

BEFORE THE TENNESSEE ETHICS COMMISSION

In re:) No. 2008-16
)
RCI THERAPEUTIC FOSTER CARE, INC.,)
)
Respondent.)

ORDER ASSESSING CIVIL PENALTIES

This matter came on to be heard by the Tennessee Ethics Commission ("Commission") on June 24, 2008, at its regularly scheduled meeting upon Commission staff's presentation of documentation substantiating that Respondent failed timely to file a Semi-Annual Lobbying Expenditure Report which each employer of a lobbyist is required to file pursuant to Tenn. Code Ann. § 3-6-303(a) or timely amend its registration statement pursuant to Tenn. Code Ann § 3-6-302 (c).

FINDINGS OF FACT

Based on the entire record in this matter, the Commission finds as follows:

1. Registration. RCI Therapeutic was registered as an employer of a lobbyist for 2007.

2. Semi-Annual Lobbying Expenditure Report.

A. In October 2007, Commission staff notified RCI Therapeutic by electronic mail that it was required to file a Semi-Annual Lobbying Expenditure Report ("Report") for the period ending September 30, 2007, and that such Report was due to be filed by November 15, 2007.

B. As of November 15, 2007, RCI Therapeutic had not filed its Report for the period ending September 30, 2007.

C. On December 5, 2007, Commission staff mailed RCI Therapeutic a Notice of Failure to File Semi-Annual Lobbying Expenditure Report ("Notice") by first class mail.

D. RCI Therapeutic did not respond to said Notice and did not file its Report.

E. RCI Therapeutic timely filed its Report for the period ending March 31, 2007

F. RCI Therapeutic is in possession of the Commission's manual for lobbyists and employers of lobbyists as required by Tenn. Code Ann. § 3-6-114(c), which

contains the requirement of filing Reports and amending registration statements.....

G. RCI Therapeutic had sufficient notice of the requirement of filing the Report for the period ending September 30, 2007, in advance of its due date of November 15, 2007 and the requirement that registration statements must be amended upon changed circumstances.

3. Notice of violation.

A. On March 12, 2008, Commission staff sent RCI Therapeutic, by certified mail, return receipt requested, a Notice that the Commission intended to consider assessment of civil penalties against Clay Enterprises at its April 22, 2008 meeting, because of its failure to file its Report by November 15, 2007 ("Show Cause Notice")

B. The Show Cause Notice set forth the allegations, the maximum amount of civil penalties that could be assessed, the date, place, and time of the meeting, and RCI Therapeutic's opportunity to participate in an informal proceeding at the meeting either by appearing personally or by submitting a sworn statement and documents.

C. The Commission received a return receipt substantiating that RCI Therapeutic received the Show Cause Notice.

4. Filing of Report.

A. On March 27, 2008, RCI Therapeutic filed an In-State Event Disclosure Form instead of a Lobbying Expenditure Report.

B. On April 24, 2008, Commission staff sent RCI Therapeutic an electronic mail notifying RCI Therapeutic of the incorrect filing, with appropriate forms attached.

C. The Commission received RCI Therapeutic's Semi-Annual Lobbying Expenditure Report on May 16, 2008.

5. Showing of Cause. On March 18, 2008, Mr. Robert Weaver spoke with Commission General Council informing him RCI Therapeutic terminated its relationship with its lobbyists in February of 2007. The Commission received an Amendment to Employer of Lobbyist Registration Form from RCI Therapeutic on April 1, 2008 noting the termination.

CONCLUSIONS OF LAW

1. RCI Therapeutic had a duty under Tenn. Code Ann. § 3-6-302(c) to timely update, correct or otherwise modify its Registration Statement.

2. Under Tenn. Code Ann. § 3-6-306(a)(1)(A)(i), the Commission may administratively assess a civil penalty of not more than twenty-five dollars (\$25.00) per day up to

a maximum of seven hundred fifty dollars (\$750.00) if an employer of a lobbyist fails, without good cause, to timely update, correct or otherwise modify its Registration Statement.

3. RCI Therapeutic did not show good cause why it failed to timely file an amended Registration Statement.

4. Therefore, it is appropriate for the Commission to assess a civil penalty pursuant to Tenn. Code Ann. § 3-6-306(a)(1)(A)(i). The Commission would be within its authority to assess the maximum penalty of seven hundred fifty (\$750.00) dollars.

5. RCI Therapeutic filed the wrong form upon receiving the Show Cause Notice which is an aggravating factor in assessing a penalty for failure to amend or update its registration. Therefore, the Commission finds it appropriate to assess a civil penalty of three hundred and seventy-five dollars (\$375.00).

6. This assessment cannot become final until after respondent has been afforded notice and an opportunity for a hearing. Tenn. Code Ann. § 3-6-107(8). Respondent's failure to participate in the informal assessment process is without prejudice to its right to a contested case hearing under the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101—4-5-325.

ORDER

It is therefore ORDERED as follows:

1. A civil penalty in the amount of three hundred and seventy-five dollars (\$375.00) is assessed against RCI Therapeutic for failure to timely update, correct or otherwise modify its Registration Statement.

2. The Executive Director shall enter this Order.

3. The Executive Director shall cause a copy of this Order to be provided to the Respondent, by either personal service, certified mail, return receipt requested, or overnight delivery.

4. Respondent shall have the right to seek reconsideration of this Order by filing with the Commission, within fourteen (14) days after the date of entry of this Order, a written Request for Reconsideration in the form set forth in the Commission's draft Rules on Administrative Sanctions.

5. Alternatively, Respondent shall have the right to initiate a contested case proceeding by filing with the Commission, within thirty (30) days after the date of entry of this Order, a Petition for a contested case hearing in the form set forth in the Commission's draft Rules on Administrative Sanctions.

6. Along with this Order, the Executive Director shall provide Respondent a copy of

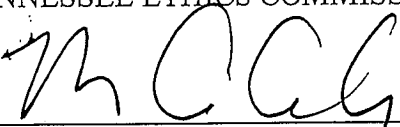
the Commission's draft Rules on Administrative Sanctions.

7. If Respondent does not timely file a Request for Reconsideration or a Petition for a contested case hearing, this Order shall become final and shall form the basis for legal action to collect the civil penalty.

SO ORDERED, this 30th day of June, 2008

TENNESSEE ETHICS COMMISSION

By:



Bruce A. Androphy, Executive Director