

TEXAS ETHICS COMMISSION

IN THE MATTER OF	§	BEFORE THE
	§	
CHRISTINE PARKER,	§	
CAMPAIGN TREASURER,	§	TEXAS ETHICS COMMISSION
HUMBLE ISD SUPPORTERS,	§	
	§	
RESPONDENT	§	SC-31707118

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on March 27, 2018, and considered sworn complaint SC-31707118. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of sections 252.002(a) and 254.124(d) of the Election Code, and sections 20.309 and 20.331 of the Ethics Commission Rules, laws administered and enforced by the Commission. The Commission determined that there is credible evidence that the respondent did not violate sections 254.031(a) and 254.128(a) of the Election Code, laws administered and enforced by the Commission. To resolve and settle this complaint without further proceedings, the Commission adopted this resolution.

II. Allegations

The complaint alleged that the respondent: 1) did not disclose on Humble ISD Supporter's treasurer appointment the name of the person who appointed the campaign treasurer, the committee's support or opposition of candidates or assistance to officeholders, and the specific office sought by the candidates the committee supported or opposed; 2) did not properly disclose in a 8-day pre-election report the specific office sought by the candidates the committee supported or opposed; 3) did not properly disclose the reporting period in the committee's 8-day pre-election report prior to the May 6, 2017, uniform election; 4) did not give written notice to candidates or officeholders that the committee made political expenditures on a candidate or officeholder's behalf; and 5) did not disclose on campaign finance reports the name and specific office sought or held by each candidate or officeholder who benefited from a direct campaign expenditure made during the reporting period by the committee.

III. Facts Supported by Credible Evidence

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

1. At all times relevant to the complaint, the respondent was the campaign treasurer for the specific-purpose committee Humble ISD Supporters (committee). The committee's

purpose was to support candidates Robert Sitton, Charles Cunningham, and Angela Conrad (the candidates) in the Humble Independent School District's Board of Trustees school board election in the May 6, 2017, uniform election.

Did Not Disclose Information On The Treasurer Appointment

2. The complaint alleged that the respondent did not disclose the name of the person who appointed the campaign treasurer on the Appointment of Campaign Treasurer By A Specific-Purpose Committee (STA). On Page 1 of the STA, Box 8, "Person Appointing Treasurer", the respondent left the space blank.
3. The complaint alleged that the respondent did not disclose whether the committee supported or opposed the listed candidates on the STA. On Page 2 of the STA, Box 14, "Committee Purpose", the respondent left the space blank for each candidate.
4. The complaint alleged that the respondent did not disclose the specific office sought for each candidate on the STA. On Page 2 of the STA, Box 14, "Committee Purpose", the respondent wrote "Humble ISD School Board" for the candidates, instead of each candidate's specific position number.
5. In response to the complaint, the respondent acknowledged the violations and amended the STA accordingly.

Did Not Properly Disclose Required Information In The 8-Day Pre-Election Report

6. The complaint alleged that the respondent did not properly disclose the office sought by the candidates supported or opposed by the committee on the 8-day pre-election report.
7. In Box 14, "Office Sought" of the 8-day pre-election report the respondent listed the office sought as "Humble ISD Board of Trustees" for each of the candidates. Candidates Robert Sitton, Angela Conrad, and Charles Cunningham were seeking Humble ISD Board of Trustees, Position 1, 3, and 4, respectively.

Did Not Properly Disclose The Reporting Period In The 8-Day Pre-Election Report

8. The complaint alleged that the respondent did not properly disclose the reporting period for the committee's 8-day pre-election report.
9. On the 8-day pre-election report, the respondent listed the reporting period as March 28, 2017 through April 26, 2017. The STA was filed on April 3, 2017.
10. In response to the complaint, the respondent acknowledged the violations and amended the 8-day pre-election report accordingly.

Written Notice Regarding Direct Campaign Expenditures

11. The complaint alleged that the respondent did not notify candidates of three (3) direct campaign expenditures made during the 8-day pre-election reporting period and the

respondent did not notify candidates of ten (10) direct campaign expenditures made during the reporting period covered by the Dissolution report.

12. On the candidates' corresponding campaign finance reports, the candidates did not disclose that they received notice regarding direct campaign expenditures made on their behalf from political committees.
13. The expenditures at issue were expenditures were costs related to political advertising for the candidates. An investigation conducted by Commission staff, consisting of e-mail records obtained from the respondent and conversations with each candidate, determined that there is sufficient evidence to show that the candidates coordinated with the respondent before any political expenditures were made. The candidates were actively involved in the committee's activities pertaining to the preparation and planning of political advertising prior to the actual expenditures being made. Based on the results of the investigation, there is credible evidence to suggest that the expenditures were contributions of political goods and services, related to political advertising, to the candidates with their prior knowledge and consultation.
14. In response to the complaint, the respondent denied that the expenditures at issue were direct campaign expenditures and stated that candidates were fully aware of the political expenditures at issue.

Disclosure of Candidates Who Benefited From Direct Campaign Expenditures

15. The complaint alleged that the respondent failed to disclose the name and office sought by candidates who benefited from the following alleged direct campaign expenditures in the committee's 8-day pre-election report and Dissolution report.
16. In response to the complaint, the respondent denied the allegation and stated that the campaign expenditures at issue were not direct campaign expenditures.

IV. Findings and Conclusions of Law

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

Did Not Disclose Required Information on the Treasurer Appointment

1. A campaign treasurer appointment must include the name of the person making the appointment. ELEC. CODE § 252.002(a)(4). A political committee is required to file a campaign treasurer appointment that includes the information required by Chapter 252, Election Code. *Id.* § 252.001.
2. Records on file with the school board indicate that the STA did not include the name of the person appointing the campaign treasurer.
3. Therefore, there is credible evidence that the respondent violated section 252.002(a)(4) of

the Election Code.

4. A campaign treasurer appointment for a specific-purpose committee shall include an indication as to whether the specific-purpose committee supports or opposes the candidate(s) listed. § 20.309(5)(c), Ethics Commission Rules.
5. Records on file indicate that the STA did not disclose whether the committee supported or opposed the listed candidates.
6. Therefore, there is credible evidence that the respondent violated section 2.309(5)(c) of the Ethics Commission Rules.
7. A campaign treasurer appointment for a specific-purpose committee shall include the office sought by the candidate for each candidate supported or opposed by the specific-purpose committee. § 20.309(5)(b), Ethics Commission Rules.
8. Records on file indicate that the STA did not include the specific office sought for each candidate listed because each candidate's specific position number was omitted.
9. Therefore, there is credible evidence that the respondent violated section 20.309(5)(b) of the Ethics Commission Rules.

Did Not Properly Disclose Required Information In The 8-Day Pre-Election Report

10. The contents of a specific-purpose committee's sworn reports of contributions and expenditures must include the office sought for each candidate supported or opposed by the specific-purpose committee. § 20.331(7)(B), Ethics Commission Rules.
11. Because the 8-day pre-election report filed by the committee did not include the specific offices sought for each candidate supported by the committee, there is credible evidence that the respondent violated section 20.331(7)(B) of the Ethics Commission Rules.

Did Not Properly Disclose The Reporting Period of the 8-Day Pre-Election Report

12. In addition to other required reports, for each election in which a specific-purpose committee supports or opposes a candidate or measure, the committee's campaign treasurer shall file two reports. ELEC. CODE § 254.124(a). The second report must be received by the authority with whom the report is required to be filed not later than the eighth day before election day and covers the period beginning the 39th day before election day and continuing through the 10th day before election day. *Id.* § 254.124(c). If a specific purpose committee supports or opposes a candidate or measure in an election after a reporting period prescribed by Subsection (b) or (c), the period covered by the first report begins the day the committee's campaign treasurer appointment is filed. *Id.* 254.124(d).

13. The 8-day pre-election report was the first campaign finance report required to be filed by the committee. The period covered should have been the date the campaign treasurer appointment was filed (April 3, 2017) through the 10th day before election day (April 26, 2017). Therefore, there is credible evidence of a violation of section 254.124(d) of the Election Code.

Written Notice Regarding Direct Campaign Expenditures

14. If a specific-purpose committee accepts political contributions or makes political expenditures for a candidate or officeholder, the committee's campaign treasurer shall deliver written notice of that fact to the affected candidate or officeholder not later than the end of the period covered by the report in which the reportable activity occurs. ELEC. CODE § 254.128(a).
15. "In-kind contribution" means a contribution of goods, services or any other thing of value, except money, and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make such a contribution. The term does not include a direct campaign expenditure. § 20.1(8), Ethics Commission Rules.
16. "Direct campaign expenditure" means a campaign expenditure that does not constitute a contribution by the person making the expenditure. A campaign expenditure is not a contribution from the person making the expenditure if it is made if it is made without the prior consent or approval of the candidate or officeholder on whose behalf the expenditure was made; or it is made in connection with a measure, but is not a political contribution to a political committee supporting or opposing a measure. § 20.1(5), Ethics Commission Rules.
17. An investigation conducted by Commission staff and witness interviews provide credible evidence that the witnesses were aware of the expenditures before they were made and worked closely alongside the treasurer to coordinate expenditures made by the committee. The respondent's sworn statement, interviews with the witnesses, and evidence of e-mail correspondence between the candidates and the respondent regarding expenses before purchase, disclose that the expenditures were in-kind contributions to the candidates, rather than direct expenditures made on the candidate's behalf. Consequentially, the political committee was not required to give notice of the in-kind political contributions to the candidates.
18. Therefore, there is credible evidence of no violation of section 254.128(a) of the Election Code.

Disclosure of Candidates Who Benefited From Direct Campaign Expenditures

19. Each report filed under this chapter must include: the name of each candidate or officeholder who benefits from a direct campaign expenditure made during the reporting period by the person or committee required to file the report, and the office sought or held, excluding a direct campaign expenditure that is made by the principal political committee of a political party on behalf of a slate of two or more nominees of that party. ELEC. CODE §254.031(a) (7).
20. Credible evidence suggests that the expenditures at issue were in-kind contributions to the candidates. Therefore, the respondent did not have to report the name of each candidate who benefitted from a direct campaign expenditure on either report.
21. Therefore, there is credible evidence that the respondent did not violate section 254.031(a) (7) of the Election Code.

V. Representations and Agreement by Respondent

By signing this order and agreed resolution and returning it to the Commission:

1. The respondent admits 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 treasurer appointment for a specific-purpose committee must include the name of the person making the appointment, an indication as to whether the specific-purpose committee supports or opposes the candidate(s) listed, and the office sought by the candidate for each candidate supported or opposed by the specific-purpose committee; and 2) the contents of a specific-purpose committee's sworn reports of contributions and expenditures must include the office sought for each candidate supported or opposed by the specific-purpose committee; and 3) for each election in which a specific-purpose committee supports or opposes a candidate or measure, the committee's campaign treasurer shall file two reports and the second report must cover the period beginning the 39th day before election day, or the day the committee's campaign treasurer appointment is filed if the committee supports or opposes a candidate or measure in an election after the 39th day before election day, and continuing through the 10th day before election day. 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 nature, circumstances, and consequences of the violations described under Sections III and IV, after considering the respondent’s efforts to correct the reports at issue and thoroughly understand the relevant laws, and after considering the sanction necessary to deter future violations, the Commission imposes a \$100 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-31707118.

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

Christine Parker, Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
Seana Willing, Executive Director