

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, October 8, 2003, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Henry Fincher, Karen Dunavant, Darlene McNeece, Wilbert Minter, Lee Anne Murray and Marian Ott.

On motion by Ott, seconded by Dunavant, the minutes from the September 10 2003 meeting were approved unanimously.

## ***Request for Reconsideration***

**03-31 CASS PAC**, for failure to timely file a 2003 1<sup>st</sup> quarter campaign financial disclosure report. Class one (1), seven days late, maximum one hundred seventy-five (\$175) civil penalty. The organization has had no previous matters before the board.

The board voted at its June 11, 2003 meeting to issue the organization a show cause notice.

The board voted at its July 9, 2003 meeting to assess the organization a \$175 civil penalty for their failure to timely file the required report. The organization submitted a statement asking for the board's reconsideration of the civil penalty assessment.

Paul F. Poole, treasurer for the organization, submitted a statement for the board's consideration. In this statement Mr. Poole explained that he had not received any notification letters until he received the assessment order from the Registry. Mr. Poole further explained that the organization has had no activity and a minimal balance on hand. Mr. Poole apologized for his failure to timely file and stated that the organization should have been closed during summer and that he will see that the organization is dissolved as soon as possible.

The reconsideration died for a lack of a motion. Therefore, the \$175 civil penalty assessment for late filing of the required report stands.

## ***Show Cause Hearings***

**03-36 RAAMPAC**, for possible violations of the Campaign Financial Disclosure Law. 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 John Rutherford, Executive Director for Tennessee Citizen Action, submitted a sworn complaint to the Registry. In this sworn complaint Mr. Rutherford questions whether RAAMPAC can legally make \$15,000 in contributions to Mark Goins' for Senate campaign. Mr. Rutherford expresses concern that the organization was used as a conduit to make an illegal contribution to the Mark Goins' campaign from a \$25,000 contribution John Gregory made to RAAMPAC.

At June 2003 meeting, the Registry voted to issue show cause notices to both RAAMPAC and John Gregory. Mr. Thomas, treasurer of RAAMPAC, has requested to

appear at the July meeting with council. Mr. Gregory has hired council, which requested a copy of the June meeting tape. At this time they have not provided a statement or requested to appear at the July meeting.

At the July Registry meeting, Ed Bryant, Lewis Donelson and Mark Manno personally appeared before the board as counsel for Mr. Gregory. Thomas Smith, treasurer of RAAMPAC, and Paul Ney, counsel for RAAMPAC, personally appeared before the board on behalf of RAAMPAC.

After presentations from Mr. Bryant and Mr. Ney and discussion by the board, the board voted to request an Attorney General's opinion regarding the definition of a PAC and what timeframe should be viewed in order to establish when a PAC becomes a PAC. In addition, the board voted to include in the opinion request whether there is any state or federal guidance on what constitutes a conduit.

Due to the delay in receiving the Attorney General opinion, the case was not discussed at the August or September Registry meeting. Mr. Bryant and Mr. Ney filed responses to the Attorney General opinion for the Registry's consideration.

As a result of the Attorney General opinion, on motion by Murray, seconded by McNeece, the board voted unanimously to take no further action in this matter.

### ***Sworn Statement Submitted***

***03-43 Wedge PAC***, for failure to file a 2003 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its September 10 meeting to issue the organization a show cause notice for their failure to file the required report.

The organization submitted a statement for the board's consideration. Paul Ketchel, treasurer for the organization, explained in this statement that since the organization's formation there has been no PAC activity. Mr. Ketchel further explained that the required report has now been filed and requested that the PAC be terminated.

Paul Ney, representative for the organization, appeared before the board and stated that Mr. Ketchel had not been ignoring the notice letters from the Registry but that he had simply not been checking the post office box for the organization because he knew that there hadn't been any PAC activity.

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

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

***03-41 Hardeman County Democratic Party***, for failure to timely file a 2003 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), 23 days late, maximum five hundred seventy-five (\$575) civil penalty. The organization has had no previous matters before the board.

The board voted at its September 10, 2003 to issue the organization a show cause notice.

Representatives for the organization submitted statements for the board's consideration. These statements explained that the Hardemen County Democratic Party

never intended to register as a PAC as the party does not donate or collect money for individual candidates. The representatives for the organization requested that the PAC be closed.

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

***03-42 Shelby County Democratic Executive Committee***, for failure to file a 2003 2<sup>nd</sup> quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had previous matters before the board and has an outstanding civil penalty.

The board voted at its September 10, 2003 to issue the organization a show cause notice.

Director Rawlins informed the board that the organization had filed the required report with the Registry on October 8, 2003.

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

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

***Friends of Tennessee Emergency Medical Services***, for failure to timely file a 2003 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), 22 days late, maximum five hundred fifty (\$550) civil penalty. The organization has had a previous matter before the board.

Director Rawlins informed the board that the report was filed and that the organization closed their PAC account.

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

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

Director Rawlins presented the expenditure reports for the 2002/2003 fiscal year through August 30, 2003.

### ***Other Business***

On motion by Minter, seconded by Murray, the board voted unanimously to have a rules workshop after the December 10 board meeting to review current campaign finance rules and discuss additional rules. Items to be discussed include the board's ability to terminate a PAC, definition of a conduit, when a PAC is considered a PAC, the Registry's investigative authority, creating an on-line complaint form and creating electronic filing rules. The board also requested that Janet Kleinfelter, representative with the Attorney General's office, attend the workshop.

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