

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Thursday, March 17, 2005, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Darlene McNeece, Karen Dunavant, William Long, Lee Anne Murray, Marion Ott and George Harding.

On motion by Harding, seconded by Long, the minutes from the February 9, 2005 meeting were approved unanimously.

Request for Reconsideration

04-50 Joe Towns, Jr., for failure to file a 2004 post-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Rep. Towns has had previous matters before the board.

The board voted at its December 14, 2004 to assess Rep. Towns a \$10,000 civil penalty. Rep. Towns requested a reconsideration of the assessment.

Director Rawlins informed the board that the report has been filed but that it has been returned to Rep. Towns for corrections.

A motion was made by Harding to reconsider the \$10,000 assessment against Rep. Towns. The motion to reconsider died for a lack of a second. A motion was then made by Dunavant, seconded by Long, to postpone any action in this matter until the next regularly scheduled meeting to allow time for Rep. Towns to file the corrected report. The motion to postpone passed the board 5 to 1, with Harding voting "no."

04-44 Victory 2002 – Non Federal Account, for failure to file a 2004 2nd 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 February 9, 2005 meeting to reconsider the \$10,000 civil penalty assessment against the organization and assess a \$500 civil penalty.

The organization requested a reconsideration of the \$500 civil penalty. The organization then chose to withdraw their request for reconsideration.

04-58 TNALFA, for failure to file a 2004 3rd quarter campaign financial disclosure report. Class two (2), over 30 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had previous matters before the board.

The board voted at its January 12, 2005 meeting to assess the organization a \$750 civil penalty. The organization requested a reconsideration of the assessment.

Mary McKinnon, treasurer of the organization, submitted a statement for the board's consideration. In this statement Ms. McKinnon explained that her services are provided voluntarily to the organization and that she was on maternity leave when the

report was due. Ms. McKinnon further explained that she has acquired some assistance so that the reports will be timely filed in the future.

A motion was made by Harding to take no action in this matter. Harding then withdrew his motion. A motion was made by Ott, seconded by Murray, to reconsider the \$750 assessment against the organization. The motion to reconsider the \$750 assessment passed the board 5 to 1, with Harding voting "no." A motion was then made by Ott, seconded by Long, to assess the organization a \$100 civil penalty. The motion to assess the organization a \$100 civil penalty passed the board unanimously.

Show Cause Hearing

05-01 Joe Towns, Jr., for failure to file a 2004 pre-general campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Rep. Towns has had previous matters before the board.

Director Rawlins informed the board that the required report has been filed with the Registry.

On motion by Harding, seconded by Long, the board voted unanimously to postpone any action in this matter until the next regularly scheduled meeting.

Sworn Statement Submitted

05-03 Hamilton County Democratic Party, for failure to timely file a 2004 4th 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.

Robert T. Davis, chairman of the organization, submitted a statement for the board's consideration. In this statement, Mr. Davis explained that the late filing of the report was not intentional. Mr. Davis further stated that the treasurer of the organization had been out of the country due to family illness and that this resulted in his overlooking the filing deadline.

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

Cases Subject to Approval for Civil Penalty

05-02 Green Party of Knox County, for failure to file a 2004 3rd 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 organization submitted a statement and explained that there was confusion about the status of their PAC with the state. The organization further explained that the required report has been filed and that they have closed their PAC account.

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

Cases Considered for Issuance of Show Cause Notices

Brian Benjamin, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), four days late, maximum one hundred (\$100) civil penalty. Mr. Benjamin has had no previous matters before the board.

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

Craig Camuso, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. Mr. Camuso has had no previous matters before the board.

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

Ross Dalton, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), four days late, maximum one hundred (\$100) civil penalty. Mr. Dalton has had no previous matters before the board.

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

Pam Inman, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. Ms. Inman has had no previous matters before the board.

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

Ronald Meredith, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), eight days late, maximum two hundred (\$200) civil penalty. Mr. Meredith has had no previous matters before the board.

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

Jeff Ockerman, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. Mr. Ockerman has had no previous matters before the board.

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

Tracy O'Neill, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), 11 days late, maximum two hundred seventy-five (\$275) civil penalty. Ms. O'Neill has had no previous matter before the board.

Ms. O'Neill submitted a statement for the board's consideration. In this statement Ms. O'Neill explained that the notices to file were mailed to her previous employer. Ms. O'Neill further explained that she filed the report as soon as she received the notice.

On motion by Long, seconded by Ott, the board voted 5 to 0 to take no action in this matter, with Murray "abstaining."

Renata Soto, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), two days late, maximum fifty (\$50) civil penalty. Ms. Soto has had no previous matters before the board.

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

Jeffery Thordahl, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. Mr. Thordahl has had no previous matters before the board.

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

Cynthia Tucker, for failure to timely file a 2004 year-end lobbying activities report. Class one (1), seven days late, maximum one hundred seventy-five (\$175) civil penalty. Ms. Tucker has had no previous matter before the board.

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

1 Point PAC, for failure to timely file a 2004 4th quarter campaign financial disclosure report. Class one (1), 17 days late, maximum four hundred twenty-five (\$425) civil penalty. The organization has had no previous matters before the board.

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

Citizens Watch 2000 PAC, for failure to file a 2004 4th 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.

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

Democratic Policy Council, for failure to file a 2004 4th 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.

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

Majority PAC, for failure to file a 2004 4th 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.

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

Tennessee Employees Action Movement, for failure to timely file a 2004 4th quarter campaign financial disclosure report. Class one (1), 30 days late, maximum

seven hundred fifty (\$750) civil penalty. The organization has had no previous matters before the board.

Director Rawlins informed the board that the organization submitted a letter and stated that their report was originally filed on January 10, 2005 along with their lobbying activities reports. Director Rawlins informed the board that the Registry staff has been unable to find that original report.

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

Joe Mike Akard, for failure to timely file a 2004 post-general campaign financial disclosure statement. Class one (1), seven days late, maximum one hundred seventy-five (\$175) civil penalty. Mr. Akard has had previous matters before the board.

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

Basil Marceaux, for failure to timely file a 2004 post-general campaign financial disclosure statement. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. Mr. Marceaux has had previous matters before the board.

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

Julian Prewitt, for failure to timely file a 2004 post-general campaign financial disclosure statement. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. Mr. Prewitt has had no previous matters before the board.

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

Discussion of Sworn Complaint against John Ford

Director Rawlins informed the board that the Registry received a sworn complaint, from Barry Schmittou (who was present at the meeting), alleging that Sen. John Ford used his campaign funds for personal use. The details provided in the complaint by Mr. Schmittou were quoted excerpts from a News Channel 5 report.

Director Rawlins informed the board that because the report in question had been on file with the Registry for over 180 days it is deemed sufficient absent a showing of fraud. Therefore, before the board could consider taking any action for the personal use of campaign funds, they would have to consider whether they felt there was fraud involved in the completion of the report. Director Rawlins further informed the board that if they determined that there was an appearance of fraud involved in the completion of the report, they could then consider what action to take on the alleged personal use of campaign funds.

A motion was made by Long, seconded by Dunavant, to defer the complaint for 30 days or until the next regularly scheduled meeting to allow Mr. Schmittou an opportunity to cure the fact that his complaint is not based on fact or personal knowledge but on the grounds that the entire complaint cited is hearsay and not based on first hand

knowledge or reviewing of documents. The motion to defer failed on a 3 to 3 vote, with Harding, Murray and Ott voting “no.”

A motion was then made by Harding, seconded by Dunavant, to issue a show cause notice to Sen. John Ford, that based on the information contained in the sworn complaint, for the personal use of campaign funds. A friendly amendment was made by Ott, accepted by Harding and Dunavant, to issue a show cause notice to Sen. John Ford on the possibility of fraud and the possibility of personal use of campaign funds for the five campaign expenditures listed in the sworn complaint that are also listed on Sen. Ford's itemized statement of expenditures. The motion as amended failed on a 3 to 3 vote, with Dunavant, Long and McNeece voting “no.”

A motion was made by Harding to issue a show cause notice to Sen. John Ford for failure to disclose all finances on his statement of interests report. The motion died for a lack of a second.

After further discussion, a motion was made by Dunavant, seconded by Ott, to issue Sen. John Ford a show cause notice for the potential personal use of campaign funds as listed on his campaign financial disclosure statement on file with the Registry. A friendly amendment was made by Murray, accepted by Dunavant and Ott, to issue a show cause notice for the appearance of fraud in the completion of the campaign financial disclosure statement and based on the campaign financial disclosure statement whether there was personal use of campaign finances. The motion as amended passed the board 5 to 1, with Long voting “no.”

After a discussion on Sen. Ford's past statement of interests' reports, a motion was made by Murray, seconded by Ott, to take no action unless it is properly before the board by formal sworn complaint. The motion to take no action passed the board 5 to 1, with Harding voting “no.”

Reported Financial Expenses

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

Director Rawlins presented the expenditure reports for the 2004/2005 fiscal year through January 31, 2005.

Executive Director's Report

Director Rawlins provided the 2004 annual report to be reviewed by the board. Included in the report are filing and civil penalty statistics, PAC and Lobbyist contributions and candidate information.

Other Business

The board requested that Director Rawlins include in the next meeting's agenda discussion of whether or not PAC's should be able to receive and expend monies if they fail to file required reports with the Registry.

Dunavant, seconded by Long made a motion, to adjourn the meeting until the next regularly scheduled meeting. The motion passed unanimously.