

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, March 13, 2002, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members George Harding, Henry Fincher, Samella Junior-Spence, William Long, and Karen Dunavant via telephone.

On motion by Harding, seconded by Junior-Spence, the minutes from the January 9, 2002 meeting were approved unanimously.

Request for Reconsideration

01-09 and 01-10 Michael Hooks, Sr.

01-09, for failure to file a pre-election report, for the County Assessor election, with the Shelby County Election Commission. A civil penalty of \$1,000 was assessed against Mr. Hooks at the May 2001 Registry meeting after he failed to respond to the show cause notice.

01-10, for failure to file a post-election report, for the County Assessor election, with the Shelby County Election Commission. A civil penalty of \$2,500 was assessed against Mr. Hooks at the May 2001 Registry meeting after he failed to respond to the show cause notice.

Mr. Hooks, along with Harlan Mathews, Danielle Barnes, and Homer Brennan, personally appeared before the board to ask the board to reconsider the civil penalties assessed against him.

Mr. Hooks explained to the board that during the time the reports were due he was in a rehabilitation program receiving help for personal matters. Mr. Hooks further explained that he believed that his attorney at that time had completed and filed the necessary reports with the Shelby County Election Commission.

Mr. Hooks stated that the reports have now been filed and that he will be completing and filing his reports in a timely manner in the future.

A motion was made by Junior-Spence, seconded by Long, to reconsider cases 01-09 and 01-10. This motion passed the board 4 to 1, with Dunavant voting "no."

A motion was made by Long to assess the Mr. Hooks a \$100 civil penalty for Case No. 01-09 and \$250 for Case No. 01-10. A friendly amendment was made by Junior-Spence, accepted by Long, to assess Mr. Hooks \$250 for Case No. 01-09 and \$500 for Case No. 01-10. A motion was made by Dunavant, seconded by Harding, to amend the friendly amendment and assess Mr. Hooks \$1,750 (\$500 in Case No. 01-09 and \$1,250 in Case No. 01-10). The motion to amend the friendly amendment and assess Mr. Hooks \$1,750, passed the board on a 3 to 2 vote, with Junior-Spence and Long voting "no." The motion with the amendment to assess Mr. Hooks \$500 for Case No. 01-09 and \$1,250 for Case No. 01-10 passed the board 4 to 1, with Junior-Spence voting "no."

01-65, 01-66 and 01-91 The People's PAC

01-65, for failure to file a 2001 1st quarter campaign financial disclosure report. A civil penalty of \$1,000 was assessed against the organization, at the Registry's October 2001 meeting, when they failed to respond to the Registry's show cause notice.

01-66, for failure to file a 2001 2nd quarter campaign financial disclosure report. A civil penalty of \$10,000 was assessed against the organization, at the Registry's October 2001 meeting, when they failed to respond to the Registry's show cause notice.

01-91, for failure to file a 2001 3rd quarter campaign financial disclosure report. A civil penalty of \$10,000 was assessed against the organization, at the Registry's January 2002 meeting, when they failed to respond to the Registry's show cause notice.

Mike Estridge, representative for the organization, along with Dederick Brittnum personally appeared before the board to explain why the organization's reports were not filed. Mr. Brittnum explained that the organization consists of a group of small businessman. Mr. Brittnum stated that he assisted the group in getting organized and by explaining the rules and regulations to them.

Mr. Estridge explained to the board that the organization's treasurer, Mr. Matthew Mitchell, was a volunteer and did file the reports in a timely manner. The treasurer believed, because of very little activity in the organization, that his services were no longer needed and he resigned as treasurer. Mr. Estridge further explained that he did not fully understand the rules and regulations surrounding the filing requirements. Mr. Estridge apologized for not filing the reports and he noted that he has now filed the necessary reports and has appointed a new treasurer for the organization.

On motion by Junior-Spence, seconded by Long, the board voted 4 to 1 to reconsider the assessments of \$1,000 for Case No. 01-65, \$10,000 for Case No. 01-66 and \$10,000 for Case No. 01-91 against The People's PAC, with Dunavant voting "no." A motion was made by Long, seconded by Junior-Spence, to reduce the civil penalty to \$100 for Case No. 01-65, \$200 for Case No. 01-66, \$200 for Case No. 01-91. The motion to assess the organization a total of \$500 passed the board unanimously.

01-60 and 01-82 Lockheed Martin Employees PAC

01-60, for failure to file a 2001 1st quarter campaign financial disclosure report. A civil penalty of \$1,000 was assessed against the organization, at the Registry's October 2001 meeting, when they failed to respond to the Registry's show cause notice.

01-82, for failure to file a 2001 2nd quarter campaign financial disclosure report. A civil penalty of \$5,000 was assessed against the organization, at the Registry's December 2001 meeting, when they failed to respond to the Registry's show cause notice.

Kenneth D. Phelps, assistant treasurer for the organization, submitted a statement for the board's consideration. In this statement, Mr. Phelps explained that the organization registered with the state of Tennessee making only a few contributions over the years. It was decided that there would be no more contributions made to Tennessee state candidates and that the PAC would be terminated. Mr. Phelps further stated that after filing the 4th quarter 2000 report he contacted the Registry and spoke with Director Rawlins to inquire about how to terminate their organization in Tennessee. Mr. Phelps believed that at that point the organization had officially been terminated. Mr. Phelps stated that the failure to file was possibly a misunderstanding between the Registry and

the organization. Mr. Phelps noted that the required reports have now been filed with the Registry and asks that the board to reconsider the assessments against the organization.

On motion by Long, seconded by Dunavant, the board voted 4 to 1 to accept the letter as a sworn statement, with Harding voting “no.” A motion was made by Long, seconded by Dunavant, to rescind the previous orders and assess the organization a total civil penalty of \$1,000. A friendly amendment was made by Dunavant, denied by Long, to assess the organization a \$1,500 civil penalty. A motion was then made by Long, seconded by Dunavant, to table this case until the next regularly scheduled meeting. The motion to table passed the board 3 to 1, with Harding voting “no.”

01-67, 01-68 and 01-93 Wayne County Republican Party

01-67, for failure to file 2000 1st quarter campaign financial disclosure report. A civil penalty of \$200 was assessed at the Registry’s October 2000 meeting, when the organization failed to respond to the Registry’s show cause notice.

01-68, for failure to file 2000 2nd quarter campaign financial disclosure report. A civil penalty of \$200 was assessed at the Registry’s October 2000 meeting, when the organization failed to respond to the Registry’s show cause notice.

01-93, for failure to file 2000 3rd quarter campaign financial disclosure report. A civil penalty of \$1,000 was assessed at the Registry’s January 2002 meeting, when the organization failed to respond to the Registry’s show cause notice.

Mr. Gaynes Rich, husband of the treasurer for the organization, submitted a sworn statement for the board’s consideration. In this statement, Mr. Gaynes explained that Betty Rich has been the acting treasurer for the organization for several years but has been diagnosed and has been suffering from a medical condition for over a year. Mr. Gaynes further explained that he had been signing for the mailings from the Registry but in order to keep her medical condition confidential, he did not forward the information on to the Wayne County Republican Party officials.

Mr. James Ross, attorney for the organization, submitted a statement explaining that the Wayne County Republican Party officials were unaware of the situation until recently notified by the Registry. Mr. Ross further explained that the reports have now been filed and that a new treasurer will be elected at the next convening of the party membership.

On motion by Harding, seconded by Long, the board voted unanimously to reconsider these cases and assess the organization a \$100 civil penalty.

Sworn Statements Submitted

01-89 Lockheed Martin Employees PAC, for failure to file a 2001 3rd quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty.

The board voted to continue this case until the next regularly scheduled meeting.

02-01 David Lane, for failure to file a 2001 annual supplemental campaign financial disclosure statement. Class two (2), maximum ten thousand (\$10,000) civil penalty.

The board voted to continue this case until the next regularly scheduled meeting.

Cases Subject to Approval for Civil Penalty

01-88 Jefferson County Democratic Party, for failure to file 2001 3rd quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has been before the board on a previous matter (see below).

The board voted to hold this case was held over until the next regularly scheduled meeting.

Cases Considered for Issuance of Show Cause Notices

Leo Waters, for accepting an excess loan from an individual. This case was forwarded to the Registry from the Davidson County Election Commission. Mr. Waters is a candidate for Davidson County Sheriff.

Mr. Waters personally appeared before the board and explained that before accepting the loan he contacted the Davidson County Election Commission to ask if he could accept the loan. Mr. Waters was told that he could as long as it was disclosed on his campaign financial disclosure report.

After filing his disclosure report he was notified by the Davidson County Election Commission that the loan was over the \$1,000 individual contribution limit. Mr. Waters immediately returned the loan and filed an amended report with the Davidson County Election Commission.

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

Bob Corney, for failure to timely file a 2001 year-end lobbying activities report. Class one (1), maximum twenty-five (\$25) civil penalty. Mr. Corney has had no previous matters before the board.

Mr. Corney submitted a letter with his report apologizing for his delay in filing the required report. Mr. Corney stated that he was unaware that he owed a report as his lobbying contract expired before the end of legislative session.

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

Lewis Donelson, for failure to timely file a 2001 year-end lobbying activities report. Class one (1), maximum one hundred fifty (\$150) civil penalty. Mr. Donelson has had no previous matters before the board.

A motion was made by Harding, seconded by Fincher to issue a show cause notice in this matter. The motion passed the board 2 to 1, with Dunavant “abstaining.”

William Fones, Jr., for failure to timely file a 2001 year-end lobbying activities report. Class one (1), maximum one hundred fifty (\$150) civil penalty. Mr. Fones has had no previous matters before the board.

A motion was made by Harding, seconded by Fincher to issue a show cause notice in this matter. The motion passed the board 2 to 1, with Dunavant “abstaining.”

Walter Gose, for failure to timely file a 2001 year-end lobbying activities report. Class one (1), maximum three hundred twenty-five (\$325) civil penalty. Mr. Gose has had no previous matters before the board.

Mr. Gose submitted a letter along with his report stating that he never received the lobbying activities reporting form in the letters he received from the Registry.

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

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

Ms. Hamilton submitted a letter along with her report apologizing for the report not being filed in a timely manner. Ms. Hamilton stated that the notices were sent to an address where she is no longer employed and the information did not get forwarded to her until approximately 12 days after the certified notice was signed for at her previous employer. Ms. Hamilton further stated that this was the first notice she had received regarding the filing.

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

Darren Morris, for failure to timely file a 2001 year-end lobbying activities report. Class one (1), maximum three hundred twenty-five (\$325) civil penalty. Mr. Morris has had no previous matters before the board.

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

Chad Miller, for failure to timely file a 2001 year-end lobbying activities report. Class one (1), maximum five hundred fifty (\$550) civil penalty. Mr. Miller has had no previous matters before the board.

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

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

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

Cannon County Democratic Executive Committee, for failure to file 2001 4th 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.

On motion by Fincher, seconded by Harding, the board voted unanimously to continue this matter until the next regularly scheduled meeting to allow the chairperson of the organization time to file the report.

CWA District Political Education Committee, for failure to timely file 2001 4th quarter campaign financial disclosure report. Class one (1), maximum twenty-five (\$25) civil penalty. The organization has had no previous matters before the board.

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

Democratic Policy Council, for failure to timely file 2001 4th quarter campaign financial disclosure report. Class one (1), maximum one hundred twenty-five (\$125) civil penalty. The organization has had no previous matters before the board.

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

Harpeth Business Coalition, for failure to timely file 2001 4th quarter campaign financial disclosure report. Class one (1), maximum five hundred (\$500) civil penalty. The organization has had no previous matters before the board.

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

HCA Good Government Fund, for failure to timely file 2001 4th quarter campaign financial disclosure report. Class one (1), maximum twenty-five (\$25) civil penalty. The organization has had no previous matters before the board.

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

Jefferson County Democratic Party, for failure to file 2001 4th quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has been before the board on a previous matter.

On motion by Fincher, seconded by Harding, the board voted unanimously to table this matter until the next regularly scheduled meeting.

Lockheed Martin Employees PAC, for failure to timely file 2001 4th quarter campaign financial disclosure report. Class one (1), maximum four hundred twenty-five (\$425) civil penalty. The organization has been before the board on previous matters (see above).

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

National Bank of Commerce COPE, for failure to file 2001 4th quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has been before the board on a previous matter.

Director Rawlins informed the board that the report was filed that morning. On motion by Dunavant, seconded by Harding, the board voted unanimously to issue a show cause notice.

National Republican Congressional Committee, for failure to file 2001 4th quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has been before the board on previous matters.

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

The People's PAC, for failure to timely file 2001 4th quarter campaign financial disclosure report. Class one (1), maximum one hundred seventy-five (\$175) civil penalty. The organization has been before the board on previous matters (see above).

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

QCAS Good Government PAC, for failure to file 2001 4th quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has been before the board on previous matters.

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

TNALFA, for failure to file 2001 4th 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.

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

Wayne County Republican Party, for failure to file 2001 4th quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had previous matters before the board (see above).

This matter was resolved in a previous reconsideration.

David Dahl, for failure to timely file a 2001 annual supplemental campaign financial disclosure report. Class one (1), maximum twenty-five (\$25) civil penalty. Mr. Dahl has had no previous matters before the board.

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

Robert E. Lee Harris, for failure to timely file a 2001 annual supplemental campaign financial disclosure report. Class one (1), maximum twenty-five (\$25) civil penalty. Mr. Harris has been before the board on previous matters.

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

James L. Peach, Sr., for failure to timely file a 2001 annual supplemental campaign financial disclosure report. Class one (1), maximum fifty (\$50) civil penalty. Mr. Peach has had no previous matters before the board.

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

Russell Johnson, for failure to timely file a 2001 annual supplemental campaign financial disclosure report. Class one (1), maximum one hundred fifty (\$150) civil penalty. Mr. Johnson has had no previous matters before the board.

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

Reported Financial Expenses

Director Rawlins presented the expenditure reports for the 2000/2001 fiscal year through January 31, 2002.

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

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

Executive Director's Report

Director Rawlins informed the board members of a bill that had passed the legislature and been signed by the Governor that allows Registry board members to run for office when they resign their position on the board. The bill also allows members of the legislature to raise campaign contributions for a local office while they are in session.

Other Business

Director Rawlins informed the board of the following matters:

- A complaint has been filed with the District Attorney's Office against former board member, Art Swann, for publicly supporting a candidate for office.
- Candidate seminars were given in February by Registry staff in Memphis, Knoxville, Chattanooga, and Nashville.
- The 2001 Annual Report is ready for the board's review and approval.

David Cocke, attorney for Harold Ford, Sr., appeared before the board to discuss the information brought forth by a recent newspaper article concerning Mr. Ford. Mr. Ford is registered as a federal lobbyist but is not registered in the state of Tennessee. Mr. Cocke explained to the board that Mr. Ford went to the Governor's office on behalf of MIM for informational purposes. Mr. Cocke further explained that Mr. Ford was not at

the meeting to influence but only to get information. Mr. Cocke noted that Mr. Ford would like to resolve this situation and comply with what the Registry suggests.

Director Rawlins explained to the board that if they feel that there is enough information to proceed to determine if a violation has occurred, the Registry will have to proceed to a contested case hearing.

On motion by Harding, seconded by Dunavant, the board voted 2 to 1 to table this matter until the next regularly scheduled meeting, with Fincher voting “no.”

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

The board’s next regularly scheduled meeting will be Wednesday, April 10, 2002 at 10:30 am. At 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.