

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, January 9, 2002, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members George Harding, Michael McCroskey, Henry Fincher, Samella Junior-Spence, and William Long.

On motion by Harding, seconded by Long, the minutes from the December 12, 2001 meeting were approved unanimously.

## ***Request for Reconsideration***

***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 been before the board on a previous matter.

The board voted unanimously at its December meeting to assess the organization a \$600 civil penalty after the committee failed to respond to the show cause notice.

Bob Corney, representative for the Tennessee Walking Horse Breeders and Exhibitors PAC, submitted a statement and personally appeared before the board to explain why the organization had not timely filed their report.

In his sworn statement, Mr. Corney stated that the late filing was the result of a change of treasurer and not intentional. Mr. Corney further stated that when the issue was brought to their attention, they immediately took steps to file the disclosure report.

Mr. Corney explained to the board that the change of treasurer and the post office box not being checked frequently resulted in the disclosure report not being timely filed. Mr. Corney further explained that these issues have been addressed and that the organization will be filing all future disclosure reports in a timely manner.

On motion by Fincher, seconded by Long, the board voted unanimously to reconsider the \$600 assessment against the Tennessee Walking Horse Breeders and Exhibitors. A motion was made by Fincher, seconded by Long to take no action in this matter. Harding made a motion to amend the motion to assess the organization a \$250 civil penalty. The motion to assess the organization a \$250 civil penalty died for lack of a second. A friendly amendment was made by McCroskey, accepted by Fincher, to assess the organization a \$25 civil penalty. The friendly amendment to assess the organization a \$25 civil penalty passed the board 4 to 1, with Junior-Spence voting "no."

## ***Show Cause Hearing***

***01-92 Verizon Good Government PAC***, for failure to file 2001 3<sup>rd</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.

Leigh T. Richards, treasurer of the organization, submitted a sworn statement for the board's consideration. In this statement Ms. Richards stated that the organization was taking action to close the Tennessee PAC. Ms. Richards further stated that she never received the packet regarding the third quarter reporting nor did she receive the certified notice. Ms. Richards noted that when she received the show cause notice she immediately filed the third and fourth quarter reports.

Mandy Haynes Young, representative for the organization, appeared before the board to explain the organization's failure to file the required disclosure report. Ms. Young explained that the organization was in the midst of closing but was waiting for an outstanding check to clear as all other funds from the organization had been distributed. Ms. Young further explained that the organization's treasurer never received notice for the third quarter filing. Ms. Young noted that when the treasurer received the show cause notice she immediately filed the third and fourth quarter reports along with a sworn statement. Ms. Young further noted that the organization has closed their PAC.

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

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

***01-86 Davidson County Democratic Executive Committee***, for failure to timely file 2001 3<sup>rd</sup> quarter campaign financial disclosure report. Class one (1), maximum four hundred fifty (\$450) civil penalty. The organization has had two previous matters before the board.

Norma Hand, treasurer of the organization, submitted a statement for the board's consideration. In this statement Ms. Hand explained that the failure to file the required report was not intentional. Ms. Hand further explained that family illness and the circumstances surrounding the illness, along with having to change residences during this time, prevented her from filing the report in a timely manner.

Dick Morin, chairman of the Davidson Democratic Party, appeared on behalf of Ms. Hand. Mr. Morin attested that Ms. Hand had been under heavy stress due to her father's illness and had unintentionally missed the filing date.

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

***01-87 Friends of Tennessee Emergency Medical Services***, for failure to timely file 2001 3<sup>rd</sup> quarter campaign financial disclosure report. Class one (1), maximum two hundred seventy-five (\$275) civil penalty. The organization has had a previous matter before the board and has a \$100 civil penalty outstanding.

Donald W. Evans, treasurer of the organization, submitted a sworn statement for the board's consideration. In his statement, Mr. Evans explained that a miscommunication between himself and the organizers of the PAC as well as changes in mailing addresses for both is the primary reason for his failure to timely file the report. Mr. Evans noted that there were no activities during the reporting period and that after this calendar year the PAC will cease to exist.

On motion by Harding, seconded by Junior-Spence, the board voted unanimously to assess the organization a \$100 civil penalty.

**01-88 Jefferson County Democratic Party**, for failure to file 2001 3<sup>rd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matter 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 Harding, seconded by Junior-Spence, to assess the organization a \$250 civil penalty. Harding then withdrew his motion. A motion was then made by Long, seconded by Junior-Spence, to hold this case over until the next regularly scheduled meeting and have Director Rawlins contact the organization to inquire about the party's failure to file. The motion passed the board unanimously.

**01-89 Lockheed Martin Employees PAC**, for failure to file 2001 3<sup>rd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had three previous matters before the board.

Director Rawlins informed the board that the staff had spoken with the treasurer of the organization. The treasurer of the organization requested that the Registry hold over their case until the next meeting, to allow him time to meet with the assistant treasurer who was out of town on business.

On motion by Harding, seconded by Junior-Spence, the board voted unanimously to move this case to the next regularly scheduled meeting.

**01-90 Tennessee Truck PAC**, for failure to timely file 2001 3<sup>rd</sup> quarter campaign financial disclosure report. Class one (1), maximum seven hundred twenty-five (\$725) civil penalty. The organization has had one previous matter before the board.

Christopher Burruss, President and CEO of Tennessee Trucking Association submitted a statement for the board's consideration. In this statement Mr. Burruss explained that the association was in the process of converting all of their accounting functions from "in-house" to a local accounting firm. The position that was responsible for preparing the disclosure reports was eliminated in September. Mr. Burruss further explained that the campaign financial disclosure report was overlooked and subsequently filed late. Mr. Burruss noted that the new system has now been fully implemented and that the failure to file was an isolated incident that will not happen in the future.

A motion was made by Harding, seconded by McCroskey, to assess the organization a \$500 civil penalty. A motion to amend was made by Long, seconded by Junior-Spence, accepted by Harding and McCroskey, to assess the organization a \$250 civil penalty. The motion to assess the organization a \$250 civil penalty passed the board unanimously.

**01-91 The People's PAC**, for failure to file 2001 3<sup>rd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had two previous matters before the board and has two outstanding civil penalties of \$1,000 and \$10,000.

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

**01-93 Wayne County Republican Party**, for failure to file 2001 3<sup>rd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had two previous matters before the board.

Director Rawlins informed the board that Betty Rich, treasurer for the organization, contacted him from the Wayne County Election Commission to find out what information needed to be completed and filed.

Director Rawlins further informed the board that he has had no further contact with Ms. Rich and that the disclosure report still has not been filed with the Registry or with the Wayne County Election Commission.

On motion by Long, seconded by Harding, the board voted 4 to 1 to assess the organization a \$1,000 civil penalty, with Fincher voting “no.”

**01-94 Luke Bright**, for failure to timely file a 2001 annual supplemental campaign financial disclosure statement. Class one (1), maximum five hundred fifty (\$550) civil penalty. Mr. Bright has had two previous matters before the board.

Director Rawlins informed the board that there has been no response to the show cause notice but that Mr. Bright has closed his campaign account.

A motion was made by Long to take no action in this matter. Long then withdrew his motion. A motion was made by Harding, seconded by Junior-Spence, to assess Mr. Bright a \$100 civil penalty. This motion passed the board unanimously.

**01-95 Theodore King II**, for failure to timely file a 2001 annual supplemental campaign financial disclosure statement. Class one (1), maximum two hundred twenty-five (\$225) civil penalty. Mr. King has had no previous matters before the board.

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

A motion was made by Fincher to assess Mr. King a \$100 civil penalty. A friendly amendment was made by Long, accepted by Fincher, seconded by Junior-Spence, to assess Mr. King a \$50 civil penalty. The amended motion to assess Mr. King a \$50 civil penalty passed the board unanimously.

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

**David Lane**, for failure to file a 2001 annual supplemental campaign financial disclosure statement. Class two (2), maximum ten thousand (\$10,000) civil penalty. Mr. Lane has had no previous matters before the board.

On motion by Harding, seconded by Junior-Spence, 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 November 30, 2001.

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

The board members requested that Director Rawlins contact the Attorney General's office and inquire about the status of the unpaid civil penalty cases prior to 1995.

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

### ***Executive Director's Report***

Director Rawlins and the attending board members discussed with the other members of the board the information disbursed at the annual 2001 COGEL conference that was held in Lexington, Kentucky.

### ***Other Business***

The board members requested that Director Rawlins contact the treasurer of each political action committee via telephone when a show cause notice is issued and proceed with the following:

- Contact chairperson or president of the organization
- Send a copy of show cause notice to chairperson or president of organization

Also, the board requested that Director Rawlins contact, by letter, the county republican and democratic parties to ensure that their local county political action committees understand the filing requirements for their PACs.

Due to minimal activity in regards to cases, on motion by Fincher, seconded by Junior-Spence, the board voted unanimously not to meet in February.

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, March 13, 2002 at 10:30 am. At 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.