

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, August 11, 2010, at Suite 104 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Presiding over the meeting was Chairperson Patricia Heim. Attending the meeting were board members George Harding, Wade Hinton, Darlene McNeece and Justin Pitt.

## *Approval of Meeting Minutes*

On motion by Pitt, seconded by McNeece, the board voted unanimously to approve the minutes from the June 9, 2010 regular board meeting.

## *Requests for Reconsideration*

**10-06 Joe Towns, Jr.**, for failing to report campaign contributions, receiving contributions in excess of campaign limits, not maintaining campaign records to verify compliance with campaign finance statutes, failing to report campaign expenditures incurred, improperly reporting campaign expenditures in the correct reporting period, and for failing to obtain and/or obtain supporting documentation for all campaign expenditures. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty per violation. Rep. Towns has had previous matters before the board.

The board voted at its February 10, 2010 meeting to issue Rep. Town's a show cause notice for failing to report campaign contributions, receiving contributions in excess of campaign limits, not maintaining campaign records to verify compliance with campaign finance statutes, failing to report campaign expenditures incurred, improperly reporting campaign expenditures in the correct reporting period, and for failing to obtain and/or obtain supporting documentation for all campaign expenditures.

Without objection, the board voted at its March 10, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Towns an opportunity to receive the show cause notice.

In addition to correcting some of the errors, Rep. Towns personally appeared before the board and explained his failure to report campaign contributions, receiving contributions in excess of campaign limits, not maintaining campaign records to verify compliance with campaign finance statutes, failing to report campaign expenditures incurred, improperly reporting campaign expenditures in the correct reporting period, and for failing to obtain and/or obtain supporting documentation for all campaign expenditures.

The board voted at its April 14, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Towns an opportunity to complete all corrections to his campaign financial disclosure statements.

Rep. Towns requested that the board defer any action in this matter until the next meeting to allow him further opportunity to complete all corrections to his campaign financial disclosure statements.

The board voted at its May 12, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Towns an opportunity to complete all corrections to his campaign financial disclosure statements.

Director Rawlins informed the board that Rep. Towns has not provided any further documentation and that no further corrections have been made to his campaign financial disclosure statements.

The board voted at its June 9, 2010 meeting to assess Rep. Towns an \$8,000 civil penalty for failing to report campaign contributions (Finding 1, \$1,000 per violation), \$10,000 for not maintaining campaign records (Finding 3), \$10,000 for failing to report campaign expenditures (Finding 5), \$10,000 for improperly reporting nine campaign expenditures in the correct reporting period (Finding 6) and \$10,000 for failing to obtain and/or retain supporting documentation for all campaign expenditures (Finding 7). The motion to assess Rep. Towns a total of \$48,000 in civil penalties passed the board unanimously.

A motion was made by Heim, seconded by Pitt, to issue Rep. Towns a show cause notice for failure to comply with a campaign audit investigation. The motion to issue Rep. Towns a show cause notice for failure to comply with a campaign audit investigation passed the board unanimously.

Rep. Towns requested a reconsideration of the civil penalty assessment.

In addition to providing further documentation at the meeting, Rep. Towns personally appeared before the board and explained his failure to report campaign contributions, receiving contributions in excess of campaign limits, not maintaining campaign records to verify compliance with campaign finance statutes, failing to report campaign expenditures incurred, improperly reporting campaign expenditures in the correct reporting period, and for failing to obtain and/or obtain supporting documentation for all campaign expenditures.

A motion was made by Harding to reconsider the civil penalty assessment. The motion to reconsider died for a lack of a second. Another motion was made by Harding to reconsider the civil penalty assessment. The motion died for a lack of a second. A motion was made by Hinton, seconded by Harding, to defer any action in this matter until the next regularly scheduled meeting to allow Registry staff to review the documentation provided by Rep. Towns. The motion to defer any action in this matter until the next regularly scheduled meeting to allow Registry staff to review the documentation provided by Rep. Towns passed the board unanimously.

**10-08 Boyce T. McCall, Sr.**, for failure to timely file a 2009 year-end supplemental campaign financial disclosure report. Class one (1), 14 days late, maximum three hundred fifty (\$350) civil penalty. Mr. McCall has had no previous matters before the board.

The board voted at its April 14, 2010 meeting to issue Mr. McCall a show cause notice.

Mr. McCall personally appeared before the board and explained that he willfully failed to timely file the required report.

The board voted at its June 9, 2010 meeting to assess Mr. McCall a \$350 civil penalty.

Mr. McCall requested a reconsideration of the civil penalty assessment.

Mr. McCall personally appeared before the board and further explained his failure to timely file the required report.

On motion by Hinton, seconded by Pitt, the board voted unanimously not to reconsider the \$350 civil penalty assessment against Mr. McCall.

### ***Show Cause Hearings***

**10-18 Adrian Eddleman** for failure to timely file a 2010 1<sup>st</sup> quarter campaign financial disclosure report. Class one (1), 14 days late, maximum three hundred fifty (\$350) civil penalty. Mr. Eddleman has had no previous matters before the board.

The board voted at its June 9, 2010 meeting to issue Mr. Eddleman a show cause notice.

Mr. Eddleman personally appeared before the board and explained his failure to timely file the required report.

On motion by McNeece, seconded by Harding, the board voted unanimously to take no further action in this matter.

**10-13 Susan Lynn**, for a possible violation of the campaign financial disclosure law. Class two (2), maximum ten thousand (\$10,000) civil penalty. Rep. Lynn has had no previous matters before the board.

Director Rawlins provided the board with a sworn complaint filed with the Registry from Craig R. West against Representative Susan Lynn alleging that Rep. Lynn accepted contributions and made expenditures for the 2010 election before filing an Appointment of Political Treasurer form with the Registry for the 2010 election.

The board voted at its June 9, 2010 meeting to issue Rep. Lynn a show cause notice for a possible violation of the campaign finance law.

Rep. Lynn provided a sworn statement and personally appeared before the board to respond to the sworn complaint.

On motion by Harding, seconded by McNeece, the board voted unanimously to take no action in this matter.

**10-17 Joe Towns, Jr.**, for failure to comply with a campaign audit investigation. Class two (2), maximum (\$10,000) civil penalty. Rep. Towns has had previous matters before the board.

The board voted at its June 9, 2010 meeting to issue Rep. Towns a show cause notice for failure to comply with a campaign audit investigation.

Rep. Towns personally appeared before the board and explained his failure to comply with the campaign audit investigation.

On motion by Pitt, seconded by McNeece, the board voted 4 to 1 to assess Rep. Towns a \$250 civil penalty assessment, with Harding voting “no.”

### ***Statements Submitted***

**10-15 TNAMB PAC**, for failure to timely file a 2010 1<sup>st</sup> quarter campaign financial disclosure report. Class one (1), eight days late, maximum two hundred (\$200) civil penalty. The organization has had previous matters before the board.

The board voted at its June 9, 2010 meeting to issue the organization a show cause notice.

The organization submitted a statement for the board's consideration.

A motion was made by Harding to assess the organization a \$200 civil penalty. The motion to assess the organization a \$200 civil penalty died for a lack of a second. A motion was made by McNeece, seconded by Harding, to assess the organization a \$75 civil penalty. The motion to assess the organization a \$75 civil penalty passed the board unanimously.

### ***Case Subject to Approval of Civil Penalty Order***

***10-14 Tennessee Realtors PAC***, for failure to file a 2010 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had a previous matter before the board.

The board voted at its June 9, 2010 meeting to issue the organization a show cause notice.

Chris Sexton, representative for the organization, submitted a statement and personally appeared before the board and explained the failure to file the required report. Mr. Sexton further explained that the report has now been filed.

A motion was made by Harding to take no further action in this matter. The motion to take no further action died for a lack of a second. A motion was made by Hinton, seconded by McNeece, to assess the organization a \$75 civil penalty. The motion to assess the organization a \$75 civil penalty passed the board unanimously.

***10-16 Williamson County Republican Party***, for failure to timely file a 2010 1<sup>st</sup> quarter campaign financial disclosure report. Class one (1), ten days late, maximum two hundred fifty (\$250) civil penalty. The organization has had previous matters before the board.

The board voted at its June 9, 2010 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that the report has been filed but that there has been no response to the show cause notice.

On motion by Hinton, seconded by McNeece, the board voted 4 to 0 to assess the organization a \$250 civil penalty, with Pitt "abstaining."

***10-19 Robert Spence, Jr.***, for failure to file a 2009 year-end supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Spence has had a previous matter before the board.

The board voted at its June 9, 2010 meeting to issue Mr. Spence a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the report still has not been filed.

On motion by Harding, seconded by Hinton, the board voted unanimously to assess Mr. Spence a \$10,000 civil penalty.

## ***Cases Considered for Issuance of Show Cause Notice***

***Nigel Reid, Sr.***, for failure to file a 2010 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Reid has had a previous matter before the board.

A motion was made by McNeece to take no action in this matter. The motion to take no action died for a lack of a second. On motion by Hinton, seconded by Pitt, the board voted unanimously to issue Mr. Reid a show cause notice.

***Jesse Wayne Underwood***, for failure to timely file a 2010 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), six days late, maximum one hundred fifty (\$150) civil penalty. Mr. Underwood has had no previous matters before the board.

Director Rawlins provided the board with a statement from Mr. Underwood.

On motion by Hinton, seconded by Pitt, the board voted unanimously to take no action.

***Wayne White***, for failure to timely file a 2010 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. Mr. White has had no previous matters before the board.

On motion by Harding, seconded by Hinton, the board voted unanimously to take no action.

***Iron Workers LLU 492 PAC***, for failure to timely file a 2010 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), seven days late, maximum one hundred seventy-five (\$175) civil penalty. The organization has had a previous matter before the board.

On motion by Harding, seconded by Pitt, the board voted unanimously to issue the organization a show cause notice.

***Nicole Cravens***, for failure to file a 2010 1<sup>st</sup> quarter campaign financial disclosure report with the Putnam County Election Commission. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Ms. Cravens has had no previous matters before the board.

On motion by Harding, seconded by Hinton, the board voted unanimously to issue Ms. Cravens a show cause notice.

***David Lenoir***, for possible violations of the Campaign Contribution Limits Act. Class two (2), maximum ten thousand (\$10,000) civil penalty. Mr. Lenoir has had no previous matters before the board.

Director Rawlins informed the board that this matter was forwarded to the Registry by the Shelby County Election Commission.

On motion by Harding, seconded by McNeece, the board voted unanimously to issue Mr. Lenoir a show cause notice.

## ***Executive Director's Report***

Director Rawlins informed the board that he met with State and Local subcommittee of Government Operations for a sunset review hearing. Director Rawlins further informed the board that this is the first step in the review process for the Bureau of Ethics and Campaign Finance and that no action was taken at the subcommittee.

***Other Business***

Without objection, the board voted unanimously to include a discussion on the Registry of Election Finance's complaint procedures at the next regularly scheduled meeting.

Without objection, the board voted unanimously to adjourn the meeting until the next regularly scheduled meeting.