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2007 ANNUAL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY

**TENNESSEE ETHICS COMMISSION
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<http://state.tn.us/sos/tec/>

FOREWORD

The 2006 Extraordinary Session of the Tennessee General Assembly enacted in the Comprehensive Governmental Ethics Reform Act of 2006 (“Act”). The Act addressed, among other items, financial disclosure and other reporting requirements for lobbyists, employers of lobbyists, legislators, state and local elected officials, and candidates and appointees to such positions. Further, the Act prohibited activities such as certain campaign contributions and the offer and acceptance of certain gifts. The Act established an independent Tennessee Ethics Commission (“Commission”) to interpret and enforce the provisions of the Act.

The Act was passed to advance the public’s confidence in government by enhancing the integrity and transparency of state and local government. Under the Act, the Commission is required to deliver an Annual Report to the Governor, the General Assembly, and the public. This 2007 Annual Report details the progress of the Commission in the short time since its legal existence began on October 1, 2006. As evidenced by this 2007 Annual Report, the Commission hopes to expand upon these mandates as it further interprets, administers and enforces the law.

We, the Commissioners of the Tennessee Ethics Commission, look forward to working with the Governor, the General Assembly, state and local elected officials, lobbyists and their employers, and the public in carrying out the mandates of the Act.

Donald J. Hall, Chair
R. Larry Brown
Thomas J. Garland
Linda Whitlow Knight
Dianne Ferrell Neal
Benjamin S. Purser, Jr.

February 1, 2008

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BACKGROUND OF THE ETHICS REFORM ACT

On December 12, 2005, Governor Phil Bredesen issued a proclamation officially calling the General Assembly into a Special Session to consider and act upon legislation relating to ethics in government. The Governor said that:

The events of this past year, while difficult for all, have brought us to a moment of unprecedented opportunity for change. We must all work together to seize this moment by approving strong ethics legislation designed to change the culture in government and once again restore Tennesseans' confidence in their elected representatives.

Governor Bredesen called the Special Session to focus the attention, will and efforts of the legislative and executive branches of government upon the passage of strong ethics legislation prior to consideration of other matters during the Regular Session. The announcement of a Special Session came several months after the Governor's Citizen Advisory Group on Ethics in Government completed an in-depth review of the issue of ethics in Tennessee and presented Governor Bredesen its final recommendations.

During the same time period, the General Assembly's Special Joint Committee on Ethics, incorporating recommendations from the Governor's advisory group, began drafting comprehensive ethics reform legislation.

All of these efforts resulted in enactment of the Comprehensive Governmental Ethics Reform Act of 2006, which was signed by Governor Bredesen on February 15, 2006.

THE TENNESSEE ETHICS COMMISSION

The Act created an independent Ethics Commission. Among its many mandates, the Commission has the responsibility to:

- Promulgate rules and regulations (pursuant to the Uniform Administrative Procedures Act) to implement the provisions of the Act;
- Recommend "Guiding Principles of Ethical Conduct" for the General Assembly, the executive agencies, lobbyists, and employers of lobbyists;
- Receive complaints and conduct investigations, in conjunction with the Tennessee Attorney General's office;
- Compel the attendance of witnesses and the production of documents as needed to conduct its investigations;
- Conduct an annual ethics course for the executive branch; the General Assembly, and lobbyists;
- Provide an ethics manual for lobbyists and employers of lobbyists with lobbyists being required to deliver a copy of the manual to each new employer of a lobbyist and verify such delivery on the Lobbyist Registration Statement, and with the employer of the lobbyist, on its initial Lobbyist Registration Statement, being required to verify receipt of the manual;

- Collect and disseminate Disclosure of Interest Statements for the General Assembly, Governor, Governor's cabinet, the Constitutional Officers, other state officials, local elected officials and candidates and appointees to such positions;
- Provide public access, to the extent financially and technologically practical, to the documents and forms filed with the Commission; and
- Provide an annual report to the Governor and the General Assembly by February 1 concerning the administration and enforcement of laws under the jurisdiction of the Commission, including the necessity, or lack of necessity, for any additional action or additional legislation that will serve to further the purposes of the law.

The Commission is composed of six members: two appointed by the Governor; two appointed by the Speaker of the House of Representatives; and two appointed by the Speaker of the Senate. Each appointing authority must appoint one Republican and one Democrat. After initial staggered terms, members serve four-year terms. They may serve two consecutive terms. Biographies of the Commission members are provided in the Appendix to this report.

The Commission's jurisdiction was effective October 1, 2006. Thus, the Commission does not have jurisdiction to investigate or take action on any activities which occurred prior to October 1, 2006. The Commission has held public meetings on the following dates:

- February 15, 2007
- March 20, 2007
- April 27, 2007
- May 22, 2007
- June 27 and 28, 2007
- July 31, 2007
- August 9, 2007
- September 27, 2007
- October 23, 2007
- November 8, 2007
- December 3, 2007

For 2008, the Commission has set the following dates for its public meetings: January 15 and, from February through December, meetings will be held on the 4th Tuesday of each month.

THE COMMISSION'S OFFICIAL WEBSITE

One of the most important tools for carrying out the Commission's mandate is to have an up-to-date website to (1) educate the public about the Commission; (2) provide news and other important information to the public and regulated communities; (3) provide notice of Commission meetings and agenda; (4) provide an on-line tool for registering or filing electronically; and (5) permit the public to view documents, registrations, reports and disclosure statements filed with or issued by the Commission.

To further this end, the Commission, with the assistance of the Secretary of State's office, improved and expanded the information available on the Commission's website to include the following information:

1. A lobbyist registration portal by which lobbyists register and amend their registrations electronically. **In December 2007, a new registration portal was deployed by which both lobbyists and employers of lobbyist register electronically and pay fees on-line by credit card. The new portal, called "ilobby," also has enhanced public search capabilities.**
2. A "forms" section where employers of lobbyists, members of the General Assembly, state and local elected officials, other state officials, and candidates and appointees to these positions can download the forms and instructions which the Act requires them to file.
3. A section where the public can see current year lobbyist and employer of lobbyist registration information. **In 2007, employer of lobbyist expenditure reports were available on-line to the public.**
4. A section where the public can view invitations sent by lobbyists and employers of lobbyists to all members of the General Assembly;
5. Advisory Opinions and Guidelines issued by the Commission;
6. The Act and Rules issued by the Commission;
7. News from the Commission which is updated frequently;
8. Documents prepared by the Commission such as the Manual for Lobbyists and Employers of Lobbyists.
9. Biographies of the Commission members;
10. Disclosure of Interest Statements filed by local elected officials, certain state officials, members of the General Assembly, the Governor, Governor's cabinet, and the Constitutional Officers.
11. Commission meeting notices, agendas and draft agenda items.
12. Non-compliant individuals and entities.

In addition, the Commission maintains a separate e-mail address (ethics.counsel@state.tn.us), which it routinely monitors, whereby any individual can pose a question to the Commission and receive a response. This e-mail address and the Commission's telephone number appear on its website.

LOBBYISTS AND EMPLOYERS OF LOBBYISTS

Lobbying is an integral part of our nation's democratic process and is a constitutionally guaranteed right. Government officials are continuously making public policy decisions that affect the vital interest of individuals, corporations, labor organizations, religious groups, charitable institutions and other entities. Public officials need to receive factual information from affected interests and also need to know such parties' views in order to make informed policy judgments. Individuals and entities have the right to seek to persuade public officials to take positions beneficial to them. In the marketplace of ideas, a wide range of viewpoints will be aired. In exercising their right to influence public

policy, organizations and interests often choose to employ lobbyists, and today, thousands of men and women are engaged in the profession and represent virtually every type of interest. To help preserve and advance public trust and confidence in our democratic institutions and the public policy advocacy process, lobbyists and their employers have a duty to conduct themselves ethically when dealing with government officials.

1. REGISTRATION

A. LOBBYISTS

Effective October 1, 2006, lobbyist registration moved from the Registry of Election Finance to the Commission. T.C.A. § 3-6-301(17) requires that : “[n]ot later than seven days after becoming a lobbyist, the lobbyist shall register electronically with the ethics commission, and the lobbyist shall register each year thereafter if the lobbyist continues to engage in lobbying.”

In 2007, legislation was enacted that changed the registration year for lobbyists to **January 1 through December 31**. Previously, it had been October 1 through September 30.

The Act requires that the lobbyist’s registration information include:

- His or her full contact information;
- A current photographic portrait, which must be submitted to the Commission within thirty (30) calendar days after registration;
- Identifying information concerning the lobbyist’s employers;
- Verification of delivery of the Commission’s manual for lobbyists and employers of lobbyists; and
- A registration fee of **\$150 per employer** of the lobbyist.

The Commission, with the assistance of its electronic portal vendor, developed an on-line registration system for lobbyists whereby lobbyists are required to register over the web and pay their registration fee by credit card. For the 2007 registration year, 535 lobbyists registered with the Commission.

B. EMPLOYERS OF LOBBYISTS

On October 1, 2006, employers of lobbyists having existing employment relationships with lobbyists had seven (7) days within which to register with the Commission. Prior to October 1, 2006, there was no registration requirement for employers of lobbyists. In 2007, employers of lobbyists registered by electronically downloading the registration form from the Commission’s website, <http://state.tn.us/sos/tec/>, and either delivering or mailing the required form and fee directly to the Commission. **In 2008, employers will register electronically by going to the Commission’s website.**

T.C.A. § 3-6-302(b)(1) requires the employer's registration statement to include:

- The employer's name, address, telephone number and email address¹;
- The name and contact information of each lobbyist authorized to represent the employer; and
- The employer's verification that it has received delivery from the lobbyist of the Commission's Manual for Lobbyists and Employers of Lobbyists.

The Act further requires that registration statements be updated throughout the registration year if any event or circumstance occurs which renders the statement inaccurate or incomplete. This update must be completed within seven (7) days after the change in circumstances. Thus, if an employer retains a new or additional lobbyist, the employer has seven (7) days to submit a new registration form and pay the annual registration fee.

For the 2007 registration year, approximately 700 employers of lobbyists registered with the Commission.

2. TRAINING

As part of the registration process, lobbyists are required to certify that they have provided a copy of the Commission's Manual for Lobbyists and Employers of Lobbyists ("Manual") to their employers. To this end, the Commission developed and posted the Manual on its website prior to October 1, 2006. A **revised** Manual was posted on the Commission's website in June 2007. The current version posted was updated in November 2007.

The Act required all registered lobbyists take annually an ethics training course offered by the Commission at a time when the Legislature is not in session. Lobbyist ethics training was held on the following dates in 2007: June 14, June 19, June 27, September 10 and December 4. Approximately 500 lobbyists attended the training; 29 lobbyists were in non-compliance.

3. EMPLOYER DISCLOSURE REPORTS

Under the Act, each employer of a lobbyist must file an Employer Disclosure Report for the preceding six-month period. The first report was due **May 15, 2007**, for the six-month period ending March 31. The second report was due **November 15, 2007** for the six-month period ending September 30. In 2007, the forms for the reports were downloaded from the Commission's website (<http://state.tn.us/sos/tec/>) and either hand delivered or sent to the Commission's address. In 2007, all disclosure reports received by the Commission were scanned and posted on the Commission's website.² **Starting with**

¹ If the employer is a corporation or association, the names of the individuals performing the functions of chief executive officer and chief financial officer must also be listed.

² All required May 15, 2007 reports were eventually received by the Commission.

the report due May 15, 2008, the reports will be submitted electronically to the Commission.

The employer disclosure report consists of three (3) parts:

- Part 1: The aggregate total amount of lobbyist compensation paid by the employer. The report is to be in monetary ranges from less than \$10,000 to \$400,000 or more.
- Part 2: The aggregate total amount of employer expenditures incurred for the purpose of influencing legislative or administrative action through public opinion or grassroots action, excluding lobbyist compensation. (Expenditures related to lobbyist compensation should instead be disclosed in the first part of the report.) The report must also be filed in ranges from less than \$10,000 to \$400,000 or more, in the same manner as Part 1 of the report; and
- Part 3: The aggregate total amount of expenditures for events paid for by the employer to which the entire membership of the Tennessee General Assembly was invited.

The following information is derived from the May 15, 2007 Semi-Annual Lobbying Expenditure Reports reflecting employer expenditures for the six-month period ending **March 31, 2007.**

QUESTION 5: TOTAL AGGREGATE LOBBYIST COMPENSATION

	Low Range	High Range
Less than 10,000: 219	0	219 x 10,000 = 2,190,000
10,000 – 25,000: 190	190 x 10,000 = 1,900,000	190 x 25,000 = 4,750,000
25,000 – 50,000: 141	141 x 25,000 = 3,525,000	141 x 50,000 = 7,050,000
50,000 – 100,000: 56	56 x 50,000 = 2,800,000	56 x 100,000 = 5,600,000
100,000 – 150,000: 4	4 x 100,000 = 400,000	4 x 150,000 = 600,000
150,000 – 200,000: 1	1 x 150,000 = 150,000	1 x 200,000 = 200,000
200,000 – 250,000: 3	3 x 200,000 = 600,000	3 x 250,000 = 750,000
250,000 – 300,000: 1	1 x 250,000 = 250,000	1 x 300,000 = 300,000
300,000 – 350,000: 1	1 x 300,000 = 300,000	1 x 350,000 = 350,000
350,000 – 400,000: 0	0	0
400,000 or more: 1	1 x 400,000 = 400,000	1 x 400,000 = 400,000
Total:	\$10,325,000	\$22,190,000

QUESTION 7: LOBBYING RELATED EXPENDITURES

	Low Range	High Range
Less than 10,000: 565	0	565 x 10,000 = 5,650,000
10,000 – 25,000: 28	28 x 10,000 = 280,000	28 x 25,000 = 700,000
25,000 – 50,000: 14	14 x 25,000 = 350,000	14 x 50,000 = 700,000
50,000 – 100,000: 6	6 x 50,000 = 300,000	6 x 100,000 = 600,000

100,000 – 150,000:	0	0 x 100,000 = 0	0 x 100,000 = 0
150,000 – 200,000:	0	0 x 150,000 = 0	0 x 200,000 = 0
200,000 – 250,000:	1	1 x 200,000 = 200,000	1 x 250,000 = 250,000
250,000 – 300,000:	0	0 x 250,000 = 0	0 x 300,000 = 0
300,000 – 350,000:	1	1 x 300,000 = 300,000	1 x 350,000 = 350,000
350,000 – 400,000:	0	0	0
400,000 or more:	2	2,950,000	2,950,000
Total:		\$4,380,000	\$11,200,000

The following information is derived from the November 15, 2007 Semi-Annual Lobbying Expenditure Reports reflecting employer expenditures for the six-month period ending **September 30, 2007**.³

QUESTION 5: TOTAL AGGREGATE LOBBYIST COMPENSATION

	Low Range	High Range
None: 33		
Less than 10,000: 204	0	204 x 10,000 = 2,040,000
10,000 – 25,000: 204	204 x 10,000 = 2,040,000	204 x 25,000 = 5,100,000
25,000 – 50,000: 136	136 x 25,000 = 3,400,000	136 x 50,000 = 6,800,000
50,000 – 100,000: 60	60 x 50,000 = 3,000,000	60 x 100,000 = 6,000,000
100,000 – 150,000: 5	5 x 100,000 = 500,000	5 x 150,000 = 750,000
150,000 – 200,000: 2	2 x 150,000 = 300,000	2 x 200,000 = 400,000
200,000 – 250,000: 3	3 x 200,000 = 600,000	3 x 250,000 = 750,000
250,000 – 300,000: 0	0	0
300,000 – 350,000: 0	0	0
350,000 – 400,000: 1	1 x 350,000 = 350,000	1 x 400,000 = 400,000
400,000 or more: 0	0	0
Total:	\$10,190,000	\$22,240,000

QUESTION 7: LOBBYING RELATED EXPENDITURES

	Low Range	High Range
None: 183		
Less than 10,000: 422	0	422 x 10,000 = 4,220,000
10,000 – 25,000: 25	25 x 10,000 = 250,000	25 x 25,000 = 625,000
25,000 – 50,000: 10	10 x 25,000 = 250,000	10 x 50,000 = 500,000
50,000 – 100,000: 3	3 x 50,000 = 150,000	3 x 100,000 = 300,000
100,000 – 150,000: 1	1 x 100,000 = 100,000	1 x 150,000 = 150,000
150,000 – 200,000: 0	0	0
200,000 – 250,000: 0	0	0
250,000 – 300,000: 0	0	0

³ The information is not complete as 50 employers are in non-compliance by not submitting the November 15, 2007 report.

300,000 – 350,000:	0	0	0
350,000 – 400,000:	0	0	0
400,000 or more:	3	6,250,000	6,250,000
Total:		\$7,000,000	\$12,045,000

4. AUDITING ACTIVITIES

The Act requires the Commission to perform audits on at least two percent (2%) of lobbyist registrations and reports. At its public meeting of June 27, 2007, the following lobbyists were selected for random audit:

Robert Baldrige	James Kvedaras
Doug Fluegel	Kathy Reid
Mark Greene	Ralph Schulz
Marcus Hash	Janice Shelby
Johnny Hayes	Judy Takats
Walter Haynes	

To assist lobbyists, in 2007, the Commission issued and posted on its website “Guidelines for assisting Lobbyists in preparing for a Commission Audit.”

Training, Education and Outreach

Pursuant to the Act, the Commission must conduct various ethics training for members of the General Assembly, state officials, and lobbyists.⁴ In addition, and in furtherance of its public mission, the Commission is obligated to conduct education programs and outreach whenever possible.

The members of the General Assembly must attend annually an ethics training class “when the Legislature is in session.” The Commission provided this training on January 19, 2007. **In 2008, the training of members of the House of Representatives took place on January 9, 2008; Senate training occurred on January 10, 2008.**

By February 1st of each year, all executive agencies must provide the Commission a list of their senior managers for purposes of scheduling ethics training. In 2007, the Commission conducted training for the following agencies:

Administrative Support Conference
Attorney General’s Office
Comptroller
Bureau of TennCare
Campus Presidents
Commissioners and Department General Counsels
Department of Agriculture
Department of Children Services

⁴ See above for more information about mandatory Lobbyist training.

Attorneys, Department of Commerce and Insurance
 Department of Commerce and Insurance
 Department of Correction
 Department of Economic and Community Development
 Department of Education
 Department of Environment and Conservation
 Department of Finance and Administration
 Accountants, Department of Finance and Administration
 Department of Financial Institutions
 Department of General Services
 Department of Health
 Department of Human Services
 Department of Labor and Workforce Development
 Department of Mental Health and Developmental Disabilities
 Department of Military
 Department of Personnel
 Department of Revenue
 Department of Safety
 Department of Tourist Development
 Department of Transportation
 Department of Veterans Affairs
 Municipal Technical Advisory Service (MTAS)
 Higher Education Commission
 Office of Homeland Security
 Office of the Governor
 Secretary of State
 State Board of Education
 State Treasurer
 Technology Center Directors
 Tennessee Alcoholic Beverage Commission
 Tennessee Arts Commission
 Tennessee Board of Probation and Parole
 Tennessee Bureau of Investigation
 Tennessee Commission on Aging & Disability
 Tennessee Commission on Children and Youth
 Tennessee Commission on Firefighting Personnel Standards and Education
 Tennessee Health Services and Development Agency
 Tennessee Human Rights Commission
 Tennessee Regulatory Authority
 Tennessee Rehabilitative Initiative in Correction (TRICOR)
 Tennessee State Library and Archives
 Tennessee Student Assistant Corporation
 Tennessee Wildlife Resources Agency

The Commission applied for and received authorization from the Tennessee Commission on Continuing Legal Education (“CLE”) and Specialization to provide CLE credit for its training programs.

In addition to training required by the Act, in 2007, the Commission staff conducted education and outreach for the following entities: Association of Government

Accountants, Tennessee Chamber of Commerce, Tennessee Association of Utility Districts, Tennessee Press Association, Tennessee Municipal League, Tennessee Association of Municipal Clerks and Records Institute, Middle Tennessee State University, Vanderbilt University, Tennessee State University, Tennessee Government Finance Officers Association, Tennessee Society of Association Executives, Institute of Internal Auditors, Society of Professional Journalists, Tennessee Association of Property Assessors, Tennessee Municipal Attorneys Association, County Mayors Association, American Society for Public Administration, Memphis Commercial Appeal Editorial Board, Tennessee County Election Commissioners.

DISCLOSURE OF INTEREST STATEMENTS

The Act brought many significant changes to the process by which certain state and local elected officials file their public disclosure statements. In 2007, filers submitted paper statements to the Commission and the forms were either scanned and posted or put into a database which was posted on the Commission's website. **In 2008, disclosure of interest statements may be electronically filed with the Commission.**

1. MEMBERS OF THE GENERAL ASSEMBLY, GOVERNOR, GOVERNOR'S CABINET, CONSTITUTIONAL OFFICERS AND CANDIDATES AND APPOINTEES TO THOSE POSITIONS

This group was required to submit a lengthy Disclosure of Interest Statement no later than April 15, 2007.⁵ All required statements were timely received by the Commission. These disclosure statements must, by law, be posted on the Commission's website. To this end, the Commission scanned and posted on its website all of the disclosure statements of this group.

2. OTHER STATE OFFICIALS

Approximately 100 state officials were required to submit a short version Disclosure of Interest Statement with the Commission no later than January 31, 2007. This group includes Justices of the Tennessee Supreme Court, Judges of the Court of Appeals and Court of Criminal Appeals, the Attorney General, District Attorneys, Public Defenders, the President of the University of Tennessee, chancellors of the University of Tennessee campuses, the Chancellor of the Board of Regents, presidents of the colleges and universities administered by the Board of Regents, members of the Board of Probation and Parole, the Alcoholic Beverage Commission, the Registration of Election Finance, the State Election Commission, the Tennessee Ethics Commission, and the State Election Coordinator and the Executive Director of the Tennessee Ethics Commission. These disclosures were timely received and information contained in the statements was placed in a database and posted on the Commission's website for public review.

⁵ As April 15, 2007 was on a Sunday, the Commission extended the filing deadline to April 16, 2007.

3. LOCAL ELECTED OFFICIALS

Pursuant to the Act, all local elected officials, and candidates and appointees to those positions, must submit a short version financial disclosure form no later than January 31. Candidates have 30 days from the last day they qualify for election by which to file; appointees have 30 days from the date of their appointment by which to file. Prior to the Act, local officials were required to file the disclosure statement with their county election commission. In requiring that the forms be filed with the Ethics Commission, the Legislature sought to make certain that the filing requirements were consistently being adhered to across the state and that there be a centralized repository for those forms.

Meeting this mandate was no small feat for the Commission. In December 2006, the Commission notified the county election commissioners in all of the state's 95 counties requesting lists of the names and addresses of all local elected officials. The Commission received over 6800 names and addresses which were entered into the Commission's database, and letters were sent to all 6800 officials. By the end of 2007, the Commission received all but one required disclosure of interest statement. The information contained in the statements was placed in a database and placed on the Commission's website by county for public review.

ADVISORY OPINIONS

In 2007, the Commission issued the following advisory opinions:

Advisory Opinion No. 07-01: Application of Gift Ban to Affiliate Members

Advisory Opinion No. 07-02: Participation of General Assembly Members in Charitable Events

Advisory Opinion No. 07-03: Interpretation of T.C.A. § 3-6-304(j) with respect to whether a lobbyist may make campaign contributions in her capacity as an officer of a political action committee

Advisory Opinion No. 07-04: Requirements for Filing Disclosure of Consulting Services

Advisory Opinion No. 07-05: Application of Ban on Campaign Contributions to Various Types of Candidates

Advisory Opinion No. 07-06: Employer Registration Requirements for Lobbyist Retained without Authorization

Advisory Opinion No. 07-07: Interpretation of T.C.A. §§ 3-6-304 and 3-6-305 with respect to an employer of a lobbyist's ability to provide travel expenses and otherwise underwrite professional conferences.

Advisory Opinion No. 07-09: Registration Requirements of Transportation Authority

Advisory Opinion No. 07-10: Interpretation of T.C.A. § 3-6-301, et seq., regarding lobbyist registration requirements for employees of public relations firms

Advisory Opinion No. 07-12: Interpretation of T.C.A. §§ 3-6-301, et seq., with respect to whether a lobbyist, employer of a lobbyist, or lobbying firm may host a fund raiser or provide a venue for a fund raising event for a member or candidate for the Tennessee General Assembly.

RULES

The Commission issues the following sets of rules in 2007:

0580-1-1 Rules Pertaining to Lobbyists and Employers of Lobbyists

In 2007, The Commission adopted Rules with Respect to Public Access to Commission Records, which will be published as final in March 2008, approved Complaint Rules, which are set for a public rulemaking hearing in February 2008. The Commission intends to promulgate Administrative Sanction Rules and Rules with Respect to Gifts based on Close Personal Friendships in 2008.

COMPLAINTS

The Commission has referred one complaint to the Office of the Attorney General and Reporter for investigation. The Attorney General's report is pending before the Commission.

GUIDING PRINCIPLES OF ETHICAL CONDUCT

The Act requires the Commission to prepare and recommend for the legislative and executive branches "Guiding Principles of Ethical Conduct" which they may consider adopting. In addition, the Act requires that the Commission prepare and recommend Guiding Principles for Lobbyists and Employers of Lobbyists. The Commission issues both sets of Guiding Principles in 2007.

All counties municipalities must file a Code of Conduct with the Commission by July 1, 2007. While the commission has no jurisdiction to enforce this provision, the Commission has worked closely with both the Municipal Technical Assistance Service ("MTAS") and the County Technical Assistance Service ("CTAS") to assist the localities

with complying with the July 1 deadline. In 2007, approximately 400 Codes were filed with the Commission.

IN-STATE EVENTS

Pursuant to T.C.A. § 3-6-305, one exception to the gift provision is for in-state events sponsored by lobbyists or employers of lobbyists for which invitations are extended to all members of the General Assembly provided that the Commission receives a copy of the invitation at least seven days prior to the event and that the sponsor reports within 30 days following the vents that the cost was less than \$50/person. In 2007, the Commission posted all such invitations and reports that it received. For 2007, the total cost of such in-site events was approximately \$400,000.

APPENDIX

1. COMMISSION MEMBERS

Donald J. Hall, Chair

Donald J. Hall is a celebrated teacher, who has served on the Vanderbilt Law School faculty since 1970. Professor Hall is the inaugural holder of the Vanderbilt University Chair for Teaching Excellence. His teaching and scholarship focus on criminal law and procedure, particularly victims' rights in the criminal process. His casebook on criminal procedure is widely used in American law schools. Active in Tennessee criminal justice issues, he has served as co-chair of the Tennessee Commission on Gender Fairness, was the reporter for the state's pattern jury instructions in criminal cases, and, while a member of the Tennessee Sentencing Commission, helped to shape the state's revised penal code. Professor Hall is currently serving as the appointee of Tennessee Gov. Phil Bredesen on the state Ethics Commission, having previously served as a member of the Governor's Commission on Juvenile Justice Reform and on the Governor's Task Force on the Use of Enhancement Factors in Criminal Sentencing.

Mr. Hall was appointed by the Governor as a Democratic representative.

R. Larry Brown

R. Larry Brown is Senior Vice President and Chief Human Resources Officer for FedEx Express. In this position, he is responsible for all strategic aspects of Human Resources for a worldwide work force of over 138,000 employees operating in 210 countries.

The Jackson, Tennessee native earned his bachelor's degree from Lane College in Jackson, Tennessee and his Juris Doctorate from the University of Memphis School of Law, where he was a member of the Law Review Staff, the Moot Court Board, and the National Moot Court Team.

Mr. Brown joined FedEx in 1987 as Managing Director, Litigation, after serving as an Assistant U.S. Attorney, Western District of Tennessee for five years and being a supervisory trial attorney for the EEOC for two years.

He was also a Reginald Heber Smith (REGGIE) Fellow, and Managing Attorney with Memphis Area Legal Services.

Mr. Brown is Chairman of the Board of Partners in Public Education (PIPE), a board member of the Youth Education Through Sports (YES) Foundation, and Co-chair of the Memphis mentoring Partnership.

He belongs to the National Bar Association (NBA), and is a past president of the Ben F. Jones (Memphis) Chapter of the NBA. Mr. Brown also holds memberships in Omega Psi Phi, and Sigma Pi Phi Fraternities, and is past national President of Pro Duffers, USA. He has received the Thurgood Marshall Scholarship Foundation Award of Excellence, and the Pi Beta Sigma African American Image Award. Mr. Brown is a two-time recipient of the Federal Express Five Star Award.

Mr. Brown was appointed by the Speaker of the Senate as a Democrat representative.

Thomas J. Garland

Thomas J. Garland was born in Kingsport, TN in 1934. He was educated in the Kingsport and Oak Ridge school systems and served in the United States Air Force from 1952-56. He graduated from East Tennessee State University with a B.A. degree in 1959 and received the Outstanding Alumnus Award in 1973. His careers in business, education, and government include: Chairman of the Board of Commerce Union Bank (now Bank of America), Greeneville, TN; Chancellor of the Tennessee Board of Regents; Interim President of Tusculum College, where he served as a member of the Board of Trustees and is the immediate past Chairman of the Board. He holds an Honorary Doctor of Law and was awarded the Distinguished Service Award by Tusculum College. He served in the Tennessee Senate from 1964-85, seventeen years as Senate Minority Leader. He also served on numerous civic and corporate boards and currently serves as senior advisor to the Niswonger Foundation, Chairman of the Tusculum Institute for Public Leadership and Policy, and is a director of Atmos Energy Corporation.

Mr. Garland was appointed by the Governor as a Republican representative.

Linda W. Knight

Linda Whitlow Knight is a native of Jackson, Tennessee, where she attended public schools. After attending Sweet Briar College for two years, Linda received her B.A., *cum laude*, from Vanderbilt University, where she majored in Political Science and was elected to Phi Beta Kappa. In 1976, she graduated *magna cum laude* from Cumberland School of Law in Birmingham, Alabama. She served on the Law Review and the Moot

Court Board, and was elected to Who's Who Among Students in American Colleges and Universities.

After practicing in Birmingham for four years, Linda moved to Nashville in 1980. She served as law clerk to former Supreme Court Justice Frank F. Drowota, and then entered private practice. She has been with Gullett, Sanford, Robinson & Martin, PLLC and its predecessor, Martin & Cochran, since 1982. Her practice concentrates on insolvency and commercial law and litigation. She belongs to the American, Tennessee and Nashville Bar Associations and the Tennessee and Nashville Lawyers' Associations for Women. She has served as President, and four terms as Treasurer, of TLAW and as a Board member of LAW. She was Secretary of the Nashville Bar Association in 2006, and has served on and chaired several committees. Linda is a Hearing Officer for the Board of Professional Responsibility and is on the Board of the Tennessee Supreme Court Historical Society and the Bench-Bar Relations Committee of the Tennessee Judicial Conference.

Linda was one of the initial members of the Tennessee Economic Council on Women, serving from 1998 to 2004, and remains a member of the Board of the Tennessee Women's Economic Council Foundation, Inc. She has been a Board member of the Nashville Women's Political Caucus.

Ms. Knight was appointed by the Speaker of the House as a Republican representative.

Dianne F. Neal

Dianne Neal has been a lawyer in State government since 1988, beginning as counsel in the Grubbs prison litigation case which led to her appointment as General Counsel to the Tennessee Department of Correction. Subsequently, Dianne became Chief Legal Counsel to Governor Ned McWherter. At the end of the McWherter administration, Dianne was named General Counsel to the Public Service Commission and remained as General Counsel to the Tennessee Regulatory Authority until 1997. In this role, Dianne appeared on behalf of the Authority before trial and appellate courts as well as legislative committees. She established the administrative procedures for the Authority to apply pursuant to the 1996 deregulation of telecommunications enacted by the General Assembly.

Dianne left state government to become President and CEO of the Cumberland Science Museum, now Adventure Science Center, leading an eighteen-month transition to streamline operations and foster board development.

Throughout her career, Dianne has served on the boards of civic organizations, locally and nationally. Dianne served on the Metropolitan Nashville Arts Commission for six years, two as Chairman. Dianne is a founding member of the Nashville Sports Council, one year as Chair, and continues to participate on the Executive Committee. In 2005, Dianne was appointed to the Tennessee State Museum Foundation Board by Governor Bredesen.

Additionally, Dianne sits on the boards of the Belle Meade Plantation, the Habitat for Humanity and the Women's Fund of the Community Foundation, and the Tennessee Breast Cancer Coalition. From 1998 to 2002, Dianne was a member of the President's Circle of the National Academy of Sciences.

A graduate of the Vanderbilt University School of Law, Dianne received a B.A. from Baylor University and an M.A. from Tulane University.

Ms. Neal was appointed by the Speaker of the House as a Democratic representative.

Benjamin S. Purser, Jr.

Mr. Purser is the Senior Vice President for Risk Management & Compliance at the Sommet Group headquartered in Franklin, TN. He is a retired FBI executive with over twenty-nine years of diverse and unique government experiences and eight years in the corporate world identifying risks and providing solutions to those risks. Mr. Purser supervised all FBI operations and personnel in Middle Tennessee from 1981 until late 1998. He was appointed to a Management Advisory Committee by the Director of the FBI. The committee of nine FBI executives provided Counsel to the Director regarding all FBI policies, procedures, and operations. He supervised an extremely sensitive and complex public corruption investigation focusing on wrongdoing by State officials (code name Rocky Top). He managed a national health care fraud investigation for a three year period.

Mr. Purser is originally from Dayton, TN. He attended the University of Tennessee at Knoxville and graduated from William Jennings Bryan College in 1968 with a Bachelor of Science in Business Administration.

During his time in Middle Tennessee, Mr. Purser served on the boards of several non-profit organizations; currently he serves on the board of the YMCA and is a member of the Nashville Rotary Club.

Mr. Purser was appointed by the Speaker of the Senate as a Republican representative.

2. COMMISSION STAFF

Bruce A. Androphy, Executive Director

Mr. Androphy is the Executive Director of the independent Tennessee Ethics Commission which was created by the Ethics Reform Act of 2006 in response to the "Tennessee Waltz" scandal and which commenced operations on October 1, 2006. He was hired by the Commission after a national recruitment search that resulted in the Commission receiving over 160 applicants. He previously served as General Counsel with the New York State Ethics Commission, and had been with the New York Commission since 1989. In that position, he had conducted hundreds of ethics training sessions for State officers and employees, and supervised the Commission's legal staff.

He is an active member of COGEL, an international organization for government ethics officers, and is a frequent presenter at its conferences. As Executive Director of the Tennessee Ethics Commission, he oversees the Commission staff and is responsible for the Commission's day-to-day operations. A *magna cum laude* graduate of the University of Pennsylvania, he received his law degree with Honors from George Washington University National Law Center in Washington, D.C. Prior to working for the Commission, he held various other positions in the public sector including serving as a prosecutor in the Office of Professional Discipline and as an assistant district attorney in the Chemung County District Attorney's Office.

Rebecca Bradley, Executive Assistant

A Nashville native, Ms. Bradley has more than 25 years of administrative and office management experience. Ms. Bradley has worked in the private sector and Metro Nashville for more than ten years and fifteen years with the State of Tennessee. She served in the Department of Health, State Supreme Court, Tennessee State Senate, and the Department of Commerce and Insurance before joining the Ethics Commission.

David Himmelreich, General Counsel

Mr. Himmelreich became General Counsel effective January 2, 2008. He is a career state lawyer, having previously served three other agencies during his twenty-seven years in state government. He comes to the Ethics Commission from the Medicaid Fraud Control Unit of the Tennessee Bureau of Investigation, where he was responsible for working with other states and the Attorney General on multi-state investigations of Medicaid provider fraud. Before that, Mr. Himmelreich served as a Deputy Inspector General for the Tennessee Office of Inspector General, which is responsible for Medicaid fraud perpetrated by recipients. He joined the Inspector General's office after twenty-four years of service in the Office of the Attorney General and Reporter, where he served first as an Assistant Attorney General and later as a Deputy Attorney General. As general counsel, Mr. Himmelreich is responsible for giving the Commission the best possible independent legal advice, drafting advisory opinions and rules, supervising administrative enforcement actions, and communicating as necessary with the Attorney General's office, legislators, lobbyists, employers, state employees and officials, and the general public. A graduate of Washington University in St. Louis, he received his law degree from Vanderbilt University School of Law. During the course of his career, Mr. Himmelreich has tried civil and criminal jury trials in both federal and state court, has handled civil and criminal appeals, and has represented different state agencies in countless other legal proceedings. He has given presentations to investigators, accountants, and auditors on the investigation and prosecution of white collar crime. He has presented a number of continuing legal education programs to fellow attorneys. He is certified by the National Institute of Trial Advocacy as an instructor, and has participated as a faculty member in the Attorney General's trial advocacy training program.

Barry F. Woody, Ethics Compliance Officer

Barry F. Woody is a native of Columbia, Tennessee and has resided in the Nashville area since 1972. Mr. Woody served for twenty-four years with the Tennessee Division of Consumer Affairs where he assisted thousands of consumers with a multitude of consumer issues and problems. He served as Assistant Director of the Division of almost of half of his time in the Division. Mr. Woody accepted the position of Executive Director of the Tennessee Motor Vehicle Commission in 2004 and supervised a staff that regulated twenty thousand licensees across the State.

Mr. Woody graduated from Columbia State Community College in 1971 and Middle Tennessee State University in 1973 with a BS in Political Science.

Mr. Woody's wife, Laura H. Woody, RN, BSN, currently works with AmeriGroup after a long career with Baptist Hospital. They have two children, Kelly Barcroft, a geologist with the Tennessee Department of Environment and Conversation and Jason Moss, an independent salesman.

Linda Creasman, Administrative Assistant

Linda Creasman is a native of Joelton, Tennessee. She started working for the State of Tennessee in 1983 for the Department of Human Services. She took a position with the Department of General Services and was promoted several times within the Department. She joined the Secretary of State's Office in 2001.

Judy Bennett, Administrative Assistant

Ms. Bennett is a resident of Clarksville and has worked for the Secretary of State's Office for 6 years, first in General Services, and then in the Summons Division and now the Ethics Commission. She is a member of the Native Cultural Circle of Clarksville, TN, a local Native American organization, and is a budding wire sculptor, using copper, sterling silver as well as brass.