

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Tuesday, February 8, 2000, at Suite 1614 of the Parkway Towers building, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Greg Duckett, Karen Dunavant, Bud Gilbert, George Harding, and Samella Junior-Spence. Alan Hubbard participated in the meeting by telephone. (Michael McCroskey was unable to attend the meeting due to an unexpected family situation.)

The minutes of the February 8, 2000 meeting were approved unanimously on motion by Harding, seconded by Junior-Spence.

Request for Reconsideration

99-57 - Doug Morris, for failure to timely file a 1999 supplemental annual campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

The board voted at its January 11 meeting to assess Mr. Morris a \$250 civil penalty. Mr. Morris requested a reconsideration of the assessment and submitted a sworn statement for the board's consideration of his request.

On motion by Harding, seconded by Junior-Spence, the board voted unanimously to deny the request for reconsideration and to affirm the \$250 assessment.

Sworn Statement submitted for consideration

00-02 – Doug Morris, for acceptance of an excess campaign contribution for his 1996 primary election. (Mr. Morris disclosed on his supplemental annual campaign financial disclosure report filed December 13 that his father had forgiven a \$5388 obligation that Mr. Morris owed his father's advertising agency.)

Mr. Morris submitted a sworn statement, stating that he has now paid the obligation in full to Morris Advertising Agency. He submitted an amended report showing repayment of that obligation. Additionally, Mr. Morris sent a copy of a check dated November 14, 1999 written to Morris Advertising Agency. However, the Director informed the Registry members that the disclosure report filed by Mr. Morris on December 13 disclosed the obligation to the agency as being forgiven by his father, not as having been repaid.

Hubbard made a motion to take no further action against Mr. Morris, with Gilbert seconding the motion for the purpose of discussion. After further discussion of this matter, Hubbard withdrew his motion.

On motion by Harding, seconded by Gilbert, the board voted unanimously for the Director to request a copy of the cancelled check written by Mr. Morris to Morris Advertising Agency, as evidence that the check had been deposited into the agency's

account, and to inquire of Mr. Morris as to the inconsistency between the date of the check and the December 13 disclosure report disclosing the obligation as having been forgiven. Gilbert requested that staff determine if Morris Advertising Agency is incorporated, prior to the March meeting.

Cases subject to approval for civil penalty

00-01 - Charles Hawk, for failure to file a 1999 supplemental annual campaign disclosure report. Class two (2), maximum civil penalty \$10,000.

Director Williams informed the members that Mr. Hawk has still not filed his supplemental campaign disclosure report, nor has he responded to the show cause hearing notice issued by the board at the January meeting.

On motion by Harding, seconded by Junior-Spence, the board voted to assess Mr. Hawk a \$5,000 civil penalty, with Hubbard voting “no.”

99-68 Yarboro Sallee, for failure to file a 1999 supplemental annual campaign financial disclosure report. Class two (2), maximum civil penalty \$10,000.

This matter had been continued at the board’s January meeting to provide Ms. Sallee an additional opportunity to obtain her campaign financial records from her treasurer. Additionally, the Registry had requested that Ms. Sallee file a campaign disclosure report to the best of her knowledge prior to any information that she might obtain from her treasurer.

Director Williams informed the members that Ms. Sallee had faxed a copy of her campaign disclosure report and a copy of a sworn statement to the Registry on February 7. She also faxed a note, stating that her original report was in the mail.

In her faxed statement, Ms. Sallee stated that her attorney has written her treasurer requesting the financial information from her campaign account, but that her treasurer has not responded to that request. She stated that she will continue to try to obtain the proper information to ensure that she has an accurate report on file with the Registry.

On motion by Harding, seconded by Junior-Spence, the board voted unanimously to continue this matter until the March meeting to allow time for Ms. Sallee’s original campaign disclosure report to be received by the Registry.

Cases Considered for Issuance of Show Cause Notices:

Roger Woolsey, for failure to timely file a 1999 supplemental annual campaign financial disclosure report. He was a candidate for district attorney general in the 1998 elections in the Greeneville area. Class two (2), maximum civil penalty \$10,000.

On motion by Hubbard, seconded by Duckett, the board voted unanimously to issue a show cause hearing notice in this matter.

Stephen Wolf, for failure to file a pre-election campaign financial disclosure report with the Shelby County Election Commission. Mr. Wolf was a candidate for

member of the Memphis City Council in the October 7, 1999 City of Memphis Municipal Election. Class two (2), maximum civil penalty \$10,000.

On motion by Harding, seconded by Hubbard, the board voted unanimously to issue a show cause hearing notice in this matter.

AMG-RAN PAC, for failure to timely file a 1999 4th quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$25.

On motion by Harding, seconded by Junior-Spence, the board voted unanimously to take no action in this matter.

Committee for Hamblen County Democrats, for failure to timely file a 1999 4th quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$25.

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

Tennesseans for Good Government, for failure to timely file a 1999 4th quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$50.

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

Tennessee Republican Assembly PAC, for failure to timely file a 1999 4th quarter campaign financial disclosure report. Class one (1), maximum civil penalty \$25.

On motion by Harding, seconded by Duckett, the board voted unanimously to take no further action.

Budget Report:

Assistant Director Rawlins presented the board a budget report for the present fiscal year through December 31, 1999. Rawlins also provided the members a list of individuals and organizations who paid outstanding civil penalties owed to the Registry during January.

On motion by Junior-Spence, seconded by Harding, the board voted unanimously to approve the budget as presented.

Harding made a motion, seconded by Junior-Spence, to provide the Registry staff a 2% annual increase in salaries. That motion was approved unanimously by the members of the board.

Executive Director's Report

Director Williams recommended to the board that a civil penalty order that was issued to Greg Brannick on December 17, 1999 be rescinded. Mr. Brannick was assessed a \$2,500 class two (2) civil penalty, for failure to file a 1999 supplemental annual campaign disclosure report.

After receiving the Registry's assessment order, Mr. Brannick provided evidence to the Registry that he had filed a supplemental report in 1998 closing out his 1996 state representative campaign account. Mr. Brannick had mailed that report by certified mail and provided the Registry a copy of the return receipt card signed by a member of the Registry staff. Staff has been unable to locate the original report filed by Mr. Brannick in 1998.

On motion by Harding, seconded by Gilbert, the board voted unanimously to rescind the assessment order issued to Mr. Brannick. Director Williams informed the members that she has sent a letter of apology to Mr. Brannick.

Director Williams provided the Registry members a memorandum from Janet Kleinfelter, Assistant State Attorney General, concerning two outstanding civil penalties assessed against the Patriot PAC.

The committee was assessed a \$50 civil penalty in 1995 and another \$50 civil penalty in 1996 for the late filings of two campaign financial disclosure reports. Those cases were forwarded to the Attorney General's office by the Registry for appropriate legal action to be taken to collect those penalties.

In her memorandum to the Registry, Ms. Kleinfelter informed the board that the Attorney General's office has been unable to obtain service of process on the political treasurer of the PAC. She recommended that the Registry authorize her to voluntarily non-suit this case. Ms. Kleinfelter stated that it is unlikely that service of process could be obtained on the treasurer of the committee without the use of a private process server and informed the board that even if service is obtained, it is likely that the PAC has no assets. Additionally, the treasurer could not be held liable for payment of the civil penalties, as the assessments against Patriot PAC were issued prior to the passage of the provision of the campaign finance law that would make the treasurer of a PAC personally liable for any penalties assessed against the PAC.

On motion by Harding, seconded by Junior-Spence, the board voted to authorize the Attorney General's office to voluntarily non-suit the case against Patriot PAC, based on the recommendation of the Attorney General. Gilbert voted "no" on the motion, and Dunavant abstained.

Director Williams provided the members a rough draft of the 1999 annual report for their review, without statistical information as to the filing of reports and assessment of penalties for 1999. She explained to the board that these statistics are not presently available due to reports still being filed with the office for 1999. Staff hopes to have those statistics completed within two weeks.

At Harding's request at the last meeting, staff prepared two 1999 PAC contribution reports for the board's consideration to include in the annual report. One of the reports provides detailed information on the contributions made to candidates by PACs, including names of the candidates and the amount contributed to individual candidates by PACs. The second report discloses the total expenditures made by each PAC for each quarter in 1999.

On motion by Gilbert, seconded by Duckett, the board voted unanimously to approve the annual report as presented, with the statistics on filings and penalties in 1999

to be added to the report as soon as that information is completed. Also, the board voted to include both of the PAC expenditure reports in the annual report.

Gilbert requested that staff prepare a written report for the March meeting on the costs related to the Registry establishing an electronic filing system for candidates and software related to such filing and the legislative bills that are presently pending that would establish such a filing system. As part of the report, he also requested that staff look into the costs of placing this information on the Internet in the future.

Gilbert requested that staff research the general state statute concerning telephonic participation in meetings by members of governmental bodies to determine if the Registry falls under that provision for the purpose of providing proper legal notification of meetings.

Other Business

The February meeting was adjourned until the next meeting date, which was scheduled for March 14, 2000, at 10:30 a.m. Alan Hubbard will be participating in that meeting by telephone.