

# TEXAS ETHICS COMMISSION

IN THE MATTER OF

CRIS MEDINA,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-3130342

## ORDER and AGREED RESOLUTION

### I. Recitals

The Texas Ethics Commission (Commission) held a preliminary review hearing on August 7, 2015, to consider sworn complaint SC-3130342. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of sections 253.035, 254.031, 254.061, 254.063, and 254.064 of the Election Code and sections 20.61, 20.62, and 20.63 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 properly disclose on campaign finance reports political contributions and political expenditures; 2) accepted political contributions from corporations or labor organizations; 3) converted political contributions to personal use; 4) improperly reimbursed political expenditures made from personal funds; 5) did not timely file campaign finance reports; and 6) did not include his campaign treasurer's telephone number on a report.

### III. Facts Supported by Credible Evidence

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

1. The respondent holds the position of City Council Member, District 7, San Antonio, Texas.

2. The reports at issue are the 30-day and 8-day pre-election reports for the May 2011 San Antonio city election, the runoff report for the June 2011 city runoff election, and the July 2011, January and July 2012, and January 2013 semiannual reports.

#### **Timely Filing of Pre-Election Campaign Finance Report**

3. The complaint alleged that the respondent did not timely file the 30-day pre-election report for the May 2011 uniform election. The respondent filed the original 30-day pre-election report on the due date, April 14, 2011. However, the respondent filed corrections to the report on June 2, 2011, and June 3, 2011, after the May 2011 uniform election.

#### **Timely Filing of Semiannual Campaign Finance Reports**

4. The complaint alleged that the respondent did not timely file the January 2012 and January 2013 semiannual reports. The respondent filed the January 2012 semiannual report on January 27, 2012. The respondent's affidavit stated:

Due to a power outage the draft report was lost and had to be recreated. This did result in the report being slightly delayed, but a correct and complete report was filed as soon as possible.

5. The respondent filed the January 2013 semiannual report on February 5, 2013. The respondent's affidavit stated:

Due to income tax season, there was a delay in the filing of the semi-annual report. The complete and true report was filed as soon as possible and the committee has implemented a back-up procedure to ensure that no future reports are filed late.

#### **Disclosure of Campaign Treasurer's Telephone Number**

6. The complaint alleged that the respondent did not include his campaign treasurer's telephone number on the January 2013 semiannual report. The report at issue did not include the campaign treasurer's telephone number. The respondent included the campaign treasurer's telephone number on each of the other reports at issue.

#### **Total Political Contributions Maintained**

7. The complaint alleged that the respondent reported an incorrect balance for total political contributions maintained in the runoff report for the June 2011 runoff election and the January 2012 semiannual report or, in the alternative, that the respondent did not report

additional contributions or expenditures. The complaint included no specific information to support the allegations other than disclosures from the respondent's reports.

8. The respondent provided copies of his political account bank statements. The original disclosures in the June 2011 runoff election report and the January 2012 semiannual report along with the account balances shown on the bank statements are as follows:

Runoff Report - disclosed \$5,911.33; bank statement showed \$8,691.26; difference is \$2,779.93.

January 2012 Semiannual Report - disclosed \$0; bank statement showed \$1,281.09.

### **Names of Contributors**

9. The complaint alleged, based on disclosures in each of the reports at issue, that the respondent did not properly disclose the names of contributors for approximately \$4,750 in political contributions. As to approximately \$1,250 in contributions disclosed as coming from individuals, the evidence indicates that the respondent disclosed the names of the contributors as they were disclosed on the contribution checks. The evidence indicates that the names disclosed by the respondent for the remaining approximately \$3,500 in contributions were the actual names of the contributors.

### **Personal Use of Political Contributions**

10. The complaint alleged that the respondent converted political contributions to personal use related to approximately \$5,780 in expenditures the respondent disclosed in reports. The expenditures were made to restaurants and most had purpose descriptions of "staff luncheon." In response to the complaint, the respondent addressed each expenditure and swore that they were for food for campaign staff and campaign events. There is no evidence that would show that the expenditures at issue were made to primarily further individual or family purposes not connected with the performance of duties or activities of the respondent as a candidate for or holder of a public office.

### **Improperly Used Political Contributions to Reimburse Political Expenditures Made from Personal Funds**

11. The complaint alleged that the respondent improperly used political contributions to reimburse himself for political expenditures he made from personal funds, as disclosed on the January 2012 semiannual report, because he did not properly report the political expenditures made from personal funds. The respondent reimbursed himself from political

contributions for a \$250 political expenditure he made from personal funds but did not properly disclose the original expenditure(s) for which the reimbursement was made.

### **Political Contributions from Corporations or Labor Organizations**

12. The complaint alleged that, based on disclosures in the respondent's 30-day and 8-day pre-election reports, the runoff report, and the January 2012 and January 2013 semiannual reports, the respondent accepted approximately \$4,500 in political contributions from corporations or labor organizations.
13. The evidence indicates that one contributor had an incorporated partner. There is insufficient evidence to show that at the time the respondent accepted the contribution, he knew the particular contribution at issue was from an entity subject to the corporate contribution restrictions.
14. The evidence indicates that three of the contributions at issue were from the political committees of those entities disclosed as contributors. The evidence indicates that the remaining four contributors were not corporations.

### **Full Names of Payees of Political Expenditures**

15. The complaint alleged that the respondent did not properly disclose the names of the payees of political expenditures disclosed in the 8-day pre-election report, the runoff report, and the January 2012 and January 2013 semiannual reports. For most of the expenditures at issue, the respondent disclosed a payee name that included an acronym. The acronyms used by the respondent sufficiently identified the payees.

### **Names of Persons Receiving a Thing of Value Purchased With Political Funds**

16. The complaint alleged that the respondent did not disclose the names of persons who received things of value as disclosed on each of the reports at issue. The expenditures at issue were made to businesses to purchase gas and meals, and to pay for blockwalkers. The complaint alleged that the respondent was required to disclose as the payee the name of each person who received a meal, gas, or a salary for blockwalking.

### **Recipients of a Salary**

17. The respondent did not disclose the names of the individuals who received wages, a salary, or were paid for contract labor totaling approximately \$5,460. Even though the respondent disclosed the names of an entity and an individual as payees, the respondent made the decision that the funds were to be used to pay blockwalkers.

### Recipients of Other Things of Value

18. The respondent disclosed expenditures for other things of value, including meals, food, fuel, supplies, lodging, and gifts, which were subsequently provided to other persons.

### **Dates and Amounts of Expenditures**

19. The complaint alleged that the respondent did not disclose the dates and amounts of approximately \$3,980 in expenditures. The respondent did not disclose the dates and the amounts of the expenditures. The evidence shows that the respondent totaled monthly bills from certain payees instead of disclosing the dates and amounts of each bill separately.

### **Actual Vendor Payee Information for Political Expenditures**

20. The complaint alleged that the respondent did not disclose the actual vendor payees of political expenditures disclosed on the 8-day pre-election report, the runoff report, and the July 2011, January and July 2012, and January 2013 semiannual reports. Most of the expenditures at issue were made to individuals and appear to be staff reimbursements. The evidence indicates that the respondent did not properly disclose the actual vendor payee information for approximately \$11,650 of expenditures. The respondent properly disclosed the actual vendor payee information for the remaining expenditures that were specified in the complaint.

### **Purpose of Political Expenditures**

21. The complaint alleged that the respondent did not properly describe the purposes of political expenditures disclosed in each of the reports at issue except the July 2012 semiannual report.
22. The purpose descriptions provided for 22 political expenditures totaling approximately \$18,210 were: Consulting, Food, Printing, Fee, Consulting Services, Gas, Costumes, Supplies & Food, Ad, and Event. The respondent properly provided a description of the category of goods for which the expenditures were made; however, the purpose descriptions provided for these 22 political expenditures did not include a brief statement or description of the candidate, officeholder, or political committee activity that was conducted by making the expenditures. The purposes of the remaining expenditures at issue properly disclosed the candidate or officeholder activity that was conducted by making the expenditures.
23. The respondent did not disclose the proper category of approximately \$7,560 in expenditures. The category disclosed by the respondent was "Other," however, a more specific category, such as "Food/Beverage Expense," was more appropriate. In context, the expenditure purpose descriptions did not substantially affect disclosure.

**Travel Outside of Texas**

24. The complaint alleged that the respondent did not disclose on Schedule T (used to disclose political expenditures for travel outside of Texas) political expenditures made for travel outside of Texas. The respondent paid \$811.10 for a flight on November 19, 2012, for travel outside of Texas. The respondent did not disclose the travel information on Schedule T of the January 2013 semiannual report.

**IV. Findings and Conclusions of Law**

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

**Timely Filing of Pre-Election Campaign Finance Report**

1. For each election in which a person is a candidate and has an opponent whose name is to appear on the ballot, the person 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. ELEC. CODE § 254.064(a) and (b).
2. The respondent did not comply with the requirement to file the 30-day pre-election report at issue until he filed a complete and accurate report. The respondent did not fulfill this requirement until 50 days after the statutory deadline when he filed a corrected report. Therefore, there is credible evidence of a violation of section 254.064(b) of the Election Code.

**Timely Filing of Semiannual Campaign Finance Reports**

3. A candidate shall file two reports for each year. The second report shall be filed not later than January 15. *Id.* § 254.063(a) and (c).
4. The respondent filed the January 2012 semiannual report 10 days late and filed the January 2013 semiannual report 21 days late. Therefore, there is credible evidence of violations of section 254.063(c) of the Election Code.

**Disclosure of Campaign Treasurer's Telephone Number**

5. Each report by a candidate must include the campaign treasurer's name, residence or business street address, and telephone number. *Id.* § 254.061(2).

6. The report at issue did not include the campaign treasurer's telephone number. The respondent included the campaign treasurer's telephone number on each of the other reports at issue. In context, this omission did not substantially affect disclosure. Therefore, there is credible evidence of a technical or *de minimis* violation of section 254.061(2) of the Election Code.

### **Total Political Contributions Maintained**

7. Each 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. *Id.* § 254.031(a)(8).
8. There is credible evidence that the respondent did not disclose the correct amount for total political contributions maintained on the two reports at issue. Therefore, there is credible evidence of violations of section 254.031(a)(8) of the Election Code.

### **Names of Contributors**

9. Each report must include the amount of political contributions from each person that in the aggregate exceed \$50, the full name and address of the person making the contributions, and the dates of the contributions. *Id.* § 254.031(a)(1).
10. 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. GOV'T CODE § 571.1222.
11. As to approximately \$1,250 in political contributions disclosed as coming from individuals, the evidence indicates that the respondent disclosed the names of the contributors as they were disclosed on the contribution checks. Therefore, there is credible evidence of no violation of section 254.031(a)(1) of the Election Code as to those contributors.
12. The evidence indicates that the names disclosed by the respondent for the remaining approximately \$3,500 in political contributions were the actual names of the contributors. Therefore, there is credible evidence of no violation of section 254.031(a)(1) of the Election Code as to those contributors.

**Personal Use of Political Contributions**

13. 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).
14. “Personal use” means a use that primarily furthers individual or family purposes not connected with the performance of duties or activities as a candidate for or holder of a public office. *Id.* § 253.035(d).
15. The evidence shows that the expenditures were made to restaurants and most had purpose descriptions of “staff luncheon.” In response to the complaint, the respondent addressed each expenditure and swore that they were for food for campaign staff and campaign events. There is no evidence that would show that the expenditures at issue were made to primarily further individual or family purposes not connected with the performance of duties or activities of the respondent as a candidate for or holder of a public office. There is credible evidence of no violation of section 253.035(a) of the Election Code.

**Improperly Used Political Contributions to Reimburse Political Expenditures Made from Personal Funds**

16. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) 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).
17. A candidate or officeholder who makes political expenditures from the candidate’s or officeholder’s personal funds may reimburse those personal funds from political contributions in the amount of those expenditures only if the expenditures from personal funds were fully reported as political expenditures, including the payees, dates, purposes, and amounts of the expenditures, in the report required to be filed under this title that covers the period in which the expenditures from personal funds were made, and the report on which the expenditures from personal funds are disclosed clearly designates those expenditures as having been made from the person’s personal funds and that the expenditures are subject to reimbursement. *Id.* § 253.035(h).
18. Ethics Commission Rules § 20.63 was amended on December 14, 2011. The following version of that rule was in effect before that date:
  - (a) A candidate is required to report a campaign expenditure from personal funds.

(b) An officeholder is not required to report an officeholder expenditure from personal funds unless he or she intends to be reimbursed from political contributions.

(c) A candidate or officeholder must report a political expenditure from personal funds as a political expenditure, not as a political contribution or a loan.

(d) A candidate or officeholder who makes political expenditures from his or her personal funds may reimburse those personal funds from political contributions only if: (1) the expenditures were fully reported as political expenditures on the report covering the period during which the expenditures were made; and (2) the report disclosing the expenditures indicates that the expenditures were made from the candidate's or officeholder's personal funds and are subject to reimbursement.

(e) A candidate's or officeholder's failure to comply with subsection (d) of this section may not be cured by filing a corrected report after the report deadline has passed.

(f) A candidate or officeholder who has complied with subsection (d) of this section and whose personal funds have been reimbursed from political contributions must report the amount of the reimbursement as a political expenditure in the report covering the period during which the reimbursement was made.

(g) Section 22.21 of this title (relating to Additional Restrictions on Reimbursement of Personal Funds and Payments on Certain Loans) [sets] limits on the amount of political expenditures from personal funds that a statewide officeholder may reimburse from political contributions.

Ethics Commission Rules § 20.63.

19. The respondent reimbursed himself from political contributions for a \$250 political expenditure he made from personal funds but did not properly disclose the original expenditure(s) for which the reimbursement was made. Therefore, there is credible evidence of a violation of sections 253.035(h) and 254.031(a)(3) of the Election Code and section 20.63 of the Ethics Commission Rules.

**Political Contributions from Corporations or Labor Organizations**

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. ELEC. CODE § 253.003(b). In order to show a violation of section 253.003(b) 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 he knew that corporate contributions were illegal, and that the respondent knew the particular contribution at issue was from a corporation or labor organization.
21. A corporation may not make a political contribution 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. A Delaware 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).
24. The evidence indicates that one contributor had an incorporated partner and, therefore, that entity was subject to the restrictions in Election Code chapter 253, subchapter D. There is insufficient evidence to show that at the time the respondent accepted the contribution, he knew the particular contribution at issue was from an entity subject to the corporate contribution restrictions. Therefore, there is insufficient evidence of a violation of sections 253.003 and 253.094 of the Election Code as to that contribution.
25. The evidence indicates that three of the contributions at issue were from the political committees of those entities disclosed as contributors. Therefore, there is credible evidence of no violation of sections 253.003 and 253.094 of the Election Code as to those contributions.
26. The evidence indicates that the remaining four contributors were not corporations. Therefore, there is credible evidence of no violation of sections 253.003 and 253.094 of the Election Code as to the contributions from those contributors.

**Full Names of Payees of Political Expenditures**

27. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
28. The evidence indicates that the respondent properly disclosed the names of the payees at issue. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code.

**Names of Persons Receiving a Thing of Value Purchased With Political Funds**

29. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) 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).
30. The expenditures at issue were made to businesses to purchase gas and meals and to pay for blockwalkers. The complaint alleged that the respondent was required to disclose as the payee the name of each person who received a meal, gas, or a salary for blockwalking.

Recipients of a Salary

31. The respondent did not disclose the names of the individuals who received wages or salaries, or who were paid for contract labor totaling approximately \$5,460. Even though the respondent disclosed the names of an entity and an individual as payees, the respondent made the decision that the funds paid to the entity and an individual were to be used to pay blockwalkers. Therefore, he was required to disclose the names of the blockwalkers and to disclose the amount of money paid to each of them as wages or salaries or for contract labor. The respondent did not disclose that information. Therefore, there is credible evidence of violations of section 254.031(a)(3) of the Election Code for failure to disclose the names of individuals who were paid wages or salaries, or who were paid for contract labor totaling approximately \$5,460.

Recipients of Other Things of Value

32. As to the recipients of other things of value that included meals, food, fuel, supplies, lodging, and gifts, the respondent was not required to disclose the names of those individuals. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code as to those expenditures.

**Dates and Amounts of Expenditures**

33. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) 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).
34. The respondent did not disclose the dates and the amounts of approximately \$3,980 in political expenditures. The respondent totaled monthly bills from certain payees instead of disclosing the dates and amounts of each bill separately. In context, this error did not substantially affect disclosure. Therefore, there is credible evidence of technical or *de minimis* violations of section 254.031(a)(3) of the Election Code as to these expenditures.

**Actual Vendor Payee Information for Political Expenditures**

35. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) 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).
36. 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 (\$50 for expenditures required to be disclosed on a report due before September 28, 2011) 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 (\$50 for expenditures required to be disclosed on a report due before September 28, 2011) or less made during the reporting period. Ethics Commission Rules § 20.62(a).
37. 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. *Id.* § 20.62(b).

38. Most of the expenditures at issue were made to individuals as staff reimbursements. The evidence indicates that the respondent did not properly disclose the actual vendor payee information for approximately \$11,650 in expenditures. 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 as to these expenditures.
39. The evidence indicates that the respondent properly disclosed the actual vendor payee information for the remaining expenditures that were specified in the complaint. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code or section 20.62 of the Ethics Commission Rules as to some of the expenditures.

### **Purpose of Political Expenditures**

40. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
41. The purpose of an expenditure means a description of the category of goods, services, or other thing of value for which an expenditure is made 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(a).
42. The purpose descriptions provided for 22 political expenditures totaling approximately \$18,210 were: Consulting, Food, Printing, Fee, Consulting Services, Gas, Costumes, Supplies & Food, Ad, and Event. The respondent properly provided a description of the category of goods for which the expenditures were made; however, the purpose descriptions provided for these 22 political expenditures did not include a brief statement or description of the candidate, officeholder, or political committee activity that was conducted by making the expenditures. In context, the purpose descriptions did not substantially affect disclosure. Therefore, there is credible evidence of technical or *de minimis* violations of section 254.031(a)(3) of the Election Code and section 20.61(a) of the Ethics Commission Rules.

43. Regarding the remaining expenditures, the respondent properly disclosed the candidate or officeholder activity that was conducted by making the expenditures and the purpose of each expenditure was sufficiently clear. Therefore, there is credible evidence of no violation of section 254.031(a)(3) of the Election Code and section 20.61(a) of the Ethics Commission Rules.
44. The respondent did not disclose the proper category of approximately \$7,560 in expenditures. The category disclosed by the respondent was "Other," however, a more specific category, such as "Food/Beverage Expense," was more appropriate. In context, the expenditure purpose descriptions did not substantially affect disclosure. Therefore, there is credible evidence of technical or *de minimis* violations of section 254.031(a)(3) of the Election Code and section 20.61(a) of the Ethics Commission Rules with respect to these expenditures.

### **Travel Outside of Texas**

45. 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).
46. The respondent did not disclose the travel information for an expenditure of \$811.10 for travel outside Texas. 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.

### **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 candidate or officeholder who makes political expenditures from the candidate's or officeholder's personal funds may reimburse those personal funds from political contributions in the amount of those expenditures only if the expenditures from personal funds were fully reported as political expenditures, including the payees, dates, purposes, and amounts of the expenditures, in the report required to be filed under this title that covers the period in which the expenditures from personal funds were made, and the report on which the expenditures from personal funds are disclosed clearly designates those expenditures as having been made from the person's personal funds and that the expenditures are subject to reimbursement.
  2. Ethics Commission Rules § 20.63 was amended on December 14, 2011. The following version of that rule was in effect before that date:
    - (a) A candidate is required to report a campaign expenditure from personal funds.
    - (b) An officeholder is not required to report an officeholder expenditure from personal funds unless he or she intends to be reimbursed from political contributions.
    - (c) A candidate or officeholder must report a political expenditure from personal funds as a political expenditure, not as a political contribution or a loan.
    - (d) A candidate or officeholder who makes political expenditures from his or her personal funds may reimburse those personal funds from political contributions only if: (1) the expenditures were fully reported as political expenditures on the report covering the period during which the expenditures were made; and (2) the report disclosing the expenditures indicates that the expenditures were made from the candidate's or officeholder's personal funds and are subject to reimbursement.
    - (e) A candidate's or officeholder's failure to comply with subsection (d) of this section may not be cured by filing a corrected report after the report deadline has passed.
    - (f) A candidate or officeholder who has complied with subsection (d) of this section and whose personal funds have been reimbursed from political contributions must report the amount of the reimbursement as a political expenditure in the report covering the period during which the reimbursement was made.

(g) Section 22.21 of this title (relating to Additional Restrictions on Reimbursement of Personal Funds and Payments on Certain Loans) [sets] limits on the amount of political expenditures from personal funds that a statewide officeholder may reimburse from political contributions.

3. Each report must include the amount of political expenditures that in the aggregate exceed \$100 (\$50 before September 28, 2011) 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.
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. 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 (\$50 for expenditures required to be disclosed on a report due before September 28, 2011) 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 (\$50 for expenditures required to be disclosed on a report due before September 28, 2011) 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.

7. Each 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.
8. Each report by a candidate must include the campaign treasurer's name, residence or business street address, and telephone number.
9. A candidate shall file two reports for each year. The second report shall be filed not later than January 15.
10. In addition to other required reports, for each election in which a person is a candidate and has an opponent whose name is to appear on the ballot, the person 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.

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 the sanction necessary to deter future violations, the Commission imposes a \$2,000 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-3130342.

AGREED to by the respondent on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Cris Medina, Respondent

EXECUTED ORIGINAL received by the commission on: \_\_\_\_\_.

Texas Ethics Commission

By: \_\_\_\_\_  
Natalia Luna Ashley, Executive Director