



TEXAS ETHICS COMMISSION MEETING MINUTES

Public Meeting

January 31, 2018, 11:22 a.m.
Capitol Extension, Room E1.014
Austin, Texas 78701



COMMISSIONERS PRESENT: Steven D. Wolens, Chair; Chad M. Craycraft, Vice Chair, Jim Clancy, Randall H. Erben, Chris Flood, Mary K. “Katie” Kennedy and Joseph O. Slovacek.

COMMISSIONERS NOT PRESENT: Tom Ramsay.

STAFF PRESENT: Amy Barden, Margie Castellanos, Nick Espinosa, Betty Gallegos, Domingo Gonzales, Angela Goodwin, Jessie Haug, Cristina Hernandez, Joseph Keeney, Becky Levy, Haksoon Andrea Low, Patti Shannon, Ian Steusloff, Sonya Subash, Jim Tinley and Seana Willing.

MINUTES

This meeting was recorded. These minutes are a summary record of the Commission’s actions at the meeting. For a detailed record of discussions and statements made by persons speaking at the meeting, please consult either the video recording available to view online at: <http://www.house.state.tx.us/video-audio/capitol-events/>, or the audio recordings on file at the Commission’s office.

Agenda Item 1: Call to order; roll call.

The meeting was called to order by Chair Wolens. Seana Willing, Executive Director, called the roll. All Commissioners were present except Commissioners Craycraft and Ramsay. Commissioner Ramsay was unable to attend due to illness; Commissioner Craycraft arrived later.

For the remainder of the agenda items, the following represents the actions taken by the Commission in the order they occurred during the meeting.

Agenda Item 4: Approve minutes for the following meetings:

- **Executive Session – September 28, 2017;**
- **Public Meeting – September 28, 2017;**
- **Executive Session – November 13, 2017; and**
- **Public Meeting – November 13, 2017.**

Motion by Commissioner Slovacek to approve the meeting minutes listed under Agenda Item 4; second by Commissioner Flood. **Motion passed by a vote of six ayes (Commissioners Craycraft and Ramsay were absent).**

Commissioner Craycraft arrived during this agenda item.

Agenda Item 6: Briefing, discussion, and possible action to waive or reduce the late-filing penalty in connection with a corrected report or to determine whether the corrected report as originally filed substantially complied with the applicable law for the following individuals:

**1. Kim D. McMath (00081914)
Treasurer, 'C2E' Committed to Excellence**

Report: 8-day pre-election report due October 30, 2017
Penalty: \$600
Recommendation Based on Commission Guidelines: substantial compliance

**2. Mark A. Stasney (00081872)
Treasurer, 2017 Built 4 Kids**

Report: 8-day pre-election report due October 30, 2017
Penalty: \$700
Recommendation Based on Commission Guidelines: substantial compliance

Amy Barden, Senior Legal Assistant, briefed the Commission on these agenda items. Motion by Commissioner Craycraft to accept staff recommendations of substantial compliance on Agenda Item 6, numbers 1 and 2; second by Commissioner Kennedy. **Motion to accept staff recommendations of substantial compliance on Agenda Item 6, numbers 1 and 2 passed by a vote of seven ayes.**

**3. John C. 'Chris' Allen (00069672)
Treasurer, Focus Irving PAC**

Report: 8-day pre-election report due April 28, 2017
Penalty: \$8,400 (reduced to \$1,000 at the November 2017 meeting)
Recommendation: None.

Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Wolens responded with questions and comments. No action was taken.

Agenda Item 2: Comments by the Commissioners.

Chair Wolens addressed the Commission to welcome Commissioners Erben and Slovacek. No action was taken.

Agenda Item 3: Election of Vice Chair.

Motion by Commissioner Kennedy to nominate Commissioner Craycraft as Vice Chair; seconded by Commissioners Clancy, Erben and Flood. Seana Willing, Executive Director, called the roll. **Motion to**

elect Commissioner Craycraft as Vice Chair of the Texas Ethics Commission passed by a vote of seven ayes. Commissioner Clancy addressed the Commission.

Agenda Item 5: Discussion regarding the next Texas Ethics Commission meeting.

Chair Wolens addressed the Commission. Commissioner Clancy responded with comments. The next Texas Ethics Commission is set for March 27-28, 2018, subject to change.

Agenda Item 7: Discussion of Advisory Opinion Request No. AOR-623: Whether an associate judge may use in political advertising and campaign communications in connection with the associate judge's candidacy for district judge: 1) the title "associate judge" and 2) photographs depicting the associate judge in a judicial robe, sitting on the bench over which the associate judge currently presides.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Commissioners Clancy, Craycraft and Kennedy, and Mr. Steusloff responded with questions and comments. No action was taken.

Agenda Item 8: Discussion of Advisory Opinion Request No. AOR-624: Whether a judge may use political contributions to pay the costs associated with membership in an organization that helps its members develop leadership skills.

Chair Wolens briefed the Commission on this agenda item. Motion by Commissioner Erben to adopt Advisory Opinion No. AOR-624; second by Vice Chair Craycraft. **Motion passed by a vote of seven ayes. Advisory Opinion No. AOR-624 is adopted.**

Commissioner Flood was off the dais briefly during this agenda item.

Agenda Item 9: Discussion and possible action regarding the agency's policies and procedures, if any, for handling criminal referrals in the administrative enforcement process and the sworn complaint enforcement process.

Angela Goodwin, Director of Enforcement, briefed the Commission on this agenda item. Chair Wolens, Commissioners Kennedy and Slovacek, and Ms. Goodwin responded with questions and comments. No action was taken.

Agenda Item 6: Briefing, discussion, and possible action to waive or reduce the late-filing penalty in connection with a corrected report or to determine whether the corrected report as originally filed substantially complied with the applicable law for the following individuals:

**3. John C. 'Chris' Allen (00069672)
Treasurer, Focus Irving PAC**

Report: 8-day pre-election report due April 28, 2017
Penalty: \$8,400 (reduced to \$1,000 at the November 2017 meeting)
Recommendation: None.

Mr. Allen addressed the Commission. Amy Barden, Senior Legal Assistant, briefed the Commission on this agenda item. Chair Wolens, Commissioner Slovacek and Ms. Barden responded with questions and comments. Motion by Commissioner Slovacek to waive the fine; second by Commissioner Flood. **Motion to waive the fine on Agenda Item 6, number 3 passed by a vote of seven ayes.**

Agenda Item 10: Discussion of Commissioner reimbursement policy for travel to meetings.

Chair Wolens briefed the Commission on this agenda item. No action was taken.

Agenda Item 11: Discussion and possible action on the approval of a format for electronic filing of campaign finance reports, as proposed by Rockwall County.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens responded with comments. Motion by Commissioner Erben to approve the format for electronic filing of campaign finance reports, as proposed by Rockwall County; second by Commissioner Kennedy. **Motion passed by a vote of seven ayes.**

Agenda Item 12: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 18.23, regarding extension of deadline or expedited waiver process for filing campaign finance reports for extraordinary circumstances.

Chair Wolens briefed the Commission on this agenda item. Chair Wolens and Commissioners Clancy, Erben and Kennedy responded with questions and comments. No action was taken.

Agenda Item 13: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of new Ethics Commission Rules § 12.37 (Dismissal of Complaint After Public Disclosure), regarding the Commission's authority to dismiss a complaint filed by a complainant who publicly discloses confidential information regarding the complaint.

Commissioner Flood briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioners Erben, Flood, Kennedy, Slovacek, and Mr. Steusloff responded with questions and comments. No action was taken.

Agenda Item 14: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 12.21 (Notice) and new Ethics Commission Rules § 12.84 (Notice of Preliminary Review Hearing) and § 12.103 (Notice of Formal Hearing), regarding notices and exchange of documents for hearings.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens responded with questions and comments. Motion by Commissioner Clancy to adopt an amendment to Ethics Commission Rules § 12.21 and new Ethics Commission Rules § 12.84 and 12.103; second by Commissioner Slovacek. **Motion passed by a vote of seven ayes.**

Agenda Item 15: Public discussion and possible action on the adoption or proposal and publication in the Texas Register of new Ethics Commission Rules § 12.28 (Production of Documents During a Preliminary Review), regarding procedures for production or inspection and subpoenas during preliminary review.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens responded with questions and comments. Motion by Commissioner Clancy to adopt new Ethics Commission Rules § 12.28; second by Commissioner Slovacek. **Motion passed by a vote of seven ayes.**

Agenda Item 16: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 20.61 (Purpose of Expenditure), regarding disclosure of the purpose of a political expenditure.

Ian Steusloff, General Counsel, and Commissioner Clancy briefed the Commission on this agenda item. Chair Wolens responded with questions and comments. No action was taken.

Agenda Item 17: Public discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules in Chapter 12, regarding new procedural rules for formal hearing process.

This item was not discussed.

Chair Wolens left the dais briefly during this agenda item.

Agenda Item 18: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 6.1 and new Ethics Commission rules §§27.1 and 27.101, regarding when a declaration of intent (JDI) is required to for judicial candidates.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Vice Chair Craycraft, Commissioners Clancy and Kennedy, and Mr. Steusloff responded with questions and comments. Motion by Vice Chair Craycraft to publish an amendment to Ethics Commission Rules § 6.1 and new Ethics Commission Rules §§ 27.1 and 27.101 in the Texas Register for public comment; second by Commissioner Kennedy. **Motion passed by a vote of seven ayes.**

Agenda Item 19: Public discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules §§12.31 and 12.33, regarding decorum and sanctions in sworn complaint proceedings.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens responded with questions and comments. Motion by Commissioner Erben to publish new Ethics Commission Rules §§ 12.31 and 12.33 in the Texas Register for public comment, as amended; second by Vice Chair Craycraft. **Motion passed by a vote of seven ayes.**

Vice Chair Craycraft was absent from the dais briefly during this agenda item.

Agenda Item 20: Public discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules Chapter 16 (Facial Compliance Review & Full Audits), including §§ 16.1 – 16.11, regarding procedures for facial compliance reviews and audits.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Commissioners Clancy and Kennedy, and James Tinley, Assistant General Counsel, responded with questions and comments. No action was taken.

Agenda Item 21: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 20.5, regarding a county elections administrator or tax assessor-collector acting as the filing authority for campaign finance reports.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Flood to publish an amendment to Ethics Commission Rules § 20.5 in the Texas Register for public comment, as amended; second by Commissioner Kennedy. **Motion passed by a vote of seven ayes.**

Commissioner Flood left the dais during this agenda item.

Agenda Item 22: Public discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rules § 20.33, regarding the authority of the Commission or local filing authority to terminate an inactive filer's campaign treasurer appointment.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Wolens, Commissioners Kennedy and Slovacek, and Mr. Steusloff responded with questions and comments. Motion by Commissioner Slovacek to publish an amendment to Ethics Commission Rules § 20.33 in the Texas Register for public comment, as amended; second by Commissioner Erben. **Motion passed by a vote of six ayes.**

Agenda Item 23: Adjourn.

Motion by Chair Wolens to adjourn. **Commission meeting adjourned by unanimous consent.**

Meeting adjourned at 10:06 a.m.