

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Tuesday, April 11, 2000, at Suite 1614 of the Parkway Towers building, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Karen Dunavant, Bud Gilbert, George Harding, and Alan Hubbard. Greg Duckett participated in the meeting by telephone. (Michael McCroskey was unable to attend the meeting due to his Mother's illness.)

The minutes of the February 8, 2000 meeting were approved unanimously on motion by Harding, seconded by Gilbert.

Cases subject to approval for civil penalty

00-02 – Doug Morris, for possible acceptance of an excess campaign contribution for his 1996 primary election or in the alternative receipt of an illegal corporate contribution.

Mr. Morris initially disclosed on his 1999 supplemental annual campaign financial disclosure report filed December 13 that his father had forgiven a \$5,388 obligation that Mr. Morris owed his father's advertising agency (Morris Advertising Agency). Upon receiving correspondence from the Registry informing Mr. Morris that he may have violated the Campaign Contribution Limits Act by accepting an excess contribution from his father through the writing off of the obligation, Mr. Morris filed a sworn statement stating that he had actually repaid the obligation and submitted an amended disclosure report on January 18 showing that repayment. He also filed a copy of the front of a check dated November 14, 1999 written to Morris Advertising Agency in the amount of \$5,388.

The Registry voted at its February 8 meeting to request a copy of the cancelled Check written by Mr. Morris to repay the obligation to ensure that Morris Advertising agency had indeed deposited the check.

In response to the request for a copy of the cancelled check, Mr. Morris sent a letter to Director Williams on February 19, stating that the check written to Morris Advertising had been lost as well as Morris Advertising's bank records. He also informed the Director that Morris Advertising Agency is no longer in business.

After receiving a letter from Director Williams strongly suggesting to him that he obtain a copy of the cancelled check from his bank, Mr. Morris sent a letter on February 23 stating that he has contacted the bank and that there is no record of the check. He stated that he had contacted Morris Advertising Agency and that the check had not yet been deposited.

Director Williams sent a letter to Mr. Morris on March 3, reminding him that the case involving the obligation issue was on the agenda for the March 14 meeting and inviting him to personally attend that meeting. On March 7, Mr. Morris sent a letter to

the Director stating that he is working to have a check available to send to Morris Advertising so as to have cleared the bank by the time of the March 14 meeting.

Because the March 14 Registry meeting was cancelled, Director Williams sent a letter to Mr. Morris on March 16 informing him that he had another opportunity to appear before the Registry on April 11 or to submit a sworn statement concerning the repayment of the obligation. On April 8, Mr. Morris faxed a copy of the front of a check written to Morris Marketing Group on March 27 in the amount of the outstanding obligation made to his campaign by Morris Advertising Agency. As of the date of the April 11 meeting, Mr. Morris had still not provided a copy of a cancelled check written to Morris Advertising Agency repaying the obligation.

Harding made a motion to refer this matter to the Shelby County District Attorney General for investigation of possible criminal violations of the campaign finance laws by Mr. Morris, seconded by Gilbert for purpose of discussion.

A discussion then followed by the members as to how the letters, statements and reports filed with the Registry by Mr. Morris were in conflict and how more questions were raised in this matter each time that Mr. Morris files additional information.

Harding then amended his original motion to include the assessment of a \$5,000 civil penalty against Mr. Morris for violating the campaign finance laws. After discussion of this amendment and the procedures that the Registry should follow in this case, Harding withdrew his amendment.

Harding then amended his original to refer this matter to the Shelby County District Attorney General for investigation of possible criminal violations by Mr. Morris and to have the Registry defer any further civil action against Mr. Morris until the results of the Attorney General's investigation were available. Harding also asked that the board authorize Director Williams to travel to Memphis to personally meet with General Bill Gibbons to provide him with the documentation and information received by the Registry in this matter. After the motion as amended was seconded by Gilbert, the board voted unanimously to approve of Harding's motion.

99-68 Yarboro Sallee, for failure to file her original 1999 supplemental annual campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

This matter had been continued at the board's January meeting to provide Ms. Sallee an additional opportunity to obtain her campaign financial records from her treasurer. Additionally, the Registry had requested that Ms. Sallee file a campaign disclosure report to the best of her knowledge prior to the receipt of any financial information that she might obtain from her treasurer.

Director Williams informed the members that Ms. Sallee had faxed a copy of her campaign disclosure report and a copy of a sworn statement to the Registry on February 7. She also faxed a note, stating that her original report was in the mail. At the February 8 meeting, the board voted to continue this matter until its next meeting, to ensure that Ms. Sallee's original report was received by the Registry.

Director Williams also stated that she had sent two follow-up letters to Ms. Sallee to inform her that this matter is still pending and that the original campaign disclosure report had still not been received. As of the date of this meeting, Ms. Sallee's original report had not been received by the Registry.

On motion by Harding, seconded by Hubbard, the board voted unanimously to assess Ms. Sallee a \$500 civil penalty.

00-03 Roger Woolsey, for failure to timely file a 1999 supplemental annual campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

Director Williams informed the members that Mr. Woolsey had not responded to the show cause hearing notice issued by the board prior to the scheduled March meeting. Additionally, Director Williams sent a follow-up letter on March 16 to inform Mr. Woolsey that his case would be considered at the April 11 meeting and provided him another opportunity to respond to the board's show cause hearing notice. Mr. Woolsey still has not responded to the show cause hearing notice.

On motion by Hubbard, seconded by Gilbert, the board voted unanimously to assess Mr. Woolsey a \$250 civil penalty.

00-04 Stephen Wolf, for failure to file a 1999 pre-general campaign financial disclosure report with the Shelby County Election Commission. Class two (2), maximum civil penalty \$10,000. (Mr. Wolf was a candidate for the office of city councilman in the October 7, 1999 City of Memphis Municipal Election.)

Director Williams informed the members that this case was forwarded to the Registry by Shelby County, as it is required to do by law. Mr. Wolf was notified after the cancellation of the March meeting that he had another opportunity to respond prior to the April 11 meeting. Mr. Wolf has still not filed his pre-election campaign disclosure report, and no response has been received to the show cause hearing notice.

On motion by Harding, seconded by Gilbert, the board voted to assess Mr. Wolf a \$1,000 civil penalty, with Duckett "abstaining" from the vote, as he is a member of the Shelby County Election Commission.

Cases Considered for Issuance of Show Cause Notices

Anderson County Democratic Executive Committee, for failure to file a 1999 4th quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

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

Tennessee Federation of Republican Women – B. McAndrew Iris Fund, for failure to file a 1999 4th quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

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

Century Telephone Enterprises, Inc. PAC, for failure to timely file a 1999 4th quarter campaign disclosure report. Class one (1), maximum civil penalty \$100.

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

MIM Health Plans PAC, for failure to timely file a 1999 4th quarter campaign disclosure report. Class one (1), maximum civil penalty \$275.

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

Tennesseans for Common Sense, Accountability and Reform, for failure to timely file a 1999 4th quarter campaign disclosure report. Class one (1), maximum civil penalty \$175.

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

Timothy Ayers, for failure to timely file a 1999 year-end lobbying activities report. Maximum civil penalty \$425.

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

Barbara Baldwin, for failure to timely file a 1999 year-end lobbying activities report. Maximum civil penalty \$750.

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

Campbell Gilbert, for failure to timely file a 1999 year-end lobbying activities report. Maximum civil penalty \$250.

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

Carolyn Ellerson, for failure to file a 1999 year-end lobbying activities report. Maximum civil penalty \$750.

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

William Goodwin, for failure to file a 1999 year-end lobbying activities report. Maximum civil penalty \$750.

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

B. R. Hall, for failure to file a 1999 year-end lobbying activities report. Maximum civil penalty \$750.

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

J. Mark Hansen, for failure to file a 1999 year-end lobbying activities report. Maximum civil penalty \$750.

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

Herbert Hilliard, for failure to file a 1999 year-end lobbying activities report. Maximum civil penalty \$750.

On motion by Gilbert, seconded by Harding, the board voted unanimously to issue show cause in this matter with Duckett and Dunavant abstaining.

Thomas Nelson, for failure to timely file a 1999 year-end lobbying activities report. Maximum civil penalty \$275.

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

Pamela Reed, for failure to file a 1999 year-end lobbying activities report. Maximum civil penalty \$750.

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

Joe Akard, for failure to timely file a 1999 supplemental annual campaign disclosure report. Class two (2), maximum civil penalty \$10,000.

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

Rep. William Baird, for failure to timely file 1999 supplemental annual campaign disclosure report. Class two (1), maximum civil penalty \$100.

On motion by Hubbard, seconded by Gilbert, the board voted unanimously to take no action.

Sen. Roscoe Dixon, for failure to timely file 1999 supplemental annual campaign disclosure report. Class two (1), maximum civil penalty \$750.

On motion by Harding, seconded by Hubbard, the board voted unanimously to issue a show cause hearing notice in this matter, with Gilbert recusing himself from the vote.

Wade Farmer, for failure to file 1999 supplemental annual campaign disclosure report. Class two (2), maximum civil penalty \$10,000.

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

James Roberts, for failure to file 1999 supplemental annual campaign disclosure report. Class two (2), maximum civil penalty \$10,000.

On motion by Gilbert, seconded by Hubbard, the board voted unanimously to issue a show cause hearing notice in this matter.

Roger Woolsey, for possible acceptance of an excess campaign contribution in the form of a loan. Maximum civil penalty \$10,000.

Mr. Woolsey provided a letter to the Registry stating that the \$8,000 loan to his 1998 campaign for district attorney general was being written off as a contribution to his

campaign from his wife and himself. Director Williams provided documentation to the members showing that she had inquired about this loan in 1998 when Mr. Woolsey had disclosed the loan as being from him and his wife. Mr. Woolsey had responded to the inquiry by filing an amended report showing the loan as being totally from himself from proceeds from he and his wife's law partnership.

In response, Mr. Woolsey sent an affidavit from himself and from his wife. The affidavit's stated that the monies were from he and his wife's partnership and that only \$1,000 of this should be attributed to his wife, the remaining \$7,000 to himself.

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

Budget Report

Director Williams recommended to the members that Janet Williams, Executive Secretary, be given a merit raise of \$2,000 annually. Williams explained to the members that Janet has been an excellent employee, who is very dependable. On motion by Harding, seconded by Gilbert, the board voted to approve the merit raise for Janet, as recommended by the Director.

Assistant Director Rawlins presented the board a budget report for the present fiscal year through February 29, 2000. Rawlins also provided the members a list of individuals and organizations who paid outstanding civil penalties owed to the Registry during February and March.

On motion by Hubbard, seconded by Harding, the board voted unanimously to approve the budget as presented.

Executive Director's Report

Director Williams presented information on the Registry's new Internet website. The website includes Registry facts, forms, updated lobbyist list, PAC list, upcoming filing dates, the last three months minutes, current agenda, and the qualifying candidate list.

Director Williams disseminated to the members copies of a status report as to the 2000 legislative bills which affect the disclosure laws that the Registry enforces. Williams pointed out to the board the bills that are presently pending before the General Assembly that are still viable as of the date of the meeting.

Director Williams has been asked by Rep. Matt Kisber to participate in the drafting of legislation for the disclosure of funds used for issue advocacy ads. Williams asked the board members if they wished to take a position on such legislation. The members decided not to take a position, as this legislation concerns a policy matter on which the Registry does not generally take a position.

Director Williams provided estimates for electronic filing software from SDR and Quest Information Systems, companies who have developed such software for other states. Assistant Director Rawlins provided additional information on the estimates and software packages that are available from these companies. (Local Government Data Processing Systems provided an estimate as to the costs to conduct a study to determine the needs of the Registry to develop an electronic filing system.)

Gilbert suggested that the staff research the possibility of creating a database where candidates would be provided a computer disk into which to input their campaign disclosure information to be returned to the Registry. The staff would then download the information from the disk into the computer system.

Director Williams suggested that she and Assistant Director Rawlins contact OIR concerning Gilbert's idea, as well as Local Government Data Processing systems and provide the information to the board at the May meeting.

Other Business

The April meeting was adjourned until the next meeting date, which was scheduled for May 10, 2000, at 10:30 a.m. CDST.