

STATE OF TENNESSEE



BUREAU OF ETHICS AND CAMPAIGN FINANCE

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EXECUTIVE DIRECTOR

Bill Young

BOARD MEMBERS

Paige Burcham Dennis
Duane Gilbert
David Golden
Henry Fincher
William J. (Paz) Haynes, III
Tom Lawless
Tom Morton
Bob Patton
James G. Stranch, III
Charles Traughber
Frank Watson, III
Tammy S. White

Members of the Joint Government Operation
Judiciary and Government Subcommittee

September 16, 2020

Dear Members:

I am writing regarding your Subcommittee's review of the presentation by the Bureau of Ethics and Campaign Finance ("Bureau") on the sunset of the Bureau and whether the Bureau's operations should be renewed and continued. The Bureau has filed extensive responses and materials in response to the Comptroller's questions regarding the Bureau's current operations. I hope these responses and materials will be helpful to you in your review of this matter.

I deeply regret that a long-standing conflict prevents me from attending your hearing. I am nonetheless confident that Assistant Director Lance Frizzell and Bureau staff can respond to any questions you have. Should any member need any input from me, you should not hesitate to contact me directly at 615-253-5371.

I appreciate your work and consideration of continuing the Bureau's vital work for the citizens of the State of Tennessee. Do please be safe in these extraordinary and difficult times.

Yours very truly,

A handwritten signature in cursive script that reads "Bill".

Bill Young
Executive Director



Responses to Sunset Public Hearing Questions for
Bureau of Ethics and Campaign Finance
Created by Section 4-55-101, *Tennessee Code Annotated*
(Sunset Termination June 2021)

Enabling Statute, Purpose, and Rules and Regulations

1. Please provide a brief introduction to the Bureau including information about its purpose, administrative attachment, statutory duties, and staff.

Answer: The Tennessee Bureau of Ethics and Campaign Finance (“the Bureau”) is an independent entity of Tennessee government created pursuant to T.C.A. §§ 4-55-101 et seq. The Bureau is composed of two (2) divisions, those being (1) the Tennessee Registry of Election Finance (“the Registry”) established by T.C.A. §§ 2-10-201 et seq. and (2) the Tennessee Ethics Commission established by T.C.A. §§ 3-6-101 et seq. The Bureau is governed by a board of directors composed of the six (6) members of the Registry and the six (6) members of the Ethics Commission. Board members receive no compensation; however, each member is reimbursed for travel expenses pursuant to State travel regulations. The Bureau is attached to the Secretary of State for all administrative matters relating to receipts, disbursements, expense accounts, budget, audit, and other related matters. Per T.C.A. § 4-55-101(b), the autonomy of the Bureau and its authority is absolute, and the Secretary of State has no administrative or supervisory control over the Bureau.

The Bureau appoints a full-time executive director who, along with Bureau staff, conduct the day to day business of the Bureau. The Bureau currently has ten (10) staff members, including the Executive Director, Assistant Director, Chief of Staff, Director of Audit and Legal Counsel.

The Registry was created by the General Assembly and Governor in 1989 as an independent entity of the State government. The Registry currently is responsible for the enforcement of the following laws: (1) Campaign Financial Disclosure Act (T.C.A. § 2-10-101, et seq.), (2) Campaign Contribution Limits Act (T.C.A. § 2-10-301, et seq.) and (3) Gubernatorial Inauguration Finance Disclosure Act (T.C.A. § 2-10-401, et seq.). The General Assembly at T.C.A. § 2-10-202 defines its intent in creating the Registry as “to provide adequate financial disclosure by public officials, candidates for public office, and lobbyists” with the Registry having the authority “to ensure enforcement of these statutes”.

The Ethics Commission was created by the Comprehensive Governmental Ethics Reform Act of 2006, codified at T.C.A. §§ 3-6-101 et seq. (“Act”). The Act creates an independent Tennessee Ethics Commission (“Commission”) to interpret and enforce the provisions of the Act. The Commission is responsible for the enforcement of the Tennessee Ethics Commission Act of 2006 which includes the following statutes: (1) T.C.A. §§ 3-6-101 – 3-6-308, (2) T.C.A. §§ 8-50-501 – 8-50-506, and (3) T.C.A. §§ 2-10-122 – 2-10-130. In creating the Ethics Commission, the General Assembly expressed its intent at T.C.A. § 3-6-102 to ensure that “the integrity of the processes of government be secured and protected from abuse”. The General Assembly recognized “that a public office is a public trust and that the citizens of Tennessee are entitled to a responsive, accountable, and incorruptible government”. To that end, the General Assembly charged the Ethics Commission “to sustain the public’s confidence in government by increasing

the integrity and transparency of state and local government through regulation of lobbying activities, financial disclosure requirements, and ethical conduct”.

2. Has the Bureau promulgated rules and regulations? If yes, please cite the reference(s).

Answer: Yes. The Registry of Election Finance last promulgated rules in March 2008. The Tennessee Ethics Commission last promulgated rules in June 2009. The promulgated rules in effect are found in the following rule chapters:

[TENN. COMP. R. & REGS. 0530-01-01](#)

[TENN. COMP. R. & REGS. 0530-01-03](#)

[TENN. COMP. R. & REGS. 0580-01-01](#)

[TENN. COMP. R. & REGS. 0580-01-02](#)

[TENN. COMP. R. & REGS. 0580-01-05](#)

Board of Directors

3. Please provide a list of the current membership for the Board of Directors of the Bureau of Ethics and Campaign Finance. For each member, please indicate who appointed the member, statutory member representation, and whether the member is serving a consecutive term.

Answer: The Registry Board (“Registry”) consists of six members appointed to five (5) year terms. Registry members receive no compensation; however, each member is reimbursed for travel expenses pursuant to State travel regulations. Registry members are appointed by the Governor and General Assembly pursuant to T.C.A. § 2-10-203. Below is a list of Registry members with the information requested above:

- Governor appointees (1) David Golden, Secretary, Kingsport, term expires December 31, 2021, confirmed by joint resolution of the General Assembly (chosen from list of three furnished by Republican State Executive Committee), **not serving a consecutive term** ; (2) Paige Burcham Dennis, South Fulton, term expires December 31, 2021, confirmed by a joint resolution of the General Assembly (chosen from list of three furnished by Democratic State Executive Committee), **not serving a consecutive term.**
- House Speaker appointee chosen by Senate Democratic Caucus, William (Paz) Haynes III, Nashville, term expires December 31, 2022, **not serving a consecutive term.**
- Senate Speaker appointee chosen by Senate Republican Caucus, Tom Lawless, Chairman, Nashville, term expires December 31, 2022, **serving a consecutive term.**
- House Speaker appointee chosen by House Democratic Caucus, Henry Fincher, Cookeville, term expired December 31, 2014, Mr. Fincher has been serving as a holdover until he is reappointed or replaced, **serving a consecutive term.**
- House Speaker appointee chosen by House Republican Caucus, Tom Morton, Bristol, term expired December 31, 2019, Mr. Morton has been serving as a holdover until he is reappointed or replaced, **serving a consecutive term.**

The Ethics Commission is composed of six members: two appointed by the Governor; two appointed by the Speaker of the Senate and two appointed by the Speaker of the House of Representatives. Each appointing authority must appoint one Republican and one Democrat. After initial staggered terms, members serve four-year terms and may serve two consecutive terms. Below is a list of Commission members with the information requested above:

- Governor appointees (1) Bob Patton, Nashville, Republican appointee, term expires December 31, 2020, confirmed by joint resolution of the General

Assembly, **not serving a consecutive term**; (2) Charles Traugher, Chairman, Nashville, Democrat appointee, term expires December 31, 2020, confirmed by a joint resolution of the General Assembly, **not serving a consecutive term**.

- Speaker of the Senate appointees (1) Frank Watson, III, Memphis, Democrat appointee from list of three submitted by the Democratic House Caucus, term expired December 31, 2017, Mr. Watson has been serving as a holdover until he is reappointed or replaced, **serving a consecutive term**, (2) Tammy S. White, Knoxville, Republican appointee from a list of three submitted by the Republican House Caucus, term expires January 1, 2022, **serving a consecutive term**.
- Speaker of House of Representatives appointees (1) Duane Gilbert, Cleveland, Republican appointee from list of three submitted by the Republican House Caucus, term expires December 31, 2022, **not serving a consecutive term**; (2) James G. Stranch, III, Nashville, Democrat appointee from list of three submitted by the Democratic House Caucus, term expired December 31, 2014; Mr. Stranch has been serving as a holdover until he is reappointed or replaced; **serving a consecutive term**.

4. Are there any vacancies on the board? If so, please indicate how long the position has been vacant and explain steps that have been taken to fill any vacancies.

Answer: As stated in response to Question 3, currently two members of the Registry and two members of the Ethics Commission continue to serve as holdovers in positions whose terms have expired and the appointing authority has not yet either named a replacement or reappointed the person previously serving in the position. The terms of two of these positions have been expired since December 31, 2014, although both persons holding over have continued to be actively engaged and attend regular meetings. Since the appointment of the new Executive Director of the Bureau in October of 2019, the Executive Director and Assistant Director have met on several occasions with the appointing authorities, including those authorities who make recommendations to the ultimate person making the appointment, to advise them of these vacancies and the need to fill these vacancies by reappointment or replacement. Since the Executive Director's appointment, the appointing authorities have filled three positions whose terms had expired before or shortly after the Executive Director's appointment.

5. How many times did the boards meet in the last two fiscal years? How many members were present at each meeting? Please note meetings where the boards did not have a quorum.

Answer: The two boards have twice met jointly as the Bureau of Ethics and Campaign Finance in the last two fiscal years: June 26, 2019 and September 24, 2019. The Ethics Commission met three times in the last two fiscal years. In 2018, the Commission met July 25 and November 27. In 2019, the Commission met on April 24. In addition, the Commission met on July 30, 2020. The Registry of Election Finance has met 15 times in the previous two fiscal years.

The tables below include the number of members present at each meeting:

Bureau of Ethics and Campaign Finance

DATE	MEMBERS PRESENT
6/26/19	9
9/24/19	9

Tennessee Ethics Commission

DATE	MEMBERS PRESENT
7/25/18	5
11/27/18	6
4/24/19	5

Registry of Election Finance

DATE	MEMBERS PRESENT	DATE	MEMBERS PRESENT
7/10/18	4	6/12/19	4
8/22/18	4	8/19/19	4
10/10/18	4	9/11/19	4
11/14/18	4	11/13/19	5
1/9/19	4	1/8/20	6
2/13/19	4	3/11/20	5
3/13/19	4	6/10/20	6
4/10/19	4		

Neither board, nor the Bureau, has met without a quorum in the last two fiscal years.

Both Bureau's boards have struggled to arrange meetings since the outbreak of the COVID-19 pandemic. Since March of 2020, large public meetings have been discouraged to prevent the spread of COVID-19. The agenda of the two boards normally has matters involving numerous participants and members of the public, thus it has been a challenge to arrange electronic meetings that would accommodate so many attendees. State of Tennessee space adequate to accommodate social distancing requirements has generally been unavailable since March 2020 (though the Bureau has been able to schedule a meeting there in September). The boards have responded by renting private space that would allow for social distancing and permitting participants and members of the public to call in via telephone. These meetings have still been challenging, given the social distancing requirement has made it more difficult for persons calling in to hear the meetings. Despite these challenges, both boards have met during the COVID-19 pandemic and been able to successfully complete their agendas. Nonetheless, the COVID-19 restrictions have caused the Registry of Election Finance and Ethics Commission to meet less frequently than normal.

Financial Information

6. What were the revenues and expenditures for the Bureau in the last two fiscal years? Is there a reserve balance? If yes, please provide additional relevant information regarding the reserve balance.

FY2019 Revenues & Expenditures		
Current Services	\$643,740	
Penalties	\$31,448	*deposited directly to State General Fund
Expenditures	\$1,224,647	

FY2020 Revenues & Expenditures (as of 7/31/2020)		
Current Services	\$714,260	
Penalties	\$47,607	*deposited directly to State General Fund
Expenditures	\$1,180,622	

The Bureau does not have a reserve account but does maintain a carry forward account. The amount included in this account at the end of FY2019 was \$1,000,752.77. The funds in this account are used for data processing, systems development, data processing equipment purchases, telecommunications, and/or any other purpose approved by the Speaker of the House of Representatives and the Speaker of the Senate. The Bureau does not yet have the corresponding information for FY2020; this information usually becomes available at the end of August or early September.

The Bureau is also provided with a yearly State appropriation from the General Fund to assist in covering ordinary expenses and the duties of the Bureau.

7. What per diem or travel reimbursements do board members receive? How much was paid to individual board members in the last two fiscal years?

Board Member Travel Reimbursements			
	FY2019	FY2020	Total
Registry Board			
Paige Bercham Dennis	-	1,967.49	1,967.49
Henry Fincher	166.40	458.05	624.45
David Golden	-	2,846.88	2,846.88
William (Paz) Haynes, III	-	145.70	145.70
Tom Lawless	127.00	209.20	336.20
Tom Morton	6,309.64	4,106.97	10,416.61
Patricia Helm	-	-	-
Norma Lester	-	-	-
Ethics Commission			

John Gregory Hardeman	8.00	-	8.00
Charles Traugher	-	-	-
Bob Patton	1,102.20	367.40	1,469.60
Tammy S. White	708.80	177.20	886.00
James G. Stranch, III	-	-	-
Frank L. Watson, III	-	-	-
Duane Gilbert	-	-	-

8. Does the Bureau of Ethics and Campaign Finance collect fees? If so, please provide relevant information about fees collected and indicate whether these fees were established through rule or through state law.

Answer: Yes. Registration fees are collected from lobbyists, employers of lobbyists, and political campaign committees (more commonly referred to as PACs).

The value of annual registration fees relative to lobbyists and employers of lobbyists is established by rule pursuant to T.C.A. § 3-6-302(e). The current annual fee for registration of an employer of a lobbyist is \$150 per individual lobbyist registered. [TENN. COMP. R. & REGS. 0580-01-01-.03\(3\)](#). The current annual fee for registration of a lobbyist is \$150 per individual employer registered. [TENN. COMP. R. & REGS. 0580-01-01-.04\(3\)](#).

The value of annual registration fees relative to political campaign committees, or PACs, is established by rule pursuant to T.C.A. § 2-10-121. The current annual fee for registration of a PAC is \$100. [TENN. COMP. R. & REGS. 0530-01-01-.07](#). However, it should be noted that, a multicandidate political campaign committee registered by a state political party, or a subsidiary, is exempt from this annual registration fee. The collection of the PAC fee has been stayed, at the recommendation of the Office of the Attorney General, as a result of pending litigation challenging the statute authorizing the PAC fee. [Tennesseans for Sensible Election Laws v. Tennessee Bureau of Ethics and Campaign Finance](#), 2019 WL 6770481 (Tenn. Ct. App. 2019).

The Bureau also collects training fees. T.C.A. § 3-6-114 requires the Ethics Commission to provide an annual ethics training course for both lobbyists and employers of lobbyists; however, employers of lobbyists are not required to complete the training. This statute requires that the Ethics Commission impose a fee for attending the course “that will enable participation in the course to be funded from the fee”. Currently, the fee for this course is \$40.00. This fee was established by the Ethics Commission in December 2007 based on the number of lobbyists registered and budget considerations available at that time. All registered lobbyists are required to attend this course once annually; however, a lobbyist may also attend one of the annual ethics courses provided for members of the General Assembly in lieu of the Ethics Commission course.

Below is a summary of the fees collected for the past two (2) fiscal years. These fees represent the value of the “Current Services” revenues noted in question 6.

Current Services Revenues		
	FY2019	FY2020
Lobbyist & Employer of Lobbyist Fees	\$639,440	\$711,540
PAC Fees	\$3,900	\$0
Training Fees	\$400	\$2720
Total	\$643,740	\$714,260

Sunshine Law, Public Meetings, and Conflict of Interest Policies

9. Is the Bureau of Ethics and Campaign Finance subject to Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures are in place for informing the public of meetings and making minutes available to the public?

Answer: Yes, both the Registry of Election Finance and the Tennessee Ethics Commission are subject to the requirements of Tennessee Code Title 8, Chapter 44. Public notice of all scheduled meetings is posted online to the Bureau of Ethics and Campaign Finance website in advance of each meeting. The minutes of all meetings are published on the Bureau of Ethics and Campaign Finance website as soon as is practicable following the adjournment of every meeting.

Furthermore, during the current COVID-19 pandemic, both the Registry of Election Finance and the Tennessee Ethics Commission have made a substantial effort, at great financial cost, to make meetings accessible to the public. Since the closure of State government conference facilities, both the Registry of Election Finance and the Tennessee Ethics Commission have conducted their meetings in large hotel meeting rooms, so as to allow effective social distancing to be observed by all members of each governing body, the members of staff present, and any other member who wished to participate.

Additionally, both the Registry of Election Finance and the Tennessee Ethics Commission have allowed members and the public to participate in the meetings via electronic (telephone) means in accordance with Executive Order #16 and the successive executive orders extending these measures. For those who cannot attend in person or in real time via electronic means, the Bureau of Ethics and Campaign Finance has also taken additional steps, wherever possible, to capture audio recordings that could be made available to the public upon request.

10. Is public comment allowed at meetings and is prior notice required for public comment to be heard? If public comment is not allowed, how is feedback obtained from the public and those that are regulated?

Answer: Yes, public comment is allowed at all meetings of both the Registry of Election Finance and the Tennessee Ethics Commission, where appropriate. Prior notice of all meetings, and the agenda items to be discussed at those meetings, is published ahead of each meeting on the Bureau of Ethics and Campaign Finance website. Typically, neither the Registry of Election Finance or the Tennessee Ethics Commission requires advance notice of a citizen's intent to provide comments at a meeting; however, in some circumstances, it may be requested that potential speakers identify themselves ahead of each meeting in order to allow appropriate arrangements to be made or to facilitate the effective management of meeting time.

11. Are there policies in place to address potential conflict of interest by board members, employees, or other state employees who work with the bureau?

Answer: The Bureau maintains policies to address potential conflicts of interest by board members and employees. Other state employees with whom the Bureau works have their own, very stringent conflict of interest policies: the State House and Senate Ethics Officers as well as employees of the Attorney General and various District Attorneys General. In addition, the Tennessee Code Annotated includes an oath required of board members and statutes which apply to Bureau employees.

Both of the boards which comprise the Bureau have approved codes of conduct, as well as Code of Conduct Disclosure Statements. See, Tabs [A](#), [B](#), [C](#), and [D](#). Their statutory oaths are as follows:

The oath required of Ethics Commission members is found at T.C.A. § 3-6-103(k)(1):

“I _____ do solemnly swear (or affirm) that as a member of this commission, I will, in all matters, vote without favor, affection, partiality, or prejudice; and that I will not propose or assent to any action, measure, or resolution which shall appear to me to be contrary to law.”

The oath required of Registry of Election Finance board members is found at T.C.A. § 2-10-203(k)(1):

“I _____ do solemnly swear (or affirm) that as a member of this registry of election finance, I will, in all matters, vote without favor, affection, partiality, or prejudice; and that I will not propose or assent to any action, measure, or resolution which shall appear to me to be contrary to law.”

The Code of Conduct policy for Bureau employees includes not only required conduct, but specific conflict of interest provisions and provisions regarding the reporting of violations as well as discipline for violations. See, [Tab E](#). In addition, employees must sign a “Conflict of Interest Disclosure Statement”. See, [Tab F](#).

T.C.A. § 4-55-102(c) contains the parameters of employment by the Bureau:

“(c) Neither the executive director nor any other employee of the bureau, nor any member of an employee's immediate family as defined in § 3-6-301, shall, during the period of such employment:

- (1) Be allowed to hold or qualify for elective office to any state or local public office as defined in § 2-10-102;
- (2) Be an officer of any political party or political committee;

(3) Permit the employee's name to be used or make contributions in support of or in opposition to any candidate or proposition, except that an employee's immediate family may make campaign contributions in support of or in opposition to any candidate or proposition;

(4) Participate in any way in any election campaign;

(5) Lobby or employ a lobbyist; provided, that this subdivision (c)(5) shall not prohibit the executive director from the performance of the executive director's duties; or

(6) Be employed by any elected officeholder, either in an official capacity or as an individual, or be employed by any business in which an elected officeholder has any direct input concerning employment decisions.

Finally, both Ethics Commission and Registry of Election Finance board members must file an SS-8005 Statement of Interests disclosure form, which can be found on the Bureau's website. See, [Tab G](#).

Review Process and Oversight Responsibilities

12. How is a complaint referred to the Bureau of Ethics and Campaign Finance?

Answer: See response to Question 14.

13. Please provide the number of cases reviewed by the Bureau in the last two fiscal years.

Answer: In FY 2019 and 2020, the two boards of the Bureau reviewed a total of 513 cases. The Ethics Commission reviewed 230 cases, while the Registry of Election Finance reviewed 283.

14. Please describe how the Bureau ensures the integrity and transparency of state and local government through the regulation of lobbying activities, financial disclosure requirements, and ethical conduct.

Answer: As previously discussed, the Bureau of Ethics and Campaign Finance (“the Bureau”) is composed of two distinct boards, the Registry of Election Finance and the Ethics Commission. In relation to Question 14, the Registry generally has oversight of campaign financial disclosure requirements, whereas the Ethics Commission generally has oversight of matters involving lobbying activities and ethical conduct.

Both the Registry Board and the Ethics Commission are required by Tennessee statute to file annual reports with the Governor and General Assembly concerning their administration and enforcement of their statutory responsibilities. Specifically, this annual report is required to be submitted by the Registry Board by T.C.A. § 2-10-207(6), whereas the annual report of the Ethics Commission is required to be submitted by T.C.A. § 3-6-106(9).

The most recent annual report filed by the Registry Board can be found at [Tab H](#), and the most recent annual report filed by the Ethics Commission can be found at [Tab I](#). These reports describe in detail how the Bureau, thru its two boards the Registry Board and the Ethics Commission, ensure the integrity and transparency of State and local government through the regulation of lobbying activities, financial disclosure requirements, and ethical conduct. These reports are also made available on the Bureau’s website.

The Registry Board, as explained in detail in its annual report, is primarily responsible for the regulation and oversight of Tennessee’s campaign financial disclosure statutes. See, [Tab H](#). These statutes include the Campaign Financial Disclosure Act (T.C.A. §§ 2-10-101 et seq.), the Campaign Contribution Limits Act (T.C.A. §§ 2-10-301 et seq.) and the Gubernatorial Inauguration Finance Disclosure Act (T.C.A. §§ 2-10-401 et seq.). The Registry Board meets its statutory responsibilities in several ways.

First, the Registry thru the Bureau's staff receives and reviews for accuracy the campaign finance filings mandated by statute as well as gubernatorial inauguration finance disclosure statement filed by a governor-elect pursuant to T.C.A. § 2-10-405. The Bureau's Policies and Procedures guide, attached as [Tab J](#), set forth how these filings are reviewed at pages [8-9](#). These campaign finance filings are placed on the Registry's website at <https://apps.tn.gov/tncamp> for public viewing. The Registry is also authorized to conduct audits and field investigations of reports and statements filed with the Registry, and must conduct certain random audits of candidates, pursuant to T.C.A. § 2-10-212.

Second, the Registry takes enforcement action, primarily thru the assessment of civil penalties as set forth at T.C.A. §§ 2-10-110 and 2-10-308, against any person or entity that fails to timely file a required campaign finance disclosure statement or violates any other provision of the campaign finance disclosure statutes. These matters are reviewed upon referral to the Registry by either Bureau staff or the county election commission. Pursuant to T.C.A. 2-10-105(a) and (b), each candidate for State public office and political campaign committee in a State election must file their campaign financial disclosure statements with the Registry whereas each candidate for local public office and political campaign committee for a local election must file their campaign financial disclosure statements with the county election commission of the county where the election is held. Any matter to be reviewed by the Registry will be set for a show cause hearing before the Registry pursuant to the process outlined at T.C.A. §§ 2-10-110 and 2-10-308. Any unpaid civil penalties assessed by the Registry are referred for collection to the Tennessee Attorney General pursuant to T.C.A. § 2-10-109(3).

Third, the Registry provides education and information to affected parties and the public in general thru targeted outreach and the Registry's website at www.tn.gov/tref. The website includes a Citizens Guide prepared and regularly updated by Bureau staff. See [Tab K](#). The main purpose of the guide is to advise citizens on how they may legally take an active part in the State and local election process and be in compliance with Tennessee campaign finance statutes, in accordance with T.C.A. § 2-10-211.

The Ethics Commission, as explained in detail in its annual report, is primarily responsible for the regulation and oversight of the Tennessee Ethics Commission Act of 2006 (T.C.A. §§ 3-6-101 et seq.), the disclosure of statements of conflicts of interests (T.C.A. §§ 8-50-501 – 506), and various disclosure and reporting requirements for certain defined State officials (T.C.A. §§ 2-10-122 – 130). See, [Tab I](#). The Ethics Commission meets its statutory responsibilities in several ways.

First, the Ethics Commission thru the Bureau's staff receives and reviews for accuracy the electronic registration of lobbyists and employers of lobbyists as required by T.C.A. § 3-6-302 as well as statement of interests disclosure statements filed pursuant to T.C.A. §§ 8-50-501 - -506. The Bureau's Policies and Procedures guide, attached as [Tab J](#), sets

forth how compliance with these requirements is verified and enforced at pages [24-31](#). These filings are placed on the Commission's website at www.tn.gov/tec for public viewing as required by statute. The Ethics Commission is also required by T.C.A. § 3-6-308(7) to audit each year the registration statements, amendments to registration statements and reports of no more than four percent (4%) of all lobbyists and to conduct other audits as the Ethics Commission deems necessary.

Second, the Ethics Commission takes enforcement action, primarily thru the assessment of civil penalties as set forth at T.C.A. §§ 3-6-205 - -206, against any person or entity that fails to timely file a disclosure statement required by T.C.A. §§ 8-50-501 - -506 or violates any other provision of T.C.A. §§ 8-50-501 – 506 and 8-50-505. The Ethics Commission likewise takes enforcement action, again primarily thru the assessment of civil penalties as set forth by T.C.A. § 3-6-306, against any employer of a lobbyist, lobbyist, candidate for public office, official in the legislative or executive branch or the immediate family of the candidate or official who violates the provisions of the Tennessee Ethics Commission Act of 2006. These matters are reviewed upon referral to the Ethics Commission by Bureau staff. Any matter to be reviewed by the Ethics Commission will be set for a show cause hearing before the Ethics Commission pursuant to the processes outlined at T.C.A. §§ 3-6-205 – 206 and T.C.A. § 3-6-306, depending upon which civil penalty statute governs the alleged violation. Any unpaid civil penalties assessed by the Ethics Commission are referred for collection to the Tennessee Attorney General pursuant to T.C.A. §§ 3-6-106(b) and 3-6-308(b).

Third, the Ethics Commission provides education and information to affected parties and the public in general thru targeted outreach and the Ethics Commission's website at www.tn.gov/tec. Specifically, by statute the Ethics Commission provides an annual ethics course for supervisory personal in the executive branch (T.C.A. § 3-6-112), an annual orientation ethics course and current issues course for members of the General Assembly (T.C.A. § 3-6-113), and an annual ethics course for lobbyists and employers of lobbyists (T.C.A. § 3-6-114). Much of the materials associated with these training courses are available for review on the Ethics Commission's website. The Ethics Commission also possesses exclusive authority to issue both formal and informal advisory opinions on the statutory provisions administered by the Ethics Commission, pursuant to T.C.A. § 3-6-117. Since the appointment of Bill Young as Executive Director on October 15, 2019, the Bureau on behalf of the Ethics Commission has rendered approximately 85 informal advisory opinions (as of August 19, 2020), but has not issued any formal advisory opinions. As part of this process, the Ethics Commission maintains a separate email address (ethics.counsel@tn.gov), which is monitored daily, where any individual can pose a question to the Commission staff and receive a response.

Finally, both the Ethics Commission and the Registry Board receive and act upon sworn complaints filed with their respective boards pursuant to T.C.A. § 2-10-108 (Registry) and T.C.A. §§ 3-6-105 and 3-6-201 – 204 (Ethics Commission). Information on how to

initiate such a sworn complaint is made available to the public on the websites of the Registry and the Ethics Commission. Information on how both the Registry and the Ethics Commission addresses these complaints is included in [Tab J](#) at pages [44](#) and [48](#), respectively.

Pursuant to T.C.A. § 2-10-108(a) a “registered voter of Tennessee may file a sworn complaint alleging that a statement filed regarding an election for which that voter was qualified to vote does not conform to law or to the truth or that a person has failed to file a statement required by law.” Sworn complaints against a candidate for State office or a political campaign committee for such candidate are filed with the Register pursuant to T.C.A. § 2-10-108(b) whereas sworn complaints against a candidate for local public office or a political campaign committee for such candidate must be filed in the office of the district attorney general who represents the judicial district in which the voter resides pursuant to T.C.A. § 2-10-108(c). The district attorney general receiving such a complaint must investigate the complaint and, if such action is justified, may seek an injunction from a chancery court to enforce the campaign financial disclosure statutes against any campaign committee or candidate about whom a sworn complaint has been filed, pursuant to T.C.A. § 2-10-109. Sworn complaints received by the Registry are reviewed by Bureau staff, with a copy of the sworn complaint sent to the respondent for any response the respondent wishes to make. Once that review is completed, and the response received, the matter is set for discussion and review by the Registry on the Registry’s next scheduled meeting.

Pursuant to T.C.A. § 3-6-201(a)(1), any “citizen of Tennessee may file a sworn complaint executed on a form prescribed by the Tennessee ethics commission alleging a violation of laws or rules within the jurisdiction of the commission”. The Ethics Commission may also initiate a complaint on its own pursuant to T.C.A. § 3-6-202(d) “upon an affirmative vote that includes three (3) members of the commission who are members of the same party or two (2) members of the commission who are members of different parties.” Such complaints, including records related to a preliminary investigation, are initially required to be maintained as confidential pursuant to T.C.A. § 3-6-202(a). The Ethics Commission next conducts a preliminary investigation of the sworn complaint to determine if probable cause exists to proceed to a public hearing on the complaint pursuant to T.C.A. § 3-6-203(a). The preliminary investigation is conducted by the Tennessee Attorney General upon receipt from the Ethics Commission of “a factually and legally sufficient complaint”. T.C.A. § 3-6-203(b). Once the preliminary investigation by the Attorney General is completed, the Ethics Commission can dismiss the complaint or proceed to a public hearing on the complaint in accordance with the procedure set forth at T.C.A. § 3-6-203(b).

15. Please describe how the Registry of Election Finance regulates campaign expenditures. How does the agency evaluate complaints?

Answer: See response to Question 14.

16. Please describe how the Tennessee Registry of Election Finance enforces the following statutes:

- The Campaign Financial Disclosure Act (T.C.A. §2-10-101, et seq.);
- The Campaign Contribution Limits Act (T.C.A. §2-10-301, et seq.); and
- The Gubernatorial Inauguration Finance Disclosure Act (T.C.A. §2-10-401, et seq.)

Answer: See response to Question 14.

17. How many cases has the Bureau referred to the district attorney for prosecution in the last two fiscal years?

Answer: In FY 2019 and 2020, the Bureau did not refer any cases to a district attorney general for prosecution.

18. Does the Bureau employ its own legal staff or does the Bureau rely on legal staff provided by the Secretary of State's office?

Answer: Ms. Lauren Topping was employed to serve as legal counsel for the Bureau of Ethics and Campaign Finance effective on June 1, 2020. Ms. Topping comes to the Bureau from the Office of the Secretary of State. Prior to June 1, 2020, legal counsel for the Bureau was provided, as needed, by the Office of the Attorney General and the Bureau's Executive Director, who is a licensed attorney.

19. Does the Bureau receive investigatory assistance from the Tennessee Bureau of Investigation, or any other state, federal, or local law enforcement agencies?

Answer: The Bureau receives counsel and investigatory assistance from the Tennessee Attorney General pursuant to T.C.A. §§ 2-10-109(a), 3-6-106(b), 3-6-203(b) and 3-6-308(b). In addition, the district attorney generals in Tennessee are authorized pursuant to T.C.A. § 2-10-108(c) to receive and investigate sworn complaints filed by a Tennessee registered voter alleging a candidate for local office or a political campaign committee for such candidate violated Tennessee's campaign financial disclosure statements. Otherwise, the Bureau receives no investigatory assistance from any other State, federal or local law enforcement agency.

Reports, Major Accomplishments, and Proposed Legislative Changes

20. What reports does the Bureau of Ethics and Campaign Finance prepare concerning its activities, operations, and accomplishments? Who receives copies of these reports? Please provide a link to any such reports issued in the last two fiscal years.

Answer: The Bureau issues two annual reports. T.C.A. § 2-10-206(a)(6) requires a report from the Registry of Election Finance and T.C.A. § 3-6-106(a)(9) requires a report from the Ethics Commission. Both reports are delivered to the Speaker of the House and the Speaker of the Senate, as well as the Governor.

[2019 Annual Report from the Registry of Election Finance](#)

[2018 Annual Report from the Registry of Election Finance](#)

[2019 Annual Report from the Ethics Commission](#)

[2018 Annual Report from the Ethics Commission](#)

21. What were the Bureau's major accomplishments during the last two fiscal years?

Answer: In September 2019, the Bureau successfully navigated its first leadership change in two decades when longtime Executive Director Drew Rawlins retired, and Bureau members chose former Nashville Chancellor Bill Young to lead the agency. Director Young, with the approval of Bureau members, subsequently filled key vacancies including retaining Lance Frizzell as Assistant Director and Lauren Topping as Legal Counsel. Mr. Frizzell previously served as Chief of Staff for Lieutenant Governor Ron Ramsey and Ms. Topping as Assistant General Counsel for Tennessee Secretary of State Tre Hargett.

In January 2020, the Bureau initiated a project to improve the design of the website, which had not been done in many years. Bureau staff sought input from stakeholders including candidates, media members and the Tennessee Lobbyist Association. As a result, the site was much improved although Bureau staff continue to examine ways to enhance the site for users. One improvement made was that the dual boards of the Bureau are now clear to a new user, making information easier to access.

In the last year, the Bureau also updated the internet based electronic filing system for campaign financial disclosure reports (TNCAMP). The continued increase in the number of users requires the Bureau to constantly work with the State information technology sector to have TNCAMP function properly during peak filing times. As part of this improvement process, the Registry rewrote TNCAMP, the campaign finance electronic filing system.

An important part of the most recent update allows political campaign committees (PACs) to upload their contributor data directly into TNCAMP. This new feature encourages PACs that had previously filed on paper, requiring staff to input their data, to file electronically. In addition to the upload feature, additional search features were added so the public may accomplish more detailed searches. Lastly, the updated TNCAMP allows better use of the error check system by filers and staff. Fewer reports filed with errors will save the Bureau staff time in the review of reports and notifying filers of errors.

The TNCAMP improvements have been crucial to the increased efficiency of Bureau staff. For example, the Registry added several hundred judicial candidates that are now required to register and file campaign financial disclosures with the Registry. In addition, the number of registered PACs has increased over 50% in the last ten years. For every new PAC, there are eight additional reports filed with the Registry in an election cycle that must be reviewed for errors and cross-indexed. In those ten years, the Bureau has handled the growth without additional staffing costs, which is a major accomplishment for the Bureau.

The increased productivity and efficiency of the Bureau's electronic system can also be viewed through the lens of filings with the Ethics Commission. In 2019, 618 lobbyists filed 2,243 registrations and 834 employers of lobbyists filed 2,137 registrations with the Commission. Like PACs, the number of lobbyists and the number of lobbyist registrations, as well as the number of employers of lobbyists and their registrations, continue to increase.

The Bureau also handles the Statement of Interest ("SOI") forms for State and local candidates and officials. In 2019, the Bureau processed over 8,000 SOI forms from State and local candidates and officials.

In 2020, State agencies and the private sector alike were forced to confront changes brought by COVID-19. The Bureau rose to this challenge by securing private space to hold required public meetings. With State meeting space unavailable, both the Registry and the Ethics Commission rented vacant hotel meeting space to accommodate the public and press for public meetings. Both entities also allowed participants and members of the public to access the meetings via phone. In short, the Bureau has continued its important work despite the constraints imposed by COVID-19 containment efforts.

22. Please describe any items related to the Bureau that require legislative attention and any proposed legislative changes.

Answer: Bureau staff has previously discussed with members of the General Assembly the need to add state trial court judges to the list of officials required to file conflict of interest disclosure statements under T.C.A. § 8-50-501(a). Such officials appear to be

inadvertently omitted from either T.C.A. § 8-50-501(a)(6) or (19), even though these judges have universally filed such statements in the past. A bill was introduced last legislative session to address this issue but failed to pass. The Bureau is also willing to address and work with the General Assembly on any issues the General Assembly believes need to be addressed that currently fall within the Bureau's statutory responsibilities.

23. Should the General Assembly recommend an extension of the sunset date for the Bureau of Ethics and Campaign Finance? To what extent and in what ways would the absence of the Bureau affect the public welfare of the citizens of Tennessee?

Answer: In response to this question, the Bureau references the underlying reasons stated by the General Assembly for creating both the Registry and the Ethics Commission as set forth at T.C.A. §§ 2-10-202 and 3-6-102. The General Assembly stated that, in creating the Registry and Tennessee's campaign financial disclosure laws, the General Assembly intended "to provide adequate financial disclosure by public officials, candidates for public office, and lobbyists". The General Assembly further articulated that the Registry was created "to ensure enforcement of these statutes". Likewise, in creating the Ethics Commission the General Assembly signaled in T.C.A. § 3-6-102 that the Commission was "established to sustain the public's confidence in government by increasing the integrity and transparency of state and local government through regulation of lobbying activities, financial disclosure requirements, and ethical conduct." The Registry and Ethics Commission, and Bureau staff, have strived to meet these objectives as voiced by the General Assembly. The Bureau respectfully submits these objectives identified by the General Assembly in statute continue to support the necessity of the work performed by the Bureau thru its staff and two appointed boards.

24. Please identify the appropriate agency representative or representatives possessing substantial knowledge and understanding of the responses provided to the sunset review questions.

Bill Young
Executive Director

Lance Frizzell
Assistant Director

Lauren Topping
General Counsel

Janet Williams
Chief of Staff

Jay Moeck
Director of Audit

25. Please identify the appropriate agency representative or representatives who will respond to the questions at the scheduled sunset hearing.

Bill Young
Executive Director

Lance Frizzell
Assistant Director

Lauren Topping
General Counsel

Janet Williams
Chief of Staff

26. Please provide the office address, telephone number, and email address of the agency representative or representatives who will respond to the questions at the scheduled sunset hearing.

Bill Young
404 James Robertson Pkwy
Suite 104
Nashville, TN 37243
615-253-5371
William.Young@tn.gov

Lance Frizzell
404 James Robertson Pkwy
Suite 104
Nashville, TN 37243
(615) 253-5374
Lance.Frizzell@tn.gov

Lauren Topping
404 James Robertson Pkwy
Suite 104
Nashville, TN 37243
(615) 253-5370
Lauren.Topping@tn.gov

Janet Williams
404 James Robertson Pkwy
Suite 104
Nashville, TN 37243
(615) 253-5372
Janet.Williams@tn.gov

For your convenience and review, the Bureau of Ethics and Campaign Finance has also attached the following documents:

Tab A: [Tennessee Registry of Election Finance Code of Conduct](#)

Tab B: [Tennessee Registry of Election Finance Conflict of Interest Disclosure Statement](#)

Tab C: [Tennessee Ethics Commission Code of Conduct](#)

Tab D: [Tennessee Ethics Commission Conflict of Interest Disclosure Statement](#)

Tab E: [Bureau of Ethics and Campaign Finance Employee Code of Conduct](#)

Tab F: [Bureau of Ethics and Campaign Finance Employee Conflict of Interest Disclosure Statement](#)

Tab G: [Form SS-8005, Statement of Interest Disclosure Form](#) (link to web form)

Tab H: [2019 Registry of Election Finance Annual Report](#) (link to web report)

Tab I: [2019 Ethics Commission Annual Report](#) (link to web report)

Tab J: [Bureau of Ethics and Campaign Finance Policies and Procedures](#)

Tab K: [Registry of Election Finance Citizens' Guide](#)

Tab L: [Bureau of Ethics and Campaign Finance Public Records Request Policy \(Adopted April 12, 2017\)](#) (link to web policy)

Tab M: [Bureau of Ethics and Campaign Finance Public Records Request Form](#) (link to web form)

**Registry of Election Finance
Code of Conduct**

Purpose

The Registry of Election Finance (the “Registry”) has developed the code of conduct in order to maintain the highest levels of integrity, honesty, and impartiality in all its operations. The avoidance of misconduct and conflict of interest is essential in promoting the Registry’s commitment to governmental accountability and control.

General Provisions – Code of Conduct

- The policy is effective as of the date of approval by the Members of the Registry of Election Finance and the Executive Director.
- The policy is applicable to all members of the Registry.
- As required by the Registry’s audit committee charter and the Comptroller of the Treasury’s guidelines for audit committees the policy is to be reviewed annually by the audit committee.
- All members of the Registry of Election Finance shall avoid any action, whether or not specifically prohibited by statute or in this policy, which may result in or have the appearance of the following:
 1. Using the public office for private gain,
 2. Giving preferential treatment to any person,
 3. Losing complete independence or impartiality,
 4. Using the Registry’s facilities, equipment, personnel, supplies or other assets for personal use, and
 5. Using, disclosing, or allowing to be disclosed any information obtained through his or her government employment, which is not made public to further any private interest.

Members of the Registry Conflict of Interest Provisions

- Members of the Registry shall comply with the terms of T.C.A. §2-10-203.
- Members of the Registry shall comply with the terms of T.C.A. §2-10-214 by completing the training provided by the Office of the Attorney General.

- Members of the Registry shall file a disclosure statement within thirty (30) days of the date of appointment to the Commission with the Tennessee Ethics Commission pursuant to T.C.A. §8-50-501.
- Members of the Registry shall annually file an amended statement or a written statement that there has been no change in condition that would require an amended statement no later than January 31 of each year. (T.C.A. §§8-50-503, 8-50-504)
- In addition, a disclosure statement should be amended whenever conditions change because of the termination or acquisition of interests as to which disclosure is required. (T.C.A. §§8-50-503, 8-50-504)
- Statement of Interest shall be filed on forms prescribed by the Tennessee Ethics Commission. Persons required to file Statements of Interests shall have their signatures attested to by a witness. (T.C.A. §8-50-501)
- Disclosure statements shall be made in accordance with the requirements of T.C.A. §8-50-502.
- Members of the Registry shall file a written code of conduct statement at their first board meeting after their appointment or within 10 days of date of the approval of this policy.
- Members of the Registry shall annually review the Code of Conduct policy and sign and date a new Code of Conduct statement at the first board meeting of the calendar year.
- The Code of Conduct statement shall be filed on form prescribed by the Bureau.
- The Code of Conduct statement shall consist of:
 1. The member has read and is in compliance with T.C.A. §2-10-203,
 2. The member has read and is in compliance with T.C.A. §§8-50 Part 5,
 3. The member has read and received the training outlined in T.C.A. §2-10-214,
 4. The member has read and is in compliance with the Bureau's Code of Conduct.

Violations – Responsibilities

All cases of questionable activity involving the code or other potentially improper actions will be reviewed for appropriate action, discipline, or corrective steps. Reports may be verbal or written. Anonymous reports will be accepted. Whenever possible, the Registry will keep confidential the identity of individual about or against whom allegations of violations are brought, unless or until it has been determined that a violation has occurred. Similarly, whenever possible, the Registry will keep confidential the identity of anyone reporting a possible violation. Reprisal against any employee who has, in good faith, reported a violation or suspected violation is strictly prohibited.

Violations – Reporting

Suspected violations of the Code of Conduct or any activity which you consider to be illegal, improper, or wasteful can be made to any of the following:

William E. (Bill) Young
Executive Director
Tennessee Registry of
Election Finance
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243
Phone: (615) 741-7959
Email:
William.Young@tn.gov

Jay Mock, CPA, CFE,
Director of Audit
Tennessee Registry of
Election Finance
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243
Phone: (615) 741-7959
Email:
Jay.Moeck@tn.gov

Chairperson
Tennessee Registry of
Election Finance
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243
Phone: (615) 741-7959
Email:
registry.info@tn.gov

In addition, the State of Tennessee Comptroller’s office has established a fraud hotline which may also be contacted if you observe a state employee engaging in any activity which may be illegal, improper, or wasteful;

The State Comptroller’s Toll-Free Hotline is **1-800-232-5454**.

Approved by:

Chairperson
Registry of Election Finance

Date

William E. (Bill) Young
Executive Director
Registry of Election Finance

Date

STATE OF TENNESSEE



BUREAU OF ETHICS AND CAMPAIGN FINANCE
REGISTRY OF ELECTION FINANCE

404 James Robertson Parkway, Suite 104
Nashville, TN 37243-1360

(615) 741-7959

Fax: (615) 532-8905

www.tn.gov/tref

REGISTRY MEMBERS

William J. (Paz) Haynes, III, Chairperson

Paige Burcham Dennis

Henry Fincher

David Golden

Tom Lawless

Tom Morton

EXECUTIVE DIRECTOR

William E. (Bill) Young

CODE OF CONDUCT

Disclosure Statement

1. I have read the requirements of §2-10-203, *Tennessee Code Annotated*.
2. I have read the requirements of §8-50 Part 5, *Tennessee Code Annotated*.
3. I have received the training as outlined in §2-10-214, *Tennessee Code Annotated*.
4. I have read the Registry of Election Finance's Code of Conduct.

I, _____, certify that I am in compliance with the requirements of the *Tennessee Code Annotated* and the Registry of Election Finance's Code of Conduct, as listed above.

Signature

Date

**Tennessee Ethics Commission
Code of Conduct**

Purpose

The Tennessee Ethics Commission (the “Commission”) has developed the code of conduct in order to maintain the highest levels of integrity, honesty, and impartiality in all its operations. The avoidance of misconduct and conflict of interest is essential in promoting the Commission’s commitment to governmental accountability and control.

General Provisions – Code of Conduct

- The policy is effective as of the date of approval by the Members of the Commission and the Executive Director.
- The policy is applicable to all members of the Commission.
- As required by the Commission’s audit committee charter and the Comptroller of the Treasury’s guidelines for audit committees, the policy is to be reviewed annually by the audit committee.

Members of the Commission Conflict of Interest Provisions

- Members of the Commission shall comply with the terms of T.C.A. §3-6-103.
- Members of the Commission shall comply with the terms of T.C.A. §3-6-116 by completing the training provided by the Office of the Attorney General.
- Members of the Commission shall file a disclosure statement within thirty (30) days of the date of appointment to the Commission with the Tennessee Ethics Commission pursuant to T.C.A. §8-50-501.
- Members of the Commission shall annually file an amended statement or a written statement that there has been no change in condition that would require an amended statement no later than January 31 of each year. (T.C.A. §§8-50-503, 8-50-504)
- In addition, a disclosure statement should be amended whenever conditions change because of the termination or acquisition of interests as to which disclosure is required. (T.C.A. §§8-50-503, 8-50-504)
- Statement of Interest shall be filed on forms prescribed by the Tennessee Ethics Commission. Persons required to file Statements of Interests shall have their signatures attested to by a witness. (T.C.A. §8-50-501)

- Disclosure statements shall be made in accordance with the requirements of T.C.A. §8-50-502.
- Members of the Commission shall file a written code of conduct statement at their first board meeting after their appointment or within 10 days of date of the approval of this policy.
- Members of the Commission shall annually review the Code of Conduct policy and sign and date a new Code of Conduct statement at the first board meeting of the calendar year.
- The Code of Conduct statement shall be filed on form prescribed by the Bureau.
- The Code of Conduct statement shall consist of:
 5. The member has read and is in compliance with T.C.A. §3-6-103,
 6. The member has read and is in compliance with T.C.A. §§8-50 Part 5,
 7. The member has read and received the training outlined in T.C.A. §3-6-115,
 8. The member has read and is in compliance with the Bureau's Code of Conduct.

Violations – Responsibilities

All cases of questionable activity involving the code or other potentially improper actions will be reviewed for appropriate action, discipline, or corrective steps. Reports may be verbal or written. Anonymous reports will be accepted. Whenever possible, the Registry will keep confidential the identity of individuals about or against whom allegations of violations are brought, unless or until it has been determined that a violation has occurred. Similarly, whenever possible, the Registry will keep confidential the identity of anyone reporting a possible violation. Reprisal against any employee who has, in good faith, reported a violation or suspected violation is strictly prohibited.

Violations – Reporting

Members and the general public suspecting violations of the Code of Conduct or Members engaging in any activity which may be considered to be illegal, improper or wasteful can be made by filing a sworn compliant with the speaker of the senate and speaker of the house of representatives of the State of Tennessee as proscribed in T.C.A. §3-6-209.

In addition, suspected violations of the Code of Conduct or any activity which you consider to be illegal, improper, or wasteful can be made to any of the following:

William E. (Bill) Young
Executive Director
Tennessee Registry of
Election Finance
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243
Phone: (615) 741-7959
Email:
William.Young@tn.gov

Jay Moeck, CPA, CFE,
Director of audit
Tennessee Registry of
Election Finance
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243
Phone: (615) 741-7959
Email:
Jay.Moeck@tn.gov

Chairperson
Tennessee Ethics
Commission
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243
Phone: (615) 741-7959
Email:
registry.info@tn.gov

Finally, the State of Tennessee Comptroller's office has established a fraud hotline which may also be contacted if you observe a state employee engaging in any activity which may be illegal, improper, or wasteful;

The State Comptroller's Toll-Free Hotline is **1-800-232-5454**.

Approved by:

Chairperson
Tennessee Ethics Commission

Date

William E. (Bill) Young
Executive Director
Bureau of Ethics and Campaign Finance

Date



State of Tennessee
Bureau of Ethics and Campaign Finance
Tennessee Ethics Commission

Commission Members:
Duane Gilbert
Bob Patton
James Stranch
Charles Traughber
Frank Watson III
Tammy S. White

404 James Robertson Parkway, Suite 104
Nashville, Tennessee 37243
(615) 741-7959
Fax: (615) 532-8905
www.tn.gov/sos/tec

Executive Director
William E. (Bill) Young

CODE OF CONDUCT
Disclosure Statement

1. I have read the requirements of §3-6-103(a) and (h) through (k), *Tennessee Code Annotated*.
2. I have read requirements of §§8-50 Part 5, *Tennessee Code Annotated*.
3. I have read the Tennessee Ethics Commission’s Code of Conduct / Conflict of Interest policy

I, _____, certify that I am in compliance with the requirements of the *Tennessee Code Annotated* and the Tennessee Ethics Commission’s Code of Conduct / Conflict of Interest policy, as listed above.

Signature

Date

**Bureau of Ethics and Campaign Finance
Code of Conduct**

Purpose

The Bureau of Ethics and Campaign Finance (the “Bureau”) has developed the code of conduct in order to maintain the highest levels of integrity, honesty and impartiality in all its operations. The avoidance of misconduct and conflict of interest is essential in promoting the Bureau’s commitment to governmental accountability and control.

General Provisions – Code of Conduct

- The policy is effective as of the date of approval by the Bureau and the Executive Director.
- The policy is applicable to all employees of the Bureau.
- As required by the Bureau’s audit committee charter and the Comptroller of the Treasury’s guidelines for audit committees the policy is to be reviewed annually by the audit committee.
- All employees of the Bureau shall avoid any action, whether or not specifically prohibited by statute or in this policy, which may result in or have the appearance of the following:
 1. Using the public office for private gain,
 2. Giving preferential treatment to any person,
 3. Losing complete independence or impartiality,
 4. Using the Bureau’s facilities, equipment, personnel, supplies or other assets for personal use and
 5. Using, disclosing or allowing to be disclosed any information obtained through his or hers government employment, which is not made public to further any private interest.
- Each employee has an obligation to the Bureau which transcends normal reporting relationships. Employees should be alert to possible violations of the code of conduct anywhere in the Bureau and are encouraged to report such violations promptly. Reports should be made to the Executive Director, Audit Director or Members of the Bureau as the circumstances dictate. Employees will also be expected to cooperate in any investigation of violations.

Conflict of Interest Provisions

- Employees of the Bureau will comply with the terms of T.C.A. §4-55-102(c).
- Employees of the Bureau shall file a written code of conduct statement within 10 days of the date of the approval of this policy or date hired.
- Employees of the Bureau shall annually review the Code of Conduct policy and sign and date a new Code of Conduct statement. The annual statements should be filed no later than January 31 of each year.
- The Code of Conduct statement shall be filed on form prescribed by the Bureau.
- The Code of Conduct statement shall consist of:
 9. The employee has read and is in compliance with T.C.A. §4-55-102.
 10. The employee has read and is in compliance with T.C.A. §§12-4-101, 12-4-103, and 12-4-106.
 11. The employee has read and is in compliance with the Bureau’s Code of Conduct.

Violations - Responsibilities

All cases of questionable activity involving the code or other potentially improper actions will be reviewed for appropriate action, discipline, or corrective steps. Reports may be verbal or written. Anonymous reports will be accepted. Whenever possible, the Registry will keep confidential the identity of employees about or against whom allegations of violations are brought, unless or until it has been determined that a violation has occurred. Similarly, whenever possible, the Registry will keep confidential the identity of anyone reporting a possible violation. Reprisal against any employee who has, in good faith, reported a violation or suspected violation is strictly prohibited. All employees are required to notify the Registry within five (5) days of any conviction of a felony, whether related to these rules or not.

Violations - Reporting

Members and the general public suspecting violations of the Code of Conduct or Members engaging in any activity which may be considered to be illegal, improper or wasteful can be made by filing a sworn complaint with the speaker of the senate and speaker of the house of representatives of the State of Tennessee as proscribed in T.C.A. §3-6-209.

Also, employees and the general public reports of suspected violations of the Code of Conduct or employees engaging in any activity which you consider to be illegal, improper or wasteful can be made to any of the following:

Executive Director
Bureau of Ethics and
Campaign Finance
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243

Assistant Executive Director
Bureau of Ethics and
Campaign Finance
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243

Chairperson
Bureau of Ethics and
Campaign Finance
404 James Robertson
Parkway, Suite 1614
Nashville, Tennessee 37243

Finally, the State of Tennessee Comptroller’s office has established a fraud hotline which may also be contacted if you observe a state employee engaging in any activity which may be illegal, improper, or wasteful;

The State Comptroller’s Toll-Free Hotline is **1-800-232-5454**.

Violations - Discipline

Violation of this code can result in serious consequences for the Bureau's image, credibility, and the confidence of the citizens of the State of Tennessee, as well as, the possibility of fines and prison sentences for individual employees. Therefore, it is necessary that the Bureau ensure that no violations occur. Employees should recognize that it is in their own best interest to follow this code carefully. The amount of any money involved in a violation may be immaterial in assessing the seriousness of a violation. Disciplinary action should be coordinated with the appropriate human resources representatives from the Secretary of State’s office.

The overall seriousness of the matter will be considered in setting the disciplinary action to be taken against an individual employee. Such action may include, reprimand, probation, suspension, reduction in salary, demotion, or dismissal. In addition, individual cases may involve reimbursement of losses or damages; Referral for criminal prosecution or civil action or both.

Disciplinary action may also be taken against supervisors or executives, who condone, permit, or have knowledge of illegal or unethical conduct by those reporting to them and do not take corrective action. Disciplinary action may also be taken against employees who make false statements in connection with investigations of violations of this code. The disciplinary action appropriate to a given matter will be determined by the Bureau in its sole discretion. The listing of possible actions is informative only and does not bind the Bureau to follow any particular disciplinary steps, process or procedure. The Bureau’s rules and regulations regarding proper employee conduct will not be waived in any respect. Violation is cause for disciplinary action, including dismissal. All employees will be held to the standards of conduct described in the policy. The Bureau and its predecessor agencies never have and never will authorize any employee to commit an act which violates this code or direct a subordinate to do so. With that understood, it is not

possible to justify commission of such an act by saying it was directed by someone in higher management.

Approved by:

Chairperson
Bureau of Ethics And Campaign Finance

Date

William E. (Bill) Young
Executive Director
Bureau of Ethics And Campaign Finance

Date

STATE OF TENNESSEE



BUREAU OF ETHICS AND CAMPAIGN FINANCE
404 JAMES ROBERTSON PARKWAY, SUITE 104
NASHVILLE, TN 37243-1360
(615) 741-7959
Fax: (615) 532-8905

BOARD MEMBERS
Paige Dennis Burcham
Henry Fincher
Duane Gilbert
David Golden
William (Paz) Haynes
Tom Lawless
Tom Morton
Bob Patton
James Stranch
Charles Traugher
Frank Watson III
Tammy S. White

EXECUTIVE DIRECTOR
William E. (Bill) Young

CONFLICT OF INTEREST Disclosure Statement

1. I have read the requirements of Section 4-55-102(c), *Tennessee Code Annotated*.
2. I have read requirements of Sections 12-4-101, 12-4-103, and 12-3-106, *Tennessee Code Annotated*.
3. I have read the Bureau of Ethics and Campaign Finance's Code of Conduct.

I, _____, certify that I am in compliance with the requirements of the *Tennessee Code Annotated* and the Bureau's Code of Conduct, as listed above.

Signature

Date



**Bureau of Ethics and Campaign Finance
Policies and Procedures**

Revised August 2020

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Bureau of Ethics and Campaign Finance, Policies

The Bureau of Ethics and Campaign Finance (“the Bureau”) was established by the General Assembly at Tennessee Code Annotated § 4-55-101 and is composed of two distinct boards, the Registry of Election Finance and the Ethics Commission. The Bureau is governed by a Board of Directors composed of six members of the Registry of Election Finance and six members of the Tennessee Ethics Commission. The Board of Directors elects a chair from among its membership, who presides at all meetings and has all the powers and privileges of the other members. The Chair may call a special meeting of the Board of Directors on the Chair’s initiative, or upon written request from eight members.

Purpose:

To ensure understanding of Bureau of Ethics and Campaign Finance policies.

Statutory Requirements:

- 1) Eight (8) members of the Board of Directors constitutes a quorum. T.C.A. § 4-55-101(d).
- 2) Eight (8) yes votes are required for action by the Board of Directors. T.C.A. § 4-55-101(d).
- 3) A special meeting may be called by the chairperson, or at the written request of eight (8) members of the Board of Directors. T.C.A. § 4-55-101(d).

Policies:

- 1) The Bureau is administratively attached to the Department of State and will follow its fiscal, travel, leave, personnel and other appropriate administrative policies. T.C.A. § 4-55-101(b).
- 2) Each member of the Bureau’s staff will annually sign a Code of Conduct policy acknowledging that the member has read the Code of Conduct and read the requirements of T.C.A. §§ 4-55-102(c), 12-4-101, 12-4-103 and 12-4-106.
- 3) Pursuant to T.C.A. § 10-7-503(g), the Bureau of Ethics and Campaign Finance has adopted a Public Records Request Policy, which shall govern the Bureau’s treatment of all requests for public records not already made publicly available on the Bureau’s website. This policy is posted on the Bureau’s website.

Registry of Election Finance, Policies

The Registry of Election Finance was created by the General Assembly at T.C.A. § 2-10-203 as a division of the Bureau of Ethics and Campaign Finance. The Registry is composed of six members, who also serve as members of the Board of Directors of the Bureau of Ethics and Campaign Finance. Members of the Registry are appointed according to statutory requirements.

Purpose:

To ensure understanding of statutory requirements and to ensure compliance with those requirements by the Registry of Election Finance.

Policies:

- 1) Four (4) members of the Registry constitutes a quorum. No action may be taken by the Registry without a quorum present. T.C.A. § 2-10-203(f). Subject to the discretion of the Chair, all members must participate in person and electronic participation is not permitted absent exigent circumstances.
- 2) The Registry selects a chair from among its membership. T.C.A. § 2-10-203(e). The chairperson will preside over all meetings. T.C.A. § 2-10-203(e). If the chairperson is not present, the meeting will be conducted by the secretary.
- 3) Registry meetings are open to the public. Registry meetings are typically conducted on the second Wednesday of each month, subject to the discretion of the Registry members. A special meeting may be called by the chairperson or the written request of four (4) members. Members shall receive at least seven (7) days' written notice of a special meeting. The notice shall state purpose, time and place of the meeting and no other matters may be discussed. T.C.A. § 2-10-203(e).
- 4) The Registry agenda packet sent to the Registry members approximately 7 days before the Registry meeting will contain the meeting agenda, statements submitted for the meeting, summary of late filings on the agenda, draft minutes from the previous meeting, copies of sworn complaints on the agenda, audits on the agenda and any other necessary information necessary for the meeting. The Registry meeting agenda will be posted on the Registry's website and at the Legislative Plaza approximately seven (7) days before the meeting.
- 5) An appointee to the Registry must undergo training by the Attorney General's office before participating in a Registry meeting.

- 6) A show cause notice may be issued with a majority vote of the members participating in the Registry meeting. A civil penalty assessment requires a minimum of four (4) affirmative votes.
- 7) Each Registry member will annually sign a Code of Conduct policy which acknowledges the member has read the Code of Conduct, and the requirements of T.C.A. §§ 2-10-203 and 8-50 Part 5. The Policy further acknowledges that the member has received training from the Attorney General as required by T.C.A. § 2-10-214.
- 8) The Executive Director of the Bureau of Ethics and Campaign Finance, or a designee, will notify the appointing authority by telephone of any vacancy that occurs on the Registry board. As part of the conversation, the Executive Director will ensure the appointing authority is aware of any requirements of the appointment to ensure compliance with T.C.A. § 2-10-203(a)(2).
- 9) The Registry may investigate any alleged violation upon its own motion.

Tennessee Ethics Commission, Policies

The Tennessee Ethics Commission was created by the General Assembly at Tennessee Code Annotated § 3-6-103 as a division of the Bureau of Ethics and Campaign Finance. The Commission is composed of six members, who also serve as members of the Board of Directors of the Bureau of Ethics and Campaign Finance. Members of the Registry are appointed according to statutory requirements.

Purpose:

To ensure understanding of statutory requirements and to ensure compliance with those requirements by the Tennessee Ethics Commission.

Policies:

- 1) Four (4) members of the Commission constitutes a quorum. T.C.A. § 3-6-103(f). No action may be taken by the Commission without a quorum present, except as provided by T.C.A. § 3-6-201. If a physical quorum is present, other members of the Commission may participate via telephone.
- 2) The chairperson will conduct the Ethics Commission meetings. T.C.A. § 3-6-103(e). If the chairperson is not present, a replacement will be designated for the meeting.
- 3) Ethics Commission meetings are open to the public, with the exception of meetings that are made confidential pursuant to T.C.A. § 3-6-202. Ethics Commission meetings are typically held on the last Thursday of each month, subject to the discretion of the Commission members. A special meeting may be called by the chairperson or the written request of three (3) members. T.C.A. § 3-6-103(f). Members shall receive at least three (3) days' written notice of a special meeting. The notice shall state the purpose, time and place of the meeting and no other matters may be discussed unless approved by all members of the Ethics Commission.
- 4) The Ethics Commission agenda packet sent to the Ethics Commission members approximately seven (7) days before the Ethics Commission meeting will contain the meeting agenda, statements submitted for the meeting, summary of late filings on the agenda, draft minutes from the previous meeting, audits on the agenda and any other necessary information necessary for the meeting. The Ethics Commission meeting agenda will be posted on the Ethics Commission website approximately seven (7) days before the meeting.

- 5) An appointee to the Ethics Commission must undergo training by the Attorney General's office before participating in an Ethics Commission meeting.
- 6) A civil penalty assessment requires a minimum of four (4) affirmative votes.
- 7) Each Ethics Commission member will annually sign a Code of Conduct policy which acknowledges the member has read the Code of Conduct and has read the requirements of T.C.A. § 3-6-103 and 8-50 Part 5. The policy further acknowledges that the member has received training from the Attorney general as required by T.C.A. § 3-6-116.
- 8) The Executive Director of the Bureau of Ethics and Campaign Finance, or a designee, will notify the appointing authority by telephone of any vacancy that occurs on the Ethics Commission. As part of the conversation, the Executive Director will ensure the appointing authority is aware of any requirements of the appointment to ensure compliance with T.C.A. § 3-6-103(a)(2).
- 9) The Ethics Commission may initiate a sworn complaint upon the vote of three (3) members who are of the same party or two (2) members of different parties. A sworn complaint initiated by the Ethics Commission will be handled as a sworn complaint initiated by a member of the public.

Campaign Finance Procedures
Appointment of Treasurer - Candidate

Purpose:

To ensure Candidate compliance with T.C.A § 2-10-105(e)(1).

Procedures:

- 1) When an Appointment of Treasurer statement is received from a candidate, staff will check in TNCAMP to see if the candidate is already in the system or is a new candidate.
- 2) If the candidate already exists in TNCAMP staff will:
 - a. Update the candidate's information in TNCAMP with the information from the Appointment of Treasurer form.
 - b. File Appointment of Treasurer in candidate's file.
- 3) If the candidate does not exist in TNCAMP staff will:
 - a. Enter the information from the Appointment of Treasurer statement in to TNCAMP creating the candidate.
 - b. Print the Authorization Code.
 - c. Complete and mail Authorization Code letter (include: letter, authorization code sheet, instruction sheet and electronic filing information).
 - d. File Appointment of Treasurer in candidate's file.

Campaign Finance Procedures

Appointment of Treasurer – Political Campaign Committees

Purpose:

To ensure Political Campaign Committees, also known as “PACs”, compliance with T.C.A § 2-10-105(e)(1).

Procedures:

- 1) When an Appointment of Treasurer statement is received from a PAC, staff will check in TNCAMP to see if the PAC is already in the system or is a new PAC.
- 2) If the PAC already exists in TNCAMP staff will:
 - a. Update the PAC’s information in TNCAMP with the information from the Appointment of Treasurer form.
 - b. File Appointment of Treasurer in PAC’s file.
- 3) If the PAC does not exist in TNCAMP staff will:
 - a. Enter the information from the Appointment of Treasurer statement into TNCAMP creating the PAC. If a \$100 registration fee is required, verify whether payment has been received and:
 - i. If payment received, click “paid” on the PAC’s home page.
 - ii. If payment was not received, send letter notifying PAC of the PAC fee requirement and follow up as necessary until the fee is paid.
 - b. Print the Authorization Code.
 - c. Complete and mail Authorization Code letter (include: letter, authorization code sheet, instruction sheet and electronic filing information).
 - d. File Appointment of Treasurer in PAC’s file.

Campaign Finance Procedures

Campaign Financial Disclosure Review – Candidates

Purpose:

To ensure Candidate compliance with campaign finance statutes.

Procedures:

- 1) After receiving file, the auditor will review the report for compliance with campaign finance statutes.
- 2) If the report is in compliance with campaign finance statutes:
 - a. Enter date the report was reviewed and initial on log sheet in file folder.
 - b. Return file to cabinet
- 3) If the filing is not in compliance:
 - a. Prepare and copy correction letter.
 - b. Mail original correction letter.
 - c. Place copy of correction letter in candidate's file.
 - d. The auditor will maintain a copy of correction letter and follow-up on correction letter until corrections are completed.

Campaign Finance Procedures

Campaign Financial Disclosure Review – Political Campaign Committees

Purpose:

To ensure Political Campaign Committees, also known as “PACs”, compliance with campaign finance statutes.

Procedures:

- 1) After receiving the file, the auditor will review the report for compliance with campaign finance statutes.
- 2) If the report is in compliance with campaign finance statutes:
 - a. Enter date the report was reviewed and initial on log sheet in file folder.
 - b. Return file to cabinet
- 3) If the filing is not in compliance:
 - a. Prepare and copy correction letter.
 - b. Mail original correction letter.
 - c. Place a copy of the correction letter in PAC’s file.
 - d. The auditor will maintain copy of the correction letter and follow-up on the correction letter until corrections are completed.

Campaign Finance Procedures

Campaign Financial Disclosure Filings – Candidates (Electronic)

Purpose:

To ensure compliance with T.C.A § 2-10-105.

Procedures:

- 1) Pull and print a list of candidates who filed electronically from TNCAMP.
- 2) In TNCAMP, check off filed reports as “Pulled”.
- 3) Place Filing Notice letter and ”Electronic Filed” sheet in each candidate’s file folder.
- 4) Enter date report was filed and initial into log sheet in file folder.
- 5) Deliver candidate folder to Auditor for review.
- 6) After review, file if financial disclosure is timely filed. If filed late, place on the next Registry agenda.

Campaign Finance Procedures

Campaign Financial Disclosure Filings – Candidates (Paper)

Purpose:

To ensure compliance with T.C.A § 2-10-105.

Procedures:

- 1) Staff receives candidate's paper campaign financial disclosure report from front desk.
- 2) Place Filing Notice letter, report, and long divider sheet in file folder.
- 3) Enter candidate campaign financial disclosure report into TNCAMP.
- 4) Enter date report was filed and date report was entered into the system and initial into log sheet in file folder.
- 5) In TNCAMP, check off report as "Pulled".
- 6) Deliver candidate folder to Auditor for review.
- 7) After review, file if financial disclosure is timely filed. If filed late, place on the next Registry agenda.

Campaign Finance Procedures

**Campaign Financial Disclosure Filings – Political Campaign Committees
(Electronic)**

Purpose:

To ensure compliance with T.C.A § 2-10-105.

Procedures:

- 1) Pull and print a list of PACs who file electronically from TNCAMP.
- 2) In TNCAMP, check off reports as “Pulled”.
- 3) Place Filing Notice letter and “Electronic Filed” sheet in each PAC’s file folder.
- 4) Enter date report was filed and initial into log sheet in file folder.
- 5) Deliver PAC folder to Auditor for review.
- 6) After review, file if financial disclosure is timely filed. If filed late, place on the next Registry agenda.

Campaign Finance Procedures

Campaign Financial Disclosure Filings – Political Campaign Committees (Paper)

Purpose:

To ensure compliance with T.C.A § 2-10-105.

Procedures:

- 1) Staff receives PAC's paper campaign financial disclosure report from front desk.
- 2) Place Filing Notice letter, report, and long divider sheet in file folder.
- 3) Enter PAC campaign financial disclosure report into TNCAMP.
- 4) Enter date report was filed and date report was entered into the system and initial into log sheet in file folder.
- 5) In TNCAMP, check off report as "Pulled" and save (Reports, QFRPE and then select appropriate fields).
- 6) Deliver PAC folder to Auditor for review.
- 7) After review, file if financial disclosure is timely filed. If filed late, place on the next Registry agenda.

Campaign Finance Procedures

Certified Filing Notices – Candidates

Purpose:

To ensure compliance with T.C.A § 2-10-110 and timely filing by candidates.

Procedures:

- 1) Pull names and addresses of candidates who failed to file a campaign financial disclosure report from TNCAMP.
- 2) Create Certified Filing Notice letters and sign.
- 3) Make a copy of each signed Certified Filing Notice letter.
- 4) Staple certified mail label to copy of each Certified Filing Notice.
- 5) Mail Certified Filing Notice letter by certified mail.
- 6) Staple green card to copy of Certified Filing Notice when it is returned.
- 7) If report is “filed” within five (5) days of date on green card, place copy of Certified Filing Notice in candidate’s file. See **Campaign Financial Disclosure Filings – Candidate (Electronic)** items 2-6 or **Campaign Financial Disclosure Filings – Candidate (Paper)** items 2-7.
- 8) If report is “filed” greater than five (5) days but less than thirty (30) days of date on green card, place copy of Certified Filing Notice letter in candidate’s file. See **Campaign Financial Disclosure Filings – Candidate (Electronic)** items 2-6 or **Campaign Financial Disclosure Filings – Candidate (Paper)** items 2-7.
- 9) If report is not filed within thirty (30) days after date on green card, place copy of Filing Notice letter and Certified Filing Notice letter in candidate’s file. Place on the next Registry agenda.
- 10) If the Certified Filing Notice is returned unclaimed, an “unclaimed letter” will be mailed with the same information and as the Certified Filing Notice and items 7-9 will apply based on the date of the “unclaimed letter”.

Campaign Finance Procedures

Certified Filing Notices – Political Campaign Committees

Purpose:

To ensure compliance with T.C.A § 2-10-110 and timely filing by Political Campaign Committees, also known as PACs.

Procedures:

- 1) Pull names, treasurer names and addresses of PACs who failed to file from TNCAMP.
- 2) Create Certified Filing Notice letters and sign.
- 3) Make a copy of each signed Certified Filing Notice letter.
- 4) Staple certified mail label to copy of each Certified Filing Notice.
- 5) Mail Certified Filing Notice letter by certified mail.
- 6) Staple green card to copy of Certified Filing Notice when it is returned.
- 7) If report is “filed” within five (5) days of date on green card, place copy of Certified Filing Notice in candidate’s file. See **Campaign Financial Disclosure Filings – Political Campaign Committees (Electronic)** items 2-6 or **Campaign Financial Disclosure Filings – Political Campaign Committees (Paper)** items 2-7.
- 8) If report is “filed” greater than five (5) days but less than thirty (30) days of date on green card, place copy of Certified Filing Notice letter in candidate’s file. See **Campaign Financial Disclosure Filings – Political Campaign Committees (Electronic)** items 2-6 or **Campaign Financial Disclosure Filings – Political Campaign Committees (Paper)** items 2-7.
- 9) If report is not filed within thirty (30) days after date on green card, place copy of Filing Notice letter and Certified Filing Notice letter in candidate’s file. Place on the next Registry agenda.

- 10) If the Certified Filing Notice is returned unclaimed, an “unclaimed letter” will be mailed with the same information and as the Certified Filing Notice and items 7-9 will apply based on the date of the “unclaimed letter”.

Campaign Finance Procedures

Filing Notices – Candidates

Purpose:

To ensure compliance with T.C.A § 2-10-206(a)(9) and timely filing by candidates.

Procedures:

- 1) Pull names and addresses of candidates who must file a campaign financial disclosure report with TNCAMP. Use the “Report Owed” tab and select appropriate fields.
- 2) Export results to EXCEL.
- 3) Create Filing Notice letter in WORD (use previous letter for sample).
- 4) In WORD, mail merge EXCEL info with Filing Notice Letter.
- 5) Print and sign Filing Notice letters.
- 6) In WORD, mail merge EXCEL info for envelopes.
- 7) Print envelopes.
- 8) Make a copy, for file, of signed Filing Notice letters.
- 9) Print blank “Front Page” of the Campaign Financial Disclosure Report for each Filing Notice sent.
- 10) Mail Filing Notice letter and “Front Page” approximately two weeks before due date (Must be sent at least two weeks before report is due).

Campaign Finance Procedures

Filing Notices – Political Campaign Committees

Purpose:

To ensure compliance with T.C.A § 2-10-105.

Procedures:

- 1) Pull names, treasurer names and addresses of PACs who must file a campaign financial disclosure report with TNCAMP. Use the “Report Owed” tab and select appropriate fields.
- 2) Export results to EXCEL.
- 3) Receive from NICUSA the names of PACs who file electronically.
- 4) Add this info to the EXCEL list of PACs.
- 5) Create Filing Notice letter for PACs who file on paper in WORD (use previous letter for sample).
 - a. In WORD, mail merge Excel info only for PACs who file on paper with Filing Notice letter.
 - b. Print and sign Filing Notice letters.
 - c. In WORD, mail merge EXCEL info only for PACs who file on paper for labels.
 - d. Print labels.
 - e. Make a copy, for file, of Filing Notice letters.
 - f. Print blank sets of “Campaign Financial Disclosure Reporting” forms.
 - g. Mail Filing Notice letter with blank “Campaign Financial Disclosure Reporting” in 9x12 inch envelopes approximately two weeks before due date.
- 6) Create Filing Notice letter for PACs who file electronically in WORD (use previous letter for sample).
 - a. In WORD, mail merge Excel info only for PACs who file electronically with Filing Notice letter.
 - b. Print Filing Notice letters.
 - c. In WORD, mail merge EXCEL info only for PACs who file electronically for envelopes.
 - d. Print envelopes.
 - e. Make a copy, for file, of Filing Notice letters.
 - f. Mail Filing Notice letter approximately two weeks before due date.

Campaign Finance Procedures
Political Campaign Committee Annual Fee Certified Notice

Purpose:

To ensure compliance with T.C.A § 2-10-121.

Procedures:

- 1) Pull names, treasurer names and addresses of PACs who have not paid PAC annual fee from TNCAMP.
- 2) Create, print, and sign PAC Annual Fee Certified Notice letter.
- 3) Make a copy of signed PAC Annual Fee Certified Notice letter.
- 4) Staple certified mail label to copy of PAC Annual Fee Certified Notice letter.
- 5) Mail PAC Annual Fee Certified Notice letter by certified mail.
- 6) Staple green card to copy of PAC Annual Fee Certified Notice letter when it is returned.
- 7) If paid, See **PAC Annual Fee Received**.
- 8) Place copy of PAC Annual Fee Certified Notice letter in PAC file.

Campaign Finance Procedures
Political Campaign Committee Annual Fee Late Notice

Purpose:

To ensure compliance with T.C.A § 2-10-121.

Procedures:

- 1) Pull names, treasurer names and addresses of PACs who have not paid PAC annual fee from TNCAMP.
- 2) Create, print, and sign Annual Fee Late Notice letters.
- 3) Mail PAC Annual Fee Late Notice letters approximately two (2) weeks after due date.

Campaign Finance Procedures
Political Campaign Committee Annual Fee Notice

Purpose:

To ensure compliance with T.C.A § 2-10-121.

Procedures:

- 1) In late November, notify NICUSA to create Annual Fee check-off in TNCAMP for the next year.
- 2) Pull names, treasurer names and addresses of PACs who owe a PAC annual fee from TNCAMP.
- 3) Create and print PAC Annual Fee letters.
- 4) Mail PAC Annual Fee letters approximately three (3) weeks before due date.

Campaign Finance Procedures
Political Campaign Committee Annual Fee Received

Purpose:

To ensure compliance with T.C.A § 2-10-121.

Procedures:

- 1) Front Desk will provide receipts of PAC Annual Fee payments received to staff.
- 2) In TNCAMP, go to front page of each PAC that has paid and mark as "Paid".

Campaign Finance Procedures
Political Campaign Committee Annual Fee Termination

Purpose:

To close Political Campaign Committee, also known as a PAC, that has not paid PAC annual fee required by T.C.A § 2-10-121.

Procedures:

- 1) Pull names, treasurer names and addresses of PACs who have not paid PAC annual fee from TNCAMP.
- 2) Create, print, and sign PAC Annual Fee Termination letter.
- 3) Make a copy of signed PAC Annual Fee Termination letter.
- 4) Staple certified mail label to copy PAC Annual Fee Termination letter.
- 5) Mail PAC Annual Fee Termination letter by certified mail.
- 6) Close PAC in TNCAMP.
- 7) Staple green card to copy of PAC Annual Fee Termination letter when it is returned.
- 8) Place copy PAC Annual Fee Termination letter in PAC file.

Statement of Interest Procedures

Certified Notices – Statement of Interest

Purpose:

To ensure compliance with filing requirement of Statement of Interest.

Procedures:

- 1) Create Certified Notice letters and sign.
- 2) Make a copy of each signed Certified Notice letter.
- 3) Staple certified mail label to copy of each Certified Notice.
- 4) Mail Certified Notice letter by certified mail.
- 5) Staple green card to copy of Certified Filing Notice when it is returned.
- 6) If required filing is completed within five (5) days of date on green card, place copy of Certified Notice in alphabetical file.
- 7) If required filing is completed greater than five (5) days but less than thirty (30) days of date on green card, create a file folder and place copy of Certified Notice in file. A notice of possible civil penalty assessment will then be sent (see **Notice of Possible Civil Penalty Assessment – Ethics**).
- 8) If required filing is not filed within thirty (30) days after date on green card, create a file folder and place copy of Certified Notice in file. A notice of possible civil penalty assessment will then be sent (see **Notice of Possible Civil Penalty Assessment – Ethics**).
- 9) If the Certified Filing Notice is returned unclaimed, an “unclaimed letter” will be mailed with the same information and as the Certified Filing Notice and items 6-8 will apply based on the date of the “unclaimed letter”.

Statement of Interest Procedures

Statement of Interest – Paper Filings

Purpose:

To ensure that Statement of Interests filed on paper are entered into the Statement of Interest portal (Conflict). Ensures compliance with T.C.A. § 8-50-501, et. seq.

Procedures:

- 1) When a Statement of Interest is filed on paper it is entered into Conflict.
- 2) For each Statement of Interest filed on paper, staff will enter into the “Comment” section the date the report was received and the date the report was entered.
- 3) As a paper Statement of Interest is entered a facial review is conducted by staff. If errors are noted, the filer is contacted to make corrections.
- 4) A paper Statement of Interest is then filed by county in alphabetical order by the filer’s last name.

Statement of Interest Procedures

Statement of Interest Notification – April 15

Purpose:

To ensure that Statement of Interests are filed by April 15 of each year by public officials required to file pursuant to T.C.A. §§ 2-10-115 and 2-10-128.

Procedures:

- 1) In mid-March, after Conflict has been updated, staff will create “File Now” buttons for all filers required to file a Statement of Interest by April 15. These filers will include public officials listed in T.C.A. §§ 8-50-501(a)(1)-(2) and (4)-(5).
- 2) After Conflict has been updated, staff will pull names from Conflict and print/send notices by mail to all public officials denoted in §§ 8-50-501(a)(1)-(2) and (4)-(5), who have not already filed a Statement of Interest, notifying them of the need to file a Statement of Interest by April 15.
- 3) For any Statement of Interest not filed timely staff will follow the **Certified Notice – Statement of Interest** procedure.

Statement of Interest Procedures

Statement of Interest Notification – Candidates

Purpose:

To ensure that Statement of Interests are filed within 30 days of the qualifying deadline by candidates required to file pursuant to T.C.A. § 8-50-501(b) and (c).

Procedures:

- 1) After staff has updated Conflict with a list of qualified candidates (see **Statement of Interest Update – Candidate**), staff will pull candidate names for that election from Conflict and print/send notification by mail to all candidates of the requirement to file a Statement of Interest within 30 days of their qualifying deadline.
- 2) For any Statement of Interest not filed timely staff will follow the **Certified Notice – Statement of Interest** procedure.

Statement of Interest Procedures

Statement of Interest Notification – January 31

Purpose:

To ensure that Statement of Interests are filed by January 31 of each year by public officials required to file pursuant to T.C.A. § 8-50-504.

Procedures:

- 1) In mid-December, after Conflict has been updated, staff will contact NICUSA to have “File Now” buttons created for all filers required to file a Statement of Interest by January 31. These filers will include public officials listed in T.C.A. § 8-50-501(a)(3), (6)-(18) and (20)-(21).
- 2) In late December/early January of each year staff will pull names from Conflict and print/send notices by mail to all public officials denoted in T.C.A. § 8-50-501(a)(3), (6)-(18) and (20)-(21), who have not already filed a Statement of Interest, notifying them of the need to file a Statement of Interest by January 31.
- 3) For any Statement of Interest not filed timely staff will follow the **Certified Notice – Statement of Interest** procedure.

Statement of Interest Procedures

Statement of Interest Update – Candidates

Purpose:

To ensure that Statement of Interest portal (Conflict) is updated with current candidates.

Procedures:

- 1) At the end of each year the Elections Division in the Secretary of State office compiles a list of all local elections in the next year. This list is forwarded to the Bureau.
- 2) Staff will add to this list any state elections for that year.
- 3) Staff will then add to the election list qualifying deadlines and Statement of Interest due dates.
- 4) After each qualifying deadline, staff will e-mail the appropriate Administrator of Elections for a list of qualified candidates in that election. Staff will request the following information:
 - Name
 - Address
 - County
 - Position candidate is seeking
- 5) Staff will follow up with any Administrator of Elections who does not return the updated list timely until all lists are received by staff.
- 6) After the list is returned, staff will update Conflict with new candidates and add “File Now” buttons.
- 7) The list will then be filed by County.

Statement of Interest Procedures

Statement of Interest Update – Local Officeholders

Purpose:

To ensure that Statement of Interest portal (Conflict) is updated with current local officeholders.

Procedures:

- 1) In November of each year, staff will pull from Conflict a list of active local officeholders by county. The list will contain:
 - Name
 - Address
 - County
 - Position held
- 2) Staff will e-mail each county Administrator of Elections their list.
- 3) The e-mail will include instructions to the Administrator of Elections to update the list by marking through any inactive local officeholder and adding any missing local officeholder with their address and position. In addition, the e-mail will request that the updated list be returned within two (2) weeks.
- 4) As each updated list is returned by an Administrator of Elections, staff will update Conflict with any changes from the list.
- 5) Staff will follow up with any Administrator of Elections who does not return the updated list timely until all lists are received by staff.
- 6) Lists will be filed by County.

Statement of Interest Procedures

Statement of Interest Update – Planning Commissioners

Purpose:

To ensure that Statement of Interest portal (Conflict) is updated with current planning commissioners.

Procedures:

- 1) In November of each year staff will contact the appropriate agencies, such as Mayors' offices, CTAS, MTAS, by telephone or e-mail to verify current state planning commissioners, including their contact information, denoted in T.C.A. § 8-50-501(a)(20)-(21).
- 2) Staff will update Conflict with information received from the agencies.

Statement of Interest Procedures

Statement of Interest Update – State Officeholders (April 15)

Purpose:

To ensure that Statement of Interest portal (Conflict) is updated with current state officeholders (April 15).

Procedures:

- 1) In March of each year, staff will verify contact information for state officeholders (April 15 filers) denoted in T.C.A. § 8-50-501(a)(1)-(2) and (4)-(5).
- 2) Staff will update Conflict as needed.

Statement of Interest Procedures

Statement of Interest Update – State Officeholders (January 31)

Purpose:

To ensure that Statement of Interest portal (Conflict) is updated with current state officeholders (January 31 filers).

Procedures:

- 1) In November of each year, staff will contact the appropriate state agencies by telephone or e-mail to verify current state officeholders (January 31 filers), including their contact information, denoted in T.C.A. § 8-50-501(a)(3) and (6)-(18).
- 2) Staff will update Conflict with information received from the state agencies.

Lobbying Procedures

Certified Notices – Lobbyist and Employer of Lobbyist

Purpose:

To ensure compliance with filing requirement of Lobbyists/Employer of Lobbyists.

Procedures:

- 1) Create Certified Notice letters and sign.
- 2) Make a copy of each signed Certified Notice letter.
- 3) Staple certified mail label to copy of each Certified Notice.
- 4) Mail Certified Notice letter by certified mail.
- 5) Staple green card to copy of Certified Filing Notice when it is returned.
- 6) If required filing is completed within five (5) days of date on green card, place copy of Certified Notice in alphabetical file.
- 7) If required filing is completed greater than five (5) days but less than thirty (30) days of date on green card, create a file folder and place copy of Certified Notice in file (see **Notice of Possible Civil Penalty Assessment – Ethics**).
- 8) If required filing is not filed within thirty (30) days after date on green card, create a file folder and place copy of Certified Notice in file (see **Notice of Possible Civil Penalty Assessment – Ethics**).
- 9) If the Certified Filing Notice is returned unclaimed, an “unclaimed letter” will be mailed with the same information and as the Certified Filing Notice and items 6-8 will apply based on the date of the “unclaimed letter”.

Lobbying Procedures

Employer of Lobbyist – Expenditure Report

Purpose:

To ensure employer of lobbyist compliance with T.C.A § 3-6-303, which requires each employer of lobbyist to file an expenditure report within 45 days after June 30 and December 31.

Procedures:

- 1) In addition to the initial notification sent out with registration information at the end of each year, staff will send email notification to all employers of lobbyists, near the beginning of the filing period, of the requirement to file an expenditure report.
- 2) Additional e-mails will be sent out, as needed, during the filing period to remind employer of lobbyists of the requirement to file an expenditure report.
- 3) Staff will monitor the iLobby portal for expenditure report filings. After staff verifies compliance with T.C.A § 3-6-303, expenditure reports are approved.
- 4) An e-mail correction notice is sent by staff to the employer of lobbyist for any expenditure report that has an error.
- 5) Expenditure reports with errors are monitored by staff until corrections are completed.
- 6) For any expenditure report not filed after the e-mail reminders, staff will follow the **Certified Notices – Lobbyist/Employer of Lobbyist** procedure.

Lobbying Procedures

Employer of Lobbyist Events

Purpose:

To ensure events hosted by employer of lobbyist are in compliance with T.C.A. § 3-6-305(b)(8).

Procedures:

- 1) When a copy of an invitation to an in-state event is received pursuant to T.C.A. § 3-6-305(b)(8) a copy of the invitation will be placed on the Ethics Commission website by the year of the event.
- 2) If an in-state event disclosure form is not received within 30 days of the day of the event an e-mail is sent to the employer of the lobbyist notifying them of the need to file the in-state disclosure form.
- 3) An e-mail correction notice is sent by staff to the employer of lobbyist for any in-state event disclosure form that has an error.
- 4) In-state event disclosure forms with errors are monitored by staff until corrections are completed.
- 5) The aggregate and person cost of the in-state event are posted to the Ethics Commission website.
- 6) For any expenditure report not filed after the e-mail reminders, staff will follow the **Certified Notices – Lobbyist/Employer of Lobbyist** procedure.

Lobbying Procedures

Lobbyist and Employer of Lobbyist Registration Fee Requirements

Purpose:

To ensure lobbyist and employer of lobbyist compliance with T.C.A § 3-6-302(e), which requires payment of registration fee within 30 days of each registration.

Procedures:

- 1) Staff will monitor the lobby portal to ensure that lobbyists and the employer of lobbyists have paid the annual registration fee of \$150 within 30 days of each registration.
- 2) For any registration fee not paid within 30 days of registration by a lobbyist or employer of a lobbyist, staff will send an e-mail notice to the lobbyist or the employer of lobbyist notifying them of the failure to pay registration fee.
- 3) For any registration fee not paid after the e-mail reminder, staff will follow the **Certified Notices – Lobbyist/Employer of Lobbyist** procedure.

Lobbying Procedures

Lobbyist and Employer of Lobbyist Registration

Purpose:

To ensure lobbyist compliance with T.C.A § 3-6-302(b)(2) and employer of lobbyist compliance with T.C.A § 3-6-302(b)(1) when registering in iLobby.

Procedures:

- 1) In December of each year, staff will send notice of registration, ethics training course and report filing requirements for the upcoming year to all lobbyists and employers of lobbyists registered in the current year.
- 2) Staff will monitor the iLobby portal for new registrations submitted by lobbyists and employer of lobbyists. After staff verifies compliance with T.C.A § 3-6-302(b)(1) or T.C.A § 3-6-302(b)(2), registrations are approved.
- 3) An e-mail correction notice is sent by staff to the lobbyist/employer of lobbyist for any registration that has an error.
- 4) Registrations with errors are monitored by staff until corrections are completed.
- 5) Staff will monitor lobbyist and employer of lobbyist registrations to ensure that both the lobbyist and the employer of lobbyist have timely registered.
- 6) For any registration that is not filed timely by a lobbyist or employer of a lobbyist, staff will send an email notice to the lobbyist or the employer of lobbyist notifying them of the late registration.
- 7) For any registration not filed after the e-mail reminder, staff will follow the **Certified Notices – Lobbyist/Employer of Lobbyist** procedure.

Lobbying Procedures

Lobbyist Photograph

Purpose:

To ensure lobbyist compliance with T.C.A § 3-6-302(3), which requires each lobbyist to submit a photograph within 30 days of their first registration.

Procedures:

- 1) Staff will monitor each lobbyist registration to ensure that a photograph is on file for that lobbyist.
- 2) Staff will send an e-mail reminder to any lobbyist who registers and does not have a photograph on file.
- 3) If after the 30-day period has run, the lobbyist does not have a photograph on file; staff will send one last reminder to the lobbyist.

Lobbying Procedures

Lobbyist Training (Ethics Course)

Purpose:

To ensure lobbyist compliance with T.C.A § 3-6-114, which requires each lobbyist to have an annual ethics course.

Procedures:

- 1) In addition to the initial notification sent out with registration information at the end of each year, staff will send periodic e-mail notification to all lobbyists, who have not completed the training, of the need to complete the training and the availability of the on-line training available within the iLobby portal.
- 2) A notice is also e-mailed to all registered lobbyists each year with the date of the annual ethics course provided for the members of the general assembly, which would satisfy the ethics course requirement.
- 3) At the ethics class provided for the general assembly, a sign-in sheet is provided for lobbyists to document their attendance at the general assembly training. All lobbyists attending this training are denoted in the iLobby portal as having taken the training.

Lobbying Procedures

Lobbyist Training (Ethics Course) Fee

Purpose:

To ensure lobbyist compliance with T.C.A § 3-6-114, which requires each lobbyist to pay a fee for an annual ethics course.

Procedures:

- 1) In addition to the initial notification sent out with registration information at the end of each year, staff will send periodic e-mail notification to all lobbyists, who have not paid the training fee, of the need to pay the training fee.

Registry of Election Finance
Civil Penalty Orders

Purpose:

To ensure proper handling of Civil Penalty Orders by Registry.

Procedures:

- 1) A civil penalty order will contain the facts of the case, the class of civil penalty and the civil penalty assessed.
- 2) The civil penalty order will notify violator that they may request a contested case hearing within thirty (30) days of the order by written request to the Registry.
- 3) The civil penalty order will notify the violator that they may request a reconsideration of the assessment by written request within fourteen (14) days of the date of the order.
- 4) The civil penalty order will be mailed to the violator by certified mail.

Registry of Election Finance
Show Cause Proceedings

Purpose:

To ensure proper handling of Show Cause Notices by Registry.

Procedures:

- 1) A show cause notice will contain the allegations, the class of civil penalty and the maximum amount of civil penalties that may be assessed for the violation(s) alleged.
- 2) The show cause notice will provide an opportunity for the individual/group to provide a sworn statement or to appear before the Registry with counsel if they so choose.
- 3) The show cause notice will notify the individual/group of the date and time of the Registry meeting that their matter will be heard.
- 4) The show cause notice will provide a time that a sworn statement must be received in order to ensure that the statement will be considered by the Registry. Additionally, the notice will contain a date by which the individual/group must notify the Registry that they wish to appear before the Registry.
- 5) The show cause notice will be mailed to the alleged violator by certified mail.

Registry of Election Finance
Sworn Complaint Procedures

Purpose:

To ensure proper handling of sworn complaints by Registry.

Procedures:

- 1) Upon receipt of a sworn complaint, a determination is made as to whether the sworn complaint is a Registry or Ethics Commission sworn complaint.
- 2) The sworn complaint is recorded on a list (by year) of sworn complaints received.
- 3) A certified letter is created to notify the complainant that the complaint has been received and the day and time of the Registry meeting when the complaint will be heard.
- 4) A certified letter is created notifying the group/person against whom the complaint was filed that a complaint has been filed against them and the day and time of the Registry meeting when the complaint will be heard. Included with this letter is a copy of the complaint.
- 5) A copy of each of the above letters is made and the certified mail label is attached to the appropriate letter.
- 6) The complaint and the copies of the certified letters are placed in a file folder created for the complaint.
- 7) The green cards are stapled to the notification letters when they are returned.
- 8) The complaint is then placed on the Registry's next agenda. A copy of the complaint is included with the Registry's meeting agenda packet.
- 9) The Registry will vote to dismiss the complaint or issue a show cause notice based upon the information in the complaint.
- 10) If the complaint is dismissed both parties will be notified of the dismissal.
- 11) If the Registry votes to issue a show cause notice, a show cause notice will be sent to the group/person against whom the complaint will be filed. The

complainant will be notified of this action. The matter will then be place on the Registry's next meeting agenda for a civil penalty proceeding.

Tennessee Ethics Commission

Civil Penalty Orders

Purpose:

To ensure proper handling of Civil Penalty Orders by Ethics Commission.

Procedures:

- 1) A civil penalty order will contain the facts of the case, the class of civil penalty and the civil penalty assessed.
- 2) The civil penalty order will notify violator that they may request a contested case hearing within thirty (30) days of the order by written request to the Ethics Commission.
- 3) The civil penalty order will notify the violator that they may request a reconsideration of the assessment by written request within fifteen (15) days of the date of the order.
- 4) The civil penalty order will be mailed to the violator by certified mail.

Tennessee Ethics Commission

Notice of Possible Civil Penalty Assessment

Purpose:

To ensure compliance with notice of possible assessment of civil penalty.

Procedures:

- 1) The notice of possible civil penalty assessment will contain the allegations and the maximum amount of civil penalties that may be assessed for the violation alleged.
- 2) The notice of possible civil penalty assessment will provide an opportunity for the individual/group to provide a sworn statement or to appear before the Ethics Commission.
- 3) The notice of possible civil penalty assessment will notify the individual/group of the date and time of the Ethics Commission meeting that their matter will be heard.
- 4) The show cause notice will provide a date that a sworn statement must be received in order to ensure that the statement will be considered by the Ethics Commission. Additionally, the notice will contain a date by which the individual/group must notify the Ethics Commission that the individual/group wishes to appear before the Ethics Commission.
- 5) The show cause notice will be mailed to the alleged violator by certified mail.

Tennessee Ethics Commission

Sworn Complaint Procedures

Purpose:

To ensure proper handling of sworn complaints by Ethics Commission.

Procedures:

- 1) Upon receipt of a sworn complaint, a determination is made as to whether the sworn complaint is a Registry or Ethics Commission sworn complaint.
- 2) The sworn complaint is recorded on a list (by year) of sworn complaints received.
- 3) The original complaint is placed in a file folder created for the complaint.
- 4) A certified letter is created to notify the complainant that the complaint has been received.
- 5) A certified letter is created notifying the group/person against whom the complaint was filed that a complaint has been filed against them. Included with this letter is a copy of the complaint.
- 6) A copy of each of the above letters along with the certified receipts will be maintained in the complaint folder.
- 7) A summary of the complaint is completed.
- 8) The complaint is then placed on the Ethics Commissions next confidential meeting agenda.
- 9) Approximately seven (7) days before the confidential meeting, a copy of the complaint and summary is sent to the Ethics Commission members as part of the confidential meeting agenda packet.
- 10) The Ethics Commission will make a determination as to whether the complaint complies with T.C.A § 3-6-201. If the Ethics Commission determines that the complaint does not comply, the Ethics Commission will vote to dismiss the complaint. If the Ethics Commission determines the complaint does comply, the Ethics Commission will vote to refer the complaint to the Attorney General for a preliminary investigation.

- 11) If the complaint is dismissed, both parties will be notified by certified mail of the dismissal with an explanation of why the complaint was dismissed. A copy of the dismissal notice with certified receipts will be maintained in the complaint file.
- 12) If the complaint is not dismissed, the Attorney General is then notified that the Ethics Commission has a complaint that requires a preliminary investigation. A copy this letter will be maintained in the complaint file.
- 13) When the preliminary investigation report is received from the Attorney General, both parties are sent a copy of the report. The original report will be maintained in the complaint file.
- 14) The Ethics Commission will then schedule a confidential probable cause hearing. By certified mail, both the complainant and alleged violator will be advised of the date and time of the meeting. Additionally, they will be advised that they are allowed to present evidence at the hearing. Copies of the notification, with the certified receipts will be maintained in the complaint file.
- 15) At the probable cause hearing, the Ethics Commission will make a determination as to whether they believe a probable cause exists that a violation occurred over which the Ethics Commission has authority.
- 16) If the Ethics Commission votes that no probable cause exists to believe a violation occurred over which the Commission has authority, the complaint will be dismissed. The Ethics Commission will notify both parties, by certified mail, of the dismissal with an explanation of why the Commission believes no probable cause exists that a violation occurred. A copy of the dismissal notice and the certified receipts will be maintained in the complaint folder.
- 17) In the event of a dismissal at the probable cause hearing, the complainant may request a hearing. This right will be included in the dismissal notice.
- 18) If the Ethics Commission votes that there is probable cause to believe a violation occurred over which the Commission has authority, the Commission will schedule a public hearing. Both the complainant and alleged violator will receive notice of the place, date, and time of the hearing by certified mail. Copies of these notices, along with the certified receipts, will be maintained in the complaint folder.

- 19) The Ethics Commission will make a determination at the public hearing whether to assess civil penalties or take no action. An order will be issued and sent by certified mail to all involved parties. A copy of the order along with the certified receipts will be maintained in the complaint folder.

CITIZENS' GUIDE TO CAMPAIGN FINANCE



**BUREAU OF ETHICS AND CAMPAIGN FINANCE
TENNESSEE REGISTRY OF ELECTION FINANCE
404 JAMES ROBERTSON PARKWAY, SUITE 104
NASHVILLE, TN 37243
www.tn.gov/tref
(615) 741-7959
registry.info@tn.gov**

Introduction

The purpose of this guide is to advise citizens how they may legally take an active part in the election process. There are several ways you may support candidates and multi-candidate committees (PACs) involved in State and Local elections. These activities, however, are subject to the campaign finance law. For example, the law limits the amount of money you may contribute and prohibits certain people and organizations from making contributions. This guide explains how to participate in State and Local elections in compliance with Tennessee law. It is important to note that this guide focuses on political activity in State and Local elections—not Federal elections.

1. How Much May Be Contributed?

Your contributions to State and Local candidates and PACs are limited under the law. You, the contributor, and the committee to which you give are both legally responsible for making sure that your contribution does not exceed your contribution limits. The paragraphs below list the contribution limits for individuals.

Contribution Limits

An individual may give a maximum of:

- **\$1,600 per election to a State Legislative candidate, Other State candidate or Local candidate** or the candidate's campaign committee. Primary, general and runoff elections are considered separate elections; special elections are also subject to these limits. Other state candidate includes Criminal Court Judge, Circuit Court Judge, Chancellor, Probate Court Judge, District Attorney General and Public Defender.
- **\$4,200 per election to a Statewide (Governor) candidate** or the candidate's campaign committee. Note that the limit applies separately to each election. Primary, general, and runoff elections are considered separate elections.
- **\$50 in currency (cash) to any candidate or PAC.** Contributions exceeding \$50 per election must be made by check, money order or other written instrument.

Joint Contributions

If two or more individuals (such as a husband and wife) want to make a contribution using one check drawn on a joint account, they may do so. If a contribution is made in this manner, it is advisable to attach a statement explaining to the recipient how the contribution should be divided between the contributors.

A husband and wife each have separate contribution limits, even if only one spouse has an income. For example, a couple may contribute a \$3,200 check to a candidate's primary campaign and have \$1,600 attributed to the husband and \$1,600 attributed to the wife.

Minor Contributions

A child under eighteen (18) years of age may make contributions from funds they control, if the minor knowingly and voluntarily makes such contribution. A minor may not use funds provided as a gift to them for the purpose of making a contributions to make contributions to a candidate or PAC.

2. What Contributions are Prohibited?

While most individuals are free to make political contributions, there are some prohibitions on contributions as explained below.

Foreign Nationals

Foreign nationals may not make contributions in connection with any election—Federal, State, or local. (This is a federal law.) This prohibition does not apply to foreign citizens who are lawfully admitted for permanent residence in the United States (those who have “green cards”).

Contributions in the Name of Another

Contributions made in the name of another are prohibited. For example, an individual who has already contributed up to the limit for a candidate’s election may not give money to another person to make a contribution to the same candidate.

Excessive Contributions

Finally, contributions that exceed the law’s limits are prohibited. A contributor and the recipient of an excess contribution may be assessed civil penalties in certain circumstances.

3. What Counts as a Contribution?

Most people think of contributions as donations of money in the form of checks or currency. While these are common ways of making a contribution, anything of value given to influence an election is considered a contribution. This section describes several forms of giving that are considered contributions. All contributions you make, no matter the type, count against your contributions limits detailed above.

Donated Items and Services

Generally, the donation of anything of value is an in-kind contribution. For example, the donation of rent, office machines, furniture, stamps, or items for an auction are in-kind contributions. The value of the donated item (fair market value) counts against the contribution limits. A donation of services is also considered an in-kind contribution. For example, if you pay a consultant’s fee or a printing bill for services provided to a campaign, you have made an in-kind contribution in the amount of the payment. If you sell an item or service to a committee and ask the committee to pay less than the fair market value, you have also made an in-kind contribution to the committee in the amount of the discount.

Under limited exceptions in the law, you may provide certain goods and services without making a contribution to the committee. These exceptions are discussed below in Question 4.

Fundraising Tickets and Items

Another way of making a contribution is to purchase a fundraising item or a ticket to a fundraiser. The full purchase price counts as a contribution. If you pay \$100 for a ticket to a fundraising event, like a dinner, you have made a \$100 contribution (even though your meal may have cost the committee \$30). Or, if you pay \$15 for a T-shirt sold by a campaign, your contribution amounts to \$15 (even though the T-shirt may have cost the committee \$5).

Loans and Loan Endorsements

If you loan money to a candidate or political committee, you have made a contribution, even if you charge interest on the loan. The outstanding amount of the loan counts against the contribution limits. Loan repayments, therefore, decrease the amount of your contribution. If your loan exceeds the contribution limits, it is an illegal contribution, even if it is later repaid in full. Endorsements and guarantees of bank loans are also considered contributions. Therefore, you may not endorse a \$10,000 loan to a candidate committee. Repayments made on a loan reduce the amount of your liability and thus reduce the amount of your contribution.

4. What Does Not Count as a Contribution?

The items discussed below are not considered contributions and therefore do not count against the contribution limits.

Volunteering

An individual may help candidates and committees by volunteering personal services. Your services are not considered contributions as long as you are not paid by anyone. (If your services are compensated by someone other than the committee itself, the payment is considered a contribution by that person to the committee.) As a volunteer, the expenses you incur volunteering are not considered contributions.

Home Event

A fundraising party or reception in your home is not considered a contribution, as long as the cost of the invitations, food, and beverages do not exceed \$100.

Voter Registration

Nonpartisan activity designed to encourage individuals to vote or register to vote is not considered a contribution.

5. What Are Independent Expenditures?

Independent expenditures provide another way to support candidates. An independent expenditure is money spent for a communication expressly advocating the election or defeat of a clearly identified candidate which is not made with the cooperation or with the

prior consent of, or in consultation with, or at the request of, or suggestion of, a candidate or any agent or authorized committee of the candidate.

Independent expenditures are not considered contributions and are unlimited. You may spend any amount on each communication, as long as the expenditure is truly independent. You may, for example, pay for an advertisement in a newspaper or on the radio urging the public to vote for the candidate you want elected. Or, you may produce and distribute posters or yard signs telling people not to vote for a candidate you oppose.

6. What About a Group Involved in the Elections?

If you and other individuals act together as a group to conduct activities to influence an election(s), the group may be a “political campaign committee”. Political campaign committees are also commonly referred to as “PACs” or “Political Action Committees”. Political campaign committees are generally defined as:

- a. A combination of 2 or more individuals making expenditures to support or oppose any candidate for public office or a referendum.
- b. A committee, club, corporation, association or other group of persons which receives contributions or makes expenditures to support or oppose any candidate for public office or measure during a calendar year in an aggregate amount exceeding \$1,000.

Political campaign committees are required to maintain records and file campaign reports on the committee's activities with the Registry of Election Finance or a County Election Commission. Three types of political campaign committees exist in Tennessee:

- a. Single-candidate committee - formed by a group supporting/opposing a single candidate.
- b. Multi-candidate committee (PAC) - formed by a group supporting/opposing multiple candidates or referendums.
- c. Single-measure committee - formed by a group supporting/opposing a single referendum.

If you are interested in forming a group to participate in State or Local elections and you need more information, you may contact the Registry of Election Finance (State Elections) or your County Election Commission (Local Elections). More detailed information on each of the political campaign committees described above is also available at the Registry's website, www.tn.gov/tref.

7. What Campaign Finance Information Must I Disclose?

The campaign finance law requires many participants in the election process to submit campaign finance reports detailing their financial activity. These reports are then made available to the public. Political campaign committees must file detailed reports on the money they raise and spend. As an individual, you are not required to file campaign finance reports. However, as an individual contributor, you may be asked to provide information to the recipient candidate or committee for its reports.

If you contribute more than \$100 to a committee, the committee is required to use its best efforts to collect and publicly disclose on campaign finance reports your name, address, occupation and employer, as well as the date and amount of your contribution. Committees sometimes request this information even for smaller contributions, since the \$100 reporting threshold applies to your total contributions to one committee during a reporting period. For example, if you make several small contributions to a committee during a reporting period and the contributions total over \$100 then the committee must report the contributor information.

8. What Information is Available to the Public?

As a voter, you may be interested in learning how a particular candidate finances his or her campaign. Who is contributing? How much? Is the candidate using personal funds to finance the campaign? Does the committee have debts? Or, you may want to know which candidates a party committee or PAC is supporting, and how much the committee is giving. This information is available to the public in the campaign finance reports regularly filed with the Registry and County Election Commissions.

State Candidate/PAC Records

You may view campaign finance information data for state candidates and PACs from 2004 forward on the Internet. Go to the website, <https://apps.tn.gov/tncamp> and click on the link "Search the Database". You may view basic instructions on how to retrieve the information you are looking for by clicking the link "Search Instructions" at the bottom of the page. For campaign finance information prior to 2004, please contact the Registry office at (615) 741-7959; this information is available on paper.

Local Candidate / PAC Records

You may view campaign finance information for local candidates and PACs at your County Election Commission office. You may locate your County Election Commission contact information at http://www.tnsos.org/elections/election_commissions.php

9. How Do I File a Complaint?

If you are a registered voter and believe a violation of the State campaign finance law has taken place, you may file a sworn complaint. If the complaint concerns a state candidate, the sworn complaint should be filed with the Registry of Election Finance. If the complaint concerns a local candidate, the sworn complaint should be filed with the district attorney general in the judicial district in which the voter resides.

Your sworn complaint can be in the form of a letter and you must have your signature notarized. The letter should explain why you believe the law may have been violated, describe the specific facts and circumstances, and name the individuals or organizations you believe have violated the campaign finance laws. You should also attach any documentation you may have concerning the complaint.

If the Registry feels that there is sufficient information to move forward with the complaint process, the Registry will provide an opportunity to the party the complaint

was filed against to respond to the complaint. The Registry will consider all information available before making a final decision on the complaint.

10. How Do I Get More Information?

There are several ways to receive more information concerning the campaign finance laws. You may contact the Registry by phone, fax or e-mail. In addition, the Registry's website contains more detailed information about the campaign finance statutes. Contact information is listed below.

Registry of Election Finance
404 James Robertson Parkway, Suite 104
Nashville, TN 37243
Telephone: (615) 741-7959
Fax: (615) 532-8905
E-Mail: registry.info@tn.gov
Website: www.tn.gov/tref