

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, April 10, 2002, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

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

On motion by Long, seconded by Harding, the minutes from the March 13, 2002 meeting were approved unanimously.

## *Request for Reconsideration*

### *01-60, 01-82, 01-89 and 02-04 Lockheed Martin Employees PAC*

**01-60**, for failure to file a 2001 1<sup>st</sup> 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 2<sup>nd</sup> 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.

The board voted at the March 13, 2002 meeting to reconsider cases 01-60 and 01-82 on a 4 to 1 vote with Harding voting "no". After discussion the board voted, 3 to 1 with Harding voting "no", to table this matter until the next regularly scheduled meeting.

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 4<sup>th</sup> 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.

A motion was made by Harding, seconded by Dunavant, to rescind the vote to reconsider. The motion failed on a 1 to 4 vote, with Dunavant, Fincher, Long, and McCroskey voting "no."

A motion was made by Fincher, seconded by Long, to consolidate cases 01-60, 01-82, 01-89, and 02-04. This motion passed the board unanimously.

A motion was made by Harding, seconded by McCroskey, to assess the organization a \$7,000 civil penalty. A friendly amendment was made by Dunavant, denied by Harding, to assess the organization a \$5,000 civil penalty. The motion to assess the organization a \$7,000 civil penalty failed the board 2 to 3, with Dunavant, Fincher, and Long voting "no." A motion was then made by Fincher, seconded by

Dunavant, to assess the organization a \$5,000 civil penalty. The motion to assess the organization a \$5,000 civil penalty passed the board 4 to 1, with Harding voting “no.”

***Sworn Statements Submitted***

***02-08 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 sworn statement with the Registry on April 1 explaining that he does not believe that he ever received the notices to file the required report. In addition, Mr. Gose stated that he has always filed the required reports in a timely manner.

A motion was made by Long, seconded by Dunavant, to take no action in this matter. The motion to take no action passed the board 3 to 2, with Fincher and Harding voting “no.”

***02-11 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.

Mr. Miller submitted a statement with the Registry on March 20 explaining that his former employer has always handled the filings for him and that in order to respond and file his report accurately he had to research any lobbying activity he may have done. Mr. Miller further explained that when he completed his research the date had passed for a timely filing.

A motion was made by Dunavant, seconded by Long, to take no action in this matter. The motion to take no action passed the board 3 to 2, with Fincher and Harding voting “no.”

***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. Mr. Lane has had no previous matters before the board. This case was carried forward from the Registry’s March 13, 2002 meeting.

Mr. Lane submitted a sworn statement with the Registry on February 4 stating that he was unaware that he was responsible to file continuous campaign disclosure reports after losing an election. Mr. Lane further stated that the only campaign activity was a loan from himself to his campaign and that his misunderstanding of filing procedures caused his failure to file.

A motion was made by Harding, seconded by Long, to assess Mr. Lane a \$250 civil penalty. The motion to assess Mr. Lane a \$250 civil penalty passed the board 4 to 1, with Dunavant voting “no.”

***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 been before the board on a previous matter (see below). This case was carried forward from the Registry’s March 2002 meeting.

The organization filed the 2001 3<sup>rd</sup> quarter campaign financial disclosure report along with a statement from George Clay, Sr. on March 15, 2002. In this letter Mr. Clay explained that after being appointed as treasurer for the organization serious family issues arose that caused his inability to file the reports in a timely manner. Mr. Clay further explained that all future filings will be reported timely and apologized for his lapse of responsibility to the organization.

A motion was made by Long, seconded by Fincher, to assess the organization a \$100 civil penalty. The motion to assess the organization a \$100 civil penalty passed the board 4 to 1, with Dunavant voting “no.”

**01-89 Lockheed Martin Employees PAC**, for failure to file a 2001 3<sup>rd</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. This case was consolidated with cases 01-60 and 01-82, see these cases under **Request for Reconsideration**.

**02-05 National Bank of Commerce COPE**, for failure to file 2001 4<sup>th</sup> 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.

Charles A. Neale, treasurer for the organization, submitted a sworn statement for the board’s consideration. In this statement Mr. Neale explained that because of a company merger that resulted in termination, retirement, and reassignment of a number of employees the duties of preparing and filing the required campaign disclosure reports were undertaken by several different people. Mr. Neale further explained that an assistant treasurer has now been appointed to ensure that the required reports are prepared and timely filed from this point forward.

A motion was made by Harding, seconded by Long, to assess the organization a \$250 civil penalty. A friendly amendment was made by Long, accepted by Harding, to assess the organization a \$1,000 civil penalty. The motion to assess the organization a \$1,000 civil penalty passed the board unanimously.

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

**02-02 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.

The Registry received a phone call on Mr. Donelson’s behalf asking what he needed to do in this matter. The Registry received nothing further from Mr. Donelson.

A motion was made by Harding, seconded by McCroskey, to assess Mr. Donelson a \$150 civil penalty. The motion to assess Mr. Donelson a \$150 civil penalty failed the board 3 to 2, with Dunavant and Long voting “no.”

**02-07 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.

Mr. Fones submitted a statement for the board's consideration in which he apologized for the late filing and stated that he was not aware of the filing requirement as these matters were handled by their firm's Nashville office.

A motion was made by Long, seconded by McCroskey, to take no further action in this matter. The motion to take no action passed the board 4 to 1, with Harding voting "no."

**02-12 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.

The Registry has received no response from the show cause notice. A motion was made by Fincher, seconded by Long, to assess Mr. Morris a \$50 civil penalty. The motion to assess Mr. Morris a \$50 civil penalty passed the board unanimously.

**02-03 Harpeth Business Coalition**, for failure to timely file 2001 4<sup>th</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.

The organization noted on their 4<sup>th</sup> quarter report that they have closed their PAC. A motion was made by Harding, seconded by Long, to take no further action in this matter. This motion passed the board 4 to 1, with McCroskey voting "no."

**02-04 Lockheed Martin Employees PAC**, for failure to timely file 2001 4<sup>th</sup> quarter campaign financial disclosure report. Class one (1), maximum four hundred twenty-five (\$425) civil penalty. This case was consolidated with cases 01-60 and 01-82, see these cases under **Request for Reconsideration**.

**02-06 National Republican Congressional Committee**, for failure to file 2001 4<sup>th</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has been before the board on several previous matters.

Director Rawlins informed the board that the 4<sup>th</sup> quarter report was filed with the Registry on March 22 but that there has been no response to the show cause notice.

A motion was made by McCroskey, seconded by Harding, to assess the organization a \$10,000 civil penalty. McCroskey then withdrew his motion. A motion was then made by Fincher, seconded by Harding, to assess the organization a \$2,500 civil penalty. A friendly amendment was made by Dunavant, accepted by Fincher, to assess the organization a \$2,000 civil penalty. The motion to assess the organization a \$2,000 civil penalty passed the board unanimously. Chairman McCroskey also requested that Director Rawlins send the organization a letter about their unconcern to timely file the campaign financial disclosure statements.

**02-09 QCAS Good Government PAC**, for failure to file 2001 4<sup>th</sup> 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.

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, seconding by Fincher, the board voted unanimously to withdraw the status of the organization and close their PAC for their failure to file the required reports and for failure to respond to any correspondence from the Registry.

**02-10 TNALFA**, for failure to file 2001 4<sup>th</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 4<sup>th</sup> quarter report had now been filed.

On motion by Harding, seconded by Long, the board voted unanimously to assess the organization a \$50 civil penalty.

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

**J. Nathan Green**, for failure to timely file a 2001 year-end lobbying activities report. Class one (1), maximum seventy-five (\$75) civil penalty. Mr. Green 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.

**Ginger Hausser**, for failure to file a 2001 year-end lobbying activities report. Class one (1), maximum seven hundred fifty (\$750) civil penalty. Ms. Hausser has been before the board on a previous matter.

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

**Wallace Madewell**, for failure to file a 2001 year-end lobbying activities report. Class one (1), maximum seven hundred fifty (\$750) civil penalty. Mr. Madewell 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.

**Ralph Mello**, for failure to file a 2001 year-end lobbying activities report. Class one (1), maximum seven hundred fifty (\$750) civil penalty. Mr. Mello has had no previous matters before the board.

On motion by Harding, seconded by Fincher, the board voted 4 to 1 to issue a show cause notice, with Long “abstaining.”

**Janice Nolen**, for failure to file a 2001 year-end lobbying activities report. Class one (1), maximum seven hundred fifty (\$750) civil penalty. Ms. Nolen 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.

**Robert Richardson**, for failure to file a 2001 year-end lobbying activities report. Class one (1), maximum seven hundred fifty (\$750) civil penalty. Mr. Richardson 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.

**John Henderson**, for failure to file 2002 statement of interests report. Class two (2), maximum ten thousand (\$10,000) civil penalty. Mr. Henderson 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.

**Chad Hower**, for failure to file 2001 annual supplemental campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. Mr. Hower 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.

**Chris Newton**, for failure to timely file 2001 annual supplemental campaign financial disclosure report. Class one (1), maximum four hundred (\$400) civil penalty. Rep. Newton 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.

**Cannon County Democratic Executive Committee**, for failure to file 2001 4<sup>th</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.

This case was carried forward from the March 2002 meeting to allow the organization to file their report.

Director Rawlins informed the board that the chairperson of the organization, Sue Patrick, contacted him on March 8 and explained that the treasurer had resigned and that she would complete and file the report. The report was filed by Ms. Patrick on March 12.

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

**Jefferson County Democratic Party**, for failure to file 2001 4<sup>th</sup> quarter campaign financial disclosure report. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had a previous matter before the board (see above). This case was carried forward from the March 2002 meeting.

Director Rawlins informed the board that the report has been filed. On motion by Fincher, seconded by Dunavant, the board voted unanimously to take no action in this matter.

**Gambling Free Tennessee Alliance**, for failure to timely file a 2001 annual single-measure committee campaign financial disclosure statement. Class one (1),

maximum seventy-five (\$75) 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.

**Dale Redman**, for failure to timely file 2001 annual supplemental campaign financial disclosure report. Class one (1), maximum fifty (\$50) civil penalty. Mr. Redman 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.

### ***Discussion of Harold Ford, Sr., Wendell Moore and MIM Corp. Lobbying***

This matter was carried forward from the March 2002 meeting to allow for more board members to be present for discussion.

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 Fincher, seconded by Dunavant, the board voted 4 to 1 to take no action in this matter, with McCroskey voting "no."

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

Director Rawlins presented the expenditure reports for the 2000/2001 fiscal year through February 28, 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.

### ***Other Business***

A motion was made by Dunavant, 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, May 8, 2002 at 10:30 am. At 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.