

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, June 9, 2010, at Suite 104 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

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

## *Approval of Meeting Minutes*

On motion by Harding, seconded by Murray, the board voted unanimously to approve the minutes from the May 12, 2010 regular board meeting.

## *Show Cause Hearings*

**10-04 Eric Stewart**, for failing to report campaign contributions received, for overstating reported contributions and for not properly maintaining campaign records to verify compliance with campaign finance statutes. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty per violation. Sen. Stewart has had no previous matters before the board.

The board voted at its February 10, 2010 meeting to issue Sen. Stewart a show cause notice. Sen. Stewart requested to appear before the board.

In addition to correcting most of the errors, Sen. Stewart personally appeared before the board and explained his failure to report contributions, for overstating contributions and for not properly maintaining campaign records.

The board voted at its March 10, 2010 meeting to delay any further action in this matter until the next regularly scheduled meeting to allow Sen. Stewart an opportunity to complete all corrections to his campaign financial disclosure reports.

Director Rawlins informed the board that Sen. Stewart requested that the board delay any action in his case until the next regularly scheduled meeting to allow him an opportunity to complete all corrections to his campaign financial disclosure reports.

The board voted at its April 14, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Sen. Stewart an opportunity to complete all corrections to his campaign financial disclosure reports.

Sen. Stewart requested that the board defer any action in this matter until the next meeting to allow him further opportunity to complete all corrections to his campaign financial disclosure statements.

The board voted at its May 12, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Sen. Stewart an opportunity to complete all corrections to his campaign financial disclosure reports.

Director Rawlins informed the board that Sen. Stewart has completed all of the corrections to his campaign financial disclosure statements that were requested by the Registry.

A motion was made by McNeece, seconded by Harding, to take no further action in this matter. The motion to take no further action failed the board 2 to 3, with Heim, Murray and Pitt voting “no.” A motion was made by Murray, seconded by Pitt to assess Sen. Stewart a \$100 civil penalty. The motion to assess Sen. Stewart a \$100 civil penalty passed the board 4 to 1, with Harding voting “no.”

**10-06 Joe Towns, Jr.**, for failing to report campaign contributions, receiving contributions in excess of campaign limits, not maintaining campaign records to verify compliance with campaign finance statutes, failing to report campaign expenditures incurred, improperly reporting campaign expenditures in the correct reporting period, and for failing to obtain and/or obtain supporting documentation for all campaign expenditures. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty per violation. Rep. Towns has had previous matters before the board.

The board voted at its February 10, 2010 meeting to issue Rep. Town’s a show cause notice for failing to report campaign contributions, receiving contributions in excess of campaign limits, not maintaining campaign records to verify compliance with campaign finance statutes, failing to report campaign expenditures incurred, improperly reporting campaign expenditures in the correct reporting period, and for failing to obtain and/or obtain supporting documentation for all campaign expenditures.

Without objection, the board voted at its March 10, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Towns an opportunity to receive the show cause notice.

In addition to correcting some of the errors, Rep. Towns personally appeared before the board and explained his failure to report campaign contributions, receiving contributions in excess of campaign limits, not maintaining campaign records to verify compliance with campaign finance statutes, failing to report campaign expenditures incurred, improperly reporting campaign expenditures in the correct reporting period, and for failing to obtain and/or obtain supporting documentation for all campaign expenditures.

The board voted at its April 14, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Towns an opportunity to complete all corrections to his campaign financial disclosure statements.

Rep. Towns requested that the board defer any action in this matter until the next meeting to allow him further opportunity to complete all corrections to his campaign financial disclosure statements.

The board voted at its May 12, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Towns an opportunity to complete all corrections to his campaign financial disclosure statements.

Director Rawlins informed the board that Rep. Towns has not provided any further documentation and that no further corrections have been made to his campaign financial disclosure statements.

A motion was made by Pitt, seconded by Murray, to assess Rep. Towns an \$8,000 civil penalty for failing to report campaign contributions (Finding 1, \$1,000 per violation), \$10,000 for not maintaining campaign records (Finding 3), \$10,000 for failing to report campaign expenditures (Finding 5), \$10,000 for improperly reporting nine campaign expenditures in the correct reporting period (Finding 6) and \$10,000 for failing

to obtain and/or retain supporting documentation for all campaign expenditures (Finding 7). The motion to assess Rep. Towns a total of \$48,000 in civil penalties passed the board unanimously.

A motion was made by Heim, seconded by Pitt, to issue Rep. Towns a show cause notice for failure to comply with a campaign audit investigation. The motion to issue Rep. Towns a show cause notice for failure to comply with a campaign audit investigation passed the board unanimously.

**10-08 Boyce T. McCall, Sr.**, for failure to timely file a 2009 year-end supplemental campaign financial disclosure report. Class one (1), 14 days late, maximum three hundred fifty (\$350) civil penalty. Mr. McCall has had no previous matters before the board.

The board voted at its April 14, 2010 meeting to issue Mr. McCall a show cause notice.

Mr. McCall personally appeared before the board and explained that he willfully failed to timely file the required report.

On motion by Harding, seconded by Murray, the board voted unanimously to assess Mr. McCall a \$350 civil penalty.

**10-10 Tennessee Veterans PAC**, for failure to file a 2009 year-end supplemental 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.

The board voted at its April 14, 2010 meeting to issue the organization a show cause notice.

Staff brought this matter back before the board without sending the show cause notice because all correspondence from the Registry had been returned as undeliverable.

Director Rawlins informed the board that the Registry obtained a new address for the organization and that all correspondence has been re-mailed to the updated address.

The board voted at its May 12, 2010 meeting to issue the organization a show cause notice.

Randall Inskip, treasurer for the organization, and Paul Ambrosius, representative for the organization, personally appeared before the board and explained the organization's failure to timely file the required report.

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

### ***Case Subject to Approval of Civil Penalty Order***

**10-11 Tony Greene**, for failure to file a 2008 4<sup>th</sup> quarter campaign financial disclosure report with the Maury County Election Commission. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Greene has had a previous matter before the board.

The board voted at its April 14, 2010 meeting to issue Mr. Greene a show cause notice.

Director Rawlins informed the board that Mr. Greene has filed the required report with the Maury County Election Commission but that there has been no response to the show cause notice.

On motion by Murray, seconded by McNeece, the board voted unanimously to assess Mr. Greene a \$2,000 civil penalty.

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

***Tennessee Realtors PAC***, for failure to file a 2010 1<sup>st</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.

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

***TNAMB PAC***, for failure to timely file a 2010 1<sup>st</sup> quarter campaign financial disclosure report. Class one (1), eight days late, maximum two hundred (\$200) civil penalty. The organization has had previous matters before the board.

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

***Williamson County Republican Party***, for failure to timely file a 2010 1<sup>st</sup> quarter campaign financial disclosure report. Class one (1), ten days late, maximum two hundred fifty (\$250) civil penalty. The organization has had previous matters before the board.

On motion by Murray, seconded by Heim, the board voted 4 to 0 to issue a show cause notice, with Pitt “abstaining.”

***Adrian Eddleman*** for failure to timely file a 2010 1<sup>st</sup> quarter campaign financial disclosure report. Class one (1), 14 days late, maximum three hundred fifty (\$350) civil penalty. Mr. Eddleman has had no previous matters before the board.

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

***Robert Spence, Jr.***, for failure to file a 2009 year-end supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Spence has had a previous matter before the board.

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

### ***Sworn Complaint***

Director Rawlins provided the board with a sworn complaint filed with the Registry from Craig R. West against Representative Susan Lynn alleging the following violation:

- Rep. Lynn accepted contributions and made expenditures for the 2010 election before filing an Appointment of Political Treasurer form with the Registry for the 2010 election.

On motion by Murray, seconded by McNeece, the board voted unanimously to issue Rep. Lynn a show cause notice for a possible violation of the campaign finance law.

### ***Other Business***

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