

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance for the State of Tennessee met Monday, March 9, 1998, at 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending were: Alan Hubbard, Herman Reviere, George Harding and Samella Junior-Spence.

The minutes of the February 9, 1998 meeting were approved on motion by Harding and seconded by Junior-Spence.

Reconsiderations:

97-45 **Century Telephone Enterprises PAC**, for failure to file 1997 3rd quarter campaign financial disclosure report. The committee was assessed a \$500 class two (2) civil penalty at the January 12 meeting, when it did not respond to the Registry's show cause notice. Subsequent to the assessment, the PAC requested reconsideration of the assessment and filed its 1997 3rd quarter report. Additionally, the new treasurer of the PAC, John Jones, filed a sworn statement with the board explaining that the previous treasurer had left employment with the company and that his mail had been held pending appointment of a new treasurer for the PAC. Mr. Jones explained that steps have been taken in their organization to ensure that reports are filed timely in the future.

On motion by Reviere, seconded by Junior-Spence, the board voted unanimously to reconsider this case and to waive the \$500 penalty previously assessed.

Approval of Civil Penalty Orders:

98-11 – **Bretran Thompson**, for failure to file a 1997 supplemental annual campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. Mr. Thompson did not respond to the show cause notice. On motion by Harding, seconded by Reviere, the board voted to assess a \$1,000 civil penalty.

98-10 – **Tennesseans for Good Government**, late filing of fourth quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$100. Tennesseans for Good Government did not respond to the show cause notice. On motion by Harding, seconded by Reviere, the board voted to assess a \$100 civil penalty.

Issuance of Show Cause Notices:

Gay Alexandrou, for failure to timely file a 1997 year-end lobbying activities report. Maximum civil penalty \$200. Ms. Alexandrou voluntarily appeared before the board and waived her right to a show cause hearing notice. She explained that her report was not timely filed because the notices sent to Ms. Alexandrou, including the Registry's certified civil penalty assessment letter, had been mailed to her previous business address and that she personally had not received the notices in a timely manner. The Registry staff informed the board that Ms. Alexandrou has filed her disclosure reports on time in the past.

On motion by Reviere, seconded by Harding, the board voted to take no action.

Gary Creasy, for failure to timely file 1997 supplemental annual campaign disclosure report. Class one (1), maximum civil penalty \$225. On motion by Reviere, seconded by Harding, the board voted to issue a show cause notice.

Bill Owen, for failure to timely file a 1997 supplemental annual campaign disclosure report. Class one (1), maximum civil penalty \$100. On motion by Reviere, seconded by Hubbard, the board voted to issue a show cause notice.

John Ryder, for failure to timely file a 1997 year-end lobbying activities report. Maximum civil penalty \$225. Motion by Reviere, seconded by Junior-Spence, the board voted to issue a show cause notice.

A. D. Jones, late filing of 1997 supplemental annual campaign disclosure report. Class one (1) maximum civil penalty \$75. On motion by Harding, seconded by Reviere, the board voted to take no action.

Clarence Dodds, for failure to file corrected 1997 supplemental annual campaign financial disclosure report. Class two (2) maximum civil penalty \$10,000. Director Williams reported to the board that Mr. Dodds has suffered a stroke and is not in good health. She recommended to the board that no penalties be assessed against Mr. Dodds and reminded the members that Mr. Dodds will be ineligible to qualify as a candidate in any future elections, unless his corrected report is filed.

On motion by Reviere, seconded by Junior-Spence, the board voted to take no action.

Anderson County Democratic Women's Club, for failure to file a 1997 4th quarter campaign financial disclosure report. Class two(2) maximum civil penalty \$10,000. On motion by Reviere, seconded by Junior-Spence, the board voted to issue a show cause notice.

Baker, Donelson, Bearman and Caldwell PAC, for failure to timely file a 1997 4th quarter campaign financial disclosure report. Class one (1) maximum civil penalty \$650. On motion by Junior-Spence, seconded by Reviere, the board voted to take no action.

Boeing Co. PAC, for failure to timely file a 1997 4th quarter campaign financial disclosure report. Class one (1) maximum civil penalty \$200. On motion by Reviere, seconded by Harding, the board voted to issue a show cause notice.

Building Industry PAC, for failure to file a 1997 4th quarter campaign financial disclosure report. Class two (2) maximum civil penalty \$10,000. On motion by Reviere, seconded by Junior-Spence, the board voted to issue a show cause notice.

CH2M Hill Co., LTD PAC, for failure to timely file a 1997 4th quarter campaign financial disclosure report. Class one (1) maximum civil penalty \$75. On motion by Reviere, seconded by Junior Spence, the board voted to take no action

Cumberland Valley PAC, for failure to file a 1997 4th quarter campaign financial disclosure report. Class two (2) maximum civil penalty \$10,000. On motion by Reviere, seconded by Junior-Spence, the board voted to issue a show cause notice.

International Brotherhood of Painters & Allied Trades, for failure to file a 1997 4th quarter campaign financial disclosure report. Class two (2) maximum civil penalty \$10,000. On motion by Harding, seconded by Junior-Spence, the board voted to issue a show cause notice.

M.S. Carriers, Inc. PAC, for failure to timely file a 1997 4th quarter campaign financial disclosure report. Class one (1) maximum civil penalty \$300. On motion by Reviere, seconded by Junior-Spence, the board voted to issue a show cause notice.

Republican National State Elections Committee, for failure to file a 1997 4th quarter campaign financial disclosure report. Class two (2) maximum civil penalty \$10,000. On motion by Harding, seconded by Junior-Spence, the board voted to issue a show cause notice.

Tennessee State Victory Committee, for failure to file a 1997 4th quarter campaign financial disclosure report. Class two (2) maximum civil penalty \$10,000. On motion by Harding, seconded by Junior-Spence, the board voted to issue a show cause notice.

Worldcom, Inc. Federal PAC, for failure to file a 1997 4th quarter campaign financial disclosure report. Class two (2) maximum civil penalty \$10,000. On motion by Harding, seconded by Junior-Spence, the board voted to issue a show cause notice.

Budget Report:

Drew Rawlins, Financial Disclosure Auditor, presented the budget statistics through January 31, 1998 to the board for approval. On motion by Harding, seconded by Junior-Spence the board voted to accept the budget as presented.

Executive Director's Report:

Director Williams distributed to the board members copies of the 1997 annual report as finalized, including the disclosure filing statistics and civil penalty assessments for 1997. That report was sent to the Governor and the Speakers of both Houses as required by statutes.

Mason Ball, Legislative Auditor with the state Comptroller's Office, has now completed his performance audit of the Registry. Mr. Ball and his supervisor met with Director Williams and Auditor Rawlins to discuss the audit findings, in which he determined that the Registry is doing its job as best as it can under the confines of the disclosure laws. The specific weaknesses noted by Mr. Ball were weaknesses in the laws themselves and in the collection of civil penalties by the State Attorney General's Office on behalf of the Registry. After the Comptroller's office compiles its audit report, that report will be presented to the Registry for comment before being provided to the General Assembly.

On February 23, Director Williams appeared before the Joint Government Operations Committee for a review of the Registry's Campaign Contribution Limits Rules, which were to become effective on February 25, 1998. Because of the committee's concern relating to Rule 0530-1-2-.02 (1), which prohibits anonymous campaign contributions, the effective date of the rules was stayed to provide an opportunity for the committee to study the rules further and to hear from the Attorney General as to its opinion that anonymous contributions are not allowed under the campaign finance laws. The next hearing date on the rules has been set for Monday, March 30 at 1:30 p.m.

The Registry requested that Director Williams draft a letter under the signature of the Chairman to John Emison, who has written each board member to request that the Registry reconsider its decision not to enforce the provision of the campaign finance law limiting the amount of monies that a candidate may contribute to his/her own campaign. In his letter, Mr. Emison informed the board members that he plans to file a sworn complaint against any candidate who violates the contribution limits of the law. The board requested that Mr. Emison be informed that the Attorney General prepares to take opinion that this statutory provision is unconstitutional and that the Registry is bound by the decision of its legal counsel, who would not defend the board in court if it attempts to enforce the provision.

Director Williams reported to the members that the Attorney General's Office has not yet issued an opinion addressing the issues raised in the Tennessee Democratic Party's complaint filed against the Tennessee Republican Party. She also reported that she had contacted both parties in writing after the February meeting to inform them that the reason for the board's delay in taking action on the complaint is because of the need to obtain a response from the Attorney General as to the Registry's questions relating to the complaint. The board voted to continue this matter pending receipt of the opinion and requested that the Director stay in contact with the two parties concerning the delay.

Director Williams reported on the status of the Attorney General's enforcement of the order of final summary judgement issued on January 12 by the Davidson County Chancery Court

against Tennessee Conservative Union's PACs, John Davies and Lloyd Daughtery. Upon requesting an update from the Attorney General's Office, Williams was informed that: 1) the order of summary judgment is now final; 2.) no notice of appeal was filed by the defendants; and, 3.) the Attorney General is looking into the preparation of the next legal step in this case. Upon recommendation of the Director, the board voted that a letter be drafted and sent to the Attorney General thanking him once again for pursuing this case on behalf of the Registry and letting him know that the Registry and its staff are available to assist in any way as the Attorney General's prepares to take action to enforce the court's order. Additionally, the board will be making periodic requests of the Attorney General as to his office's progress in obtaining enforcement of the order.

Other Business:

Director Williams informed the board that Drew Rawlins has requested that his title be changed from Financial Disclosure Auditor to Assistant Director to better reflect his job responsibilities. Upon recommendation of the Director, motion by Reviere, seconded by Harding, the board voted to approve the change in title.

The next board meeting was scheduled for Monday, April 13, 1998 at 10:30 a.m. The meeting was adjourned.