

TEXAS ETHICS COMMISSION

IN THE MATTER OF

JOHN LAPPE,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-3230484

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (Commission) met on September 27, 2023, to consider sworn complaint SC-3230484. A quorum of the Commission was present. The Commission determined that there is credible evidence of violations of Sections 254.154(b), 254.154(c), and 254.154(e) 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 as campaign treasurer for the general-purpose political committee Families for Irving: 1) failed to file a 30-day pre-election report for the May 7, 2022 election, despite being involved in the election, in violation of Section 254.154(b) of the Election Code; 2) failed to file an 8-day pre-election report for the May 7, 2022 election, despite being involved in the election, in violation of Section 254.154(c) of the Election Code, and 3) failed to file a runoff election report for the June 18, 2022 runoff election, despite being involved in the election, in violation of Section 254.154(e) of the Election Code.

III. Findings of Fact and Conclusions of Law

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

1. The respondent is the campaign treasurer for the general-purpose political committee Families for Irving (the PAC).

Pre-election Reports

2. The complaint alleged that the respondent did not file the PAC's 30-day or 8-day pre-election reports for the May 7, 2022 election, despite the PAC being involved in the election.
3. The information submitted with the complaint showed that two candidates for Irving City Council each reported receiving \$2,875.14 worth of in-kind contributions from the PAC on their 30-day pre-election reports, and \$2,892.67 worth of in-kind contributions from the PAC on their 8-day pre-election reports. The information submitted with the complaint also showed that as of April 7, 2023, the PAC had not filed a 30-day or 8-day pre-election report for the May 7, 2022 election.
4. In response to the complaint, the person who prepared and filed the PAC's campaign finance reports swore that he believed the PACs only reporting obligations were the semiannual campaign finance reports and that the PAC's filing duties for the May 7, 2022 election had been discharged by the candidates' reporting. On April 19, 2023, the respondent filed the PAC's 30-day pre-election report, which disclosed \$12,615 in total political contributions, \$6,426 in total political expenditures, and \$5,754.92 in total political contributions maintained. On April 19, 2023, the respondent also filed the PAC's 8-day pre-election report, which disclosed \$3,925 in total political contributions, \$5,300 in total political expenditures, and \$3,695.62 in total political contributions maintained.
5. In addition to other required reports, for each election in which a general-purpose committee is involved, the committee's campaign treasurer shall file two reports. Tex. Elec. Code § 254.154(a). 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 report covers the period beginning the day the committee's campaign treasurer appointment is filed or the first day after the period covered by the committee's last required report, as applicable, and continuing through the 40th day before election day. *Id.* § 254.154(b). 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. The report covers the period beginning the 39th day before election day and continuing through the 10th day before election day. *Id.* § 254.154(c).
6. The PAC made in-kind contributions to candidates in the May 7, 2022 election, during the reporting periods for the 30-day and 8-day pre-election reports. Therefore, the PAC was involved in the election and required to file a 30-day pre-election report by April 7, 2022 and an 8-day pre-election report by April 29, 2022.
7. The PAC filed its 30-day pre-election report on April 19, 2023. Therefore, there is credible evidence of a violation of Section 254.154(b) of the Election Code.

8. The PAC filed its 8-day pre-election report on April 19, 2023. Therefore, there is credible evidence of a violation of Section 254.154(c) of the Election Code.

Runoff Report

9. The complaint alleged that the respondent did not file the PAC's runoff report for the June 18, 2022 runoff election, despite the PAC being involved in the election.
10. The information submitted with the complaint showed that one candidate for Irving City Council Place 1 reported receiving \$7,401 in in-kind contributions from the PAC on his runoff report. The information submitted with the complaint also showed that as of April 7, 2023, the PAC had not filed a runoff report for the June 18, 2022 runoff election.
11. In response to the complaint, the person who prepared and filed the PAC's campaign finance reports swore that he believed the PACs only reporting obligations were the semiannual campaign finance reports and that the PAC's pre-election filing duties had been discharged by the candidate's reporting of the relevant activity. On April 19, 2023, the respondent filed the PAC's runoff report, which disclosed \$6,290 in total political contributions, \$8,333 in total political expenditures, and \$1,902.83 in total political contributions maintained.
12. In addition to other required reports, the campaign treasurer of a general-purpose committee involved in a runoff election shall file one report for the runoff election. The runoff election report must be received by the authority with whom the report is required to be filed not earlier than the 10th day or later than the eighth day before runoff election day. The report covers the period beginning the ninth day before the date of the main election and continuing through the 10th day before runoff election day. Tex. Elec. Code § 254.154(e).
13. The PAC made in-kind contributions to a candidate in the June 18, 2022 runoff election. Therefore, the PAC was involved in the election and required to file a runoff report between June 8, 2022, and June 10, 2022.
14. The PAC filed its runoff report late on April 19, 2023. Therefore, there is credible evidence of a violation of Section 254.154(e) of the Election Code.

IV. 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 findings of fact and conclusions of law described under Section III, 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 the filing requirements prescribed by Sections 254.154(b), 254.154(c), and 254.154(e) of the Election Code. The respondent agrees to comply with these requirements of the law.

V. 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.

VI. Sanction

After considering the nature, circumstances, and consequences of the violations described under Section III, and after considering the sanction necessary to deter future violations, the Commission imposes a \$1,200 civil penalty.

VII. 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-3230484

AGREED to by the respondent on this _____ day of _____, 2023.

John Lappe, Respondent

EXECUTED by the Commission on: _____.

Texas Ethics Commission

By: _____
J.R. Johnson, Executive Director