



**TENNESSEE REGISTRY OF ELECTION FINANCE**

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**Contribution Audit of  
Senator Katrina Robinson's  
2017 Early Year-End Supplemental and 2018 First Quarter  
Campaign Finance Disclosure**



# STATE OF TENNESSEE



## BUREAU OF ETHICS AND CAMPAIGN FINANCE REGISTRY OF ELECTION FINANCE

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June 12, 2019

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

Registry Members,

Transmitted herewith is the agreed upon procedures for the unitemized contribution audit of Senator Katrina Robinson's 2017 Early Year-End Supplemental and 2018 First Quarter Campaign Financial Disclosure Statement for Senate District 33. 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 public record.

Sincerely,

Jay Moeck, CPA, CFE  
Audit Director

STATE OF TENNESSEE  
REGISTRY OF ELECTION FINANCE

**Audit Highlights**

Senator Katrina Robinson

2017 Early Year-End Supplemental & 2018 First Quarter Contribution Audit

**AUDIT OBJECTIVES**

The objectives of the audit were to determine Senator Katrina Robinson'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 unitemized contribution disclosures on her 2017 Early Year-End Supplemental and 2018 First Quarter Campaign Financial Disclosure Statements; and to recommend appropriate actions to correct any deficiencies.

**FINDING(S)**

- 1. Senator Katrina Robinson violated T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$650 in campaign contributions from five contributors who contributed in excess of \$100 during a reporting period.**
- 2. Senator Katrina Robinson violated T.C.A. § 2-10-105(f) by failing to maintain sufficient contributor data for \$1,188 in contributions.**

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## **INTRODUCTION**

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### **AUDIT AUTHORITY**

*Tennessee Code Annotated* (T.C.A.) §§2-10-207 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 a candidate's campaign financial disclosure statement if the unitemized contributions exceed \$5,000 and account for more than 30% of total contributions during a reporting period.

### **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 Katrina Robinson's 2017 Early Year-End Supplemental and 2018 First Quarter reports.

## CAMPAIGN OVERVIEW

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### CAMPAIGN ORGANIZATION

Katrina Robinson was a candidate in the November 6, 2018 general election for Senate District 33. Ms. Robinson filed an Appointment of Political Treasurer Statement with the Registry on November 16, 2017 appointing Taurus Currie as political treasurer.

Katrina Robinson's first financial disclosure for the 2018 campaign was the 2017 Early Year-End Supplemental report filed on January 31, 2018. The candidate's latest financial disclosure report was the 2018 Fourth Quarter report filed on January 25, 2019. The 2018 Fourth Quarter report indicated \$18,888.15 cash on hand, no outstanding obligations and no outstanding loans. The candidate has not completed her 2018 election campaign reporting requirements.

### OVERVIEW OF FINANCIAL ACTIVITIES

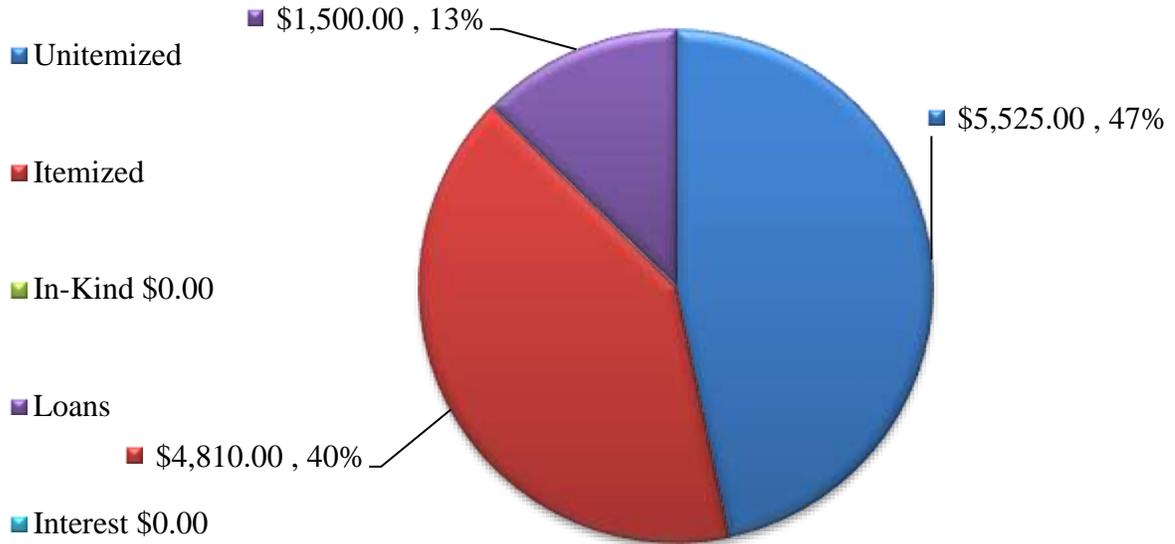
The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure reports: 2017 Early Year-End Supplemental, 2018 First Quarter, 2018 Second Quarter, and 2018 Pre-Primary reports. As noted in the audit scope, we only audited unitemized contributions from disclosures for the 2017 Early Year-End Supplemental and 2018 First Quarter reports. The amounts displayed are for informational purposes only.

<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at November 16, 2017		\$0.00
Receipts		
Unitemized	\$19,106.82	
Itemized	46,408.00	
Loans received	1,500.00	
Interest	0.00	
Total receipts		<u>\$67,014.82</u>
Disbursements		
Unitemized	7,501.20	
Itemized	40,638.46	
Loans principal payments	0.00	
Total disbursements		<u>\$48,139.66</u>
Cash on hand at July 23, 2018		<u>\$18,875.16</u>
Loans outstanding at July 23, 2018		\$1,500.00
Obligations July 23, 2018		\$0.00
Total in-kind contributions received		\$2,123.97

## CHARTS

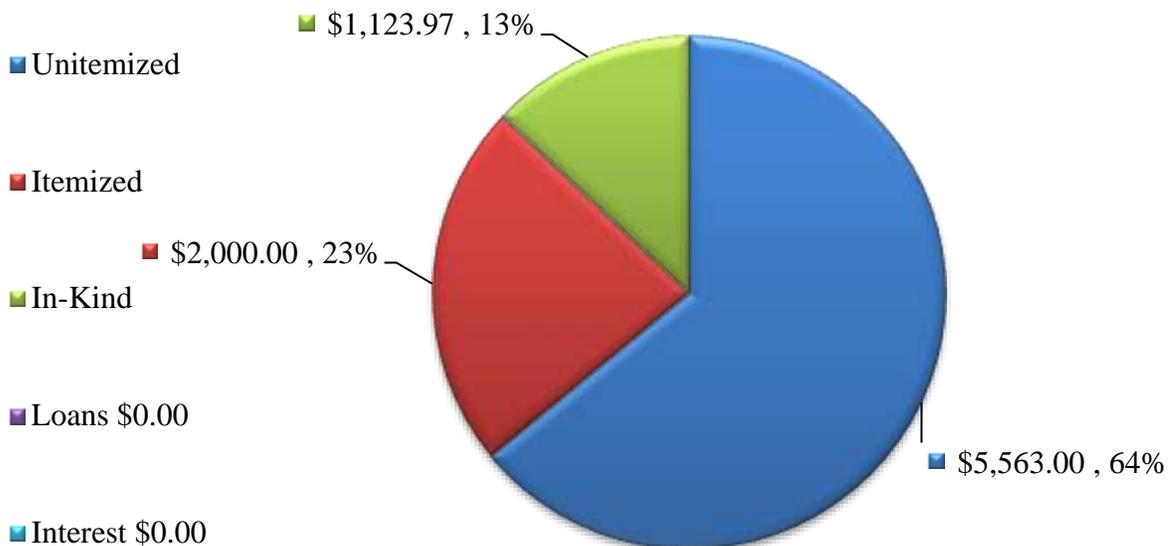
### 2017 EARLY YEAR-END SUPPLEMENTAL CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate in the 2017 Early Year-End Supplemental report.



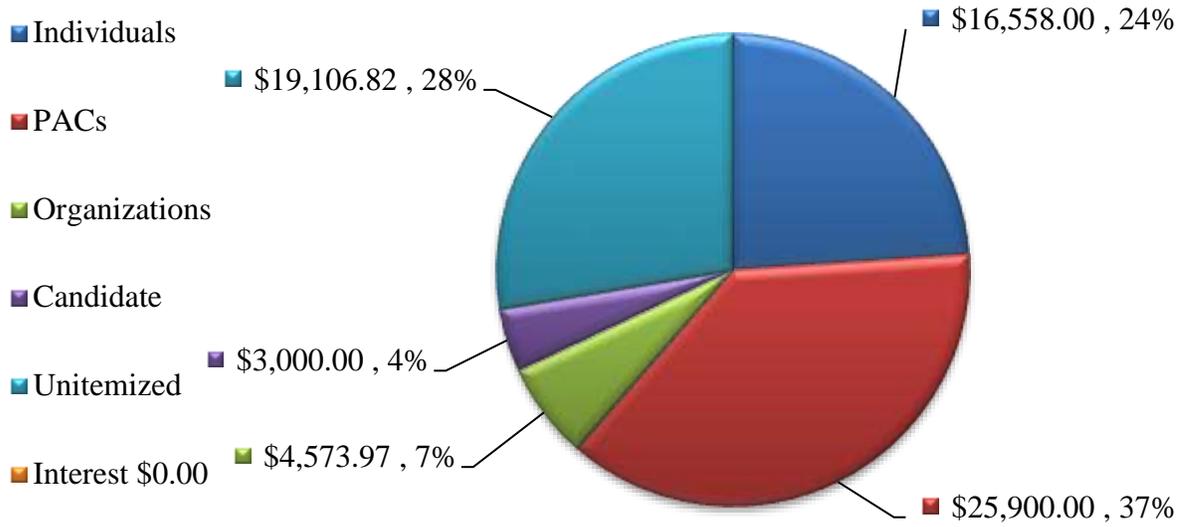
### 2018 FIRST QUARTER CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate in the 2018 First Quarter report.



## 2017 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the contributions reported by the candidate for the 2018 election campaign through the 2018 Pre-Primary disclosure report. 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 unitemized 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 Katrina Robinson's 2017 Early Year-End Supplemental and 2018 First Quarter Campaign Financial Disclosure Statements to verify that the unitemized contributions were greater than \$5,000.00 and 30% of the total contributions reported. We requested Sen. Robinson provide supporting documentation for the unitemized contributions of \$5,525 that she reported on her 2017 Early Year-End Supplemental and the \$5,563 reported on her 2018 First Quarter. The candidate's campaign records included bank statements, copies of checks, and contribution listings. The following steps were performed on Sen. Robinson's campaign documentation:

- The campaign records were reviewed to determine if the candidate's unitemized contributions received from November 16, 2017 thru January 15, 2018 totaled \$5,525.
- The campaign records were reviewed to determine if the candidate's unitemized contributions received from January 16, 2018 thru March 31, 2018 totaled \$5,563.
- A list of unitemized contributions for each period 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 unitemized contributions by contributor for each period 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 unitemized contributions list for each period 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:***

Senator Katrina Robinson's 2017 Early Year-End Supplemental Campaign Financial Disclosure Statement reported unitemized contributions greater than \$5,000.00 and 30% of the total contributions. The audit indicated Sen. Robinson reported \$5,525 in unitemized contributions on the amended 2017 Early Year-End report submitted on February 6, 2018. Sen. Robinson amended her 2017 Early Year-End report on April 4, 2018, after the audit notice, and reported unitemized contributions of \$5,573. The audit determined the campaign received \$5,573 in contributions during the 2017 Early Year-End reporting period. The \$5,573 amount indicates the candidate failed to report \$48 in contributions prior to audit notice. No detailed finding is being reported for the failure to report the \$48 as the error represents less than 1% of the contributions received and the Sen. Robinson's April 4, 2018 amended report corrects the disclosure.

Senator Katrina Robinson's 2018 First Quarter Campaign Financial Disclosure Statement also reported unitemized contributions greater than \$5,000.00 and 30% of the total contributions. The audit indicated Sen. Robinson reported \$5,563 in unitemized contributions on the amended 2018 First Quarter report submitted on April 30, 2018. The audit determined the campaign received \$5,558 in contributions during the 2018 First Quarter reporting period. The \$5 difference appears to be an overstatement of an online contribution resulting from a miscalculation in the candidate spreadsheets used to prepare the report. No detailed finding is reported for the overstating contributions as the error represents less than 1% of the contributions received and was correct by the candidate after request of the Registry audit staff.

The campaign records also indicated Sen. Robinson failed to itemize \$650 in contributions from five contributors who contributed in excess of \$100 during the 2018 First Quarter reporting period (Finding 1). The campaign records also indicate the candidate maintained no records to support the contributors for \$955 in cash contributions (Finding 2). Relatedly, the records are insufficient to identify the contributor for \$33 in contributions collected using an online service (Finding 2). The campaign records appear to indicate that \$200 was received from an online service but the only record provided of the contributions and contributor is a candidate prepared list, there is no record to show the funds were received by the online service or ever deposited into the campaign account (Finding 2). The campaign records indicated that a contributor gave two separate cash donations that in aggregate total \$125, which is \$25 over the cash contributions limits. No detailed finding is reported for the contribution over the limit as the error represents less than 1% of the contributions received and was returned by the candidate to the contributor after request of the Registry audit staff.

## **FINDING(S)**

### **1. Senator Katrina Robinson violated T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$650 in campaign contributions from five contributors who contributed in excess of \$100 during a reporting period.**

Senator Katrina Robinson included \$650 in unitemized contributions, received from five contributors, which were required to be itemized during the 2018 First Quarter. 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 requiring the disclosure of the contributor's name, address, occupation, employer, date of receipt and amount of the contribution. The campaign records indicate four of the contributors made multiple contributions that individually were \$100 or under but in aggregate were over \$100 requiring all the contributions from the contributors to be itemized. The remaining contributor also made multiple contributions; one of which was properly itemized, however; the second \$100 contribution was improperly unitemized. The \$650 in contributions represents approximately 8.6% of \$7,563 in contributions received during the 2018 First Quarter.

### **2. Senator Katrina Robinson violated T.C.A. § 2-10-105(f) by failing to maintain sufficient contributor data for \$1,188 in contributions.**

Senator Katrina Robinson did not maintain or obtain sufficient campaign records to verify compliance with all campaign finance statutes for \$1,188 in contributions received. Sen. Robinson's campaign records indicated that she received cash contributions totaling \$955 for which she cannot identify the contributors (anonymous contributions). In addition, the campaign records show the candidate used an online service to collect contributions. The service appears to have collected \$33 (prior to fees) and deposited the funds into the campaign account. However, the candidate's online records have no detail to show the contributor(s) of the contributions. Without the specific contributor's names and amounts contributed, we could not determine Sen. Robinson's compliance with the following campaign finance statutes for the cash contributions:

- 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 itemized information for each contributor must include name, address, occupation, employer, date of receipt, and amount of contribution.
- T.C.A. §2-10-311(a) limits cash contributions to \$50 per election for each contributor.

In addition to the anonymous contributions, the candidate's campaign records indicated the candidate received \$200 through a second online service. The only record of the contributions from that service was a candidate prepared listing of contributors by name and amount. There was no records provided from the online service nor was there a campaign bank record indicating the funds were deposited into the campaign account. However, the candidate reported the amount in unitemized contributions. In 2017 the legislature passed TCA 2-10-131 dealing with investment of campaign funds, a portion of that statute indicates funds held by a campaign

must be held in a federally insured account. The online service is not such an account. If the funds were received and were not spent on an allowable expense or moved to the campaign account (a federally insured account), the candidate could be in violation of the investment statute. As of date of the audit report, the Registry audit staff cannot determine the funds were received or, if received, the disposition of the funds.

### **RECOMMENDATION TO CANDIDATE**

Senator Katrina Robinson should amend her 2018 First Quarter Campaign Financial Disclosure Statement to ensure that she reports all contributions received by properly itemizing all contributions from individuals who contributed over \$100 during a reporting period. Sen. Robinson 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 statutes and rules, and the types of procedures needed to comply with campaign finance laws.

## **RESOLUTIONS**

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

After discussing the above findings with Senator Katrina Robinson, she chose to take corrective action on her report prior to the Registry's approval of the audit. Sen. Robinson amended her 2018 First Quarter and 2018 Fourth Quarter Campaign Financial Disclosure Statements on May 21, 2019. Summary of the corrections are listed below,

#### ***Correction Action - Finding 1 and audit conclusion:***

On her amended 2018 First Quarter report, Senator Katrina Robinson decreased unitemized contributions by \$655. She removes the \$650 in contributions that need to be itemized as noted in Finding 1 and correcting the \$5 overstatement noted in the audit conclusion. On the same amended report, Sen. Robinson increased itemized monetary contributions by adding \$650. The \$650 addition was done by adding five new itemized contributor contributions. The corrections properly amend her 2018 First Quarter report for the contributions noted in Finding 1 and the audit conclusion.

#### ***Corrective Actions - audit conclusion:***

Senator Katrina Robinson refunded \$25 to the contributor identified as being over the cash limit in the audit conclusion. The candidate provided copies of the campaign check refunding the money to the contributor. The check was written on 5/17/2019, and the return was early reported on the 2018 Fourth Quarter report amended on 5/21/2019.

#### ***Corrective Actions - Finding 2:***

Senator Katrina Robinson followed the Registry staff recommendations and donated \$988 to a not for profit organization (these were the anonymous funds that could not be used for campaign purposes). The candidate provided copies of the checks and other documents to support the donations to charitable organizations. The donation check was written on 5/17/2019, and the donation was early reported on the 2018 Fourth Quarter report amended on 5/21/2019.

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

The Members of the Registry of Election Finance will review the 2018 Contribution Audit of Senator Katrina Robinson's 2017 Early Year-End Supplemental and 2018 First Quarter report during the June 12, 2019 regular monthly meeting. Approval and any subsequent actions taken by the board will be documented in the board minutes.