

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, February 14, 2007, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Presiding over the meeting was Chairperson John McClarty. Attending the meeting were board members Karen Dunavant, George Harding, William Long and Lee Anne Murray.

On motion by Murray, seconded by Dunavant, the board voted unanimously to approve the minutes from the January 10, 2007 regular board meeting. The motion passed the board unanimously.

## ***Reconsideration***

***06-67 Gary Rowe***, for failure to report campaign contributions. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty. Rep. Rowe has had a previous matter before the board.

The board voted at its November 2, 2006 meeting to assess Rep. Rowe a \$5,000 civil penalty. Rep. Rowe requested a reconsideration of the assessment.

The board voted at its January 10, 2007 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Rowe an opportunity to personally appear before the board.

Rep. Rowe did not personally appear before the board nor did he submit a statement on his behalf.

On motion by Harding, seconded by Murray, the board voted unanimously not to reconsider the \$5,000 civil penalty assessment against Rep. Rowe.

## ***Sworn Statements Submitted***

***06-75 John Jay Hooker***, for failure to timely file 2006 3<sup>rd</sup> quarter campaign financial disclosure report. Class one (1), eight days late, maximum two hundred dollar (\$200) civil penalty. Mr. Hooker has had a previous matter before the board.

The board voted at its December 13, 2006 meeting to issue Mr. Hooker a show cause notice. The board voted at its January 10, 2007 meeting to defer any action until the next regularly scheduled meeting to allow Mr. Hooker an opportunity to respond to the show cause notice.

Mr. Hooker provided a sworn statement for the board's consideration. In this statement, Mr. Hooker explained that because he moved residences he did not receive the notices to file from the Registry. Mr. Hooker further explained that he was under the impression that if he did not raise or spend any money he had no duty to file anything further.

On motion by Harding, seconded by Murray, the board voted 4 to 0 to take no further action in this matter, with Long "recusing."

**06-84 Kevin Glasco**, for failure to timely file a 2006 year-end lobbying activities report. Class one (1), ten days late, maximum two hundred fifty dollar (\$250) civil penalty. Mr. Glasco has had no previous matters before the board.

The board voted at its December 13, 2006 meeting to issue Mr. Glasco a show cause notice. The board voted at its January 10, 2007 meeting to defer any action until the next regularly scheduled meeting to allow Mr. Glasco an opportunity to respond to the show cause notice.

Mr. Glasco provided a sworn statement for the board's consideration. In this statement, Mr. Glasco stated that he was never informed by the Registry to file the required report until after the filing deadline. Mr. Glasco further stated that he had been out of town caring for a family member and lost track of all responsibilities concerning the affairs with his lobbying registration.

On motion by Dunavant, seconded by Murray, the board voted unanimously to assess Mr. Glasco a \$50 civil penalty.

**07-10 James Wolfe, Jr.**, for failure to file 2006 pre-general campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Wolfe has had no previous matters before the board.

The board voted at its January 10, 2007 meeting to issue Mr. Wolfe a show cause notice.

Mr. Wolfe provided a statement for the board's consideration. In this statement, Mr. Wolfe explained that his campaign manager attested that he had filed the report electronically and that he was unaware it had not been filed until he received notice from the Registry. Mr. Wolfe further explained that the required report has now been filed.

A motion was made by Long, seconded by Harding, to assess Mr. Wolfe a \$500 civil penalty. A friendly amendment was made by Murray, accepted by Long and Harding, to assess Mr. Wolfe a \$250 civil penalty. The motion to assess Mr. Wolfe a \$250 civil penalty passed the board unanimously.

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

**06-49 Jeff Sullivan**, for failure to file a 2006 mid-year supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Sullivan has had no previous matters before the board.

The board voted at its December 13, 2006 meeting to defer any action until the next regularly scheduled meeting to allow Mr. Sullivan an opportunity to respond to the show cause notice. The board voted at its January 10, 2007 meeting to defer any action until the next regularly scheduled meeting to allow Mr. Sullivan additional time to get bank records and respond to the show cause notice.

Director Rawlins informed the board that there has been no additional response to the show cause notice and that the report still has not been filed.

On motion by Long, seconded by Murray, the board voted unanimously to assess Mr. Sullivan a \$10,000 civil penalty.

**07-02 Kevin Carter**, for failure to file 2006 3<sup>rd</sup> quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Carter has had previous matters before the board.

The board voted at its January 10, 2007 meeting to issue Mr. Carter a show cause notice.

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 Murray, the board voted unanimously to assess Mr. Carter a \$10,000 civil penalty.

**07-03 Larry Drolsum**, for failure to file 2006 3<sup>rd</sup> quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Drolsum has had previous matters before the board.

The board voted at its January 10, 2007 meeting to issue Mr. Drolsum a show cause notice.

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 Dunavant, the board voted unanimously to assess Mr. Drolsum a \$10,000 civil penalty.

**07-11 Buffalo PAC**, for failure to timely file 2006 pre-general campaign financial disclosure report. Class one (1), 13 days late, maximum three hundred twenty-five dollar (\$325) civil penalty. The organization has had no previous matters before the board.

The board voted at its January 10, 2007 meeting to issue the organization a show cause notice.

Harvey Hoskins, treasurer for the organization, submitted a statement for the board's consideration. In this statement, Mr. Hoskins explained that the report was filed late because he did not read the notice letter to file thoroughly and had assumed that the report that they had filed previously satisfied the filing. Mr. Hoskins further explained that they are a newly operating organization and that they have implemented a system to ensure that all future filings are timely.

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

**07-13 Lee Chase**, for failure to timely file 2006 year-end lobbying activities report. Class one (1), nine days late, maximum two hundred twenty-five dollar (\$225) civil penalty. Mr. Chase has had no previous matters before the board.

The board voted at its January 10, 2007 meeting to issue Mr. Chase a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice but that the Registry received a check from Mr. Chase for \$225, which is the maximum civil penalty that could be assessed.

On motion by Harding, seconded by Murray, the board voted unanimously to assess Mr. Chase a \$225 civil penalty assessment.

**07-14 Claudia Tucker**, for failure to timely file 2006 year-end lobbying activities report. Class one (1), nine days late, maximum two hundred twenty-five dollar (\$225) civil penalty. Ms. Tucker has had no previous matters before the board.

The board voted at its January 10, 2007 meeting to issue Ms. Tucker a show cause notice.

Kevin Kerns, representative for Ms. Tucker, provided an affidavit for the board's consideration. In this affidavit Mr. Kerns explained that the missed filing was purely accidental and was a clerical error due to the change in Tennessee law.

Ms. Tucker submitted an affidavit for the board's consideration. In this affidavit, Ms. Tucker explained that she was confused about the new requirements and thought that she was in compliance. Ms. Tucker further explained that after receiving notice she contacted the Registry and immediately filed the required report.

On motion by Long, seconded by Dunavant, the board voted unanimously to assess Ms. Tucker a \$100 civil penalty.

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

**Champ Langford**, for failure to file 2006 pre-general campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Langford has had previous matters before the board.

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

**Hamilton County Democratic Party**, for failure to timely file 2006 pre-general campaign financial disclosure report. Class two (2), 43 days late, maximum ten thousand dollar (\$10,000) civil penalty. The organization has had a previous matter before the board.

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

### ***Cross Indexing Report***

Director Rawlins provided the board with a cross indexing report which contains contributions reported as being given by PACs but not reported by candidates for the Third Quarter and Pre-General reporting periods.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue show cause notices to the following candidates for failure to report campaign contributions from PACs:

- Dewayne Bunch
- Tim Burchett
- Glen Casada
- Vince Dean
- Guy Derryberry
- Ophelia Ford

- Marshall Bruce Gibbs
- Thelma Harper
- Sherry Jones
- Bill Ketron
- Ron Lollar
- Bill Lusk
- Phillip Pinion
- Gary Rowe
- Kevin Smith
- Vince Springer
- Joe Towns, Jr.
- Michael L. (Mike) Turner
- Ben West, Jr.

### ***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 2006/2007 fiscal year through December 31, 2006.

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

Director Rawlins provided the board with two lists containing the names of the legislative campaigns that will be audited. The first list contains candidates whose campaigns will receive full audits as required in T.C.A. §2-10-212 (2) and (3). The second list contains candidates whose campaigns are required to have their contributions audited for a specific reporting period pursuant to T.C.A. §2-10-212 (i). The lists are attached to the minutes as reference.

Director Rawlins informed the board that the two gubernatorial candidates subject to audit, Gov. Bredesen and Mr. Bryson, have chosen to have their campaign's audited by private CPA firms which will then be submitted to the Registry for review.

Director Rawlins provided the board with a summary of the 2007 Legislation that would affect the Registry.

Director Rawlins provided the board with the Registry's current campaign finance rules. Included are the rules that need to be deleted and the rules that need to be added.

### ***Other Business***

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