



TEXAS ETHICS COMMISSION

P. O. Box 12070, Capitol Station
Austin, Texas 78711-2070

Tom Harrison
Chair

Ross Fischer
Vice Chair

David A. Reisman
Executive Director

Commissioners

November 24, 2008

Raymond R. "Tripp" Davenport, III
Wilhelmina Delco
Jim Graham
Paula M. Mendoza
David Montagne
Nicholas C. Taylor

Ms. Karen Mahoney
4208 Pirates Beach
Galveston, Texas 77554-8055

**CERTIFIED MAIL NO. 7008 1300 0000 4508 5357,
RETURN RECEIPT REQUESTED**

Re: Notice of Complaint, SC-2811383

Dear Ms. Mahoney:

We received sworn complaint SC-2811383 on November, 18, 2008. The complaint meets the technical form requirements for a complaint filed with the Texas Ethics Commission, and the executive director has determined that the Ethics Commission has jurisdiction over the violations of law alleged in the sworn complaint. The complaint alleges that you failed to properly report political contributions, political expenditures and loans in violation of section 254.031 of the Election Code. The complaint alleges that you improperly reported political expenditures as reimbursements in violation of section 254.031 of the Election Code and section 20.62 of the Ethics Commission Rules. The complaint alleges that you failed to file a campaign finance report in a format prescribed by the Texas Ethics Commission in violation of section 254.036(a) of the Election Code. The complaint alleges that you accepted cash contributions that exceeded \$100 in violation of section 253.033 of the Election Code. The complaint also alleges that you failed to timely file a campaign finance report in violation of section 254.063 or 254.093 of the Election Code.

With this notice, I have included a copy of the sworn complaint, the Ethics Commission's sworn complaint rules, a Statement of Respondent's Rights, and a copy of the relevant statutes of the Election Code. More information about the complaint process is available on the Ethics Commission's website at www.ethics.state.tx.us.

If you have any information relevant to the complaint, please provide it at this time. Your response must be in writing and under oath. We have enclosed an affidavit form that you may wish to use for your response. Your response must include any challenge you seek to raise to the Ethics Commission's jurisdiction. In addition, in your response you may acknowledge the occurrence or commission of the violation, or deny the allegations and provide evidence supporting that denial.

The sworn complaint allegations will be processed as Category Two violations. You are required to respond to an allegation of a Category Two violation not later than the 25th business day

Come visit our home page at <http://www.ethics.state.tx.us> on the Internet.

(512) 463-5800 • 1-800-325-8506 • FAX (512) 463-5777 • TDD 1-800-735-2989

The Texas Ethics Commission does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

from the date you receive this notice. **Failure to respond will constitute a separate violation for which a separate civil penalty may be assessed.**

The law requires the commission to mail certain notices relating to a sworn complaint to the respondent and the complainant. The notices are required to be sent by registered or certified mail, restricted delivery, return receipt requested unless the requirement is waived by the respondent or complainant. The enclosed form may be used to submit a waiver.

Please note that at this stage in the process, Ethics Commission members and staff are required by law to keep the complaint and all documents relating to it strictly confidential. However, other persons, including the complainant and respondent named in the complaint, are not bound by this confidentiality requirement.

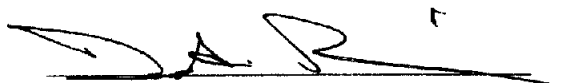
Please call me if you have any questions.

Sincerely,



Robert Mannas
Assistant General Counsel

Jurisdiction accepted
For the Texas Ethics Commission



David A. Reisman
Executive Director

RM:mc

Enclosures: Copy of Sworn Complaint
Statutes and Rules Concerning Sworn Complaints
Statement of Respondent's Rights
Affidavit
Waiver of Notice

c: Mr. Thomas Curry
P. O. Box 9738
The Woodlands, Texas 77387-9738

**CERTIFIED MAIL NO. 7008 1300 0000 4508 5340,
RETURN RECEIPT REQUESTED**

**SWORN COMPLAINT
BEFORE
THE TEXAS ETHICS COMMISSION**

Revised 01/05/2000

Office Use Only
Docket Number

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§

I. IDENTITY OF COMPLAINANT

I, Thomas Curry, complainant,
(full name of individual filing the complaint)

hereby file this sworn complaint with the Texas Ethics Commission. My address is
P. O. Box 9738, The Woodlands, TX 77387-9738
(full mailing or street address, including P.O. box number or street, city, state, and zip code)

My telephone number is 281-728-0511
(telephone number, including area code)

II. IDENTITY OF RESPONDENT

The respondent is Karen Mahoney
(full name of respondent)

The respondent holds the position or title of City Council District 6
(position or title held by respondent)
City of Galveston

The respondent's address is 4208 Pirates Beach
(full mailing or street address, including P.O. box number or street, city, state, and zip code of respondent)
Galveston, TX 77554

The respondent's telephone number is 409-763-1912
(telephone number of respondent, including area code)

Attach additional pages, if necessary.

III. NATURE OF ALLEGED VIOLATION

(Include the specific law or rule alleged to have been violated, if possible. The Texas Ethics Commission has jurisdiction to enforce *only* Chapters 302, 305, and 572 of the Government Code and Title 15 of the Election Code.)

C/OH Campaign Finance Report (30th day) - 4/10/08

1) Failed to disclose the total amount of political contributions maintained, in violation of Section

254.031(a)(8). The "Contribution Balance" should be at least \$1,183.93.

2) Failed to disclose the total principal amount of all outstanding loans, in violation of Section 254.031(a)(2).

3) Failed to report political contributions on a form prescribed by the Commission, in violation of Section

254.036.

4) Accepted a cash political contribution exceeding \$100 from a contributor (3 places), in violation of Section

253.033.

3/24/08 Jackie Cole Campaign \$200.00

3/24/08 Cash \$205.00

3/26/08 Barbara Zimmerman \$200.00

5) When reimbursing expenses, failed to disclose the payees, dates, purposes, and amounts of political

expenditures (1 place), in violation of Section 254.031(a)(3).

Various Payees \$427.88

C/OH Campaign Finance Report (8th day) - 5/02/08

1) Failed to disclose the total amount of political contributions maintained, in violation of Section

254.031(a)(8). The "Contribution Balance" should be at least \$2,057.84.

Attach additional pages, if necessary.

III. NATURE OF ALLEGED VIOLATION

(Include the specific law or rule alleged to have been violated, if possible. The Texas Ethics Commission has jurisdiction to enforce *only* Chapters 302, 305, and 572 of the Government Code and Title 15 of the Election Code.)

2) Failed to disclose the total principal amount of all outstanding loans, in violation of Section 254.031(a)(2).

3) Failed to report political contributions on a form prescribed by the Commission, in violation of Section 254.036.

4) Accepted a cash political contribution exceeding \$100 from a contributor (9 places), in violation of Section 253.033.

4/08/08 Pat & Bill Broussard \$1,500.00

4/08/08 Mary Ann Knolle \$500.00

4/17/08 Robert Lynch \$250.00

4/17/08 Belmont Brockett \$500.00

4/17/08 Bettie Lobit \$1,000.00

4/21/08 William Moll \$200.00

4/21/08 John Wallace \$250.00

4/21/08 Sally Wallace \$250.00

4/21/08 Kay & Gary Cooper \$200.00

5) Failed to report political expenditures on a form prescribed by the Commission, in violation of Section 254.036.

6) Failed to fully disclose the addresses of persons receiving expenditures (4 places), in violation of Section 254.031(a)(3).

Attach additional pages, if necessary.

III. NATURE OF ALLEGED VIOLATION

(Include the specific law or rule alleged to have been violated, if possible. The Texas Ethics Commission has jurisdiction to enforce *only* Chapters 302, 305, and 572 of the Government Code and Title 15 of the Election Code.)

7) When reimbursing expenses, failed to disclose the payees, dates, purposes, and amounts of political expenditures (3 places), in violation of Section 254.031(a)(3).

	Karen Mahoney	\$606.00
4/17/08	Karen Mahoney	\$869.88
4/30/08	Karen Mahoney	\$164.00

C/OH Campaign Finance Report (July 15) - 7/17/08

1) Filed the report late, in violation of Section 254.093.

2) Failed to disclose the total amount of political contributions maintained, in violation of Section 254.031(a)(8). The "Contribution Balance" should be at least \$863.09.

3) Failed to disclose the total principal amount of all outstanding loans, in violation of Section 254.031(a)(2).

4) Failed to report political contributions on a form prescribed by the Commission, in violation of Section 254.036.

5) Failed to fully disclose the address of person giving a political contribution (1 place), in violation of Section 254.031(a)(1).

6) Accepted a cash political contribution exceeding \$100 from a contributor (3 places), in violation of Section 253.033.

5/06/08 Douglas R. Little \$500.00

Attach additional pages, if necessary.

III. NATURE OF ALLEGED VIOLATION

(Include the specific law or rule alleged to have been violated, if possible. The Texas Ethics Commission has jurisdiction to enforce *only* Chapters 302, 305, and 572 of the Government Code and Title 15 of the Election Code.)

5/06/08	Ramon Sanchez	\$400.00
5/06/08	Sanford or Norma Rubin	\$200.00
7) Failed to report political expenditures on a form prescribed by the Commission, in violation of Section 254.036.		
8) Failed to fully disclose the addresses of persons receiving political expenditures (3 places), in violation of Section 254.031(a)(3).		
9) When reimbursing expenses, failed to disclose the payees, dates, purposes, and amounts of political expenditures (10 places), in violation of Section 254.031(a)(3).		
5/01/08	Service Charge	\$7.00
5/06/08	Karen Mahoney	\$442.00
5/07/08	Campaign Callers	\$60.00
5/09/08	Willie King	\$60.00
5/23/08	H. C. Mills	\$300.00
5/26/08	TY Notes	\$21.61
5/31/08	Service Charge	\$7.00
5/02/08	Postage	\$410.00
5/10/08	Election Night Supplies	\$71.31
5/30/08	Thank you gifts	\$59.02

Attach additional pages, if necessary.

IV. STATEMENT OF FACTS

(State the facts constituting the alleged violation, including the dates on which or the period of time in which the alleged violation occurred. Identify allegations of fact not personally known to the complainant but alleged on information and belief. Please use simple, concise, and direct statements.)

As an elected official, Ms. Mahoney knows the importance of following the law when dealing with the tax-payers' public funds. She must also know that the same concerns apply when dealing with political campaign funds. While her campaign finance reports show a general carelessness and lack of detail, Ms. Mahoney has apparently violated the legal prohibition against cash political contributions exceeding \$100 (Section 253.033). According to her campaign finance reports, Ms. Mahoney accepted \$100-plus cash contributions from 15 contributors, with each violation of Section 253.033 carrying the criminal offense of a Class A misdemeanor.

Ms. Mahoney signed her campaign finance reports under the penalty of perjury. She alone bears the responsibility of checking the report accuracy and fully disclosing the campaign information required by state law.

Attach additional pages, if necessary.

V. LISTING OF DOCUMENTS AND OTHER MATERIALS

(List all documents and other materials filed with this complaint. Additionally, list all other documents and other materials that are relevant to this complaint and that are within your knowledge, including their location, if known.)

Campaign Finance Reports -

4/10/08 (30th day)

5/02/08 (8th day)

7/17/08 (July '08)

Attach additional pages, if necessary.

**VI. AFFIDAVIT
BASED ON PERSONAL KNOWLEDGE**
(Execute this affidavit if the acts alleged are within your direct personal knowledge.)

I, _____, complainant,
swear that I have knowledge of the facts alleged in this complaint
and that the information contained in this complaint is true
and correct.

Signature of complainant

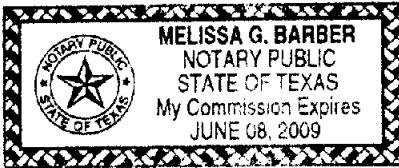
AFFIX NOTARY STAMP/SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this
the _____ day of _____, 20____, to certify which, witness my hand and seal of office.

Signature of officer administering oath Print name of officer administering oath Title of officer administering oath

**VII. AFFIDAVIT
BASED ON INFORMATION AND BELIEF**
(Execute this affidavit if the acts alleged are not within your
direct personal knowledge, but are based on reasonable belief.)

I, Thomas Curry, complainant,
swear that I have reason to believe and do believe that the violation alleged in
this complaint has occurred. The source and basis of my information and belief
is Campaign Finance Reports



Thomas Curry
Signature of complainant

AFFIX NOTARY STAMP/SEAL ABOVE

Sworn to and subscribed before me, by the said Thomas Curry, this
the 11th day of November, 20 08, to certify which, witness my hand and seal of office.

Melissa G Barber Melissa G Barber Personal Banker
Signature of officer administering oath Print name of officer administering oath Title of officer administering oath