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 candidate may not knowingly accept a campaign contribution or make or authorize a campaign expenditure at a time when a campaign treasurer appointment for the candidate is not in effect. The respondent also acknowledges that each candidate shall appoint a campaign treasurer as provided by Chapter 252 of the Election Code. 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 \$500 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-31011378.

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

Fred Rangel, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director