

TEXAS ETHICS COMMISSION

IN THE MATTER OF

JEANNETTE M. LOUCKS,
CAMPAIGN TREASURER,
VOTE YES FOR WISD,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-31711164

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on October 3, 2018, to consider sworn complaint SC-31711164. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of sections 252.001, 253.031, and 254.031 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) accepted political contributions on behalf of a political committee without having a campaign treasurer appointment on file for the committee; and 2) did not report a political expenditure for political advertising.

III. Facts Supported by Credible Evidence

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

1. The respondent is the campaign treasurer of Vote Yes For WISD (the committee), a specific-purpose committee created to support a measure on the issuance of a bond by the Waxahachie Independent School District (WISD). The committee was involved in the November 7, 2017, general election and was required to file a campaign treasurer appointment with WISD and campaign finance reports with the Commission.
2. On October 23, 2017, the respondent filed with WISD a campaign treasurer appointment (STA), appointing herself as campaign treasurer, and an 8-day pre-election report for the committee.

3. The Commission received a file-stamped copy of the STA on November 21, 2017. At that time, the respondent had not filed any campaign finance reports with the Commission.

Accepted Contributions Exceeding \$500 Without Campaign Treasurer Appointment

4. The complaint alleged that the respondent accepted political contributions exceeding \$500 on behalf of the committee when a campaign treasurer appointment was not in effect for the committee.
5. On the 8-day pre-election report for the November 2017 general election, the respondent disclosed that the committee accepted two political contributions—\$250 on October 4, 2017, and \$2,500 on October 20, 2017.
6. The respondent filed the STA and the 8-day pre-election report with WISD on October 23, 2017. A file-stamped copy of the STA was received by the Commission on November 21, 2017.

Disclosure of Political Expenditures

7. The complaint alleged that the respondent did not timely disclose a political expenditure for political advertising on the committee's 8-day pre-election report for the November 2017 general election.
8. Evidence submitted with the sworn complaint indicates that political advertising signs were posted at polling locations, throughout the district, and outside the WISD Administration Building. The evidence indicates that the signs were first observed on October 22, 2017, and included the following disclosure statement:

"Pol. Adv. Paid for by Vote Yes for WISD, 820 Ferns Ave., Unit 225, Waxahachie, Texas 75165 Jeannette M. Loucks, Treasurer."
9. In the 8-day pre-election report at issue, which covered the reporting period from October 1, 2017, through October 20, 2017, the respondent reported \$0 in total political expenditures. In response to the sworn complaint, the respondent filed a corrected 8-day pre-election report on November 26, 2017, and disclosed the political expenditure at issue as a payment of \$5,358.38 made on October 19, 2017, to AmeriGrafix.
10. Credible evidence based on information obtained from the vendor indicated that payment for the political advertising signs was due upon receipt of the invoice, and that under the vendor's normal business practice, the invoice is provided to the customer at the time the customer picks up the signs from the vendor. A copy of the invoice for the signs at issue was dated October 19, 2017, and was in the amount of \$5,358.38 and billed to the

committee. Therefore, the evidence indicates the amount of the expenditure was readily determinable by October 19, 2017.

IV. Findings and Conclusions of Law

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

Accepted Contributions Exceeding \$500 Without Campaign Treasurer Appointment

1. Each candidate and each political committee shall appoint a campaign treasurer as provided by Chapter 252, Election Code. ELEC. CODE § 252.001.
2. A political committee may not knowingly accept political contributions totaling more than \$500 or make or authorize political expenditures totaling more than \$500 at a time when a campaign treasurer appointment for the committee is not in effect. *Id.* § 253.031(b).
3. Based on the 8-day pre-election report, credible evidence indicates that the respondent, on behalf of the committee, accepted a total of \$2,750 in monetary political contributions before the committee had a campaign treasurer appointment on file. Therefore, there is credible evidence of a violation of sections 252.001 and 253.031(b) of the Election Code.

Disclosure of Political Expenditures

4. Except as otherwise provided by this chapter, each report filed under this chapter 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 the expenditures are made, and the dates and purposes of the expenditures. ELEC. CODE § 254.031(a)(3).
5. Except as otherwise provided by this chapter, each report filed under this chapter must include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. *Id.* § 254.031(a)(6).
6. For purposes of reporting under this chapter, a political expenditure is not considered to have been made until the amount is readily determinable by the person making the expenditure, except as provided by Subsection (b). ELEC. CODE § 254.035(a). If the character of an expenditure is such that under normal business practice the amount is not disclosed until receipt of a periodic bill, the expenditure is not considered made until the date the bill is received. *Id.* § 254.035(b).
7. Credible evidence indicates that the amount of the expenditure for the political advertising signs was readily determinable on October 19, 2017, which was during the

period covered by the 8-day pre-election report. The respondent did not disclose the political expenditure on the 8-day pre-election report when it was originally filed. Therefore, there is credible evidence of a violation of section 254.031 of the Election Code.

V. Representations and Agreement by Respondent

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

1. The respondent neither admits nor denies the facts described under Section III or the Commission's findings and conclusions of law described under Section IV, and consents to the entry of this order and agreed resolution solely for the purpose of resolving this sworn complaint.
2. The respondent consents to this order and agreed resolution and waives any right to further proceedings in this matter.
3. The respondent acknowledges that: 1) each candidate and each political committee shall appoint a campaign treasurer as provided by Chapter 252 of the Election Code; 2) a political committee may not knowingly accept political contributions totaling more than \$500 or make or authorize political expenditures totaling more than \$500 at a time when a campaign treasurer appointment for the committee is not in effect; 3) each campaign finance report filed 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 the expenditures are made, the dates and purposes of the expenditures, the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period; and 4) a political expenditure is not considered to have been made until the amount is readily determinable by the person making the expenditure and if the character of an expenditure is such that under normal business practice the amount is not disclosed until receipt of a periodic bill, the expenditure is not considered made until the date the bill is received.

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, and after considering the sanction necessary to deter future violations, the Commission imposes a \$250 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-31711164.

AGREED to by the respondent on this _____ day of _____, 2018.

Jeannette M. Loucks, Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
Seana Willing, Executive Director