

TEXAS ETHICS COMMISSION

IN THE MATTER OF

CHRIS PADDIE,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-3230109

FINAL ORDER

On June 12, 2025, the Texas Ethics Commission (“TEC”) held a preliminary review hearing in sworn complaint SC-3230109. At the preliminary review hearing, the TEC found credible evidence of the alleged violations, proposed a resolution, and ordered that a formal hearing be held if the respondent rejected the TEC’s proposal. The respondent rejected the TEC’s proposal, waived his right to a formal hearing, and requested that the TEC enter a final order without conducting a formal hearing. As requested, the TEC voted to: 1) admit into the formal hearing record the documents offered for the preliminary review hearing and the documents offered with TEC enforcement staff’s motion for summary disposition; 2) to find by a preponderance of the admitted evidence that the respondent violated Section 253.007 of the Election Code; and 3) to issue this final order with a civil penalty of \$105,500.

I. Allegation

The sworn complaint alleged that within two years of making political contributions to candidates and officeholders from contributions he accepted as a candidate and officeholder, the respondent engaged in lobby activities that required registration, in violation of Section 253.007 of the Election Code. Relying on the campaign finance and lobbying disclosures that the respondent filed with the TEC, the sworn complaint alleged that the respondent made substantial political contributions to candidates for and members of the Texas House of Representatives before he retired from the House and then registered as a lobbyist for several clients during the two-year moratorium period.

II. Applicable Law

1. Section 253.007 of the Election Code prohibits a person who knowingly makes or authorizes a political contribution from their campaign funds to another candidate or officeholder from engaging in any activities that require the person to register as a lobbyist for two years from the date of the person’s last contribution.
2. A person is required to register as a lobbyist if the person receives or is entitled to receive more than a certain amount in compensation to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action during a calendar quarter (\$1,640 in 2022). Tex. Gov’t Code § 305.003; 1 Tex. Admin. Code § 18.31, 34.43(a); 46 Tex. Reg. 9233 (2021). However, a person who exceeds the

- compensation threshold need not register if the person does not spend more than 40 hours per calendar quarter lobbying. Tex. Gov't Code § 305.003(b-3); 1 Tex. Admin. Code § 34.43(b).
3. Time spent preparing to lobby counts toward the 40-hour registration threshold. Tex. Gov't Code § 305.003(b-3); 1 Tex. Admin. Code § 34.3. Preparation to lobby includes, but is not limited to, participation in strategy sessions, review and analysis of legislation or administrative matters, and research and communication with the employer or client. 1 Tex. Admin. Code § 34.3.
 4. At the formal hearing stage, the TEC determines by a preponderance of the evidence whether a violation within the TEC's jurisdiction has occurred. Tex. Gov't Code § 571.129.
 5. For violations of the lobby statutes, the applicable statute authorizes a civil penalty of up to \$5,000 per violation or triple the amount at issue. Tex. Gov't Code § 571.173. While the Legislature has amended Section 253.007 of the Election Code to limit the penalty for violations of the statute to twice the amount of the political contributions or political expenditures at issue, this limitation only applies to violations occurring on or after September 1, 2025. 89th Leg., S.B. 2781, § 2, effective September 1, 2025.
 6. The TEC shall consider the following factors in assessing a penalty (Tex. Gov't Code § 571.177):
 - the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the violation;
 - the history and extent of previous violations;
 - the demonstrated good faith of the violator, including actions taken to rectify the consequences of the violation;
 - the penalty necessary to deter future violations; and
 - any other matters that justice may require.

III. Findings of Fact

The TEC adopts the following findings of fact:

1. The respondent was a state representative through the 2021 legislative session, and resigned from the Legislature in 2022.
2. During the 2019 regular legislative session, the respondent co-authored H.B. 2677, which created Section 253.007 of the Election Code, the statute he is alleged to have violated. Acts 2019, 86th Leg., ch. 839 (H.B. 2677), § 1, effective September 27, 2019.

3. According to the campaign finance reports he filed with the TEC, between May 27, 2020 and January 11, 2022, the respondent contributed \$106,000 from funds he accepted as political contributions to fellow candidates and officeholders. All but \$500 of these contributions were to House members or candidates for the House. The respondent made \$54,000 of the contributions in late 2021, after his last session as a legislator.
4. The respondent then registered as a lobbyist on May 12, 2022. He terminated his registration a week later. However, the respondent re-registered at the end of 2022. The respondent took the position that he had restored his eligibility to lobby by paying personal funds to his campaign. The respondent characterized his “compliance strategy” as a “reimbursement” to his campaign of the funds he had contributed to his colleagues. The respondent never requested an advisory opinion on this “compliance strategy,” nor did he inquire informally about its validity. After the TEC issued an opinion that held a “Section 253.007 does not permit a person to cure a past violation or reduce the two-year waiting period by reimbursing the person’s campaign with personal funds” the respondent again terminated his lobby registration. Tex. Ethics Comm’n Op. No. 587 (Feb. 16, 2023).
5. The respondent identified eight clients and hundreds of thousands of dollars in “compensation for lobbying” on his lobby registration forms.
6. The sworn complaint was filed on January 30, 2023.
7. TEC enforcement staff attempted to obtain relevant documents from the respondent through discovery. The respondent refused to produce the sought documents. At first, he admitted that “[t]here is sufficient information in public filings and in the Respondent’s [initial] response to the instant complaint for the Commission to determine that Respondent violated Election Code § 253.007....” After TEC enforcement staff further pressed its discovery demands, the respondent changed his position, claiming that he never violated the law because he never exceeded 40 hours lobby activity in a calendar quarter. The respondent asserted that the sought documents were irrelevant for this reason.
8. The respondent supported his claim with an affidavit in which he identified his calendar appointments for lobby communications and observed that they did not exceed 40 hours in any calendar quarter. The respondent’s affidavit did not account for his preparatory time for the thirteen meetings with officials that he identified. The respondent also claimed in the affidavit that he was only paid for “consulting services.” However, the respondent refused to produce documents relevant to either of the defenses he raised.
9. TEC enforcement staff sought a subpoena against the respondent, and on September 27, 2023, the TEC issued the requested subpoena. The respondent challenged the subpoena by filing an application for protection in Travis County district court. At an August 14, 2024 hearing, the court ordered the respondent to comply with most of the requests.

10. As ordered by the court, the respondent produced his client contracts, invoices, and other documents related to his clients' payment of his fees. The respondent also produced emails that he exchanged with his clients and with members of the executive and legislative branches.
11. According to the invoices and other payment documents produced by the respondent, he received \$917,419.35 in fees from seven clients between April 2022 and January 2024.
12. The respondent produced contracts with the same seven clients. In these contracts, the respondent agreed to "represent [his clients'] positions and needs" before the executive and legislative branches of the Texas government, and "communicate [his clients'] positions on ... legislation to members of the Legislature, the Speaker's office, the Lt. Governor's office, and the Governor's office." In a contract with one client, he "acknowledge[d] and agree[d] that [he] ha[d] an affirmative duty" to register as a lobbyist under Texas law. In still another contract, the respondent agreed to target state agencies for the sale of the client's products, and to "lobby[]" the Legislature for budget increases to fund sales of the product to state agencies. According to this contract, the agreement's purpose was to "influenc[e]" legislative committee discussions and "set [the client] up for success during the Legislative Session." In another contract, the respondent agreed to "assist [the client] with governmental affairs and coordination with local and state elected officials...." The contracts contradict the respondent's claim that he was only hired to consult.
13. The emails that the respondent produced confirm that the respondent exceeded the 40-hour registration threshold. The emails include many conversations with clients planning how to achieve the clients' policymaking goals. They also include or identify communications with members of the executive and legislative branches that the respondent failed to identify in his affidavit. Also included are emails in which the respondent negotiates the terms of his engagements with his clients. Some of these emails make the respondent's role as a full-service lobbyist plain, such as one in which he proposes that he serve as "quarterback" of any lobbying projects the client undertakes.
14. The respondent also admitted in one of his discovery responses that the "majority of the work" he did for his clients was preparatory in nature, as the emails suggest. This work "included tracking legislation, assisting in drafting legislation, advising on the need for and content of legislative testimony, and coordinating with pertinent trade associations." However, the respondent's affidavit does not address the preparatory work he did at all.
15. In light of the contradictory evidence that Mr. Paddie produced in response to the subpoena, the TEC does not find Mr. Paddie's affidavit credible. Apart from the discredited affidavit, Mr. Paddie offers no further evidence to rebut the evidence that he was hired to lobby and that he exceeded the 40-hour quarterly lobby registration threshold.
16. The TEC finds that under the contracts, the respondent agreed to "communicate directly with [] member[s] of the legislative or executive branch to influence legislation or administrative action" and did in fact engage in lobby communications with members of

the legislative branch. *See* Tex. Gov't Code § 305.003(a)(2).

17. Based on the content of the emails, the terms of the contracts, and the amount he was paid by his clients, and also on the respondent's admission that he engaged in substantial preparatory work, the TEC finds that the respondent's lobbying activity exceeded the 40-hour registration threshold.
18. The respondent made \$54,000 of the contributions in the months following his last session as a legislator, at a time when he had little other campaign activity. This suggests intent to cultivate or maintain influence with the Legislature in advance of his retirement, which is what the statute was intended to prohibit. *See* Bill Analysis, C.S.H.B. 2677 (86th R.S.) ("Concerns have been raised about the revolving door of candidates and officeholders becoming lobbyists immediately after losing an election or retiring from office.").
19. In the face of questions about the legality of his conduct, the respondent pressed forward with his lobbying work. After de-registering, the respondent planned a "compliance strategy" to allow him to resume lobbying. Relying on his "compliance strategy," the respondent resumed lobbying without consulting the TEC. And after the TEC rejected his "compliance strategy," the respondent continued to accept compensation from his lobby clients. The respondent's determined efforts to keep lobbying despite the statute and despite public and official concern about the legality of his conduct are relevant to the third penalty factor, "the demonstrated good faith of the violator, including actions taken to rectify the consequences of the violation." *See* Tex. Gov't Code § 571.177(3).
20. The TEC finds that apart from the instant complaint, no sworn complaints have been filed against the respondent. The respondent filed a late speaker's race report in 2021 but has paid the \$500 fine.

IV. Conclusions of Law

1. The TEC finds by a preponderance of the evidence that the respondent knowingly made political contributions totaling \$106,000 to candidates or officeholders during the period at issue, the last contribution having been made on January 11, 2022.
2. The TEC finds by a preponderance of the evidence that between April 2022 and January 2024, the respondent accepted \$917,419.35 in compensation for lobbying for his clients. This compensation substantially exceeds the applicable *de minimis* thresholds.
3. The TEC finds by a preponderance of the evidence that the lobbying activity that the respondent undertook for his clients, including the respondent's preparation to lobby, exceeded 40 hours per calendar quarter.
4. The TEC finds by a preponderance of the evidence that by accepting compensation for lobbying within two years of knowingly making contributions to other candidates and officeholders from his own campaign funds, and by engaging in paid lobby

communications exceeding the applicable compensation threshold and the 40-hour quarterly activity threshold, the respondent violated Section 253.007 of the Election Code.

5. The TEC finds that the amount at issue for penalty purposes is the amount of compensation accepted by the respondent for lobbying is \$917,419.35.
6. In assessing the \$105,500 civil penalty, the TEC considers the factors enumerated in Section 571.177. Under these factors, the extent and the willful nature of the violations, the respondent's lack of good faith in responding to the complaint, and the need to deter future violations all justify the penalty.

V. Confidentiality

An order issued by the TEC after the completion of a preliminary review or hearing determining that a violation other than a technical or *de minimis* violation has occurred is not confidential. Therefore, this Final Order is not confidential, and may be disclosed by members and staff of the TEC.

VI. Sanction

The TEC orders that the respondent pay to the TEC a civil penalty in the amount of \$105,500 not later than the 30th business day after the date the respondent receives this order. If the respondent does not make timely payment, the TEC may undertake any effort authorized by law to enforce this order and collect the civil penalty.

Order Date: 11/6/2025

FOR THE TEC

/s/ Chris Flood

Chris Flood

Chair

Texas Ethics Commission