

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, January 11, 2006, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Karen Dunavant, George Harding, William Long, Darlene McNeece, John McClarty, Lee Anne Murray and Marian Ott.

A motion was made by Harding, seconded by Ott, to approve the December 14, 2005 board minutes. The motion passed the board unanimously.

## *Requests for Reconsideration*

**05-35 Mary Taylor-Shelby**, for failure to file a 2005 statement of interests report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Ms. Shelby has had no previous matters before the board.

The board voted at its August 10, 2005 meeting to issue Ms. Taylor-Shelby a \$1,000 civil penalty. Ms. Taylor-Shelby requested a reconsideration of the assessment.

The board voted at its November 9, 2005 meeting not to reconsider the \$1,000 civil penalty assessment. Ms. Taylor-Shelby requested a reconsideration of the assessment.

Director Rawlins informed the board that Ms. Taylor-Shelby contacted the Registry and explained that she did not want to request a reconsideration of the assessment but would prefer to pay the \$1,000 civil penalty assessment on a monthly installment plan.

**05-62 John Brown**, for failure to file a 2005 pre-primary report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Brown has had a previous matter before the board.

The board voted at its November 9, 2005 meeting to issue Mr. Brown a show cause notice.

The board voted at its December 14, 2005 meeting to assess Mr. Brown a \$10,000 civil penalty. Mr. Brown requested a reconsideration of the assessment.

Mr. Brown submitted a statement for the board's consideration of his case. In this statement, Mr. Brown explained that he did not realize that two reports were required to be filed when running in the primary election. Mr. Brown further explained that he has filed the required report and has closed his campaign account.

On motion by Harding, seconded by McClarty, the board voted unanimously to reconsider the \$10,000 civil penalty assessment. On motion by Harding, seconded by McClarty, the board voted unanimously to assess Mr. Brown a \$500 civil penalty. (Long not present at this time.)

## *Show Cause Hearing*

**05-56 Jim Rout**, for possible personal use of campaign funds. Class two (2), maximum ten thousand (\$10,000) civil penalty.

A sworn complaint against Mr. Rout was filed with the Registry. The complaint alleged that Mr. Rout used his campaign funds for personal use by paying for his 40<sup>th</sup> wedding anniversary party and by reimbursing Shelby County Government for personal charges by his family on county credit cards.

The board voted at its October 12, 2005 meeting to issue Mr. Rout a show cause notice for personal use of campaign funds.

The board voted at its November 9, 2005 meeting to request an Attorney General's opinion on whether T.C.A. §2-10-206(a)(4) applies to campaign financial disclosures filed at the local counties as well as with the Registry and to delay any action in this matter until the next regularly scheduled meeting or until the opinion was completed.

Jim Rout and John Ryder, attorney for Mr. Rout, appeared before the board. Mr. Ryder provided the board with sworn statements and informational material. Mr. Ryder explained to the board that Mr. Rout's 40<sup>th</sup> wedding anniversary coincided with his annual appreciation event and that the invitation list was based on his long-time supporters and staff. Mr. Ryder explained that as Shelby County Mayor, Mr. Rout attended and participated in various conferences and events and while Shelby County Government paid for most expenses incurred in attending such functions, unexpended campaign funds were used to defray per diem expenses including his wife's travel expenses. Mr. Ryder further explained that all of the expenses were incidental to Mr. Rout's having held public office and that the use of unexpended campaign funds to defray these expenses was a direct result of Mr. Rout being County Mayor. Mr. Ryder stated that all expenditures were reported on the campaign finance disclosure forms and have been a matter of record for almost three years. Mr. Ryder further stated that Mr. Rout's campaign financial disclosure statements have been filed for well over 180 days and therefore are deemed sufficient by law absent a showing of fraud.

After discussion, the board chose to separate the matter into two issues: wedding anniversary/appreciation event and reimbursement of Shelby County for travel expenses.

A motion was made by Long, seconded by Ott, to take no action on the reimbursement of travel expenses to Shelby County. The motion to take no action passed on a 6 to 0 vote, with Dunavant "abstaining."

A motion was then made by Long, seconded by Harding, to take no action concerning the wedding reception/appreciation event. The motion to take no action failed by a 3 to 3 vote, with McNeece, Murray and Ott voting "no" and Dunavant "abstaining." A motion was made by McNeece, seconded by Ott, to assess Mr. Rout \$5,000 civil penalty. A friendly-amendment was made by Ott, seconded by Murray, accepted by McNeece, to assess Mr. Rout a \$2,500 civil penalty. The motion failed by a 3 to 3 vote, with Harding, Long and McClarty voting "no" and Dunavant "abstaining." A motion was then made by Harding, seconded by Long, to dismiss the complaint. The motion failed by a 3 to 3 vote, with McNeece, Murray and Ott voting "no" and Dunavant "abstaining."

## ***Sworn Statements Submitted***

**05-67 David Davis**, for failure to timely file a 2005 supplemental annual report. Class one (1), 19 days late, maximum four hundred seventy-five (\$475) civil penalty. Mr. Davis has had no previous matters before the board.

The board voted at its December 14, 2005 meeting to issue Mr. Davis a show cause notice. Mr. Davis submitted a statement for the board's consideration.

Mr. Davis explained that because of family circumstances his notices to file were not forwarded to his new address and therefore he was unaware of his failure to file. Mr. Davis further explained that he has filed the required report and has closed his campaign account.

A motion was made by Harding, seconded by McClarty, to assess Mr. Davis a \$100 civil penalty. Harding then withdrew his motion. A motion was then made by Ott, seconded by Harding, to assess Mr. Davis a \$50 civil penalty. The motion to assess Mr. Davis a \$50 civil penalty passed the board unanimously. (Long not present at this time.)

**05-69 Gary Rowe**, for failure to timely file a 2005 post-general report. Class one (1), eight days late, maximum two hundred (\$200) civil penalty. Rep. Rowe has had no previous matters before the board.

The board voted at its December 14, 2005 meeting to issue Rep. Rowe a show cause notice. Rep. Rowe submitted a statement for the board's consideration.

Rep. Rowe explained that he is a new legislator and that the notices to file were sent to his home address where it got lost for a few weeks before it was found. Rep. Rowe further explained that he filed the required report as soon as he realized it was due.

On motion by McNeece, seconded by Ott, the board voted unanimously to assess Rep. Rowe a \$100 civil penalty. (Long not present at this time.)

## ***Cases Subject to Approval for Civil Penalty***

**05-63 1 Point PAC**, for failure to file a 2005 3<sup>rd</sup> quarter 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.

The board voted at its December 14, 2005 meeting to issue the organization a show cause notice.

The organization submitted statements for the board's consideration. In these statements A. Roger Abramson, attorney for the organization, and Barry Stokes, treasurer of the organization, explained that due to an internal error the required report was not filed timely. The statement further explained that the failure to properly file was a good faith error and that he was unaware that the required report had not been officially filed. It was noted that the organization plans to prepare a final filing to close its account.

On motion by Harding, seconded by Ott, the board voted unanimously to issue the organization a \$100 civil penalty.

**05-64 Hygienists for Progress**, for failure to file a 2005 3<sup>rd</sup> quarter 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.

The board voted at its December 14, 2005 meeting to issue the organization a show cause notice.

The organization submitted a sworn statement for the board's consideration. In this statement, Donella Arrington, treasurer for the organization, explained that banking issues and not being fully aware of the campaign financial disclosure law prevented her from timely filing the required report.

On motion by Long, seconded by Ott, the board voted unanimously to assess the organization a \$200 civil penalty.

**05-65 Perry County Republican Party**, for failure to timely file a 2005 3<sup>rd</sup> quarter campaign financial disclosure report. Class one (1), 12 days late, maximum three hundred (\$300) civil penalty. The organization has had a previous matter before the board.

The board voted at its December 14, 2005 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that Darrell Adkins, treasurer for the organization, contacted the Registry and stated that he did not intentionally fail to file the required report. Mr. Adkins further stated that he has filed the latest report due and that he would be resigning as treasurer of the organization.

A motion was made by Ott, seconded by McNeece, to assess the organization a \$100 civil penalty. A friendly amendment was made by Long, accepted by Ott and McNeece, to assess the organization a \$50 civil penalty. The motion to assess the organization a \$50 civil penalty passed the board unanimously.

**05-66 Regions Financial Corporation PAC**, for failure to file a 2005 3<sup>rd</sup> quarter 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.

The board voted at its December 14, 2005 meeting to issue the organization a show cause notice.

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

A motion was made by Ott, seconded by Long, to assess the organization a \$10,000 civil penalty. The motion to assess the organization a \$10,000 civil penalty passed the board 5 to 1, with Harding voting "no" and Dunavant "abstaining."

**05-68 Alonzo Grant**, for failure to timely file a 2005 post-primary/pre-general report. Class one (1), 16 days late, maximum four hundred (\$400) civil penalty. Mr. Grant has had previous matters before the board.

The board voted at its December 14, 2005 meeting to issue Mr. Grant a show cause notice.

Mr. Grant submitted a statement for the board's consideration. In this statement, Mr. Grant explained that the notices sent by the Registry were sent to his former address and that they were not forwarded to his current address. Mr. Grant further explained that he filed the required report as soon as he was aware of his failure to file.

A motion was made by Harding, seconded by Dunavant, to assess Mr. Grant a \$400 civil penalty. Harding then withdrew his motion. A motion was then made by McNeece, seconded by Ott, to assess Mr. Grant a \$400 civil penalty. The motion to assess Mr. Grant a \$400 civil penalty passed the board unanimously.

**05-70 Billy Stokes**, for failure to timely file a 2005 supplemental annual report. Class one (1), 22 days late, maximum five hundred fifty (\$550) civil penalty. Mr. Stokes has had no previous matters before the board.

The board voted at its December 14, 2005 meeting to issue Mr. Stokes a show cause notice.

Director Rawlins informed the board that the show cause notice was sent by certified mail but that the return receipt had not been received by the Registry.

On motion by Murray, seconded by Long, the board voted unanimously to re-issue the show cause notice and to defer any action in this matter until the next regularly scheduled meeting.

**05-71 Mitchell Thompson**, for failure to timely file a 2005 post-general report. Class one (1), five days late, maximum one hundred twenty-five (\$125) civil penalty. Mr. Thompson has had no previous matters before the board.

The board voted at its December 14, 2005 meeting to issue Mr. Thompson a show cause notice.

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

A motion was made by Dunavant to take no action. Dunavant then withdrew the motion. A motion was then made by Ott, seconded by Harding, to assess Mr. Thompson a \$50 civil penalty. The motion to assess Mr. Thompson a \$50 civil penalty passed the board unanimously.

### ***Reported Financial Expenses***

Director Rawlins provided the board members with a list of civil penalties that have been paid year to date.

Director Rawlins presented the expenditure reports for the 2004/2005 fiscal year through November 30, 2005.

### ***Executive Director's Report***

Director Rawlins informed the board that Edgar Jewell, who was assessed a \$100 civil penalty for failing to timely file a 2005 mid-year lobbying activities report at the board's December 14, 2005 meeting, has since deceased.

On motion by Harding, seconded by Ott, the board voted unanimously to rescind the civil penalty assessment against Mr. Jewell.

***Other Business***

Dunavant, seconded by Long made a motion, to adjourn the meeting until the next regularly scheduled meeting. The motion passed unanimously.