

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance for the State of Tennessee met Monday, April 13, 1998, at 1614 Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending were: Alan Hubbard, Gail Vaughn Ashworth, Karen Dunavant, Herman Reviere, George Harding and Samella Junior-Spence.

The minutes of the March 9, 1998 meeting were approved on motion by Reviere, seconded by Junior-Spence.

Show Cause Hearing:

98-22 - **Worldcom, Inc. Federal PAC**, for failure to file fourth quarter 1997 campaign financial disclosure report. Class one (2), maximum civil penalty \$10,000.00. Don Baltimore appeared on behalf of Worldcom. The Registry staff explained that the PAC had actually timely filed its Federal PAC report, but did not include the first two pages of the state's reporting forms. Therefore, the staff did not realize the report being filed was to fulfill the state's reporting requirements. On motion by Ashworth, seconded by Junior-Spence, the board voted to take no action.

Reconsiderations:

97-51 - **Tennesseans for Good Government**, for failure to file third quarter 1997 campaign financial disclosure report. A class two (2) civil penalty of \$250.00 was assessed at the January meeting. Rick Baggett, treasurer, appeared before the board and explained that the employee who was responsible for filing the disclosure report left their organization and left him in charge of the PAC. Mr. Baggett further explained that he did not know anything about PAC reports and has hired someone to help monitor reporting schedules. Motion by Reviere to reconsider the civil penalty assessment, seconded by Junior-Spence. On motion by Reviere, seconded by Junior-Spence, the board voted to rescind the previous civil penalty order.

97-10 - **Tennesseans for Good Government**, for failure to timely file fourth quarter 1997 campaign financial disclosure report. A class one (1) civil penalty of \$100.00 was assessed at the March meeting. On motion by Ashworth, seconded by Junior-Spence, the board voted to reconsider the civil penalty assessment. On motion by Reviere, seconded by Junior-Spence, the board voted to rescind the previous civil penalty order. Ashworth requested that the minutes reflect that the previous penalty of \$100.00 was due to the PAC filing its report four days late.

Sworn Statements:

98-23 - **Boeing Co. PAC**, for failure to timely file fourth quarter 1997 campaign financial disclosure report. Class one (1), maximum civil penalty \$200.00. On motion by Ashworth, seconded by Dunavant, the board voted to take no action.

98-17 - **Cumberland Valley PAC**, for failure to file fourth quarter 1997 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.00. The disclosure report was filed on March 23, along with the treasurer's sworn statement. On motion by Harding, seconded by Junior-Spence, the board voted to take no action.

98-24 - **M.S. Carriers, Inc. PAC**, for failure to timely file fourth quarter 1997 campaign financial disclosure report. Class one (1), maximum civil penalty \$300.00. On motion by Ashworth, seconded by Dunavant, the board voted to delay action until the May meeting to allow the Registry staff to contact the treasurer and inform him of the PAC's obligations for filing disclosure reports.

98-21 - **Tennessee State Victory Committee**, for failure to file fourth quarter 1997 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.00. The report was filed with the Registry on April 2. On motion by Harding, seconded by Junior-Spence, the board voted to take no action.

98-14 - **John Ryder**, for failure to timely file 1997 year-end lobbying activities report. Maximum penalty \$225.00. On motion by Dunavant, seconded by Junior-Spence, the board voted to take no action.

98-15 - **Anderson County Democratic Women's Club**, for failure to file fourth quarter 1997 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. The PAC filed its report with the Registry on April 7, along with the treasurer's sworn statement. On motion by Ashworth, seconded by Dunavant, the board voted to take no action.

Approval of Civil Penalty Orders:

98-16 - **Building Industry PAC**, for failure to file fourth quarter 1997 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. Building Industry PAC did not respond to the board's show cause notice. On motion by Harding, seconded by Junior-Spence, the board voted unanimously by roll call vote to assess a \$500 civil penalty.

98-19 - **International Brotherhood of Painters and Allied Trades**, for failure to file fourth quarter 1997 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. International Brotherhood of Painters and Allied Trades filed its report on March 31 but did not respond to the board's show cause notice by filing a sworn statement or requesting a hearing. On motion by Ashworth, seconded by Dunavant, the board voted unanimously by roll call vote to assess a \$50 civil penalty.

98-20 - **Republican National State Elections Committee**, for failure to file fourth quarter 1997 campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000. The PAC filed its report on March 31, but Republican National State Elections Committee did not otherwise respond to the board's show cause notice. On motion by Ashworth,

seconded by Junior-Spence, the board voted unanimously by roll call vote to assess a \$50 civil penalty.

98-13 - **Gary Creasy**, for failure to timely file 1997 supplemental annual campaign financial disclosure report. Class one (1), maximum civil penalty \$225.00. Mr. Creasy did not respond to the board's show cause notice. On motion by Ashworth, seconded by Dunavant, the board voted unanimously by roll call vote to assess a \$225 civil penalty.

98-12 - **Bill Owen**, for failure to timely file 1997 supplemental annual campaign financial disclosure report. Class one (1), maximum civil penalty \$100.00. On motion by Reviere, seconded by Junior-Spence, the board voted unanimously by roll call vote to issue a \$100 civil penalty. (The penalty was paid by Mr. Owen prior to the board's assessment.)

Issuance of Show Cause Notices:

Colman Hoffman, for failure to file 1997 year-end lobbying activities report. Maximum civil penalty \$750.00. On motion by Ashworth, seconded by Harding, the board voted to issue a show cause notice.

Jill Maxfield, for failure to file 1997 year-end lobbying activities report. Maximum civil penalty \$750.00. On motion by Harding, seconded by Junior-Spence, the board voted to issue a show cause notice.

Pamela Taylor, for failure to file 1997 year-end lobbying activities report. Maximum civil penalty \$750.00. On motion by Ashworth, seconded by Junior-Spence, the board voted to issue a show cause notice.

William Cotton, for failure to timely file 1997 year-end lobbying activities report. Maximum civil penalty \$250.00. On motion by Ashworth, seconded by Reviere, the board voted to issue a show cause notice.

Rickey Peete, for failure to timely file 1997 year-end lobbying activities report. Maximum civil penalty \$375.00. On motion by Harding, seconded by Junior-Spence, the board voted to issue a show cause notice.

Joe Towns, for failure to timely file statement of interests report. Class one (1), maximum civil penalty \$350.00. On motion by Ashworth, seconded by Reviere, the board voted to issue a show cause notice.

Joe Towns, for failure to timely file 1997 supplemental annual campaign financial disclosure report. Class one (1) maximum civil penalty \$350.00. On motion by Ashworth, seconded by Dunavant, the board voted to issue a show cause notice.

~~**M.S. Carriers**, for failure to timely file second quarter 1997 financial disclosure report. Class one (1), maximum civil penalty \$50.00. On motion by Ashworth, seconded by Harding, the board voted to take no action.~~

~~**Tennessee Campaign for the Family**, for failure to timely file second quarter 1997 financial disclosure report. Class one (1), maximum civil penalty \$375.00. On motion by~~

~~Dunavant, seconded by Junior Spence, the board voted to take no action with Ashworth voting no.~~

~~**Rep. Brenda Turner**, for failure to timely file completed statement of interests. Class one (1), maximum civil penalty \$150.00. On motion by Ashworth, seconded by Hubbard, the board voted to take no action, with Reviere voting against motion.~~

~~**Deborah Hillin**, for failure to timely file 1997 mid-year lobbying activities report. Class one (1), maximum civil penalty \$550.00. On motion by Hubbard, seconded by Ashworth, the board voted to take no action.~~

Budget Report:

Drew Rawlins, Assistant Director, presented the budget statistics through February 28, 1998. On motion by Reviere, seconded by Junior-Spence, the board voted to accept the budget report as presented.

Executive Director's Report:

On April 7, Director Williams attended a civil contempt hearing for Tennessee Conservative Union's PACs, John Davies and Lloyd Daugherty. Mr Davies and Mr. Daugherty appeared in court with an attorney, David Raybin, who at that time had not yet been officially hired to represent the defendants. Mr. Raybin requested a continuance, and the chancellor reset the contempt hearing for May 8 at 1:30 p.m.

Other Business:

The Joint Government Operations Committee issued a show cause hearing notice to the Registry on March 30, as to the Agency's Campaign Contribution Limits Rules. That hearing was scheduled for April 13 at 1:00 p.m., immediately following the Registry's meeting.

At the request of several committee members, Director Williams met with Sen. Jim Kyle (a member of the joint committee) and listened to his concerns as to each individual rule. She shared Sen. Kyle's concerns with the Registry members.

Junior-Spence made a motion to suspend the rules and to revise them using less stringent guidelines. The motion was seconded by Dunavant. After discussion, Junior-Spence withdrew her motion.

Ashworth moved to take no action on the rules. The motion was seconded by Dunavant. A roll call vote was taken with board members Harding and Junior-Spence voting no and all other board members voting yes.

Bill Williams, a registered lobbyist, requested an oral opinion from the Registry as to a lobbying question. The question is whether one group of lobbyists could purchase appetizers and drinks at Morton's for a group of lawmakers from a particular legislative committee and whether another group of lobbyists could then purchase meals for the same lawmakers during the same

visit to Mortons. The board members agreed with the Director that such ticket splitting is prohibited by the lobbying law and Rule 0530-2-1-.05 of the board's lobbying rules.

The next regularly scheduled board meeting will be at 10:30 a.m. on Monday, May 11, 1998.

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