

TEXAS ETHICS COMMISSION

IN THE MATTER OF

IVY TAYLOR,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-3130336

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on August 15, 2016, to consider sworn complaint SC-3130336. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of sections 253.003, 253.094, 254.031, 254.061 and 254.091 of the Election Code, section 571.1243 of the Government Code, and sections 12.83, 20.61, and 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 complaint alleged that the respondent: 1) did not disclose on campaign finance reports political contributions and political expenditures; 2) accepted prohibited political contributions from corporations or labor organizations; 3) converted political contributions to personal use; and 4) did not include the respondent's telephone number, her campaign treasurer's telephone number, the election date, and her office held on various campaign finance reports.

III. Facts Supported by Credible Evidence

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

1. The respondent is the current mayor and former city council member of San Antonio, Texas. The respondent was appointed as mayor in July 2014 and was a successful candidate for mayor in June 2015. She was first elected to the San Antonio City Council in 2009. During all times relevant to the complaint, the respondent was a San Antonio City Council member for District 2.

2. The reports at issue in the complaint are the respondent's January 2011 semiannual report, the 30-day and 8-day pre-election reports for the May 14, 2011, uniform election, and the July 2011, January and July 2012, and January 2013 semiannual reports.

Full Names of Contributors

3. The complaint alleged that the respondent did not disclose the full names of 17 persons or entities making political contributions totaling \$4,950. The reports at issue are the respondent's 30-day pre-election report for the May 14, 2011, uniform election, and the January and July 2012, and January 2013 semiannual reports.
4. For 11 of the contributions at issue from five individual contributors totaling \$2,350, the respondent disclosed each contributor's first two initials and their last name.
5. For three of the contributions at issue totaling \$1,500, the respondent disclosed the name of the law firms but did not disclose the designation "P.C." as part of each contributor's name. Internet research indicates that the law firms at issue are located at the addresses disclosed by the respondent.
6. For two of the contributions at issue totaling \$1,000, the respondent disclosed each contributor's name as the name of a political committee containing an acronym. Internet research indicates that each political committee at issue is commonly known by the acronym disclosed by the respondent. Additionally, the political committees at issue are located at the addresses disclosed by the respondent.
7. For the last contribution at issue totaling \$100, the respondent disclosed a first and last name for the contributor.
8. The respondent did not initially provide any additional information regarding these allegations in response to the complaint. The Commission sent written questions to the respondent requesting more information and documentation relating to the 11 contributions at issue totaling \$2,350.
9. On January 25, 2016, in response to written questions sent to the respondent by the Commission, the respondent provided copies of checks for the five individual contributors at issue. For three of the individual contributors, the respondent disclosed the name of the contributor as it appears on each contributor's check. For the remaining two contributors, the respondent did not disclose the full name of the contributor as it appears on each contributor's check.

Outstanding Loan Totals

10. The complaint alleged that the respondent did not disclose the correct amount of total outstanding loans on the respondent's July 2011 semiannual report.

11. The respondent's 8-day pre-election report filed for the May 14, 2011, uniform election disclosed \$0 in total outstanding loans. The respondent's subsequent July 2011 semiannual report disclosed \$6,011.98 in total outstanding loans, but did not itemize any new loans on the report.
12. The respondent did not initially provide any additional information regarding this allegation in her response to the complaint. The Commission sent written questions to the respondent requesting more information regarding this allegation. In response, the respondent stated that she is the only originator of the loans reflected on the report at issue. Subsequently, the Commission requested documentation showing the disclosure of any personal loans made by the respondent on prior campaign finance reports. The respondent stated that copies of the campaign finance reports disclosing the personal loans were no longer available. The respondent provided copies of two checks made payable to the respondent's campaign from the respondent's personal bank account. The checks were dated May 18, 2009, and June 3, 2009, and totaled \$7,500.
13. Additionally, the respondent disclosed on Schedule F (used to disclose political expenditures) of the January 2012 and July 2013 semiannual reports two expenditures to the respondent for repayment of personal loans totaling \$6,011.98.

Actual Vendor Payee

14. The complaint alleged that the respondent did not disclose the actual vendor payees of 15 political expenditures totaling approximately \$2,090. The reports at issue are the respondent's 30-day pre-election report filed for the May 14, 2011, uniform election, and the January 2012 and January 2013 semiannual reports.
15. The respondent disclosed either a category or description of "reimbursement" for 11 of the expenditures at issue totaling approximately \$1,560. The respondent disclosed the remaining four expenditures on Schedule F as follows:
 - February 15, 2011, \$127.52 to an individual under the category of "Event Expense" with a description of "copies made by Kinkos for fundraiser"
 - February 15, 2011, \$176 to an individual under the category of "Solicitation/Fundraising Expense" with a description of "Postage"
 - July 20, 2011, \$170 to an individual under the category of "Event Expense" with a description of "Tables Chairs for Campaign"
 - October 18, 2011, \$50 to an individual under the category of "Advertising Expense" with a description of "Advertisement"

16. The complaint alleged that the expenditures were made as reimbursements and that the respondent did not disclose the original expenditures for which the reimbursements were made.
17. Regarding the \$127.52 expenditure for copies, the respondent stated that the individual named as the payee was a campaign worker. Regarding the \$176 expenditure for postage, the respondent stated that the individual named as the payee is currently a staff member who was assisting the respondent during the time period at issue. The respondent indicated that both expenditures were made as reimbursements to each individual and that the actual vendor payee was evident from the descriptions of the expenditures.
18. Regarding the \$170 expenditure for tables and chairs, the respondent stated that the individual named as the payee was the owner of chairs and tables that were rented by the respondent for a campaign event.
19. Regarding the \$50 expenditure for advertising, the respondent stated that the individual named as the payee of the expenditure was the publisher of a souvenir book in which the respondent purchased a campaign advertisement.

Purpose of Political Expenditures

20. The complaint alleged that the respondent did not properly disclose the purpose of six political expenditures totaling approximately \$1,100 on the respondent's July 2011, January and July 2012, and January 2013 semiannual reports. The expenditures at issue were disclosed on Schedule F as follows:
 - One expenditure to Walmart for approximately \$30 under the category of "Office Overhead/Rental Expense" with a description of "campaign expense"
 - Two expenditures to Barnes & Noble totaling approximately \$120 under the categories of "Polling Expense" and "Event Expense" with descriptions of "supplies" and "books," respectively
 - Two expenditures totaling approximately \$700 under the category of "Advertising Expense" with descriptions of "advertising expense" and "advertising," respectively
 - One expenditure to Gourmet Nuts for approximately \$260 under the category of "Food/Beverage Expense" with a description of "fundraiser/community"
21. The respondent did not provide any additional information regarding these expenditures in her response to the complaint.

Full Names of Persons Receiving Political Expenditures

22. The complaint alleged that the respondent did not disclose the full names of two persons or entities receiving political expenditures. The expenditures were disclosed on Schedule F of the January 2013 semiannual report as follows:
- September 25, 2012, \$220 to AKA – Fashionetta with a category of “Advertising Expense” and a description of “fashionetta”
 - November 9, 2012, \$250 to COMTO with a category of “Other: Membership” and a description of “Membership”
23. Internet research indicates that AKA is a commonly recognized acronym for the Alpha Kappa Alpha sorority. An internet search using the name “AKA Fashionetta” as disclosed by the respondent results in an exact match for the Alpha Kappa Alpha Miss Fashionetta event. The address information disclosed by the respondent matches the mailing address for the Alpha Tau Omega chapter of the Alpha Kappa Alpha sorority. News reports available online indicate that Fashionetta was a luncheon fundraising event that took place in November 2012 to raise money for Alpha Tau Omega.
24. Internet research indicates that COMTO is a commonly recognized acronym for the Conference of Minority Transportation Officials. The address information disclosed by the respondent matches the mailing address for the San Antonio chapter of COMTO. Additionally, the COMTO membership directory lists the respondent as a member of the San Antonio Chapter.
25. The respondent did not provide any additional information regarding these expenditures in her response to the complaint.

Travel Outside of Texas

26. The complaint alleged that the respondent did not disclose on Schedule T (used to disclose travel outside of Texas) of the January 2013 semiannual report political expenditures for travel outside of Texas. The allegation is based on the following expenditures disclosed on the respondent’s January 2013 semiannual report:
- August 6, 2012, \$289.70 to American Airlines under the category of “Travel Out Of District” with a description of “Convention”
 - September 5, 2012, \$41.86 to RI Ra The Irish Pub in Charlotte, North Carolina, under the category of “Travel Out Of District” with a description of “Convention”

- September 6, 2012, \$50.30 to Capital Grill in Charlotte, North Carolina, under the category of “Travel Out Of District” with a description of “Convention”
 - September 7, 2012, \$20 to Catalyst Garage in Charlotte, North Carolina, under the category of “Travel Out Of District” with a description of “Convention”
27. Based on the disclosures referenced in the complaint, the complaint alleged that the respondent made political expenditures while she was in Charlotte, North Carolina, however the respondent did not disclose any travel information on Schedule T of the report.
28. The respondent did not provide any additional information about these expenditures in her response to the complaint.

Corporate Contributions

29. The complaint alleged that the respondent accepted eight political contributions from six prohibited corporations totaling approximately \$3,000. The contributions at issue were disclosed on Schedule A (used to disclose political contributions) of seven campaign finance reports as follows:

January 2011 Semiannual Report

- August 25, 2010, \$100 from Costello Inc.
 - In response to written questions sent by the Commission, the respondent provided a copy of the contribution check showing the name of the contributor as Costello, Inc. PAC. Records on file with the Commission show that Costello, Inc. PAC is a general-purpose committee that files campaign finance reports monthly with the Commission. The \$100 contribution at issue was disclosed as a political expenditure to the respondent in the committee’s September 2010 monthly report.

30-day Pre-election Report for May 2011 Election

- March 2, 2011, \$500 from San Antonio Police Officers Association
 - Records on file with the Commission show that the San Antonio Police Officers Association PAC is a general-purpose committee that files campaign finance reports monthly with the Commission. The \$500 contribution at issue was disclosed as a political expenditure to the respondent in the committee’s April 2011 monthly report.

8-day Pre-election Report for May 2011 Election

- April 21, 2011, \$500 from SA Apartment Association
 - Records on file with the Commission show that the San Antonio Apartment Association is a general-purpose committee that files campaign finance reports monthly with the Commission. The \$500 contribution at issue was disclosed as a political expenditure to the respondent in the committee's May 2011 monthly report.

July 2011 Semiannual Report

- May 5, 2011, \$357 from Marianists
 - In response to written questions sent by the Commission, the respondent provided a copy of the contribution check showing the contributor's name as Marianists – Province of the United States dated April 21, 2011. The respondent stated that the check was accepted during the reporting period for the July 2011 semiannual report.
 - The respondent stated that because she could not discern the nature of the contributor at issue, she returned the contribution out of an abundance of caution. The respondent provided a copy of a check from the respondent returning the amount at issue to the contributor. The check was dated January 18, 2016, and cleared the respondent's bank account on January 29, 2016.
 - Texas Secretary of State (SOS) records indicate that Marianist Province of the United States is a foreign nonprofit corporation. SOS records do not show any address on file for this corporation that corresponds to the address disclosed on the contributor check at issue.
- May 13, 2011, \$500 from Rivercenter Holiday Inn Express
 - In response to written questions sent by the Commission, the respondent provided a copy of the contribution check showing the contributor's name as Alamo River Center Hospitality, LLC dba Rivercenter Holiday Inn Express Hotel and Suites. SOS records indicate that Alamo River Center Hospitality, LLC does not have any corporate members.

January 2012 Semiannual Report

- July 12, 2011, \$500 from San Antonio Police Officers Association
 - Records on file with the Commission show that the San Antonio Police Officers Association PAC is a general-purpose committee that files campaign finance reports monthly with the Commission. The \$500 contribution at issue was disclosed as a political expenditure to the respondent in the committee's August 2011 monthly report.

July 2012 Semiannual Report

- June 29, 2012, \$50 from Lambermont Co.
 - SOS records indicate that Lambermont Company is a domestic for-profit corporation.
 - In response to written questions sent by the Commission, the respondent indicated that her staff did not recognize the abbreviation "Co." as standing for corporation. The respondent provided a copy of a check from the respondent returning the amount at issue to the contributor.
- March 28, 2012, \$250 from C.L. Thomas, Inc.
 - Although not alleged in the complaint, through the course of responding to the Commission's written questions, it was noted that the check from this contributor contained the designation "Inc." The respondent provided a copy of a check from the respondent returning the amount at issue to the contributor. SOS records indicate that C.L. Thomas, Inc. is a domestic for-profit corporation.

January 2013 Semiannual Report

- November 29, 2012, \$500 from San Antonio Police Officers Association
 - Records on file with the Commission show that the San Antonio Police Officers Association PAC is a general-purpose committee that files campaign finance reports monthly with the Commission. The \$500 contribution at issue was disclosed as a political expenditure to the respondent in the committee's January 2012 monthly report.

30. On April 21, 2008, the respondent filed a campaign treasurer appointment on which she signed a statement acknowledging: "I am aware of the restrictions in title 15 of the Election Code on contributions from corporations and labor organizations."
31. In response to the complaint, the respondent swore: "At no time have I knowingly or intentionally engaged in any wrongful activity as this Complaint alleges. I have not used any funds inappropriately, nor to my knowledge, improperly accepted contributions."

Personal Use of Political Contributions

32. The complaint alleged that the respondent converted political contributions to personal use. The campaign finance reports at issue are the respondent's July 2011, January and July 2012, and January 2013 semiannual reports.
33. The respondent disclosed 34 political expenditures to various restaurants totaling approximately \$1,210. The respondent disclosed a category of "Food/Beverage Expense" and descriptions of "campaign meeting," "strategic meeting," "committee meeting," "meeting," or some other similar variation for these political expenditures.
34. The respondent disclosed one political expenditure to Luke's totaling approximately \$20 with a category of "Legal Services" and a description of "Strategic Meeting."
35. In response to the complaint, the respondent generally denied the allegations. In response to written questions sent by the Commission, the respondent stated that all the expenditures at issue were related to either campaign or officeholder purposes. The respondent swore that at no time did she use any political contributions for personal purposes.

Cover Sheet Information

36. The complaint alleged that the respondent did not disclose the election date on her 30-day pre-election report filed for the May 14, 2011, uniform election. The field on the cover sheet for "election date" was left blank.
37. The complaint alleged that the respondent did not disclose her telephone number on the 8-day pre-election report filed for the May 14, 2011, uniform election, and the January and July 2012, and January 2013 semiannual reports. The fields on the cover sheets for "candidate/officeholder phone" were left blank on all the campaign finance reports at issue.
38. The complaint alleged that the respondent did not disclose her office held on the 8-day pre-election report filed for the May 14, 2011, uniform election and the July 2011 semiannual report. The fields on the cover sheets for "office held" were left blank on both campaign finance reports at issue.

39. The complaint alleged that the respondent did not disclose her campaign treasurer's telephone number on the January 2013 semiannual report. The field on the cover sheet for "campaign treasurer phone" was left blank.
40. The respondent did not provide any additional information regarding these allegations in her response to the complaint.

Total Political Contributions Maintained

41. The complaint alleged that the respondent did not properly disclose total political contributions maintained on the July 2011 and January 2012 semiannual reports. The allegations are as follows:
 - July 2011 Semiannual report – disclosed \$12,159.53; bank statement \$12,399.44 (difference \$239.91)
 - January 2012 Semiannual report – disclosed \$7,981.24; bank statement \$7,981.24
42. In response to written questions sent by the Commission, the respondent provided copies of bank statements establishing the balance of political contributions maintained as of the last day of the reporting period for the July 2011 and January 2012 semiannual reports.
43. The respondent stated that the total amount of political contributions maintained was calculated by adding contributions accepted and subtracting expenditures made during the reporting period.

Response to Written Questions

44. On July 1, 2015, the Commission mailed written questions relating to the allegations in the complaint to the respondent. In the letter, the Commission informed the respondent that failure to respond would result in a separate violation and possible civil penalty. According to the United States Postal Service's record of the delivery, the written questions were delivered to the respondent on July 6, 2015. A response to the written questions was required not later than 15 business days from the date the written questions were received. Based on the delivery date of the written questions, the respondent was required to respond to the written questions by July 27, 2015. The respondent submitted a response to the written questions on January 25, 2016, approximately six months late.

IV. Findings and Conclusions of Law

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

Full Names of Contributors

1. A campaign finance report must include the amount of political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
2. It is not a valid basis of a complaint to allege that a report required under Chapter 254, Election Code, contains the improper name or address of a person from whom a political contribution was received if the name or address in the report is the same as the name or address that appears on the check for the political contribution. GOV'T CODE § 571.122(e).
3. At any stage of a proceeding under this subchapter, the Commission shall dismiss a complaint to the extent the complaint alleges that a report required under Chapter 254, Election Code, contains the improper name or address of a person from whom a political contribution was received if the name or address in the report is the same as the name or address that appears on the check for the political contribution. *Id.* § 571.1222.
4. All of the contributions at issue exceeded \$50 in the aggregate. Thus, the respondent was required to provide the full name of each contributor. Regarding nine of the contributions from three individual contributors totaling \$1,850, the respondent disclosed the name of each contributor as it appears on each contributor's check. Therefore, there is credible evidence of no violations of section 254.031(a)(1) of the Election Code with respect to those nine contributions.
5. Regarding two of the contributions at issue totaling \$500, the respondent did not disclose the full name of each contributor or the name of each contributor as it appears on each contributor's check. Therefore, there is credible evidence of violations of section 254.031(a)(1) of the Election Code with respect to those two contributions.
6. Regarding the three contributions at issue totaling \$1,500, the respondent did not disclose the full name of each law firm. However, the error was not misleading and did not substantially affect disclosure. Therefore, there is credible evidence of technical or *de minimis* violations of section 254.031(a)(1) of the Election Code with respect to those three contributions.
7. Regarding the two contributions at issue totaling \$1,000, the respondent disclosed a commonly recognized acronym by which the political committees at issue are known. Therefore, there is credible evidence of no violations of section 254.031(a)(1) of the Election Code with respect to those two contributions.

8. Regarding the remaining contribution at issue of \$100 from an individual, the respondent disclosed a first and last name for the contributor, and the available evidence indicates that the respondent correctly disclosed the contributor's full name. Therefore, there is credible evidence of no violation of section 254.031(a)(1) of the Election Code with respect to that contribution.

Outstanding Loan Totals

9. Each campaign finance report must include the amount of loans that are made during the reporting period for campaign or officeholder purposes to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period. ELEC. CODE § 254.031(a)(2).
10. A candidate or officeholder is not required to include political expenditures from personal funds under aggregate principal amount of all outstanding loans. Ethics Advisory Opinion No. 349 (1996). However, a filer who reports political expenditures from personal funds as loans and then includes such expenditures under "aggregate principal amount of all outstanding loans as of the last day of the reporting period" has not filed an incorrect or false report. *Id.*
11. Based on the documentation provided by the respondent, it appears that the amount reported as total outstanding loans on the July 2011 semiannual report consisted solely of the respondent's personal funds that were deposited into the respondent's campaign bank account. The respondent was not required to include personal funds deposited into a campaign bank account in the total amount of outstanding loans, although it was not incorrect to do so. Therefore, there is credible evidence of no violation of section 254.031(a)(2) of the Election Code.

Actual Vendor Payee

12. A campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
13. Political expenditures 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 \$100 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 \$100 or less made during the reporting period. Except as provided previously, a political expenditure made out of personal funds by a staff member of an officeholder, a candidate, or 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.

14. For 11 expenditures totaling approximately \$1,560, that had a category or description of “reimbursement,” the expenditures appear to have been made as staff reimbursements. The reports at issue disclosed only the names of the individuals who were reimbursed, and not the ultimate payees to whom those political expenditures were made. Therefore, there is credible evidence of violations of section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules with regard to those 11 expenditures.
15. Two political expenditures totaling approximately \$300 were made as staff reimbursements. For one of the expenditures at issue, the respondent did not disclose the actual vendor payee in the original report and the description does not make clear who the ultimate vendor was. For the remaining expenditure at issue, the respondent disclosed the ultimate payee in the purpose description but did not disclose the full expenditure. Therefore, there is credible evidence of violations of section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules with respect to those two expenditures.
16. For the remaining two expenditures at issue totaling approximately \$220, based on the respondent’s statements, the respondent disclosed the actual vendor payees. Therefore, there is credible evidence of no violations of section 254.031(a)(3) of the Election Code and section 20.62 of the Ethics Commission Rules with regard to those two expenditures.

Purpose of Political Expenditures

17. A campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 prior to September 28, 2011) and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
18. The purpose of an expenditure means a description of goods, services, or other thing of value and must include a brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure. The brief statement or

description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure. Ethics Commission Rules § 20.61.

19. The respondent's total expenditures to Walmart exceeded \$50 in the aggregate during the reporting period.¹ Thus, the respondent was required to provide a purpose category and description for the expenditure to Walmart totaling approximately \$30. The purpose description disclosed by the respondent did not include a description of the items or services purchased. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code and section 20.61 of the Ethics Commission Rules with regard to that expenditure.
20. Regarding the remaining five expenditures totaling approximately \$1,070, the respondent did not indicate the candidate or officeholder activity that was conducted by making the expenditures, and the descriptions were not sufficient to make the reasons for the expenditures clear. Therefore, there is credible evidence of violations of section 254.031(a)(3) of the Election Code and section 20.61 of the Ethics Commission Rules with regard to those five expenditures.

Full Names of Persons Receiving Political Expenditures

21. A campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
22. Regarding the \$220 expenditure to the Alpha Kappa Alpha sorority, although "AKA" is a commonly recognized acronym, "AKA – Fashionetta" is not a commonly recognized name by which the payee is known. However, the respondent disclosed other information, such as a complete address, that made the identity of the payee reasonably ascertainable. Thus, the disclosure substantially complies. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code with regard to this expenditure.
23. Regarding the \$250 expenditure to the Conference of Minority Transportation Officials, COMTO is a commonly recognized acronym by which the entity is known. Thus, the disclosure substantially complies. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code with regard to this expenditure.

¹ The itemization threshold for the July 2011 semiannual report was \$50.

Travel Outside of Texas

24. A campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
25. The description of a political expenditure for travel outside of the state of Texas must provide the name of the person or persons traveling on whose behalf the expenditure was made, the means of transportation, the name of the departure city or the name of each departure location, the name of the destination city or the name of each destination location, the dates on which the travel occurred, and the campaign or officeholder purpose of the travel, including the name of the conference, seminar, or other event. Ethics Commission Rules § 20.61(b).
26. Credible evidence indicates that the respondent purchased an airline ticket using political contributions and traveled from Texas to Charlotte, North Carolina, to attend a convention. Accordingly, the respondent was required to disclose additional information regarding the expenditure for the airline ticket and other travel information on Schedule T of the January 2013 semiannual report, and she did not do so. Therefore, there is credible evidence of a violation of section 254.031(a)(3) of the Election Code and section 20.61(b) of the Ethics Commission Rules with regard to that expenditure.
27. Regarding the remaining three expenditures totaling approximately \$110, it appears the expenditures were made by the respondent while in North Carolina. Thus, the respondent was not required to disclose any additional information on Schedule T for the remaining three expenditures at issue. Therefore, there is credible evidence of no violations of section 254.031(a)(3) of the Election Code and section 20.61(b) of the Ethics Commission Rules with regard to those three expenditures.

Corporate Contributions

28. A person may not knowingly accept a political contribution that the person knows was made in violation of chapter 253 of the Election Code. ELEC. CODE § 253.003.
29. 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.
30. 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.

31. A Texas limited liability company is subject to the restrictions in Election Code chapter 253, subchapter D, if it engages in a type of business listed in Election Code section 253.093 or if it is owned, in whole or in part, by an entity subject to the restrictions in Election Code chapter 253, subchapter D. Ethics Advisory Opinion No. 383 (1997).
32. In order to find a violation of section 253.003 of the Election Code, the evidence must show that the contributor was a corporation or labor organization, 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 or labor organization.
33. Credible evidence indicates that five of the contributions at issue were from political committees. Therefore, there is credible evidence of no violations of sections 253.003 and 253.094 of the Election Code with respect to those five contributions.
34. Credible evidence indicates that the contribution from Rivercenter Holiday Inn Express was from a limited liability company with no corporate members. Therefore, there is credible evidence of no violation of sections 253.003 and 253.094 of the Election Code with respect to that contribution.
35. Credible evidence indicates that Marianist Province of the United States and Lambermont Company are domestic corporations. There is insufficient evidence to establish that the respondent knew the contributions at issue were from prohibited corporations at the time the respondent accepted the checks. Therefore, there is insufficient evidence of violations of sections 253.003 and 253.094 of the Election Code with respect to those two contributions.
36. Credible evidence indicates that C.L. Thomas, Inc. is a domestic for-profit corporation. The respondent signed her campaign treasurer appointment on April 21, 2008, acknowledging the restrictions on corporate contributions. The designation "Inc." was included on the contributor's check. Thus, there is credible evidence to establish that the respondent knowingly accepted the political contribution, and that the respondent knew the contribution was from a corporation. The respondent returned the amount at issue to the contributor. Therefore, there is credible evidence of a violation of sections 253.003 and 253.094 of the Election Code.

Personal Use of Political Contributions

37. 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). Personal use is a use that primarily furthers individual or family purposes not connected with the performance of duties or activities as a candidate or officeholder. *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 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. *Id.* § 253.035(d)(1).

38. The complaint alleged that the respondent converted approximately \$1,240 to her personal use. The descriptions for 18 of the expenditures disclosed by the respondent did not clearly indicate whether the expenditures were candidate or officeholder related. The descriptions for the remaining 17 expenditures disclosed by the respondent indicate that the expenditures were made in connection with the respondent's duties and activities as a candidate and/or officeholder.
39. The respondent stated that all the expenditures at issue were made for either campaign or officeholder purposes and swore that at no time did she use political contributions for personal purposes. However, the available evidence is insufficient. Therefore, there is insufficient evidence of violations of section 253.035 of the Election Code.

Cover Sheet Information

40. Each report filed under this chapter with an authority other than the Commission must be in a format prescribed by the Commission. ELEC. CODE § 254.036(a). The format prescribed by the Commission requires a candidate/officeholder to disclose his or her telephone number and his or her campaign treasurer's telephone number.
41. Each report by a candidate must include the candidate's full name and address, the office sought, and the identity and date of the election for which the report is filed. *Id.* § 254.061(1).
42. Each report by a candidate must include the campaign treasurer's name, residence or business street address, and telephone number. *Id.* § 254.061(2)
43. Each report by an officeholder must include the officeholder's full name and address and the office held. *Id.* § 254.091(1).
44. The respondent did not disclose the election date, her office held, her telephone number, or her campaign treasurer's telephone number on multiple campaign finance reports. Therefore, there is credible evidence of violations of sections 254.036(a), 254.061, and 254.091 of the Election Code.

Total Political Contributions Maintained

45. Each report must include as of the last day of the reporting period, 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).

46. A *de minimis* error in calculating or reporting a cash balance under Subsection (a)(8) is not a violation of this section. *Id.* at 254.031(a-1).
47. There is no violation of section 254.031(a)(8) of the Election Code if the difference between the total political contributions maintained originally disclosed and the bank statement amount does not exceed the lesser of 10% of the amount disclosed or \$2,500.
48. 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).
49. Regarding the July 2011 semiannual report, the difference between the total political contributions maintained originally disclosed and the bank statement amount does not exceed the lesser of 10% of the amount disclosed or \$2,500. Therefore, there is credible evidence of no violation of section 254.031(a)(8) of the Election Code.
50. Regarding the January 2012 semiannual report, the bank statement indicates that the amount of total political contributions maintained was correct as originally disclosed. Therefore, there is credible evidence of no violation of section 254.031(a)(8) of the Election Code.

Response to Written Questions

51. During a preliminary review, Commission staff may submit to the complainant or respondent written questions reasonably intended to lead to the discovery of matters relevant to the investigation. GOV'T CODE § 571.1243.
52. A respondent must respond to written questions submitted to the respondent pursuant to section 571.1243 of the Government Code not later than 15 business days after the respondent receives the written questions. The executive director may grant an extension of the time period for good cause shown. Ethics Commission Rules § 12.83(a).
53. The Commission's written questions were delivered to the respondent on July 6, 2015. Thus, the respondent was required to submit a response to the written questions to the Commission by July 27, 2015. The Commission received a complete response to the written questions on January 25, 2016, approximately six months late. Therefore, there is credible evidence of a violation of section 571.1243 of the Government Code and section 12.83(a) of the Ethics Commission Rules.

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: 1) a campaign finance report must include the amount of political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions; 2) a campaign finance report must include the amount of political expenditures that in the aggregate exceed \$100 and that are made during the reporting period, the full name and address of the persons to whom political expenditures are made, and the dates and purposes of the expenditures; 3) political expenditures 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 in accordance with section 20.62 of the Ethics Commission Rules; 4) the purpose of an expenditure means a description of goods, services, or other thing of value and must include a brief statement or description of the candidate, officeholder, or political committee activity that is conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure; 5) the description of a political expenditure for travel outside of the state of Texas must provide the name of the person or persons traveling on whose behalf the expenditure was made, the means of transportation, the name of the departure city or the name of each departure location, the name of the destination city or the name of each destination location, the dates on which the travel occurred, and the campaign or officeholder purpose of the travel, including the name of the conference, seminar, or other event; 6) a person may not knowingly accept a political contribution that the person knows was made in violation of chapter 253 of the Election Code; 7) a corporation may not make a political contribution or political expenditure that is not authorized by subchapter D, chapter 253, Election Code; 8) a campaign finance report filed under this chapter with an authority other than the Commission must be in a format prescribed by the Commission; 9) a campaign finance report by a candidate must include the candidate's full name and address, the office sought, and the identity and date of the election for which the report is filed; 10) a campaign finance report by a candidate must include the campaign treasurer's name, residence or business street

address, and telephone number; 11) a campaign finance report by an officeholder must include the officeholder's full name and address and the office held; and 12) a respondent must respond to written questions submitted to the respondent pursuant to section 571.1243 of the Government Code not later than 15 business days after the respondent receives the written questions. The respondent agrees to comply with these requirements of the law.

VI. Confidentiality

This order and agreed resolution describes certain 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 nature, circumstances, and consequences of the violations described under Sections III and IV, and after considering the sanction necessary to deter future violations, the Commission imposes a \$1,000 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-3130336.

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

Ivy Taylor, Respondent

EXECUTED ORIGINAL received by the Commission on: _____.

Texas Ethics Commission

By: _____
Natalia Luna Ashley, Executive Director