



## TENNESSEE REGISTRY OF ELECTION FINANCE

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### Contribution Audit of Tami (Tamara) Sawyer's 2016 Second Quarter Campaign Finance Disclosure



#### **Audit Team:**

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# STATE OF TENNESSEE



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October 11, 2017

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

Ladies and Gentlemen,

Transmitted herewith is the agreed upon procedures for the un-itemized contribution audit of Ms. Tami (Tamara) Sawyer's 2016 Second Quarter Campaign Financial Disclosure Statement for the 2016 election campaign for the House of Representatives. This audit was conducted pursuant to the requirements of T.C.A. §2-10-212.

The audit procedures developed are to aid the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Financial Disclosure Laws and Campaign Contribution Limit Laws. The candidate 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 internal 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 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, however, is a matter of public record.

Sincerely,

Jay Moeck, CPA, CFE  
Audit Director

STATE OF TENNESSEE  
REGISTRY OF ELECTION FINANCE

**Audit Highlights**  
Tami (Tamara) Sawyer  
2016 Second Quarter Contribution Audit

**AUDIT OBJECTIVES**

The objectives of the audit were to determine Ms. Tami (Tamara) Sawyer'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 un-itemized contribution disclosures on her 2016 Second Quarter Campaign Financial Disclosure Statement; and to recommend appropriate actions to correct any deficiencies.

**FINDING(S)**

- 1. Ms. Sawyer violated T.C.A. §2-10-105(a) by failing to report \$577.39 in campaign contributions.**
- 2. Ms. Sawyer violated T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$2,593 in campaign contributions from ten contributors who contributed in excess of \$100 during the 2016 Second Quarter.**
- 3. Ms. Sawyer failed to maintain contributor data for \$276.13 in contributions.**

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## **INTRODUCTION**

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### **AUDIT AUTHORITY**

*Tennessee Code Annotated* (T.C.A.) §§2-10-206 and 2-10-212 authorize the Registry of Election Finance (Registry) to conduct audits of campaign financial disclosure statements filed with the Registry. The audit was initiated based on T.C.A. §2-10-212(i), which requires the Registry to audit any candidate that files a disclosure statement with more than 30% of the candidate's contributions reported as un-itemized contributions and the aggregate un-itemized contributions reported are greater than \$5,000.

### **AUDIT PURPOSE**

The Registry's contribution audits are to assist and encourage candidate compliance with campaign disclosure laws. The audit process assists the Registry in providing timely and accurate campaign information to government officials and the public. The Registry's audits provide a tool to the Registry to evaluate the effectiveness of the campaign financial disclosure process. 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 prepared to assist the candidate and the State of Tennessee with promoting governmental accountability and integrity.

### **AUDIT SCOPE**

Tennessee's campaign financial disclosure law requires candidates to make biannual financial disclosures as of the date of the first contribution or first expenditure, whichever occurs earlier. The biannual report periods are from January 16 to June 30 and July 1 to January 15 of each year. During an election year, the disclosures expand to quarterly reports, pre-primary reports, and pre-general reports. This audit relates to only disclosure reports that meet the requirements listed in T.C.A. §2-10-212(i). Therefore, the audit only relates to disclosure on Tami (Tamara) Sawyer's 2016 Second Quarter report.

## CAMPAIGN OVERVIEW

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### CAMPAIGN ORGANIZATION

Tami (Tamara) Sawyer was a candidate in the August 4, 2016 primary election for the House Representative for District 90. Ms. Sawyer filed an Appointment of Political Treasurer Statement with the Registry on February 11, 2016 appointing Roland Cole as political treasurer.

The candidate's first financial disclosure for the 2016 campaign was the 2016 First Quarter report filed on April 1, 2016. The candidate's latest financial disclosure report for the 2016 election was the 2016 Third Quarter report, as amended, filed on October 18, 2016. The 2016 Third Quarter report indicated no cash on hand, no outstanding obligations and no outstanding loans. The candidate has completed her 2016 election campaign reporting requirements.

### OVERVIEW OF FINANCIAL ACTIVITIES

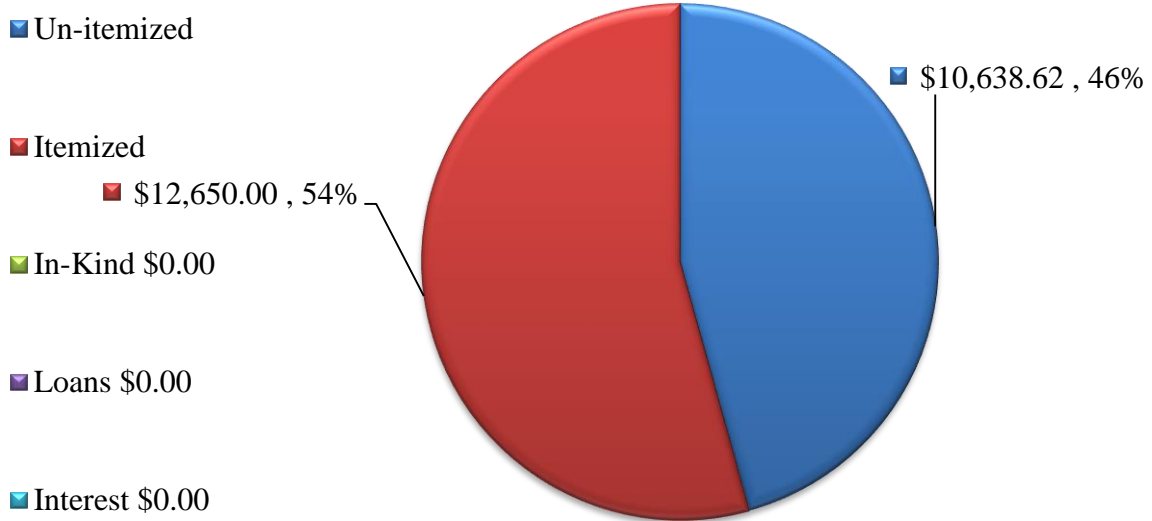
The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure reports: 2016 First Quarter, 2016 Second Quarter, 2016 Pre-Primary, and 2016 Third Quarter. As noted in the audit scope, we only audited un-itemized contributions from disclosures for the 2016 Second Quarter report. The amounts displayed are for informational purposes only.

<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at January 16, 2016		\$0.00
Receipts		
Un-itemized	\$13,923.15	
Itemized	25,650.00	
Interest	0.00	
Loans received	0.00	
Total receipts		<u>\$39,573.15</u>
Disbursements		
Un-itemized	10,314.91	
Itemized	29,258.24	
Loans principal payments	0.00	
Total disbursements		<u>\$39,573.15</u>
Cash on hand at September 30, 2016		<u>\$0.00</u>
Loans outstanding at September 30, 2016		\$0.00
Obligations September 30, 2016		\$0.00
Total in-kind contributions received		\$0.00

## CHARTS

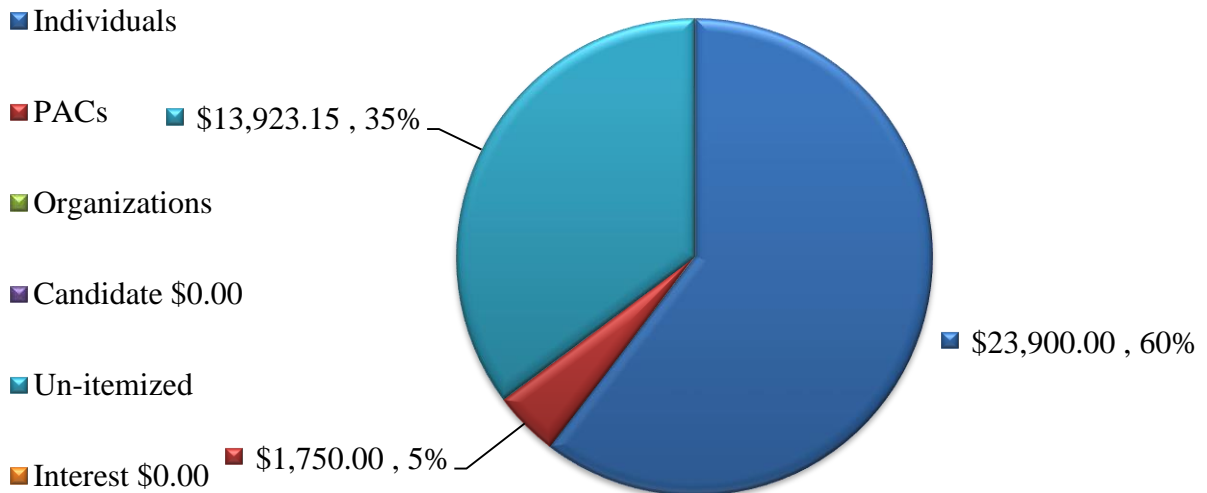
### 2016 SECOND QUARTER CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate in the 2016 Second Quarter report.



### 2016 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the contributions reported by the candidate for the 2016 election campaign. Organizations in this chart represent non-profit organizations, non-PAC campaign organizations, or businesses



## **OBJECTIVES, METHODOLOGIES, CONCLUSIONS**

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### **CONTRIBUTIONS AND RECEIPTS**

#### ***Audit Objectives:***

The objectives of the audit of un-itemized contributions were to determine whether:

- campaign contributions from individuals and Political Action Committees (PAC) were within limits;
- all contributions were from non-prohibited sources;
- all contributions received were reported, reported in the proper period, reported in compliance with T.C.A. §§2-10-105 and 2-10-107, and reported in compliance with the Registry's rules; and
- all contributions were supported by bank statements and deposit slips.

#### ***Audit Methodology:***

The Registry obtained Ms. Sawyer's 2016 Second Quarter Campaign Financial Disclosure Statement to verify that the un-itemized contributions were greater than \$5,000.00 and 30% of the total contributions reported. We requested Ms. Sawyer provide supporting documentation for the un-itemized contributions of \$10,638.62 that she reported on her 2016 Second Quarter report. The candidate's campaign records included bank statements, deposit detail printouts and contribution lists. The following steps were performed on Ms. Sawyer's campaign documentation:

- The campaign records were reviewed to determine if the candidate's un-itemized contributions received from April 1, 2016 thru June 30, 2016 totaled \$10,638.62.
- A list of un-itemized contributions was prepared and compared to the candidate's bank statements to determine if the candidate deposited all funds into a campaign bank account and properly recorded the funds.
- A list of un-itemized contributions by contributor was prepared and compared to the candidate's itemized contributions reported during the campaign to determine if campaign contributions from individuals and PACs complied with campaign contribution limits, T.C.A. §2-10-301, et seq.
- An un-itemized contributions list was reviewed to determine if all contributions were reported, all receipts received were reported, all contributions were reported in the proper period, all contributions were in compliance with T.C.A. §§2-10-105 and 2-10-107, and all contributions were in compliance with the Registry's rules.



***Audit Conclusion:***

Ms. Tami (Tamara) Sawyer's 2016 Second Quarter Campaign Financial Disclosure Statement reported un-itemized contributions greater than \$5,000.00 and 30% of the total contributions. The audit indicated that the total contributions reported by the candidate of \$23,288.62 (\$10,638.62 unitemized and \$12,650.00 itemized) equaled the deposits in the campaign account for the 2016 Second Quarter period. However, the campaign paid online collection fees from contributions prior to deposit. Per the candidate's records, these fees totaled \$577.39. When the \$577.39 amount is added to the deposits, the total campaigns contributions for the period are \$23,866.01. As the candidate only reported the deposited amount, the candidate failed to report \$577.39 in campaign contribution received during the 2016 Second Quarter (See details in Finding 1).

The audit also indicated the reported un-itemized contributions complied with campaign finance laws and Registry rules except Ms. Sawyer failed to itemize \$2,593 in contributions from contributors who contributed in excess of \$100 during the first quarter as detailed in Finding 2. Finally, Ms. Sawyer failed to properly maintain campaign records for \$276.13 in contributions received as detailed in Finding 3.

**FINDING(S)**

**1. Ms. Sawyer violated T.C.A. §2-10-105(a) by failing to report \$577.39 in campaign contributions.**

Ms. Sawyer received a portion of her campaign contributions through an online contribution service. The online service deducts its fees from the contributions before delivering the contributions to the candidate. Ms. Sawyer reported the amount received from the service as contributions but failed to report the portion that was deducted for expenses as contributions. This resulted in Ms. Sawyer failing to report contributions of \$577.39 (Note: the offsetting fee expenses of \$577.39 appear not to have been reported either).

**2. Ms. Sawyer violated T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$2,593 in campaign contributions from ten contributors who contributed in excess of \$100 during the 2016 Second Quarter.**

Ms. Sawyer included \$2,593 in un-itemized contributions that she received from nine individuals and one PAC that should have been itemized during the 2016 Second Quarter reporting period. T.C.A. §2-10-107(a)(2)(A)(i) requires contributions of more than \$100 from one source received during a reporting period to be itemized. The \$2,593 of improperly reported contributions represents approximately 24.4% of the un-itemized contributions reported by Ms. Sawyer on her 2016 Second Quarter Campaign Finance Disclosure Statement

The breakdown of contributions incorrectly reported as unitemized contributions is as follows:

- Three individuals made multiple under \$100 contributions, using the online service, during the reporting period. The aggregate amount for each contributor was over \$100 for the period.
- Two individuals made multiple under \$100 contributions, by check, during the reporting period. The aggregate amount for each contributor was over \$100 for the period.
- Two individuals made multiple under \$100 contributions, the online service and by check, during the reporting period. The aggregate amount for each contributor was over \$100 for the period.
- Two individuals made \$500 contributions during the period and then made additional contributions of under \$100 in the period. The additional amount for each contributor was not reported as an itemized contribution.
- One PAC made contributions of \$250 and \$1,250 during the period. The contributions were included in unitemized contributions.

### **3. Ms. Sawyer failed to maintain contributor data for \$276.13 in contributions.**

Ms. Sawyer did not maintain or obtain sufficient contribution campaign records to verify compliance with all campaign finance statutes for contributions. Ms. Sawyer's records for contributions were contributor lists, deposit detail reports, and the campaign bank statements. Specifically Ms. Sawyer's records are incomplete to verify each contribution to a specific contributor. The various contributor listings provided do not reconcile to the deposited detail records also provided. This is due to not all amounts of the contributions and receipt dates being included in the candidate's listing. The result was the audit could verify checks and most online transactions but was unable to associate the \$60 in cash contributions to any contributors.

The audit was not able to verify all online activity as the listing for one online service indicated the deposit amount of contributions from the service for the period was \$11,065.54. However, the deposit for the period from this service totaled \$11,281.67. The difference is \$216.13. The \$216.13 represents contributions less associated fees that are not included in the candidate's online contributions list. As the candidate's listings are the only source of contributor data for online contributions (beyond the total deposit amounts from the services) and there appears to be not enough contributors listed for this services, the audit cannot associate the \$216.13 in funds to any specific contributor. As noted in Finding 1, the candidate failed to report contributions related to the fee for online contributions. Any additional fees related to the unsupported contributions noted in this finding would also represent additional unreported contributions.

Without the specific contributors' names and amounts for the \$276.13 in contributions noted above, we could not determine Ms. Sawyer's compliance with T.C.A. §2-10-107(a)(2)(A)(i), which requires contributions of more than \$100.00 from one source received during a reporting period to be itemized. In addition, we could not determine compliance with T.C.A. §2-10-302, which establishes limits on contributions to candidates from a person or multicandidate committee (PAC) and T.C.A. §2-10-311(a), which limits cash contributions to \$50.00 per election for each contributor.

### **RECOMMENDATION TO CANDIDATE**

Ms. Sawyer should amend her 2016 Second Quarter Campaign Financial Disclosure Statement to ensure that she reported all contributions received and properly itemized all contributions from individuals who contributed over \$100 during a reporting period. In subsequent reporting or future elections, Ms. Sawyer should maintain contributor data for all campaign contributions received and reconcile the campaign records to her campaign disclosures to ensure all disclosures are complete, accurate and properly supported by the campaign records.

### **RECOMMENDATION TO REGISTRY**

We recommend the Members of the Registry consider the findings for possible further action. We recommend the Registry approve the audit performed as being sufficient and complete. Finally, we recommend the Registry 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 rules, and types of procedures needed to comply with campaign finance laws.

## **RESOLUTIONS**

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### **CANDIDATE'S CORRECTIVE ACTIONS**

After discussing the above finding with Ms. Sawyer, she chose to take corrective action on her report prior to the Registry's approval of the audit. Ms. Sawyer amended her 2016 Second Quarter Campaign Financial Disclosure Statements on September 11, 2017. Summary of the corrections are listed below,

#### ***Correction Action - Finding 1 & 2:***

On her amended 2016 Second Quarter report, Ms. Sawyer decreased un-itemized monetary contributions by \$2,015.61. The entry adds the \$577.39 noted in Finding 1 and removes the \$2,593 in itemized contributions noted in Finding 2

Additionally, she added to itemized contributions nine individual contributions totaling \$1,093. In addition, she added two PAC contributions of \$250 and \$1,250. The additions add the \$2,593 in itemized contribution noted in Finding 2. The corrections properly amend her 2016 Second Quarter report for the contributions noted in Finding 1 and 2.

Finally as noted in the finding 1, the candidate added two itemized expenses totaling \$577.39 (one for \$455.46 the other for \$121.93) that is the offsetting online collection fee expenses.

### **REGISTRY OF ELECTION FINANCE ACTIONS**

The Members of the Registry of Election Finance reviewed the 2016 contribution audit of Ms. Tami (Tamara) Sawyer during the October 11, 2017 regular monthly meeting. The report contained three findings and the corrective action taken by the candidate. Approval and any subsequent actions taken by the board will be documented in the board minutes.