



TENNESSEE REGISTRY OF ELECTION FINANCE

**Contribution Audit of
Mickey Layne's
2014 Pre-General Campaign Finance Disclosure**



Audit Team:

Jay Moeck, CPA, CFE
Audit Director

STATE OF TENNESSEE



BUREAU OF ETHICS AND CAMPAIGN FINANCE
REGISTRY OF ELECTION FINANCE
404 JAMES ROBERTSON PARKWAY, SUITE 104
NASHVILLE, TN 37243-1360
(615) 741-7959
Fax: (615) 532-8905

BOARD MEMBERS
Patricia Heim, Nashville, Chairperson
Norma Lester, Memphis, Secretary
Kent Coleman, Murfreesboro
Henry Fincher, Cookeville
Tom Lawless, Nashville
Justin Pitt, Franklin

EXECUTIVE DIRECTOR
Drew Rawlins

December 10, 2014

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 Mr. Mickey Layne's 2014 Pre-General Campaign Financial Disclosure Statement for the 2014 election campaign for District Attorney, District 14. 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

Mr. Mickey Layne
2014 Pre-General Contribution Audit

AUDIT OBJECTIVES

The objectives of the audit were to determine Mr. Mickey Layne'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 his 2014 Pre-General Campaign Financial Disclosure Statement; and to recommend appropriate actions to correct any deficiencies.

FINDING(S)

The audit report contains no findings.

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION	
Audit Authority	1
Audit Purpose	1
Audit Scope	1
CAMPAIGN OVERVIEW	
Campaign Organization	2
Overview of Financial Activities	2
CHARTS	
2014 Pre-General Campaign Contributions	3
2014 Election Contributions by Source	3
OBJECTIVES, METHODOLOGIES, CONCLUSIONS	
Contributions and Receipts	4
RESOLUTIONS	
Registry of Election Finance Actions	6

INTRODUCTION

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 disclosures on Mr. Layne's 2014 Pre-General report.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Mr. Mickey Layne was a candidate in the August 7, 2014 general election for District Attorney, District 14. Mr. Layne filed an Appointment of Political Treasurer Statement with the Registry on April 4, 2013 appointing Heather Black as political treasurer.

The candidate's first financial disclosure for the 2014 campaign was the 2013 Early Mid-Year Supplemental report filed on July 3, 2013. The candidate's latest financial disclosure report for the 2014 election was the 2014 Third Quarter report filed on October 9, 2014. The 2014 Third Quarter report indicated \$203.88 cash on hand, no outstanding obligations and no outstanding loans. The candidate has not completed his 2014 election campaign reporting requirements. The candidate's next report will be the 2014 Fourth Quarter report due January 26, 2015.

OVERVIEW OF FINANCIAL ACTIVITIES

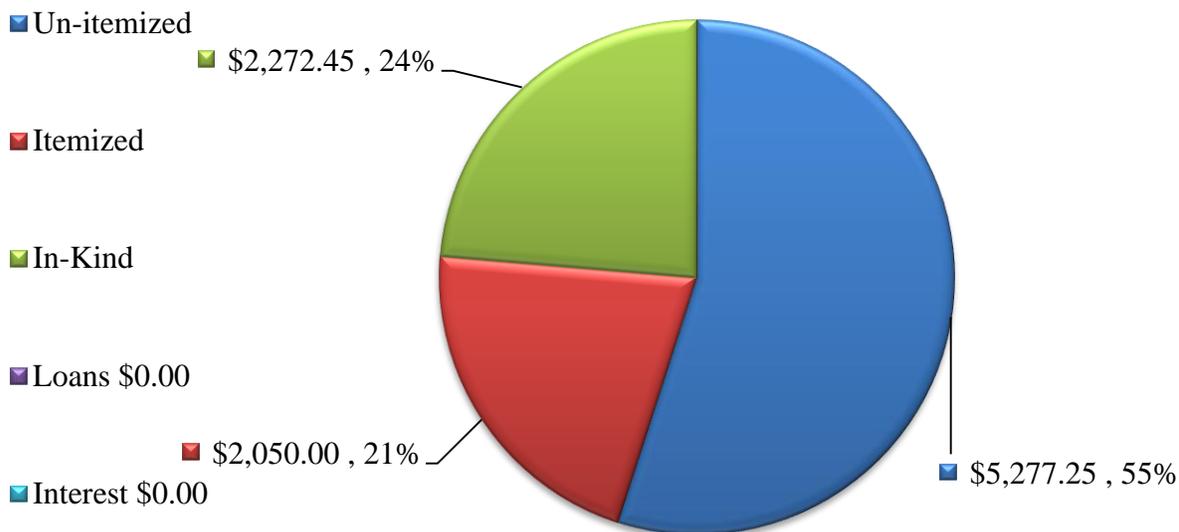
The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure reports: 2013 Early Mid-Year Supplemental, 2013 Early Year-End Supplemental, 2014 First Quarter, 2014 Pre-Primary, 2014 Second Quarter, 2014 Pre-General and 2014 Third Quarter reports. As noted in the audit scope, we only audited un-itemized contributions from disclosures for the 2014 Pre-General report. The amounts displayed are for informational purposes only.

<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at April 4, 2013		\$0.00
Receipts		
Un-itemized	\$5,877.25	
Itemized	13,100.00	
Interest	0.00	
Loans received	0.00	
Total receipts		<u>\$18,977.25</u>
Disbursements		
Un-itemized	105.89	
Itemized	18,667.48	
Loans principal payments	0.00	
Total disbursements		<u>\$18,773.37</u>
Cash on hand at September 30, 2014		<u>\$203.88</u>
Loans outstanding at September 30, 2014		\$0.00
Obligations at September 30, 2014		\$0.00
Total in-kind contributions received		\$2,272.45

CHARTS

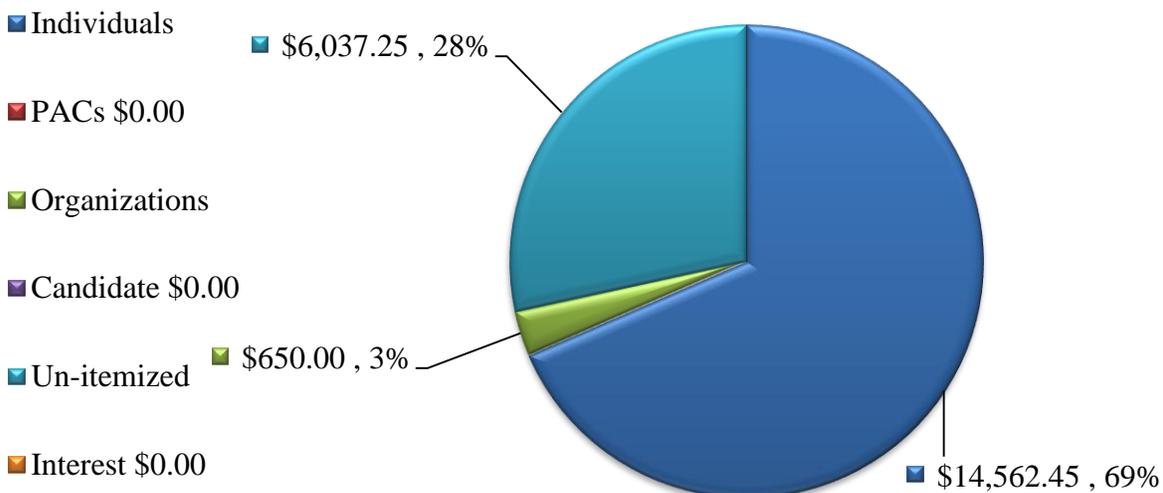
2014 PRE-GENERAL CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate in the 2014 Pre-General report.



2014 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the contributions reported by the candidate for the 2014 election campaign through the 2014 Third Quarter disclosure report. Organizations in this chart represent non-profit organizations, non-PAC campaign organizations, or businesses.



OBJECTIVES, METHODOLOGIES, CONCLUSIONS

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 Mr. Layne's 2014 Pre-General 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 Mr. Layne provide supporting documentation for the un-itemized contributions of \$5,437.25 that he reported on his 2014 Pre-General report. The candidate's campaign records included bank statements, deposit receipts, copies of checks, in-kind donor letters and contributor lists. The following steps were performed on Mr. Layne's campaign documentation:

- The campaign records were reviewed to determine if the candidate's un-itemized monetary contributions received from July 1, 2014 thru July 28, 2014 totaled \$5,277.25 and in-kind contribution of \$160.
- 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:

Mr. Mickey Layne's 2014 Pre-General Campaign Financial Disclosure Statement reported un-itemized contributions were greater than \$5,000.00 and 30% of the total contributions. The audit indicated all reported un-itemized monetary contributions were deposited into the campaign bank account. The audit indicated the reported un-itemized contributions complied with campaign finance laws and Registry rules.

RESOLUTIONS

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance reviewed the 2014 contribution audit of Mr. Mickey Layne during the December 10, 2014 regular monthly meeting. The report contained no findings. The Registry voted to accept and approve the audit report with no further action.