

TENNESSEE REGISTRY OF ELECTION FINANCE

**Contribution Audit of
Deanna McLaughlin's
2022 Second Quarter Campaign Finance Disclosure**

Jay Moeck, CPA, CFE
Director of Audit

STATE OF TENNESSEE



BUREAU OF ETHICS AND CAMPAIGN FINANCE REGISTRY OF ELECTION FINANCE

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September 9, 2025

Members of the Registry of Election Finance
WRS Tennessee Tower, 2nd Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243-1360

Registry Members,

The agreed-upon procedures for the un-itemized contribution audit of Deanna McLaughlin's 2022 Second Quarter Campaign Financial Disclosure Statement for House of Representatives, District 75, are transmitted herewith. This audit was conducted under 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 ensuring 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 purpose other than aiding the Registry.

This report is for the information and use of the Members of the Tennessee Registry of Election Finance, as outlined; it is not intended for 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
Director of Audit

STATE OF TENNESSEE
REGISTRY OF ELECTION FINANCE

Audit Highlights

Deanna McLaughlin

2022 Second Quarter Contribution Audit

AUDIT OBJECTIVES

The objectives of the audit were to determine Deanna McLaughlin'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 the 2022 Second Quarter Campaign Financial Disclosure Statement, and recommendation of appropriate actions to correct any deficiencies.

FINDING(S)

- 1. Deanna McLaughlin was non-compliant with portions of T.C.A. §§2-10-105 and 2-10-107 by failing to report at least \$97 in campaign contributions received during the 2022 Second Quarter. Although the amount appears minor, the failure was the result of the campaign systematically underreporting contributions and failing to report the related expenses incurred through online service collections.**
- 2. Deanna McLaughlin was non-compliant with T.C.A. §2-10-105(f) by failing to maintain contributor data for \$3,700 in contributions. Due to the lack of records, Deanna McLaughlin cannot support compliance with the campaign finance disclosure statutes or campaign limits laws for these contributions.**
- 3. Deanna McLaughlin was non-compliant with T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$700 in campaign contributions from two contributors who contributed more than \$100 during the 2022 Second Quarter reporting period.**

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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 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 help and encourage candidates to comply 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 for the Registry to evaluate the effectiveness of the campaign financial disclosure process. Additionally, the audits support the Registry in enforcing 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 from July 1 to January 15 each year. During an election year, the disclosures expand to quarterly, pre-primary, and pre-general reports. This audit relates only to disclosure reports that meet the requirements listed in T.C.A. §2-10-212(i). Therefore, the audit only relates to Deanna McLaughlin's 2022 Second Quarter disclosure.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Deanna McLaughlin was a candidate in the August 4, 2022, primary election for the House Representative for District 75. Deanna McLaughlin filed an Appointment of Political Treasurer Statement with the Registry on December 10, 2021, appointing Rebecca Britt as political treasurer.

The candidate's first financial disclosure for the 2022 campaign was the 2021 Early Year-End Supplemental, filed on January 16, 2022 (which was later amended). The candidate's last financial disclosure for the special election was the 2022 Third Quarter, filed on October 3, 2022. The 2022 Third Quarter disclosure indicated no cash on hand, outstanding obligations, or outstanding loans. The candidate completed the 2022 election campaign filing reporting requirements.

OVERVIEW OF FINANCIAL ACTIVITIES

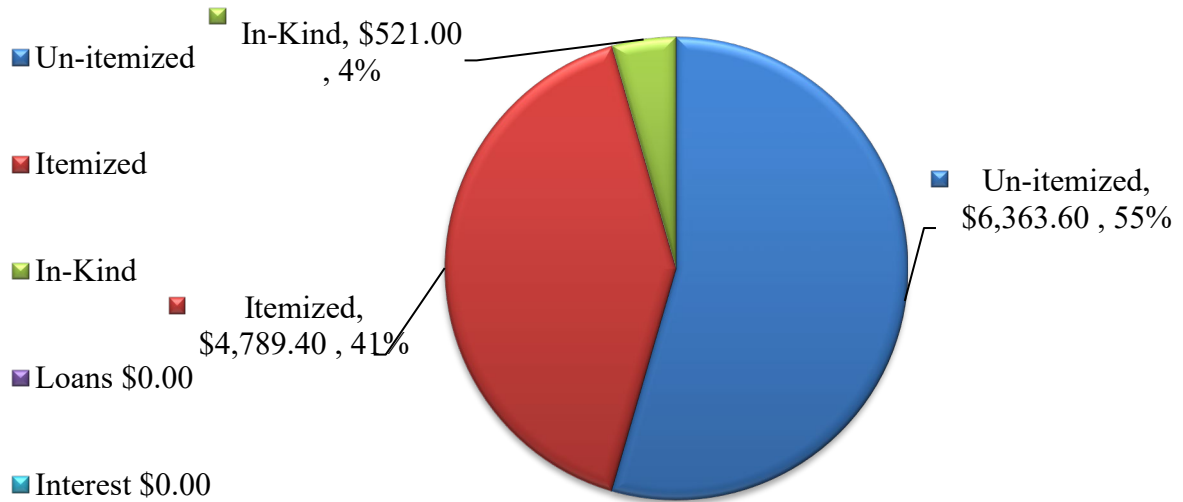
The following financial amounts are a summary of the candidate's financial disclosures. The summarized amounts are from the following disclosure reports: the 2021 Early Year-End Supplemental, 2022 First Quarter, 2022 Second Quarter, 2022 Pre-Primary, and 2022 Third Quarter disclosures. As noted in the audit scope, we only audited un-itemized contributions from disclosures for the 2022 Second Quarter. The amounts displayed are for informational purposes only.

<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand on July 1, 2021		\$0.00
Receipts		
Un-itemized	\$12,035.38	
Itemized	38,553.70	
Interest	0.00	
Loans received	1,224.34	
Total receipts		<u>\$51,813.42</u>
Disbursements		
Un-itemized	854.89	
Itemized	49,734.19	
Loans principal payments	1,224.34	
Total disbursements		<u>\$51,813.42</u>
Cash on hand on September 30, 2022		<u>\$0.00</u>
Loans outstanding on September 30, 2022		\$0.00
Obligations on September 30, 2022		\$0.00
Total in-kind contributions received		\$1,321.00

CHARTS

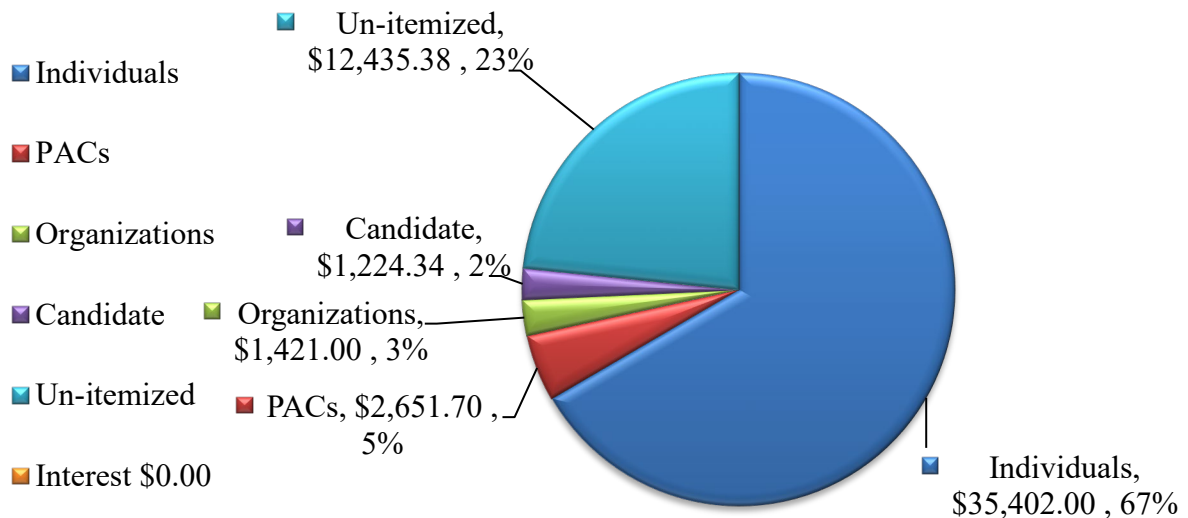
2022 SECOND QUARTER CAMPAIGN CONTRIBUTIONS

The following chart displays the contributions reported by the candidate in the 2022 Second-Quarter disclosures.



2022 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the contributions reported by the candidate for the 2022 election campaign. 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
- all contributions were supported and received per banking records.

Audit Methodology:

The Registry obtained Deanna McLaughlin's 2022 Second Quarter Campaign Financial Disclosure Statement to verify that the reported un-itemized contributions totaled more than \$5,000.00 and 30% of the total contributions reported. We requested that Deanna McLaughlin provide all supporting documentation for the un-itemized contributions of \$6,363.60 disclosed on the 2022 Second Quarter Disclosure. The candidate's campaign records included bank statements, contributor data from online services (the campaign used the service named "Anedot"), and a campaign listing of contributions reported as un-itemized. The following steps were performed on the candidate's campaign disclosures and supporting documentation:

- The campaign records were reviewed to determine if the candidate's un-itemized contributions from April 1, 2022, to June 30, 2022, totaled \$6,363.60.
- The candidate listing of un-itemized contributions was reconciled to the campaign bank accounts to determine if all funds were deposited and adequately supported.
- The candidate listing of un-itemized contributions was reviewed to determine if all contributions were reported, all receipts received were reported, all contributions were reported in the proper period, and all contributions complied with T.C.A. §§2-10-105 and 2-10-107.
- The candidate listing of un-itemized contributions prepared by the auditor and the candidate's reported itemized contributions were reviewed to determine whether campaign contributions from individuals and PACs complied with campaign contribution limits, T.C.A. §2-10-301, et seq.

Audit Conclusion:

Deanna McLaughlin's 2022 Second Quarter Campaign Financial Disclosure Statement reported \$11,153 in contributions, of which \$6,363.60 were un-itemized. Thus, un-itemized contributions exceeded \$5,000.00 and accounted for more than 30% of the total contributions reported; therefore, an audit of those contributions is required by T.C.A. § 2-10-212(i).

The candidate's submissions of campaign records included a listing of the \$6,363.60 in contributions that were reported as un-itemized. To determine the completeness of the listing, the contributions reported were compared to the total contribution received in the audit period. The campaign bank account deposits determined to relate to the audit period were \$11,285.09. However, the candidate used an online service that retained \$97 in fees before depositing the funds in the campaign's bank account. Thus, total receipts for the period were \$11,382.09 (i.e., the deposits plus the fees retained).

Expense non-compliance. Included in the total receipts was an expense refund (non-contribution receipt), as evidenced by the supporting bank records, for \$132.09. The candidate reported an expense adjustment, but reported the amount as \$139.09. As noted, in the Audit Authority, Purpose and Scope, the audit relates to un-itemized contributions only; however, the auditor has a responsibility to report any non-compliance noted. To accomplish this, the following is presented.

The candidate failed to properly report an expense refund by overstating the amount by \$7. This results in non-compliance with the intent of T.C.A. §§ 2-10-105 and 2-10-107, which require reporting expenses that occurred during a reporting period. While specifically being non-compliant with T.C.A. § 2-10-107(e) by overstating available funds during the period by \$7, as the amount is well below 1% of the reported expense and does not appear to be systemic misreporting, no detailed findings were provided.

The audit testing shows that, for the period, the candidate failed to report \$97 in contributions received and failed to report campaign expenses of \$97 in non-compliance with the statutes. As the non-compliance related to all online contributions, the auditor reviewed the other disclosures for signs of non-compliance. Based on the amounts reported as contributions in several periods, the lack of fee reporting, and the audit results for the second quarter, it appears that the campaign systematically fails to report online contributions and the related campaign expense for online collection fees. Details of the misreporting can be found in Finding 1.

In addition to the above, the audit testing also determined that the candidate failed to keep identifying records for \$3,700 in funds received. As the candidate is unable to identify the contribution(s) made by any specific contributor, neither the candidate nor the audit testing can determine proper compliance with the campaign finance statutes, except that the failure to maintain such records in itself constitutes non-compliance by the candidate. Details related to the \$3,700 in anonymous contributions and their non-compliance are in Finding 2.

The candidate also failed to itemize \$700 in contributions from individuals who gave more than \$100 during the reporting period. The \$700 was part of the \$6,363.60 reported as un-itemized. Details of that non-compliance are noted in Finding 3.

FINDING(S)

- 1. Deanna McLaughlin was non-compliant with portions of T.C.A. §§2-10-105 and 2-10-107 by failing to report at least \$97 in campaign contributions received during the 2022 Second Quarter. Although the amount appears minor, the failure was the result of the campaign systematically underreporting contributions and failing to report the related expenses incurred through online service collections.**

The candidate's campaign records indicate that the candidate used an online service to collect online contributions. The records also indicate the candidate failed to report the full amount of those contributions. In addition, the records indicate that the candidate did not report the campaign expenses related to the use of that online service. The result was that Deanna McLaughlin was non-compliant with portions of T.C.A. §§2-10-105 and 2-10-107 by failing to report at least \$97 in campaign contributions received during the 2022 Second Quarter. Also, Deanna McLaughlin was non-compliant with portions of T.C.A. §§2-10-105 and 2-10-107 by failing to report the related campaign expense of \$97 for online service collection fees.

The testing indicated the failure was related to all contributions received from the online service for the period. Thus, not only does the error affect the un-itemized contribution amount report, but it also affects two itemized disclosures. The un-itemized amount was understated by \$36.40. (Note: The audit testing confirmed each amount related to each contribution due to the candidate-prepared listing and the online service records.) A total of \$60.60 was misstated on two itemized disclosures as follows;

- Pam Powell reported as \$239.70 but gave \$250 (The fee was \$10.30).
- Lenora Rolph reported as \$1,199.70 but gave \$1,250 (The fee was \$10.30)

The testing indicates that the candidate only reported the contributions from online services based on the net amount deposited by the service. The proper reporting requires the candidate to report the full amount of the funds given to the services as a contribution. Any amount retained by the service from that amount (regardless of whether the service considers that candidate or contributor paid) has to be reported as a campaign expense. The records show the net amount reported, with no expenses related to online services fees for the period. To determine if this was systemic to the period or the campaign, a review of other disclosures was made. The review indicates that, based on contribution amounts reported and the failure to report online contribution fees, there was a systemic failure throughout the entire campaign reporting process to properly report the contributions received and expenses incurred from online services.

Expense non-compliance. As noted, in the Audit Authority, Purpose and Scope, the audit relates to un-itemized contributions only; however, the auditor has a responsibility to report any non-compliance noted. To accomplish this and because of the related nature of the failure to report all online contributions to the failure to report online expense fees, the following is presented. The candidate failed to properly report all expenses incurred during the 2022 Second Quarter by failing to report \$97 in online collection fees. This results in non-compliance with T.C.A. §§ 2-10-105 and 2-10-107, which require reporting of all campaign expenses incurred by the campaign in the period in which they were incurred. This failure was also was systemic failure by the campaign.

2. Deanna McLaughlin was non-compliant with T.C.A. §2-10-105(f) by failing to maintain contributor data for \$3,700 in contributions. Due to the lack of records, Deanna McLaughlin cannot support compliance with the campaign finance disclosure statutes or campaign limits laws for these contributions.

Deanna McLaughlin's campaign records indicated that the campaign received and deposited \$3,700 in funds that could not be associated with any contributor. Based on the audit test work, the \$3,700 was related to contributions received during the 2022 Second Quarter reporting period.

Of the total \$3,700 in unsupported contributions, \$3,600 relates to cash deposited by the campaign as follows.

- \$1,000 in cash received on or around 6/9/2022 and deposited on 6/10/2022. Notations in the candidate records indicate the deposit related to a "White Bean Supper" fundraising event. No supporting records beyond the notation and cash deposit were provided.
- \$2,500 in cash received on or around 6/14/2022 and deposited 6/14/2022. Notations in the candidate records indicate the deposit related to a private event fundraiser. No supporting records beyond the notation and cash deposit were provided.
- \$100 of \$300 in cash received on or around 6/21/2022 and a deposit on 6/21/2022. The audit testing supports that the candidate provided enough information to identify \$200 of the cash, but not the remaining \$100. The candidate provided two records to identify the contribution. One was the deposit slip, which appears to have a partially completed contributor name with "x2", but the name is unreadable and seems to start with "K". The candidate listing had a notation for this \$100 deposit, which read "Legal Assistant & Hu." Neither record is sufficient to identify a specific contributor. The records also appear contradictory again causing the contributor to be unidentifiable.

The remaining \$100 was noted on a deposit slip as a check for \$100, with the notation 'Zmart/Khassay'. As this is the only record, except for the candidates listing, which has the same notations. The notation likely indicates a business name and a partial person's name (likely a business owner), but the records are insufficient to identify the actual specific

contributor (business or person). The check notes another deficiency in the candidate's records related to check contributions. The audit only includes the deposit slip with the depositor's notations, the candidate's itemized contribution disclosures, and the candidate's un-itemized contribution list. All three are candidate/campaign prepared and not the underlying record. The candidate failed to maintain copies of the supporting contribution checks (or obtain them from the bank as part of the submission of audit records). These check copies typically confirm that the listings or disclosures provided by the campaign are accurate and not fabricated. To give the largest allowance to the candidate, the auditor allowed any name on the candidate list or disclosures that were also listed on a deposit slip to be considered sufficiently supported. The one exception is this check because although it appears on the candidate un-itemized list and the deposit slip as 'Zmart/Khassay' as noted, those notations are insufficient to determine if a business gave or a specific person (or, which Khassay, if there is more than one).

In both instances, the improperly identified and supported check, and the cash deposit for the period noted above, the audit testing indicates that Deanna McLaughlin did not maintain or obtain sufficient campaign records of all contributors related to the \$3,700 in deposit funds during the period. As a result, the candidate cannot confirm compliance with the campaign finance statutes and limits related to the \$3,700 contributions, or their effect on the other contributions reported in compliance.

Similarly, the audit cannot verify compliance with all campaign finance statutes for the \$3,700 in contributions (or, as noted, if they relate to already reported contributors and contributions supported and could change that compliance). Funds that cannot be associated with specific contributors are generally considered anonymous. Unallowable contributions, such as anonymous contributions, should not have been disbursed for campaign expenses.

The \$3,700 in unsupported contributions (or anonymous contributions) received represents approximately 58% of the \$6,363.60 in un-itemized contributions reported by the candidate on the 2022 Second Quarter disclosure statement.

3. Deanna McLaughlin was non-compliant with T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$700 in campaign contributions from two contributors who contributed more than \$100 during the 2022 Second Quarter reporting period.

Deanna McLaughlin included \$700 in un-itemized contributions received from two individuals that should have been itemized during the 2022 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 breakdown of contributions incorrectly reported as un-itemized contributions is as follows:

- One individual gave over \$200 in one transaction during the period. The contribution was made through an online service. The contribution was disclosed as un-itemized for \$191.70 but was in the amount of \$200. The \$8.30 was the part of the unreported contributions noted in Finding 1.

- One individual gave over \$500 in one transaction during the period. The contribution was made by check per the deposit slip notations.

The \$700 of improperly reported contributions represents approximately 11.0% of the \$6363.60 un-itemized contributions reported by the candidate on the 2022 Second Quarter Campaign Finance Disclosure Statement.

RECOMMENDATION TO CANDIDATE

Deanna McLaughlin should amend the 2022 Second Quarter Campaign Financial Disclosure Statement to ensure that all contributions received are correctly reported. Including reporting all online contributions received through the online service as outlined in this audit report. This should include the removal of improper items reported as un-itemized contributions or unsupported, including the following,

- Itemizing all contributions from the two individuals who contributed over \$100 during the 2022 Second Quarter reporting period, as appears in the audit report, Finding 3.
- The Director of Audit also recommends that \$3,700 in contributions not associated with any specific contributor be removed from un-itemized contributions. The \$3,700 contributions should be listed as an itemized contribution using the organization name “Anonymous Contributions” and the address of the campaign. This appears consistent with Tennessee’s Attorney General’s opinion that all contributions received must be reported, whether determined allowable or unallowable. The recommended disclosure will also assist in the other recommendations that follow or actions that the Members of the Registry may take.

Unallowable campaign contributions – Anonymous Contributions

The audit has identified unallowable campaign contributions (the anonymous contributions), which should not have been used (or should not be used) in the campaign and, when possible, should be returned to the contributor. There is also a statutory allowance for the return of improper contributions within 60 days. The Members and Registry Staff typically allow 60 days from the date the candidate is made aware of the unallowable contributions (which may occur upon receipt of the funds or receipt of a non-compliant notice, such as an audit correction notice letter or audit report). The Director of Audit recommends the following items.

1. Generally, anonymous contributions cannot be returned to the contributor, as they cannot be identified to facilitate the return (with one notable exception: funds received by an online service that are not identifiable). In this instance, the candidate could obtain the records for the unidentified check from the Bank. At which point the funds could be returned to the identified account, or properly reported by the name of the contributor on the check’s header. Regarding the remaining amounts, the Director of Audit recommends that the candidate follow the guidance provided to other candidates, based on recommendations and the board’s prior actions. The guidance is that since

such contributions cannot be used by the campaign and cannot be returned, such funds should be donated to charity. In this instance, the candidate could either contribute to charity amounts equal to the anonymous contributions identified in the audit or identify any charitable activities already reported to charitable organizations during the campaign (if any) and make any additional charitable contributions as needed.

All the above require disbursement of funds by return or donations. The Director of Audit is aware that the campaign account has been closed. Thus, such refunds would have to be made from the candidate's funds (and confirmed to the Director of Audit before corrective action is taken). Therefore, the candidate may prefer to wait for the Members' actions and recommendations based on the release of the audit report before making the actual returns. If the candidate uses their funds for the recommendation, the identical amounts must also be reported as candidate contributions, and the related returns and donations must be appropriately reported.

Finally, the candidate should correct the expense non-compliance noted in the audit. This is done by correcting the improperly reported expense adjustment as noted in the audit conclusion. Also, the candidate should report the fees associated with contributions being reported from the online service each reporting period as a campaign expense paid to Anedot.

The campaign account being closed means the campaign is showing a zero balance on the last report. Most of the corrections above, if appropriately reported, should not change the balances as they offset. However, the reduction of \$7 to the expense adjustment will change the balance from zero. This indicates the campaign has another reporting error(s). Upon completing any corrections, the candidate must ensure that the campaign account remains balanced and may need to make additional changes to the disclosures that the audit report did not address, based on the audit's scope and purpose.

Future Elections (if applicable)

Deanna McLaughlin should refamiliarize herself with Tennessee laws relating to campaign finance and contribution limits and ensure that all necessary information is provided to all those who collect on the campaign's behalf. Additionally, the candidate and those involved in reporting need to understand the differences in supporting contributions received, reporting requirements, and campaign limits. Those differences are as follows:

- All contributions, regardless of amount, have to be supported by records to show who made the contribution and that the funds provided by the contributor were theirs to give. In short, the candidate's campaign records are required by statute to support all contributions by contributors and sources down to the penny (generally, this will be by transaction).
- Campaign reporting is in two segments. The first reporting requirement is by disclosure statement periods. Then, based on the contribution amounts, contributors who give more than \$100 in aggregate during a period are detailed disclosed (itemized), and those who give \$100 or less in aggregate during the period can be (un-itemized) up to the cap.

Statutory Change: Members and candidates should be aware that, as of 2023, un-itemized contribution reporting has been capped. In all reporting periods starting with the 2023 Mid-Year, the maximum amount a candidate can report in the un-itemized contribution is \$2,000. When a candidate has more than that amount in contributions from those who give \$100 or less in aggregate during the period. A selection by the campaign must be made of which contributions will be reported as un-itemized and which will be reported as itemized. Due to this change and changes in the contribution audits, the Director of Audit is recommending that most candidates itemize all contributions and reserve the un-itemized contribution reporting to individuals who give less than \$100 during the period and prefer not to have their information disclosed on public disclosure.

Deanna McLaughlin should maintain contributor data for all campaign contributions received and reconcile the campaign bank and other campaign records to her campaign disclosures to ensure all disclosures are complete, accurate, and adequately supported by the campaign records. Being especially mindful of recording cash contribution data, regardless of the amount contributed. When receiving online contributions, the candidate and those assisting with campaign disclosure must be aware of the required reporting. Those requirements include that the contribution reporting amount is equal to the amount provided to the online service; any reduction from that amount before deposit or transfer to the campaign is reported as campaign expenses for online services (this is regardless of whether the online service considers such fee reductions as paid by a contributor or the campaign). The contribution and related fees are reportable on the day the online service receives the funds (not when the net proceeds are provided to the campaign).

RECOMMENDATION TO REGISTRY

The Director of Audit recommends that the Members of the Registry consider the findings and other information noted related to other non-audited campaign disclosures for further action. The Director of Audit recommends the Registry approve the audit performed as being sufficient and complete. Finally, the Director of Audit recommends that the Registry post the audit report to the Registry's website, regardless of 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 to understand the audit process, the purposes of Registry rules, and the types of procedures needed to comply with campaign finance laws.

RESOLUTIONS

CANDIDATE'S CORRECTIVE ACTIONS

After receiving the draft audit report, the candidate elected to make corrections to the campaign finance disclosure based on the Director of Audit's recommendations. The corrections were filed on July 9, 2025, and July 10, 2025. The following corrections include multiple changes to un-itemized contributions. Un-itemized contributions are presented in the disclosure statement, in a lump sum; therefore, only the corrected amount appears on the disclosures, not the individual un-itemized corrections listed below.

Audit Finding 1,

The candidate elected to make corrections to the 2022 Second Quarter by adding both the \$97 unreported contribution related to the online contribution and the \$97 in online contribution fees. The changes required additions of \$36.40 to the unitemized contribution, and two itemized contribution disclosures increased by \$60.60. Then the final entry was the addition of the \$97 itemized expense. The corrected report now adequately discloses that items noted in the finding related to the 2022 Second Quarter audit period.

Audit Finding 2

The candidate made partial corrective actions related to the anonymous contributions in Finding 2. The candidate removed \$3,800 in contributions reported as un-itemized reported on the 2022 Second Quarter. The candidate included an additional \$100 contributed by the Kennedys as the candidate knew it related to the \$300 cash noted deposited in the audit report. The candidate then entered four new itemized contributions. 1. Ethio Inc. DBA Zmart \$100 2. Kevin Kennedy \$50 3. Rhonda Kennedy \$50, and 4. Anonymus \$3,600.

Ethio Inc. - Is the \$100 check that the audit noted as unidentifiable based on the candidate's audit submitted records. The audit noting the amount as anonymus due to the candidates failed to maintain proper records. After receiving the draft audit report, it appears the candidate contacted the bank and obtained the check. The candidate provided the check to verify that this corrective action was proper.

The Members of the Registry should be aware that, as the Director of Audit has noted, there has been a lack of check records in other audits in the past. For this reason, the audit notice included notifications that candidates who have failed to maintain copies of the contribution checks should contact their bank and obtain deposit detail reports to replace their lack of records. They should then submit those records along with all other audit records held. However, as noted in the report, it is the candidate's responsibility to maintain records, and the records used to prepare the reports at the time of disclosure are the primary basis for compliance.

Kevin Kennedy \$50 & Rhonda Kennedy \$50. - These were two of four cash contributions totaling \$200 that were determined to be adequately supported by the candidate's campaign records and deposited on 6/21/2022. (This was part of the same \$300 cash deposit that included \$100 from

the unidentified legal assistant, and Hu noted in finding 2). The original un-itemized disclosure was allowable, and so is the choice to itemize the Kennedys' contributions now.

Anonymus \$3,600 - Candidates who want to make corrections are advised that the anonymous contributions must be reported, to make sure the readers of the reports are aware of such contributions. The Registry has stated that those should be reported as an itemized contribution showing “Anonymus” as the contributor and the campaign address.

As noted in the audit report, the other corrective action is usually to donate such funds to charity. As the campaign has closed, such action would need to be taken by the candidate from their funds. In such instances, it is common for the candidate to wait to hear the board's recommendations or assessments before committing their assets to such actions. Thus, this is a partial correction until the board assessment is completed.

Audit Finding 3

The candidate elected to make corrections to the 2022 Second Quarter by adding two new itemized disclosures totaling \$700. Additionally, the candidate deducted \$700 from the un-itemized contributions reported. The corrected report now adequately discloses that items noted in Finding 3.

Other matters

The audit conclusion notes an error of \$7 related to an expense adjustment. The Director of Audit recommended that the candidate not correct that matter, as the account was closed, the correction would cause the account to have a \$7 balance. To zero out again, the candidate would have to reconcile the entire account to determine what made up the \$7 error and rebalance it to zero. Thus, the candidate was advised to leave the error as is unless directed otherwise by the Members.

Similarly, the audit report indicates the candidate likely misreported fees and contributions related to all online contributions, such correction also requires a rebalance of each report's disclosures. Unlike the audited second quarter, where the Director of Audit can tell the candidate the exact corrections, the campaign would have to make those determinations. Again, the candidate was advised to leave the disclosures as is unless directed otherwise by the Members.

REGISTRY OF ELECTION FINANCE ACTIONS

The Registry of Election Finance Members will review Deanna McLaughlin's 2022 Second Quarter Contribution Audit during its meeting on September 9, 2025. The meeting minutes will document the members' approval, any additional items reviewed, and any subsequent actions taken.