



TENNESSEE REGISTRY OF ELECTION FINANCE

Campaign Finance Audit of Senator Mae Beavers Election Year 2006



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Aug 6, 2008

Members of the Registry of Election Finance
404 James Robertson Parkway, Suite 1614
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Ladies and Gentlemen,

Transmitted herewith are the agreed upon procedures for the campaign finance audit of Senator Mae Beavers' 2006 election campaign for the Senate. This audit was conducted pursuant to the requirements of T.C.A. §2-10-212.

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. 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 Registry'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 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, however, is a matter of public record.

Sincerely,

Jay Moeck, CPA, CFE
Audit Manager

STATE OF TENNESSEE
REGISTRY OF ELECTION FINANCE
Audit Highlights
Senator Mae Beavers
2006 Campaign Finance Audit

AUDIT OBJECTIVES

The objectives of the audit were to determine Senator Mae Beavers' compliance with certain provisions of campaign finance disclosure laws and regulations; compliance with certain provisions of campaign contribution limits laws and regulations; accuracy and completeness of the disclosures on the 2006 Second Quarter, 2006 Pre-Primary, 2006 Third Quarter, 2006 Pre-General, and 2006 Fourth Quarter Campaign Financial Disclosure Statements; and to recommend appropriate actions to correct any deficiencies.

FINDINGS

1. Sen. Beavers understated total contributions received during her 2006 campaign. Sen. Beavers failed to report all contributions she received during her 2006 campaign prior to audit notification. Sen. Beavers failed to report \$5,873.00 or approximately 1% of the campaign's total contributions on any campaign disclosure. The failure to report the contributions is a violation of T.C.A. §2-10-105(a), which states that candidates shall file a statement of all contributions received.

2. Sen. Beavers failed to itemize all contributions from individuals who contributed more than \$100.00 during a reporting period. Sen. Beavers failed to itemize contributions from individuals and organizations who contributed a total amount of more than one hundred dollars (\$100.00) during a reporting period. The seven un-itemized contributions totaling \$748.00 (or less than 1% of itemized contributions reported) were required to be itemized; therefore, Sen. Beavers violated T.C.A. §2-10-107(a)(2)(A)(i).

FINDINGS (Cont.)

3. Sen. Beavers did not follow the Registry rules for bookkeeping. Sen. Beavers did not follow Registry Rule 0530-1-1-.02(8), which states that a candidate should perform reconciliations of the campaign account and records to the financial disclosure statements. Sen. Beavers' campaign account and records showed several inaccuracies on her campaign disclosures, which may not have occurred had the candidate reconciled the campaign account and records to the campaign financial disclosure statements. The inaccuracies resulted in the overstatement of contributions by \$955.00 (less than 1% of the campaign contributions) and the overstatement of expenses by \$3,873.07 (less than 1% of the campaign expenses).

4. Sen. Beavers failed to report all campaign expenditures. Sen. Beavers' campaign records indicated that she disbursed \$7,170.83 from her campaign account; however, she failed to disclose the expenditures on any report. The failure to disclose the expenditures violates T.C.A. §2-10-105(a), which requires the disclosure of all campaign expenses.

5. Sen. Beavers failed to itemize several expenditures to payees who were paid more than \$100.00 during a reporting period. Sen. Beavers failed to report several expenditures pursuant to T.C.A. §2-10-107(a)(2)(B), which requires payments of more than \$100.00 to one source during a reporting period to be itemized. Sen. Beavers improperly reported \$1,085.14 (less than 1% of itemized expenditures reported) of expenditures as un-itemized that were required to be itemized.

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INTRODUCTION

AUDIT AUTHORITY

In February 2006, the Tennessee Legislators and Governor Phil Bredesen enacted the “Comprehensive Governmental Ethics Reform Act of 2006,” which amended Tennessee’s campaign finance disclosure laws and duties of the Registry of Election Finance. The legislation established the audits of campaign disclosure reports. *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(2), which requires the Registry to audit approximately two percent of all candidates for the general assembly.

AUDIT PURPOSE

The Registry’s campaign finance audits were developed 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 general 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 intended 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 reporting 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 disclosures made subsequent to the passage and approval of the Comprehensive Governmental Ethics Reform Act of 2006. The act was approved on February 15, 2006. Therefore, the audit reviewed only Sen. Beavers’ disclosures on her 2006 Second Quarter, 2006 Pre-Primary, 2006 Third Quarter, 2006 Pre-General and 2006 Fourth Quarter Campaign Financial Disclosure Statements.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Sen. Beavers was a candidate in the November 7, 2006 general election for Senate for district 17. Sen. Beavers filed an Appointment of Political Treasurer Statement with the Registry on May 31, 2006 appointing herself as political treasurer.

The candidate's first financial disclosure for the 2006 campaign was the 2006 Annual Supplemental (2003) report filed on February 3, 2004. The candidate's concluding financial disclosure report for the 2006 election was the 2006 fourth quarter report originally filed on January 24, 2007. The 2006 fourth quarter report, dated January 24, 2007, indicated \$10,492.66 in cash on hand, no outstanding obligations, and no outstanding loans. The candidate completed her reporting requirements for the 2006 election campaign as of January 2007 when she transferred her remaining balance to her 2010 election campaign.

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: 2006 Annual Supplemental (2003), 2006 Annual Supplemental (2004), 2006 Annual Supplemental (2005), 2006 first quarter, 2006 second quarter, 2006 pre-primary, 2006 third quarter, 2006 pre-general, and 2006 fourth quarter reports after amendment. As noted in the audit scope, we only audited disclosures from the 2006 second quarter through the 2006 fourth quarter. The amounts displayed are for informational purposes only.

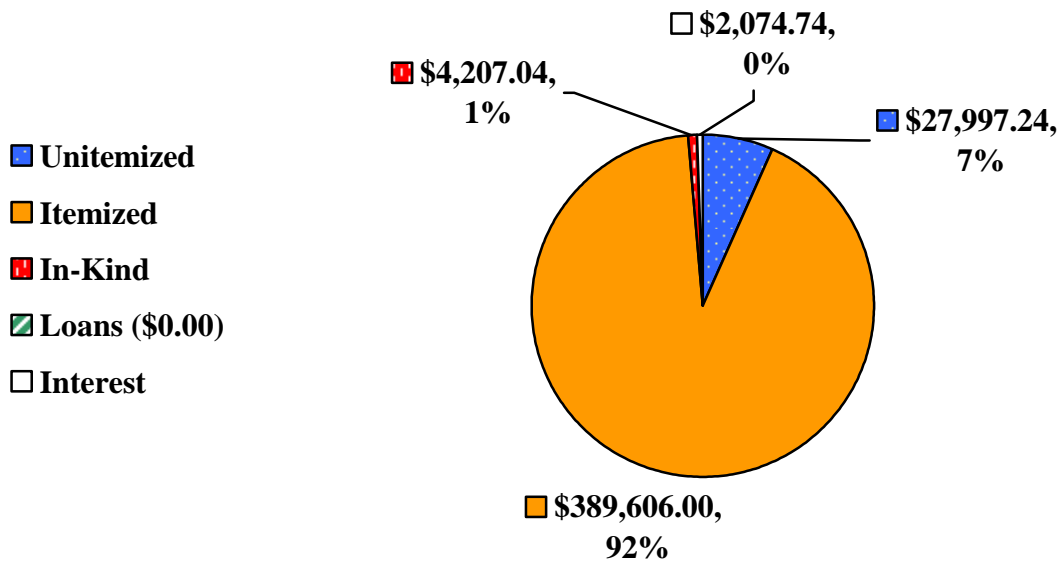
<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at January 1, 2003		\$812.61 1
Receipts		
Itemized	\$389,606.00	
Un-itemized	27,997.24	
Interest	2,074.74	
Loans received	0.00	
Total receipts		<u>\$419,677.98</u>
Disbursements		
Itemized	404,154.70	
Un-itemized	5,843.23	
Loans principal payments	0.00	
Total disbursements		<u>\$409,997.93</u>
Cash on hand at January 15, 2007		<u>\$10,492.66</u>
Loans outstanding at January 15, 2007		\$0.00
Obligations at January 15, 2007		\$0.00
Total in-kind contributions received		\$4,207.04

1 The cash balance at 1/1/2003 is funds transferred from the candidate's prior campaign.

CHARTS

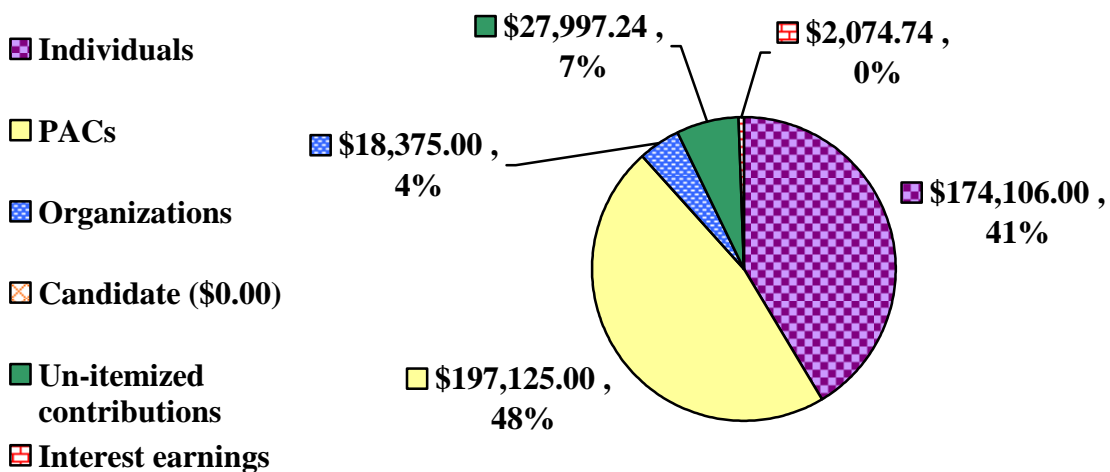
2006 ELECTION CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate for the 2006 election campaign.



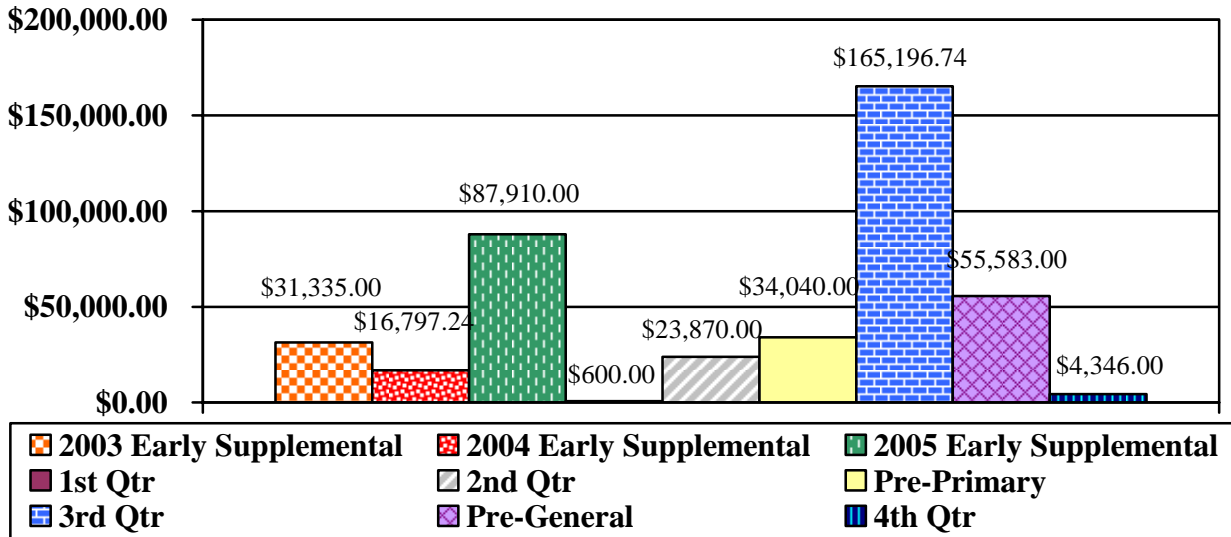
2006 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the monetary contributions reported by the candidate for the 2006 election campaign. Organizations in this chart represent non-profits, individual candidate's campaign funds, or non-incorporated business.



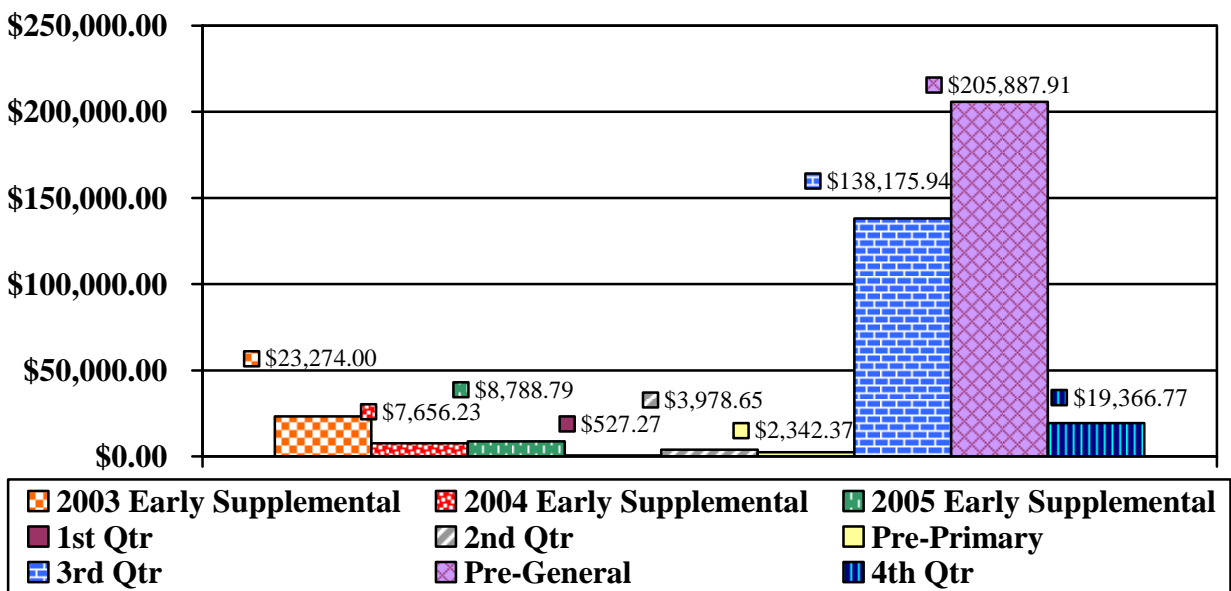
2006 ELECTION CONTRIBUTIONS BY REPORTING PERIOD

The following chart shows the contributions that the candidate reported for the 2006 election campaign by reporting period.



2006 ELECTION EXPENSES BY REPORTING PERIOD

The following chart shows the expenses that the candidate reported for the 2006 election campaign by reporting period.



OBJECTIVES, METHODOLOGIES, CONCLUSIONS

CONTRIBUTIONS AND RECEIPTS

Audit Objectives:

The objectives of our audit of contributions and loans 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;
- 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 interest and other investment earnings received were reported, reported in the proper period, and supported by bank or investment statements;
- loans received were reported to the Registry, 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
- loans received from lending institutions were supported by loan agreements.

Audit Methodology:

The Registry obtained Sen. Beavers' 2006 Campaign Financial Disclosure Statements from April 1, 2006 to January 15, 2007. We requested Sen. Beavers to provide her campaign records to support all contributions, loans, and interest that she received during her 2006 election campaign. Sen. Beavers' campaign records for contributions included bank statements, deposit slip copies, and copies of contribution checks. The following steps were performed on Sen. Beavers' campaign documentation:

- The documentation was reviewed to determine if the candidate's contributions received from April 1, 2006 thru January 15, 2007 totaled \$280,961.00.

- A list of 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 contributions by contributor was prepared and compared to the candidate's itemized contributions reported during the election to determine if campaign contributions from individuals and PACs complied with campaign contribution limits, T.C.A. §2-10-301, et seq.
- Contributions lists and bank statements were reviewed to determine if all contributions were reported, all receipts received were reported, all contributions were reported in the proper period, all contributions were reported in compliance with T.C.A. §§2-10-105 and 2-10-107, and all contributions were in compliance with the Registry's rules.
- The candidate's campaign records were reviewed to determine if the candidate in-kind contributions from April 1, 2006 thru January 15, 2007 totaled \$1,907.04.
- The candidate's campaign records were reviewed to determine if the candidate received interest from April 1, 2006 thru January 15, 2007 totaled \$2,074.74.
- A schedule of interest earnings was prepared from the candidate's campaign disclosures and compared to the candidate's bank statements to determine if all interests and investment earnings received were reported and reported in the proper period.

Audit Conclusion:

Sen. Beavers' 2006 Campaign Financial Disclosure Statements from April 1, 2006 to January 15, 2007 consisted of the 2006 second quarter, 2006 pre-primary, 2006 third quarter, 2006 pre-general, and 2006 fourth quarter reports. Sen. Beavers' campaign records indicated that she failed to report \$5,873.00 in campaign contributions that she received during the audit period. (Finding 1) In addition, Sen. Beavers failed to itemize contributions from individuals and/or organizations who contributed a total amount of more than one hundred dollars (\$100.00) during a reporting period in violation of T.C.A. §2-10-107(a)(2)(A)(i). (Finding 2) Sen. Beavers' campaign records had several discrepancies in contributions and expenses that resulted in an overstatement of \$955.00 in campaign contributions. The discrepancies indicated that Sen. Beavers did not reconcile her bank accounts and campaign records to her campaign disclosure statements, which is a violation of Registry rules. (Finding 3) Finally, Sen. Beavers did not properly maintain campaign records for un-itemized cash contributions. (Finding 4) The campaign records indicated that Sen. Beavers received \$2,074.74 in interest from April 1, 2006 to January 15, 2007. Sen. Beavers' campaign records and disclosures indicated that she reported contributions except as noted in the findings in compliance with campaign finance limits and in compliance with campaign finance laws. Sen. Beavers reported no loan contributions from April 1, 2006 to January 15, 2007.

FINDINGS

1. Sen. Beavers understated total contributions received during her 2006 campaign.

Sen. Beavers failed to report all contributions that she received during her 2006 campaign prior to audit notification. The campaign records indicated the following contributions were not reported prior to audit notification:

- An individual's \$250.00 contribution received during the third quarter reporting period.
- A PAC's \$1,000.00 contribution received during the pre-general reporting period.
- An individual's \$1,000.00 contribution received during the pre-general reporting period.
- A second individual's \$1,000.00 contribution received during the pre-general reporting period.
- A PAC's \$1,000.00 contribution received during the fourth quarter reporting period.
- An individual's \$1,000.00 contribution received during the fourth quarter reporting period.
- An individual's \$250.00 contribution received during the fourth quarter reporting period.
- Un-itemized contributions from individuals totaling \$373.00 during the fourth quarter reporting period.

The failure to report these contributions resulted in contributions for the campaign to be understated by \$5,873.00 (approximately 1% of the campaign's total contributions). Sen. Beavers' failure to report these contributions violated T.C.A. §2-10-105(a), which states that candidates shall file a statement of all contributions received.

2. Sen. Beavers failed to itemize all contributions from individuals who contributed more than \$100.00 during a reporting period.

Sen. Beavers did not itemize all contributions from individuals and organizations who contributed a total amount of more than one hundred dollars (\$100.00) during a reporting period.

- The candidate reported an itemized contribution of \$100.00 from an individual on her third quarter report. She reported an additional \$50.00 contribution from the same individual on her third quarter report as an un-itemized contribution.

- The candidate reported an itemized contribution of \$250.00 from an individual on her third quarter report. She reported an additional \$100.00 contribution from the same individual on her third quarter report as an un-itemized contribution.
- The candidate reported an itemized contribution of \$500.00 from an individual on her pre-general report. She reported an additional \$50.00 contribution from the same individual on her pre-general report as an un-itemized contribution.
- The candidate reported an itemized contribution of \$150.00 from a non-incorporated business on her pre-general report. She reported an additional \$50.00 contribution from the same business on her pre-general report as an un-itemized contribution.
- The candidate reported two un-itemized contributions of \$99.00 from an individual during the pre-general reporting period.
- The candidate reported an un-itemized contribution of \$300.00 from an individual during the fourth quarter reporting period.

The seven un-itemized contributions totaling \$748.00 (less than .2% of itemized contributions reported) were required to be itemized; therefore, Sen. Beavers violated 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. The itemized information for each contributor must include name, address, occupation, employer, date of receipt, and amount of the contribution.

3. Sen. Beavers did not follow the Registry rules for bookkeeping.

Sen. Beavers did not follow Registry rules for bookkeeping. Although not required by statute, the Registry has developed guidance for candidates for maintaining the records of campaign activities. This guidance is not the sole method for maintaining records and does not include all variations of campaign activities; however, if the candidate had followed the guidance, she may have averted the findings noted above. The candidate did not implement Registry Rule 0530-1-1-.02(8), which states that a candidate should perform bank reconciliations that reconcile the bank account and the campaign records to the financial disclosure statements.

Failure to reconcile bank accounts to disclosure statements may result in inaccurate disclosures. Sen. Beavers' campaign records indicated several discrepancies on her campaign disclosures which may not have occurred had the candidate performed the reconciliation. The following discrepancies related to contributions were noted:

- The candidate failed to report \$400.00 in contributions received during the pre-primary reporting period. The candidate received a \$2,000.00 check from a couple contributing \$1,000.00 each for the general election. The candidate reported \$1,600.00 in contributions from the couple on her report.

- The candidate failed to report \$25.00 in contributions received during the third quarter reporting period. The candidate received a \$125.00 check from an individual; however, she reported the contribution as \$100.00 on her report.
- The candidate double reported a \$500.00 adjustment from a PAC contribution received during the third quarter reporting period.
- The candidate double reported a \$200.00 contribution from an individual by reporting the contribution under both names on the check header.
- The candidate over reported a contribution by \$900.00 on her pre-primary disclosure report. The candidate received a \$100.00 check from an individual; however, she disclosed the contribution as \$1,000.00 on her report.
- The candidate understated the un-itemized contributions on her second quarter report by \$270.00. In addition, the candidate overstated her un-itemized contributions on her pre-primary report by \$280.00, her third quarter report by \$710.00, and her pre-general report by \$60.00.

In addition to the discrepancies related to contributions, Sen. Beavers' failure to perform a reconciliation resulted in errors when she reported expenses. The following discrepancies related to expenses were noted:

- The candidate paid a vendor \$585.00 but reported the expense as \$575.00 resulting in a \$10.00 understatement in campaign expenses on her third quarter report.
- The candidate paid a vendor \$47.00 but reported the expense as \$49.56 resulting in a \$2.56 overstatement in campaign expenses on her third quarter report.
- The candidate paid a vendor \$780.00 but reported the expense as \$772.20 resulting in a \$7.80 understatement in campaign expenses on her pre-general report.
- The candidate paid a vendor \$75.00 but reported the expense as \$80.00 resulting in a \$5.00 overstatement in campaign expenses on her pre-general report.
- The candidate double reported three vendor payments resulting in a \$3,670.06 overstatement in campaign expenses on her fourth quarter report.
- The candidate double reported un-itemized expenses by reporting the expenses on both the second and fourth quarter reports resulting in a \$149.00 overstatement in campaign expenses.
- The candidate double reported un-itemized expenses by reporting the expenses on both the first and second quarter reports resulting in a \$64.25 overstatement in campaign expenses.

Due to the contribution discrepancies above, Sen. Beavers' overstated her 2006 campaign contributions by \$955.00 (approximately .02% of the candidate's 2006 campaign contributions). Due to the expense discrepancies above, Sen. Beavers' overstated her 2006 campaign expenses by \$3,873.07 (less than 1% of the candidate's 2006 campaign expenses). If Sen. Beavers had reconciled the bank accounts and the campaign records to the financial disclosure statements, she may have averted these discrepancies.

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, reported in compliance with T.C.A. §§2-10-107 and 2-10-114, and reported in compliance with the Registry rules.

Audit Methodology:

The Registry obtained Sen. Beavers' 2006 Campaign Financial Disclosure Statements from April 1, 2006 to January 15, 2007. We requested Sen. Beavers to provide her campaign records to support all expenses that she had during her 2006 election campaign. Sen. Beavers' campaign records for expenses included bank statements with cancelled checks, vendor receipts, billing statements, invoices, and other supporting documentation. The following steps were performed on Sen. Beavers' campaign documentation:

- The documentation was reviewed to determine if the candidate's disbursements from April 1, 2006 thru January 15, 2007 totaled \$409,997.93.
- A list of disbursements was prepared and compared to the candidate's bank statements and copies of cleared checks to determine if the candidate expended all funds from the campaign bank account.
- The list of disbursements and bank statements were reviewed to determine if all expenses were reported, reported in the proper period, reported in compliance with T.C.A. §§2-10-107 and 2-10-114, and in compliance with the Registry's rules.

Audit Conclusion:

As outlined in Finding 3, Sen. Beavers did not follow Registry Rule 0530-1-1-.02(8) for performing reconciliations between her bank account and her financial disclosure statements. As a result, Sen. Beavers overstated campaign expenses by \$3,873.07. In addition, Sen. Beavers' failed to report \$7,170.83 in campaign expenses disbursed from April 1, 2006 to January 15, 2007. (Finding 5) Sen. Beavers' disclosures and campaign records indicated that she failed to itemize all expenses to payees who she paid more than \$100.00 during a reporting period. (Finding 6) Finally, the campaign records and disclosures indicated that all expenses, except those noted in the findings, complied with campaign finance laws. Sen. Beavers reported no obligations or loan payments from April 1, 2006 to January 15, 2007.

FINDINGS

4. Sen. Beavers failed to report all of her campaign expenditures.

Sen. Beavers failed to report all expenses that she incurred during her 2006 campaign prior to audit notification. The campaign records indicated that the candidate failed to report the following expenses:

- A \$962.15 telephone expense paid on July 21, 2006 was not reported on the 2006 pre-primary report.
- A \$37.59 food & beverage expense paid on August 5, 2006 was not reported on the 2006 third quarter report.
- A \$50.00 donation expense paid on August 22, 2006 was not reported on the 2006 third quarter report.
- A \$17.00 subscription expense paid on September 8, 2006 was not reported on the 2006 third quarter report.
- A \$90.00 donation expense paid on September 26, 2006 was not reported on the 2006 third quarter report.
- A \$64.00 computer expense paid on July 27, 2006 was not reported on the 2006 third quarter report.
- A \$500.00 campaign worker expense paid on August 31, 2006 was not reported on the 2006 third quarter report.
- A \$2,212.69 campaign signs expense paid on September 26, 2006 was not reported on the 2006 third quarter report.
- A \$22.40 fuel expense paid by reimbursement during the fourth quarter was not reported.

- A \$3,215.00 radio advertising expense paid on November 3, 2006 was not reported on the 2006 fourth quarter report.

Sen. Beavers did not report the expenditures totaling \$7,170.83 on her campaign financial disclosure statements. The failure to report these expenditures violated T.C.A. §2-10-105(a), which requires a candidate to prepare a statement of all expenditures made by or on behalf of the candidate.

5. Sen. Beavers failed to itemize several expenditures to payees who were paid more than \$100.00 during a reporting period.

Sen. Beavers failed to report several expenditures pursuant to T.C.A. §2-10-107(a)(2)(B), which requires payments of more than \$100.00 in total to one source during a reporting period to be itemized. The itemized expenditures must include the name, address, amount paid to the source, and the purpose of the payment that clearly identifies that the expenditure was allowable. Sen. Beavers did not properly itemize the following expenditures:

- Sen. Beavers reported two itemized expenditures totaling \$1,159.20 to a vendor on her pre-general report. She reported an additional expenditure of \$25.00 to the same vendor on her pre-general report as an un-itemized expenditure.
- Sen. Beavers reported an un-itemized expenditure of \$47.00 to a vendor on her pre-general report. She had an additional expenditure of \$64.00 to the same vendor that was not reported but paid in the same period (See bullet point 6 of finding 5). As a result, the candidate paid the vendor \$111.00 during the pre-general reporting period.
- Sen. Beavers reported several un-itemized gas purchases under various category names on her fourth quarter report. The disclosures included several expenses paid to the same vendors. Sen. Beavers paid four vendors more than \$100.00 each, which totaled \$949.14. In addition, Sen. Beavers failed to report a gas purchase for \$22.40 that she paid to one of the four vendors during the same reporting period (See bullet point 9 of finding 5).

Sen. Beavers improperly reported expenditures of \$1,085.14 (approximately .2% of itemized expenditures reported) as un-itemized that were required to be itemized.

RECOMMENDATION TO CANDIDATE

Sen. Beavers should amend her campaign financial disclosure reports to include all campaign contributions and expenditures received and disbursed during her campaign. Sen. Beavers should amend her reports to ensure that she reported all individuals that contributed more than \$100.00 during each reporting period as itemized. Sen. Beavers should amend her reports to ensure that she reported all disbursements to a source that received more than \$100.00 during each reporting period as itemized. For future elections, the candidate should develop a campaign record-keeping system that adequately meets the requirements of the campaign financial disclosure statutes. The system should ensure that documentation is obtained and maintained for each contributor. Finally, the candidate should reconcile the campaign bank account to the campaign disclosure statements to ensure that all campaign finance activities are properly recorded and reported.

RECOMMENDATION TO REGISTRY

We recommend the Registry approve the audit performed as being sufficient and complete. Additionally, we recommend the Registry post the audit report to the Registry's website. 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

CANDIDATE'S CORRECTIVE ACTIONS

Subsequent to audit notification or notifying Sen. Beavers of the above errors and findings, she chose to take corrective actions on her reports prior to the Registry's approval of the audit. Sen. Beavers amended her 2006 Second Quarter, Pre-Primary, Third Quarter, Pre-General, and Fourth Quarter Campaign Financial Disclosure Statements.

Corrective Actions - Finding 1:

Sen. Beavers amended her campaign disclosures by adding the \$5,873.00 in total contributions that she failed to initially report. The current amended reports properly disclosed contributions received during the reporting period and corrected the errors noted in finding 1. Sen. Beavers amended her reports as follows:

- She amended her third quarter report by adding an itemized contribution of \$250.00 from an individual.
- She amended her pre-general report by adding an itemized contribution of \$1,000.00 from a PAC.
- She amended her pre-general report by adding two itemized contributions of \$1,000.00 from two individuals.
- She amended her fourth quarter report by adding an itemized contribution of \$1,000.00 from a PAC.
- She amended her fourth quarter report by adding an itemized contribution of \$1,000.00 from an individual.
- She amended her fourth quarter report by adding an itemized contribution of \$250.00 from an individual.
- She amended her fourth quarter report by adding \$373.00 in un-itemized contributions.

Corrective Actions - Finding 2:

Sen. Beavers moved \$748.00 from un-itemized contributions to itemized contributions. The current amended reports properly disclosed these contributions and corrected the errors noted in finding 2. Sen. Beavers amended her reports as follows:

- On the amended third quarter report, Sen. Beavers moved \$150.00 from un-itemized contributions to itemized contributions by removing \$150.00 from un-itemized contributions and adding two itemized contributions from two individuals. The itemized contribution amounts were \$50.00 and \$100.00.
- On the amended pre-general report, Sen. Beavers moved \$298.00 from un-itemized contributions to itemized contributions by removing \$298.00 from un-itemized contributions and adding four itemized contributions. The itemized contributions were as follows: one \$50.00 contribution from an individual, one \$50.00 contribution from a business, and two \$99.00 contributions from two individuals.
- On the amended fourth quarter report, Sen. Beavers moved \$300.00 from un-itemized contributions to itemized contributions by removing \$300.00 from un-itemized contributions and adding a \$300.00 itemized contribution from an individual.

Corrective Actions - Finding 3:

Sen. Beavers amended her campaign disclosures to correct various errors resulting in a \$955.00 reduction in total contributions. The current amended reports properly disclosed the errors noted in finding 3. Sen. Beavers amended her reports as follows:

- She amended her pre-primary report by increasing two itemized contributions by \$200.00 from two individuals.
- She amended her third quarter report by increasing an itemized contribution by \$25.00 from an individual.
- She amended her third quarter report by removing the PAC adjustment of \$500.00.
- She amended her third quarter report by removing an incorrectly reported \$200.00 contribution from an individual.
- She amended her pre-primary report by decreasing an itemized contribution by \$900.00 from an individual.
- She amended her second quarter report by adding \$270.00 to un-itemized contributions, her pre-primary report by removing \$280.00 in un-itemized contributions, her third quarter report by removing \$710.00 in un-itemized contributions, and her pre-general report by removing \$60.00 in un-itemized contributions.

Corrective Actions - Finding 4:

Sen. Beavers amended her campaign disclosures by adding the \$7,170.83 in expenditures that she initially failed to report. The current amended reports properly disclosed the errors noted in finding 4. Sen. Beavers amended her reports as follows:

- Sen. Beavers amended her pre-primary report by adding an itemized expenditure of \$962.15 for a telephone expense.
- Sen. Beavers amended her third quarter report by adding an un-itemized expenditure of \$37.59 for food and beverages.
- Sen. Beavers amended her third quarter report by adding an un-itemized expenditure of \$50.00 for donations.
- Sen. Beavers amended her third quarter report by adding an un-itemized expenditure of \$17.00 for subscriptions.
- Sen. Beavers amended her third quarter report by adding an un-itemized expenditure of \$90.00 for donations/trophies.
- Sen. Beavers amended her fourth quarter report by adding an itemized expenditure of \$64.00 for computer payments.
- Sen. Beavers amended her third quarter report by adding an itemized expenditure of \$500.00 for campaign worker's salary.
- Sen. Beavers amended her third quarter report by adding an itemized expenditure of \$2,212.69 for campaign signs.
- Sen. Beavers amended her fourth quarter report by adding an itemized expenditure of \$22.40 for fuel.
- Sen. Beavers amended her fourth quarter report by adding an itemized expenditure of \$3,215.00 for radio advertising.

Corrective Actions - Finding 5:

Sen. Beavers moved \$1,085.14 from un-itemized expenditures to itemized expenditures. The current amended reports properly disclosed these contributions and corrected the errors noted in finding 5. Sen. Beavers amended her reports as follows:

- On her amended pre-general report, Sen. Beavers moved \$89.00 from un-itemized expenditures to itemized expenditures by removing \$89.00 from un-itemized expenditures and adding a \$25.00 and \$64.00 itemized expenditure to two vendors.

- On her amended fourth quarter report, Sen. Beavers moved \$949.14 from un-itemized expenditures to itemized expenditures by removing \$949.14 from the multiple un-itemized expenditure categories and adding \$949.14 in itemized expenditures to multiple vendors.

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance reviewed the 2006 campaign finance audit of Sen. Mae Beavers during the August 13, 2008 regular monthly meeting. The report contained five findings for corrective actions. The Registry voted to accept and approve the audit report with no further action.