



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

**Campaign Finance Audit of
Representative Lois DeBerry
Election Year 2010**



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March 13, 2013

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 Representative Lois DeBerry's 2010 election campaign for House of Representatives, District 91. 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 Lois DeBerry
2010 Campaign Finance Audit

AUDIT OBJECTIVES

The objectives of the audit were to determine Rep. Lois DeBerry'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 2009 Early Mid-Year Supplemental, 2009 Early Year-End Supplemental 2010 First Quarter, 2010 Second Quarter, 2010 Pre-Primary, 2010 Third Quarter, 2010 Pre-General, and 2010 Fourth Quarter Campaign Financial Disclosure Statements; and to recommend appropriate actions to correct any deficiencies.

FINDINGS

1. **Rep. DeBerry failed to report \$1,050 in campaign contributions in violation of T.C.A. §2-10-105(a).**
2. **Rep. DeBerry failed to report \$3,650.08 in contributions associated with expenses not paid from the campaign account in violation of T.C.A. §2-10-105(a).**
3. **Rep. DeBerry failed to follow the Registry rules for bookkeeping and maintaining a campaign account.**
4. **Rep. DeBerry failed to report \$2,871.02 in campaign expenditures in violation of T.C.A. §2-10-105(a).**
5. **Rep. DeBerry violated T.C.A. §2-10-107(a)(2)(B) by overstating \$3,161.23 in campaign expenditures.**
6. **Rep. DeBerry failed to itemize \$4,008.84 in expenditures in violation of T.C.A. §2-10-107(a)(2)(B).**
7. **Rep. DeBerry improperly used \$9,224.90 in campaign funds in violation of T.C.A. §2-10-114(b).**
8. **Rep. DeBerry failed to obtain and/or retain supporting documentation for all campaign expenditures.**

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INTRODUCTION

AUDIT AUTHORITY

T.C.A. §§2-10-206 and 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 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 an election year, the disclosures expand to quarterly reports, pre-primary report, and pre-general report. Therefore, the audit reviewed Rep. DeBerry’s disclosures on her 2009 Early Mid-Year Supplemental, 2009 Early Year-End Supplemental, 2010 First Quarter, 2010 Second Quarter, 2010 Pre-Primary, 2010 Third Quarter, 2010 Pre-General, and 2010 Fourth Quarter Campaign Financial Disclosure Statements.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Rep. DeBerry was a candidate in the November 2, 2010 general election for House of Representatives in District 91. Rep. DeBerry filed an Appointment of Political Treasurer Statement with the Registry on April 24, 2009 appointing Eloise Smith as political treasurer.

The candidate's first financial disclosure for the 2010 campaign was the 2009 Early Mid-Year Supplemental report filed on July 15, 2009. Rep. DeBerry's last financial disclosure for the 2010 election was the 2010 4th Quarter Report, which she filed on January 25, 2011. The 4th Quarter report indicates \$25,135.91 in cash on hand, \$0.00 in outstanding obligations, and \$0.00 in outstanding loans. At the end of the Fourth Quarter reporting period, the candidate completed her 2010 election campaign reporting requirements by transferring the remaining balance to her 2012 election campaign.

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: 2009 Early Mid-Year, 2009 Early Year-End, 2010 First Quarter, 2010 Second Quarter, 2010 Pre-Primary, 2010 Third Quarter, 2010 Pre-General, and 2010 Fourth Quarter reports after amendments. The amounts displayed are for informational purposes only.

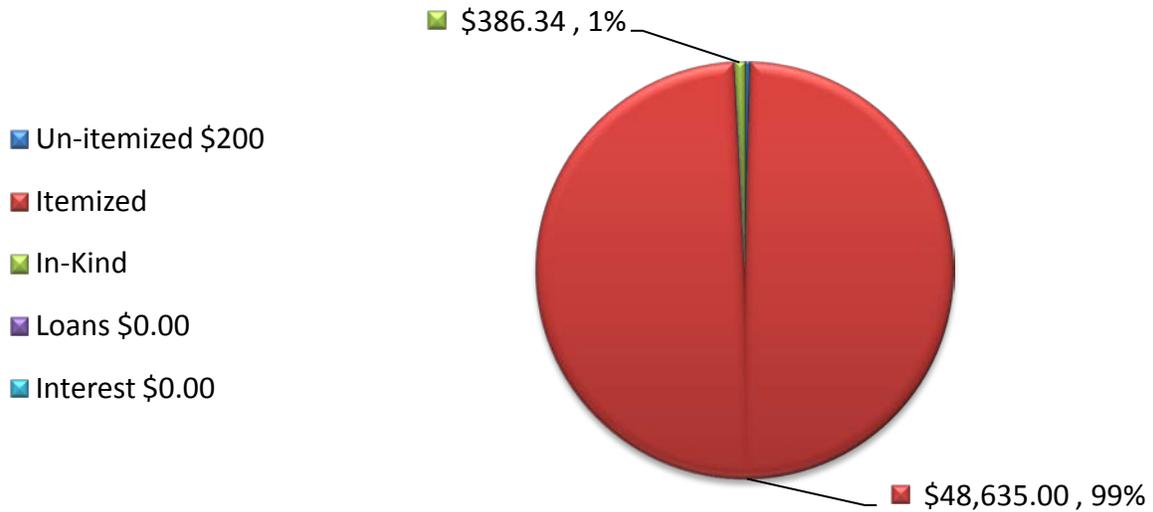
<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at January 16, 2009		\$37,171.78 1
Receipts		
Un-Itemized	\$200.00	
Itemized	\$48,635.00	
Loans received	\$0.00	
Interest	\$0.00	
Total receipts		<u>\$48,835.00</u>
Disbursements		
Un-Itemized	\$27,969.44	
Itemized	\$32,901.43	
Loans principal payments	\$0.00	
Obligation payments	\$0.00	
Total disbursements		<u>\$60,870.87</u>
Cash on hand at January 15, 2011		<u>\$25,135.91</u>
Loans outstanding at January 15, 2011		\$0.00
Obligations at January 15, 2011		\$0.00
Total in-kind contributions received		\$386.34

1 The balance on hand at 1/16/2009 is funds transferred from the candidate's prior campaign.

CHARTS

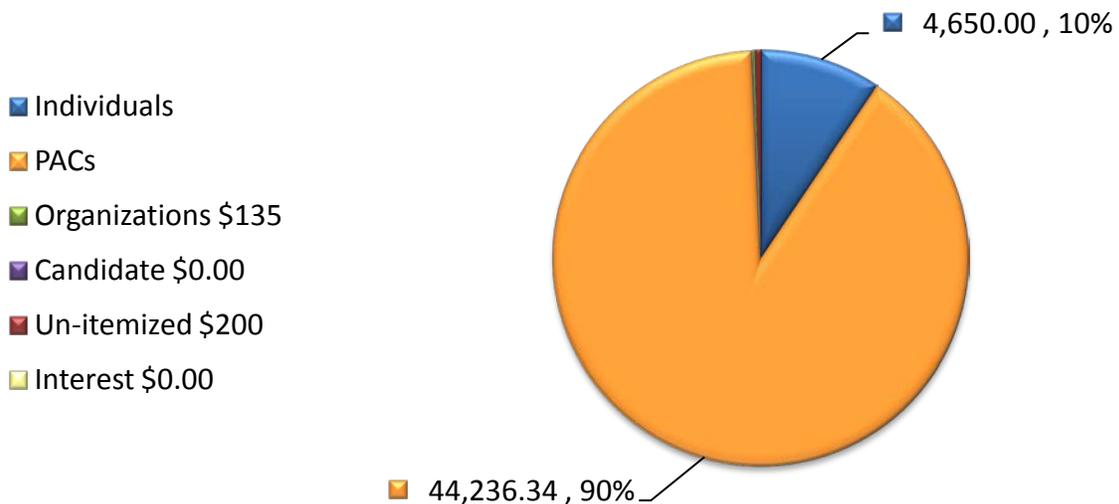
2010 ELECTION CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate for the 2010 election campaign.



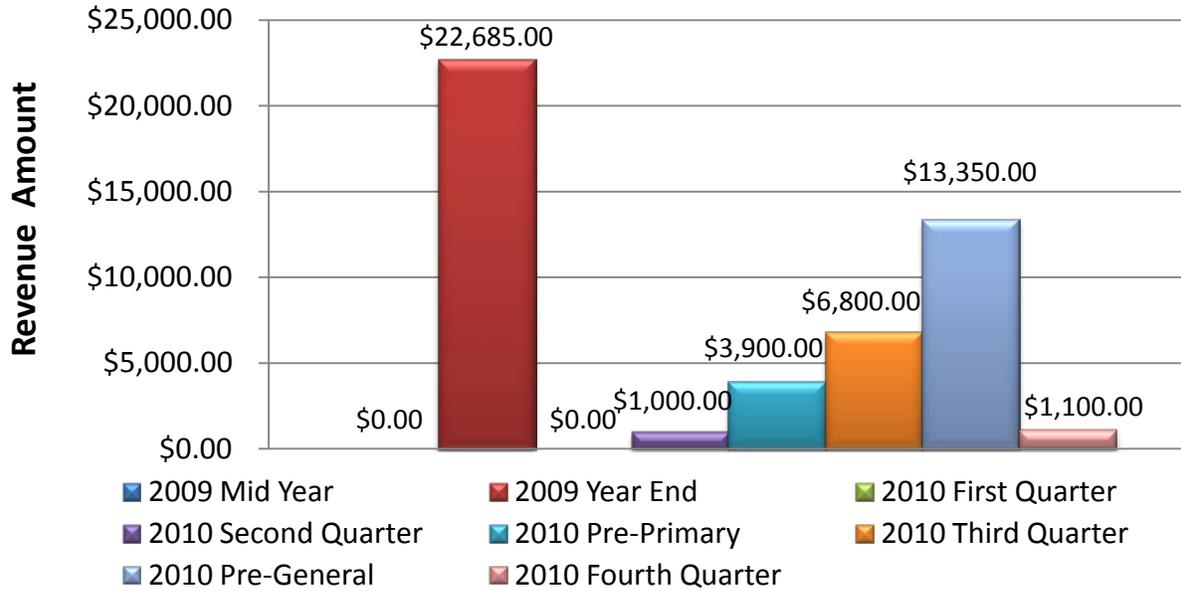
2010 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the monetary contributions reported by the candidate for the 2010 election campaign. Organizations in this chart represent non-profit organizations, individual's campaign organizations, or businesses.



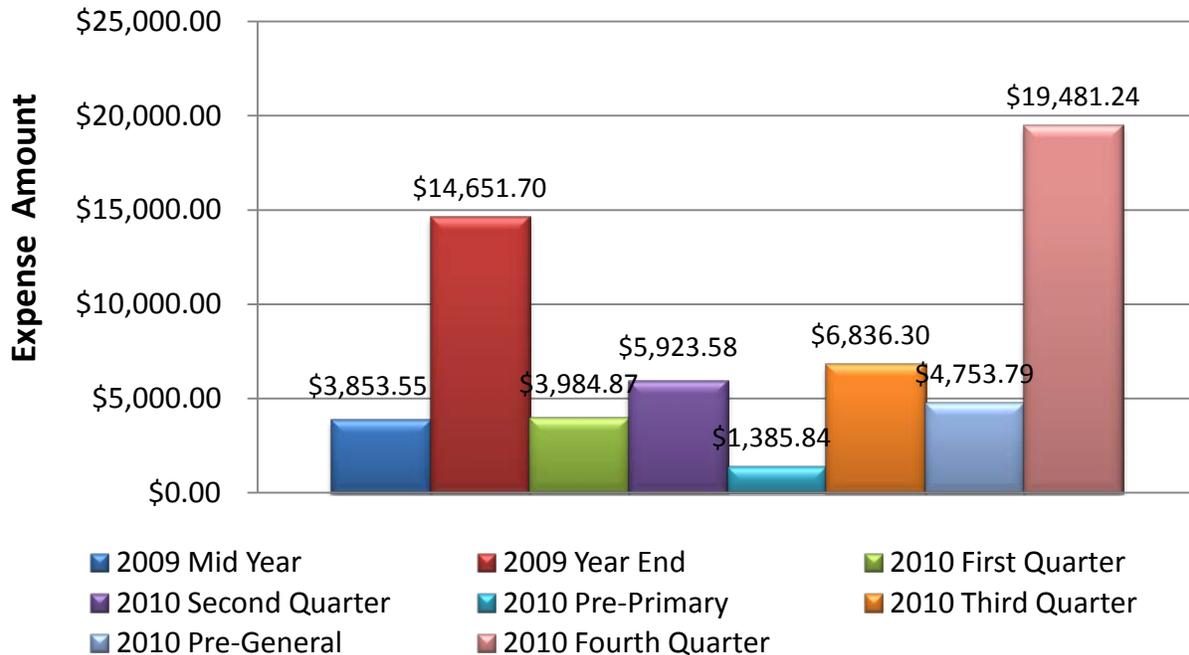
2010 ELECTION CONTRIBUTIONS BY REPORTING PERIOD

The following chart shows the contributions that the candidate reported for the 2010 election campaign by reporting period.



2010 ELECTION EXPENSES BY REPORTING PERIOD

The following chart shows the expenses that the candidate reported for the 2010 election campaign by reporting period.



OBJECTIVES, METHODOLOGIES, CONCLUSIONS

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 Rep. DeBerry's 2010 Campaign Financial Disclosure Statements from January 16, 2009 to January 15, 2011. We requested Rep. DeBerry provide her campaign records to support all contributions, loans, and interest that she received during her 2010 election campaign. Rep. DeBerry's campaign records for contributions included bank statements, deposit slip copies, and contributor check copies. The following steps were performed on Rep. DeBerry's campaign documentation:

- The documentation was reviewed to determine if the candidate's monetary contributions and interest received from January 16, 2009 to January 15, 2011 totaled \$48,835.
- 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 sample 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 in-kind campaign contributions from individuals and PACs complied with campaign contribution limits, T.C.A. §2-10-301, et seq.

Audit Conclusion:

Rep. DeBerry's 2010 campaign financial disclosure statements for the period of January 16, 2009 to January 15, 2011 and candidate campaign records related to contributions indicated that she received contributions totaling \$49,885 and deposited contributions totaling \$49,085. The \$800 difference between the amount received and deposited consisted of two un-deposited contribution checks found in the campaign records provided by Rep. DeBerry. Pursuant to Registry Rule 0530-1-1.02(2) all campaign contributions shall be deposited within ten (10) days of receipt. As of the date of this report, the two checks have been in possession of the campaign for almost two years and not deposited. Therefore, the checks should be returned to the contributors and the candidate should amend her campaign financial disclosure report to remove the two contributions. The \$1,050 difference between the contributions reported (\$48,835) and contributions received (\$49,885) are contributions that the candidate failed to report (Finding 1). The campaign records for disbursements indicated the candidate failed to report \$3,650.08 in contributions associated with expenses not paid from the campaign account (Finding 2).

The sample of itemized monetary contributions tested indicates that contributions reported complied with campaign finance limits and campaign finance laws. Based on the campaign disclosure and campaign records in-kind contributions complied with campaign limits laws. The campaign records and disclosures indicated that Rep. DeBerry received no loans or interest earnings.

1. Rep. DeBerry failed to report \$1,050 in campaign contributions in violation of T.C.A. §2-10-105(a).

Rep. DeBerry reported \$48,835 in monetary contributions for the 2010 election; however, the audit and campaign records indicate the amount received was \$49,885. The campaign bank records indicate Rep. DeBerry failed to report \$1,000 from a contributor who made two contributions during the 2009 Early Year-End Supplemental reporting period. The campaign records indicate Rep. DeBerry deposited \$1,000 from the contributor on 8/24/2009 and deposited an additional \$1,000 on 1/14/2010. The contribution deposited on 1/14/2010 was reported; however, the contribution deposited on 8/24/2009 was not reported. Rep. DeBerry also failed to report a \$50 contribution received from a contributor that was deposited during the 2010 Fourth Quarter reporting period. The failure to report \$1,050 is a violation of T.C.A. §2-10-105(a).

2. Rep. DeBerry failed to report \$3,650.08 in contributions associated with expenses not paid from the campaign account in violation of T.C.A. §2-10-105(a).

The campaign records for disbursements indicate several purchases were made with funds not deposited into the campaign account. The funds used to make the purchases are unreported campaign contributions. The campaign records include \$3,650.08 in receipts paid from sources outside the campaign account (For example, the candidate's personal VISA or cash). In most cases it appears expenses were paid by the candidate. In a few cases, the contributor cannot be determined as the expense was paid in cash or by a source that does not name the purchaser.

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. DeBerry's 2010 campaign financial disclosure statements from January 16, 2009 to January 15, 2011. We requested the candidate provide campaign records to support all expenses during her 2010 campaign. Rep. DeBerry's campaign records for expenses include bank statements with canceled checks, vendor receipts/invoices and credit card statements. The following steps were performed on Rep. DeBerry's campaign documentation:

- The documentation was reviewed to determine if the candidate's disbursements from January 16, 2009 to January 15, 2011 totaled \$60,870.87.
- 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.
- A sample of thirteen 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.

- A sample of eleven un-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:

Rep. DeBerry failed to follow the registry rules for bookkeeping resulting in several errors in reporting her campaign expenses (Finding 3). Registry Rule 0530-1-1-.02(8) requires a reconciliation between the campaign bank account and disclosure statements, had the candidate prepared the reconciliation several of the errors noted may not have occurred. Rep. DeBerry failed to properly maintain her campaign account by not making all campaign purchases from the campaign account as required in Registry Rule 0530-1-1-.02(4). Also, Rep. DeBerry failed to maintain and provide supporting documentation for all campaign expenses and for all the funds disbursed from the campaign account (Finding 8). Therefore, the audit group was unable to reconcile all reported expenses to supporting documentation. This resulted in the inability to determine whether certain reported expenses occurred, all expenses were reported or all funds used to make campaign purchases were properly reported as campaign contributions.

Despite the lack of complete campaign records and the candidate's failure to follow bookkeeping rules, the audit determined the candidate failed to report \$2,871.02 in campaign expenditures in violation of T.C.A. §2-10-105(a) (Finding 4). The campaign records indicated Rep. DeBerry disbursed campaign funds for prohibited expenses as listed in T.C.A. §2-10-114(b) (Finding 7). Rep. DeBerry failed to properly disclose campaign expenditures by overstating expenses violating T.C.A. §2-10-107(a)(2)(B) (Finding 5). Also, Rep. DeBerry failed to itemize all expenditures to individuals or vendors paid more than \$100.00 during a reporting period in violation of T.C.A. §2-10-107(a)(2)(B) (Finding 6). Rep. DeBerry failed to properly report obligations incurred and subsequent payments in violation of T.C.A. §2-10-107(f) (Finding 2).

FINDINGS

3. Rep. DeBerry failed to follow the Registry rules for bookkeeping and maintaining a campaign account.

Rep. DeBerry did not follow Registry rules for bookkeeping and failed to properly maintain a campaign account. Rep. DeBerry failed to reconcile the bank account to the campaign finance disclosure statements. Although not required by statute, the Registry developed guidance for candidates for maintaining their records of campaign activities. This guidance is not the sole method for maintaining records and does not include all variations of campaign activities; however, if the candidate followed the guidance she may have averted errors noted in the report.

The candidate's campaign records for expenses indicated purchases made with funds other than those in the campaign account which are required to be reported as contributions. The candidate failed to report these contributions. The candidate failed to follow the Registry Rule for having all campaign activities flow thru the campaign account. Placing funds into the campaign account prior to making campaign purchases helps to properly identify all contributions (See Finding 2). Also, the candidate failed to perform a reconciliation of the campaign account to the disclosures which could have noted the errors in contributions reporting.

The candidate's campaign records for expenses consisted of the campaign bank account, American Express (AMEX) statements, poll worker listings, invoices and receipts. Review of campaign bank account statements from January 2009 to January 2011 noted the following:

- a. Approximately 40 handwritten checks to vendors, campaign workers and cash.
- b. Bank prepared checks paid to "CITI" approximately twice a month that appear to be CITI Bank in two accounts, reported as fuel to two vendors (Shell and Exxon).
- c. Several electronic payments to two American Express cards and AT&T.

The bank account review indicated most expenses were not being paid directly from the campaign account but through credit card transactions. The review of the electronic payments to AMEX and the AMEX card statements provided by the candidate indicated:

- d. The candidate provided statements for three AMEX cards. The statements for two cards show electronic payments from the campaign account. Both are identified in the audit and this report by the last digit on the card, AMEX (2) and AMEX (6).
- e. The audit determined that the candidate paid the majority of activities on the AMEX cards from the campaign account.
- f. The candidate provided statements of activity for both AMEX cards from July 2009 to October 2010 and December 2010. Except, the candidate failed to provide the June 2010 statement for AMEX (2).
- g. The candidate failed to provide any AMEX statements for the 2009 Mid-Year reporting period, November 2010 and January 2011. The audit was able to determine and reconcile some of the activity on the November 2010 and January 2011 statements to the disclosure based on receipts provided by the candidate.
- h. The audit attempted to reconcile all AMEX purchases to candidate disclosures. Upon completion of reconciling, the audit found a total of \$16,201.73 in activity on or to the AMEX cards that were unable to be reconciled to the candidate's disclosures.

The audit noted several inadequacies with the campaign records including incomplete invoices and receipts as noted in Finding 8. The recordkeeping inadequacy resulted in the audit not being able to confirm that all campaign expenses that were incurred were reported and reported accurately (See Findings 4, 5, and 6). Finally, the audit could not determine the sources of the funds that paid all campaign expenses or if the sources of those funds were properly reported as contributions (See Finding 2). The audit report findings list specific instances where violations could be determined. Below shows areas not reconciled or only partially reconciled.

1. In some cases the candidate did not pay the current expense amount on the AMEX card. As a result, AMEX would add the unpaid amount to the flex line portion on the card. The use of the flex line should be reported by the candidate as an obligation and when the flex line is paid an obligation payment should be reported. The candidate failed to report any obligation or obligation payments. The audit cannot determine the full flex line activity without all the AMEX statements and support for the outstanding obligations prior to the audit period. The following was noted related to the flex line from July 2009 to December 2010:

- The AMEX (2) July 2009 statement indicated the flex account had a balance of \$6,187.96. Based on the subsequent payments by the candidate to AMEX, the flex line balance appears to be campaign expenses. Therefore, the outstanding obligation balance at July 1, 2009 should be \$6,187.96.
- The candidate paid the April AMEX (2) card from her personal funds. None of the current purchases on the April card appear to be campaign related and were excluded from the audit. However, the payment also paid a part of the flex line and the related finance charges. Payment to the flex line and interest should have been reported as an obligation payment and interest expense.
- The audit determined the candidate flex line on AMEX (2) from July 2009 to December 2010 activity was

Beginning Flex line	\$6,187.96
Added	\$ 257.35
Payments	\$1,301.76
Outstanding at 12/31	\$5,143.55
- The audit determined the candidate flex line on AMEX (6) from July 2009 to December 2010 activity was

Beginning Flex line	\$ 0.00
Added	\$1,280.38
Payments	\$ 450.03
Outstanding at 12/31	\$ 830.35

2. The candidate's campaign records did not detail how purchases made were reported in which un-itemized category or itemized expense. As a result, the auditor made educated guesses as to what expenses were included in each disclosure. Also the audit identified:
 - a. 6 itemized expenses reported by the candidate totaling \$1,374.05 that could not be reconciled to any purchase.
 - b. 57 un-itemized categories could not be reconciled to any purchases which totals to \$13,033.93, approximately 50% of the total amount of un-itemized categories reported. Several categories not supported appeared on multiple reports:

Categories	Amounts	# of reporting periods
Advertising / (ADS / Events / Tickets)	\$1,080.00	2
Church Contributions / Contributions	\$2,370.00	6
Bereavement / Memorial	\$1,025.00	3
Dues / Subscription	\$1,165.00	3
Postage	\$970.00	5

3. The candidate campaign records indicate the candidate withdrew \$3,050 in cash from the campaign account. The audit reconciled a few checks written by the candidate based on notes written in the check's memo line. The candidate failed to provide and/or maintain receipts for any of these purchases. Therefore, the audit cannot determine if the funds were used or reported in compliance with campaign finance laws.

4. The campaign records indicate the candidate wrote checks to individuals for \$195 from the campaign account that could not be reconciled to any disclosure. The candidate failed to maintain documentation for the checks. Therefore, the audit cannot determine if the funds were used and reported in compliance with campaign finance laws.
5. The campaign records included several receipts that based on payment of the receipts were not paid from the campaign account. Receipts that could be reconciled to disclosures were included in the audit. These receipts indicated unreported contributions (See Finding 2). The remaining receipts not paid from the campaign account and not reconciled to a disclosure were not included in the audit. These receipts were not included as the audit cannot determine if the purchases are personal or campaign related. The use of personal funds to pay expenses appears to indicate they may be personal. A summary by vendor or category of purchases is as follows:

Vendor / Category	Receipt Amount	Number of Purchases
Retail	\$343.23	7
Liquor	\$758.99	19
Grocery	\$493.31	12
Fuel	\$158.44	6
HMS Host	\$10.50	1
Bilkerdijk Cosmetics	\$167.97	1
Southern Service	\$100.13	2

6. The campaign record keeping resulted in several errors in reporting, including misclassifying expenses. This includes the following errors:
 - The 2010 Pre-Primary reporting period showed an un-itemized expense for “constituent dinners” for \$240.31. A fuel expense for \$19.19 to Happy Market BP was included but should be reported as an un-itemized expense for fuel. Also included was a \$80.79 purchase required to be itemized (See Finding 6).
 - The candidate reported an itemized expense in the 2010 Pre-Primary report to Stein’s Restaurant for \$116.24. A Southern Service purchase for \$81.37 was included in the amount.

4. Rep. DeBerry failed to report \$2,871.02 in campaign expenditures in violation of T.C.A. §2-10-105(a).

Rep. DeBerry failed to report \$2,871.02 in expenditures during her 2010 campaign. Rep. DeBerry’s campaign records indicate the following campaign expenses were not disclosed:

- The candidate failed to report \$245.44 in bank fees associated with the campaign bank account.
- The candidate failed to report \$1,065.78 in credit card finance charges associated with two AMEX cards. There are additional finance charges that cannot be determined due to lack of supporting documentation which could increase the amount of unreported finance charges (See Finding 2 for details of the AMEX charges).

- The candidate failed to report \$350 in expenses for an Easter egg hunt during the 2009 Mid-Year reporting period. The candidate withdrew cash with a check for \$350. The memo line on the check said “Easter Egg Hunt.” No expense is reported that appears to coincide with the check or the purpose noted in the memo line. As a result, that audit determined the expenses related to this check were unreported.
- The candidate’s campaign account shows bank prepared checks to “CITI” during the 2009 Mid-Year reporting period totaling \$895.97. Based on the checks and the candidate’s other disclosures, it appears the \$895.97 should be reported as \$400 to Shell and \$495.97 to Exxon. There is no supporting documentation beyond the checks for these expenses (See Finding 8 for additional details).
- The candidate failed to report \$42.02 in un-itemized gas purchases during the 2009 Year-End reporting period. The audit determined that the un-itemized gas purchases were separate from those made through the CITI cards. The purchases were on the two AMEX cards and totaled \$208.59; \$166.57 was reported. The difference in the reported and supported amount is \$42.02 which is the unreported expense.
- The candidate failed to report a \$100 check to a mayor candidate during the 2009 Year-End reporting period. The campaign account shows check 1308 was written to the mayoral candidate but no campaign contributions were reported in the itemized or un-itemized expenditures of the candidate’s disclosure for this period.
- The candidate failed to report a \$10 food expense during the 2010 First Quarter reporting period. The candidate appeared to report the amount on a receipt which did not show the tip on the expense. The AMEX bill showed the actual amount paid including the \$10 tip.
- The candidate reported \$50 in expenses to Shell Oil (CITI) during the 2010 Pre-Primary reporting period. The audit determined two checks were paid to CITI with the account number reported as Shell Oil for \$50 each. Therefore, the candidate failed to report \$50 of the Shell Oil expenses.
- The candidate failed to report a \$50 expense to Shell Oil (CITI) during the 2010 Fourth Quarter reporting period. The audit determined three checks were paid to CITI with the account number reported as Shell in amounts of \$50, \$75 and \$60. The candidate reported \$135. Therefore, the candidate failed to report a \$50 check.
- The candidate failed to report \$61.81 in un-itemized gas purchases during the 2010 Fourth Quarter reporting period. The audit determined that the un-itemized gas purchases were separate from those made through the CITI cards. During this period the purchases were on AMEX cards, cash, and a Visa card totaling \$645.73 while the amount reported was \$583.92. The difference in the reported and supported amount is \$61.81 which is the unreported expenses.

The addition of these expenditures results in an increase in total reported expenses of approximately 5%. Rep. DeBerry's failure to report these expenditures violated T.C.A. §2-10-105(a), which requires a candidate to prepare a statement of all expenditures made by or on behalf of the candidate.

5. Rep. DeBerry violated T.C.A. §2-10-107(a)(2)(B) by overstating \$3,161.23 in campaign expenditures.

Rep. DeBerry failed to properly disclose campaign expenditures during her 2010 campaign by overstating expenses. The following campaign expenditures were overstated:

Vendor / Category	Amount Reported	Amount Supported	Overstated Amount	Reporting Period
AT&T (Five expenses)	\$2,020.53	\$1,522.06	\$498.47	2009 Mid-Year
Exxon	\$575.00	\$525.00	\$50.00	2009 Year-End
Bobo's Restaurant	\$315.24	\$215.24	\$100.00	2009 Year-End
Church Contributions	\$450.00	\$100.00	\$350.00	2009 Year-End
Constituent Dinners	\$348.41	\$327.46	\$20.95	2009 Year-End
Doubletree (2 expenses)	\$401.84	\$200.92	\$200.92	2009 Year-End
Computer Supplies	\$116.33	\$16.33	\$100.00	2010 2 nd Quarter
Gas	\$355.00	\$338.81	\$16.19	2010 2 nd Quarter
Constituent Dinners	\$294.02	\$250.74	\$43.28	2010 3 rd Quarter
Fedex / Kinkos	\$9.59	\$0.59	\$9.00	2010 3 rd Quarter
Campaign Workers 10x\$75	\$750.00	\$650.00	\$100.00	2010 3 rd Quarter
Food for Campaign	\$296.10	\$274.60	\$21.50	2010 Pre-General
Links Cotillion Tickets	\$400.00	\$300.00	\$100.00	2010 4 th Quarter
Meals /Travel	\$787.98	\$777.17	\$10.81	2010 4 th Quarter
Food	\$671.71	\$656.13	\$15.58	2010 4 th Quarter
Food for Poll Workers	\$760.50	\$185.97	\$574.53	2010 4 th Quarter
Moving Supplies	\$126.61	\$26.61	\$100.00	2010 4 th Quarter
Poll Workers 22 x 100	\$2,200.00	\$1,400.00	\$800.00	2010 4 th Quarter
Titania Warmsley	\$350.00	\$300.00	\$50.00	2010 4 th Quarter
TOTALS	<u>\$11,228.86</u>	<u>\$8,067.63</u>	<u>\$3,161.23</u>	

The \$3,161.23 reduction in expenditures will result in a decrease in expenses of approximately 5.2%. Rep. DeBerry's failure to properly report these expenditures violated T.C.A. §2-10-107(a)(2)(B)), which requires a candidate to prepare a statement of all expenditures made by or on behalf of the candidate and related expenditure amount.

6. Rep. DeBerry failed to itemize \$4,008.84 in expenditures in violation of T.C.A. §2-10-107(a)(2)(B).

Rep. DeBerry failed to itemize \$4,008.84 in expenditures (approximately 14% of un-itemized expenditures reported) pursuant to T.C.A. §2-10-107(a)(2)(B), which requires payments more than \$100 in total to one source during a reporting period include the name, address, amount paid and the purpose that clearly identifies the expenditure is allowable. Rep. DeBerry improperly included the following expenses (Vendors with amounts under \$100 had other purchases during the period resulting in the total paid to the vendor being over \$100):

Reporting Period	Un-itemized Category	Amount to Itemize		Vendor
2009 Year-End	Constituent Dinners	\$36.60		Morton's
2009 Year-End	Gas	\$126.38		Exxon
2009 Year-End	Membership Program Fee	\$40.00		American Express
2009 Year-End	Membership Fee	\$85.00		American Express
2009 Year-End	travel and delay	\$69.78	(3)	American Express
2009 Year-End	travel and delay	\$15.01	(3)	Northwest Airline
2009 Year-End	travel and delay	\$20.00	(3)	Delta Airline
2009 Year-End	Northwest Airlines Fees	\$100.00		Northwest Airline
2009 Year-End	Gifts/Souvenirs/China	\$105.75		Yu Chun Ling Private Store
2009 Year-End	Gifts/Souvenirs/China	\$186.93		Beijing Maochang Antique Store
2009 Year-End	Bank Fees	\$72.42		Tri-State bank of Memphis
2010 First Quarter	Food	\$79.03	(2)	Omni Shore Restaurant
2010 First Quarter	Constituent Meals	\$117.98		J. Alexander
2010 First Quarter	Constituent Meals	\$111.29		Morton's
2010 Second Quarter	Gas	\$82.38		Exxon
2010 Second Quarter	Gas	\$143.12		Pilot
2010 Second Quarter	Snacks / Refreshment / Office	\$153.41	(3)	Wal-Mart
2010 Pre-Primary	Constituent Dinners	\$80.79		Buster's
2010 Fourth Quarter	Links Cotillion Tickets	\$300.00	(1)	Memphis Links
2010 Fourth Quarter	Gas	\$340.43	(2)	Exxon
2010 Fourth Quarter	Gas	\$106.00	(2)	Pilot
2010 Fourth Quarter	Gas	\$74.59	(2)	Shell
2010 Fourth Quarter	Meals / Travel	\$557.82	(1)	Doubletree Hotel
2010 Fourth Quarter	Meals / Travel	\$116.80	(1)	Enterprise Rental Car
2010 Fourth Quarter	Food	\$33.33	(1)	Doubletree Hotel
2010 Fourth Quarter	Food	\$172.69	(1)	Morton's
2010 Fourth Quarter	Food	\$62.19	(1)	Schnucks
2010 Fourth Quarter	Food for Poll Workers	\$104.03	(1)	Pirtle's Chicken
2010 Fourth Quarter	Reception	\$157.98		Schnucks
2010 Fourth Quarter	Neighborhood Christmas Decorations & Constituents Christmas Party	\$267.90		Garden Ridge
2010 Fourth Quarter	Rental Car - Enterprise	\$89.21		Enterprise Rental Car

Total **\$4,008.84**

(1) The reported un-itemized expense was overstated see finding 5;

(2) The reported un-itemized expense was understated causing expenses to be unreported. See finding 4;

(3) The originally reported amount was misreported but the difference was immaterial for reported in a Finding.

7. Rep. DeBerry improperly used \$9,224.90 in campaign funds in violation of T.C.A. §2-10-114(b).

Rep. DeBerry's campaign records show \$9,224.90 in purchases that appear to be personal expenses. T.C.A. §2-10-114(b) specifically prohibits the use of campaign funds for personal use. In addition, T.C.A. §2-10-114(b)(2)(D) specifically prohibits the use of campaign funds for the purchase of clothing, except for items of de minimis value and T.C.A. §2-10-114(b)(2)(I)

prohibits the use of campaign funds for grooming or enhancing one's personal appearance unrelated to campaign activities. The following items appear to violate T.C.A. §2-10-114(b):

Vendor	Amount	General Descriptions of items purchased
T.J. Maxx	\$1,406.72	Dress, infant/toddler
Chico's	\$1,196.76	Women's Apparel
Macy's	\$673.14	Cosmetics, Hosiery, Menswear, Pearl/Opaqu, Polos
B & P Beauty Supply	\$174.79	Cosmetics
Golden Beauty Supply	\$32.76	Cosmetics
Belk	\$99.61	Sleepwear, Mod Handbags
Stein Mart	\$257.45	General MSD
Sears	\$257.86	Mens sportswear (4 shorts), sportswear, infant/ toddler
Lochmann	\$96.85	Clothing
Village Mart	\$58.93	Apparel /Acc.
Shelmar Martys Inc	\$382.88	Men's clothing
Footaction	\$358.27	Clothes /Shoes
Strasburg Children	\$120.16	Children's Clothes
St Johns Outlet/ St John Co.	\$1,952.00	Women's Clothes
Nordstrom	\$56.50	Cosmetics
Stuart Weitzman	\$162.78	Shoes
9 West	\$56.54	Shoes
Dillard's	\$537.13	Belts, Polos, sheets, towels, bath access.
Bilkerdijk Cosmetics	\$100.00	Cosmetics
Carroll's Irish Gifts	\$83.85	Gym bag, Shirts, Etc.
Burlington Coat Factory	\$63.27	Mens/Womens Clothing
Jackson Shoes	\$205.37	Shoes
Marshalls	\$170.31	General Msde
Janie & Jack	\$70.78	Children Clothes
Joseph	\$129.46	DK hose, Etc.
Hollister	\$75.38	Customer Service (Clothing store)
Tuesday Morning	\$88.44	Pant/tee gift set; 2 shorts; 1 pants
Gamestop	\$234.85	General Mdse
TVC out Patient Pharmacy	\$75.00	Pharmacy
Target	\$47.06	Baby clothes/ Toys
TOTAL	<u>\$9,224.90</u>	

8. Rep. DeBerry failed to obtain and/or retain supporting documentation for all campaign expenditures.

As noted in the various findings in the report the campaign records were inadequate to support the campaign expenses reported resulting unreported or misreported expenses. One inadequacy in the campaign records was the candidate's failure to obtain and/or retain supporting documentation such as receipts and invoices for all campaign expenses. This failure is a violation of T.C.A. §2-10-212(c), which states that candidates shall retain copies of all checks, bank statements, and vendor receipts for two years after the date of the election. As a result of the inadequate support auditors could not determine the candidate's compliance with campaign finance laws for all reported expenses.

In order to determine what expenses were supported and reported the auditor had to perform a reconciliation of the supporting information provided, the campaign account disbursements and AMEX purchases to the candidate's campaign finance disclosure report. At the conclusion of the reconciliation, the audit determined the candidate only maintained a small percentage of invoices, receipts, billing statements or other supporting documentation for the expenses reported and unreported. The audit determined the candidate retained and maintained the following:

Report	Amount of Receipts, Invoice, etc	Amount of Expenses Disclosed by Candidate	Amount Not Supported	Approx. % Unsupported
2009 Early Mid-Year	\$0.00	\$3,853.55	\$3,853.55	100%
2009 Early Year-End	\$1,196.76	\$14,651.70	\$13,454.94	92%
2010 First Quarter	\$857.36	\$3,984.87	\$3,127.51	78%
2010 Second Quarter	\$1,619.93	\$5,923.58	\$4,303.65	73%
2010 Pre-Primary	\$525.74	\$1,385.84	\$860.10	62%
2010 Third Quarter	\$1,402.56	\$6,836.30	\$5,433.74	79%
2010 Pre-General	\$1,047.22	\$4,753.79	\$3,706.57	78%
2010 Fourth Quarter	\$5,417.06	\$19,481.24	\$14,064.18	72%
TOTALS	<u>\$12,066.63</u>	<u>\$60,870.87</u>	<u>\$48,804.24</u>	80%

Included in the amounts not supported are expenses reported as being paid to Shell Oil Company (CITI) and Exxon (CITI) by the candidate. These expenses were reconciled to bank prepared checks to two accounts that appear to be CITI bank accounts. The candidate failed to provide and/or maintain receipts for any of the CITI purchases or provide any CITI bank statements. The result is not having evidence these are fuel purchases as reported.

The candidate records included an additional \$3,402.62 that the audit determined were related to unreported expenses. Due to the nature of the reconciliation being performed by the audit, it is possible these could have been for reported expenses and mis-designated by the audit. If the total receipts of the receipts were added above the final total line would be

TOTALS	<u>\$15,469.25</u>	<u>\$60,870.87</u>	<u>\$45,401.62</u>	75%
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RECOMMENDATION TO CANDIDATE

Rep. DeBerry should amend her campaign financial disclosure reports to include all campaign contributions received including contribution related to expenses paid from non-campaign account sources. Rep. DeBerry needs to return the \$800 in contributions that were never deposited and amend her report to reduce the contributions received.

Rep. DeBerry should amend her campaign financial disclosure report to accurately disclose campaign expenditures. To accurately report campaign expenditures she should:

- Add expenditures that were not reported
- Correct the amounts for expenditures that were overstated
- Itemize expenditures incorrectly included in un-itemized expenditures
- Remove expenditures that were double reported

The candidate should add obligation and obligation payments based on the amounts paid. As the payments to the cards cannot be tied to specific purchases, and to simplify obligation reporting, the candidate should choose an expense greater than the amount of the obligation to report as the obligation. A payment to the obligation should then be shown to make the obligation outstanding match the obligation reported.

For future reporting periods, 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 campaign and personal funds are maintained separately and that documentation is obtained and retained for each contribution and expenditure. Finally, the candidate should reconcile the campaign bank account to the campaign disclosure statements to ensure that all campaign finance activities are properly recorded and reported.

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

CANDIDATE'S CORRECTIVE ACTIONS

After discussing the above findings with Rep. DeBerry, she chose to take corrective action on her reports prior to the Registry's approval of the audit. With the assistance of the Registry staff Rep. DeBerry amended her 2009 Early Mid-Year Supplemental, 2009 Early Year-End Supplemental, 2010 First Quarter, 2010 Second Quarter, 2010 Pre-Primary, 2010 Third Quarter, 2010 Pre-General and 2010 Fourth Quarter Campaign Financial Disclosure Statements on February 6, 2013. There is no corrective action listed for Finding 8 as the finding relates to retaining records and not the campaign disclosures made by the candidate.

Correction Action - Finding 1:

On her amended 2009 Early Year-End Supplemental report, Rep. DeBerry added a \$1,000 itemized contribution from one contributor. On her amended 2010 Fourth Quarter report, Rep. DeBerry added a \$50 un-itemized contribution. The corrections properly amended her 2012 disclosure reports for the contributions noted in Finding 1.

Correction Action - Finding 2:

Rep. DeBerry added the following itemized contributions from herself for expenses paid from non-campaign account sources:

- \$469.92 was add on the 2010 First Quarter report
- \$291.38 was add on the 2010 Second Quarter report
- \$164.24 was add on the 2010 Pre-Primary report
- \$506.08 was add on the 2010 Third Quarter report
- \$175.88 was add on the 2010 Pre-General report
- \$2,042.58 was add on the 2010 Fourth Quarter report

The total amount of candidate contributions added was \$3,650.08 which properly amended her 2012 disclosure reports for the contributions noted in Finding 2.

Correction Action - Finding 3:

Rep. DeBerry made several corrections for the various items noted in Finding 3. These included corrections to item 1, 2, 5 and 6. Item 3 and 4 did not require a correction to the campaign disclosures. The correction for each item are as follows:

Item 1:

Rep. DeBerry added the following obligation information to the applicable reports listed. The correction results in two outstanding obligations related to the Flex line of each card, \$5,143.55 and \$830.35 for the other card. For the AMEX with account number ending in 2 the activity is as follows:

	<u>Year End</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>Pre-Primary</u>	<u>3rd Quarter</u>	<u>Pre-General</u>	<u>4th quarter</u>
Beginning Balance	6,187.96	5,814.30	5,561.90	5,440.64	5,402.49	5,268.35	5,212.83
Additions	0.00	0.00	141.88	0.00	0.00	0.00	115.47
Payment	(373.66)	(252.40)	(263.14)	(38.15)	(134.14)	(55.52)	(184.75)
Ending Balance	5,814.30	5,561.90	5,440.64	5,402.49	5,268.35	5,212.83	5,143.55

For the AMEX with account number ending in 6 the activity is as follows:

	<u>Year End</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>Pre-Primary</u>	<u>3rd Quarter</u>	<u>Pre-General</u>	<u>4th quarter</u>
Beginning Balance	0.00	0.00	0.00	434.63	420.28	0.00	0.00
Additions	0.00	0.00	434.63	0.00	15.40	0.00	830.35
Payment	0.00	0.00	0.00	(14.35)	(435.68)	0.00	0.00
Ending Balance	0.00	0.00	434.63	420.28	0.00	0.00	830.35

The added obligations properly report the obligations listed under item 1 of Finding 3.

Item 2:

In order to correct the errors noted in item 2 of Finding 3, Rep. DeBerry removed 6 itemized expenses and 57 un-itemized categories. The 6 itemized expenses are listed below.

1. Capital Grille for \$100.65 on the 2009 Early Mid Year Supplemental report.
2. Myron Lowery "Transportation/Gas-Delta Days-Nations Capito" for \$160.00 on the 2010 First Quarter report.
3. Regina Lofton "Catering / Reception" for \$150.00 on the 2010 Pre-Primary report.
4. Titania Warmasley "Campaign Signs" for \$450.00 on the 2010 Fourth Quarter report.
5. Walmart "Toys for Tots" for \$392.15 on the 2010 Fourth Quarter report.
6. Office Depot "Office supplies" for \$121.25 on the 2010 Fourth Quarter report

The 57 categories removed were as follows:

Constituent Dinner	\$62.10	2009 Mid-Year Supplemental
Constituent Dinner	\$47.78	2009 Mid-Year Supplemental
Constituent Dinner	\$86.00	2009 Mid-Year Supplemental
Constituent Dinner	\$93.46	2009 Mid-Year Supplemental
Constituent Dinner	\$78.37	2009 Mid-Year Supplemental
Constituent Dinner	\$27.85	2009 Mid-Year Supplemental
Constituent Dinner	\$53.33	2009 Mid-Year Supplemental
Constituent Dinner	\$77.59	2009 Mid-Year Supplemental
Printing / Kinkos	\$57.71	2009 Mid-Year Supplemental
Get Well/Think of you cards/Constituents	\$5.46	2009 Mid-Year Supplemental
Get Well/Think of you cards/Constituents	\$19.06	2009 Mid-Year Supplemental
Office Supplies	\$51.30	2009 Mid-Year Supplemental
Postage	\$265.00	2009Year-End Supplemental
Seniors Christmas Dinner	\$125.45	2009Year-End Supplemental
Shirts for kid	\$80.76	2009Year-End Supplemental

Gifts	\$96.95	2009Year-End Supplemental
Snacks/Refreshments/office	\$205.26	2009Year-End Supplemental
Bereavement	\$390.00	2009Year-End Supplemental
Souvenirs	\$92.56	2009Year-End Supplemental
GMAC Donation/Youth Group	\$304.43	2009Year-End Supplemental
Cell Phone Accessories	\$32.91	2009Year-End Supplemental
Get Well/Think of you cards/Constituents	\$202.43	2009Year-End Supplemental
Postage	\$135.00	2010 First Quarter
Meeting/Entertainment	\$357.56	2010 First Quarter
Memorials	\$210.00	2010 First Quarter
Dues / Subscriptions	\$560.00	2010 First Quarter
Contributions	\$195.00	2010 First Quarter
Advertisement	\$225.00	2010 First Quarter
Refreshments	\$50.89	2010 First Quarter
Intern Gift	\$100.00	2010 Second Quarter
Food / Beverage	\$252.22	2010 Second Quarter
Souvenirs	\$61.75	2010 Second Quarter
Postage	\$175.00	2010 Second Quarter
Church Contributions	\$650.00	2010 Second Quarter
Bereavement	\$425.00	2010 Second Quarter
Church Contributions	\$150.00	2010 Pre-Primary
Computer Supplies	\$135.56	2010 Pre-Primary
Postage	\$75.00	2010 Pre-Primary
ADS / Events / Tickets	\$480.00	2010 Third Quarter
Campaign Travel	\$345.75	2010 Third Quarter
Civic / Club Luncheon	\$276.50	2010 Third Quarter
Postage	\$224.00	2010 Third Quarter
Church Contributions	\$300.00	2010 Third Quarter
Dues / Subscription	\$230.00	2010 Third Quarter
Food / Beverage Campaign workers	\$650.00	2010 Third Quarter
Church Contributions	\$425.00	2010 Pre-General
Fedex / Kinkos	\$50.55	2010 Pre-General
Supplies	\$385.52	2010 Pre-General
Snacks for campaign workers	\$117.00	2010 Pre-General
Gift Cards for campaign workers 10 x 25	\$250.00	2010 Fourth Quarter
Gift Cards for campaign workers 6 x 100	\$600.00	2010 Fourth Quarter
Constituents Hotel Accommodations	\$72.00	2010 Fourth Quarter
Campaign Election Night	\$767.12	2010 Fourth Quarter
Postage	\$96.00	2010 Fourth Quarter
Dues / Subscription	\$375.00	2010 Fourth Quarter
Supplies	\$525.75	2010 Fourth Quarter
Contributions	\$650.00	2010 Fourth Quarter

In order to correct the errors noted in item 5 of Finding 3, Rep. DeBerry removed the 6 itemized expenses and 57 un-itemized categories. The 6 itemized expenses are listed below.

Item 5:

In order to correct the errors noted in item 3 of Finding 3, Rep. DeBerry added the expenses listed below, as well as, a contribution from herself for the amount of the expenses. The expenses were itemized and un-itemized based on the total of the expenses being added or if other expenses from the same vendor were already reported as itemized.

Contributions added

Rep. Lois DeBerry	\$224.94	Early Year-End Supplemental 2009
Rep. Lois DeBerry	\$247.39	2010 First Quarter
Rep. Lois DeBerry	\$1,032.00	2010 Second Quarter
Rep. Lois DeBerry	\$32.43	2010 Pre-Primary
Rep. Lois DeBerry	\$181.63	2010 Third Quarter
Rep. Lois DeBerry	\$176.97	2010 Pre-General
Rep. Lois DeBerry	\$137.21	2010 Fourth Quarter

Expenses added

J Alexander	\$25.79	Early Year-End Supplemental 2009
Busters	\$87.35	Early Year-End Supplemental 2009
Shnucks	\$79.52	Early Year-End Supplemental 2009
Pilot Oil	\$32.28	Early Year-End Supplemental 2009
Southwind Wine & Spirits	\$48.03	2010 First Quarter
Midtown Wine & Spirits	\$138.66	2010 First Quarter
CVS	\$9.54	2010 First Quarter
Shnucks	\$51.16	2010 First Quarter
Pilot	\$58.09	2010 Second Quarter
Mapco	\$24.35	2010 Second Quarter
Exxon	\$22.60	2010 Second Quarter
BP	\$21.12	2010 Second Quarter
Midtown Wine & Spirits	\$55.68	2010 Second Quarter
Busters	\$279.52	2010 Second Quarter
Frugal MacDoogal	\$129.92	2010 Second Quarter
Southern Service	\$14.73	2010 Second Quarter
Walgreen	\$26.20	2010 Second Quarter
HMS Host	\$10.50	2010 Second Quarter
Moosellaneous Gifts	\$29.00	2010 Second Quarter
Walmart	\$221.74	2010 Second Quarter
Topps BBQ	\$53.48	2010 Second Quarter
Outback	\$22.67	2010 Second Quarter
Hotel Indigo	\$62.40	2010 Second Quarter
Shnucks	\$32.43	2010 Pre-Primary
Visa	\$167.97	2010 Third Quarter
Rotiers	\$13.66	2010 Third Quarter

The Fresh Market	\$58.48	2010 Pre-General
Busters	\$48.04	2010 Pre-General
Walmart	\$70.45	2010 Pre-General
Walgreens	\$12.50	2010 Fourth Quarter
Wine Market	\$39.31	2010 Fourth Quarter
Southern Service	\$85.40	2010 Fourth Quarter

Item 6:

Rep. DeBerry added an un-itemized expense of \$19.19 for Happy Market BP on the 2010 Second Quarter report. Rep. DeBerry reduced the un-itemized category “Constituent Dinners” from \$240.31 to \$140.33. The reduction was for the \$80.79 being itemized as noted in finding 6 and the \$19.19 being reallocated as a new un-itemized category.

Rep. DeBerry added an un-itemized expense of \$81.37 for Happy Market BP on the 2010 Pre-Primary report. Rep. DeBerry reduced the un-itemized category “Steins Restaurant” from \$116.24 to \$34.87.

The additions, removals and corrections of both contributions and expenses properly disclose the errors noted in Finding 3 for items 1, 2, 5 and 6.

Correction Action - Finding 4:

Rep. DeBerry added the following previously unreported expenses:

- Bank fees totaling \$245.44 on the following reports:
 - \$66.32 un-itemized expense on the 2009 Early Mid-Year supplemental
 - \$32.18 itemized expense on the 2009 Early Year-End supplemental
 - \$28.70 un-itemized expense on the 2010 First Quarter
 - \$15.56 un-itemized expense on the 2010 Pre-Primary
 - \$33.36 un-itemized expense on the 2010 Third Quarter
 - \$18.06 un-itemized expense on the 2010 Pre-General
 - \$51.26 un-itemized expense on the 2010 Fourth Quarter
- Credit Card Fees totaling \$1,065.78 on the following reports:
 - \$544.34 itemized expense on the 2009 Early Year-End supplemental
 - \$147.60 itemized expense on the 2010 First Quarter
 - \$72.86 un-itemized expense on the 2010 Second Quarter
 - \$77.50 un-itemized expense on the 2010 Pre-Primary
 - \$155.66 itemized expense on the 2010 Third Quarter
 - \$67.82 un-itemized expense on the 2010 Pre-General
- An un-itemized expense for Easter Egg Hunt Expenses totaling \$350 was added on the 2009 Early Mid-Year Supplemental report.
- An itemized expense to Shell (CITI) for fuel totaling \$400 was added on the 2009 Early Mid-Year Supplemental report.
- An itemized expense to Exxon (CITI) for fuel totaling \$495.97 was added on the 2009 Early Mid-Year Supplemental report.

- An itemized expense to Exxon for fuel totaling \$126.38 was added on the 2009 Early Year-End Supplemental report. Included in this amount is \$42.02 which was unreported as noted in finding 4.
- An un-itemized expense for AC Wharton for Mayor totaling \$100 was added on the 2009 Early Year-End Supplemental report.
- An itemized expense to Omni Shoreham for food totaling \$79.02 was added on the 2010 First Quarter which included a \$10 food expense as noted in finding 4.
- The itemized expense to Shell (CITI) for fuel totaling \$50 was increased to \$100 on the 2010 Pre-Primary report.
- The itemized expense to Shell (CITI) for fuel totaling \$135 was increased to \$185 on the 2010 Fourth Quarter report.
- Three itemized expenses for fuel were added to the 2010 Fourth Quarter report (Expenses to Exxon, Pilot and Shell). Included in these expenses is the \$61.81 that was noted as unreported in Finding 4.

The total amount of expenses added was \$2,871.02. The corrections properly amended her 2012 disclosure reports for the expenses noted in Finding 4.

Correction Action - Finding 5:

Rep. DeBerry reduced or removed the following previously reported expenses to properly reflect the expenses incurred:

Vendor / Category	Amount Originally Reported	Amount After Amendment	Reduced Amount	Reporting Period
AT&T dated 1/30/2009	\$837.77	\$339.30	\$498.47	2009 Mid-Year
Exxon	\$575.00	\$525.00	\$50.00	2009 Year-End
Bobo's Restaurant	\$315.24	\$215.24	\$100.00	2009 Year-End
Church Contributions	\$450.00	\$100.00	\$350.00	2009 Year-End
Computer Supplies	\$116.33	\$16.33	\$100.00	2010 2 nd Quarter
Constituent Dinners	\$294.02	\$250.74	\$43.28	2010 3 rd Quarter
Fedex / Kinkos	\$9.59	\$0.59	\$9.00	2010 3 rd Quarter
Food for Campaign	\$296.10	\$274.60	\$21.50	2010 Pre-General
Moving Supplies	\$126.61	\$26.61	\$100.00	2010 4 th Quarter
Titania Warmesley	\$350.00	\$300.00	\$50.00	2010 4 th Quarter

- Rep. DeBerry removed the Doubletree expenses dated 9/29/2009 for \$200.92 on the 2009 Early Year-End Supplemental.
- Rep. DeBerry made three corrections to reduce the \$20.95 noted for constituent dinners on the 2009 Early Year-End Supplemental report in Finding 5 which includes part of the correction to itemize \$36.60 to Morton's as noted in Finding 6. Rep. DeBerry first removed two un-itemized expense categories "constituents breakfast for \$15.90" and "constituent dinners for \$39.74." Finally, the candidate reduced un-itemized constituent dinners from \$292.98 to \$290.86.

- Rep. DeBerry reduced the gas expense for \$355 in the 2010 Second Quarter to \$113.31. This removed the \$16.19 overstatement noted in Finding 5 and is part of the correction to itemize \$225.50 from various fuel vendors noted in Finding 6.
- Rep. DeBerry reduced the category “Campaign Workers 10x \$75” for \$750 in the 2010 Third Quarter to \$650 and renamed the category “Campaign Workers 10 x \$65.”
- Rep. DeBerry removed the “Links Cotillion Tickets” expense for \$400 dated 9/29/2009. The removal corrects the \$100 overstatement noted in Finding 5 and is part of the correction to itemize the \$300 expenses noted in Finding 6.
- Rep. DeBerry reduced the un-itemized category “Meals/travel” from \$787.98 in the 2010 Fourth Quarter to \$102.55. This removed the \$10.81 overstatement noted in Finding 5 and is part of the correction to itemize \$674.62 from various vendors noted in Finding 6.
- Rep. DeBerry reduced the un-itemized category “Food” from \$671.71 in the 2010 Fourth Quarter to \$387.92. This removed the \$15.58 overstatement noted in Finding 5 and is part of the correction to itemize \$268.21 from various vendors noted in Finding 6.
- Rep. DeBerry reduced the un-itemized category “Food for Poll Workers” from \$760.50 in the 2010 Fourth Quarter to \$81.94. This removed the \$574.53 overstatement noted in Finding 5 and is part of the correction to itemize \$104.03 from various vendors noted in Finding 6.
- Rep. DeBerry reduced the un-itemized category “Poll Workers 22 x 100” from \$2,200 in the 2010 Fourth Quarter to \$1,400 and renamed the category “Poll Workers 14 x \$100.” This removed the \$800 overstatement noted in Finding 5

The total amount of reduced or removed expenses was \$3,161.23. The corrections properly amended her 2012 disclosure reports for the expense errors noted in Finding 5.

Correction Action - Finding 6:

In order to correct the expenses in Finding 6, Rep. DeBerry reduced or removed several un-itemized categories and added several itemized expenses. In the grid below the category listed was completely removed and the amount was added as an itemized expense for the vendor listed:

Reporting Period	Un-itemized Category	Amount to Itemize		Vendor
2009 Year-End	Membership Program Fee & Membership Fee	\$125		American Express
2009 Year-End	Northwest Airlines Fees	\$100.00		Northwest Airline
2009 Year-End	Bank Fees	\$72.42		Tri-State bank of Memphis
2010 First Quarter	Food	\$79.03	(1)	Omni Shore Restaurant
2010 First Quarter	Constituent Meals	\$111.29		Morton’s
2010 Fourth Quarter	Reception	\$157.98		Schnucks
2010 Fourth Quarter	Neighborhood Christmas Decorations & Constituents Christmas Party	\$267.90		Garden Ridge
2010 Fourth Quarter	Rental Car - Enterprise	\$89.21		Enterprise Rental Car

(1) The originally reported amount \$69.03 was misreported but the difference was immaterial to the Finding.

- Rep. DeBerry added an itemized expense of \$36.60 to Morton's on the 2009 Early Year-End Supplemental report. First, Rep. DeBerry corrected the un-itemized categories by removing two un-itemized expense categories "constituents breakfast for \$15.90" and "constituent dinners for \$39.74." Finally, the candidate reduced constituent dinners from \$292.98 to \$290.86. This corrected the \$36.60 that was itemized and a reduced the \$20.95 noted in Finding 5.
- Rep. DeBerry added an itemized expense of \$126.38 to Exxon on the 2009 Early Year-End Supplemental report. Rep. DeBerry reduced the un-itemized category "gas" from \$166.57 to \$82.21. The reduction includes the \$126.38 that was itemized and the addition of \$42.02 of unreported expenses noted in Finding 4.
- Rep. DeBerry added three itemized expenses with the purpose "travel and delay fees"; \$69.78 to American Express, \$15.01 to Northwest Airlines and \$20.00 to Delta Airlines on the 2009 Early Year-End Supplemental report. In addition, the un-itemized expense "travel and delay fee" was removed.
- Rep. DeBerry added two itemized expense with the purpose "Gifts/Souvenirs/China"; \$105.75 to Yu Chun Ling Private Store and \$186.93 to Beijing Maochang Antique Store on the 2009 Early Year-End Supplemental report. In addition, the un-itemized expense "Gifts/Souvenirs/ China" was decreased to \$92.56.
- Rep. DeBerry added an itemized expense of \$117.98 to J. Alexander on the 2010 First Quarter report. Rep. DeBerry reduced the un-itemized category "constituent meals" from \$257.85 to \$139.07. The reduction includes \$117.98 that was itemized and the addition of an \$0.80 reporting error that was not included in a finding.
- Rep. DeBerry added two itemized expenses totaling \$225.50 with the purpose Gas; \$82.38 to Exxon and \$143.12 to Pilot on the 2010 Second Quarter report. In addition, the un-itemized expense for gas was decreased from \$355 to \$113.31. The reduction was for the \$16.19 overstatement noted in Finding 5 and the \$225.50 being itemized.
- Rep. DeBerry added an itemized expense of \$153.41 to Wal-Mart on the 2010 Second Quarter report. Rep. DeBerry removed the un-itemized category "Snacks / Refreshment / Office" in the amount of \$150.06. The itemized amount is greater as there was a minor reporting error of \$3.35 that was not included in a finding.
- Rep. DeBerry added an itemized expense of \$80.79 to Busters on the 2010 Second Quarter report. Rep. DeBerry reduced the un-itemized category "Constituent Dinners" from \$240.31 to \$140.33. The reduction was for the \$80.79 being itemized and \$19.19 moved into a new un-itemized category as noted in Finding 3.
- Rep. DeBerry added an itemized expense of \$300 to The Links Inc. on the 2010 Fourth Quarter report. Rep. DeBerry removed the "Links Cotillion Tickets" un-itemized expense for \$400 dated 9/29/2009. The removal corrects the \$100 overstatement noted in Finding 5 and the \$300 which was itemized.

- Rep. DeBerry added three itemized expenses with the purpose gas; \$340.43 to Exxon, \$106 to Pilot Oil and \$74.59 to Shell on the 2010 Fourth Quarter report. Rep. DeBerry reduced the un-itemized category “Gas” from \$583.92 to \$124.71. The reduction was for \$521.02 being itemized and a \$61.81 understatement noted in Finding 4.
- Rep. DeBerry added two itemized expenses; \$557.82 to Doubletree Hotel and \$116.80 to Enterprise Rental Car on the 2010 Fourth Quarter report. Rep. DeBerry reduced the un-itemized category “Meals/Travel” from \$787.98 to \$102.55. The reduction was for the \$674.62 being itemized and the \$10.81 unreported expense noted in Finding 4.
- Rep. DeBerry added three itemized expenses with the purpose food; \$33.33 to Doubletree Hotel, \$172.69 to Morton’s and \$62.19 to Schnucks on the 2010 Fourth Quarter report. Rep. DeBerry reduced the un-itemized category “food” from \$671.71 to \$387.92. The reduction was for \$268.21 being itemized and a \$15.58 overstatement noted in Finding 5.
- Rep. DeBerry added an itemized expense of \$104.03 to Pirtle’s Chicken on the 2010 Fourth Quarter report. Rep. DeBerry reduced the un-itemized category “Food for Poll Workers” from \$760.50 in the 2010 Fourth Quarter to \$81.94. The reduction was for the \$104.03 being itemized and a \$574.53 overstatement noted in Finding 5.

The total amount of new itemized expenses was \$4,008.84. The corrections properly amended her 2012 disclosure reports for the expense errors noted in Finding 6.

Correction Action - Finding 7:

After reading the finding and in consultation with the Bureau staff, Rep DeBerry determined that she would refund her campaign account the total amount of the improperly paid expenses noted in Finding 7. Rep DeBerry provided a deposit slip showing the funds to support the total amount of \$9,224.90 being deposited into the campaign account on January 30, 2013.

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance reviewed the 2010 campaign finance audit of Rep. DeBerry during the March 13, 2012 regular monthly meeting. The report contained eight findings for corrective actions. The Registry voted to accept and approve the audit report and to issue a show cause notice for items noted in Findings 1, 2, 4, 5, 6,7,. Subsequent actions by the Registry related to the show cause notice will appear in the subsequent board minutes.