

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance for the State of Tennessee met Monday, January 12, 1998, at 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending were: Alan Hubbard, Karen Dunavant, George Harding and Samella Junior-Spence and Herman Reviere.

The minutes of the December 8, 1997 meeting were unanimously approved on motion by Harding, seconded by Reviere.

Show Cause Hearing:

97-50 – United Cities Gas PAC, for failure to timely file 1997 third quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. Worrick Robinson ~~corrected post general campaign disclosure report.~~ Drew appeared before the board on behalf of the committee. ~~He requested clarification on~~ explained that the former treasurer of the PAC had retired from the company and that there was difficulty in finding a new treasurer for the committee. Mr. Robinson finally stated that the report was not filed until December 12 because the committee “dropped the ball.” He also presented to the board the PAC’s 1997 fourth quarter campaign disclosure report closing the committee.

On motion by Reviere, seconded by Junior-Spence, the Registry voted to take no action.

97-52 – Tennessee NARAL PAC, for failure, to timely file 1997 third quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$450. Jim Todd, the treasurer of the PAC, appeared before the board and explained that the individual responsible for picking up the committee’s mail had failed to give Mr. Todd the Registry’s late filing notice. He explained that the PAC had been dormant for several years and presented to the board the PAC’s fourth quarter report closing the committee.

On motion by Harding, seconded by Junior-Spence, the board voted to take no action.

97-53 – Americans for Tenable Sentences and Court Support PAC, for failure to timely file 1997 third quarter campaign financial disclosure report. Class (1), maximum civil penalty \$400. William Thompson, treasurer, appeared before the Registry and explained that he was in Florida when the PAC’s report was due to be filed and that he personally had “dropped the ball.” Mr. Thompson pointed out that the PAC was recently formed and had no activity as of yet. He also stated that the committee consists of former court employees and crime victims and is a volunteer organization.

On motion by Reviere, seconded by Junior-Spence, the board voted to take no action.

97-48 – Tennessee Campaign for the Family PAC, for failure to timely file 1997 third quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. Robert Shearer, treasurer of the PAC, personally appeared before the board. He explained that the committee's report was not filed until December 12 because the notification from the Registry had been placed at the bottom of his work stack by another individual who had opened the mail. Mr. Shearer also stated that his work for the PAC is done as a volunteer.

On motion by Dunavant, seconded by Reviere, the board voted to assess a \$25 civil penalty.

Sworn Statement:

97-49 – Tennessee Sierra Club PAC, for failure to timely file 1997 third quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. On December 17, 1997, the Registry received the PAC's report and a sworn statement from Janet Suber, who is treasurer. Ms. Suber stated that she serves in a volunteer capacity for the committee and has not paid enough attention to the filing requirements. She also stated that she would be making every effort to ensure the PAC's future compliance with the law.

On motion by Reviere, seconded by Dunavant, the board voted to assess a \$50 civil penalty.

Reconsideration:

97-40 – Alan Beauchamp, for failure to timely file 1997 post-election campaign disclosure report with the Anderson County Election Commission. Mr. Beauchamp was assessed a \$500 class two (2) civil penalty by the Registry at its December meeting, when he did not respond to the board's show cause hearing notice. On January 9, Mr. Beauchamp filed a sworn statement explaining that his report was filed late because of family health problems. A letter from the Roane County Administrator of Elections written on behalf of Mr. Beauchamp was also disseminated to the Registry members.

On motion by Reviere, seconded by Dunavant, the board voted to reconsider the assessment and to reduce the penalty to \$100.

Approval of Civil Penalty Orders:

97-45, Century Telephone Enterprises, Inc. PAC, for failure to file a 1997 third quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. No response to the Registry's show cause hearing notice was received. On motion by Harding, seconded by Dunavant, the board voted to assess a \$500 civil penalty.

97-46, Fraternal Order of Police Lodge #2 PAC, for failure to file 1997 third quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. No response to the Registry's show cause hearing notice was received. On motion by Harding, seconded by Dunavant, the board voted to issue a \$250 civil penalty.

97-47, Republican National State Elections Committee, for failure to file 1997 third quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. The committee did not respond to the show cause notice. On motion by Dunavant, seconded by Harding, the board voted to assess a \$1,000 civil penalty.

97-51, Tennesseans for Good Government, for failure to file 1997 third quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. The Registry received no response to the board's show cause hearing notice from the PAC. On motion by Dunavant, seconded by Reviere, the board voted to assess a \$250 civil penalty.

Issuance of Show Cause Notice:

Michael Stewart, for failure to timely file 1997 supplemental annual campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. Mr. Stewart personally appeared before the board and waived the issuance of a show cause hearing notification. He explained that he is now acting as his own treasurer and that he simply did not pay attention to the filing notices from the board. Mr. Stewart has now closed his 1996 state representative campaign account.

On motion by Reviere, seconded by Dunavant, the board voted to take no action.

Budget Report:

Drew Rawlins, Financial Disclosure Auditor, presented the budget statistics for July 1 through November 30, 1997. On motion by Harding, seconded by Junior-Spence, the board voted to approve the budget as presented.

Executive Director's Report:

Director Williams distributed copies of a sworn complaint filed with the Registry on January 8 by the Tennessee Democratic Party. In the complaint, the Democratic Party alleges that the Tennessee Republican Party has violated the campaign finance law by transferring monies from its operating account to its state PAC without disclosing the identity of the contributors to the operating account. Director Williams reported to the board that in keeping with the procedures followed by the office when such complaints are filed, she has mailed a copy of the complaint to the Republican Party and asked that any written response that the party has to the complaint be filed by January 26.

Additionally, Williams disseminated a copy of an opinion request that she sent to the state Attorney General's office on October 29, asking whether a local political party is allowed to transfer monies from its general operating account to its PAC account for use in candidate elections. She also distributed copies of two additional questions that she forwarded to the Attorney General on January 8 to be added to the October 29 request, relating to the questions raised in the State Democratic Party's sworn complaint.

Williams recommended to the board that any action on the Democratic Party's complaint be delayed until the February meeting to give the Republican Party time to file its response. On

motion by Harding, seconded by Junior-Spence, the board voted to follow the Director's recommendation.

Upon consideration of the proposed draft of the 1997 annual report, Harding made a motion that as part of the board's recommendations on legislative changes, that it be recommended that the lobbyist and campaign finance laws be amended to place lobbyists and PACs in the same position as candidates when penalties are not paid. That motion was seconded by Reviere, and the members voted unanimously to add that recommendation to the 1997 annual report.

The board also voted to have letters sent to the two Speakers and the Governor under Chairman Hubbard's signature setting forth the board's legislative recommendations in advance of the final draft of the annual report being completed. As in past years, Director Williams pointed out that it would be sometime in February before the final draft of the annual report would be complete because of incomplete statistical data on 1997 filings and civil penalty assessments.

Director Williams reported to the board that she and Rawlins have now conducted a candidates' seminar in Johnson City. They will be holding seminars in Chattanooga on January 16, in Nashville at the Legislative Plaza on January 24 and in Memphis on January 31. Chairman Hubbard, who attended the Johnson City seminar, recommended to the other board members that they attend one of the seminars if possible.

Other Business:

The next regularly scheduled board meeting was set for Monday, February 9 at 10:30 a.m. The meeting was then adjourned.

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