

# TEXAS ETHICS COMMISSION

IN THE MATTER OF

GILBERTO HINOJOSA,  
FORMER CAMPAIGN TREASURER,  
TEXAS DEMOCRATIC PARTY  
POLITICAL ACTION COMMITTEE,

RESPONDENT

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BEFORE THE

TEXAS ETHICS COMMISSION

SC-32408454

**RECEIVED**

**APR 25 2025**

**Texas Ethics Commission**

**ORDER**

**and**

**AGREED RESOLUTION**

## I. Recitals

The Texas Ethics Commission (TEC) met on June 12, 2025, to consider sworn complaint SC-32408454. A quorum of the TEC was present. The TEC determined that there is credible evidence of a violation of Section 254.001 of the Election Code, a law administered and enforced by the TEC.

To resolve and settle this complaint without further proceedings, the TEC proposed this resolution to the respondent. This proposed resolution imposes a \$1,000 civil penalty, contingent upon the respondent transferring the \$5,668.85 contribution to a recognized 501(c)(3) tax-exempt charitable organization and providing documentation to the TEC to verify the transfer within 30 days of the date this Proposed Order is executed. If the respondent does not pay the \$1,000 civil penalty and provide proof of the transfer within 30 days of the date of this Order, then the TEC orders that an additional \$2,500 civil penalty be imposed pursuant to Section 571.173 of the Government Code for delay in complying with this Order and Agreed Resolution, and that the agreed-upon penalty and the additional \$2,500 penalty be referred to the Office of the Attorney General of Texas for collection.

## II. Allegations

The sworn complaint alleges that the respondent, as the campaign treasurer of the Texas Democratic Party general-purpose political committee ("the GPAC"), failed to properly disclose the full name, address, and principal occupation of the anonymous contributor from whom the GPAC accepted a political contribution on the GPAC's July 2024 semiannual campaign finance report, in violation of Sections 254.031 and 254.151 of the Election Code.

The TEC also considered whether the respondent failed to maintain a record of reportable activity, in violation of Section 254.001 of the Election Code.

### III. Findings of Fact and Conclusions of Law

Credible evidence available to the TEC supports the following findings of facts and conclusions of law:

1. The respondent served as the campaign treasurer of the Texas Democratic Party general-purpose political committee ("the GPAC") during the reporting period at issue.

*There is No Credible Evidence that the Respondent Failed to Properly Disclose the Identity of Anonymous Contributors, but There is Credible Evidence that the Respondent Failed to Keep a Record of the Anonymous Contributors*

2. The sworn complaint included the GPAC's July 2024 semiannual report. The report showed that the GPAC accepted a \$5,668.85 political contribution from "Anonymous, Anonymous," on June 11, 2024. The contributor's address was listed as "Everywhere, TX 12345," the principal occupation of the contributor was listed as "Justice Warrior," and the employer was listed as "Mother Earth."
3. The respondent denied the alleged violations. According to the respondent, the contribution at issue was the aggregate amount of non-campaign contributions accepted from various individuals. The respondent swore that various individuals put cash in a collection bucket to help the GPAC offset the expenses and costs associated with hosting the Texas Democratic Party's state convention. He swore that he did not know who the contributors were or how much they gave. The respondent explained that he disclosed the aggregate amount of \$5,668.85 as a political contribution on the GPAC's July 2024 semiannual report because "the electronic submission form provided by the TEC does not provide space to report un-itemized anonymous cash contributions or non-campaign contributions."
4. As the GPAC's treasurer, the respondent was required to disclose the full name, address, and principal occupation of each person who made political contributions that in the aggregate exceeded the \$110 itemized reporting threshold. *See* Tex. Elec. Code §§ 254.031, 254.151, 1 Tex. Admin. Code § 18.31. In addition, the respondent was required to maintain a record of all the necessary information regarding the GPAC's reportable activity. *See* Tex. Elec. Code § 254.001.
5. Contributions that are given to a general-purpose political committee are political contributions, regardless of whether the contributions are meant to fund the committee's specific election activities or its general administrative expenses. Tex. Ethics Comm'n Op. No. 132 (1993).<sup>1</sup> A general-purpose political committee is by definition a group of persons with the principal purpose of supporting or opposing candidates or measures. *Id.* Contributions that support the general-purpose committee's operations ultimately support

<sup>1</sup> The statute interpreted by TEC Ethics Advisory Opinion No. 132, Section 253.100, has since been modified by the Legislature. *See, e.g.,* Acts 2003, 78th Leg., ch. 249, § 2.26. However, none of these statutory changes undermine the advisory opinion's conclusion that contributions to fund a general-purpose political committee's administrative expenses are political contributions.

this general purpose, and so contributions to defray a general-purpose political committee's administrative expenses are inherently and necessarily political contributions. Therefore, the contributions at issue were political contributions and were required to be itemized if they exceeded the \$110 itemized disclosure threshold. *See* Tex. Elec. Code §§ 254.031, 254.151, 1 Tex. Admin. Code § 18.31.

6. The respondent admitted that he cannot ascertain whether any single cash contribution placed in the bucket at the state convention exceeded the \$110 itemized contribution threshold. He also admitted that he has no way to identify who made a cash contribution. Because it is unclear whether the respondent was actually required to individually report any of the cash contributions, there is no credible evidence of violations of Sections 254.031 or 254.151 of the Election Code.
7. However, as mentioned above, the treasurer of a political committee is required to maintain a record of all of the political committee's reportable activity. Tex. Elec. Code § 254.001. Because the respondent did not maintain any record of the cash contributions that the GPAC accepted at the state convention, the respondent failed to maintain a record of the GPAC's reportable activity. *Id.* Therefore, there is credible evidence of a violation of Section 254.001 of the Election Code.

#### IV. Representations and Agreement by Respondent

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

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 the sworn complaint.
2. The respondent consents to this order and agreed resolution and waives any right to further proceedings in this matter. The respondent consents to enforcement staff presenting this resolution to the Commissioners outside of the respondent's presence.
3. The respondent acknowledges that a campaign treasurer for a political committee must maintain a record of the committee's activity. The respondent acknowledges that the campaign treasurer for a general-purpose political committee must disclose on the political committee's campaign finance reports the full name, address, and principal occupation of each contributor from whom the committee accepted a contribution exceeding the itemized reporting threshold, and that a political committee may not accept anonymous contributions. The respondent further acknowledges that a political committee that receives an anonymous contribution that it cannot return may instead donate the amount received to a recognized tax-exempt charitable organization. *See* Tex. Ethics Comm'n Op. No. 207 (1994). The respondent agrees to fully and strictly comply with these requirements of law.

### V. Confidentiality

This order and agreed resolution describe violations that the TEC 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 TEC.

### VI. Sanction

The TEC may impose a civil penalty of not more than \$5,000 or triple the amount at issue under a law administered and enforced by the TEC, whichever amount is more, for a delay in complying with a TEC order or for violation of a law administered and enforced by the TEC. Tex. Gov't Code § 571.173. The TEC shall consider the following factors in assessing a sanction: 1) the seriousness of the violation, including the nature, circumstances, consequences, extent and gravity of the violation; 2) the history and extent of previous violations; 3) the demonstrated good faith of the violator, including actions taken to rectify the consequences of the violation; 4) the penalty necessary to deter future violations, and 5) any other matters that justice may require. *Id.* § 571.177.

#### *Amount at Issue*

In total, the GPAC accepted \$5,668.85 in cash contributions from various individuals at the Texas Democratic Party's state convention.

#### *Factor 1: The Seriousness of the Violation*

That the GPAC raised the contributions in the form of cash in a bucket does not excuse the respondent from his recordkeeping obligations. Because the respondent failed to record the amount of each cash contribution and the identity of each contributor, it is now impossible to bring the GPAC's campaign finance report at issue into compliance.

#### *Factor 2: The History and Extent of Previous Violations*

The respondent had no previous violations as campaign treasurer for the GPAC, and no violations in any capacity in the last five years. The respondent filed his 8-day pre-convention campaign finance reports late in 2014 and 2018.

#### *Factor 3: The Demonstrated Good Faith of the Violator*

The respondent expressed his willingness to donate the total amount of \$5,668.85 to a recognized 501(c)(3) tax-exempt organization.

#### *Factor 4: The Penalty Necessary to Deter Future Violations*

The respondent had been the campaign treasurer for the Texas Democratic Party general-purpose committee for over a decade, so he should have known that he must maintain a record of the GPAC's political activity. Although the respondent initially disclosed the aggregate cash amount of \$5,668.85 on the GPAC's July 2024 semiannual report, the respondent failed to collect the necessary information from the cash contributors for recordkeeping purposes. Despite its educational efforts, the TEC still hears of violations and other filer issues associated with "pass

the hat" cash fundraising. *See, e.g., In re Williams*, SC-32008159 (Dec. 1, 2020); *In re Casso*, SC-3190430 (Dec. 1, 2020). The need to deter future recordkeeping and reporting violations associated with such cash contributions, whether by the respondent or by others, justifies the imposition of a meaningful penalty.

*Factor 5: Any Other Matters that Justice May Require*

The first four factors address the relevant concerns.

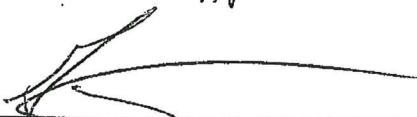
*Conclusion*

After considering the nature, circumstances, and consequences of the violations described under Section III, the TEC imposes a \$1,000 civil penalty, contingent upon the respondent transferring the \$5,668.85 contribution to a recognized 501(c)(3) tax-exempt charitable organization and providing documentation to the TEC to verify the transfer within 30 days of the date this Proposed Order is executed. If the respondent does not pay the \$1,000 civil penalty and provide proof of the transfer within 30 days of the date of this Order, then the TEC orders that an additional \$2,500 civil penalty be imposed pursuant to Section 571.173 of the Government Code for delay in complying with this Order and Agreed Resolution, and that the agreed-upon penalty and the additional \$2,500 penalty be referred to the Office of the Attorney General of Texas for collection.

**VII. Order**

The TEC hereby orders that if the respondent consents to the proposed resolution, this order and agreed resolution is a final and complete resolution of SC-32408454.

AGREED to by the respondent on this 25<sup>th</sup> day of April, 2025.

  
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Gilberto Hinojosa, Respondent

EXECUTED by the TEC on: 6/13/25.

Texas Ethics Commission

By:

  
\_\_\_\_\_  
J.R. Johnson, Executive Director