

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, October 10, 2001, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members George Harding, Karen Dunavant, Michael McCroskey, Art Swann, and Henry Fincher.

On motion by Fincher, seconded by McCroskey, the minutes from the September 12, 2001 meeting were approved unanimously.

## *Request for Reconsideration*

### *Davidson County Democratic Women PAC:*

**00-22**, for failure to file a 1999 4<sup>th</sup> quarter campaign financial disclosure report. A civil penalty of \$300 was assessed.

**00-64**, for failure to file a 2000 3<sup>rd</sup> quarter campaign financial disclosure report. A civil penalty of \$1,000 was assessed.

**01-21**, for failure to file a 2000 4<sup>th</sup> quarter campaign financial disclosure report. A civil penalty of \$2,500 was assessed.

**01-55**, for failure to file a 2000 1<sup>st</sup> quarter campaign financial disclosure report. A show cause notice was issued in this case at the September 12, 2001 meeting.

Toby Abrams, president of the organization and current treasurer, personally appeared before the board and explained that she was unaware that the reports were not being filed. Ms. Abrams stated that when she did become aware that the reports were not being filed she contacted Jamie Huskey, previous treasurer, about her failure to file the reports. Ms. Huskey then told Ms. Abrams that she would file the necessary reports and appear before the board for the organization and explain why they reports had not been filed. Ms. Abrams then told the board that she has been unable to contact Ms. Huskey and has had no communication with Ms. Huskey since that conversation.

Ms. Abrams stated to the board that because Ms. Huskey has been involved with political action committees in the past and knew the rules and regulations she had no reason to suspect that she wouldn't file the reports and reconcile the situation.

Ms. Abrams explained once she realized that Ms. Huskey was not going to correct the situation that she came to the Registry and personally filed all of the necessary campaign disclosure reports and registered herself as the new treasurer of the organization.

A motion was made by Fincher, seconded by McCroskey, to rescind all past penalties and assess the organization a \$100 civil penalty. The motion passed the board unanimously.

### ***Show Cause Hearing***

***01-62 Tennessee Campaign for the Family***, for failure to timely file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), maximum five hundred (\$500) civil penalty. The organization has had no previous matters before the board.

Rob Shearer, treasurer of the organization, appeared before the board and apologized for the report not being filed in a timely manner. Mr. Shearer explained that during the time that the report was due he and his family were on vacation. He noted that there had been no activity by the organization and when he returned he completed and filed the report with the Registry.

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

### ***Sworn Statements Submitted***

***01-52 Howard Wall***, for failure to file a 2000 allocation report. Class two (2), maximum ten thousand (\$10,000) civil penalty. Mr. Wall has had no previous matters before the board.

A sworn statement was submitted by Mr. Wall's treasurer, Barbara Sutton, explaining that Mr. Wall's assistant closed the campaign post office box and did not complete an address forwarding card. As a result, Mr. Wall did not receive any of the correspondence sent by the Registry. Ms. Sutton noted that this was her first election to serve as treasurer and was unaware that the allocation form needed to be filed. Ms. Sutton stated that she was under the impression that there were no unexpended funds since their liabilities were greater than their cash available.

Ms. Sutton apologized for the combination of circumstances that led to the late filing of the report and asked that the board not penalize Mr. Wall's campaign.

On motion by McCroskey, seconded by Swann, the board voted unanimously to assess Mr. Wall a \$750 civil penalty.

***01-64 Tennessee Wine and Spirits Retailers Good Government PAC***, for failure to file 2001 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

A sworn statement was submitted by Connie Wallace, registered agent for the organization responsible for the timely filing of the reports. In this statement, Ms. Wallace explained that her partner of 12 years retired and was faced with a challenging transition period and thus missed the first quarter deadline. Ms. Wallace stated that she clearly recalls receiving the certified notice from the Registry. Ms. Wallace stated that she personally completed the report and took it directly to the post office and sent it via certified mail.

Ms. Wallace noted that there was no activity by the organization during the reporting period and no intent to withhold information. She stated that she sincerely believes that the report was submitted but has no explanation why she doesn't have a copy or why it wasn't received by the Registry.

Ms. Wallace apologized and assured the board that the reports would be filed in a timely manner from this point forward.

A motion was made by Fincher to take no further action in this matter. Fincher then withdrew his motion. A motion was made by Swann, seconded by Dunavant, to assess the organization a \$100 civil penalty. The motion passed the board 4 to 1, with Fincher voting “no.”

***01-57 H and M PAC***, for failure to timely file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), maximum four hundred twenty-five (\$425) civil penalty. The organization has had no previous matters before the board.

Diana Randall, accounting manager for the H & M Company, submitted a sworn statement to the board. In this statement Ms. Randall explained that the person responsible for filing the disclosure reports left the company’s employment in April. Ms. Randall stated that when she received the notice the report was filed immediately. Ms. Randall also noted that someone has now been appointed to handle the quarterly filings in a timely manner.

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

***01-54 Cracker Barrel Old Country Store, Inc. PAC***, for failure to file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

Larry Forth, assistant treasurer, submitted a sworn statement for the Registry’s consideration. Mr. Forth explained that the treasurer of the organization had left the company and a new treasurer was to be named at their next PAC Board meeting. As a result, the mailings from the Registry did not get forwarded to him. Mr. Forth explained that he was unaware that the report had not been filed until he received the show cause notice. Mr. Forth stated that when he did get the notice he immediately contacted the Registry via telephone and sent overnight a notarized copy of the report.

Mr. Forth explained that their late filing was strictly poor communications within their company and that their organization had no activity during this reporting period.

A motion was made by McCroskey, seconded by Fincher, to assess the organization a \$5,000 civil penalty. A friendly amendment was made by Swann, accepted by McCroskey, to assess the organization a \$8,300 (10% of balance on hand) civil penalty.

### ***Cases Subject to Approval for Civil Penalty***

***01-53 Committee for Quality Healthcare***, for failure to file 2001 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

Director Rawlins informed the board that the organization did file the 2<sup>nd</sup> quarter campaign disclosure report but that the 1<sup>st</sup> quarter campaign disclosure report still has not been filed.

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

**01-56 Friends of Tennessee Emergency Medical Services**, for failure to file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

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

McCroskey made a motion to assess the organization a \$1,000 civil penalty. After further discussion, McCroskey withdrew his motion. Swann then made a motion, seconded by Fincher, to assess the organization a \$200 civil penalty. The motion passed the board unanimously.

**01-58 Hamilton County PAC for Education**, for failure to timely file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), maximum three hundred (\$300) civil penalty. The organization has had no previous matters before the board.

Director Rawlins informed the board that there has been no response to the show cause notice.

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

**01-59 Hickman County Democratic Party**, for failure to file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

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

A motion was made by Swann, seconded by Dunavant, to assess the organization a \$200 civil penalty and for Director Rawlins to contact the organization about their failure to file. This motion passed the board 4 to 1, with Fincher voting “no.”

**01-60 Lockheed Martin Employees PAC**, for failure to file 2001 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

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

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

**01-61 Nashville Volunteer PAC**, for failure to file 2001 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had one previous matter before the board.

Director Rawlins informed the board that there has been no response to the show cause notice but that the report has been filed.

On motion by Swann, seconded by Dunavant, the board voted unanimously to assess the organization a \$250 civil penalty.

**01-63 Tennessee Walking Horse Breeders and Exhibitors**, for failure to timely file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), maximum six hundred (\$600) civil penalty. The organization has had no previous matters before the board.

Director Rawlins informed the board that he had spoken with the treasurer of the organization via telephone. The organization asked Director Rawlins to hold over their case until the next meeting to allow them to get the necessary information they need to respond to the show cause notice.

A motion was made by Dunavant, seconded by McCroskey, to move this case to the next regularly scheduled meeting. The motion passed the board unanimously.

**01-65 The People's PAC**, for failure to file 2001 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has one other matter before the board (see below).

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

A motion was made by McCroskey, seconded by Swann, to assess the organization a \$1,000 civil penalty. The motion passed the board 4 to 1, with Swann voting "no."

**01-66 The People's PAC**, for failure to file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has one other matter before the board (see above).

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

On motion by McCroskey, seconded by Swann, the board voted unanimously to assess the organization a \$10,000 civil penalty.

**01-67 Wayne County Republican Party**, for failure to file 2001 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has one other matter before the board (see below).

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

On motion by Swann, seconded by Dunavant, the board voted 4 to 1 to assess the organization a \$200 civil penalty, with McCroskey voting "no" due to his feeling that the civil penalty assessment should be higher.

**01-68 Wayne County Republican Party**, for failure to file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has one other matter before the board (see above).

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

On motion by Swann, seconded by Dunavant, the board voted 4 to 1 to assess the organization a \$200 civil penalty, with McCroskey voting "no" due to his feeling that the civil penalty assessment should be higher.

**01-69 Williamson County Republican PAC – Operating Account**, for failure to file 2001 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

Director Rawlins informed the board that he spoken with the treasurer of the organization via telephone. The treasurer explained to Director Rawlins that the report was completed and mailed in a timely manner and that he did not know why the Registry never received the report. When he received notice that the report had not been filed, he called the Registry and was mistakenly told that the report had been filed.

When the treasurer received the show cause notice he called the office and upon learning that the report had not been filed, he faxed a copy of the notarized disclosure report to the Registry.

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

**01-70 Edmund Ford**, for failure to file a 2000 annual supplemental campaign financial disclosure report with the Shelby County Election Commission. Class two (2), maximum ten thousand (\$10,000) civil penalty. This case was forwarded to the Registry by the Shelby County Election Commission.

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

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

**01-72 Janet Hooks**, for failure to file a 2000 annual supplemental campaign financial disclosure report with the Shelby County Election Commission. Class two (2), maximum ten thousand (\$10,000) civil penalty. This case was forwarded to the Registry by the Shelby County Election Commission.

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

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

**01-75 E. C. Jones**, for failure to file a 2000 annual supplemental campaign financial disclosure report with the Shelby County Election Commission. Class two (2), maximum ten thousand (\$10,000) civil penalty. This case was forwarded to the Registry by the Shelby County Election Commission.

Director Rawlins was informed by the Shelby County Election Commission that Mr. Jones had filed the disclosure report. At that time the commission stated to Mr. Jones that the filing of this disclosure report would resolve the matter.

On motion by Swann, seconded by Dunavant, the board voted unanimously to take no further action.

**01-77 Jack Sammons**, for failure to file a 2000 annual supplemental campaign financial disclosure report with the Shelby County Election Commission. Class two (2), maximum ten thousand (\$10,000) civil penalty. This case was forwarded to the Registry

by the Shelby County Election Commission. Mr. Sammons has had no previous matters before the board.

Director Rawlins informed the board that Mr. Sammons faxed the Registry a letter apologizing for his failure to file and stating that he would be completing the disclosure report and filing it with the Shelby County Election Commission immediately.

On motion by McCroskey, seconded by Fincher, the board voted unanimously to hold this case over until the next regularly scheduled meeting to allow Mr. Sammons time to file his disclosure report with the Shelby County Election Commission.

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

***Michael Carpenter***, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum one hundred (\$100) civil penalty. Mr. Carpenter has had no previous matters before the board.

On motion by Fincher, seconded by Dunavant, the board voted 4 to 1 to take no action in this matter, with Harding voting “no.”

***Jerry Caruthers***, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum fifty (\$50) civil penalty. Mr. Caruthers has had no previous matters before the board.

On motion by Fincher, seconded by Dunavant, the board voted 4 to 1 to take no action in this matter, with Harding voting “no.”

***Ginger Hausser***, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum fifty (\$50) civil penalty. Ms. Hausser has had no previous matters before the board.

On motion by Fincher, seconded by Dunavant, the board voted 4 to 1 to take no action in this matter, with Harding voting “no.”

***Michael Hooks, Jr.***, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum seventy-five (\$75) civil penalty. Mr. Hooks has had no previous matters before the board.

On motion by Fincher, seconded by Dunavant, the board voted 4 to 1 to take no action in this matter, with Harding voting “no.”

***Erin Kelley***, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum two hundred twenty-five (\$225) civil penalty. Ms. Kelley has had no previous matters before the board.

On motion by Fincher, seconded by Dunavant, the board unanimously to issue a show cause notice.

***Darren Morris***, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum one hundred twenty-five (\$125) civil penalty. Mr. Morris has had no previous matters before the board.

On motion by Fincher, seconded by Dunavant, the board voted 4 to 1 to take no action in this matter, with Harding voting “no.”

**Jennifer Murphy**, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum one hundred fifty (\$150) civil penalty. Ms. Murphy has had no previous matters before the board.

On motion by Fincher, seconded by Dunavant, the board voted 4 to 1 to take no action in this matter, with Harding voting “no.”

**Sherry Ross**, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum two hundred twenty-five (\$225) civil penalty. Ms. Ross has had no previous matters before the board.

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

**Mary Stockley**, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum one hundred fifty (\$150) civil penalty. Ms. Stockley has had no previous matters before the board.

On motion by Fincher, seconded by Dunavant, the board voted 4 to 1 to take no action in this matter, with Harding voting “no.”

**Doug Pace**, for failure to timely file a 2001 mid-year lobbying activities report. Class one (1), maximum four hundred (\$400) civil penalty. Mr. Pace has had no previous matters before the board.

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

### ***Reported Financial Expenses***

Director Rawlins presented the expenditure reports for the 2000/2001 fiscal year through August 31, 2001.

Additionally, Director Rawlins provided the board members with a list of civil penalties that have been paid year to date.

On motion by Dunavant, seconded by Fincher, the board voted unanimously to accept the financial expenditure report as presented.

### ***Executive Director’s Report***

Director Rawlins informed the board that he attended and spoke at the Lobbyists Retreat in Fall Creek Falls on October 9, 2001.

### ***Other Business***

Director Rawlins informed the board of the following matters:

- The annual COGEL conference is scheduled for December 2-5, 2001 in Lexington, Kentucky.

After discussion, the board decided that board members George Harding, Hank Fincher, and Michael McCroskey would attend. Staff members to attend are Drew Rawlins and Janet Williams.

A motion was made by McCroskey, seconded by Fincher, to adjourn the meeting until the next regularly scheduled meeting. The motion passed unanimously.

The board's next regularly scheduled meeting will be Wednesday, November 14, 2001 at 10:30 am. At 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.