



TEXAS ETHICS COMMISSION

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

Paula M. Mendoza
Chair

Jim Graham
Vice Chair

David A. Reisman
Executive Director

July 7, 2010

Commissioners

Jim Clancy
Wilhelmina Delco

Tom Harrison
George H. "Trey" Henderson, III

Tom Ramsay
Chase Untermeyer

Mr. Chris Riley
1301 San Antonio Street, Suite 1
Austin, Texas 78701-1642

**CERTIFIED MAIL NO. 7008 3230 0002 6487 2253,
RETURN RECEIPT REQUESTED**

Re: Notice of Complaint, SC-31007201

Dear Mr. Riley:

We received sworn complaint SC-31007201 on July 1, 2010. 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: (1) failed to properly disclose political contributions and political expenditures, in violation of section 254.031 of the Election Code and sections 20.59 and 20.62 of the Ethics Commission Rules, (2) accepted political contributions from corporations or labor organizations, in violation of sections 253.003 and 253.094 of the Election Code, and (3) converted political contributions to personal use, in violation of section 253.035 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 25 business days from the date you receive this notice. **Failure to respond will constitute a separate violation for which a separate civil penalty may be assessed.**

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

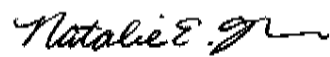
The Texas Ethics Commission does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

The law requires the commission to send this sworn complaint notice by registered or certified mail, return receipt requested. Future notices and correspondence will be sent by regular mail, unless the commission is notified otherwise.

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.

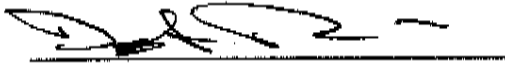
Please call me if you have any questions.

Sincerely,



Natalie E. Adelaja
Assistant General Counsel

Jurisdiction accepted
For the Texas Ethics Commission



David A. Reisman
Executive Director

NEA:mc

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

c: Mr. Alvin Schlieske
10897 Edith Lane
Conroe, Texas 77385-4335

**CERTIFIED MAIL NO. 7008 3230 0002 6487 2260,
RETURN RECEIPT REQUESTED**

SWORN COMPLAINT BEFORE THE TEXAS ETHICS COMMISSION

An individual must be a resident of the state of Texas to be eligible to file a sworn complaint with the Texas Ethics Commission. The complainant is required to attach to the complaint a copy of one of the following documents:

- complainant's driver's license or personal identification certificate issued under Chapter 521 of the Transportation Code, or commercial driver's license issued under Chapter 522 of the Transportation Code; or
- a utility bill, bank statement, government check, paycheck or other government document that shows the name and address of the complainant and is dated not more than 30 days before the date on which the complaint is filed.

Effective September 1, 2009, an individual may also be eligible to file a sworn complaint with the Texas Ethics Commission if the individual owns real property in the state of Texas. Under this provision, the complainant will be required to attach to the complaint a copy of a property tax bill, notice of appraised value, or other government document that shows the name of the complainant, shows the address of the real property in Texas, and identifies the complainant as the owner of the real property.

OFFICE USE ONLY	
Docket Number	
Date Hand-delivered or Date Postmarked	

I. IDENTITY OF COMPLAINANT

1 COMPLAINANT NAME	MS / MRS / MR	FIRST	MI		
	Mr.	Alvin			
	NICKNAME	LAST	SUFFIX		
		Schlieske			
2 COMPLAINANT PHYSICAL ADDRESS	ADDRESS	APT / SUITE #:	CITY:	STATE:	ZIP CODE
	10897 Edith Lane		Conroe	TX	77385
(Full home or business address, including street, city, state, and zip code)					
3 COMPLAINANT MAILING ADDRESS	ADDRESS	APT / SUITE #:	CITY:	STATE:	ZIP CODE
(Full home or business address, including street, city, state, and zip code)					
4 COMPLAINANT TELEPHONE NUMBER	AREA CODE	PHONE NUMBER	EXT	5 COMPLAINANT E-MAIL ADDRESS	none
	936-271-4247				

II. IDENTITY OF RESPONDENT

6 RESPONDENT NAME	MS / MRS / MR	FIRST	MI		
	Mr.	Chris			
	NICKNAME	LAST	SUFFIX		
		Riley			
7 RESPONDENT POSITION OR TITLE	City Council, Place 1, City of Austin				
8 RESPONDENT PHYSICAL ADDRESS	ADDRESS	APT / SUITE #:	CITY:	STATE:	ZIP CODE
	301 W. 2nd St.	2nd Floor	Austin	TX	78701
(Full home or business address, including street, city, state, and zip code)					
9 RESPONDENT MAILING ADDRESS	ADDRESS	APT / SUITE #:	CITY:	STATE:	ZIP CODE
	1310 San Antonio	#1	Austin	TX	78701
(Full home or business address, including street, city, state, and zip code)					
10 RESPONDENT TELEPHONE NUMBER	AREA CODE	PHONE NUMBER	EXT	11 RESPONDENT E-MAIL ADDRESS (IF KNOWN)	unknown
	512-974-2260				

GO TO PAGE 2

III. NATURE OF ALLEGED VIOLATION

Include the specific law(s) or rule(s) alleged to have been violated. The Texas Ethics Commission has jurisdiction to enforce only the following laws: (1) Title 15 of the Election Code; (2) Chapters 302, 303, 305, 572, 2004 of the Gov't Code; (3) § 334.025 and § 335.055 of the Local Gov't Code; (4) Subchapter C, Chapter 159 of the Local Gov't Code, in connection with a county judicial officer who elects to file a financial statement with the commission; (5) § 2152.064 and § 2155.003 of the Gov't Code; (6) § 306.005 of the Gov't Code.

C/OH Campaign Finance Report (Jan. 15) - 1/15/09

1) Accepted a political contribution from a corporation/labor union (1 place), in violation of Sections 253.003 and 253.094.

11/28/08	\$350.00	Easy Street LLC
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2) Failed to fully disclose the purpose of a political expenditure (2 places), in violation of Section 254.031(a)(3). An adequate description would include the specific goods or services purchased or leased, and enable one to know how the expenditure defrayed an actual campaign or office expense. Such vague "purpose of payment" descriptions suggest the unlawful conversion of campaign funds to personal use, in violation of Section 253.035.

12/22/08	\$103.21	Whole Foods
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12/30/08	\$300.00	Threadgill's
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C/OH Campaign Finance Report (30th day) - 4/09/09

1) Reported an incorrect "Contribution Balance". After adjusting for in-kind contributions (\$1,696.44) and expenditures made from personal funds (\$10,776.60), the contribution balance should be \$48,278.05, and not \$48,305.16, as reported in violation of Section 254.031(a)(8). Note that the officeholder disclosed a contribution balance of \$23,958.59 in the January 2009 semiannual report filed on 1/15/09. In the alternative, if the contribution balance is correct, the officeholder failed to report additional political contributions and/or expenditures, in violation of Section 254.031.

2) Accepted a political contribution from a corporation/labor union (11 places), in violation of Sections 253.003 and 253.094.

3/24/09	\$350.00	Braker Pointe Joint Venture
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3/26/09	\$100.00	Danze & Blood Architects
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ATTACH ADDITIONAL PAGES AS NEEDED

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2/20/09	\$25.00	Fiddes Cycling LLC
3/24/09	\$350.00	Fifth & Baylor
3/24/09	\$350.00	Fifth Lamar Retail I, Ltd.
1/28/09	\$200.00	L.S. Johnston Architects
3/24/09	\$350.00	Lamar-Sixth-Austin, LTD.
3/24/09	\$350.00	LSA North Block, Ltd.
3/24/09	\$350.00	LSA/WF Project, LTD
3/24/09	\$350.00	Schlosser Braker Investment
2/20/09	\$50.02	TMG Solutions
3) Failed to fully disclose the name of person making a political contribution (9 places), in violation of Section 254.031(a)(1).		
3/02/09	\$350.00	A/TCEMS PAC
3/03/09	\$350.00	BMcPAC
2/20/09	\$40.00	Castapiole, C.
1/29/09	\$350.00	CDMPAC
1/23/09	\$25.00	Childers, R.A.
3/28/09	\$100.00	Harris, O.H.
3/03/09	\$350.00	PANTEX PAC
3/30/09	\$50.00	Porter, J.d.
3/29/09	\$350.00	Raaz, J.D.
4) Failed to disclose the actual vendor payee, address, date, and amount pertaining to the stated purpose of a political		

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expenditure (1 place), in violation of Section 254.031(a)(3) and TEC rule 20.59.

3/30/09	\$687.82	Paypal
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5) Failed to disclose the actual vendor payee, address, date, and amount pertaining to the stated purpose of a political

expenditure (6 places), in violation of Section 254.031(a)(3) and TEC rule 20.62.

1/27/09	\$250.00	Glazer, Matt
3/03/09	\$3,870.00	Goss, Delwin
2/11/09	\$270.63	Newton, Scott
3/10/09	\$75.00	Rodriquez, Marcel
3/24/09	\$150.00	Rodriquez, Marcel
1/08/09	\$75.40	Wells Spears, Nelda

6) Failed to fully disclose the purpose of a political expenditure (13 places), in violation of Section 254.031(a)(3). An adequate description would include the specific goods or services purchased or leased, and enable one to know how the expenditure defrayed an actual campaign or office expense. Such vague "purpose of payment" descriptions suggest the unlawful conversion of campaign funds to personal use, in violation of Section 253.035.

2/11/09	\$1,758.17	Kelly Graphics
3/30/09	\$1,343.35	Kelly Graphics
2/17/09	\$650.00	MHSC
2/17/09	\$2,600.00	MHSC
2/20/09	\$2,600.00	MHSC
2/07/09	\$1,250.00	NGP Software
3/24/09	\$100.00	Roadhouse Rags

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2/09/09	\$242.47	Texas Rekey Service
1/26/09	\$2,317.64	Threadgills
3/16/09	\$390.78	Worley
3/30/09	\$254.39	Worley
3/30/09	\$1,013.62	AT&T
3/30/09	\$1,004.50	ICS

7) Failed to fully disclose the name of person receiving a political expenditure (4 places), in violation of Section 254.031(a)(3).

2/17/09	\$650.00	MHSC
2/17/09	\$2,600.00	MHSC
2/20/09	\$2,600.00	MHSC
3/30/09	\$1,004.50	ICS

C/OH Campaign Finance Report (8th day) - 5/01/09

1) Reported an incorrect "Contribution Balance". After adjusting for in-kind contributions (\$1,772.56) and expenditures made from personal funds (\$10,000.00), the contribution balance should be \$22,113.68, and not \$21,908.54, as reported, in violation of Section 254.031(a)(8). In the alternative, if the contribution balance is correct, the officeholder failed to report additional political contributions and/or expenditures, in violation of Section 254.031.

2) Accepted a political contribution from a corporation/labor union (2 places), in violation of Sections 253.003 and 253.094.

3/31/09	\$350.00	MAK Interests
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ATTACH ADDITIONAL PAGES AS NEEDED

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4/24/09	\$350.00	Rod Arend Rental
3) Failed to fully disclose the name of person making a political contribution (1 place), in violation of Section 254.031(a)(1).		
4/23/09	\$50.00	Baskin, JJ
4) Failed to disclose the actual vendor payee, address, date, and amount pertaining to the stated purpose of a political expenditure (1 place), in violation of Section 254.031(a)(3) and TEC rule 20.59.		
4/29/09	\$537.02	Piryx
5) Failed to fully disclose the purpose of a political expenditure (10 places), in violation of Section 254.031(a)(3). An adequate description would include the specific goods or services purchased or leased, and enable one to know how the expenditure defrayed an actual campaign or office expense. Such vague "purpose of payment" descriptions suggest the unlawful conversion of campaign funds to personal use, in violation of Section 253.035.		
3/31/09	\$162.82	Central Market
4/29/09	\$309.92	Central Market
4/29/09	\$405.00	H & M Austin Management
4/29/09	\$95.00	Harvey's Service Co.
4/28/09	\$24,761.63	Kelly Graphics
4/01/09	\$73.29	Office Max
4/14/09	\$102.81	Office Max
4/17/09	\$1,472.22	Smart Mail
3/31/09	\$493.30	The Belmont
4/28/09	\$975.34	Worley Printing

ATTACH ADDITIONAL PAGES AS NEEDED


[Taxable Entity Search Results](#)

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certificate from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, [Requirements to Dissolve, Merge or Convert a Texas Entity](#).

Certification of Account Status

Officers And Directors Information

Entity Information:

ROD AREND INC
508 E 39TH ST ATTN: R G AREND
AUSTIN, TX 78751-5102

Status:

NOT IN GOOD STANDING

Registered Agent:

RODGER G AREND
508 E. 39TH ST.
AUSTIN, TX 78751

Registered Agent Resignation Date:

State of Formation:

TX

File Number:

0065711000

SOS Registration Date:

May 25, 1983

Taxpayer Number:

17422722342

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III. NATURE OF ALLEGED VIOLATION

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C/OH Campaign Finance Report (July 15) - 7/15/09

1) Reported an incorrect "Contribution Balance". After adjusting for in-kind contributions (\$0.00) and expenditures made from personal funds (\$7,044.67), the contribution balance should be \$4,205.09, and not \$0.00, as reported, in violation of Section 254.031(a)(8). In the alternative, if the contribution balance is correct, the officeholder failed to report additional political contributions and/or expenditures, in violation of Section 254.031.

2) Accepted a political contribution from a corporation/labor union (1 place), in violation of Sections 253.003 and 253.094.

5/01/09	\$210.00	Waterloo Brothers LLC
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3) As admitted in the "purpose of payment" description, converted campaign funds to personal use (1 place), in violation of Section 253.035.

5/18/09	\$50.14	Eastside Cafe	Meals
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4) Failed to disclose the actual vendor payee, address, date, and amount pertaining to the stated purpose of a political expenditure (1 place), in violation of Section 254.031(a)(3) and TEC rule 20.59.

5/10/09	\$193.34	Piryx
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5) Failed to disclose the actual vendor payee, address, date, and amount pertaining to the stated purpose of a political expenditure (1 place), in violation of Section 254.031(a)(3) and TEC rule 20.62.

5/04/09	\$100.00	McKinley, Warren
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6) Failed to fully disclose the purpose of a political expenditure (11 places), in violation of Section 254.031(a)(3). An adequate description would include the specific goods or services purchased or leased, and enable one to know how the expenditure defrayed an actual campaign or office expense. Such vague "purpose of payment" descriptions suggest the unlawful conversion of campaign funds to personal use, in violation of Section 253.035.

ATTACH ADDITIONAL PAGES AS NEEDED

IV. STATEMENT OF FACTS

State the facts constituting the alleged violation(s), including the dates on which or the period of time in which the alleged violation(s) 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 a public official, Mr. Riley knows the importance of following the law when dealing with the taxpayers' public funds.

He must also know that the same concerns apply when dealing with political campaign funds. Over the last 18 months,

Mr. Riley converted political contributions to his personal use, failed to disclose the actual vendor payees, dates, and

amounts of political expenditures, and filed several incomplete reports, with contribution balances indicating

missing campaign funds (at least \$4,205.09) or undisclosed campaign contributions and expenditures. He has

also apparently violated the legal prohibition against corporate contributions. Accepting a political contribution from a

corporation or labor organization carries a potential third-degree felony charge.

Mr. Riley signed his campaign finance reports under the penalty of perjury. He alone bears the responsibility of checking

the report accuracy and fully disclosing the campaign information required by state law. Mr. Riley should also be aware

that, under Section 37.03 of the Texas Penal Code, making a false, material, perjurious statement during or in connection

with an official Texas Ethics Commission proceeding constitutes aggravated perjury, a felony of the third degree.

ATTACH ADDITIONAL PAGES AS NEEDED

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 (selected pages) -

1/15/09 (Jan. '09)

4/09/09 (30th day)

5/01/09 (8th day)

7/15/09 (July '09)

Information on corporate contributors -

Braker Point Joint Venture

Danze & Blood Architects, Inc.

Fifth & Baylor, Ltd.

Lamar Retail Partners, Ltd.

LSA-North Block, Ltd.

LSA-WF Project, Ltd.

Schlusser Braker Investment, Ltd.

TMG Solutions, Inc.

MAK Interests, Inc.

Rod Arend, Inc.

ATTACH ADDITIONAL PAGES AS NEEDED

**VI. AFFIDAVIT
BASED ON PERSONAL KNOWLEDGE**

(Execute this affidavit if the acts alleged are within your direct personal knowledge.)

I, _____, complainant,
swear that I am a resident of the state of Texas. I 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 Printed 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, _____, complainant,
swear that I am a resident of the state of Texas. I swear that I have reason to believe
and do believe that the violation alleged in this complaint has occurred. The source
of my information and belief is
Campaign Finance Reports.

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 Printed name of officer administering oath Title of officer administering oath