

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, April 9, 2008, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Presiding over the meeting was Chairperson William Long. Attending the meeting were board members George Harding, Patricia Heim, Darlene McNeece and Lee Anne Murray.

On motion by McNeece, seconded by Heim, the board voted unanimously to approve the minutes from the March 12, 2008 regular board meeting. The motion passed the board unanimously.

Show Cause Hearings

07-84 G. A. Hardaway, for failing to report 13 PAC contributions on his campaign financial disclosure reports. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty. Rep. Hardaway has had previous matters before the board.

The board voted at its December 12, 2007 meeting to issue Rep. Hardaway a show cause notice. Rep. Hardaway requested to appear before the board.

The board voted at its February 13, 2008 meeting defer any action in this matter until the next meeting to allow Rep. Hardaway an opportunity to personally appear before the board.

The board voted at its March 12, 2008 meeting defer any action in this matter until the next meeting to allow Rep. Hardaway an opportunity to personally appear before the board.

Rep. Hardaway contacted the Registry on the day of the meeting and requested that the board defer any action in this matter until the next meeting to allow him an opportunity to personally appear before the board.

On motion by Long, seconded by Murray, the board voted unanimously not to defer action on this matter.

On motion by McNeece, seconded by Murray, the board voted unanimously to assess Rep. Hardaway a \$1,000 civil penalty.

08-01 Nick Clark, for exceeding the individual contribution limit to 11 candidates as a result of using ABC-ED PAC as a conduit to make contributions and making a loan to one candidate. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty per violation.

The board voted at its March 12, 2008 meeting to issue Mr. Clark a show cause notice.

Nick Clark, along with his attorney Tom Lee, personally appeared before the board and explained that Mr. Clark's intent was not to use ABC-ED PAC as a conduit and that they did not believe it was used as a conduit. In addition, Mr. Clark explained that

he was not aware that a loan counted as a contribution and that the loan to Mr. Gibson had been repaid.

A motion was made by Murray to take no further action in this matter. Murray then withdrew the motion. A motion was then made by Murray to assess Mr. Clark a \$50 civil penalty, finding that the PAC was not used as a conduit but that the loan was in violation of campaign finance limits. The motion was seconded by Heim, with a friendly amendment to assess Mr. Clark a \$250 civil penalty. The friendly amendment was accepted by Murray. The board voted unanimously to assess Mr. Clark a \$250 civil penalty, finding that the PAC was not a conduit but that the loan was in violation of campaign finance limits.

08-02 Nick Clark, for exceeding the aggregate contribution limit that an individual can give to all state and local candidates in total over a two (2) year election cycle. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty.

The board voted at its March 12, 2008 meeting to issue Mr. Clark a show cause notice.

Mr. Lee stated that based on the Registry's action on Case No. 08-01 that he did not believe that Mr. Clark exceeded the two year aggregate contribution limit.

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

08-03 J. W. Gibson, for accepting contributions that exceeded the individual contribution limit per election. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty.

Mr. Gibson accepted contributions from Nick Clark totaling \$41,500 (including a loan) for his primary and general election in 2006.

The board voted at its March 12, 2008 meeting to issue Mr. Gibson a show cause notice.

Mr. Gibson personally appeared before the board and explained that he had repaid the loan to Mr. Clark.

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

Sworn Statements Submitted

08-07 Friends of Police PAC, for failure to timely file a 2007 year-end supplemental campaign financial disclosure report. Class one (1), six days late, maximum one hundred fifty dollar (\$150) civil penalty. The organization has had no previous matters before the board.

The board voted at its March 12, 2008 meeting to issue the organization a show cause notice.

The organization provided a sworn statement for the board's consideration.

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

08-08 Tennessee Common Sense PAC, for failure to timely file a 2007 year-end supplemental campaign financial disclosure report. Class one (1), six days late, maximum one hundred fifty dollar (\$150) civil penalty. The organization has had no previous matters before the board.

The board voted at its March 12, 2008 meeting to issue the organization a show cause notice.

The organization provided a statement for the board's consideration.

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

Cases Subject to Approval of Civil Penalty Order

08-06 Buffalo PAC, for failure to timely file a 2007 year-end supplemental campaign financial disclosure report. Class one (1), 10 days late, maximum two hundred fifty dollar (\$250) civil penalty. The organization has had no previous matters before the board.

The board voted at its March 12, 2008 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice.

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

Cases Considered for Issuance of Show Cause Notice

Larry Drolsum, for failure to file a 2007 year-end supplemental 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.

On motion by Heim, seconded by McNeece, the board voted unanimously to issue Mr. Drolsum a show cause notice.

Lee Whitaker, for failure to file a 4th quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Whitaker has had no previous matters before the board.

On motion by Heim, seconded by McNeece, the board voted unanimously to issue Mr. Whitaker a show cause notice.

John Wolfe, for failure to file a 2007 4th quarter 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.

On motion by Heim, seconded by McNeece, the board voted unanimously to issue Mr. Wolfe a show cause notice.

Washington County Republican Executive Committee, for failure to file a 2007 year-end supplemental campaign financial disclosure report. Class two (2), no report

filed, maximum ten thousand dollar (\$10,000) civil penalty. The organization has had a previous matter before the board.

On motion by Heim, seconded by McNeece, the board voted unanimously to issue the organization a show cause notice.

Audit Review

Stephen McManus

On motion by Heim, seconded by Murray, the board voted unanimously to approve Rep. McManus' 2006 campaign finance audit with no findings.

Bob Rochelle

On motion by Harding, seconded by Murray, the board voted unanimously to approve Mr. Rochelle's 2006 campaign finance audit with the included findings.

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 February 29, 2008.

Executive Director's Report

- At the Registry's December 12, 2007 meeting, Rep. Ulysses Jones requested a Registry opinion concerning use of his campaign funds to pay for expenses associated with him missing work for legislative duties.

The board voted unanimously at this meeting that it would be acceptable for Rep. Jones to pay a co-worker to work his shift with campaign funds when he must miss work for legislative duties.

Patricia Heim requested to review the letter to Rep. Jones before it was sent. After her review, she requested that the matter be brought back before the Registry for discussion.

After discussion at the February meeting, the board requested that Rep. Jones provide documentation on the fire department's policy for hiring someone to substitute for you.

Director Rawlins provided the board with a letter from the City of Memphis explaining the department's policy.

A motion was made by Harding, seconded by Heim, that the use of his campaign funds to pay for expenses associated with Rep. Jones missing work for legislative duties was not an allowable campaign expense. The motion passed the board 4 to 2, with Hinton and Murray voting "no."

- Director Rawlins provided the board with a statement requesting advice on setting up website language that would not violate T.C.A. 2-10-310, which prohibits a legislator from accepting campaign contributions until the end of session or until May 15, whichever is earlier. The language suggested was as follows:

Under state law, as a current member of the state legislature Rep. XXXXX is not allowed to accept campaign donations while the legislature is in session, until May 15. This donations page will remain inactive until the legislative session ends or May 15, whichever comes first.

There would then be a one-line form that says “Notify me when this page is active”

The website would then collect e-mail addresses so that individuals could be notified when the website was active to receive contributions.

The Registry board felt that the first paragraph was acceptable but that the second paragraph was not acceptable because it would be considered soliciting campaign contributions.

Other Business

After discussion, on motion by Long, seconded by McNeece, the board voted unanimously to give staff the following performance bonuses from the 2007/08 budget:

Drew Rawlins, Executive Director	\$12,000
Janet Williams, Campaign Finance Specialist	\$5,000
Brian Green, Administrative Services Assistant IV	\$1,500
Jay Moeck, Audit Manager	\$2,500
Tabitha Peden, Auditor II	\$2,500
Andrea Wilson, Administrative Assistant	\$2,000

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