

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Thursday July 20, 2000, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Karen Dunavant, George Harding, C. Coulter "Bud" Gilbert, Alan Hubbard, Samella Junior-Spence, and Michael McCroskey.

The minutes from the June 14, 2000 meeting were approved unanimously on motion by Gilbert, seconded by Hubbard.

## *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 with her attorney Mr. Michael Ritter.

Mr. Ritter telephoned the Registry on Tuesday, July 18, and advised Assistant Director Rawlins that since the board had changed its meeting from the 19<sup>th</sup> of July to the 20<sup>th</sup>, he would be unable to attend. Ms. Sallee did personally appear before the board. Director Rawlins explained the facts of the case informing the board that the Registry still had not received Ms. Sallee's original report.

Ms. Sallee disseminated an unsigned affidavit from her secretary stating that she mailed a sworn statement attested to by Ms. Sallee containing the exact information as the Campaign Financial Disclosure report. Ms. Sallee contended that this sworn statement was sufficient and approved by Director Williams. However, it was brought to Ms. Sallee's attention by the board that several letters, including a certified letter were sent to her home address, notifying her that the Registry still had not received her original report. Ms. Sallee explained that since she had filed the sworn statement, she disregarded the notification letters. The board specifically asked Ms. Sallee to explain why the original report (a copy of which was faxed to the Registry) had not been filed. Ms. Sallee admitted that her secretary had never mailed the report and that she did not know what happened to it. The board asked Ms. Sallee if she would be willing to take time and complete another campaign financial disclosure report. Ms. Sallee stated she had already completed one and brought it with her. The board advised Ms. Sallee to file her report before she left.

On motion by McCroskey, seconded by Harding, the board voted 4 to 1, with Gilbert voting no and Dunavant abstaining, to deny the request for reconsideration and to affirm the \$500 assessment.

## ***Show Cause Hearing***

**00-24 – Tennessee Latino American PAC**, for failure to timely file a first quarter 2000 campaign financial disclosure report. Class one (1), maximum civil penalty \$200.

Greg Rodriguez personally appeared on behalf of the Tennessee Latino American PAC. Mr. Rodriguez explained to the board that the original notice had gone to the President of the PAC on Hart Lane, instead of Mr. Salenas, the Treasurer. By the time Mr. Salenas received the notice, the report was already late.

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

**00-31 – Kenneth Meyer**, for failure to timely file a statement of interests report. Mr. Meyer is a candidate in the 2000 elections for state senate in District 10. Class one (1), maximum civil penalty \$125.

Mr. Meyer personally appeared before the board to explain that he had been traveling on business when the notice arrived. When Mr. Meyer received the certified notification letter, he completed and mailed the report the same day, but not by certified mail. By the time the Registry received the report it was five (5) days late.

On motion by Junior-Spence, seconded by Gilbert, the board unanimously to take no action in this matter with McCroskey recusing himself from the vote.

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

**00-26 – Tennesseans for Hemp and Cannabis**, for failure to timely file a first quarter 2000 campaign financial disclosure report. Class one (1), maximum civil penalty \$200.

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

On motion by McCroskey, seconded by Gilbert, the board voted unanimously to assess the committee a \$200 civil penalty.

**00-27 – Joe Six PAC**, for failure to file a fourth quarter 1999 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

Assistant Director Rawlins informed the board that there has been no response to the show cause notice and that the campaign financial disclosure report has not been filed.

A motion was made by McCroskey to assess a \$10,000 civil penalty, that motion died for lack of a second. On motion by Harding, seconded by Junior-Spence, the board voted unanimously to assess the organization a \$1000 civil penalty.

**00-28 – Fraternal Order of Police Lodge #2**, for failure to file a first quarter 2000 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

Assistant Director Rawlins informed the board that there has been no response to the show cause notice and that the campaign financial disclosure report has not been filed.

A motion was made by McCroskey to assess a \$10,000 civil penalty, that motion died for lack of a second. On motion by McCroskey, seconded by Hubbard, the board voted unanimously to assess the organization a \$1000 civil penalty, with Gilbert abstaining from the vote.

**00-29 – National Republican Congressional Committee**, for failure to file a first quarter 2000 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

Assistant Director Rawlins informed the board that there has been no response to the show cause notice, but the first quarter 2000 report was filed on July 10.

On motion by McCroskey, seconded by Gilbert, the board voted unanimously to assess the committee a \$1500 civil penalty.

**00-30 – Tennessee Republican Victory Committee**, for failure to file a first quarter 2000 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

Assistant Director Rawlins reported that the committee's treasurer talked to Director Williams and had faxed a copy of an unnotarized fourth quarter 1999 report and a letter dated December 14, 1999 stating they were closing their PAC. Assistant Director Rawlins explained that the Registry had not received the December 14 letter or the fourth quarter 1999 campaign financial disclosure report prior to receiving the fax.

On motion by Hubbard, seconded by Gilbert, the board voted unanimously to assess the organization a \$1000 civil penalty, with McCroskey recusing himself from the vote.

### ***Cases Considered for Issuance of Show Cause Notices:***

**Cumberland County Democratic Women's Club**, for failure to file a first quarter 2000 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

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

**Joe Six PAC**, for failure to file a first quarter 2000 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

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

**Urban Agenda PAC**, for failure to file a first quarter 2000 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

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

**Helen Owens**, for failure to file a statement of interests report. Ms. Owens is a candidate for State Representative in the 80<sup>th</sup> district. Class two (2), maximum civil penalty \$10,000.

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

**Nathan Pike**, for failure to file a statement of interests report. Mr. Pike is a candidate for State Representative in the 3<sup>rd</sup> district. Class two (2), maximum civil penalty \$10,000.

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

**Rick Williams**, for failure to file a statement of interests report. Mr. Williams is a candidate for State Representative in the 51<sup>st</sup> district. Class two (2), maximum civil penalty \$10,000.

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

### ***Budget Report***

Assistant Director Rawlins presented the board a budget report for the 1999/2000 fiscal year through May 30, 2000. Rawlins also provided the members a list of individuals and organizations who paid outstanding civil penalties owed to the Registry during June, 2000.

Assistant Director Rawlins disseminated a copy of the study done by Local Government Data Processing Systems relating to electronic filing of disclosure reports. Representatives from Local Government Data Processing will be present at the board's August meeting to discuss the report.

On motion by Hubbard, Junior-Spence seconding, the board voted unanimously to approve the budget as presented.

### ***Other Business***

Assistant Director Rawlins disseminated information and registration materials for the upcoming COGEL conference. Chairperson Dunavant recommended to the board that in the future only a certain number of board members and staff be allowed to attend.

Chairperson Dunavant informed the members that as of July 10, 2000 Director Peggy Williams has been placed on administrative leave. Dunavant further explained that the decision to place Director Williams on administrative leave was precipitated by several recent incidents.

Dunavant informed the board of an incident that had occurred on July 7<sup>th</sup> involving Director Williams locking herself in her office for several hours, resulting in the Registry office being unable to function as normal. Dunavant also explained two prior incidents, one in which Director Williams was found passed out in the bathroom at the Capitol and another where she was arrested for public drunkenness after she was found passed out at a local mall. All of the incidents had been independently verified by the Attorney General's office.

Chairperson Dunavant disseminated copies of information provided by Director Williams, which included a letter from her explaining that she was in the VITA outpatient treatment program and a letter from her counselor. Chairperson Dunavant reported to the board that Director Williams had made the decision not to personally appear before the board, however if any board members had questions she would be available by telephone.

Janet Kleinfelter from the Attorney General's office explained to the board that they had several options of recourse. Ms. Kleinfelter explained that Director Williams is an "employee at will" meaning she can be fired for no specific reason. However, Kleinfelter advised that pursuant to the Americans with Disabilities Act (ADA), she could not be fired for her alcoholism, as alcoholism is a diagnosed disease. Ms. Kleinfelter went on to explain that while the board does have to accommodate her disability under ADA, the Act does not require them to accommodate her disability when the disability interferes with the performance of her job. Ms. Kleinfelter advised the board they could either terminate Director Williams or place her on leave.

After a lengthy discussion, the board decided due to Director Williams's unbecoming conduct to the office of Executive Director of the Registry of Election Finance and her demonstration of impaired judgment, such that it interfered with her ability to effectively and accurately perform her duties of Executive Director, that it is not in the best interest of the Registry for Director Williams to continue to be employed as Executive Director. Accordingly, a motion was made by Gilbert, seconded by Junior-Spence to place Director Williams on administrative leave with pay until July 31, 2000 and if by July 31, 2000 Director Williams was still employed by the Registry and had not submitted her resignation, she would be terminated effective July 31, 2000. Director Williams will be notified in writing by the Attorney General's office of the board's decision. The motion passed with a 5 to 1 vote with McCroskey voting "no".

A motion was made by Harding, seconded by Gilbert to name Assistant Director Rawlins Acting Director until the board's next meeting. Junior-Spence then offered an amendment to Harding's motion to name Assistant Director Rawlins as Acting Director until such time as the board sees fit, with McCroskey seconding. The board voted unanimously to accept the amendment to the original motion. Upon a roll call vote, the board voted unanimously to name Assistant Director Rawlins Acting Director until such time as the board sees fit.

On motion by Harding, seconded by McCroskey, the board voted unanimously to adjust Acting Director Drew Rawlins' salary to that of the Executive Director position on a pro rated basis effective June 20, 2000.

The board's next regularly scheduled meeting will be Wednesday, August 16, 2000 at 10:30 am. At 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

