

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, September 8, 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, Wade Hinton, Darlene McNeece and Lee Anne Murray. Justin Pitt participated via telephone.

Approval of Meeting Minutes

On motion by Harding, seconded by McNeece, the board voted unanimously to approve the minutes from the August 11, 2010 regular board meeting.

Requests for Reconsideration

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.

The board voted at its June 9, 2010 meeting 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.

Rep. Towns requested a reconsideration of the civil penalty assessment.

In addition to providing further documentation at the meeting, 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 August 11, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Registry staff to review the documentation provided by Rep. Towns.

Rep. Towns, along with John Lyle, personally appeared before the board and explained that all reports have been amended and corrected to comply with the audit and that an accountant has been retained to handle the campaign account.

A motion was made by McNeece, seconded by Murray, not to reconsider the \$48,000 civil penalty assessment. A friendly amendment was made by Pitt to reduce the \$48,000 civil penalty to a \$45,000 civil penalty. McNeece and Murray then withdrew the motion. A motion was made by Harding, seconded by Hinton, to reconsider the \$48,000 civil penalty assessment. The motion to reconsider the \$48,000 civil penalty assessment passed the board unanimously. A motion was made by Heim, seconded by McNeece, to reduce the \$48,000 civil penalty by \$13,000 for a civil penalty assessment of \$35,000. The motion to assess Rep. Towns a \$35,000 civil penalty passed the board 5 to 1, with Hinton voting "no."

10-17 Joe Towns, Jr., for failure to comply with a campaign audit investigation. Class two (2), maximum (\$10,000) civil penalty. Rep. Towns has had previous matters before the board.

The board voted at its June 9, 2010 meeting to issue Rep. Towns a show cause notice for failure to comply with a campaign audit investigation.

Rep. Towns personally appeared before the board and explained his failure to comply with the campaign audit investigation.

The board voted at its August 11, 2010 meeting to assess Rep. Towns a \$250 civil penalty assessment.

Rep. Town's requested a reconsideration of the assessment.

Rep. Towns, along with John Lyle, personally appeared before the board and explained that all reports have been amended and corrected to comply with the audit and that an accountant has been retained to handle the campaign account.

On motion by Murray, seconded by Harding, the board voted unanimously to reconsider the civil penalty assessment and reduce it from \$250 to \$0.00.

10-16 Williamson County Republican Party, for failure to timely file a 2010 1st 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.

The board voted at its June 9, 2010 meeting to issue the organization a show cause notice.

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

The board voted at its August 11, 2010 meeting to assess the organization a \$250 civil penalty.

The organization requested a reconsideration of the civil penalty assessment.

Kevin Kookogey, treasurer for the organization, provided a statement for the board's consideration.

A motion was made by Harding, seconded by Murray, to reconsider the \$250 civil penalty assessment. The motion to reconsider passed the board 5 to 0, with Pitt "abstaining." On motion by McNeece, seconded by Murray, the board voted 5 to 0 to assess the organization a \$50 civil penalty, with Pitt "abstaining."

Statements Submitted

10-21 Nicole Cravens, for failure to file a 2010 1st quarter campaign financial disclosure report with the Putnam County Election Commission. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Ms. Cravens has had no previous matters before the board.

The board voted at its August 11, 2010 meeting to issue Ms. Cravens a show cause notice.

Director Rawlins informed the board that under the provision T.C.A. § 2-10-101 for local candidates, Ms. Cravens was exempt from filing campaign financial disclosure reports.

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

10-23 David Lenoir, for possible violations of the Campaign Contribution Limits Act. Class two (2), maximum ten thousand (\$10,000) civil penalty. Mr. Lenoir has had no previous matters before the board.

Director Rawlins informed the board that this matter was forwarded to the Registry by the Shelby County Election Commission.

The board voted at its August 11, 2010 meeting to issue Mr. Lenoir a show cause notice.

Kenna Cagle, assistant treasurer for Mr. Lenoir, submitted a statement for the board's consideration. Ms. Cagle explained that the report contained only clerical errors and that at no time were contributions accepted in excess of the contribution limits. Ms. Cagle further explained that when the campaign became aware of the clerical error they immediately filed an amended report with the Shelby County Election Commission.

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

Case Subject to Approval of Civil Penalty Order

10-20 Nigel Reid, Sr., for failure to file a 2010 1st quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Reid has had a previous matter before the board.

The board voted at its August 11, 2010 meeting to issue Mr. Reid a show cause notice.

Director Rawlins informed the board that the Registry has been unable to get a current address for Mr. Reid. Director Rawlins further informed the board that Mr. Reid did not qualify to run for office but that he owed campaign financial disclosure reports because he filed an Appointment of Treasurer with the Registry.

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

10-22 Iron Workers LLU 492 PAC, for failure to timely file a 2010 2nd quarter campaign financial disclosure report. Class one (1), seven days late, maximum one hundred seventy-five (\$175) civil penalty. The organization has had a previous matter before the board.

The board voted at its August 11, 2010 meeting to issue the organization a show cause notice.

Glen Sloan, treasurer for the organization, submitted a statement and personally appeared before the board.

On motion by Murray, seconded by Harding, the board voted unanimously to assess the organization a \$25 civil penalty.

Cases Considered for Issuance of Show Cause Notice

Lewis Johnny Edwards, for failure to file a 2010 2nd quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Edwards has had no previous matters before the board.

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

Eddie Jones, for failure to timely file a 2010 2nd quarter campaign financial disclosure report. Class one (1), two days late, maximum fifty (\$50) civil penalty. Mr. Jones has had no previous matters before the board.

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

Timothy McDonald, for failure to timely file a 2010 pre-primary campaign financial disclosure report. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. Mr. McDonald has had no previous matters before the board.

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

Carl “Two Feathers” Whitaker, for failure to timely file a 2010 pre-primary campaign financial disclosure report. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. Mr. Whitaker has had no previous matters before the board.

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

John Andreuccetti, for failure to timely file a 2010 mid-year supplemental campaign financial disclosure report. Class one (1), 20 days late, maximum five hundred (\$500) civil penalty. Mr. Andreuccetti has had no previous matters before the board.

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

Juan Borges, for failure to file a 2010 mid-year supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Borges has had no previous matters before the board.

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

Leif Jeffers, for failure to file a 2010 mid-year supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Jeffers has had a previous matter before the board.

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

James Ryal, for failure to file a 2010 mid-year supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Ryal has had previous matters before the board.

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

Robert Spence, Jr., for failure to file a 2010 mid-year supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Spence has had previous matters before the board.

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

Jerry Smith, for failure to timely file a 2010 2nd quarter campaign financial disclosure report with the Sullivan County Election Commission. Class two (2), 37 days late, maximum ten thousand (\$10,000) civil penalty. Mr. Smith has had no previous matters before the board.

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

Assn. for the Future of Film & Television PAC, for failure to timely file a 2010 pre-primary campaign financial disclosure report. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. The organization has had a previous matter before the board.

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

Sierra Club PAC, for failure to timely file a 2010 pre-primary campaign financial disclosure report. Class one (1), 11 days late, maximum two hundred seventy-five (\$275) civil penalty. The organization has had no previous matters before the board.

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

Tennessee Liberty Fund, for failure to timely file a 2010 pre-primary 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.

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

Union County Republicans, for failure to timely file a 2010 2nd quarter campaign financial disclosure report. Class one (1), nine days late, maximum two hundred twenty-five (\$225) civil penalty. The organization has had a previous matter before the board.

On motion by Murray, seconded by McNeece, 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

2009 year-end supplemental reporting period. Director Rawlins informed the board that the list contained only those that exceeded the exemptions contained in T.C.A. §2-10-110.

On motion by Murray, seconded by Harding, the board voted unanimously to issue show cause notices to the following candidates for failure to report PAC contribution(s) on their original campaign financial disclosure statements:

- G. A. Hardaway
- Sherry Jones
- Judd Matheny
- Susan Lynn

Executive Director's Report

- Director Rawlins informed the board that the annual COGEL conference is scheduled for December 5 through 8 in Washington, D.C.

Other Business

The board discussed the Registry of Election Finance's complaint procedures.

On motion by McNeece, seconded by Harding, the board voted unanimously to adjourn the meeting until the next regularly scheduled meeting.