



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

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**Campaign Finance Audit of  
Tonya Miller  
Election Year 2012**



**Audit Team:**

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# STATE OF TENNESSEE



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October 9, 2013

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 Tonya Miller's 2012 election campaign for House Representative, District 53. 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 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 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 Director

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

**Audit Highlights**  
Tonya Miller  
2012 Campaign Finance Audit

**AUDIT OBJECTIVES**

The objectives of the audit were to determine Tonya Miller'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 2012 First Quarter, 2012 Second Quarter, 2012 Pre-Primary, 2012 Third Quarter, and 2012 Fourth 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**

In non-election years, Tennessee’s campaign financial disclosure laws require 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 and pre-general reports. Therefore, the audit reviewed Ms. Miller’s disclosures on her 2012 First Quarter, 2012 Second Quarter, 2012 Pre-Primary, 2012 Third Quarter and 2012 Fourth Quarter Campaign Financial Disclosure Statements.

## CAMPAIGN OVERVIEW

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### CAMPAIGN ORGANIZATION

Ms. Miller was a candidate in the August 12, 2012 primary election for House of Representatives, District 53. Ms. Miller filed an Appointment of Political Treasurer Statement with the Registry on March 26, 2012 appointing herself as political treasurer.

The candidate's first financial disclosure for the 2012 campaign was the 2012 First Quarter report filed on April 12, 2012. As of August 1, 2013, Ms. Miller's last financial disclosure was the 2012 Fourth Quarter Report, which she filed on February 2, 2013. The Fourth Quarter report indicated no cash on hand, no outstanding obligations and no outstanding loans. The candidate has completed her 2012 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: 2012 First Quarter, 2012 Second Quarter, 2012 Pre-Primary, 2012 Third Quarter, and 2012 Fourth Quarter reports after amendments. The amounts displayed are for informational purposes only.

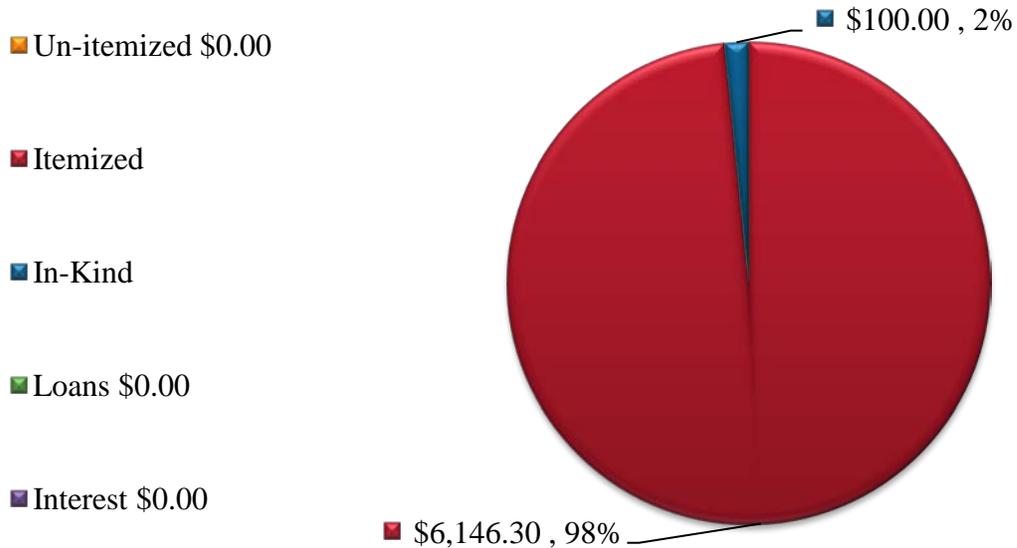
<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at January 16, 2012		\$0.00
Receipts		
Un-Itemized	\$0.00	
Itemized	6,146.30	
Loans receipted	0.00	
Interest	0.00	
Total receipts		<u>\$6,146.30</u>
Disbursements		
Un-Itemized	0.00	
Itemized	6,146.30	
Loans principal payments	0.00	
Obligation payments	0.00	
Total disbursements		<u>\$6,146.30</u>
Cash on hand at January 15, 2013		<u>\$0.00</u>
Loans outstanding at January 15, 2013		\$0.00
Obligations at January 15, 2013		\$0.00
Total in-kind contributions received		\$100.00

## CHARTS

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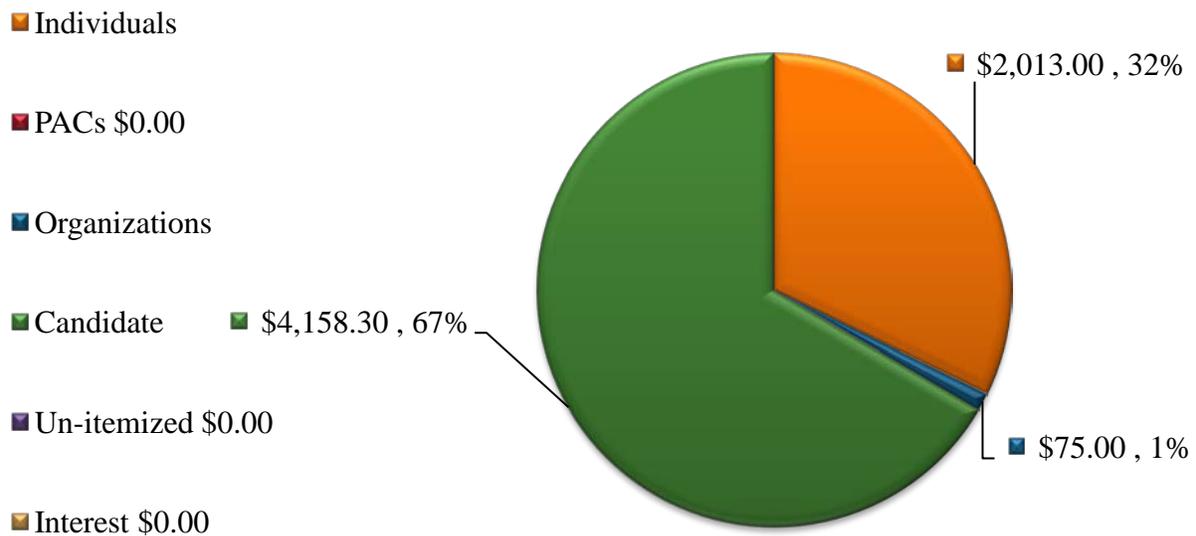
### 2012 ELECTION CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate for the 2012 election campaign.



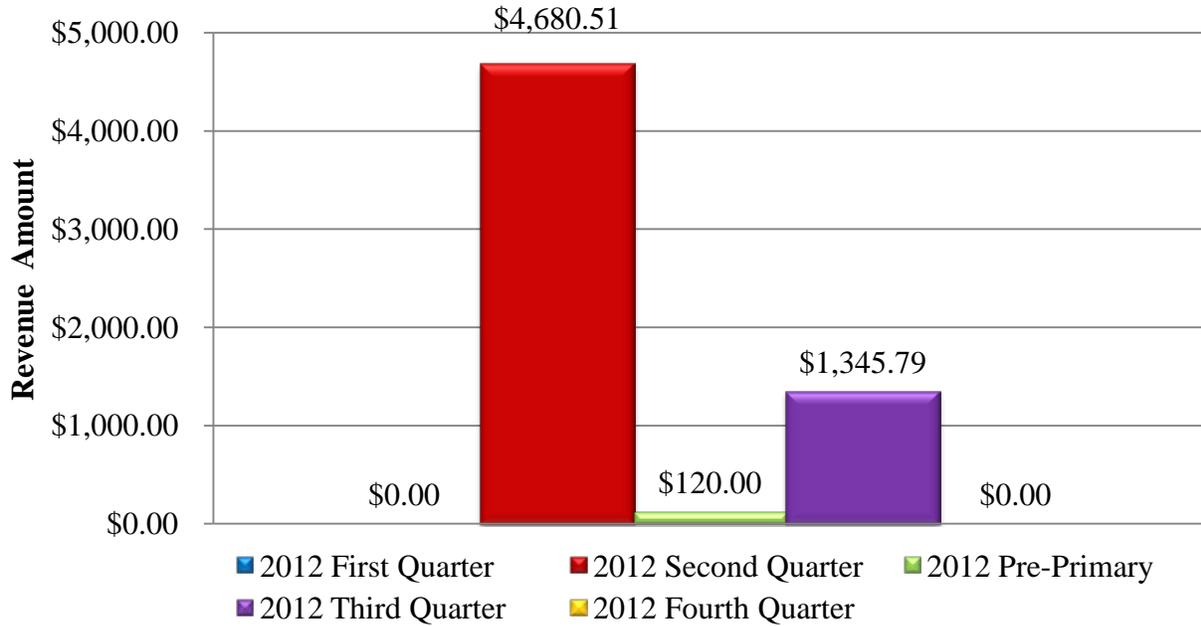
### 2012 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the monetary contributions reported by the candidate for the 2012 election campaign. Organizations in this chart represent non-profit organizations, non-PAC campaign organizations or businesses.



## **2012 ELECTION CONTRIBUTIONS BY REPORTING PERIOD**

The following chart shows the contributions that the candidate reported for the 2012 election campaign by reporting period.



## **2012 ELECTION EXPENSES BY REPORTING PERIOD**

The following chart shows the expenses that the candidate reported for the 2012 election campaign by reporting period.



## 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, report 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.

#### *Audit Methodology:*

The Registry obtained Ms. Miller's 2012 Campaign Financial Disclosure Statements from January 16, 2012 to January 15, 2013. We requested Ms. Miller to provide her campaign records to support all contributions, loans and interest received during her 2012 election campaign. Ms. Miller's campaign records for contributions included bank statements, PayPal histories, deposit slip copies and contributor check copies. The following steps were performed on Ms. Miller's campaign documentation:

- The documentation was reviewed to determine if the candidate's monetary contributions received from January 16, 2012 to January 15, 2013 totaled \$6,146.30.
- A reconciliation of monetary contributions reported to funds deposited into the campaign accounts was prepared to determine if the candidate deposited all funds into

a campaign bank account and properly reported the funds in her campaign account on her campaign disclosures.

- All itemized monetary contributions were compared to the candidate's disclosures 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 were properly reported; contributions were reported in the proper period; contributions were reported in compliance with T.C.A. §§2-10-105 and 2-10-107; and contributions were reported in compliance with the Registry's rules.
- The documentation was reviewed to determine if the candidate's in-kind contributions received from January 16, 2012 to January 15, 2013 totaled \$100.
- In-kind contributions by contributor was 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.

***Audit Conclusion:***

Ms. Miller's campaign records indicated she received \$6,225.53 in campaign contributions. The result is a \$79.23 difference in the amount reported and the amount disclosed. The difference included \$78.96 in unreported contributions given from the candidate. The candidate contributions were from expenses paid with the candidate's personal funds. These personal funds are required to be reported as contributions along with the expenses. The remaining \$0.27 was a credit from the candidates online service organization to test the direct deposit system.

The audit showed Ms. Miller elected to disclose all contributions as itemized contributions. The audit test work for itemized monetary contributions indicated that contributions reported complied with campaign finance limits and campaign finance laws except for errors noted above. In addition to the reporting errors noted, Ms. Miller failed to follow Registry rule for depositing all receipts into campaign accounts (Checking and/or PayPal). The result of which were the errors above and in the errors noted in the audit conclusions of the disbursement section below. Also, as a result the auditor was unable to reconcile \$265 in contributions reported to the funds received and if \$32 of those funds were received at all. The campaign records and disclosures indicated that Ms. Miller properly reported the \$100 of in-kind contributions she received.

No detail findings for the errors was provided as the errors represent less than 1% of the transactions the candidate reported and the net effect of the errors in the contribution and disbursement section is zero. However, the audit staff discussed the errors with Ms. Miller and she amended the applicable campaign finance disclosures to correct the errors noted.

## **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 Ms. Miller's 2012 Campaign Financial Disclosure Statements from January 16, 2012 to January 15, 2013. We requested Ms. Miller to provide her campaign records to support all expenses that she had during her 2012 election campaign. Ms. Miller's campaign records for expenses included bank statements with canceled checks, and vendor receipts/invoices. The following steps were performed on Ms. Miller's campaign documentation:

- The documentation was reviewed to determine if the candidate's disbursements from January 16, 2012 to January 15, 2013 totaled \$6,146.30.
- 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 was compared to the candidate's campaign disclosures and the bank statements to determine if all disbursements were reported.
- All itemized expenditures were reviewed to determine if all expenditures 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's rules.

### ***Audit Conclusion:***

Ms. Miller's campaign records indicated she disbursed \$6,225.53. The result is a \$79.23 difference in the amount reported and the amount disbursed. The difference is unreported expenses totaling \$218.78 and a reported expense that appears to have not been incurred by the campaign for \$139.55. Included in the unreported expense is \$186.94 in expenses that are returned contributions at the end of the campaign. The rest of the unreported expenses were auto-withdrawal bank or process fees and the campaign check order. The expense that appears to

have not been incurred was a donation to an organization. This expense has no support as being paid from any campaign account.

No detail findings for the errors was provided as the errors represent less than 4% of the transactions the candidate reported and the net effect of the errors in the contribution and disbursement section is zero. However, the audit staff discussed the errors with Ms. Miller and she amended the applicable campaign finance disclosures to correct the errors noted.

## **RESOLUTIONS**

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

The Members of the Registry of Election Finance reviewed the 2012 campaign finance audit of Ms. Miller during the October 2013 regular monthly meeting. The report contained no findings for corrective actions. The Registry voted to accept and approve the audit report with no further action.