

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance, for the State of Tennessee, met Tuesday, June 8, 1999, at 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending were the following board members: Karen Dunavant (acting Chair), Greg Duckett (via telephone), George Harding, Alan Hubbard and Michael McCroskey.

The minutes of the May 11, 1999 meeting were approved on motion by Hubbard seconded by Harding.

Show cause hearings:

99-26 – George Burger, for failure to timely file a 1998 year-end lobbying activities report. Mr. Burger registered as a lobbyist in 1998 for Automated Wagering International. Maximum civil penalty \$400.

The Executive Director explained to the members that the Registry had voted at the May meeting to assess Mr. Burger a \$100 civil penalty for the late filing of his report. However, the Director was of the opinion that she had failed to stress sufficiently to the members that Mr. Burger had requested a postponement of this matter, so that he could have additional time to have his signature notarized on his affidavit filed with the Registry. Director Williams reported that she had not issued the assessment order but had placed this case back on the agenda for a show cause hearing.

Attorney Bill Bruce appeared before the board on Mr. Burger's behalf. Mr. Bruce explained that Mr. Burger had moved offices and that his mail had been delayed in being forwarded to him from his old address, including mail from the Registry. (Mr. Bruce also informed the members that Mr. Burger's notarized statement had been mailed to the Registry, even though the Director reported that the statement had not been received in the Registry's office as of the time of the meeting.)

On motion by Duckett, seconded by Hubbard, the board voted unanimously to vacate the previous \$100 assessment against Mr. Burger. McCroskey then made a motion to assess a \$25 civil penalty, which failed for a lack of a second. Harding made a motion to take no further action, seconded by Duckett, which passed 4-1, with McCroskey voting "no".

99-33 – In the matter of Rep. John DeBerry, for failure to file a 1998 post-general campaign financial disclosure report. Class (2), maximum penalty \$10,000.

Rep. DeBerry forwarded a letter to the Registry requesting a continuance of this matter until the board's next meeting due to a previously scheduled court appearance in Memphis.

On motion by Hubbard, seconded by Harding, the board voted unanimously to postpone this case until the board's next meeting.

Request for reconsideration:

99-21 – Joseph Conly, for failure to timely file a 1998 year-end lobbying activities report. (Mr. Conly registered in 1998 as a volunteer lobbyist for AARP; however, he reported on his registration that he was being reimbursed for out-of-pocket expenses for his lobbying activities. Maximum civil penalty \$150.

The board voted to assess a \$25 civil penalty against Mr. Conly at its April meeting. Mr. Conly has filed a letter with the Registry requesting the board's reconsideration of the assessed civil penalties. In that letter, Mr. Conly stated that he had been hospitalized at the time of the Registry's correspondence concerning his activities report.

In a telephone conference with Director Williams on June 4, Mr. Conly explained that he intended to provide the board a sworn statement concerning his physical disabilities and his hospitalization at the time of the required filing of his lobbying report.

Harding made a motion to postpone this matter until the board's next meeting, seconded by Duckett. Duckett made a motion to amend Harding motion, to require Mr. Conly to provide a statement from his doctor as to his illness and hospitalization. After further discussion, Harding withdrew his motion, with Duckett withdrawing his second, as well as his amendment to the original motion.

On motion by Hubbard, seconded by Harding, the board then voted unanimously to vacate the order assessing Mr. Conly a \$25 civil penalty. Then, on motion by Harding, seconded by Hubbard, the board voted unanimously to take no further action against Mr. Conly.

Approval of civil penalty orders:

99-29 – Artie Smith, for failure to timely file a 1998 post-general campaign disclosure report. Mr. Smith was a candidate for state representative in the 1998 elections. Class (1), maximum penalty \$550.

Mr. Smith's case was continued from the May meeting on the recommendation of the Director in order to provide additional time for a show cause hearing notice to reach Mr. Smith at his correct address. (The original show cause notice was mailed by the staff to an incorrect street number.)

In response to the show cause hearing notice, Mr. Smith filed a sworn statement with the Registry, explaining that he had not filed a post-general report because he was under the impression he did not have to file, as he had no monies in his campaign account.

On motion by McCroskey, seconded by Hubbard, the board voted 4-1 to assess a \$25 civil penalty, with Harding voting "no".

99-34 – Rep. Joe Towns, Jr., for failure to timely file a 1998 post-general campaign disclosure report. Rep. Towns was a candidate for state representative in Memphis in the 1998 elections. Class (2), maximum penalty \$10,000.

Director Williams reported to the members that Rep. Towns filed a post-general report on May 14; however, he did not respond to the show cause hearing notice otherwise. Additionally, Williams informed the board that Rep. Towns report was returned to him for several corrections, but his corrected report has not yet been received.

Hubbard made a motion to assess \$5,000 in civil penalties, seconded by McCroskey. Duckett then amended Hubbard's motion to assess Rep. Towns a \$100 civil penalty, seconded by Harding. Duckett's amendment failed by a vote of 2-3, with Dunavant, Hubbard, and McCroskey voting "no".

Duckett made a motion to table the motion to assess Rep. Towns a \$5,000 civil penalty until the July meeting, seconded by Harding. The tabling motion failed on a 2-3 vote, with Dunavant, Hubbard and McCroskey voting "no". Harding then made a motion to call for the question on the original motion, seconded by Duckett. The board voted 4-1 to call for the question on the original motion, with McCroskey voting "no". The original motion failed with a vote of 2-3, with Duckett, Dunavant, and Harding voting "no".

McCroskey made a motion to assess Rep. Towns a \$1,000 civil penalty, seconded by Hubbard. The motion failed on a 3-2 vote, with Duckett and Harding voting "no".

On motion by Harding, seconded by Duckett, the board then voted unanimously to continue this matter for consideration until the next meeting.

99-35 – Rep. Joe Towns, Jr., for failure to timely file a corrected 1999 annual statement of interests. Class (2), maximum civil penalty \$10,000.

Rep. Towns filed his corrected statement of interests on May 14. However, Rep. Towns did not respond to show cause notice otherwise.

On motion by Hubbard, seconded by Harding, the board voted unanimously to continue this matter until the next board meeting.

Issuance of show cause notices:

Advocates for Better Children and Dads, for failure to file a 1999 first quarter campaign financial disclosure statement. Class (2), maximum civil penalty \$10,000.

Assistant Director Rawlins informed the members that this PAC has already been assessed a total of \$8,000 in civil penalties for failing to file any campaign disclosure reports, other than an appointment of treasurer's statement.

On motion by Harding, seconded by Duckett, the board voted unanimously to direct staff to send the PAC and its treasurer a certified letter stating that the Registry intends to close the PAC, unless the Registry receives notice from the PAC and/or treasurer requesting otherwise.

Dickson County Young Democrats, for failure to timely file a 1999 first quarter campaign financial disclosure statement. Class (1), maximum civil penalty \$525.

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

Sullivan County Democratic Women, for failure to file a 1999 first quarter campaign financial disclosure statement. Class (2), maximum civil penalty \$10,000.

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

Tennesseans for Good Government, for failure to timely file a 1999 first quarter campaign financial disclosure report. Class (1), maximum civil penalty \$400.

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

Marshall County Republican Party, for failure to timely file a 1999 first quarter campaign financial disclosure report. Class (1), maximum civil penalty \$275.

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

Republican National State Elections Committee, for failure to file a new appointment of political treasurer statement. Class (2), maximum civil penalty \$10,000.

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

Budget report:

Assistant Director Rawlins presented a budget report for the 1998-1999 fiscal year through April, 1999. Rawlins also provided the members a list of individuals and organizations who paid civil penalties during May.

On motion by McCroskey, seconded by Duckett, the board voted unanimously to approve the budget report, as presented.

Executive Director's report:

Director Williams disseminated to the members copies of a status report as to the 1999 legislative bills which affect the disclosure laws that the Registry enforces. Williams pointed out to the board that four of the bills presented in the report passed as of the end of this year's session. She provided copies of two of those bills that are already public chapters.

Other business:

Assistant Director Rawlins brought up for the board's discussion a situation reported by the media involving a golfing trip taken by legislators and the state treasurer, where Averitt Air Charter, Inc., reportedly provided one of two planes used as transportation for the trip.

Harding made a motion to take no action in this case and to delete any reference to this situation from the minutes; Duckett seconded the motion for purposes of discussion. The members then discussed the staff's handling of this matter and how such matters should be handled by the staff in the future.

After further discussion, Harding then withdrew the portion of his motion requiring deletion of any discussion of this situation from the minutes. Rawlins provided the members with written information provided voluntarily by the attorney for the state officials and the attorney for Averitt Air Charter, Inc., showing payment by the officials for the cost of the use of the Averitt plane.

The Registry then voted 4-1 to take no action on this matter, with McCroskey voting "no".

The next meeting was scheduled for July 13, 1999, to begin at 10:30 a.m. The June meeting was then adjourned.