



**TENNESSEE BUREAU OF ETHICS AND CAMPAIGN FINANCE  
REGISTRY OF ELECTION FINANCE**

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**Campaign Finance Audit of  
Ellen Leonard-Pugh  
Election Year 2016**



**Audit Team:**

Jay Moeck, CPA, CFE  
Audit Director

# STATE OF TENNESSEE



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

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April 12, 2017

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

Ladies and Gentlemen,

Transmitted herewith are the agreed upon procedures for the campaign finance audit of Ellen Leonard-Pugh's 2016 election campaign for House of Representatives, District 58. 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 Bureau of Ethics and Campaign Finance's 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 Director

**STATE OF TENNESSEE**  
BUREAU OF ETHICS AND CAMPAIGN FINANCE  
REGISTRY OF ELECTION FINANCE

**Audit Highlights**  
Ellen Leonard-Pugh  
2016 Campaign Finance Audit

**AUDIT OBJECTIVES**

The objectives of the audit were to determine Ellen Leonard-Pugh'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 disclosures on the 2016 First Quarter, 2016 Second Quarter, 2016 Pre-Primary and 2016 Third Quarter Campaign Financial Disclosure Statements; and to recommend appropriate actions to correct any deficiencies.

**FINDING(S)**

The audit report contains no findings.

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## INTRODUCTION

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### **AUDIT AUTHORITY**

*Tennessee Code Annotated* (T.C.A.) §§ 2-10-206, 2-10-212 authorize the Registry of Election Finance (the “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**

During non-election years, 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 election years, the disclosures expand to quarterly, pre-primary, and pre-general reports. Therefore, the audit reviewed Ellen Leonard-Pugh’s disclosures on her 2016 First Quarter, 2016 Second Quarter, 2016 Pre-Primary, and 2016 Third Quarter Campaign Financial Disclosure Statements.

## CAMPAIGN OVERVIEW

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### CAMPAIGN ORGANIZATION

Ellen Leonard-Pugh was a candidate in the August 4, 2016 primary election for House of Representatives in District 58. Ms. Leonard-Pugh filed an Appointment of Political Treasurer Statement with the Registry on May 9, 2016 appointing Emma Vance as political treasurer.

Ms. Leonard-Pugh's first financial disclosure for the 2016 campaign was the 2016 First Quarter report filed on May 9, 2016. Her most recent financial disclosure was the 2016 Third Quarter Report, which she filed on October 14, 2016. The Third Quarter report indicated no cash on hand, no outstanding obligations and no outstanding loans. The candidate has completed her 2016 election campaign reporting requirements.

### OVERVIEW OF FINANCIAL ACTIVITIES

The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure reports: 2016 First Quarter, 2016 Second Quarter, 2016 Pre-Primary, and 2016 Third Quarter campaign finance reports after amendments. The amounts displayed are for informational purposes only.

Summary of Financial Activity  
(Un-audited Amounts)

Cash on hand at 1/16/2016	\$0.00
Total receipts	\$0.00
Total disbursements	\$0.00
Cash on hand at 9/30/2016	<u>\$0.00</u>
Loans outstanding at 9/30/2016	\$0.00
Obligations at 9/30/2016	\$0.00

## **OBJECTIVES, METHODOLOGIES, CONCLUSIONS**

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### **CONTRIBUTIONS AND RECEIPTS**

#### *Audit Objectives:*

The objectives of our audit of contributions and loans were to determine whether:

- all campaign contributions from individuals and Political Action Committees (PACs) were within campaign 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;
- all 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
- all loans received from lending institutions were supported by loan agreements.

### **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 Ellen Leonard-Pugh's 2016 Campaign Financial Disclosure Statements from January 16, 2016 to September 30, 2016. The campaign finance statements indicated the candidate had no campaign finance activities for the 2016 election (No contributions were received nor disbursements made.) We requested Ms. Leonard-Pugh provide a written statement that her campaign had no finance activity for her 2016 election campaign, which she submitted on March 9, 2016.

***Audit Conclusion:***

Based on the review of the candidate's campaign financial disclosure reports and the candidate's written statement, Ms. Leonard-Pugh appears to have properly reported the campaign activities of her 2016 election campaign.



## **RESOLUTIONS**

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

The Members of the Registry of Election Finance reviewed the 2016 campaign finance audit of Ellen Leonard-Pugh during the April 2017 regular monthly meeting. The report indicated the candidate had no activity and the report contained no findings for corrective actions. The Registry voted to accept and approve the audit report with no further action.