

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, February 8, 2017 at Suite 104 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

The meeting was held without a physical quorum present. The meeting was held with Chairperson Tom Morton, Patricia Heim and Tom Lawless present. Norma Lester participated via telephone. The meeting was necessary due to the meeting notice and agenda having been posted which resulted in personal appearances to either speak to a matter on the agenda or to view discussion of a matter on the agenda.

Approval of Meeting Minutes

On motion by Heim, seconded by Lester, the board voted unanimously to amend the minutes from the December 7, 2016 meeting to accurately reflect the motion in the Harry Ledbetter matter. The motion to approve the minutes as amended from the December 7, 2016 regular board meeting passed the board unanimously.

Requests for Reconsideration

16-73 Wayne White, for failure to file a 2016 Pre-Primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. White has had previous matters before the board.

The board voted at its October 12, 2016 meeting to issue Mr. White a show cause notice.

The board voted at its December 7, 2016 meeting to assess Mr. White a \$5,000 civil penalty. Mr. White requested a reconsideration of the \$5,000 civil penalty assessment.

Mr. White filed the required report and submitted a statement for the board's consideration.

On motion by Heim, seconded by Lawless, the board voted unanimously to reconsider the \$5,000 civil penalty assessment. On motion by Heim, seconded by Lawless, the board voted unanimously to reduce the \$5,000 civil penalty to \$0 and requested that Mr. White donate his excess campaign funds and close his campaign account.

Show Cause Hearings

16-62 Tommy Elsten, for possible violations of the campaign financial disclosure law. Class two (2), maximum ten thousand (\$10,000) civil penalty per violation. Mr. Elsten has had no previous matters before the board.

The board voted at its September 14, 2016 meeting to issue Mr. Elsten a show cause notice and to give Registry staff subpoena authority.

The board voted at its October 12, 2016 meeting to defer any further action in this matter to allow Mr. Elsten further opportunity to respond to the show cause notice.

The board voted at its December 7, 2016 meeting to defer any further action in this matter until the next regularly scheduled meeting to allow Mr. Elsten an opportunity to amend his campaign financial disclosure report and submit an amended copy to the Registry.

Director Rawlins informed the board that Mr. Elsten provided the Registry with the requested amended reports.

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

Statements Submitted

16-82 Cannon County Democratic Executive Committee, for failure to timely file a 2016 3rd Quarter campaign financial disclosure report. Class one (1), 20 days late, maximum five hundred (\$500) civil penalty. The organization has had previous matter before the board.

The board voted at its December 7, 2016 meeting to issue the organization a show cause notice.

Sue H. Patrick, treasurer for the organization, submitted a sworn statement for the board's consideration.

A motion was made by Heim, seconded by Lester, to take no further action in this matter. The motion to take no further action failed the board 3 to 1, with Lawless voting "no."

16-83 Hamilton County Democratic Party, for failure to timely file a 2016 3rd Quarter campaign financial disclosure report. Class one (1), 14 days late, maximum three hundred fifty (\$350) civil penalty. The organization has had previous matters before the board.

The board voted at its December 7, 2016 meeting to issue the organization a show cause notice.

Joe Boshears, treasurer for the organization, submitted a statement for the board's consideration.

A motion was made by Lester, seconded by Heim, to take no further action in this matter. The motion to take no further action failed the board 3 to 1, with Lawless voting "no."

16-84 Quest PAC, for failure to timely file a 2016 Pre-General 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.

The board voted at its December 7, 2016 meeting to issue the organization a show cause notice.

Kelsey Ketron, treasurer for the organization, submitted documents for the board's consideration.

A motion was made by Heim, seconded by Lester, to assess the organization a \$200 civil penalty. The motion to assess the organization a \$200 civil penalty failed the board 3 to 1, with Lawless voting "no."

16-86 Tennessee Grocers & Convenience Store PAC, for failure to timely file a 2016 3rd Quarter 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.

The board voted at its December 7, 2016 meeting to issue the organization a show cause notice.

Terry E. Vaughan, treasurer for the organization, submitted a statement for the board's consideration.

A motion was made by Heim, seconded by Lester, to take no further action in this matter. The motion to take no further action failed the board 3 to 1, with Morton voting "no."

C16-12 Michael Winton, for possible violations of the campaign financial disclosure law. Class two (2), maximum ten thousand (\$10,000) civil penalty per violation. Mr. Winton has had no previous matters before the board.

The board voted at its December 7, 2016 meeting to issue Mr. Winton a show cause notice on the relevant issues in the complaint.

Mr. Winton amended his campaign financial disclosure reports and submitted a statement for the board's consideration.

On motion by Lawless, seconded by Lester, the board voted unanimously to assess Mr. Winton a \$1,200 civil penalty assessment.

Cases Subject to Approval of Civil Penalty Order

16-77 Diane George, for failure to file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Ms. George has had a previous matter before the board.

The board voted at its December 7, 2016 meeting to issue Ms. George 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.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess Ms. George a \$10,000 civil penalty.

16-78 Harry Ledbetter, for failure to file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Ledbetter has had no previous matters before the board.

The board voted at its December 7, 2016 meeting to issue Mr. Ledbetter a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the report still has not been filed.

On motion by Heim, seconded by Lawless, the board voted unanimously to assess Mr. Ledbetter a \$10,000 civil penalty.

16-79 John Neubert, for failure to timely file a 2016 Pre-General campaign financial disclosure report. Class one (1), seven days late, maximum one hundred

seventy-five (\$175) civil penalty. Mr. Neubert has had a previous matter before the board.

The board voted at its December 7, 2016 meeting to issue Mr. Neubert a show cause notice.

Mr. Neubert closed his campaign account and submitted a statement for the board's consideration.

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

16-80 Joe Towns, Jr., for failure to timely file a 2016 3rd Quarter campaign financial disclosure report. Class one (1), seven days late, maximum one hundred seventy-five (\$175) civil penalty. Rep. Towns has had previous matters before the board.

The board voted at its December 7, 2016 meeting to issue Rep. Towns a show cause notice.

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

On motion by Heim, seconded by Lawless, the board voted unanimously to assess Rep. Towns a \$175 civil penalty.

16-81 Scott Williams, for failure to timely file a 2016 3rd Quarter campaign financial disclosure report. Class one (1), 12 days late, maximum three hundred (\$300) civil penalty. Mr. Williams has had no previous matters before the board.

The board voted at its December 7, 2016 meeting to issue Mr. Williams a show cause notice.

Director Rawlins informed the board that Mr. Williams closed his campaign account but that there has been no response to the show cause notice.

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

16-65 Memphis Progressives, for failure to file a 2016 2nd 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. (see below)

The board voted at its December 7, 2016 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.

On motion by Lawless, seconded by Heim, the board voted unanimously to assess the organization a \$10,000 civil penalty.

16-85 Tennessee Distillers PAC, for failure to timely file a 2016 3rd Quarter campaign financial disclosure report. Class one (1), 13 days late, maximum three hundred twenty-five (\$325) civil penalty. The organization has had previous matters before the board.

The board voted at its December 7, 2016 meeting to issue the organization a show cause notice.

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

On motion by Heim, seconded by Lawless, the board voted unanimously to assess the organization a \$325 civil penalty.

C16-11 Rhonda Gallman, for possible violations of the campaign financial disclosure law. Class two (2), maximum ten thousand (\$10,000) civil penalty per violation. Ms. Gallman has had no previous matters before the board.

The board voted at its December 7, 2016 meeting to issue Ms. Gallman a show cause notice.

Ms. Gallman submitted a statement for the board's consideration.

On motion by Heim, seconded by Lawless, the board voted unanimously to dismiss the complaint.

Cases Considered for Issuance of Show Cause Notice

Stephen Christian, for failure to file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Christian has had no previous matters before the board.

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

Bryan Dodson, for failure to file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Dodson has had no previous matters before the board.

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

Daniel Harris, for failure to timely file a 2016 Pre-General campaign financial disclosure report. Class one (1), 17 days late, maximum four hundred twenty-five (\$425) civil penalty. Mr. Harris has had a previous matter before the board.

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

Patrick Hickey, for failure to file a 2016 Pre-General campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Hickey has had previous matters before the board.

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

Steve Lane, for failure to file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Lane has had previous matters before the board.

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

Michael McKamey, for failure to file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. McKamey has had previous matters before the board.

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

Michael Sparks, for failure to correct a 2015 Year-End Supplemental campaign financial disclosure report. Class two (2), corrected report not filed, maximum ten thousand (\$10,000) civil penalty. Rep. Sparks has had previous matters before the board.

This matter will be considered at the Registry's April 12, 2017 meeting.

Travis Staten, for failure to timely file a 2016 Pre-General campaign financial disclosure report. Class one (1), 10 days late, maximum two hundred fifty (\$250) civil penalty. Mr. Staten has had no previous matters before the board.

On motion by Heim, seconded by Lawless, the board voted unanimously to take no action in this matter.

Keith Williams, for failure to file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Williams has had no previous matters before the board.

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

Cemex Employees PAC, for failure to timely file a 2016 Pre-General campaign financial disclosure report. Class two (2), 31 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had a previous matter before the board.

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

The Committee for Judicial Reform, for failure to timely file a 2016 Pre-General campaign financial disclosure report. Class one (1), 21 days late, maximum five hundred twenty-five (\$525) civil penalty. The organization has had no previous matters before the board.

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

Memphis Progressives, for failure to timely file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), 50 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had previous matters before the board. (see above and below)

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

Memphis Progressives, for failure to timely file a 2016 Pre-General campaign financial disclosure report. Class one (1), 17 days late, maximum four hundred twenty-five (\$425) civil penalty. The organization has had previous matters before the board. (see above)

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

TNBCTC PAC, for failure to timely file a 2016 Pre-General campaign financial disclosure report. Class one (1), two days late, maximum fifty (\$50) civil penalty. The organization has had no previous matters before the board.

On motion by Heim, seconded by Lawless, the board voted unanimously to take no action in this matter.

TN FLAG PAC, for failure to file a 2016 Pre-General campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

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

West Tennessee Progress, for failure to file a 2016 Pre-General campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

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

White County Democratic Party, for failure to timely file a 2016 3rd Quarter campaign financial disclosure report. Class two (2), 53 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had previous matters before the board. (see below)

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

White County Democratic Party, for failure to timely file a 2016 Pre-General campaign financial disclosure report. Class two (2), 37 days late, maximum ten thousand (\$10,000) civil penalty. The organization has had previous matters before the board. (see above)

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

Winning Our Liberty, for failure to file a 2016 Pre-General campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

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

Sworn Complaint

Jim Tracy

Director Rawlins provided the board with a sworn complaint filed with the Registry from Corey Smith against Jim Tracy.

The board voted at its September 14, 2016 meeting to request an Attorney General's Opinion and to defer any action in this matter until the Attorney General's Opinion is received by the Registry.

Director Rawlins provided the board with the Attorney General's Opinion.

Sen. Tracy submitted a statement for the board's consideration.

On motion by Lawless, seconded by Heim, the board voted unanimously to dismiss the complaint.

Audit Review

Jeremy Durham

At the Registry's June 8, 2016 meeting, Director Rawlins provided the board with a letter and attachments from the Office of the Attorney General concerning Mr. Jeremy Durham.

The board voted at its June 8, 2016 meeting to audit Mr. Durham's campaign from the 2014 election cycle forward and to issue subpoenas to any financial institutions involving his personal, campaign and business activity.

Peter Strianse, representative for Mr. Durham, personally appeared before the board.

On motion by Heim, seconded by Lawless, the board voted unanimously to approve Mr. Durham's campaign audit with the included findings.

On motion by Heim, seconded by Lawless, the board voted unanimously to refer this matter to the Tennessee Ethics Commission.

On motion by Lawless, seconded by Heim, the board voted unanimously to issue Mr. Durham a show cause notice on Findings 1 -10, 12 and 11(for failure to maintain adequate documentation as required by statute). Without objection, the board voted unanimously to request that Mr. Durham's response to the show cause notice be provided to the Registry by May 1, 2017 and that this matter be placed back on the Registry's June 2017 agenda.

A motion was made by Lawless, seconded by Lester, to forward Mr. Durham's audit report to the Board of Professional Responsibility and to the appropriate District Attorney's office. The motion to forward the audit report to the Board of Professional Responsibility and to the appropriate District Attorney's office failed the board 3 to 1, with Heim voting "no."

Other Business

Without objection, the board voted unanimously to schedule the next Registry meeting for April 12, 2017.

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