



Audit Findings Report for Lobbyist Holly McDaniel

Pursuant to T.C.A. § 3-6-308(a)(7), on June 24, 2008, the name of registered lobbyist Ms. Holly McDaniel was randomly drawn for audit. The audit of Ms. McDaniel was conducted at the office of the Tennessee Ethics Commission ("Commission") on July 28, 2008. The audit was conducted by Assistant General Counsel, Willow E. Fort. Ms. McDaniel was not represented by legal counsel.

SUMMARY OF FINDINGS:

All requested documentation was provided by Ms. McDaniel and no violations of the Ethics Reform Act of 2006 were found.

CLIENTS:

Ms. McDaniel is employed by Miller & Martin, a local, Nashville law firm. Ms. McDaniel is registered as a lobbyist for eighteen businesses, associations, or organization which employ lobbyists ("Employers"). Her employment is by agreement.

REGISTRATIONS:

It appears Ms. McDaniel has timely registered as a lobbyist for all her accounts and the dates of Ms. McDaniel's registration statements are consistent with the dates of the employer registration statements. Ms. McDaniel stated that she did not complete her Employer's registrations.

Two of Ms. McDaniel's listed Employers were timely registered but had not yet filed disclosure reports. Employer CBL & Associates had not yet filed an employer disclosure report. However, CBL & Associates were not registered as an Employer until after April 1, 2008 and were thus not required to file a disclosure report for the October to March reporting period. It is worth noting that Ms. McDaniel received no compensation from CBL & Associates for the period between October 2007 and March 2008.

Likewise, Employer Zuffa/ Ultimate Fighting Championship had not filed an employer disclosure report for the reporting period. Similarly, Zuffa/ Ultimate Fighting Championship were not registered as an Employer until after April 1, 2008 and were thus not required to file a disclosure report for the October to March reporting period. Again, however, Ms. McDaniel appears to have received no compensation from Zuffa/ Ultimate Fighting Championship during the October 2007 to March 2008 reporting period.

CONTRACT:

As Ms. McDaniel works as a lobbyist for Miller & Martin, her lobbying contracts establish contracts between the Employer and Miller & Martin, and not between herself and the Employer.

The eighteen (18) accounts managed by Ms. McDaniel and the types and dates of the contracts establishing those accounts are as follows:

The contract between Miller & Martin and Aetna is in the form of a letter. The letter sets forth contract terms, and is dated January 18, 2008. The letter was sent by Aetna to Miller & Martin, and indicates that when signed by a Miller & Martin representative the letter will become the contract between Aetna and Miller & Martin. The letter submitted to the Commission is signed by a representative of AETNA, but unsigned by Miller & Martin. Ms. McDaniel indicated she is unaware of a signed copy. Ms. McDaniel stated the contract is acted upon as valid by both parties.

The contract between Miller & Martin and American International Group is in the form of a written contract dated March 1, 2004. This contract is signed by a representative of Miller & Martin, but not a representative of American International Group. Ms. McDaniel is unaware of a copy signed by all parties, and indicated the contract is acted upon as valid by both parties.

The contract between Miller & Martin and CBL & Associates is a two-part written document, signed by all parties, and dated April 11 and April 22, 2008.

The contract between Miller & Martin and CVS/ Caremark Rx is written, signed by all parties and dated December 10, 2007.

The contract between Miller & Martin and CIGNA is written, signed by all parties, and dated January 2, 2008.

The contract between Miller & Martin and the Distilled Spirits Council is written, signed by all parties, and dated December 27, 2007.

The contract between Miller & Martin and the Education Management Corporation is in the form of a written contract dated December 6, 2007. This contract is signed by a representative of Miller & Martin, but not a representative of the Education Management Corporation. Ms. McDaniel is unaware of a contract signed by all parties, and indicated the contract is acted upon as valid by both parties.

The contract between Miller & Martin and the Property Casualty Insurers Association of America is in the form of a written contract dated January 21, 2008. This contract is signed by a representative from Miller & Martin, but not a representative of the Property Casualty Insurers Association of America. Ms. McDaniel is unaware of a contract signed by all parties, and indicated the contract is acted upon as valid by both parties.

The contract between Miller & Martin and Prudential Financial is in the form of a written contract dated January 4, 2008. This contract is signed by a representative from Miller & Martin, but not a representative of Prudential Financial. Ms. McDaniel is unaware of a contract signed by all parties, and indicated the contract is acted upon as valid by both parties.

The contract between Miller & Martin and the Tennessee Association for Home Care is an oral contract. This oral contract is evidenced by a letter dated May 29, 1996 referencing "Continued Representation." The date of the initial oral contract is unknown to Ms. McDaniel.

The contract between Miller & Martin and the Tennessee Hospital Association is in the form of an unsigned letter from Miller & Martin to the Tennessee Hospital Association dated January 17, 2008. Ms. McDaniel is unaware of a letter or contract signed by all parties, and indicated the parties act upon the letter as if it were a valid contract.

The contract between Miller & Martin and the Tennessee Oil Marketers Association is in the form of a letter dated January 9, 2007. The letter is signed by a representative of Miller & Martin, but not by a representative of the Tennessee Oil Marketers Association. Ms. McDaniel is unaware of a document signed by all parties, and indicated the parties act upon the letter as if it were a valid contract.

The contract between Miller & Martin and the Tennessee Society of Certified Public Accountants is in the form of a letter dated April 16, 2007. The letter is signed by a representative of Miller & Martin, but not by a representative of the Tennessee Society of Certified Public Accountants. Ms. McDaniel is unaware of a document signed by all parties, and indicated the parties act upon the letter as if it were a valid contract.

The contract between Miller & Martin and the North Highland Company is in the form of a letter dated May 4, 2006. The letter is signed by a representative of Miller & Martin, but not by a representative of the North Highland Company. Ms. McDaniel is unaware of a document signed by all parties, and indicated the parties act upon the letter as if it were a valid contract.

The contract between Miller & Martin and UNUM is in the form of a letter dated September 12, 2007. The letter is signed by a representative of Miller & Martin, but not by a representative of UNUM. Ms. McDaniel is unaware of a document signed by all parties, and indicated the parties act upon the letter as if it were a valid contract.

The contract between Miller & Martin and Verizon Communications is in the form of a letter dated November 9, 2006. The letter is signed by a representative of Miller & Martin, but not by a representative of Verizon Communications. Ms. McDaniel is unaware of a document signed by all parties, and indicated the parties act upon the letter as if it were a valid contract.

The contract between Miller & Martin and Verizon Wireless is an oral contract. Ms. McDaniel provided billing receipts for the reporting period from October 2007 and March 2008 and the information for contact person at Verizon Wireless for verification of the oral contract.

The contract between Miller & Martin and Zuffa/ Ultimate Fighting Championship is written, signed by all parties, and dated April 10, 2008.

Ms. McDaniel reported that her reimbursement and/ or pay was in no way contingent upon success. The Tennessee Association of Home Care did provide a bonus in December of 2007. Ms. McDaniel indicated this bonus was in no way solicited by Miller & Martin.

FAMILY OR BUSINESS ARRANGEMENTS WITH PUBLIC OFFICIALS:

Ms. McDaniel reports she has no business or familial relationships with persons who are officials in the legislative branch or officials in the executive branch.

TRAINING:

Ms. McDaniel attended annual lobbyist training on June 18, 2008. Miller & Martin paid for the training on the same date. A copy of her training registration and check payment are on file.

AMOUNTS REPORTED BY LOBBYIST AND EMPLOYER:

In all accounts except those indicated below, the total amount of lobbying expense and lobbying related expense disclosed by each Employer correlated with the amount received by Miller & Martin. Ms. McDaniel provided proof of the compensation received by Miller & Martin by providing copies of cash receipt cards which indicated the deposit date and the amount received. Where travel expenses were billed to an Employer for whom she was registered, Ms. McDaniel provided receipts.

For the period between October 2007 and March 2008, Miller & Martin billed AETNA for an amount larger than the amount AETNA reported spending for the same period. Ms. McDaniel indicated Miller & Martin billed AETNA during the reporting period for expenses incurred prior to the reporting period. In other words, Miller & Martin included in its audit material some billing for the reporting period prior to October 2007.

For the period between October 2007 and March 2008, the Distilled Spirits Council reported expenses larger than the amount billed by Miller & Martin, though Miller & Martin lobbyists are the only lobbyists registered to lobby for the Distilled Spirits Council. Ms. McDaniel indicated she could not say why the Distilled Spirits Council had reported expenditures larger than those billed by Miller & Martin. Ms. McDaniel indicated each of her Employers were responsible for their own disclosure.

IN-STATE EVENTS:

Two of Ms. McDaniel's Employers held in-state events during the last reporting period. The Employers which held in-state events were the Property Casualty Insurers and The Tennessee Hospital Association. Employers who have held in-state events must file a form with the Commission stating the total aggregate event amount. The Commission does not require receipts or other verification. Mandy Young, a lobbyist also working for Miller & Martin, informed the Commission of the total amount spent on each in-state event. Ms. McDaniel indicated that she was not involved in either the planning or hosting of the event and she had no access to any receipts or other records which might provide verification regarding the cost of the events held.

Report Completed by:

Willow Eden Fort /smn
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