

# REGISTRY OF ELECTION FINANCE

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The Registry of Election Finance met Tuesday, October 12, 1999, at Suite 1614 of the Parkway Towers building, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Samella Junior-Spence (Chairperson), George Harding, and Michael McCroskey. Karen Dunavant and Greg Duckett participated in the meeting via telephone conference call.

The minutes of the September 14, 1999 meeting were approved unanimously on motion by Harding, seconded by Dunavant.

## ***Consideration of sworn complaint filed against Jim Holcomb:***

In response to a sworn statement filed with the Registry requesting that the Registry investigate allegations in a Kingsport Times News newspaper article that Jim Holcomb has lobbied in 1999 for King Pharmaceutical Co. without registering as a lobbyist, Mr. Holcomb and three representatives from King Pharmaceutical appeared before the board. Prior to the meeting, Mr. Holcomb had also submitted a sworn statement.

During his personal appearance, Mr. Holcomb, who is the Director of Government Relations for King Pharmaceutical Co., maintained that he had not conducted any lobbying activities on behalf of the company. He stated that King Pharmaceutical's attorneys had determined that there was no need for him to register as a lobbyist on behalf of the company. Mr. Holcomb denied statements attributed to him in the newspaper article indicating that he had lobbied the former Executive Director of TennCare to obtain certification of King's drugs for use in the managed care system. (He did admit that he had met with the former Director but stated that no lobbying had been conducted.) Mr. Holcomb also denied having lobbied legislators and employees of the Department of Transportation to attempt to obtain a road project in Bristol that would help King Pharmaceutical expand its facilities.

After a great deal of discussion and further questioning of Mr. Holcomb concerning his activities on behalf of King Pharmaceutical, a motion was made by Duckett, seconded by Dunavant, to take no further action on the complaint filed with the Registry. Harding then amended the motion to state that no further action be taken against Mr. Holcomb, provided that he registered as a lobbyist on October 12, the day of the meeting. McCroskey then moved to table the whole matter indefinitely. McCroskey's motion died for lack of a second. Duckett made a motion to table this matter until the November meeting, seconded by McCroskey. The board voted 4 to 1 to table this matter until next month, with Harding voting "no".

***Show cause hearing:***

**99-45 - Democratic Women's Club of Davidson County**, for failure to file a 1999 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

Gwen McFarland, treasurer for the committee, personally appeared before the board and stated that she had mailed the report on July 7, even though the Registry has no record of receiving the statement. Ms. McFarland further explained that upon receiving the certified letter notifying her that the Registry had not received the PAC's report, she completed another set of forms but did not file the report immediately, due to an illness in her family.

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

***Sworn statements submitted for consideration***

**99-42 - American General Finance, Inc. Pac**, for failure to file a 1999 2<sup>nd</sup> quarter campaign disclosure report. Class two (2), maximum civil penalty \$10,000.

The treasurer of the American General Corporation PAC filed a statement explaining that a letter dated May 19, 1999, had been sent to the Registry stating that American General Finance PAC had been merged into American General Corporation PAC. He provided a copy of the May 19 letter, which the Registry has no record of receiving.

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

**99-50 and 99-51 - Wilson County Republican Party PAC**, for failure to file 1999 1<sup>st</sup> and 2<sup>nd</sup> quarter campaign disclosure reports. Class two (2), maximum civil penalty \$10,000 in each case.

Barbara Miller, who had registered as treasurer of the committee, submitted a sworn statement explaining that the new County Chairman of the Wilson County Republican Party had failed to appoint a new treasurer for the PAC and that she was no longer acting as treasurer. The delinquent reports have now been filed with the Registry.

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

**99-48 - Tennessee Truck PAC**, for failure to file a 1999 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

The treasurer of the PAC filed a sworn statement stating that the report had been mailed to the Registry on July 7, even though the Registry has no record of the report being received. A copy of the report showing a completion date of July 6 has now been filed.

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

**99-47 - Rutherford County Victory 98**, for failure to file a 1999 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

The Vice-Treasurer of the committee filed a sworn statement with the Registry explaining that the PAC has had no activity and that the Rutherford County Republican Executive Committee intends to close the PAC.

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

**99-52 - John Linton**, for failure to file a statement of interests with the Sumner County Election Commission. (Mr. Linton's name was on the ballot as a candidate for city commissioner in the May 27, 1999 Millersville City Election.) Class two(2), maximum civil penalty \$10,000.

Mr. Linton filed a sworn statement with the Registry stating that he had withdrawn his name as a candidate prior to the election. The Sumner County Election Commission provided the board a copy of the ballot from the Millersville City Election, showing that Mr. Linton's name was actually on the ballot.

Harding made a motion to assess Mr. Linton a \$500 civil penalty; that motion died for lack of a second. On motion by McCroskey, seconded by Dunavant, the board voted unanimously to assess Mr. Linton \$100.

### ***Cases subject to approval for civil penalty***

**99-43 - Campaign for a New American Century**, for failure to file a corrected 1998 4<sup>th</sup> quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

No response to the show cause hearing notice was received. On motion by McCroskey, seconded by Harding the board voted unanimously to assess a \$1,000 civil penalty.

**99-44 - Campaign for a New American Century**, for failure to file a 1999 1<sup>st</sup> quarter campaign disclosure report. Class two (2), maximum civil penalty \$10,000.

The committee failed to respond to the show cause hearing notice. On motion by McCroskey, seconded by Harding, the board voted 4 to 1 to assess a \$10,000 penalty, with Dunavant voting "no".

**99-46 - National Republican Congressional Committee**, for failure to timely file a 1999 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$150.

On motion by McCroskey, seconded by Harding, the board voted unanimously to assess a \$150 civil penalty.

**99-49 - Tennesseans for Common Sense, Accountability and Reform**, for failure to file a 1999 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

On motion by McCroskey, seconded by Harding, the board voted unanimously to assess a \$1,000 civil penalty.

### ***Cases considered for possible issuance of show cause***

**Jennifer Whitcomb**, for failure to file a 1999 mid-year lobbying activities report. Maximum civil penalty \$750.

On motion by McCroskey, seconded by Harding, the board voted unanimously to issue a show cause in this matter.

**Dennis Goins**, for failure to file a pre-general campaign disclosure report with the Davidson County Election Commission as a candidate for Metro Councilman in the August 5, 1999 Metro General Election. Class two (2), maximum civil penalty \$10,000.

On motion by Dunavant, seconded by McCroskey, the board voted unanimously to issue a show cause in this matter.

**Donnie Hereford**, for failure to file a pre-general campaign disclosure report with the Davidson County Election Commission as a candidate for Metro Councilman in the August 5, 1999 Metro General Election. Class two (2), maximum civil penalty \$10,000.

On motion McCroskey, seconded Dunavant, the board voted unanimously to issue a show cause hearing notice.

### ***Budget Report:***

Assistant Director Rawlins presented a budget report for the present fiscal year through August 31, 1999. Rawlins also provided the members a list of individuals and organizations who paid outstanding civil penalties during September.

Harding made a motion, seconded by McCroskey, to provide the Registry staff a 2% annual increase in salaries, retroactive to July 1, 1999. That motion was approved unanimously by the members of the Registry.

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

Director Williams presented the members of the Registry with the issue of the provision of box seating to legislative and executive branch officials at the Adelphia Football Stadium by employers of lobbyists and the cost of reimbursement for the seating, for purposes of complying with the lobbying law. This matter was continued by the board until the November meeting to provide the staff additional time to research the value of the box seating.

Director Williams informed the board that Lisa Wright had resigned her secretarial position, and that Janet Williams has been hired to fill that position at an annual salary of \$22,000.

Director Williams again brought up the issue of the consistency of the assessment of civil penalties by the board, which had been discussed in a working session at the October 12 meeting. She referred the members to an additional handout that she had prepared, relating to the possible categories of violations that the board encounters for consideration of the assessment of civil penalties. The board decided to continue consideration of this matter until the November meeting.

### ***Other Business***

The October meeting was adjourned until the next meeting date, which was scheduled for November 9, 1999, at 10:30 a.m.