



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

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**Campaign Finance Audit of  
Representative Johnnie R. Turner  
Election Year 2016**



**Audit Team:**

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Audit Director

# STATE OF TENNESSEE



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June 13, 2018

Members of the Registry of Election Finance  
404 James Robertson Parkway, Suite 104  
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Ladies and Gentlemen,

Transmitted herewith are the agreed upon procedures for the campaign finance audit of Rep. Johnnie Turner's 2016 election campaign for House of Representatives, District 85. 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**  
Representative Johnnie Turner  
2016 Campaign Finance Audit

**AUDIT OBJECTIVES**

The objectives of the audit were to determine Rep. Johnnie Turner'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 2015 Early Mid-Year Supplemental, 2015 Early Year-End Supplemental, 2016 First Quarter, 2016 Second Quarter, 2016 Pre-Primary, 2016 Third Quarter, 2016 Pre-General, and 2016 Fourth Quarter Campaign Financial Disclosure Statements; and to recommend appropriate actions to correct any deficiencies.

**FINDING(S)**

- 1. Rep. Johnnie Turner violated T.C.A. § 2-10-212(c) by failing to retain sufficient campaign records to verify \$5,404.96 in disbursements were for allowable and incurred expenses. Relatedly, Rep. Johnnie Turner violated T.C.A. § 2-10-105(a) by failing to properly report expenses as a result of various practices used by the candidate to pay, support, and report expenses.**
- 2. Rep. Johnnie Turner violated T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$1,133.87 in campaign expenses incurred during her 2016 campaign.**

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## **INTRODUCTION**

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### **AUDIT AUTHORITY**

*Tennessee Code Annotated* (T.C.A.) §§ 2-10-206, 2-10-212 authorizes 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 Rep. Turner’s disclosures on her 2015 Early Mid-Year Supplemental, 2015 Early Year-End Supplemental, 2016 First Quarter, 2016 Second Quarter, 2016 Pre-Primary, 2016 Third Quarter, 2016 Pre-General, and 2016 Fourth Quarter Campaign Financial Disclosure Statements.

## **CAMPAIGN OVERVIEW**

### **CAMPAIGN ORGANIZATION**

Rep. Turner was a candidate in the November 8, 2016 general election for House of Representatives / Senate District 85. Rep. Turner filed an Appointment of Political Treasurer Statement with the Registry on February 6, 2015 appointing Barbara J. Alston as political treasurer.

The candidate's first financial disclosure for the 2016 campaign was the 2015 Early Mid-Year Supplemental report filed on July 14, 2015. Rep. Turner's last financial disclosure for her 2016 election was the 2016 Fourth Quarter Report, which she filed on January 24, 2017. The Fourth Quarter report indicated \$8,590 cash on hand, no outstanding obligations, and no outstanding loans. Rep. Turner filed her Appointment of Political Treasurer Statement for the 2018 election on May 1, 2017, which transferred her remaining balance to the 2018 election; the transfer ends her 2016 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: 2015 Early Mid-year Supplemental, 2015 Early Year-End Supplemental, 2016 First Quarter, 2016 Second Quarter, 2016 Pre-Primary, 2016 Third Quarter, 2016 Pre-General, and 2016 Fourth Quarter reports after amendments. The amounts displayed are for informational purposes only.

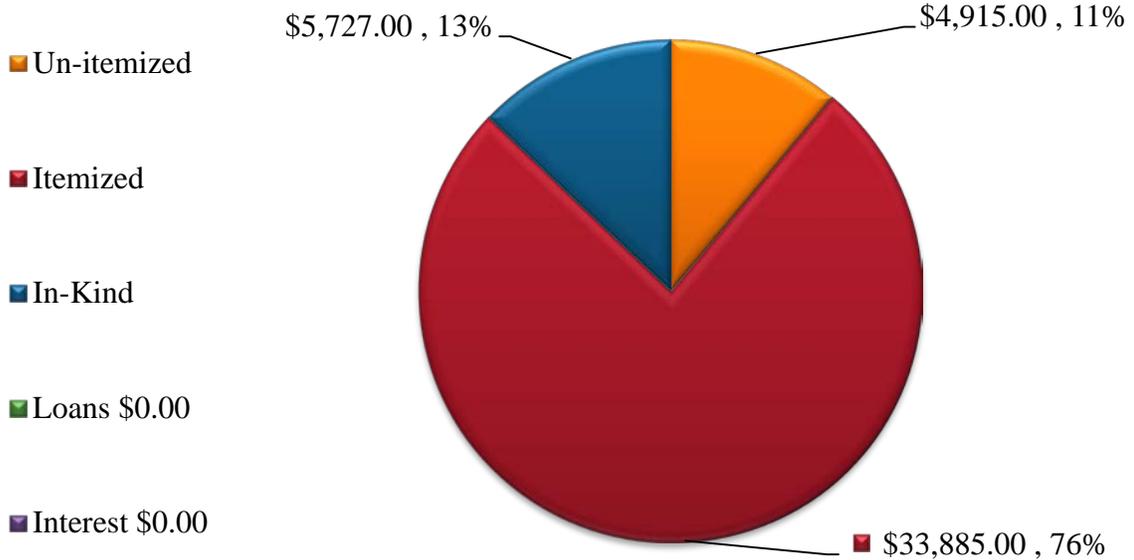
<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at January 16, 2015		\$6,339.00 <sup>1</sup>
Receipts		
Un-Itemized	\$4,915.00	
Itemized	33,885.00	
Loans received	0.00	
Interest	0.00	
Total receipts		<u>\$38,800.00</u>
Disbursements		
Un-Itemized	8,895.00	
Itemized	27,654.00	
Loans principal payments	0.00	
Obligation payments	0.00	
Total disbursements		<u>\$36,549.00</u>
Cash on hand at January 15, 2017		<u>\$8,590.00</u>
Loans outstanding at January 15, 2017		\$0.00
Obligations at January 15, 2017		\$0.00
Total in-kind contributions received		\$5,727.00

<sup>1</sup> The balance on hand at 1/16/2015 is funds transferred from the candidate's prior campaign.

## CHARTS

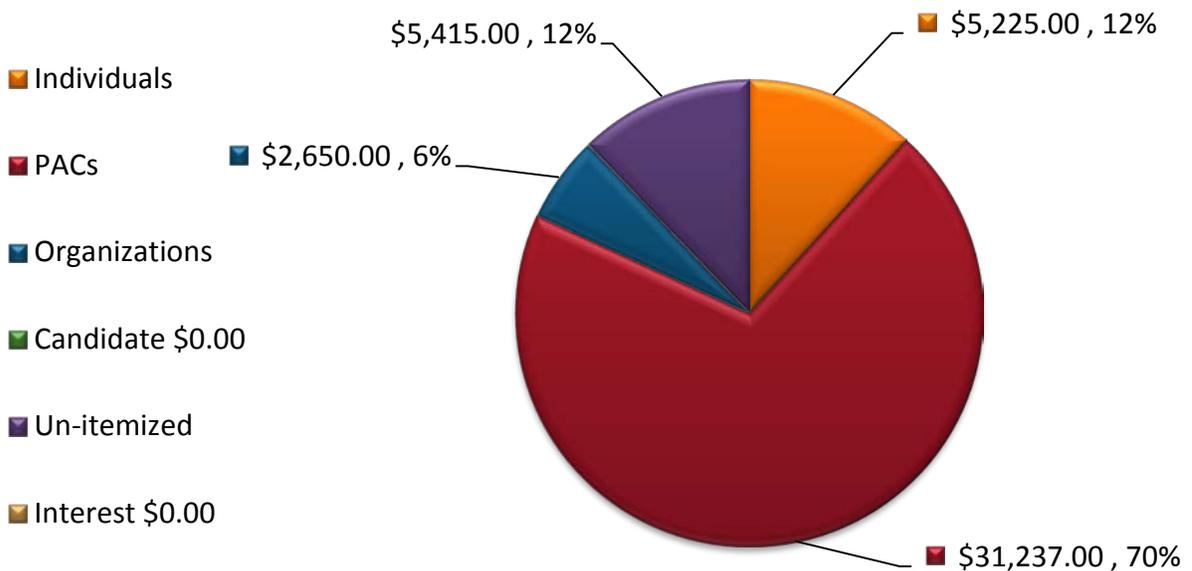
### 2016 ELECTION CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate for the 2016 election campaign.



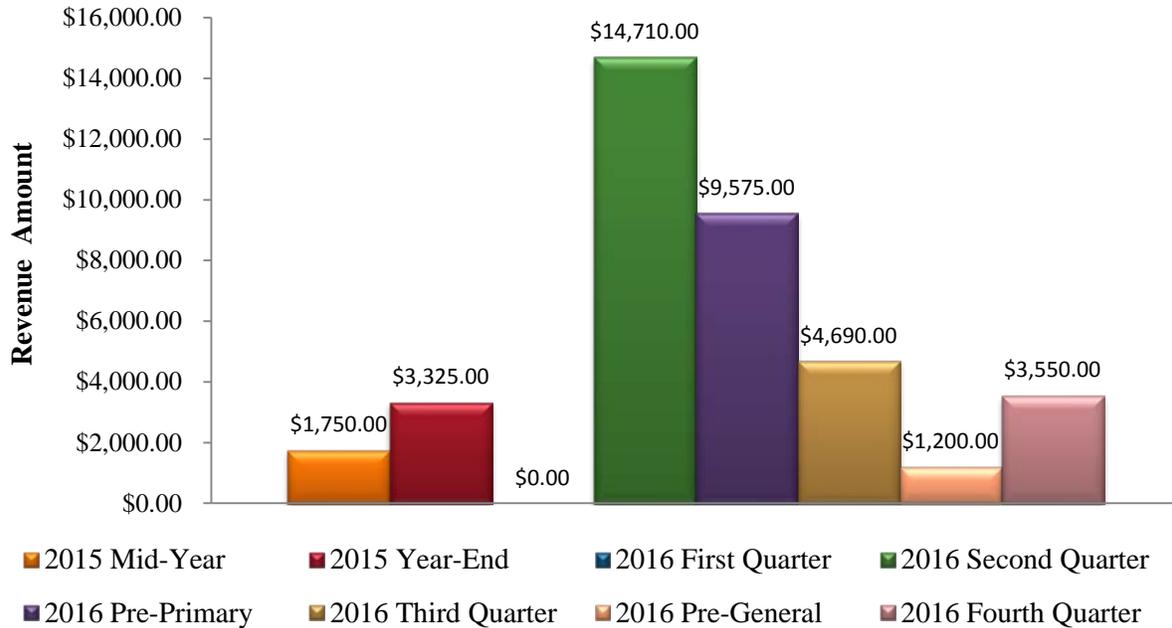
### 2016 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the monetary contributions reported by the candidate for the 2016 election campaign. Organizations in this chart represent non-profit organizations, non-PAC campaign organizations, or businesses.



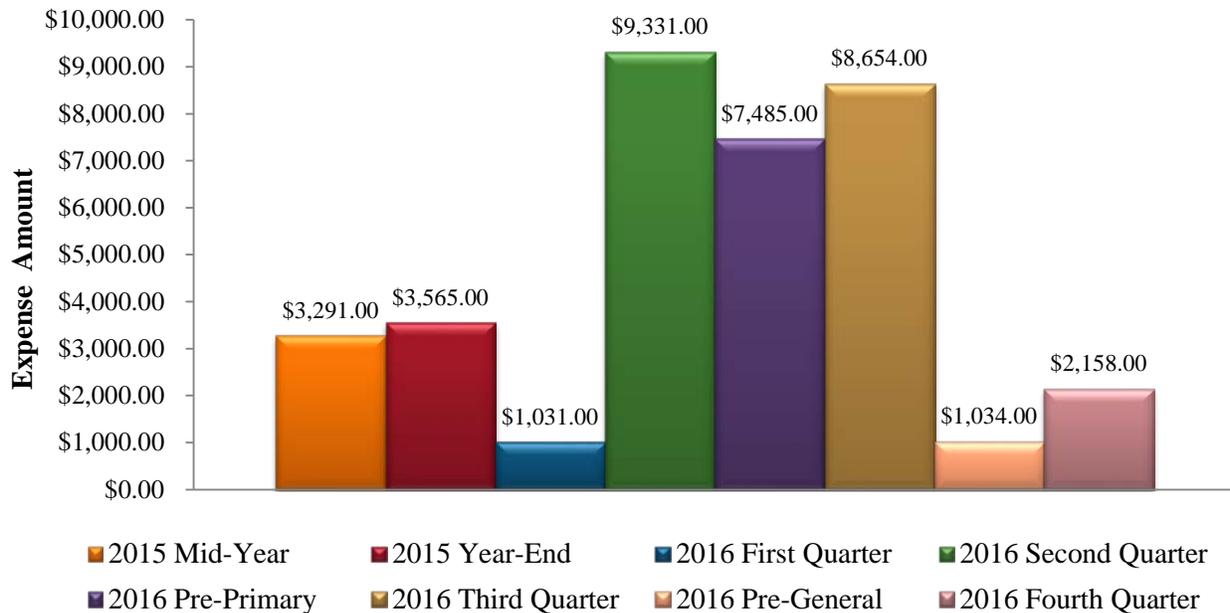
## 2016 ELECTION CONTRIBUTIONS BY REPORTING PERIOD

The following chart shows the contributions that the candidate reported for the 2016 election campaign by reporting period.



## 2016 ELECTION EXPENSES BY REPORTING PERIOD

The following chart shows the expenses that the candidate reported for the 2016 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, 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.

#### ***Audit Methodology:***

The Registry obtained Rep. Johnnie Turner's 2016 Campaign Financial Disclosure Statements from January 16, 2015 to January 15, 2017. We requested Rep. Turner provide her campaign records to support all contributions, loans, and interest that she received during her 2016 election campaign. Rep. Turner's campaign records for contributions included bank statements, deposit slip copies, contributor check copies and various contributor lists. The following steps were performed on Rep. Turner's campaign documentation:

- The documentation was reviewed to determine if the candidate's monetary contributions and interest received from January 16, 2015 to January 15, 2017 totaled \$38,800.
- 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.

- A list of itemized monetary contributions was prepared and 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.
- 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.
- The documentation was reviewed to determine if the candidate's loans received from January 16, 2014 to January 15, 2015 totaled \$0.00.

***Audit Conclusion:***

Rep. Turner's 2016 Campaign Financial Disclosure Statements from January 16, 2015 to January 15, 2017 and the candidate's campaign records indicated that she received and deposited contributions and interest earnings totaling \$38,800. However, the audit discovered an additional \$355 in contributions, from four individuals, for a fundraising event in 2016 which were not reported or deposited. The \$355 consisted of two un-deposited checks totaling \$80, an un-deposited \$250 money order, and \$25 in cash. It appears the candidate was unaware the contributions were placed within the campaign records.

After discovery of the un-deposited contributions the auditor returned the un-deposited items to the candidate. At that time, the auditor recommended the checks, money order and cash be returned to the applicable contributor and not placed into the campaign account. Rep. Turner complied with that recommendation and provided support indicating the funds were properly returned. A detailed finding for the \$355 was not provided as the failure to report the contributions represents less than 1% of contributions received by the candidate. In addition, it appears the campaign received no benefit from the funds and the error does not appear to be systematic to the way the candidate maintains records or reports her campaign contributions.

In addition to the unreported contributions, Rep. Turner also improperly reported the source of two contributions. One contribution received from a business account was reported as being from the owner instead of the business. The second contribution, per the campaign records, was a cash contribution of \$125 from a couple that was reported as being contributed by one person. Because of the cash contribution limit of \$50 per person per election, the contribution would be required to be allocated between the couple to be allowable. No detailed finding was provided for these errors because they represent less than 1% of the transactions the candidate reported.

## **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 Rep. Johnnie Turner's 2016 Campaign Financial Disclosure Statements for the period January 16, 2015 through January 15, 2017. We requested Rep. Turner provide campaign records to support all expenses during her 2016 election campaign. Rep. Turner's campaign records for expenses included bank statements, cancelled checks, vendor receipts/invoices, credit card statements, campaign worker statements and lists, and schedules for reimbursements and cash disbursements. The following steps were performed on Rep. Turner's campaign documentation:

- The documentation was reviewed to determine if the candidate's disbursements from January 16, 2015 to January 15, 2017 totaled \$36,549.
- 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.
- The listing of disbursements 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:***

Rep. Turner's 2016 Campaign Financial Disclosure Statements from January 16, 2015 to January 15, 2017 showed campaign expenses totaling \$36,549. However, the campaign bank records showed related disbursement of \$34,311.59. The resulting difference of \$2,237.41 relates to the following;

- \$1,702.87 relates to five checks written prior to January 15, 2017 that have not cleared the campaign bank account as of June 30, 2017. The checks have not been adjusted from the disclosure reports nor have the checks been reissued. In addition, the checks include several reported expenses which are insufficiently supported to verify an expense was actually incurred (Finding 1).
- \$549 relates to a conference expense reported by the candidate but paid personally. The campaign has not reimbursed the candidate thus this would be a personal expense and not a reportable campaign account expense.
- The remaining differences of \$14.46 is the net result of various overstatement and understatement of expenses as a result of the candidate's improper practice of rounding expenses when reporting and reimbursing expenses. Rep. Turner both rounded expenses when making reimbursement payments and when reporting expenses both of which were improper.

The methods used by Rep. Turner to pay, support, and report expenses resulted in insufficient records to support some campaign and officeholder related expenses that were incurred. The audit identified \$5,404.96 in expenses that were not properly supported (approximately 14.5% of the \$36,549 expenses reported). Of the \$5,404.96, \$3,186.07 were checks written as reimbursement to Rep. Turner, reimbursement to campaign workers or cash. (Finding 1)

Rep. Turner reported as unitemized expenses \$1,133.87 that were required to be itemized (Finding 2). Also, Rep. Turner reported one expense to the wrong vendor and improperly identified a category for two unitemized expenses. No detail findings for the improper vendor or categories were provided as the errors represent less than 1% of the transactions the candidate reported. Additionally, the errors do not appear to be systematic to the way the candidate maintains her records or prepares her disclosures. The audit staff discussed the errors with Rep. Turner and she amended the applicable campaign finance disclosures to correctly report the transactions.

## **FINDINGS**

- 1. Rep. Johnnie Turner violated T.C.A. §§ 2-10-114(b)(1) & 2-10-212(c) by failing to retain sufficient campaign records to verify that \$5,404.96 in disbursements were for allowable and incurred expenses. Relatedly, Rep. Johnnie Turner violated T.C.A. § 2-10-105(a) failed to properly report expenses as a result of various practices used by the candidate to pay, support, and report expenses.**

Rep. Turner failed to maintain sufficient campaign records to support \$5,404.96 of the \$36,549 in expenses incurred by the campaign. Of the \$5,404.96 in unsupported expenditures, \$1,023.26 relate to checks that have not cleared the bank as of June 30, 2017. Supporting records should include receipts, invoices, payroll records, or signed statements of receipt of funds and not simply the campaign disclosure reports or candidate prepared schedules. These records should support not only the payee and amount of the transactions but that the expenses were allowable and for the purposes reported.

The audit indicated that \$3,186.07 of the \$5,404.96 were related to checks written to cash, checks written as reimbursements to Rep. Turner or checks written as reimbursements to campaign workers. As these checks are not direct payments to vendors and are unsupported, the audit cannot confirm if these expenditures are allowable campaign or officeholder activity. As such, these transactions would represent improper transfers to campaign workers or the candidate.

**Reimbursements to campaign workers**

Rep. Turner was using reimbursement checks to pay campaign workers for expenses they and other campaign workers they supervised incurred. These checks usually included pay for services rendered by the workers, food and fuel expenses. The candidate would in some cases prepare a schedule or notes (or multiple types of schedules or notes) of expenses to show what expenses were paid (some schedules detailed by individual transactions and others by categories). The review of the candidate’s campaign records showed several payments for which there are no receipts or other documentation to show an expense was actually incurred.

The audit noted the following unsupported amounts on worker reimbursement checks:

Reporting Period	Check Number	Check Date	Check amount	Supported	Un-supported
2016 2 <sup>nd</sup> Qtr.	#1232	6/20/2016	\$200.00	\$93.12	\$106.88
2016 Pre-Primary	#1239	7/08/2016	\$155.00	\$145.00	\$10.00
2016 Pre-Primary	#1240	7/11/2016	\$242.64	\$92.03	\$150.61
2016 Pre-Primary	#1243	7/14/2016	\$379.06	\$262.60	\$116.46
2016 Pre-Primary	#1245	7/19/2016	\$560.00	\$520.00	\$40.00
2016 Pre-Primary	#1246	7/26/2016	\$228.66	\$128.66	\$100.00
2016 3rd Qtr.	#1250	7/28/2016	\$610.00	\$560.00	\$50.00
2016 3rd Qtr.	#1001	7/29/2016	\$132.02	\$112.02	\$20.00
2016 3rd Qtr.	#1004	7/30/2016	\$210.00	\$190.00	\$20.00
				Total	\$613.95
Double reimbursement paid on 8/5/2016					\$159.00
				Total	\$772.95

**Reimbursements to Rep. Turner**

Rep. Turner wrote reimbursement checks to herself for campaign expenses she was paying out of her personal bank account and credit card accounts. Each reporting period the candidate appears to issue a candidate reimbursement check as the last check for the period. In addition, the records show additional reimbursement checks to Rep. Turner around election days. Expenses related to Rep. Turner’s reimbursements were more formal than other reimbursements, in most cases, listing the various expenses being reimbursed and the type of payment used (credit card, personal check number, or cash). Similar to reimbursements to campaign workers there are some reimbursements paid to the candidate in order to make cash payments to campaign workers. In addition, there are reimbursements to Rep. Turner that relate to personal checks that are reimbursement checks to a campaign

worker, making a double reimbursement occur. Similar to other reimbursements, the review of the candidate’s campaign records showed several reimbursements to the candidate for which there are no receipts or other documentation to show an expense was actually incurred. The audit requested and was provided a portion of Rep. Turner’s personal records. Thus the audit also reviewed various credit card statements and personal bank records in an attempt to verify expenses were incurred beyond the campaign records.

The audit noted the following unsupported amounts on Rep. Turner’s reimbursement checks:

Reporting Period	Check Number	Check Date	Check amount	Supported	Un-supported
2015 Mid-Year	1204	6/31/2015	\$1,613.35	\$1,578.59	\$34.76
2016 1st Qtr.	1223	4/9/2016	\$633.68	\$573.68	\$60.00
2016 2 <sup>nd</sup> Qtr.	1234	6/30/2016	\$1,260.04	\$1,235.20	\$24.84
2016 Pre-Primary	1241	7/20/2016	\$1,500.00	\$1,394.37	\$105.63
2016 Pre-Primary	1248	7/20/2016	\$786.37	\$638.20	\$148.17
2016 3rd Qtr.	1012 <sup>(1)</sup>	9/30/2016	\$2,629.70	\$2,186.29	\$443.41
2016 Pre-General	1016	10/29/2016	\$384.09	\$254.09	\$130.00
2016 4th Qtr.	1022 <sup>(2)</sup>	1/15/2017	\$1,202.87	\$679.61	\$523.26
Total					\$1,470.07
<sup>(1)</sup> Part of the unsupported amount for check 1012 is a double reimbursement. The amount related to the double reimbursement is being removed from this schedule and added to the campaign worker schedule above.					\$(159.00)
Total					\$1,311.07
<sup>(2)</sup> This is a check that never cleared the campaign bank account.					

**Checks made Payable to “Cash”**

Rep. Turner made cash withdrawals in order to pay campaign workers for services and expenses in cash. In some cases there were prepared schedules of expenses. However, in some cases the detail was gathered from several notations on various overall schedules and notations on various items. The review of the candidate’s campaign records showed several cash withdrawal payments for which there are no receipts or other documentation to show an expense actually incurred.

The audit noted the following unsupported amounts on Rep. Turner’s reimbursement checks:

Reporting Period	Check Number	Check Date	Check amount	Supported	Un-supported
2016 2 <sup>nd</sup> Qtr.	1227	6/30/2016	\$500.00	\$83.12	\$416.88
2016 Pre-Primary	1238	7/08/2016	\$500.00	\$464.83	\$35.17
2016 Pre-Primary	1244	7/8/2016	\$450.00	\$100.00	\$350.00
2016 Pre-General	1015	10/28/2016	\$300.00	\$0.00	\$300.00
Total					\$1,102.05

### **Miscellaneous Unsupported Expenses**

The following four expenses have insufficient information to determine what expense should be reported and if it is allowable:

- a. Rep. Turner reported a \$50 un-itemized expense for “Donation” on her 2016 1<sup>st</sup> Quarter report. The only support is a personal check of \$50 to the City of Memphis (Amount reimbursed to Rep Turner on campaign check 1223).
- b. Check 1006 written to P S & S for \$997.00. The candidate reported the check as an itemized expense for a direct mailer. Based on an internet search of the business name and the address provided in the itemized disclosure the check most likely was paid to Political Systems and Solutions. The candidate maintained only the disbursement check for this expense. The audit can only verify the expense was paid and paid to the vendor reported.
- c. Rep. Turner reported \$671.89 itemized expense to A-1 Printing for “Printing” on her 2016 3rd Quarter report. The support of which is two checks. A campaign check on July 23, 2016 for \$213.04 which the stub indicates is for stakes and magnets. A personal check of \$458.85 written to Frazier Windless, the business owner (amount reimbursed to Rep Turner on campaign check 1012). The candidate maintained only the disbursement checks for this expense. The audit can only verify the expense was paid and paid to the vendor reported.
- d. The audit noted four checks, totaling \$500, written to campaign workers and an individual which are unsupported. Because the checks had not cleared the campaign bank account by June 2017 (over 5 months after the last check was written), the only documentation is the check stubs or notes prepared by the candidate. None of expenses reported related to these checks have been adjusted to void the transactions. Without the cleared checks there is no way to determine if the stubs or report is showing the correct entry.

### **2. Rep. Johnnie Turner violated T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$1,133.87 in campaign expenses incurred during her 2016 campaign.**

Rep. Turner improperly reported 27 transactions, totaling \$1,133.87, as unitemized when an individual or vendor was paid more than \$100 during a reporting period. T.C.A. §2-10-107(a)(2)(B) requires expenses to be itemized when a vendor/individual is paid more than \$100 during a reporting period. Twenty-six of the transactions were below \$100 individually but when aggregated with other expenditures to the same payee were over the \$100 itemized reporting requirement.

The candidate’s use of reimbursement checks and credit cards led to several errors. When a candidate uses credit cards and reimbursements for payment, he/she must first determine the reportable vendor/individual and then determine if that payee received more than \$100 in payment during the reporting period.

## **RECOMMENDATION TO CANDIDATE**

Rep. Turner should amend her 2016 Campaign Financial Disclosure Statements to ensure that she properly itemizes all expenses paid to vendors who received more than \$100 during the reporting period.

For future reporting periods, the candidate should discontinue the practice of rounding expenses both in reporting and reimbursing. The candidate should develop a campaign record-keeping system that adequately meets the requirements of the campaign financial disclosure statutes. The system should ensure that the campaign reports contributions and expenses fully and correctly. In addition, the record keeping system should include the retention of all vendor invoices and receipts.

If the candidate is going to continue to use reimbursements (or credit card payments) for expense she incurs on her personal accounts, in addition to maintain supporting receipts/invoices, she should maintain in the campaign records copies of the personal checks and/or highlighted credit card statements to show where the payments were actually made. The audit also recommends that when reimbursements or cash payments are made a schedule of all expenses reimbursed or paid be prepared. Then attach to each schedule a copy of the reimbursement check or check to “cash” and related supporting records (receipt/invoice/personal checks/statements).

Whenever payments are made to individuals for services and a receipt is not provided, the person who is receiving the campaign funds should sign statements or logs that shows the person’s name, the amount received, the date, and the type of services provided (especially when paid in cash or through another worker’s check).

Finally, the candidate should reconcile the campaign bank account or other account records to the campaign disclosure statements to ensure that all campaign finance activities are properly recorded and reported. This reconciliation should include checks outstanding for long periods of time so the candidate can determine what adjustments may be required to the campaign records for un-cleared checks

## **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 web site 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 rules and types of procedures needed to comply with campaign finance laws.

## **RESOLUTIONS**

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

After discussing the findings with Rep. Turner, she chose to take corrective action on her reports with the Registry staff assistance prior to the Registry's approval of the audit. Rep. Turner's 2015 Mid-Year Supplemental, 2015 Year-End Supplemental, 2016 First Quarter, 2016 Second Quarter, 2016 Pre-Primary, 2016 Third Quarter, 2016 Pre-General and 2016 Fourth Quarter Campaign Financial Disclosure Statements reports were amended on June 4, 2018. The corrections made on these reports are listed below.

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

Rep. Turner's reports were amended to add the \$1,133.87 in itemized expenses on various reports. The related unitemized expenses were also removed. The removal and additional expenses added itemizes the 27 transaction noted in Finding 2. The amended reports properly disclosed the errors noted in Finding 2.

#### ***Corrective Actions – Disbursement and Obligations Audit Conclusion:***

Rep. Turner's reports were amended to correct the disclosed amounts for most un-itemized and itemized expenses on all the reports noted above. The corrections properly disclose the exact expense amount incurred. The amended reports properly correct the rounding errors noted in the audit conclusion.

Rep. Turner's 2015 Mid-Year report was amended to remove the \$549 conference expense which was not paid from the campaign account. The corrections properly disclose the expense incurred by the candidate amount incurred and the error noted in the audit conclusion.

In addition to the correction made to the campaign reports, Rep. Turner contacted a couple vendors to obtain replacement copies of invoices. The invoices obtained related to disbursements noted in Finding 1 and are detailed below.

#### ***Corrective Actions – Finding 1 -Miscellaneous Unsupported Expenses***

Rep. Turner provided an invoice from PS&S at 516 Tennessee Street Suite 412, Memphis TN 38103 for direct mail services for \$997.00 dated 8/3/2016. The provided invoice appears to be submitted to support item b noted in the Miscellaneous Unsupported Expenses section of Finding 1.

Rep. Turner provided two invoices from A-1 Printing services at 810 East Brooks Rd., Memphis TN 381116. Invoice 2258 dated 7/29/2016 was for Magnetic signs and wire stands in the amount of \$213.04. Invoice 2260 dated 8/01/2016 was for Mailer in the amount of \$458.85. Both invoices indicating they were paid on 8/2/2016. The invoices appear to be submitted to support the \$671.89 noted in item c of the Miscellaneous Unsupported Expenses section of Finding 1.

## **REGISTRY OF ELECTION FINANCE ACTIONS**

The Members of the Registry of Election Finance will review the 2016 Campaign Finance audit of Rep. Johnnie Turner during the June 13, 2018 regular monthly meeting. Approval and any subsequent actions taken by the board will be documented in the board minutes.