

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, June 14, 2000, at Suite 1614 of the Parkway Towers building, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Bud Gilbert, George Harding, Alan Hubbard, and Michael McCroskey. Harding acted as chair in the absence of Dunavant.

The minutes of the May 10, 2000 meeting were approved unanimously on motion by Hubbard, seconded by McCroskey.

Request for Reconsideration

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

The board voted at its April 11 meeting to assess Ms. Sallee a \$500 civil penalty, after Ms. Sallee failed to file her original disclosure report. Ms. Sallee requested a reconsideration of the assessment and asked to personally appear before the Registry at the June 14 meeting, with witnesses.

Ms. Sallee's attorney, Michael Ritter, telephoned the Director on June 13 and requested that consideration of the request for reconsideration be postponed until the July meeting because of the attorney's prior court commitment.

On motion by Hubbard, seconded by Gilbert, the board voted to give Ms. Sallee an extension on her request for reconsideration until the July meeting, with the understanding that no more extensions will be granted. Harding voted "no" on the motion.

00-08 – Thomas Nelson, for failure to timely file a 1999 year-end lobbying activities report. Maximum civil penalty \$275.

Mr. Nelson requested to appear before the Registry at its May 10 meeting after receipt of the board's show cause hearing notice. However, Mr. Nelson failed to appear and did not notify the Registry. The board voted at the May 10 meeting to assess Mr. Nelson a \$275 civil penalty.

Mr. Nelson personally appeared before the board on his request for reconsideration. During his personal appearance, Mr. Nelson explained that he has remained out of town extensively and has rarely been at his office. Mr. Nelson noted that he had a fairly new assistant who signed for the Registry's certified assessment letter but left it unopened. Mr. Nelson explained that he did not receive the certified letter until he returned from his travels. He noted that as soon as he received the letter he completed the form and personally hand delivered the lobbying activities report to the Registry.

On motion by McCroskey, seconded by Hubbard, the board voted unanimously to reconsider the \$275 assessment against Mr. Nelson and to vacate the previous order.

Cases subject to approval for civil penalty

Democratic Women's Club of Davidson County, for failure to timely file a 1999 4th quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$300.

Assistant Director Rawlins reported to the members that no one from the committee requested an appearance before the board, nor was a sworn statement submitted for consideration of this matter.

On motion by McCroskey, seconded by Hubbard, the board voted to assess the organization a \$300 civil penalty.

Tennessee Latino American PAC, for failure to timely file a 2000 1st quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$200.

The treasurer of this organization notified the Registry of his intent to personally appear before the board at the June meeting. He later called to ask for an extension to appear at the next meeting date in July, due to a death in the family.

On motion by McCroskey, seconded by Hubbard, the board voted unanimously to postpone this matter until the July meeting at the request of the committee's treasurer.

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

Assistant Director Rawlins reported that the committee failed to respond to the board's show cause hearing notice.

A motion was made by McCroskey to assess a civil penalty of \$10,000; that motion died for lack of second. On motion by Hubbard, seconded by McCroskey, the board voted unanimously to assess the organization a \$1,000 civil penalty.

00-25 Bruce Cantrell, for failure to file a 2000 early supplemental annual campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

Director Williams informed the board that Mr. Cantrell has not responded to the show cause hearing notice and has still failed to file his report..

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

00-17 Carolyn Elerson, for failure to timely file a 1999 year-end lobbying activities report. Maximum civil penalty \$750.

This case was continued from the May 10 meeting to request additional information or evidence from Ms. Elerson that she or someone from Federal Express' governmental relations office had attempted to fax her lobbying activities report to the Registry on two prior occasions earlier in the year. Upon inquiry, Director Williams was contacted by a member of the governmental relations office, who informed her that they had nothing further to provide the Registry other than the fax cover sheet provided with Ms. Elerson's affidavit at the May meeting.

A motion was made by McCroskey, seconded by Gilbert, to assess a \$750 civil penalty. After discussion, Gilbert withdrew his second. Hubbard then amended the

original motion, seconded by Harding, to assess a \$100 penalty. That amendment was passed by the members, assessing Ms. Elerson a \$100 civil penalty.

Cases Considered for Issuance of Show Cause Notices:

Tennesseans for Hemp and Cannabis, for failure to timely file a 2000 1st quarter campaign financial report. Class one (1), maximum civil penalty \$200.

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

Joe Six PAC, for failure to file a 1999 4th quarter campaign financial report. Class two (2), maximum civil penalty \$10,000.

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

Fraternal Order of Police Lodge #2, for failure to file a 2000 1st quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

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

National Republican Congressional Committee, for failure to file a 2000 1st quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

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

Tennessee Republican Victory Committee, for failure to file a 2000 1st quarter campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

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

Luke Bright, for failure to timely file 2000 statement of interests, as a candidate for state representative in house district 21 out of Philadelphia, TN. Class one (1), maximum civil penalty \$50.

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

Walter Day, for failure to timely file a 2000 statement of interests, as a candidate for state senate in district 8 out of Louisville. Class one (1), maximum civil penalty \$50.

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

Eugene Lively, for failure to timely file a 2000 statement of interests, as a candidate for state representative out of Harrison. Class one (1), maximum civil penalty \$75.

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

Kenneth Meyer, for failure to timely file a 2000 statement of interests, as a candidate for state senator out of Chattanooga. Class one (1), maximum civil penalty \$125. (Director Williams informed the members that Mr. Meyer has been assessed a \$150 in a previous case before the Registry, and civil penalties were waived in another matter against Mr. Meyer.)

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

Anne Phillips, for failure to timely file a 2000 statement of interests, as a candidate for state representative in district 33 out of Clinton. Class one (1), maximum civil penalty \$75.

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

Joseph Saad, for failure to timely file a 2000 statement of interests, as a candidate for state representative in district 56 in Nashville. Class one (1), maximum civil penalty \$50.

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

James Vincent, for failure to timely file a 2000 statement of interests, as a candidate for state representative in district 31 in Chattanooga. Class one (1), maximum civil penalty \$125.

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

Budget Report:

Assistant Director Rawlins presented the board a budget report for the present fiscal year through April 30, 2000. Rawlins also provided the members a list of individuals and organizations who paid outstanding civil penalties owed to the Registry during May.

Assistant Director Rawlins informed the board that the study requested by the board to be conducted by Local Government Data Processing Systems relating to electronic filing of disclosure reports has been approved through the Department of Finance and Administration. The contract is currently being processed and the study will begin as the necessary paperwork is completed.

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

Executive Director's Report:

Director Williams provided the board a legislative update as to bills passed and bills pending before the General Assembly affecting the Registry and the disclosure laws that it administers.

She explained to the members that a bill has passed that would prohibit the transfer of monies from a federal account to an account to run for state or local office. That bill has become law without the governor's signature. (Public Chapter 612)

Secondly, Williams reported that a bill has passed requiring all local political parties, state political parties or legislative caucuses that have a PAC to disclose all monies, including their operating accounts. Although the Governor vetoed the bill, both houses overrode the veto.

Additionally, Director Williams advised the board of one viable bill still pending in the General Assembly, which would require campaign financial disclosure statements to be filed by the actual due date or penalties will begin to accrue the next day. Also, the bill would attempt to address issue advocacy ads. The bill was passed by the House, with the House amendments being rejected by the Senate. The House then refused to recind its action. Director Williams reported that the bill was placed on notice on the Senate calendar on May 9 but that no additional action has occurred as of the date of the meeting because of the budget issue pending in the General Assembly.

Director Williams disseminated a copy of a letter provided to her by General William L. Gibbons of Shelby County, concerning the status of the Doug Morris matter. Mr. Morris has failed to contact either the Shelby County District Attorney General's Office or the Registry after notification that the case against him had been forwarded to Shelby County for possible criminal prosecution. Therefore, General Gibbons sent a ltter to the Director of the Tennessee Bureau of Investigation on May 26 asking that the Bureau investigate whether Mr. Morris has violated the Campaign Contribution Limits Act.

Director Williams presented to the board information about the annual COGEL conference being held this year in Tampa, Florida on December 3-6. Rawlins provided the members an estimate of the cost for each person to attend the conference.

The Registry members present at the meeting recommended that five board members and three staff members be authorized to attend the conference. Also, Director Williams was requested to poll board members not present to determine who of the members are interested in attending the conference.

Other Business

Director Williams informed the members that Karen Dunavant, as chair, had suggested that the board meet the third week in July instead of the second week. Also,

Dunavant suggested that the board not meet in August, as the Registry staff will be very busy with incoming pre-primary election reports.

Harding requested that the Registry's future annual reports be sent to each member of the General Assembly instead of just to the Speakers of both houses, as has been the practice in the past..

On motion by Hubbard, seconded by Harding, the board voted unanimously to issue each member of the General Assembly, along with the Speakers and the Governor, a copy of the Registry's annual report and legislative recommendations for 1999.

The June meeting was adjourned until the next meeting date, which was scheduled for July 19, 2000, at 10:30 a.m. No meeting will be scheduled in August.