



**TENNESSEE BUREAU OF ETHICS AND CAMPAIGN FINANCE
REGISTRY OF ELECTION FINANCE**

**Board Requested Audit of
Quest PAC
for the period from January 1, 2018 through July 31, 2019**

STATE OF TENNESSEE



BUREAU OF ETHICS AND CAMPAIGN FINANCE REGISTRY OF ELECTION FINANCE

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December 7, 2020

Members of the Registry of Election Finance
404 James Robertson Parkway, Suite 104
Nashville, TN 37243-1360

Registry Members:

Enclosed are the agreed upon procedures for the Board Requested audit of Quest PAC campaign finance activities from January 1, 2018 through July 31, 2019. This audit was conducted pursuant to the requirements of T.C.A. § 2-10-207(1).

The procedures were developed to aid the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Financial Disclosure Law and Campaign Contribution Limits Law. Quest PAC is responsible for complying with campaign finance laws and the accuracy of campaign financial disclosures. The sufficiency of these procedures is solely the responsibility of the Bureau of Ethics and Campaign Finance's audit group. Consequently, we make no representation regarding the sufficiency of the agreed upon procedures described in the report for any other purpose than aiding the Registry.

This report is intended for the information and use of the Members of the Tennessee Registry of Election Finance as outlined; and is not intended to be and should not be used by anyone other than the Registry without understanding the objectives, purposes, and underlying assumptions. This report is a public record.

Sincerely,

Jay Moeck, CPA, CFE
Director of Audit

STATE OF TENNESSEE
BUREAU OF ETHICS AND CAMPAIGN FINANCE
REGISTRY OF ELECTION FINANCE

Audit Highlights

Board Requested Audit of Quest PAC
for the period from January 1, 2018 through July 31, 2019

AUDIT OBJECTIVES

The objectives of the audit were to determine Quest PAC's compliance with certain provisions of campaign finance disclosure laws and regulations; compliance with certain provisions of campaign contribution limit laws and regulations; accuracy and completeness of the disclosures on the 2018 First Quarter, 2018 Second Quarter, 2018 Pre-Primary, 2018 Third Quarter, 2018 Pre-General, 2018 Fourth Quarter, and 2019 Mid-Year Supplemental Campaign Financial Disclosure Statements; and to recommend appropriate actions to correct any deficiencies.

FINDING(S)

- 1. Quest PAC failed to provide supporting documentation for \$113,930.22 in available campaign funds disclosed as the beginning balance on the 2018 First Quarter Disclosure Statement. Failure to support this amount either indicates a failure to comply with T.C.A. § 2-10-107(e), which requires the proper reporting of available campaign funds during each reporting period, or a failure to maintain held campaign funds in an allowable campaign account as defined by T.C.A. § 2-10-131(a). If the funds available were improperly reported, the PAC has likely violated T.C.A. § 2-10-107(a)(2)(B) for failing to report all disbursements of campaign funds during the period in which they were incurred.**
- 2. Quest PAC failed to report \$9,578.13 in in-kind contributions received, as required by T.C.A. §§ 2-10-105(a) and 2-10-107.**
- 3. Quest PAC failed to report \$12,086.78 in disbursements and/or expenses incurred, as required by T.C.A. §§ 2-10-105(a) and 2-10-107; included within this \$12,086.78 are the following expenses:**
 - \$4,121.33 in-kind contribution to Mayor Ketron's Senate Campaign (the contribution was not reported by Mayor Ketron's Senate Campaign).**
 - \$1,500 in-kind contribution to Mayor Ketron, which appears to be unallowable as a contribution as it was made during legislative session in non-compliance with T.C.A. § 2-10-310, and/or unallowable as received by Mayor Ketron on the grounds that the contribution was used for personal expenses**

by Mayor Ketron in non-compliance with T.C.A § 2-10-114. The contribution was also unreported by Mayor Ketron's campaigns.

- **\$2,314.11 contribution to Mayor Ketron's 2018 mayoral campaign (which was also not reported by Mayor Ketron's mayoral campaign).**
- 4. Quest PAC's disclosures reported \$15,850.85 in disbursements and/or expenses that appear not to be PAC expenses. The reporting of expenses that were never paid and may never have been a PAC expense appears to be non-compliant with T.C.A. §§ 2-10-105(a) and 2-10-107.**
 - 5. Quest PAC made \$4,778.13 in contributions to Mayor Ketron's mayoral campaign during the primary election in excess of the contribution limits in violation of T.C.A. § 2-10-302(b). It should be noted that Mayor Ketron is the controlling officer of this PAC.**
 - 6. Quest PAC failed to provide a supporting receipt, invoice, or other supporting document for one disbursement to Mayor Ketron's personal credit card totaling \$1,500. Quest PAC is required by T.C.A. §§ 2-10-212(c) and 2-10-105(f) to retain and maintain such disbursement records to support the disclosures made.**

Subsequent Audit Finding

- 7. Quest PAC failed to register and file campaign finance disclosure statements with the Rutherford County Election Commission. T.C.A. §2-10-105(b) requires PACs to register and file campaign finance disclosure statements in each county in which they are giving contribution to local candidates**

TABLE OF CONTENTS

INTRODUCTION	<u>PAGE</u>
Audit Authority	1
Audit Purpose	1
Audit Scope	1
CAMPAIGN OVERVIEW	
Campaign Organization	2
Overview of Financial Activities	2
CHARTS	
2018 Election Campaign Contributions	4
2018 Election Contributions by Source	4
2018 Election Contributions by Reporting Period	5
2018 Election Expenses by Reporting Period	5
OBJECTIVES, METHODOLOGIES, CONCLUSIONS	
Beginning and Ending balances	5
Finding	7
Contributions and Receipts	11
Finding(s)	13
Disbursements and Obligations	16
Finding(s)	20
Subsequent Audit Finding	41
Recommendation to PAC	43
Recommendation to Registry	44
RESOLUTIONS	
Registry of Election Finance Actions	45
APPENDIX	
Appendix A	46

INTRODUCTION

AUDIT AUTHORITY

Tennessee Code Annotated (T.C.A.) §§ 2-10-206, 2-10-207, 2-10-212 and 2-10-213 authorize the Registry of Election Finance (hereinafter “Registry”) to conduct investigations and audits of campaign activities and the related disclosures made on campaign financial disclosure statements filed with the Registry. This audit was initiated on a vote by the Members of the Registry (hereinafter “Members”) at their August 14, 2019 meeting. The Members requested the audit cover activities from January 1, 2018 through July 31, 2019.

AUDIT PURPOSE

The Registry’s audits provide a tool to the Registry to evaluate compliance by a candidate and/or political campaign committee (commonly referred to as Political Action Committees or PACs) with certain provisions of campaign finance disclosure laws and regulations, compliance with certain provisions of campaign contribution limit laws and regulations, and accuracy and completeness of the campaign disclosures. In addition, the audits assist the Registry with the enforcement of campaign finance limit laws and campaign finance disclosure laws. Finally, the audit reports are intended to assist the candidates, PACs, and the State of Tennessee with promoting governmental accountability and integrity.

AUDIT SCOPE

During non-election years, Tennessee’s campaign financial disclosure law requires Multi-Candidate Campaign Committees (hereinafter “PACs”) to make biannual financial disclosures as of the date of the first contribution or first expenditure, whichever occurs earlier. The biannual reporting periods are from January 16 to June 30 and July 1 to January 15 of each year. During election years, the disclosures expand to quarterly, pre-primary, and pre-general statements. As noted above, the Members requested the audit cover activities from January 1, 2018 through July 31, 2019; therefore, the audit reviewed Quest PAC’s disclosures on the 2018 First Quarter, 2018 Second Quarter, 2018 Pre-Primary, 2018 Third Quarter, 2018 Pre-General, 2018 Fourth Quarter and 2019 Mid-Year Campaign Financial Disclosure Statements.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Quest PAC is a registered Multi-Candidate Campaign Committee (commonly referred to as “PAC”) in the State of Tennessee. Quest PAC was created on September 10, 2010 and controlled by then Senator Bill Ketron (currently and hereinafter Mayor Ketron). PACs controlled by elected officials, like Quest PAC, are commonly known as Leadership PACs. Quest PAC was created by the filing of an Appointment of Political Treasurer Statement with the Registry, naming Rachel Barrett as PAC treasurer. The Appointment of Political Treasurer Statement filed relating to the audit period was filed on September 25, 2012 and named Kelsey Ketron as PAC treasurer.

Quest PAC’s first campaign finance disclosure during the audit period from January 1, 2018 to July 31, 2019 was the 2018 First Quarter Disclosure, which was filed on July 9, 2018. The last report for the audit period was the 2019 Mid-Year Supplemental Disclosure, which was filed on July 15, 2019. The 2019 Mid-Year report indicated \$92,345.35 cash on hand, no outstanding obligations, and no outstanding loans.

OVERVIEW OF FINANCIAL ACTIVITIES

The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure statements: 2017 Mid-Year Supplemental, 2017 Year-End Supplemental, 2018 First Quarter, 2018 Second Quarter, 2018 Pre-Primary, 2018 Third Quarter, 2018 Pre-General, 2018 Fourth Quarter, and 2019 Mid-Year Supplemental disclosure statements after amendments. The amounts displayed are for informational purposes only.

Summary of Financial Activity (Un-audited Amounts)

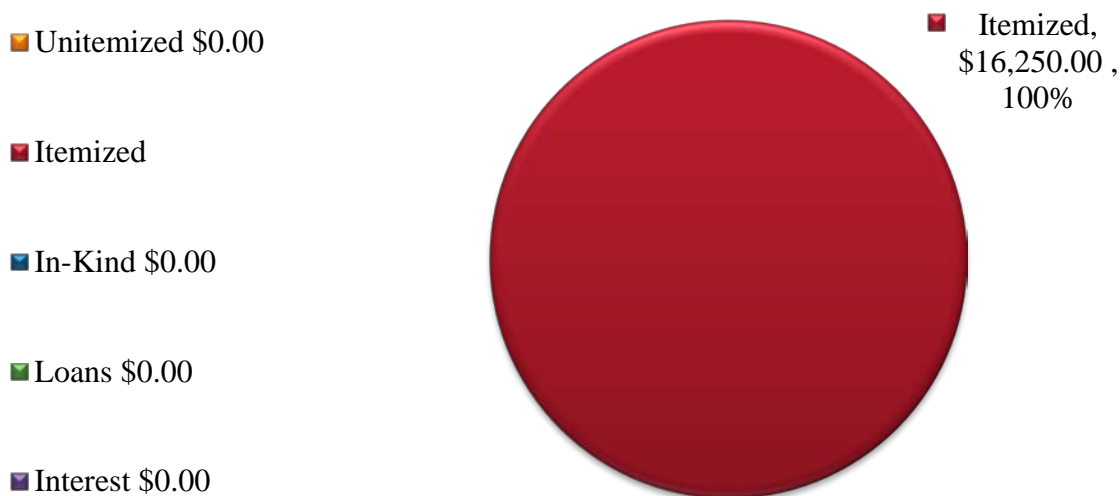
Cash on hand at January 16, 2018		\$137,095.19
Receipts		
Un-Itemized	\$0.00	
Itemized	16,250.00	
Loans received	0.00	
Interest	0.00	
Total receipts		<u>\$16,250.00</u>
Disbursements		
Un-Itemized	0.00	
Itemized	60,999.84	
Loans principal payments	0.00	
Obligation payments	0.00	
Total disbursements		<u>\$60,999.84</u>
Cash on hand at June 30, 2019		<u>\$92,345.35</u>
Loans outstanding at June 30, 2019		\$0.00
Obligations at June 30, 2019		\$0.00
Total in-kind contributions received		\$0.00

1 The balance on hand at 1/15/2017 is the reported available funds in the PAC at the end of the 2016 Election Cycle.

CHARTS

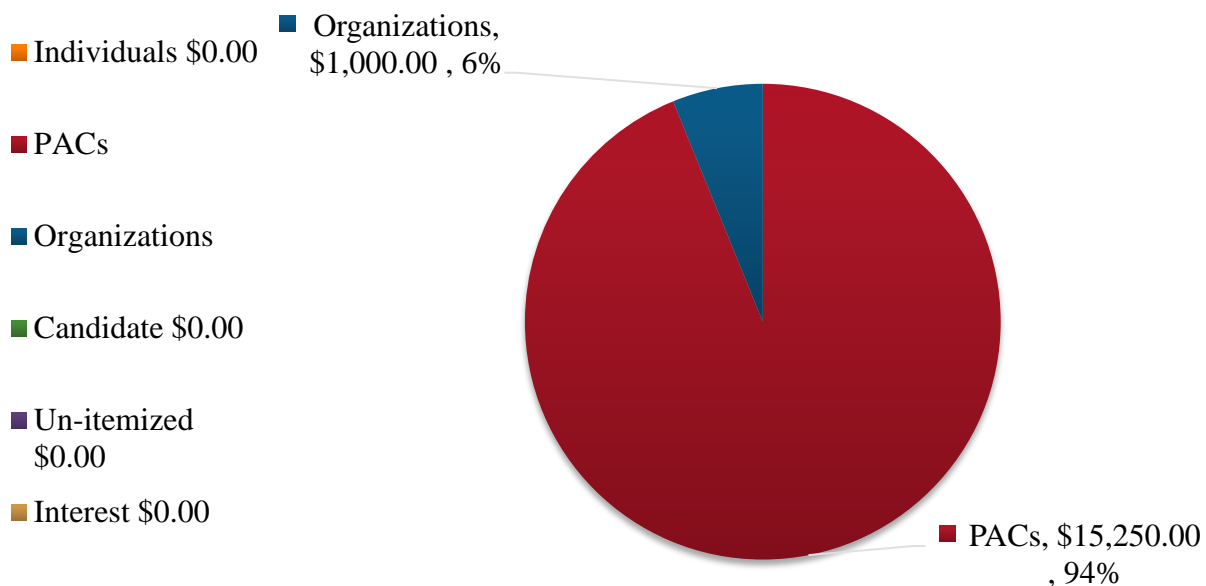
2018 ELECTION CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the PAC for 2017 and 2018 (the 2018 election cycle).



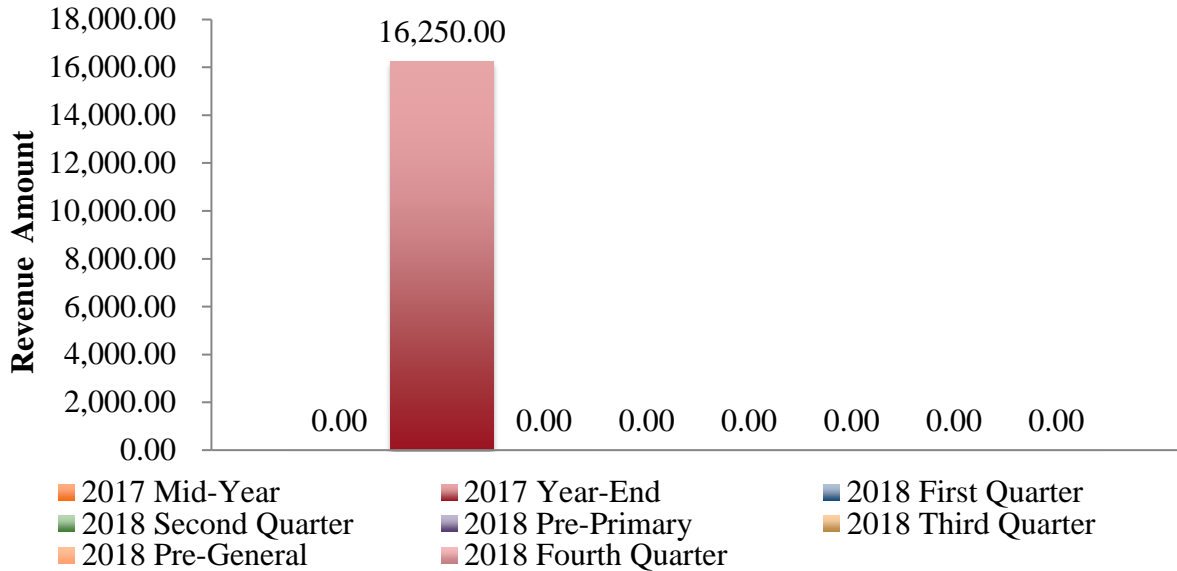
2018 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the contributions reported by the PAC for the 2018 election cycle (2017 & 2018). Organizations in this chart represent non-profit organizations, non-PAC campaign organizations, or for-profit business entities.



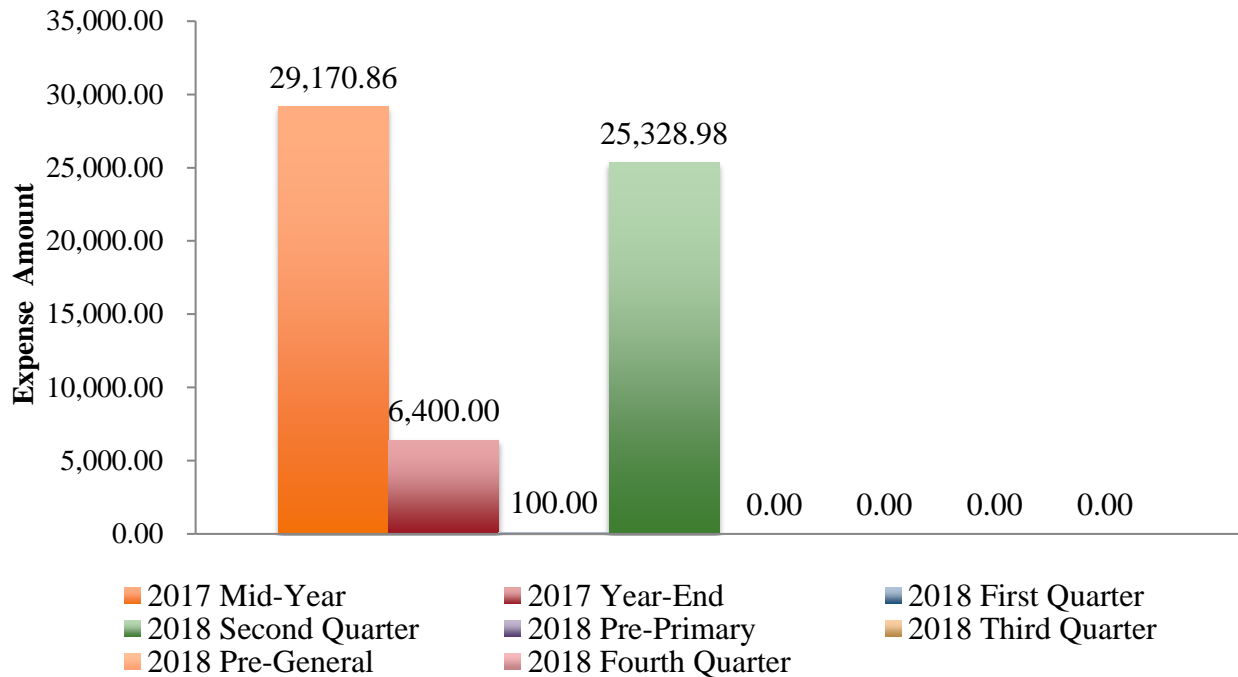
2018 ELECTION CONTRIBUTIONS BY REPORTING PERIOD

The following chart shows the contributions that the PAC reported for the 2018 election cycle (2017 & 2018) by reporting period.



2018 ELECTION EXPENSES BY REPORTING PERIOD

The following chart shows the expenses that the PAC reported for the 2018 election cycle (2017 & 2018) by reporting period.



OBJECTIVES, METHODOLOGIES, CONCLUSIONS

Beginning and Ending balances (available campaign funds reported as being held)

Audit Objectives :

The objectives of this audit of beginning and ending balances were to determine whether:

- all campaign funds reported as being held by the PAC are supported by bank account records or other financial documentation to support their availability.
- All held campaign funds are retained in allowable accounts as prescribed in T.C.A. § 2-10-131.

Audit Methodology:

The Registry obtained Quest PAC's Campaign Financial Disclosure Statements from January 16, 2018 to June 30, 2019. The Registry requested that Quest PAC provide all campaign records to support PAC activity, including supporting the available balance of campaign funds at the commencement of the audit period. Quest PAC's records to support the available campaign funds consists of bank statements for a single bank account. The Members, as part of the request for audit, granted the Registry staff authority to issue subpoenas of the PAC bank records. Therefore, in addition to the records provided by Quest PAC, the Registry also obtained by subpoena the same bank account records. The subpoena request included records for contributions, all bank statements, and detailed deposit data showing all checks deposited into the PAC account. The following steps were performed on the PAC records:

- The documentation was reviewed to determine if the \$117,774.33 in available campaign funds reported by the PAC as the beginning balance of the 2018 First Quarter Disclosure Statement were supported by the applicable bank records.
- The ending balances on each of the PAC's disclosures during the audit period were evaluated to determine if they were being reported in compliance with T.C.A. § 2-10-107(e).

Audit Conclusions:

Quest PAC's 2018 First Quarter Campaign Financial Disclosure Statement indicated the campaign was holding \$117,774.33 in campaign funds on January 16, 2018 for the Quest PAC operations. However, Quest PAC's bank records indicate that, on January 16, 2018, Quest PAC held \$4,844.11 in campaign funds. The bank records indicated one uncleared check reported at January 16, 2018 for \$1,000. Thus, the audited reconciled bank account balance was \$3,844.11. The difference between the amount reported and the amount supported in the bank account after reconciliation is \$113,930.22 (\$117,774.33 less \$3,844.11). Quest PAC provided no additional records to support the balance disclosed existed or was disbursed. Therefore, the audit cannot determine whether \$113,930.22 of the disclosed amount was available on January 16, 2018.

Finding 1 details the errors resulting from the inability to support the existence of the beginning amount by Quest PAC. Included in Finding 1 is the effect the unsupported \$113,930.22 has on all the subsequent disclosure statements.

FINDING

- 1. Quest PAC failed to provide supporting documentation for \$113,930.22 in available campaign funds disclosed as the beginning balance on the 2018 First Quarter Disclosure Statement. Failure to support this amount either indicates a failure to comply with T.C.A. § 2-10-107(e), which requires the proper reporting of available campaign funds during each reporting period, or a failure to maintain held campaign funds in an allowable campaign account as defined by T.C.A. § 2-10-131(a). If the funds available were improperly reported, the PAC has likely violated T.C.A. § 2-10-107(a)(2)(B) for failing to report all disbursements of campaign funds during the period in which they were incurred.**

Quest PAC's 2018 First Quarter Campaign Financial Disclosure Statement reports a beginning balance of \$117,774.33 in campaign funds on January 16, 2018 for the Quest PAC. However, Quest PAC's bank records indicate that, on January 16, 2018, the PAC bank account held \$4,844.11 in campaign funds. The audit performed bank reconciliation showed one check for \$1,000 cleared on January 25, 2018 that was reported on the 2017 Year-End Supplemental Disclosure Statement, resulting in a reconciled adjusted available balance of \$3,844.11. The difference from the reported amount of \$117,774.33 and the reconciled bank amount of \$3,844.11 is \$113,930.22 and is unsupported by any campaign documentation provided.

The beginning balance on the 2018 First Quarter Disclosure Statement is a carry forward amount from the ending balance reported on the 2017 Year-End Disclosure Statement. The reports were designed for PACs and candidates to report all activity such that the ending balance and subsequent beginning balance reflect campaign funds held at the end/beginning of each reporting period. When proper disclosures are made the ending balance will be properly reported. This allows the PAC to comply with T.C.A. § 2-10-107(e), which requires the PACs to report the unexpended balance of campaign resources (balance available for future disbursement) to the Registry as part of the PAC's disclosure statements.

T.C.A. § 2-10-131 requires that campaign funds maintained (available and held for future disbursement) must be held in bank accounts or credit union accounts that are federally insured. Therefore, this same ending amount reported by the PAC should be reconcilable to the amount held in the PAC's related bank account(s) to maintain compliance with the statute (and for the audit). Reconcilable means a consideration of uncleared checks, deposits in transit, and other timing reporting differences. The reconciliation is like a commonly performed bank reconciliation but adds additional items for campaign finance disclosure requirements.

As noted above, the PAC's provided documentation was insufficient to support the \$113,930.22 amount reported. As such, the PAC's officials, Mayor Ketron (President) and Kelsey Ketron, who served as the PAC's treasurer during the audit period, were asked about the \$113,930.22 in missing (unaccounted for) funds. The PAC officials were unable to provide any additional information to justify or explain the reason for the difference between the reported balance and actual balance in the PAC bank account or to indicate an alternative location of any additional PAC funds. As a result of the lack of information available, and as the amount is not in the PAC account at or near the beginning of the audit period, the audit can only provide limited

information on the \$113,930.22 missing/unaccounted for funds. The audit can determine the following:

1. If the \$113,930.22 in funds were available as reported on January 15, 2018, the Quest PAC has failed to demonstrate compliance with T.C.A § 2-10-131, which requires that those funds be held in a federally insured bank account or insured credit union account at that point in time or subsequently.
2. If the \$113,930.22 in funds were not available as reported, then Quest PAC has incorrectly reported both the ending balance on his 2017 Year-End disclosure Disclosure Statement and beginning balance of his 2018 First Quarter report in non-compliance with T.C.A. § 2-10-107(e). In addition, it would appear likely that the funds were disbursed from the account. If so, each disbursement was required to be reported in the proper period in accordance with T.C.A. § 2-10-107(a)(2)(B). The audit identified one such transaction which was unreported as noted in Item 3, below.
3. As noted above, the Board requested audit period is from January 1, 2018 to July 31, 2019. The auditor can only perform limited assessments of activities on disclosures from January 1, 2018 to January 15, 2018 or after June 30, 2019 to July 31, 2019. This is because the related disclosure reports for those periods are for much longer than the audit period, making a partial reconciliation problematic. However, the audit did review Quest PAC's banks statement as of January 1, 2018. Those statements reported a balance of \$9,721.78 on January 1, 2018. The audit reviewed contributions from January 1, 2018 to January 15, 2018, and noted that the campaign deposited four PAC contributions totaling \$3,250, which were reported on the 2017 Year-End disclosure. The audit also noted an expense refund check deposited on January 2, 2018 for \$115, also reported on the 2017 Yea-End Disclosure Statement. The PAC accounts also document one disbursement for \$8,242.67 on January 2, 2018. The disbursement, which is further detailed in Finding 3 Item A, appears to be an unreported joint fundraising expense. As the expense was unreported and prior to the reconciled amount noted in this finding, the \$8,242.67 is part of the \$113,930.22 in missing or unaccounted for funds.
4. Although the auditor performed a limited review of activities of the campaign prior to January 15, 2018, as noted in Item 3 above, the auditor was made aware of and obtained as part of the audit, records of a Finding of Indictment by the Grand Jurors of Rutherford County. The indictment was sworn to on April 9, 2019 and included 14 counts (15 to 29) that indicated possible improper disbursements of campaign funds from Mayor Ketron's Senate Campaign, Mayoral campaign, and Quest PAC made by the Quest PAC Treasurer, Kelsey Ketron. This indictment included an appendix that showed several checks from the various accounts noted in the indictment. Those checks included checks written from the PAC account to Universal International Insurance Agency, Inc. (hereafter "UII" or "Universal"), prior to the audit period. UII is a business owned by Mayor Ketron and Kelsey Ketron. The checks are from a Midsouth Bank account in the name of Quest PAC. This account becomes the Franklin

Synergy Bank account for which statements have been provided for the audit period. The following are details of the checks from the indictment:

- Check 1056 written on August 29, 2016 for \$6,000 and cleared the bank on August 29, 2016. This check is signed by Kelsey Ketron.
- Check 1072 written on January 10, 2017 for \$18,000 and cleared the bank on January 10, 2017. This check is signed by Kelsey Ketron.
- Check 1077 is undated for \$4,000 and cleared the bank account on April 3, 2017. This check is signed by Kelsey Ketron.
- Check 1080 written on April 24, 2017 for \$5,000 and cleared the bank on April 25, 2017. This check is signed by Kelsey Ketron.

A review of Quest PAC's disclosure statements from 2016 and 2017 indicates that Quest PAC previously reported no disbursements of campaign funds to UII. As such, it appears that a portion of the missing \$113,930.22 would relate to the \$33,000 in check disbursements noted in the indictment. The audit cannot determine an allowable reason for campaign funds to be disbursed to UII, nor was one provided by the Quest PAC officials. Therefore, the audit determined each disbursement to UII appears to be an improper transfer of campaign funds for personal use. The use of campaign funds for personal use by a candidate is in violation of T.C.A. § 2-10-114(b)(1).

The audit did note that UII appears to pay for a Quest PAC advertising expense in 2018, which was not reimbursed to UII from Quest PAC funds during the audit period. This in-kind contribution to Quest PAC was unreported, which is detailed in Finding 2. The related expense for advertising was improperly reported, which is detailed in Finding 4.

5. During the audit period the candidate filed the following reports with the related ending balances:
 - 2018 First Quarter, \$117,674.33.
 - 2018 Second Quarter, \$92,345.35.
 - 2018 Pre-Primary, \$92,345.35.
 - 2018 Third Quarter, \$92,345.35.
 - 2018 Pre-General, \$92,345.35.
 - 2018 Fourth Quarter, \$92,345.35.
 - 2019 Mid-Year, \$92,345.35.

The related bank account amounts at each period are listed below:

- 2018 First Quarter bank balance at March 31, 2018 was \$2,324.11.
- 2018 Second Quarter bank balance at June 30, 2018 was \$0.00. The bank appears to have closed the account.

- 2018 Pre-Primary no bank account maintained; available funds supported is \$0.00.
- 2018 Third Quarter no bank account maintained; available funds supported is \$0.00.
- 2018 Pre-General no bank account maintained; available funds supported is \$0.00.
- 2018 Fourth Quarter no bank account maintained; available funds supported is \$0.00.
- 2019 Mid-Year no bank account maintained; available funds supported is \$0.00.

The disclosure statements and bank balances listed above show that Quest PAC has repeatedly reported an available balance that is not supported by the PAC bank account. The PAC bank records indicate that Quest PAC has had no funds available since May 1, 2018 and no bank account since June 2018. While having no funds the PAC is continuing to indicate it has available funds to spend up to the date of this audit report. While the reported available balance is slowly being reduced, it appears the reduction is related to the improper reporting of additional contributions made to Quest PAC and the improper reporting of disbursement activities. These activities will be outlined in the remaining sections of the audit report. Based on the data provided, the PAC has failed to comply with T.C.A. § 2-10-107(e), which requires the PAC to report the unexpended balance (available balance) of campaign funds at the end of each reporting period listed.

CONTRIBUTIONS AND RECEIPTS

Audit Objectives :

The objectives of our audit of contributions and loans were to determine whether:

- all contributions received were reported, reported in the proper period, and reported in compliance with T.C.A. §§ 2-10-105 and 2-10-107;
- all monetary contributions were supported by bank statements and deposit slips;
- all in-kind contributions were supported by donation letter or other appropriate supporting documentation;
- all contributions were received during non-prohibited periods;
- all interest and other investment earnings received were reported, reported in the proper period, and supported by bank or investment statements;
- all loans received were reported to the Registry, reported in the proper period, and reported in compliance with T.C.A. §§2-10-105 and 2-10-107; and
- all loans received from lending institutions were supported by loan agreements.

Audit Methodology:

The Registry obtained Quest PAC's 2018 Campaign Financial Disclosure Statements from January 16, 2018 to January 15, 2019, as well as Quest PAC's 2019 Campaign Financial Disclosure Statements from January 16, 2019 to June 30, 2019. The Registry requested Quest PAC provide all campaign records to support all contributions, loans, and interest that the PAC received during the period from January 1, 2018 to June 30, 2019. Quest PAC's records for contributions included bank statements from Franklin Synergy Bank. The bank records were for a single account in the name of Quest PAC. The Members of the Registry of Election Finance, as part of the request for audit, requested and provided authority to the Registry staff to issue subpoenas for the audit. Therefore, the Registry Audit Staff prepared and issued subpoenas for records for any Quest PAC campaign bank account(s) at Franklin Synergy Bank. The records were requested for the period of January 1, 2018 to July 31, 2019 (the audit period). The subpoena request included records for contributions, such as all bank statements, detailed deposit data, and copies of all deposited checks. The records from the candidate and subpoenas were used to complete the following procedures:

- The documentation was reviewed to determine if the PAC's monetary contributions and interest received from January 16, 2018 to June 30, 2019 totaled \$0.00, as reported.
- A reconciliation of monetary contributions reported to funds deposited into the PAC account was prepared to determine if Quest PAC deposited all funds into a PAC bank account and properly reported the funds received on the PAC campaign disclosures.

- A listing of monetary contributions was prepared and compared to the PAC's disclosures reported during the election to determine if campaign contributions from individuals and PACs were properly reported; if contributions were reported in the proper period; and, if contributions were reported in compliance with T.C.A. §§ 2-10-105 and 2-10-107.
- In-kind contributions by contributor were compared to the PAC's itemized contributions reported during the election to determine if campaign contributions from individuals and PACs complied with the campaign contribution limits of T.C.A. § 2-10-301, et seq.
- The documentation was reviewed to determine if the PAC received no loans from January 16, 2018 to June 30, 2019 as reported.

Audit Conclusion:

Quest's Campaign Financial Disclosure Statements from January 16, 2018 to June 30, 2019 indicated the PAC received no contributions or interest. Quest PAC's campaign records and PAC account indicate no funds were received or deposited into the bank account during the same period. The records and disclosures both reported and disclosed no monetary contributions. However, the audit test work indicates that Quest PAC received \$9,578.13 of in-kind contributions for an advertising expense paid on its behalf. The PAC failed to report the in-kind contribution in non-compliance with T.C.A. §§ 2-10-105(a) and 2-10-107, which require the reporting of all contributions received. The ad was an opposition ad against the opponent of Mayor Ketron in the election for Rutherford County Mayor, meaning the ad was also an in-kind contribution from Quest PAC to the mayoral campaign. The failure to report the in-kind contributions is detailed in Finding 2.

As noted in Finding 1, the audit reviewed contributions from January 1, 2018 to January 15, 2018, and noted that the campaign deposited four PAC contributions totaling \$3,250, which appear to be properly reported on the 2017 Year-End Disclosure Statement. The audit also noted an expense refund check deposited on January 2, 2018 for \$115, which also appears to have been properly reported on the 2017 Year-End Disclosure Statement. There were no loans received or interest earned noted during this audit period.

FINDING

2. Quest PAC failed to report \$9,578.13 in in-kind contributions received, as required by T.C.A. §§ 2-10-105(a) and 2-10-107.

Quest PAC failed to report \$9,578.13 in in-kind contributions received on its PAC disclosures during the period from January 1, 2018 to June 30, 2019. T.C.A. §§ 2-10-105(a) and 2-10-107 require all contributions received to be reported on a campaign finance statement, including in-kind contributions. Specifically, T.C.A. § 2-10-107(c) requires that all in-kind contributions, which are contributions for which no monetary consideration is paid or promised, must be listed separately in the disclosure statement and excluded from the lists of other contributions and/or expenditures.

Quest PAC disclosed on the 2018 Second Quarter Disclosure statement a \$9,578.13 in-kind expense to Mayor Ketron's mayoral campaign on April 17, 2018. The expense was reported as paid to a direct mail and consulting firm for advertising. The transaction was one of three expenses reported on the disclosure to the vendor. However, the Quest PAC bank accounts show no disbursement of PAC funds for any of those expenses (see details of unincurred expenses detailed in Finding 4 related to the other two transactions.). The originally provided Quest PAC campaign records provided no support for the \$9,578.13 expense (including providing no records for how the expense was paid).

As such, Quest PAC officials were asked to verify all expenses reported to this vendor were incurred and, if incurred, the source of the payments. Quest PAC and the vendor were able to provide documentation to show that the \$9,578.13 expense was PAC incurred activity that required reporting. The vendor's records show the expense was for direct-mail advertising. The mailer, which was provided, shows that the ad was in opposition to Mayor Ketron's opponent in the Rutherford County Mayoral Primary election in 2018. The ad included the disclaimer "Paid for by Quest PAC." The vendor indicated that the cost for the advertisement was \$9,578.13, which was paid. In response to the auditor's request for additional details regarding this expense, a letter from counsel for Mayor Ketron and Kelsey Ketron (the PAC officials) provided the following response concerning how various expenses were paid to the vendor, including the \$9,578.13:

- "...1. \$6,000 for polling conducted by;
- 2. \$9,578.13 for printing and mailing a political ad;
 - I. These first two expenditures were paid together
 - II. First, on April 27, 2018, a wire transfer was made out of the Universal account in the amount of \$5,000 as a down payment for the political ad
 - III. Then, on April 30, 2018, the Mayoral campaign wrote a check in the amount of \$10,578.13, which covered (1) the remaining \$4,578,13 on the political ad invoice and (2) the entire \$6,000 due for the polling...."

The letter and related documents provided (or previously provided) confirms the payment amounts above were disbursed from the mayoral bank account and from Universal's accounts (Universal is Universal International Insurance Agency, Inc, or UII, a business owned by Mayor Ketron and Kelsey Ketron). The letter then appears to indicate that, although they are not sure, the Ketrons believe this payment was for a campaign mailer, not the PAC mailer. The vendor did provide another campaign mailer; however, per the vendor, that mailer was for \$9,750.85 and has the mayoral disclaimer. The ad was also reported by the PAC but does not appear to be PAC related activity, which is detailed in Finding 4.

Based on the data provided by both the vendor and the PAC, it appears that the ad was PAC activity in the amount of \$9,578.13. The ad was not paid for by the PAC and; therefore, is not a PAC expense as reported. The ad was purchased by two entities, Mayor Ketron's Mayoral Campaign and UII. As such those purchases are contributions to Quest PAC. Since these are purchases and not monetary contributions, the contributions are in-kind contributions and reportable as outlined in T.C.A. § 2-10-107(c). The contributions are \$5,000 from UII on April 27, 2018 and \$4,578.13 from Bill Ketron for Mayor Campaign on April 30, 2018. The PAC failed to disclose either contribution in non-compliance of T.C.A. §§ 2-10-105(a) and 2-10-107, which require the disclosure of each contribution received, and the description of each in-kind contribution received. Although the expense disclosures reported were improper and should be removed, the disclosure did properly note that this ad was an in-kind contribution to Mayor Ketron's mayoral campaign from the PAC. The ad purchase run by the PAC, even though paid by other entities, meets the definition of a PAC in-kind contribution to the mayoral campaign. It is in-kind over independent as Mayor Ketron has effective control over all the entities involved by being the candidate in the mayor election, president of the PAC, and owner of UII. As such, the description that should be reported for the in-kind contribution should show the in-kind nature the same as the expense was reporting.

Although it was unlikely the mayoral campaign intended to make an in-kind contribution that was going to be returned through an in-kind contribution back to itself, (which is somewhat inferred in the Quest PAC response letter's assessment) the records indicate that is effectively what occurred. The transaction happening in such a manner appears to be the result of improper oversight of each entity's campaign activities and the maintaining of separate accounting for the campaign, the PAC, and the business.

There appears to be no restriction in the campaign finance statutes to restrict a campaign from giving an in-kind contribution to a PAC that will be returned to the campaign by an in-kind contribution. There also appears to be no campaign finance benefit to making such a transaction. (There may be a benefit for using a different disclaimer, but that was not assessed in this audit as the disclaimer statute is not within the Registry's authority). There does appear to be drawback to the campaign for processing such a transaction in the campaign finance statute. By processing such a transaction in this manner, the campaign has reduced the amount Quest PAC can provide to the mayoral campaign for the primary election and has put Quest PAC over the PAC limit to the mayoral campaign for the primary election. Due to this fact, that full ad amount cost of \$9,578.13 also should be reported on the mayoral campaign disclosure as an in-kind contribution from Quest PAC. The campaign limit for an in-kind contribution to a local campaign for the primary election in 2018 from a PAC was \$7,800.

This expense alone was over the limit by \$1,778.13. The PAC being over the contribution limit to Mayor Ketron's mayoral campaign is detailed more in Finding 5.

DISBURSEMENTS AND OBLIGATIONS

Audit Objectives :

The objectives of our audit of disbursements and obligations were to determine whether:

- all disbursements and obligations were supported by vendor receipts, canceled checks, and bank statements;
- all disbursements and obligations were made for non-prohibited activities; and
- all disbursements and obligations were reported, reported in the proper period, and reported in compliance with T.C.A. §§ 2-10-107 and 2-10-114.

Audit Methodology:

The Registry obtained Quest PAC's 2018 Campaign Financial Disclosure Statements from January 16, 2018 to January 15, 2019, as well as Quest PAC's 2019 Campaign Financial Disclosure Statements from January 16, 2019 to June 30, 2019. The Registry requested Quest PAC provide campaign records to support all disbursements made and expenses incurred during the period from January 1, 2018 to July 31, 2019. As noted in the update to the Members on November 13, 2019, Mayor Ketron on October 1, 2019 provided a listing of all bank accounts used by the PAC and campaigns. Also noted was the submission of records on October 14, 2019 which was noted as limited. The items subsequently received on October 14, 2019 related to Mayor Ketron Senate audit, Mayoral audit, and Quest PAC audit were as follows:

1. A letter from Kelsey Ketron provided an explanation of various expense transactions. Also, included in the letter was an explanation for missing records which, according to her, were missing due to the execution of a search warrant by the Murfreesboro Police Department.

The auditor was subsequently able to obtain records from the Hamilton County District Attorney related to items obtained through the warrant and noted by Kelsey Ketron in her letter as missing due to the search warrant. The records were reviewed but no relevant data for campaign contributions or expenses was noted in those records that was not already available to the auditor from other submissions by the candidate or by subpoena.

2. Exhibit A – Copies of contributor checks for the mayoral campaign.
3. Exhibit B – Credit card transaction listing from an unknown credit card. A subsequent submission indicated that the transactions were from the Capital One credit card of Bill Ketron (Mayor Ketron) and Theresa Ketron. Also, in Exhibit B was a check disbursed from the mayor's account and three invoices and receipts for what appears to be mayoral expenses based on the submission. However, during the audit it was determined (with the assistance of Mayor Ketron) that the receipts were two mayoral receipts and a Quest PAC receipt.

4. Exhibit C – Check stubs for the 2018 mayoral account and check stubs for the Mayor Ketron’s Senate Campaign account.

Also, as noted in the November 13, 2019 notification, the Registry had issued subpoenas to the banks where Mayor Ketron indicated the PAC and campaigns had bank accounts. Since that update, the bank has complied with the subpoena. Thus, all the subpoenaed bank records have been obtained. The documents included bank statements from January 1, 2018 to July 31, 2019 and copies of all disbursement checks which cleared those accounts. For Quest PAC there was only one bank account at Franklin Synergy Bank.

Prior to the November 13, 2019 update to the Members, the auditor became aware of the need to obtain Mayor Bill Ketron and Theresa Ketron’s personal credit card information. Also, the audit determined the need to obtain the bank account records for Universal International Insurance Agency, Inc (“UII”), a family owned business of the Ketrons. Realizing those records would be needed to complete the audit procedures and may require additional subpoenas authorized by the Members of the Registry, the authority to subpoena was requested and approved by the Members at the Registry’s November 13, 2019 meeting.

On February 17, 2020, Mayor Ketron, through his attorneys, provided bank records for Mayor Ketron’s Senate Campaign, the Mayoral Campaign, and Quest PAC. He also provided copies of his Capital One credit card statements and bank records for UII. Due to the submission by Mayor Ketron, the credit card records and UII bank records were not subpoenaed by the Registry, as the records provided appeared to be complete. However, after detail testing began, the audit noted additional credit card transactions not related to the Capital One card provided (see Finding 3 Item a). The associated credit card could be subpoenaed, and additional information obtained; however, at this time, such a subpoena has not been issued. The auditor determined that sufficient information was available to assess the transactions for the purpose of the audit, without noting a scope limitation. After the February 17, 2020 submission, all the records available for the audit of the PAC activities for disbursement and expenses include the following:

- A. Bank statements for the Franklin Synergy Bank Quest PAC bank account from January 1, 2018 to June 30, 2018; the account appears to close on June 30, 2018.
- B. Copies of all disbursement checks from PAC bank account.
- C. Copies of Mayor Ketron and Theresa Ketron’s personal credit card statements to support purchases reported that were paid on one of their personal credit card accounts from Capital One (a World Mastercard account).
- D. Bank statements for UII from January 1, 2018 to July 31, 2019.

It was noted that the initial PAC records provided by Mayor Ketron did not include documentation to support the purpose of the disbursements made and/or expenses incurred for the PAC. However, as noted in Item 3 above, the original assessment failed to note an invoice included with mayoral expenses that was related to one PAC activity. The invoice was for an ad noted in

Findings 2 and 4. The subsequent submission on February 17, 2020 also did not include receipts or other records to support purposes of disbursements. The only documents received for expenditures were disbursement records (canceled check, credit/debit card transactions on credit card statement or electronic transfer records reported on the bank statement records), which show only the payee and the amount of the expense. Although Quest PAC reports the purpose of an expense on its disclosures, the receipt, invoices, contracts, or other documentation from the vendor are needed to verify the purpose reported is accurate and allowable. Due to the lack of these records, the auditor initiated a process of rebuilding purpose records for the campaign account by requesting invoices and receipts from various vendors and through inquiries to PAC officials. Details related to the lack of documentation and the additional receipts provided are reported throughout the audit report and in greater detail in Finding 6. The following steps were performed on PAC records provided and obtained through the audit process:

- The documentation was reviewed to determine if the PAC's disbursements from January 16, 2018 to June 30, 2019 totaled \$25,428.98, as reported.
- A list of disbursements was prepared and compared to the PAC's bank statements and copies of cleared checks to determine if the PAC expended all funds from the PAC bank account.
- The list of disbursements was compared to the PAC's campaign disclosures and the bank statements to determine if all disbursements were reported.
- All PAC disbursement and expenditures were reviewed to determine if all expenditures were reported, reported in the proper period, and reported in compliance with T.C.A. §§ 2-10-107 and 2-10-114.

Audit Conclusion:

Quest PAC's Campaign Financial Disclosure Statements from January 16, 2018 to June 30, 2019 indicate the PAC reported expenses totaling \$25,428.98. Quest PAC's bank records reported disbursements totaling \$3,844.11 for expenses incurred during that same period. The difference between the reported expenses and the amounts disbursed appear to be irrelevant in this audit. The PACs records indicate the \$25,428.98 was not disbursed from the PAC account or PAC available funds and therefore were not PAC expenditures. The \$3,844.11 disbursed were PAC expenses but were not reported. As noted previously, the audit period was January 1, 2018 to July 31, 2019, although the audit determined no activity occurred for the PAC after May of 2018, there was PAC activity from January 1 to January 15, 2018. During that time frame \$8,242.67 was disbursed from available PAC funds; however, the disbursement was not reported. Thus, the audit has determined from January 1, 2018 to July 31, 2018, the only properly reported disbursement was a \$1,000 contribution check to a candidate written in December 2017 that cleared during the audit period on January 25, 2018 (the expense being properly reported on the 2017 Year-End Supplemental Disclosure Statement). The \$12,086.78 (\$8,242.67+\$3,844.11) in disbursements for PAC expenses from January 1, 2018 to June 2018 (when the account was closed) were all unreported. Therefore, the audit determined all reported expenses by Quest PAC during the audit period were not expenses for the PAC and all incurred expenses related to the audit period were not reported. The result is

several failures to comply with campaign finance statutes. These failures are listed below with references to the detailed finding;

1. Quest PAC failed to report \$12,086.78 in expenses incurred as required by T.C.A. §§ 2-10-105 and 2-10-107. Details of the unreported expense are in Finding 3.
2. Quest PAC appears to have failed to comply with T.C.A. §§ 2-10-105 and 2-10-107, which requires reporting of expenses incurred by the PAC and the disbursement of campaign funds, by reporting several expenses that were not paid from the PAC account or any identified PAC related funds provided to the audit. In addition, Quest PAC failed to comply with T.C.A. § 2-10-107(e), which required the reporting of the available campaign funds at the end of each period, by understating the available amount for each of the expenses reported which were not incurred. Quest PAC disclosed three expenses totaling \$15,850.85 that were not incurred or appear to not be PAC expenses. Details of the expenses are in Finding 4.
3. Quest PAC appears to have provided contributions to its controlling candidate, Mayor Ketron, in excess of the campaign limits as outlined in T.C.A. § 2-10-302(b), which is detailed in Finding 5.
4. Quest PAC failed to provide a supporting receipt, invoice, or other supporting document for expenses totaling \$1,500 incurred by the campaign. Quest PAC is required by T.C.A. §§ 2-10-219(c) and 2-10-105(f) to retain and maintain such disbursement records to support the disclosures made. Details of the transactions and errors noted are in Finding 6.

FINDINGS

3. Quest PAC failed to report \$12,086.78 in disbursements and/or expenses incurred, as required by T.C.A. §§ 2-10-105(a) and 2-10-107; included within this \$12,086.78 are the following expenses:

- **\$4,121.33 in-kind contribution to Mayor Ketron’s Senate Campaign (the contribution was not reported by Mayor Ketron’s Senate Campaign).**
 - **\$1,500 in-kind contribution to Mayor Ketron, which appears to be unallowable as a contribution as it was made during legislative session in non-compliance with T.C.A. § 2-10-310, and/or unallowable as received by Mayor Ketron on the grounds that the contribution was used for personal expenses by Mayor Ketron in non-compliance with T.C.A § 2-10-114. The contribution was also unreported by Mayor Ketron’s campaigns.**
- \$2,314.11 contribution to Mayor Ketron’s 2018 mayoral campaign (which was also not reported by Mayor Ketron’s mayoral campaign).**

Quest PAC failed to report \$12,086.78 in disbursements and/or expenses incurred from January 1, 2018 to June 30, 2019, as required by T.C.A. §§ 2-10-105 and 2-10-107. As noted in the audit conclusion, only \$1,000 of PAC funds disbursed from the PAC account during the audit period was properly reported. The remaining \$12,086.78 of PAC funds disbursed from the PAC’s bank account was unreported. Each unreported disbursement is detailed below:

- a. On January 2, 2018, Quest PAC’s bank account reports an electronic payment to a Capital One Credit Card in the amount of \$8,242.67. The bank statement reported the notation “KETRONTHERES” after a reference number that appears to contain part of a credit card account number. Accordingly, the records appear to indicate this was the Capital One credit card account in the name of Mayor Ketron and Theresa Ketron. However, a review of the credit card account provided by Mayor Ketron in February 2020 to support campaign activity for the three audits showed the payment was not made to that account. The records to support disbursement activity for Quest PAC showed no records to support the purpose of the expense(s) or the credit card payment made. The Quest PAC campaign disclosures showed no expenses or group of expenses that appear to relate to a \$8,242.67 disbursement during any of the 2017 year-end reporting period or any 2018 reporting period.

As there were no supporting records for this transaction submitted, the audit made another request to provide information that included the disbursement information. The request again included notations that all credit card statements for the audit period for any credit card accounts that contain campaign related activity should be provided. The request also indicated that the specific disbursements during the audit period could relate to expenses incurred prior to the audit period and any statement related to that disbursement should also be provided to support the disbursement.

The PAC officials, through their attorneys, provided two additional records related to the disbursement, which consisted of one credit card statement and a fundraising

invitation/flyer. The highly redacted credit card statement (redaction is allowed by the audit for personal activity or to safeguard account number information) does not show the holder of the account, but is a Professional Master Card account from Capital One (again this is different account than the credit card account noted in Item (C) of the Audit Methodology portion of the Disbursement and Obligation section noted above). The credit card statement is for the period of December 11, 2017 to January 10, 2018. After the PAC official redaction, the statement shows only two transactions. First, an authorization payment of \$8,242.67 to the credit card on December 29, 2017, which was the same amount as the January 2, 2018 disbursement from Quest PAC. The second was a charge on the card to Jeff Ruby Steakhouse for \$8,242.67 on December 11, 2017. The flyer is an invitation to an event at Jeff Ruby Steakhouse on December 11, 2017. The flyer states the Bill Ketron, Senate Republican Caucus Chairman, invites support for Bill Ketron for State Senate or Quest PAC. The flyer also indicates a Host committee cost amount of \$2,500 and attendee cost amount of \$1,000. The flyer indicates checks should be made payable to either “Bill Ketron for State Senate” or “Quest PAC.” Based on the documentation provided, this appears to be a joint fundraiser for Mayor Ketron’s Senate Campaign and Quest PAC, with the expense paid for by Quest PAC.

The expense cost for such a joint fundraiser would be a reportable cost for the Mayor Ketron’s Senate Campaign and Quest PAC. Thus, a portion of the cost should be allocated to each entity. As the cost was all paid by Quest PAC, the portion of the expense cost attributed to Mayor Ketron’s Senate Campaign will be an in-kind expense by the PAC and a reportable in-kind contribution to Mayor Ketron’s Senate Campaign from Quest PAC.

Generally, event cost for joint events are allocated equally, meaning that \$4,121.33 is attributable to one entity (Mayor Ketron’s Senate Campaign) and \$4,121.34 to the other (Quest PAC). Although this allocation appears to be the standard allocation used by candidates and PACs in the State of Tennessee (and would be the recommendation by the Registry staff), the allocation of joint events costs is not specified in statute. Therefore, other reasonable allocations could be used, but should be documented and would have to be at a fair market value. As this expense was undisclosed by the Quest PAC or Mayor Ketron’s Senate Campaign, no allocation was reported. Therefore, the PAC officials were asked if the equal allocation was reasonable for this expense. The PAC officials responded through their attorneys with the following statement in an email dated October 9, 2020.

“...On **Question 2**, as set forth in the September 22 letter attached to your email, that event was paid for exclusively by QuestPAC. We believe that despite listing “Bill Ketron for State Senate” on the flyer, the vast majority (if not all) of the donations received that night were made out to QuestPAC, not Bill Ketron for State Senate. Accordingly, we believe the event should be allocated exclusively to QuestPAC...”

The email indicates that the event cost should be allocated exclusively to Quest PAC as a result of the collection made at the event. The allocation based on collections appears to be problematic for several reasons. First, if the allocation were made as

proposed, where one group receives all the contributions and bears the responsibility of all expenses, the other entity still receives the advertising and other benefits of having the fundraiser, without showing the cost or in-kind contributions. Second, having an event where no contributions or limited contributions are received and where the event still occurs or has un-refundable event costs, using the candidate's proposed allocation would make the expense allocation undeterminable. The allocation suggested in the response does not consider the benefit each entity receives and fails to properly allocate that fair market value to each entity. Reporting such a fair market value does appear to be required for the Mayor Ketron's Senate Campaign and Quest PAC by the definitions of campaign contributions and expenses in T.C.A. § 2-10-102 and the reporting of in-kind contributions in T.C.A. §§ 2-10-107(c) and 2-10-107(d). Finally, notwithstanding the foregoing, the audit is unable to determine an equitable and appropriate allocation if Mayor Ketron is unable to confirm that the Mayor Ketron's Senate Campaign did not, in fact, receive any contributions as a result of this event. If any contributions were received by Mayor Ketron's Senate Campaign, these must be reported and verified for purposes of this audit. Therefore, the response's proposed allocation was determined inappropriate and invalid for assessing the allocation of the fundraising expense(s). Accordingly, the audit used the standard 50/50 allocation for assessing the expense and the related disclosures.

Based on all the data provided, Quest PAC failed to report \$8,242.67 in joint fundraising expenses incurred in noncompliance with T.C.A. §§ 2-10-105(a) and 2-10-107. The PAC also failed to report the fair market value of the expenses that benefited Mayor Ketron's Senate Campaign. Therefore, the fair market value appears to be 50% of the expenses incurred, or the rounded amount of \$4,121.33. The failure to report the \$4,121.33 in-kind contribution to the Mayor Ketron's Senate Campaign in expenses is in noncompliance with T.C.A. §§ 2-10-107(c) and 2-10-107(d).

Although, this report is auditing the activities of Quest PAC and not Mayor Ketron's 2018 Senate Campaign, the \$4,121.33 was also required to be reported by Mayor Ketron's 2018 Senate Campaign. The in-kind contribution is reportable when the expense was incurred on December 11, 2017. A review of Mayor Ketron's Senate Campaign disclosures statements indicates no disclosure was made for this \$4,121.33 in-kind contribution, which is also in noncompliance with T.C.A. §§ 2-10-105(a) and 2-10-107.

- b. The campaign bank account reports several disbursements during the audit period up until the PAC account closes, for bank fees charged by Franklin Synergy Bank. The fees included a \$10 monthly service fee charge at the end of each month from January 2018 to May 2018. The May bank account statement also reports a \$34 overdraft fee for the last check written from the account (Check 1094) and then several \$5 reoccurring overdraft charges through May and June. These overdraft fees appear to be the result of the April monthly fee not being considered when the final check was written. However, the bank credited all the overdraft related fees including the April and May overdraft fees. The result was that the only bank fees actually incurred were the \$10 service fees for January, February, and March. Quest PAC failed to report these fees on any disclosure statement. The effect is that Quest PAC failed to report \$30 in bank fees incurred on its 2018 First Quarter Disclosure Statement in non-compliance with the reporting statutes.

- c. On March 12, 2018, Quest PAC's bank account reports another electronic payment to a Capital One Credit Card for \$1,500. The bank statement showed the notation "KETRONWILLIA" after a reference number that appears to contain part of a credit card account number. The records appear to indicate this was the Capital One credit card account in the name of Mayor Ketron and Theresa Ketron. Unlike Item (a) of this finding, this appears to be the Capital One Credit card that was provided for the audit in February 2020. The credit card statements provided disclose a payment received on March 9, 2018 for \$1,500, which is assumed to be the same payment made by the Quest PAC bank account on March 12, 2018. However, Quest PAC reported no disbursements/expenses during the 2018 First Quarter reporting period, when the payment was made, except for a \$100 payment that did not occur, which is noted in Finding 4. Therefore, the PAC failed to report the \$1,500 disbursement in non-compliance with the reporting statutes.

Quest PAC's initial and subsequent record submissions had no support for the purpose of the expense, including why the expense was being paid to a candidate's personal credit card. As the payment was made to a credit card, if there were reimbursed PAC expenses, the PAC was required to report each vendor that received a payment of the PAC campaign funds and the purpose of the payment by T.C.A. § 2-10-107(a)(2)(b). A review of the credit card statement indicated no single vendor was paid exactly \$1,500. This indicates that this was either an in-kind contribution to pay personal expenses of the candidate or reimbursement to the PAC's controlling candidate for multiple expenses paid on the candidate's credit card on behalf of Quest PAC.

As the audit could not make any additional assessment of the expense, the auditor again asked Quest PAC officials to explain the expenses. In a letter from the PAC's attorneys dated September 22, 2020, the following information was provided:

"...What is the explanation for the March 2018 \$1,500 transfer from QuestPAC to the Capitol One credit card?"

As you noted, no expenditures were reported for the first quarter of 2018. We have since identified what we believe to be multiple expenses incurred during this period that were inadvertently not included in the prior disclosure. A list of what we currently believe to have been QuestPAC related expenses during the audit period is enclosed as Exhibit 2. (As I stated in my July 31, 2020, letter regarding Senate expenditures, the lack of contemporaneous records makes it exceedingly difficult to definitively identify past expenditures, but we are providing this tentative list in an effort to make full and complete disclosure.) For the first quarter of 2018, these expenses amount to \$1,555.19. To the best of our current understanding, we believe this \$1,500 transfer was in partial reimbursement for those expenses."

The exhibit 2 referenced in this response is included in the audit report as part of Appendix A. The response above references another response letter received for the Mayor

Ketron's Senate Campaign sent on July 31, 2020. The relevant statement from that response is as follows:

From the opening portion of the July 31, 2020 letter:

"... Before getting to those questions and answers, however, a quick word of explanation. As I explained at the Registry's March meeting, Mayor Ketron is cooperating fully with this audit and understands its importance. He has been working to clean up the issues resulting in this audit and ensure these issues do not occur again. Our involvement has been a significant part of that.

As I also explained at that hearing, we have had a difficult time locating much of the underlying documentation. We have done our best to recreate as much of this information as possible, but all of these responses are subject to these preliminary responses about the limitations on our ability to respond..."

From the section to explain the discrepancies in the balances report and the bank statements opening portion of the July 31, 2020 letter:

"First, as noted in your other emails, it appears that a large number of campaign expenses were inadvertently not disclosed. Frankly, the disclosures that you ultimately received were submitted late and in haste. At that point, there was an understandable desire to make some kind of disclosure, to be fixed later if necessary. Obviously, other matters arose that derailed that plan.

*As stated above, Mayor Ketron is committed to fully cooperating with this audit. To that end, we have re-reviewed all the credit card statements for cards used to incur campaign expenses. A list of all expenditures that may have been campaign related is attached as **Exhibit 2**. As you have correctly noted, the loss of campaign records has made it exceedingly difficult to state with certainty that there are, indeed, expenditures or to state with certainty their exact purpose. Nevertheless, we chose to share this information with you in an effort to make a full and complete disclosure."*

"...Can you provide any records tying the reimbursements of the Capital One account to specific campaign-related transactions and, if so, are any of those reimbursements for expenses occurring prior to 1.16.18?"

RESPONSE: *No, it is not possible to tie the reimbursements to specific transactions. Reimbursements were made in partial lump sum payments as the account balance permitted based upon the then-Treasurer's record keeping. It is probable that some of these reimbursements are for expenses incurred prior to the audit period, but it is impossible to state this with certainty. As best we can tell, however, campaign expenditures exceeded*

campaign reimbursements. In other words, it is not the case that campaign funds were being used to cover personal expenses.”

The response appears to indicate that the \$1,500 was a reimbursement of expenses incurred by the candidate on Quest PAC’s behalf. Although that assessment could be true, there are several issues with the response and supporting spreadsheet such that the audit cannot confirm the expenses provided are the expenses that were incurred. The response used indecisive terms such as “maybe” or “believed to be” campaign or PAC related expenses. As such the response has not actually confirmed these are the related expenses. The response also notes the difficulty in reestablishing records when records were not adequately obtained or maintained along with improper and incomplete disclosures both which are required by statute (see Finding 6 on Quest PAC failure to maintain campaign finance records). The response, however, if correct, gives additional errors for the PAC beyond the failure to report PAC incurred expenses and the possible improper payment of candidate personal expenses. Both exhibits appear to have duplicate or identical information and thus appear to be related. A listing of some of the issues noted on the responses and related spreadsheets are below; however, most items noted are from the September 22, 2020 exhibit in appendix A.

1. The exhibit provided with the September 22, 2020 letter first indicates it is an uncompleted work project for Quest PAC and the campaign. It also indicates it is for the Capital One and Region Cards but appears to only have expenses from the Capital One card (the Capital One card account provided in February 2020). It also appears to be similar (or excerpts from) the previous exhibit provided on July 31, 2020. The September 22, 2020 exhibit lists fifty-one expenses; three listed as Mayor or PAC, twenty-one listed as Senate or PAC, and twenty-seven as being Quest PAC only. The Quest PAC only expenses total \$2,255.42 and those in the 2018 First Quarter (12 transactions between January 16, 2018 to March 31, 2018) total \$1,589.77, not the \$1,555.19 noted in the letter. Therefore, the expenses the response is including still cannot be determined. If any of the dual expenses are included, then the amounts are even higher.

Even if the Quest PAC only expenses were actual PAC expenses, the PAC has failed to report twenty-seven expenses in non-compliance with T.C.A. §§ 2-10-107(c) and 2-10-107. Also, as the expenses in the 2018 First Quarter were higher than the reimbursed amount, the portion of the expenses not paid were unreported contributions. Based on the exhibit, that would be \$89.77 in contributions from Mayor Ketron to the PAC (\$1,589.77- \$1,500). Based on the response calculations, there would be \$55.19 in contributions (\$1,555.19- \$1,500). Quest PAC reported no such contributions related to expenses in the audit periods (also note that \$92.46 of the amount calculated by the audit from the exhibit occurred after the payment was made). The exhibit presented expenses in the 2018 First Quarter from January 16, 2018 to the payment on March 12, 2018 marked as Quest PAC only were \$1,492.31, which would indicate the payment was over the amount incurred when written. This would result in a different set of exceptions including paying the personal expense of \$7.69 (\$1,500-\$1,492.31).

2. The exhibit has expenses listed from January 5, 2018 to May 10, 2019. As reported in Finding 1, on or about May 1, 2018, the remaining balance in the PAC was disbursed. The only funds disbursed prior to that were bank fees noted in Item (b) and the \$1,500 noted in this Item. As such any expense attributed to the PAC after the expenses allocated to the \$1,500 payment would also need to have a contribution reported. Again, using the \$1,589.77 from the exhibit noted in Item (c)(1) above, twelve of the twenty-seven transactions listed as Quest PAC were including the remaining fifteen. Each would represent unreported contributions from Mayor Ketron paid on the PAC's behalf. Again, if any of the dual marked expenses were PAC related, then the unreported transaction would be higher.
3. There is a least one expense for \$7,497 listed on the exhibit that was reported by the Mayor Ketron's Senate Campaign as a donation to the MTSU foundation. It is reported on the exhibit as either Senate or PAC. The audit of the Mayor Ketron's Senate Campaign determined this was a Mayor Ketron's Senate expense as it was reported by Mayor Ketron's Senate Campaign. It is unlikely Mayor Ketron would have the PAC pay this expense on Mayor Ketron's Senate Campaign's behalf, which is the only way this could be a PAC expense, and be reported by Mayor Ketron's Senate Campaign, as this would reduce the allowable contributions from the Quest PAC to Mayor Ketron's Senate Campaign. However, if this was intended to be such an expense, neither the campaign reported the in-kind contribution, nor did the PAC report the in-kind nature of the expense incurred.
4. The Quest PAC only expenses listed in the exhibit include purchases to Sam's, Target, Walmart, Sir Pizza, Uber, Microsoft, Ideas Tees, and Square Inc. Even if the expenses are PAC related and not personal, the purchases do not have the appearance of usual purchases for a PAC or a leadership PAC. The expenses appear to be those more associated to a campaign or office holder. For example, with respect to the Uber expenses, the PAC has showed no meetings or other events as PAC expenses in the past and even with these expenses, only Sir Pizza as a possible meeting. As such the Uber rides would appear to not be related to PAC activity, but more likely Mayor Ketron's Senate activity. Beyond the fundraiser expense noted in December 2017 (which based on a review of prior reports appears to be an annual type of event), there appears to be no reported fundraising or advertising specifically for Quest PAC; thus, purchases of items at Target, Walmart or Ideas Tees also appear to be unlikely PAC exclusive expenses.

Although the PAC could incur such an expense on behalf of the candidate, each expense would have to be reported to show it was an in-kind expense and would be subject to the in-kind contribution limits. If paid on a campaign's behalf, the response would indicate that Quest PAC paid expenses for Mayor Ketron's campaigns, as they are paid to his personal card, and thus either had to relate to the Mayor Ketron's Senate Campaign or Mayoral Campaign. Therefore, the same expense would be an in-kind contribution reportable by either the Mayor Ketron's Senate Campaign or the Mayoral Campaign. The PAC made no such disclosures,

nor did the campaigns make such a disclosure. Both the PAC and campaign would then be in non-compliance with T.C.A. §§ 2-10-105 and 2-10-107 for each expense paid on a campaign's behalf.

5. Related to Item 4, several of the expenses listed as Quest PAC (all but a few of the 27 noted in Item 1 above) are from January 9, 2018 to April 27, 2018 which were the dates of the legislative session in 2018. If those expenses were for the benefit of the candidate, then each one is in non-compliance with the legislative black out period in T.C.A. § 2-10-310.

The audits cannot confirm what is or was not a PAC related expense from the response, nor have the PAC officials definitively identified any expenses on the credit card as a Quest PAC expenses. The audit did not consider any of the expenses provided as being unreported and improperly reported PAC expenses (or PAC expenses at all).

Thus, the audit went back to the original transaction and the effect of the \$1,500 payment to Mayor Ketron's personal card, which was disbursed on March 12, 2018. The original fact remains that Quest PAC failed to report the disbursement of the \$1,500 on its 2018 First Quarter Campaign Finance Disclosure. Whether the missing disclosure is one expense or multiple expenses cannot be determined due to lack of documentation (See Finding 6).

In addition to being unreported, the expense appears to be for the benefit of Mayor Ketron for payment of campaign expenses or personal expenses on his personal credit card. If campaign related expenses were incurred, which campaign these were incurred for cannot be determined (Senate or Mayoral) due to a lack of documentation (See Finding 6). In either case, the expenses are unreported in-kind expenses for the PAC to Mayor Ketron and unreported in-kind contributions to one of the campaigns. Even if the expenses paid were personal, the disbursements would still be in-kind contributions and attributable to one of the campaigns per the definition of campaign contribution at T.C.A 2-10-102. However, the audit cannot determine what amount would be attributable to each of Mayor Ketron's campaigns, and if portions are attributable to both campaigns, how much is attributable to each campaign cannot be determined due to lack of documentation.

The in-kind expense/contribution from the PAC to Mayor Ketron also appears to be unallowable. While there are limited restrictions on PAC disbursements, the primary restriction placed on PAC disbursements is the limit on the amount of contributions a PAC can give a candidate (included in the limit is direct, loans and in-kind contributions). However, since in-kind expenses incurred on behalf of a candidate by PACs are also in-kind contributions for the candidate, there are campaign restrictions that could affect a PAC's disbursement to a campaign. Campaigns have statutory restrictions on how they can use campaign contributions, including the restriction on personal use, which would include in-kind contributions. Thus, a PAC's in-kind expenses to pay the personal expenses of a candidate may not be unallowable to the PAC, but the candidate who receives the benefit could be restricted from accepting the in-kind contribution based on T.C.A. § 2-10-114. If any or all the expenses paid were personal, the disbursement for those

expenses would be unallowable to the campaign. Since Mayor Ketron has effective control of all three (Mayor Ketron's Senate Campaign, Mayor Ketron's Mayoral Campaign, and Quest PAC), he should be aware paying such an expense would have been unallowable to the campaign and the funds would have to be returned to the PAC.

Regardless of the allowableness of the expense related to the payment of personal expenses, the other restriction on PACs is giving contributions to legislative members during session. This disbursement, either to the campaigns or for personal expenses, was also during legislative session when the Mayor was still a Senator in the State of Tennessee and was incurred when the legislature was in session in 2018 and was an unallowable expense due to the black-out restrictions. The expense, regardless of the purpose or the campaign for which it relates, meets the definition of an in-kind contribution to Mayor Ketron and is subject to the restrictions outlined in T.C.A. § 2-10-310. Therefore, regardless of all the above, the expense was unallowable as a disbursement during session for the benefit of a legislative member.

- d. The May 2018 bank statement reported that Check 1094 cleared the bank on May 1, 2018. The check was for \$2,314.11 and was written to Ketron for County Mayor; the check was undated and signed by the PAC treasurer Kelsey Ketron. The check, which is a direct contribution to the mayoral campaign, was not reported by Quest PAC on the 2018 Second Quarter Disclosure Statement. The contribution was also not reported by the Mayoral campaign. Additional information on contributions to Mayor Ketron and his campaigns are noted in Finding 5.

Although the check is not dated, it was deposited into the mayoral account on April 30, 2018 and cleared the PAC's bank account on May 1, 2018. It also is the amount in the account just prior to the end of April. The check appears to have been written on or near April 30, 2018, which is after the legislative session ended on April 27, 2018. The check amount was also equal to the balance in the PAC bank account up to June 30 when the monthly \$10 service fee was charged (that fee later credited). The check appears to be the final reportable activity from the PAC bank account. The check closed out the available funds. All activity reported by the bank statement after this check were bank related fees that were credited in May and June, when it appears the account was properly closed with Franklin Synergy Bank.

4. Quest PAC's disclosures reported \$15,850.85 in disbursements and/or expenses that appear not to be PAC expenses. The reporting of expenses that were never paid and may never have been a PAC expense appears to be non-compliant with T.C.A. §§ 2-10-105(a) and 2-10-107.

Quest PAC disclosed three expenses that appear to not be PAC expenses. One expense for \$100 appears to not be incurred by the PAC or any other entity. The remaining two expenses, totaling \$15,750.85, appear to have been incurred and paid by other entities, but not for Quest PAC, and therefore, may not be Quest PAC expenses. The reporting of expenses that were not incurred or for activities of the PAC appears to be in non-compliance with T.C.A. §§ 2-10-105 and 2-10-107.

T.C.A. § 2-10-105(a) requires PACs to file a statement of all contributions received and expenditures made by the PAC. Reporting expenses that did not occur or appear not to be PAC expenses, at a minimum, violates the spirit of the law, which is to promote transparency for the public, if not the letter of the law, by obscuring the truth with fictional data. T.C.A. § 2-10-105(f) requires PACs to maintain all records used by the PAC to complete their disclosure reports for at least two years following the date of the election to which the records refer or the date of the document, whichever is later. The statute is violated where records cannot be produced to support the reported information. T.C.A. § 2-10-107(e) requires that all statements filed shall list any unexpended balance, any deficit, and any continuing financial obligations; reporting unsupported data results in an inaccurate reporting of the closing balance of each report and violates the statute. Each time an expense is reported that was not incurred or was not related to the PAC, the amount available reported as the ending balance is improperly reduced. The effect on the reported balance is less PAC funds available are reported for future allowable expenses. Therefore, each of the improper disclosures violate the requirements by T.C.A § 2-10-107(e) by causing the available balance to be improperly reported.

The following items outline the three expenses:

- a. Quest PAC's 2018 First Quarter Disclosure Statement reports a \$100 disbursement to the Bureau of Ethics and Campaign Finance on January 12, 2018. The disclosure reported that the payment was for the annual PAC fee. However, the bank statements provided for the PAC show no payment for that expense, nor were any other records provided to indicate the payment was made. As the payment was to the Bureau of Ethics and Campaign Finance, the Bureau of Ethics and Campaign Finance's records were also reviewed. The Bureau records indicated no payment of the 2018 fees were received, and that a civil penalty for failure to pay the 2018 annual fee was assessed against Quest PAC. Based on all the data available, it appears Quest PAC has reported a \$100 expense that was not incurred.

The audit also noted the expense was reported with a January 12, 2018 date, which was not during the 2018 First Quarter reporting period, but instead was during the 2017 Year-End reporting period. Although late reporting of an expense would be in non-compliance with

the same reporting statutes, the fact that the expenses were not incurred was the only finding noted, as that error appears to be more significant.

- b. Quest PAC's 2018 Second Quarter Disclosure Statement reports three expenses to a media consultant. All three expenses were reported as in-kind expenses to Mayor Ketron's mayoral campaign. The expense amounts were \$6,000, \$9,750.85, and \$9,578.13, and all were paid to the same vendor. Two of the expenses (\$6,000 and \$9,750.85) were identified by the audit as being un-incurred Quest PAC expenses. The original and subsequent submission of records provided no documentation to support the three expenses in the PAC records. The PAC provided no documentation on how the expenses were paid. In the auditor's experience, it is unusual to report an advertising expense that was not incurred; as such, both the vendor and the PAC officials were asked to provide any documentation they may be able to obtain for the expenses.

The vendor provided information that the expenses were paid and the form of some of the payments. The vendor also indicated that the \$6,000 expense was a fifteen-question survey that was conducted between April 2 and April 4, 2018, which was paid for by a check (Check number 1018). The vendor indicated the \$9,750.85 charge was for a direct mail piece for Ketron for Mayor. The vendor also provided a copy of the ad, which includes Mayor Ketron's mayoral campaign disclaimer. The vendor indicated the mail piece was paid for by two wires transfers; one on April 18, 2018 for \$5,000 and one on April 20, 2018 for \$4,750.84. The vendor indicated the \$9,578.13 was for a direct mail piece for Quest PAC (the ad was provided and has the Quest PAC disclaimer).

The Quest PAC officials noted that two invoices had been previously provided. The audit confirmed the submission and noted the two invoices were included in records noted as mayoral records. The two invoices were for \$9,578.13 and \$9,750.85 mailer expenses. Both invoices indicated they should be billed to Bill Ketron for County Mayor; however, the vendor noted in its response that all expenses for Mayor Ketron would be under one account regardless of the campaign designation or PAC designation as a standard business practice for their firm. The Quest PAC officials then provided the following statement through their attorneys:

"...From these records, it appears the payment of these expenses were as follows:

- 1. \$6,000 for polling conducted by [Vendor];*
- 2. \$9,578.13 for printing and mailing a political ad;*
 - i. These first two expenditures were paid together.*
 - ii. First, on April 27, 2018, a wire transfer was made out of the Universal account in the amount of \$5,000 as a down payment for the political ad.*
 - iii. Then, on April 30, 2018, the Mayoral campaign wrote a check in the amount of \$10,578.13, which covered (1) the remaining \$4,578,13 on the political*

- ad invoice and (2) the entire \$6,000 due for the polling.*
3. *\$9,750.85 for printing and mailing a separate political ad*
 - i. *This was paid for in two separate wire transfers from Universal*
 - ii. *First, on April 18,2018, a down payment in the amount of \$5,000 was paid by wire transfer from the Universal account.*
 - iii. *Then, on April 20,2018, the remaining \$4,750.85 was paid by a separate wire transfer from the Universal account.*

Based upon these records, we assume that the \$9,578.13 expenditure was related to the Mayoral ad, while the \$9,750.85 expenditure was related to the Quest PAC ad... ”

The vendor provided information and PAC officials’ data appears to be similar, with one difference. The vendor’s records indicate the \$9,578.13 expense was the ad for Quest PAC and the \$9,750.85 was the campaign expense. The Quest PAC Officials are indicating the opposite. Since the vendor should be the best source for how the expense was incurred, the audit relied on the vendor data. Regardless, the PAC official’s response indicates the ad was not paid by the PAC, and as such, it was not a PAC expense. The \$9,578.13 was determined to be a Quest PAC ad that was reportable (which also appears to be supported by the disclaimer used in the ad). At the same time, the payments for the ad on Quest PAC’s behalf were in-kind contributions to Quest PAC from the two entities that paid for the ad, as listed by the PAC officials. (The ad was also an in-kind-contribution from Quest PAC to the Mayoral campaign). The failure to report the in-kind contributions are detailed in Finding 2. In order to be a correct disclosure, the \$9,578.13 expense would need to be removed, but unlike the other expenses noted below that were not Quest PAC activity, this was Quest PAC activity that appears to be mis-reported, not an un-incurred expense like the other two expenses. See additional details on the misreporting of the activity noted in Finding 2.

As noted above, the vendor’s records indicate that the \$6,000 expense was a fifteen-question survey that was conducted between April 2 and April 4, 2018 and was paid for by a check (check 1018). The PAC officials indicated that the \$6,000 was paid by the mayoral campaign (the audit confirming the check referenced by the PAC official was check 1018). However, Quest PAC’s 2018 Second Quarter disclosures reported the \$6,000 expense and indicated it was for the mayoral campaign. The mayoral campaign’s 2018 Second Quarter disclosure statement also appears to report the polling expense to the vendor for the improper amount of \$6,200. Based on all the data provided, the \$6,000 expense appears to be a Mayor Ketron mayoral campaign expense and not a Quest PAC expense. The \$6,000 expense was improperly reported by Quest PAC when the expense was not incurred by Quest PAC.

Regarding the \$6,000 expense, the audit also noted that although there is no restriction on a campaign giving a PAC an in-kind contribution that in turn would be returned back to the campaign by an in-kind contribution, there appears to be no benefit for the campaign (see Finding 2 which discusses such a transaction in detail). In fact, such a transaction would be more a detriment to the mayoral campaign and Quest PAC, as it would represent additional contributions to the mayoral campaign for the primary election which were over the limit (see Finding 5). Unlike the \$9,578.13 expense noted above, there is no disclaimer or other item that would require the expense to be a Quest PAC expense. As both the mayoral campaign and Quest PAC both reported the expense and the mayoral campaign paid the expense, it appears it may not have been the intent of Mayor Ketron to run the expense through Quest PAC. Therefore, as noted above, the audit determined the Quest PAC expense was an un-incurred expense of Quest PAC and should not have been reported by Quest PAC. The expense was an expense of the mayoral campaign and the reporting errors noted for the improper amount and period reported are noted in the mayoral audit report.

The vendor indicated the \$9,750.85 charge was for a direct mail piece for Ketron for Mayor paid by two wire transactions. The PAC officials' response indicates the two wire transfers came from the funds of UII. The ad provided by the vendor indicated the ad was for the Bill Ketron Mayoral Campaign as the disclaimer indicated, paid for by the mayoral campaign. Quest PAC's 2018 Second Quarter disclosure reports the \$9,750.85 expense and indicated it was for the mayoral campaign. The mayoral campaign's 2018 Pre-Primary disclosure statement also appears to report part of the ad expenses to the vendor. The mayoral disclosures show a \$4,111.20 for mailer postage and \$5,162.15 for mailer. These amounts are the line item amounts on the invoice for the \$9,750.85 expense except for the \$477.50 tax charge. Regardless of the facts listed in the PAC official's response, it appears the mayoral campaign reported the \$9,750.85 expense as a mayoral expense, not the \$9,578.13 it partially paid. Based on all the available data provided, the \$9,750.85 expense appears to be an ad expense of the mayoral campaign and not activity of Quest PAC. Quest PAC has again reported a PAC expense that was not incurred by the PAC by reporting the \$9,750.85 expense.

Regarding the \$9,750.85 expense, the audit noted that although there is no restriction on a campaign running the \$9,578.13 transaction through the PAC, there was no benefit to the campaign (including no avoidance of the campaign limits statutes). This is not correct for this transaction. This is because the expense was paid by an incorporated business. When the expense is paid by such a business on a PAC's behalf, the contribution to the PAC can be in an unlimited amount and the business would not need to register the business as a PAC. However, a business providing the same contribution to the mayoral campaign would be limited by the campaign finance limits and would trigger the PAC registration and reporting requirements when those disbursements were over \$1,000 annually. In addition, the campaign finance limits laws contain a conduit provision in T.C.A § 2-10-303(5) that effectively restricts this type of transaction from being a PAC expense. The statute keeps directed contributions on a campaign's behalf from being passed through a PAC to avoid the contribution limits. It states when such activity occurs, instead of being a PAC expense and PAC contributions to the campaign, the transaction is

a contribution from the source that paid the expense to the campaign. In this case, Mayor Ketron has effective, if not actual control, of each entity (the contributor UII, Quest PAC, and the mayoral campaign). UII would therefore become an in-kind contributor to the campaign for each transfer on the day each transfer occurred and in aggregate of \$9,750.85, regardless if the activity was reported as a pass through by Quest PAC. The mayoral campaign and Quest PAC both reported the expense, and the it appears it may not have been the intent of Mayor Ketron to run the expense thru Quest PAC. As noted above, the audit determined the Quest PAC expense was an un-incurred expense of Quest PAC and should not have been reported by Quest PAC. The audit also determined it was a duplicate exception to show the expense as PAC pass through activity. The audit did determine the \$9,750.85 was an in-kind contribution from UII to the mayoral campaign. Several non-compliance issues with the transaction by the mayoral campaign were noted in the mayoral audit report. Also included in that report is UII's non-compliance with campaign statutes requiring registration and reporting such contributions by an incorporated business.

Quest PAC disclosed four expenses during the audit period. The audit determined none of the expenses disclosed were PAC expenses. One expense was paid from other entities on Quest PAC's behalf and represents in-kind contributions to the PAC noted in Finding 2. The remaining three expenses were also not paid by Quest PAC, nor were they Quest PAC activities. The three expenses are the \$15,850.85 in expenses noted above as un-incurred expenses.

5. Quest PAC made \$4,778.13 in contributions to Mayor Ketron's mayoral campaign during the primary election in excess of the contribution limits in violation of T.C.A. § 2-10-302(b). It should be noted that Mayor Ketron is the controlling officer of this PAC.

Quest PAC disclosures, PAC records, and Mayor Ketron's 2018 mayoral campaign disclosures indicate Quest PAC provided Mayor Ketron's 2018 Mayoral campaign \$12,578.13 in contributions for the primary election. The maximum contribution a registered PAC like Quest PAC can make to a local candidate for the primary election in 2018 was \$7,800. The \$12,578.13 in contributions is \$4,778.13 over the limit outlined in T.C.A § 2-10-302(b).

The audit determined from all the records obtained for the audit that Quest PAC made the following contributions to Mayor Ketron (Quest PAC's controlling candidate) and the associated Mayoral and Senate Campaigns:

1. Quest PAC's 2017 Early Year-End Supplemental Disclosure Statement reports a \$3,000 campaign contribution to Bill Ketron on September 8, 2017. Mayor Ketron's 2018 Rutherford County mayoral campaign's 2017 Early Year-End Supplemental Statement reports the same \$3,000 contribution from Quest PAC for the primary election on September 8, 2017.
2. As detailed in Finding 3 Item A, Quest PAC records indicate that Quest PAC paid for a joint fundraising event for Quest PAC and Mayor Ketron's 2018 Senate Campaign. The finding indicated the expense amount was \$8,242.67 and that the most reasonable allocation of the expense was to divide the cost equally between Quest PAC and the campaign, resulting in an \$4,121.33 expense attributable to Quest PAC and reportable as an in-kind contribution to Mayor Ketron's Senate Campaign. As noted in Finding 3, both Quest PAC and Mayor Ketron's Senate Campaign failed to disclose the transaction, and as such the allocation to an election was not reported. In general, in-kind contributions to campaigns are usually allocated based on when they are incurred. In this case, the contribution is prior to the Senate primary election.
3. As noted in Finding 3 Item C, on March 12, 2018, Quest PAC disbursed \$1,500 to Mayor Ketron's personal credit card. The purpose of the expense could not be determined, but the expense appears to be an in-kind contribution to Mayor Ketron. Quest PAC's documentation was insufficient to support the purpose of the expense, and as such, the audit cannot determine whether the contribution related to a Mayor Ketron Senate expense, a Mayor Ketron Mayoral expense, or a personal expense. Further, this contribution occurred during the 2018 legislative session in violation of T.C.A. § 2-10-310. As the contribution was unallowable per T.C.A. § 2-10-310 regardless of purpose, the contribution was not included in the aggregate contributions to Mayor Ketron below.
4. Quest PAC's 2018 Second Quarter Disclosure Statement reported an advertising expense in the amount of \$9,578.13 as an in-kind contribution on May 7, 2018 to Mayor Ketron's mayoral campaign. (This transaction was one of three reported transactions; however, the other two transactions were determined to have been

improperly reported expenses. See Findings 2 & 4.) This expense has been determined to have been an in-kind contribution from Quest PAC, in which the PAC paid for an advertisement in opposition to Mayor Ketron's primary opponent. This advertisement included a disclaimer stating that the advertisement was paid for by Quest PAC. See, Finding 2. However, as noted in both Finding 2 and Finding 4 Item (b), the expense did not occur in May 2018, but occurred in April 2018. The records indicate that the expense was paid in part by a wire transfer on April 27, 2018 (the day legislative session ended) and that the remainder was paid by check on April 30, 2018 (after the close of legislative session).

Finding 2 also noted that a portion of the expense was paid by the mayoral campaign. While there is no restriction of a campaign paying a PAC expense that will be returned to the campaign in the form of an in-kind contribution, there is a detriment to the campaign, because the expense, even though paid for partially by the campaign, must still be reported as an in-kind contribution to the campaign. Thus, regardless of the portion of the expense that was paid by the mayoral campaign, the whole \$9,578.13 is an in-kind contribution from Quest PAC to the mayoral campaign. Finally, because the ad was related to the primary opponent, the contribution is a primary contribution.

The in-kind contribution was also unreported by Mayor Ketron's Mayoral Campaign which will be noted in the Mayoral audit report.

5. Quest PAC's bank records indicate that a check (#1094) for \$2,314.11 was written to "Ketron for County Mayor", which cleared the bank on May 1, 2018. Quest PAC failed to report the contribution, as noted in Finding 3. Mayor Ketron's 2018 Mayoral Campaign also failed to report the campaign contribution from Quest PAC. (The failure to report the contribution will be noted in the Mayoral audit report.) Since the mayoral campaign failed to report the contribution, the contribution was not allocated to an election by the campaign. Quest PAC also did not appear to designate the contribution. Therefore, the audit cannot determine the election for which the check was intended. However, as the check cleared on the day of the primary election and at the time Quest PAC was over the primary limit, the audit determined it was likely Mayor Ketron would have elected to allocate the contribution to the general election.

The resulting aggregate totals by election for each campaign are listed below, along with the reference number from the list above. As noted in Item 3, the \$1,500 amount was not included in the totals below, as the entire transaction was determined to be unallowable due to legislative session. The \$1,500 amount was only included in the Finding because, if allowable, it would indicate additional contributions to Mayor Ketron's Mayoral and Senate Campaigns.

- Mayor Ketron's Senate Campaign's 2018 primary election \$4,121.33 (Item 2)
- Mayor Ketron's Senate Campaign's 2018 general election \$0.00
- Mayor Ketron's Mayoral Campaign's 2018 primary election \$12,578.13 (Item 1 & 4)
- Mayor Ketron's Mayoral Campaign's 2018 general election \$2,314.11 (Item 5)

As noted in the opening paragraph and outlined in the items above, the aggregate totals show that Quest PAC made \$12,578.13 in contributions to Mayor Ketron's primary election. The \$12,578.13 is \$4,778.13 over the \$7,800 Consumer Price Index adjusted limit for 2018 elections outlined in T.C.A § 2-10-302(b). Therefore, Quest PAC is in non-compliance with the statute. Relatedly, Mayor Ketron's Mayoral Campaign is in non-compliance with the statute and therefore the same information will be presented in Mayor Ketron's Mayoral audit report.

The audit also noted that it is unusual for a candidate to be collecting on two separate campaigns for election in the same year. In 2018, the mayoral elections were held in May (primary) and August (general), while the Senate elections were held in August (primary) and November (general). The qualifying deadline for the Mayoral election was in February 2018 and the qualifying deadline for the Senate election was in April 2018. Although there may be restrictions on qualifying for both elections in the election statutes, there appears to be no restriction in the campaign finance statutes for collecting or expending funds on two elections in the same year. Further, T.C.A § 2-10-302(b) places limits on the PAC by election, and not by candidate. However, as noted in the Mayor Ketron's Senate audit report, collecting and spending funds for an election in which the candidate appears to have no intent to run (Mayor Ketron's 2018 Senate Campaign) while also collecting for an election for another office which the candidate was seeking (Mayor Ketron's Rutherford County 2018 Mayoral Campaign), could bring into question whether expenses or contributions to Mayor Ketron's Senate Campaign are campaign expenses or campaign contributions to Mayor Ketron's Senate Campaign as defined in T.C.A § 2-10-102.

6. Quest PAC failed to provide a supporting receipt, invoice, or other supporting document for one disbursement to Mayor Ketron's personal credit card totaling \$1,500. Quest PAC is required by T.C.A. §§ 2-10-212(c) and 2-10-105(f) to retain and maintain such disbursement records to support the disclosures made.

As noted in the Audit Methodology section of Disbursement and Obligations and previously reported to the Members, the original submission of campaign records received from Quest PAC did not include any documentation to support the purpose of the disbursements made and/or expenses incurred. Candidates for office are required by T.C.A. §§ 2-10-212(c) and 2-10-105(f) to retain and maintain such disbursement records to support the disclosures made. The audit section continues to indicate that there was a second submission of records. As noted in that section of the audit report and detailed further in various findings, the second submission of records included two invoices provided for what appeared originally to be mayoral campaign expenses (the two invoices were for \$9,578.13 and \$9,750.85 for mailer expenses). However, through the audit process with assistance from PAC officials and the vendor, these invoices were identified as related to two of the three Quest PAC reported expenses on Quest PAC's 2018 Second Quarter PAC Disclosure Statement. The same audit process further identified that only one receipt related to actual PAC activity (the other was mayoral related and improperly reported by the PAC, see Finding 4 Item B). The PAC activity invoice was not an expense, but the \$9,578.13 noted in Findings 2, 4 and 5 as in-kind contributions made to the PAC are also in-kind contributions to Ketron's mayoral campaign.

Although Tennessee campaign finance statutes have few restrictions on how a PAC disburses its funds, there are restrictions on the amount of expenses incurred on behalf of candidates by PACs. Tennessee campaign finance law also requires additional disclosure for all expenses incurred in support of or opposition to candidates and measures. Although similar restrictions apply to campaigns, they generally do not incur such expenses. For this reason, purpose documentation is more significant for PACs and may need to include records beyond receipts, invoices, or billing documents because purpose records need to identify whether an expense was incurred in support of, or opposition to, candidates and measures. Regardless of the activity performed, PACs must evaluate receipts and other records and maintain documents to determine if the expenses were incurred for PAC operations, non-campaign purposes, and/or incurred for candidates and measures. When the expenses are incurred by a leadership PAC, the PAC needs to be even more vigilant to identify expenses incurred for the benefit of the candidate who controls the PAC. Since the candidate controls the PAC and is the beneficiary of the expense, it is likely all such expenses will need to be reported as in-kind expenses to the controlling candidate. Those expenses will also be limited by statute. Although there are limited restrictions on PAC disbursements, in-kind expenses incurred on behalf of a candidate could be restricted as to the campaign receiving the contribution. Campaigns have statutory restrictions on how they can use campaign contributions. Because PAC's in-kind expenses are also in-kind contributions to the candidate they benefit, that restriction could keep the campaign from accepting the in-kind contribution. In addition to the lack of receipts noted in this finding, the audit determined that the original submission and subsequent submission of records failed to include adequate documentation to support in-kind expenses and resulted in improper reporting of activity related to Mayor Ketron, the PAC's controlling candidate, and his related campaigns, as noted in Finding 2, 3, 4, and 5.

Due to the lack of records supporting these expenses, the auditor initiated a process of rebuilding records for the PAC by requesting invoices and receipts from vendors and through inquiries of the Quest PAC officials. As the Quest PAC audit is one of three audits being performed in combination related to Mayor Ketron, when requests for additional records were made several notices were made that similar records may be needed for all three audits and should be collected and submitted (Mayor Ketron's Senate Campaign, Mayor Ketron's Mayoral Campaign and Quest PAC). The audits have been completed one at a time in the order of Mayor Ketron's 2018 Senate Campaign, Quest PAC, Mayor Ketron's 2018 Mayoral Campaign. From November of 2019 until the current period, Mayor Ketron (Senate & Mayoral Candidate and Quest PAC President) and Kelsey Ketron, (Mayor Ketron's Senate Campaign Treasurer, Mayor Ketron's Mayoral Campaign Treasurer, and Quest PAC treasurer), through their attorneys, have requested and submitted a few duplicate or replacement copies of invoices, invites, flyers, payment information, credit card statements, and other vendor records to support the expenses incurred. In addition, vendors have directly provided records for the audit.

As there is so little activity during the period, each instance of PAC activity and its supporting records are listed below:

- A. The \$8,242.67 unreported expense noted in Finding 3 Item A. The original and subsequent submission records only included the Quest PAC bank statement for this expense showing an electronic transfer to an unidentified Capital One Credit Card. After asking for additional information on the exact transaction, the PAC officials provided, through their attorney, the credit card statement for the transaction (see details in Finding 3) and a flyer/invite for a joint fundraising expense at a restaurant. Although the receipt for the expense was never provided, the final submission appeared adequate to prepare a properly supported disclosure for Quest PAC. However, as noted in the Finding, the allocation of the expense between a PAC expense and an in-kind expense to Mayor Ketron's Senate Campaign could not be confirmed as Quest PAC had no documented policy, procedure, or specific records to show how such joint fundraising expenses were being reported.
- B. The \$30 unreported Bank fees expenses noted in Finding 3 Item B. The original and subsequent submissions provided the Quest PAC bank statements showing the bank fees incurred. Bank fees only require the bank statement to support.
- C. The \$1,500 unreported disbursement noted in Finding 3 Item C. The original and subsequent submission records only included the Quest PAC bank statement for this expense showing an electronic transfer to one of Mayor Ketron's Capital One Credit Cards. After asking for additional information on the exact transaction, the PAC officials inferred and provided a spreadsheet of possible related expenses on the Capital One credit card that could be related to the expense. The PAC officials indicated in the response "...the lack of contemporaneous records makes it exceedingly difficult to definitively identify past expenditures..." As noted in Finding 5, the audit procedures determined that the expense was unallowable. Therefore, a determination of individual expenses on the listing provided was not

reviewed. However, an overall review of the listing indicates that, if the expense is related to the \$1,500 Quest PAC disbursement, the expense appears to be paying an expense on the candidate's behalf for Mayor Ketron's Senate or Mayoral Campaigns (or personal expense if not campaign related). The original, subsequent, and final responses are still inadequate to determine the expenses on the credit card that are related to the \$1,500 disbursement. Even if the expenses are related in some manner, the response is also insufficient to determine the purpose of each underlying expense on the card as to whether it is personal, Mayor Ketron's Senate Campaign, or Mayor Ketron's Mayoral Campaign related. In addition, the records were insufficient to determine the purpose of each underlying expense as to its purpose for Quest PAC, Mayor Ketron's Senate Campaign, or Mayor Ketron's Mayoral Campaign. Beyond these insufficiencies, no receipt invoice or other record was provided beyond the payment record.

Although the expense was unallowable, the expense was still a disbursement of PAC funds and was reportable. The expense was also subject to the records requirements for T.C.A. §§ 2-10-212(c) and 2-10-105(f). Even after the final submission, the records provided were insufficient to determine the purpose of the expense. This is the one expense noted in the audit header, as this expense is still unsupported. The audit noted that if the inferred expenses outlined in the PAC officials' response are related the unsupported expenses in not just one transaction for \$1,500, but multiple expenses that aggregate to \$1,500, that these are unsupported.

- D. The \$2,314.11 unreported contribution to Mayor Ketron's Mayoral campaign expenses noted in Finding 3 Item B. The original and subsequent submission provided the Quest PAC bank statements showing the canceled check. As noted in several audit reports, the Registry has identified several examples of donations and contributions where an invoice/receipt may not be needed to identify the purpose and legality of an expense. One example would be a payment to the candidate as a campaign contribution, as candidates do not generally issue receipts. This is one such expense where the cancelled check was the only support needed to support the disclosure to be made.
- E. The last activity was the \$9,578.13 in-kind contribution to Quest PAC noted in Finding 2 which was also an in-kind expense to Mayor Ketron's mayoral campaign (also see Finding 4 and 5). As noted above, the original and subsequent submissions appear to have no records related to this expense, but the PAC officials have identified an invoice related to the transaction that was provided in the second submission. However, even after identifying the invoice, the records Quest PAC provided were incomplete, as they did not show the source of how the transaction was paid or the in-kind nature of the Quest PAC expense incurred. After an additional request for information on the specific transaction to the Quest PAC officials, the PAC officials, through their attorneys, and the vendor provided data to support how the expense was paid revealing, the in-kind nature of the expense. This included the vendor providing copies of mailers that indicate the difference in

one expense being a PAC mailer with the PAC disclosure and another mayoral mailer improperly reported as a PAC expense with the mayoral disclaimer. See details in Finding 2, 4, and 5. Only after receiving the additional information from the PAC officials and the vendor could the audit begin to determine the purpose of the transaction and how it should be reported.

Like the \$1,500 in Item C and as noted in Finding 4 Item B, the PAC officials reached a different conclusion on the transaction from the conclusion reached by the audit based on the records provided by the PAC and the vendor's statement. Even though the audit has determined the records were sufficient for the audit determination, the failure to maintain adequate records to support all disclosures is in violation of the reporting statutes.

The result after the rebuilding process is that the \$1,500 noted in Item C was still determined to be insufficiently supported. The same \$1,500 expense appears to be unallowable as reported in Finding 3 & 5. If the Members determine the expense is unallowable, having the supporting expense at the time of the audit report would appear to be meaningless.

The audit notes that the records submitted by Mayor Ketron indicate a lack of obtaining and maintaining campaign finance documentation by Quest PAC prior to the audit as required by T.C.A. §§ 2-10-212(c) and 2-10-105(f). In each Finding above, it is noted that none of the PAC records submitted, either in the original submission or later submissions, were properly used (or used at all) to prepare Quest PAC's original disclosure statements or to verify the activity included on such disclosures. The audit concurs with the PAC officials' response, provided through their attorneys, when they stated "...the lack of contemporaneous records makes it exceedingly difficult to definitively identify past expenditures...." T.C.A. §§ 2-10-212(c) and 2-10-105(f) were enacted for that reason.

The Registry's audits have commonly referenced this statute regarding the lack of receipts and invoices. This Finding indicates that those records were not maintained by the campaign and specifically for the \$1,500 expense. The statutes require that the documentation maintained should support the disclosures made and support the expenses as allowable. In some cases, this is more than the receipt/invoice, cancelled check, or other payment record. The records maintained often should include more than a receipt in order to establish the reason for the purchase. For example, a food receipt will show that food was purchased, but does not explain why the food was purchased; it cannot show whether the food was purchased for a campaign expense or an officeholder expense. Further, an Uber receipt will show that the ride occurred, but will not show the purpose for which the ride was needed; it cannot show whether the ride was for campaign purposes or for officeholder purposes.

Further, in this audit, Item C above reflects a \$1500 payment disbursed from the PAC's account and paid to the personal credit card of Mayor Ketron. The credit card statement confirms that the funds were paid to the credit card company and that previous purchases had been made on that card, but the credit card statements cannot identify each expense incurred for campaign purposes, as opposed to those incurred for personal purposes, and cannot speak to whether each expense was an allowable expense. Even if a list of expenses were maintained, like the list provided as possible

campaign expenses, the list alone would be insufficient to demonstrate that each expense was allowable. More documentation for each expense would be needed to determine that each expense was for a permissible purpose. In this case, not only were receipts and invoices not maintained, but Quest PAC also failed to maintain any meeting logs, agendas, advertisements, or other documentation to substantiate the activities conducted by the PAC or each purchase or disbursement made by the PAC.

Subsequent Audit Finding

After the completion of the audit test work and during the finalization process for this audit report, the Registry audit group commenced the test work related to Mayor Ketron's Mayoral Campaign. In commencing the audit, the audit group realized that there was another finding not considered for Quest PAC. As a State level registered PAC, when Quest PAC made contribution to a local campaign, they were required to also register and file campaign disclosure statements with the applicable local election commission. Quest PAC failed to both register and file campaign finance disclosures with the local election commission in Rutherford County. The failure to register and file is therefore another finding for Quest PAC. The finding related to that activity has been added to the report and is noted below.

7. Quest PAC failed to register and file campaign finance disclosure statements with the Rutherford County Election Commission. T.C.A. §2-10-105(b) requires PACs to register and file campaign finance disclosure statements in each county in which they are giving contribution to local candidates.

As detailed in Finding 5, Quest PAC made several contributions to Mayor Ketron's campaigns. As the contributions were both to the senate campaign (a state level campaign) and mayoral campaign (a local level campaign), Quest PAC was required to comply with both T.C.A. §§2-10-105(a) and 2-10-105(b). The statutes require the PAC to register on each level in which they give campaign contributions. As noted in the Campaign Organization section at the beginning of this report, Quest PAC registered with the Registry of Election Finance in 2010 and has been filing campaign finance disclosures with the Registry since that time. The registration with the Registry satisfies the requirements of T.C.A. §2-10-105(a) related to Quest PACs contributions to state level candidates, including Mayor Ketron's senate campaign. However, the registration does not cover Quest PAC for the requirements of T.C.A. §2-10-105(b) when Quest PAC made contributions to Mayor Ketron's mayoral campaign, as the mayoral campaign is a local level campaign. In order to comply with that statute, Quest PAC was required to register with the Rutherford County Election Commission.

Registration is accomplished in the same manner as it is for the state level by filing an Appointment of Treasurer form with the local commission. The filing of the form is required prior to making any campaign contribution to a local candidate. As noted in Finding 5, it appears that the first contribution made to the Mayor Ketron's Mayoral Campaign from Quest PAC was on September 8, 2017. Therefore, Quest PAC should have filed in Rutherford County on or before September 8, 2017. Based on the audit procedures performed, Quest PAC never registered with Rutherford County's Election Commission for its activities related to the mayoral campaign.

In order to simplify the process of filing with the state and each local election commission, the Registry has allowed state registered PACs to copy their state filed Appointment of Treasurer form and provide that to each local jurisdiction as applicable to the PACs activities. The filing includes a notice that activity will be commencing as of the date of the filing in their jurisdiction.

The campaign finance statutes also require PACs registered with a local election commission to file campaign finance statements to report their activities. The statements are the same as those filed at the state level. However, electronic filing is not required on the local level, so paper filings are commonly used to file in local elections. The statements required to be filed depends how the PACs are registered and operates. If a PAC is only operating on the local level and registered with only the local election commission, then the PAC files according to the local filing schedules. If the PAC is operating both at the state level and locally, the Registry requires the PAC to file on the state PAC filing schedule, and copies of those filings should be provided to each local jurisdiction in which the PAC operates. The audit procedures performed indicated that Quest PAC failed to provide any campaign finance disclosure to the Rutherford County Election Commission related to its activities for the mayoral campaign.

Based on the data in Finding 5, at a minimum, the campaign finance filings that were required to be filed with the local election commission were the 2017 Year-End Supplemental Disclosure Statement, the 2018 First Quarter, and the 2018 Second Quarter . (The audit has noted that Quest PACs first contribution to the local campaign occurred during the 2017 year end reporting period was \$3,000, see Finding 5 Item 1, and that Quest PACs last contributions to the local campaign occurred in May 2018 for \$9,578.13 and \$2,341, see Finding 5 Items 4 & 5.) At the end of the 2018 Second Quarter, assuming no additional activity was going to be incurred, Quest PAC could have indicated to the Rutherford County Election Commission that it was no longer going to support local candidates in their jurisdiction and requested to be closed for local filings.

Although the Registry and local election commissions have specific established procedures that require notification for failure to file campaign finance disclosure statements, those procedures were set up to notify candidates who notified the applicable commission or the Registry of their intent to collect or spend money by filing a Candidate Appointment of Treasurer form. The procedures also account for candidates who qualify. The procedures were also prepared for PACs who provided proper notification with the proper entity by filing a PAC Appointment of Treasurer form (the filing registering the PAC in that jurisdiction). The procedures are not set up to notify unregistered PACs to file. The registration requirement of T.C.A. §2-10-105 appears to be for that specific purpose, so that the proper entity can give proper notice of failure to file. Quest PAC failed to register locally, and therefore; the local jurisdiction was unable to give such notice. Had Quest PAC either registered, by submitting its Appointment of Treasurer form to Rutherford County, or submitted any of the applicable campaign finance statements, the local commission would have been aware of their notification requirements and assisted Quest PAC in local compliance.

RECOMMENDATION TO CANDIDATE

Quest PAC should amend its campaign financial disclosure statements to accurately disclose campaign contributions. To accurately report campaign contributions, the PAC should:

- Add all in-kind campaign contributions received.
- Review prior reporting periods and verify all contributions have been properly reported, especially in-kind contributions to the PAC for expense(s) paid on its behalf, based on the findings in this audit report and correct contributions as needed.

Quest PAC should amend its campaign financial disclosure statements to accurately disclose campaign expenditures. To accurately report campaign expenditures, the PAC should:

- Add expenditures that were not reported as noted in the audit report.
- Remove all expenses that were not incurred as noted in the audit report.
- Review prior reporting periods and verify all expenses incurred have been properly reported based on the findings in this audit report and correct as needed. The disclosures should include all disbursements of PAC funds, whether they are allowable per T.C.A. § 2-10-310 or unallowable for the campaign to receive per T.C.A. §2-10-114.
- Review prior reporting periods and verify all expenses incurred on a candidate's behalf have been properly reported as in-kind expenses to show the candidate for which the expense is incurred. For all previously un-reported in-kind contributions, notify the candidate of the contribution and amount so that the candidate can properly correct their disclosures.

Quest PAC officials should consider possible corrective actions for disbursements identified as possibly unallowable in the audit report or any identified unallowable expenses noted in the reviews of prior periods noted above; the PAC should also consider prior Registry Board recommendations on returning funds into the PAC account for all expenses determined to be unallowable and report the return (reimbursement) as an applicable expenditure adjustment.

Quest PAC should notify any local election commission in which they operated of their failure to file and file copies of their Appointment of Treasurer form and any applicable amended campaign finance statements with those jurisdictions. At minimum, this appears to be Rutherford County and should include the corrected 2017 Year-End, 2018 First Quarter and 2018 Second Quarter statements.

For any future reporting periods, Quest PAC should either consider closing the PAC, as no PAC funds currently exist, or establish procedures to ensure only Quest PAC funds are placed into the PAC account. The audit recommends Quest PAC establish procedures to ensure PAC account funds are disbursed only for PAC related activity and properly disclosed, including in-kind expenses. In addition, Mayor Ketron's campaign accounts should disburse funds only for Mayor

Ketron's campaign activity (each campaign acting separately). Quest PAC should limit interactions between the three accounts and should maintain and retain documentation separately for each account.

The audit also noted a transaction in which Mayor Ketron paid expenses personally. Mayor Ketron and other PAC officials should limit this practice. It can lead to reporting errors and lack of disbursement documentation. The audit recommends Quest PAC attempt to use a campaign account-related debit card/credit card. Another option is to obtain a personal credit card that is used solely for Quest PAC activity. When a reimbursement is paid to a dedicated personal card for PAC activity, it can be paid to the bank card which supports the payment activity. Regardless, when Quest PAC reimburses expenses, the PAC should obtain and maintain all receipts and records to show how the payments were made and the purposes of the expense. The expenses documentation should also include records to determine what expenses are in-kind, independent, and PAC expenses. The documentation should not be limited solely to advertising. It should include all expenses including, but not limited to, travel and food-related expenses for meetings with or assisting candidates in their campaign activities.

In short, Quest PAC should develop a campaign record-keeping system that adequately meets the requirements of the campaign financial disclosure statutes. The system should ensure that Quest PAC, Mayor Ketron's Senate Campaign account, Mayor Ketron's Mayoral Campaign account, and PAC officials' personal funds are maintained separately, and that documentation is obtained and retained for each contribution and expenditure. Further, the documentation maintained by the PAC should support not only the purpose of the expense but should also indicate whether the expense is for the benefit of the PAC itself or for a candidate (in-kind and independent expenditures). Because the PAC is Mayor Ketron's leadership PAC, it should be mindful when paying expenses related to Mayor Ketron's campaign and office holder-related expenses. These expenses likely will require disclosure of an in-kind expense and related in-kind contribution by Mayor Ketron. These in-kind expenses are limited by the campaign finance statutes not only by amount, but by blackout periods, and other restrictions for the distribution of campaign contributions by a candidate.

Finally, the candidate should reconcile the campaign bank account to the campaign disclosure statements frequently to ensure that all campaign finance activities are properly recorded and reported. This reconciliation will assist in noting errors that can be reversed in a timely manner.

RECOMMENDATION TO REGISTRY

We recommend the Members consider the findings for possible further action. We recommend the Members approve the audit performed as sufficient and complete. Finally, we recommend the Members post the audit report to the Registry's website notwithstanding whether a significant penalty is assessed, as outlined in T.C.A. § 2-10-212(f). The report and related findings will assist current and future candidates in understanding the audit process, the purposes of Registry statutes and rules, and the types of procedures needed to comply with campaign finance laws.

RESOLUTIONS

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance reviewed the Board Requested audit of Quest PAC campaign finance activities for the period of January 1, 2018 through July 31, 2019, during the December 7, 2020 regular meeting. Approval and any subsequent action taken by the Members will be documented in the meetings minutes.

APPENDIX

Appendix A

The following spreadsheets were provided by Mayor Ketron through his attorneys in attempt to provide support for activity on Mayor Ketron's personal credit card for quest PAC and Mayor Ketron's campaigns. The conclusions related to the spreadsheets are detailed in Finding 3 Item (c). The September 22, 2020 submission is a two-page spreadsheet and is provide first. The July 31, 2020 submission is a four-page spreadsheet.

September 22, 2020 submissions

Ketron
Capital One & Regions Credit Card Charges
January 1, 2018 - July 31, 2019

Campaign: Quest PAC

		Transaction					
Card Name	Account Titled	Acct No	Date	Description	Amount	Notes	Received
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/01/18	SAMSLUB.COM888-746-7726AR	639.90	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/26/18	MSFT * E02006EZSH8006427676WA	316.08	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/11/18	WM SUPERCENTER #682MURFREESBOROTN	315.35	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/16/18	SAMS CLUB #6501MURFREESBOROTN	259.01	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/05/18	TARGET 00011262MURFREESBOROTN	102.65	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/04/18	SIR PIZZA EAST MAINMURFREESBOROTN	100.45	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	09/28/18	SAMSClub #6501MURFREESBOROTN	72.39	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	05/09/19	IDEAS TEESMURFREESBOROTN	62.56	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/05/18	SIR PIZZA EAST MAINMURFREESBOROTN	56.20	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/05/18	SIR PIZZA EAST MAINMURFREESBOROTN	49.59	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/20/18	SIR PIZZA EAST MAINMURFREESBOROTN	49.53	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/14/18	UBER TRIP NTP6K8005928996CA	41.27	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/09/18	SIR PIZZA EAST MAINMURFREESBOROTN	38.33	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/11/19	SIR PIZZA EAST MAINMURFREESBOROTN	36.31	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/13/18	UBER TRIP ELPAV8005928996CA	31.64	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/29/18	UBER TRIP RKEOP8005928996CA	30.31	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/29/18	UBER TRIP SNVOA8005928996CA	22.82	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/22/18	SQU*SQ *BAILEY POTTSMurfreesboroTN	18.75	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/20/18	UBER TRIP GZNY8005928996CA	8.74	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	UBER TRIP AQCS8005928996CA	6.55	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/03/18	UBER TRIP MYYC58005928996CA	3.99	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/12/18	UBER XUHYZ8005928996CA	3.00	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	UBER TIP 6Y3T78005928996CA	3.00	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/16/18	UBER GISUF8005928996CA	2.13	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/24/18	UBER EATS 6XCAD8005928996CA	2.00	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/20/18	UBER TRIP JUZVH8005928996CA	2.00	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/12/18	UBER TRIP GISUF8005928996CA	0.87	QuestPAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/11/18	GFS STORE #1523MURFREESBOROTN	111.72	Mayor or PAC	Yes
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/11/18	GFS STORE #1523MURFREESBOROTN	109.09	Mayor or PAC	Yes
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	05/10/19	JOANN STORES #1893MURFREESBOROTN	93.23	Mayor or PAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/24/19	MTSU BRAA ATHLETICS615-898-5261TN	7,497.00	Senate or PAC	Yes
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	MTSU TICKET OFFICE615-898-5261TN	1,645.00	Senate or PAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/13/18	MTSU TICKET OFFICE615-898-5261TN	60.00	Senate or PAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	05/06/18	AMERICAN	25.00	PSGR: KETRON JR/WILLI (EBC-FEE)	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/12/18	UBER TRIP XUHYZ8005928996CA	13.74	Senate or PAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/27/18	UBER TRIP 4XW6E8005928996CA	13.64	Senate or PAC	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/16/18	UBER TRIP GISUF8005928996CA	11.76	Senate or PAC	

Keiron
Capital One & Regions Credit Card Charges
January 1, 2018 - July 31, 2019

Campaign: Quest PAC

		Transaction							
Card Name	Account Titled	Acct No	Date	Description	Amount	Notes	Campaign	Received	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/20/18	UBER TRIP JUZVH8005928996CA	11.65		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	UBER TRIP DRFCFZ8005928996CA	11.03		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/22/18	UBER TRIP Y5QQG8005928996CA	10.77		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/14/18	UBER TRIP NTP6K8005928996CA	10.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/13/18	UBER TRIP ELPAV8005928996CA	10.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/20/18	UBER TRIP GZN5Y8005928996CA	10.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/07/18	UBER TRIP W3MI38005928996CA	6.94		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/28/18	UBER TRIP 5HX6G8005928996CA	6.93		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	UBER TRIP 3EEWK8005928996CA	6.07		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	UBER TRIP 6V3T78005928996CA	5.56		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	UBER TRIP AQC5P8005928996CA	5.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	UBER TRIP DRFCFZ8005928996CA	5.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	UBER TRIP 3EEWK8005928996CA	5.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/28/18	UBER TRIP 5HX6G8005928996CA	5.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/27/18	UBER TRIP 4XW6E8005928996CA	5.00		Senate or PAC		
					11,969.55				

July 31, 2020 submission

Keiron
Capital One & Regions Credit Card Charges - Senate and Senate or PAC
January 1, 2018 - July 31, 2019

Transaction							Amount	Notes	Campaign	Received
Card Name	Account Titled	Acct No	Date	Description						
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/02/18	THORNTONS #612MURFREESBOROTN		44.45		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/03/18	OFFICE DEPOT #2316MURFREESBOROTN		200.33		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/04/18	EB MURFREESBORO BRANC8014137200CA		33.72		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	SIR PIZZA EAST MAINMURFREESBOROTN		117.90		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	WILLOW MARKETMURFREESBOROTN		20.45		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/08/18	THORNTONS #612MURFREESBOROTN		48.95		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/08/18	EXXONMOBIL 47882618MURFREESBOROTN		41.24		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/17/18	OC MURFREESBOROMURFREESBOROTN		52.15		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/18/18	RUTHFRD CO CHAMBER OF06158936565TN		50.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/18/18	THORNTONS #612MURFREESBOROTN		46.25		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/18/18	USPS PO 4761330130MURFREESBOROTN		6.65		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/22/18	THORNTONS #612MURFREESBOROTN		33.35		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/25/18	MTSU BRAA ATHLETICS615-898-5261TN		417.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/26/18	THORNTONS #612MURFREESBOROTN		44.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/29/18	EXXONMOBIL 48235717MURFREESBOROTN		90.52		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/29/18	THORNTONS #612MURFREESBOROTN		33.53		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/29/18	THORNTONS #612MURFREESBOROTN		15.80		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/02/18	MTSU TICKET OFFICE615-898-5261TN		40.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/05/18	TARGET 00011262MURFREESBOROTN		120.54		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/05/18	THORNTONS #612MURFREESBOROTN		48.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/09/18	KROGER FUEL #9521MURFREESBOROTN		25.64		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/10/18	THORNTONS #612MURFREESBOROTN		52.85		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/15/18	TST* THE ALLEY ON MAINMURFREESBOROTN		56.60		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/16/18	SAMS CLUB #6501MURFREESBOROTN		259.01		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/18/18	THORNTONS #612MURFREESBOROTN		53.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/20/18	MSFT * E02004BWGS08006427676WA		316.08		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/21/18	SIR PIZZANASHVILLETN		53.28		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/22/18	EXXONMOBIL 48235717MURFREESBOROTN		43.50		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/22/18	EXXONMOBIL 48235717MURFREESBOROTN		34.40		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/23/18	THORNTONS #612MURFREESBOROTN		31.25		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/24/18	MTSU BRAA ATHLETICS615-898-5261TN		417.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/24/18	MAIN STREET MUSICMURFREESBOROTN		52.50		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/24/18	MAIN STREET MUSICMURFREESBOROTN		50.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/24/18	MAIN STREET MUSICMURFREESBOROTN		29.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/26/18	THORNTONS #612MURFREESBOROTN		21.35		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/27/18	DOG HAUS MURFREESBOROMURFREESBOROTN		34.96		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	02/27/18	EXXONMOBIL 48235717MURFREESBOROTN		34.63		Senate		
Regions	William F Ketron Jr Theresa A Ketron	*2760	02/27/18	Air Can		5.57		Senate		
Regions	William F Ketron Jr Theresa A Ketron	*2760	02/28/18	American Air		538.60		Senate		
Regions	William F Ketron Jr Theresa A Ketron	*2760	02/28/18	Skylux Travel		50.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/01/18	OFFICE DEPOT #2316MURFREESBOROTN		147.82		Senate		

Keiron
Capital One & Regions Credit Card Charges - Senate and Senate or PAC
January 1, 2018 - July 31, 2019

Transaction		Card Name	Account Titled	Acct No	Date	Description	Amount	Notes	Campaign	Received
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/01/18	EXXONMOBIL 47883038MURFREESBOROTN	80.47		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/02/18	RUTHFRD CO CHAMBER OF06158936565TN	350.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/02/18	KROGER FUEL #9529MURFREESBOROTN	46.60		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/02/18	MTSU TICKET OFFICE615-898-5261TN	26.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/05/18	THORNTONS #612MURFREESBOROTN	19.13		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/06/18	SHELL OIL 910026887QPSMURFREESBOROTN	32.60		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/08/18	BB *AMERICAN HEARTMARIETTAGA	250.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/08/18	THORNTONS #0612MURFREESBOROTN	33.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/11/18	THORNTONS #0612MURFREESBOROTN	33.02		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/15/18	THORNTONS #0612MURFREESBOROTN	45.26		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/16/18	ADVANCE AUTO PARTS #32MURFREESBOROTN	10.96		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/18/18	THORNTONS #0612MURFREESBOROTN	28.84		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/19/18	THE BOULEVARD BAR & GRMURFREESBOROTN	30.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/22/18	THORNTONS #0612MURFREESBOROTN	38.90		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/22/18	AmazonPrime Membershipamzn.com/prmeWA	14.22		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/24/18	MTSU BRAA ATHLETICS615-898-5261TN	417.00		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/25/18	THORNTONS #0612MURFREESBOROTN	29.71		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/28/18	TST* THE ALLEY ON MAINMURFREESBOROTN	60.01		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/29/18	AMAZON MKTPLACE PMTS WWWWWW.AMAZON.COWA	8.99		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/30/18	THORNTONS #0612MURFREESBOROTN	40.25		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	03/31/18	KROGER FUEL #9521MURFREESBOROTN	44.03		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/01/18	THORNTONS #0612MURFREESBOROTN	31.70		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/06/18	BP#5760327MEADOWS CQPSMURFREESBOROTN	25.02		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/07/18	THORNTONS #0612MURFREESBOROTN	42.55		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/09/18	THORNTONS #0612MURFREESBOROTN	30.99		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/13/18	THORNTONS #0612MURFREESBOROTN	43.46		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/15/18	THORNTONS #0612MURFREESBOROTN	18.44		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/16/18	5TH & TAYLORNASHVILLETN	409.68		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/21/18	THORNTONS #0612MURFREESBOROTN	54.45		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/22/18	AmazonPrime Membershipamzn.com/prmeWA	14.22		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/23/18	THORNTONS #0612MURFREESBOROTN	29.27		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/24/18	MTSU BRAA ATHLETICS615-898-5261TN	417.00		Senate		
Regions	William F Ketron Jr Theresa A Ketron	*2760		04/24/18	Orbitz.com	4.80		Senate		
Regions	William F Ketron Jr Theresa A Ketron	*2760		04/26/18	Ted's Montana Grill	116.12		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/27/18	KROGER FUEL #9529MURFREESBOROTN	35.03		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	04/29/18	THORNTONS #0612MURFREESBOROTN	56.00		Senate		
Regions	William F Ketron Jr Theresa A Ketron	*2760		05/01/18	Jack Browns Joint	55.59		Senate		
Regions	William F Ketron Jr Theresa A Ketron	*2760		05/02/18	Mister B's Murfreesboro	17.00		Senate		
Regions	William F Ketron Jr Theresa A Ketron	*2760		05/03/18	The Boulevard Bar & Grill	58.94		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	05/03/18	THORNTONS #0612MURFREESBOROTN	53.35		Senate		
CapitalOne	William F Ketron Theresa A Ketron	*5641	*9289	05/05/18	THORNTONS #0612MURFREESBOROTN	42.32		Senate		

Ketron
Capital One & Regions Credit Card Charges - Senate and Senate or PAC
January 1, 2018 - July 31, 2019

Transaction						
Card Name	Account Titled	Acct No	Date	Description	Amount	Notes
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	05/25/18	AmazonPrime Membershipamzn.com/prmeWA	14.22	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	05/29/18	SXM*SIRIUSXM.COM/ACCT888-635-5144N Y	17.53	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	06/26/18	SXM*SIRIUSXM.COM/ACCT888-635-5144N Y	16.90	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/02/18	THORNTONS #0612MURFREESBOROTN	51.10	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/11/18	CPH INSURANCE800875191.1IL	176.00	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/11/18	WM SUPERCENTER #682MURFREESBOROTN	41.16	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/12/18	THORNTONS #0612MURFREESBOROTN	49.26	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/12/18	GERMANTOWN CAFENASHVILLETN	35.39	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/21/18	MISTER CAR WASH #83QPSMURFREESBOROTN	13.00	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/24/18	ALUMNI EVENTS6158985533TN	140.00	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/24/18	SXM*SIRIUSXM.COM/ACCT888-635-5144N Y	17.54	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	12/23/18	SAMSCLUB #6501MURFREESBOROTN	73.88	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	12/24/18	PUBLIX #1234MURFREESBOROTN	100.00	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/24/19	Amazon PrimeAmzn.com/billWA	14.22	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/30/19	MTSU TICKET OFFICE615-898-5261TN	80.00	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/08/19	Amazon PrimeAmzn.com/billWA	14.22	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/20/19	WAL-MART #5182MURFREESBOROTN	75.75	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/22/19	EXXONMOBIL 48235717MURFREESBOROTN	28.07	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/26/19	MILLER'S ALE HOUSE 096MURFREESBOROTN	52.32	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/29/19	MILLER'S ALE HOUSE 096MURFREESBOROTN	35.08	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	05/02/19	EXXONMOBIL 48235717MURFREESBOROTN	40.63	Senate
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	UBER TRIP 3EEWK8005928996CA	6.07	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	UBER TRIP 6Y3778005928996CA	5.56	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/06/18	UBER TIP 3EEWK8005928996CA	5.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	01/07/18	UBER TRIP W3MI38005928996CA	6.94	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/13/18	MTSU TICKET OFFICE615-898-5261TN	60.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	03/16/18	UBER TRIP GISUF8005928996CA	11.76	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/12/18	UBER TRIP XUHYZ8005928996CA	13.74	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	05/06/18	AMERICAN JR/WILLI (EBC-FEE)	25.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/22/18	UBER TRIP Y5QQG8005928996CA	10.77	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	07/25/18	SXM*SIRIUSXM.COM/ACCT888-635-5144N Y	175.93	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	MTSU TICKET OFFICE615-898-5261TN	1,645.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	UBER TRIP DRCFZ8005928996CA	11.03	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	UBER TRIP AQCSF8005928996CA	5.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	08/10/18	UBER TRIP DRCFZ8005928996CA	5.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/13/18	UBER TRIP ELPV8005928996CA	10.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/14/18	UBER TRIP NTP6K8005928996CA	10.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/20/18	UBER TRIP JUZVH8005928996CA	11.65	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/20/18	UBER TRIP GZNY8005928996CA	10.00	Senate or PAC
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/27/18	UBER TRIP 4XW6E8005928996CA	13.64	Senate or PAC

Ketron
Capital One & Regions Credit Card Charges - Senate and Senate or PAC
January 1, 2018 - July 31, 2019

Transaction									
Card Name	Account Titled	Acct No	Date	Description	Amount	Notes	Campaign	Received	
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/27/18	UBER TRIP 4XW6E8005928996CA	5.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/28/18	UBER TRIP 5HX6G8005928996CA	6.93		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	10/28/18	UBER TRIP 5HX6G8005928996CA	5.00		Senate or PAC		
CapitalOne	William F Ketron Theresa A Ketron	*5641 *9289	04/24/19	MTSU BRAA ATHLETICS615-898-5261TN	7,497.00		Senate or PAC	Yes	
					17,649.08				