

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

Preliminary Report Only

**Campaign Finance Audit of
Gary Humble
Election Year 2018**



Audit Team:

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STATE OF TENNESSEE



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January 23, 2024

Members of the Tennessee Registry of Election Finance
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Members of the Tennessee Registry of Election Finance,

This is the preliminary report of the requested audit of Gary Humble's 2022 election campaign for Senate, District 27. The audit was requested by the Members of the Tennessee Registry of Election Finance (hereafter "Members") by Member's voted actions. The audit was conducted pursuant to the requirement of T.C.A § 2-10-207(1).

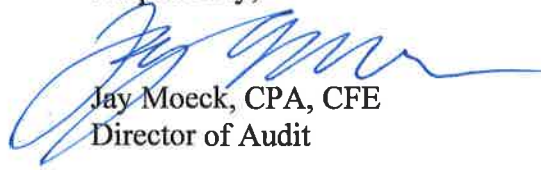
The audit procedures developed are to aid the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Financial Disclosure Law and Campaign Contribution Limit Laws. The candidate is responsible for complying with campaign finance laws and the accuracy of campaign financial disclosures. The sufficiency of these procedures is solely the responsibility of the Bureau of Ethics and Campaign Finance's audit group. Consequently, the Director of Audit makes no representation regarding the sufficiency of the agreed-upon procedures described in the report for any purpose other than aiding the Registry.

The preliminary report is scope limited. The scope limitation results from the Director of Audit's limited access to campaign and bank records. The limited records provided for the preliminary report, are noted in the report. In addition, the preliminary report is time and record access limited such that all supporting audit procedures to confirm the accuracy and completeness of the records could not be completed. The Director of Audit emphasizes that a preliminary report issued under this limitation could, by its nature, present information that could be contradicted by additional audit test work or additional records that could be presented or obtained.

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.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jay Moeck", with a long horizontal flourish extending to the right.

Jay Moeck, CPA, CFE
Director of Audit

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INTRODUCTION

GENERAL AUDIT OBJECTIVES

The objectives of the audit are to determine Gary Humble'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 2022 First Quarter, 2022 Second Quarter, 2022 Pre-Primary, 2022 Third Quarter, and 2022 Fourth Quarter Campaign Financial Disclosure Statements; and to recommend appropriate actions to correct any deficiencies.

AUDIT AUTHORITY

Tennessee Code Annotated (T.C.A.) §§ 2-10-206, 2-10-207, 2-10-212, and 2-10-213 authorize the Registry of Election Finance (hereinafter "Registry") to conduct investigations and audits of campaign activities and the related disclosures made on campaign financial disclosure statements filed with the Registry. This audit was initiated on a vote by the Members of the Registry (hereinafter "Members") at their September 7, 2022, meeting. The Members requested the audit cover all campaign activities from January 15, 2022, through January 16, 2023.

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 public. The Registry's audits provide a tool for 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 Gary Humble's disclosures on the 2022 First Quarter, 2022 Second Quarter, 2022 Pre-Primary, 2022 Third Quarter, and 2022 Fourth Quarter Campaign Financial Disclosure Statements.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Gary Humble was a candidate in the August 4, 2022, primary election for Senate District 27. Gary Humble filed an appointment of political treasurer statement with the Registry on March 7, 2022, appointing Jon Pirtle as political treasurer.

The candidate's first financial disclosure for the 2022 campaign was the 2022 First Quarter disclosure, originally filed on April 10, 2022, and subsequently amended. As of June 30, 2023, Gary Humble's most recent financial disclosure was the 2022 Fourth Quarter, which was filed on January 17, 2023. The 2022 Fourth Quarter disclosure indicated no cash on hand, no outstanding obligations, and no outstanding loans.

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, as amended: 2022 First Quarter, 2022 Second Quarter, 2022 Pre-Primary, 2022 Third Quarter, and 2022 Fourth Quarter. The amounts displayed are for informational purposes only.

<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand on January 16, 2022		\$0.00
Receipts		
Un-Itemized	\$19,048.70 ¹	
Itemized	190,464.99	
Loans receipted	0.00	
Interest	0.00	
Total receipts		<u>\$209,513.69</u>
Disbursements		
Un-Itemized	0.00	
Itemized	209,513.69	
Loans principal payments	0.00	
Obligation payments	0.00	
Total disbursements		<u>\$209,513.69</u>
Cash on hand on January 15, 2023		<u>\$0.00</u>
Loans outstanding on January 15, 2023		\$0.00
Obligations on January 15, 2023		\$0.00
Total in-kind contributions received		\$1,525.95

¹Included in the unitemized contribution amount is \$1,304 added to the 2022 Second Quarter after the original audit notice was sent related to cash deposits.

OBJECTIVES, METHODOLOGIES, CONCLUSIONS

CONTRIBUTIONS AND RECEIPTS

Audit Objectives:

The objectives of the 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;
- all monetary contributions were supported by bank statements and deposit slips;
- all in-kind contributions were supported by a 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, and reported in compliance with T.C.A. §§2-10-105 and 2-10-107; and
- all loans received from lending institutions were supported by loan agreements.

Audit Methodology:

The Registry obtained Gary Humble's 2022 Campaign Financial Disclosure Statements from January 16, 2022, to January 15, 2023. The Director of Audit requested Gary Humble provide all campaign records to support all contributions, loans, and interest received during the 2022 election campaign. As noted in the scope limitation, not all records were provided. On July 25, 2023, and August 29, 2023, the candidate provided the following records related to monetary contributions that were received by the campaign:

- Campaign bank statements from March 7, 2022 (the date the account was opened) to December 30, 2022. The records show the account was closed on December 13, 2022.
- Copies of checks deposited and bank prepared cash deposit receipts into the campaign account from April 5, 2022, to July 28, 2022. This appeared to be all records for deposits from April to July 28, 2022, except for one of two deposits on July 28, 2022, in the amount of \$350. Also missing were records for four deposits made in March 2022, occurring on

March 8, 2022, for \$100, March 14, 2022, for \$200, March 28, 2022, for \$452, and March 30, 2022, for \$2,050 and for a deposit on November 14, 2022, in the amount of \$111.35.

- The candidate provided a contribution listing report that appears to come from Anedot and/or related accounting software program used by Anedot (i.e., QuickBooks or other similar product). Although the information does not look like other Anedot reports previously received by the Auditor for audit purposes, the candidate has stated that the entire listing was downloaded from Anedot. Per the Director of Audit's experience, the listing appears to be data downloaded from an accounting software program such as QuickBooks. The report appears to be a contributor list from March 8, 2022, to July 30, 2022, which includes both downloaded data relating to contributions collected through Anedot and contributions by check\cash received by the campaign directly. Based on the records provided and a review of Anedot services on the web, the auditor's assertion is this is a list from an Anedot-hosted QuickBooks or similar program. Hereafter, the listing is noted as the "candidate's Anedot listing".

The following steps were performed on the campaign documentation listed above:

- The documentation was reviewed to determine if the candidate's monetary contributions received from January 16, 2022, to January 15, 2023, totaled \$208,209.69 before the original audit notice and \$209,513.69 after the original audit notice.
- As the candidate did not provide a listing(s) of contributions reported as unitemized for each disclosure report, two listings of contributions were prepared. The first listing was prepared from the candidate's reported itemized contributions. The second listing was prepared from the supporting records provided by the candidate relating to contributions. This list includes all contributors (or unknown contributions) noted in those records, which were not included on the itemized listing (effectively an "audit prepared listing of unitemized contributions"). The listings were prepared and reconciled to the funds deposited into the campaign accounts to determine if the candidate deposited all funds into a campaign bank account and properly reported the funds in the campaign account on the campaign disclosures.
- These listings were compared to the candidate's disclosures reported during the election to determine if campaign contributions from individuals and Multicandidate Campaign Committees (MCC, more commonly referred to as Political Action Committees or PACs) complied with campaign contribution limits, T.C.A. §2-10-301, et seq.; contributions were correctly reported; contributions were reported in the proper period; contributions were reported in compliance with T.C.A. §§2-10-105 and 2-10-107.
- The documentation was reviewed to determine if the candidate's loans received and interest received from January 16, 2022, to January 15, 2023, totaled \$0.00.

Effect of scope limitations:

Before presenting the audit conclusion related to contributions, the Director of Audit is offering the following information related to the limitations of this preliminary report. This information details specific items that the Members may or may not be aware of related to the scope limitations placed on this audit and preliminary report to this point.

Verification of sources of funds deposited.

Part 1

Routine audit procedures attempt to verify that the funds provided are those of the reported contributors. This process was completed for check contributors and the one cash contributor identified when the records were provided. However, the process was unable to be completed for contributors who made contributions through the online service, Anedot, due to lack of confirming records.

Therefore, the Director of Audit will not opine or infer that the contributors listed on the “candidate’s Anedot listing” are the actual source of the funds provided through Anedot. Nothing in the preliminary report should be inferred to indicate such. The test work can only confirm the amounts received from Anedot were deposited into the campaign account and that the “candidate’s Anedot listing” matches the amounts received and reported, except as otherwise noted in this preliminary audit report.

Based upon the increased errors in reporting and supporting records being provided by candidates for online services, the Director of Audit asserts that online services are not verifying contributors to the source of funds (credit card or other bank records). The services have provided data keyed by contributors to the candidate indicating that this information is the proper contributor information. This data is transferred to the campaign finance disclosures as proper contributor data. Thus, the candidate relies on the online service or the keying contributor to provide accurate data without independent verification.

As it appears that neither the processing service nor the candidates are performing the necessary verification, additional audit testing is required to obtain a reportable level of certainty about the disclosures for online contributions. The normal audit procedure instituted was to sample a selection of online contributions received, and then to verify contributors selected to the underlying payment data, thus verifying that the funding source is that of the stated contributor. However, due to the limitations imposed on this audit process to date, this process is unable to be performed.

Regardless of the lack of online contributor verification noted above, the audit noted one entry in the “candidate’s Anedot listing” where the contributor was unidentifiable. The listing showed a contributor by a first name and a single letter for a last name. Additional testing would be required to confirm such a last name entry, as a valid last name or improper records to support the last name.

Part 2

As previously noted, the candidate failed to provide supporting records for several deposits. However, the candidate's Anedot listing appears to contain some unverified information (see Part 1 above) relating to these deposits. The candidate's Anedot listing appears to include data related to contributions received by the campaign that were entered by the candidate (or directed by the candidate) into Anedot. The Director of Audit notes the list appears to have information related to the missing March deposits.

Details from this listing indicates the following individuals gave check contributions:

1. Harms, Thomas on March 24, 2022, for \$1,000
2. Humble, Spring on March 24, 2022, for \$1,000
3. Johns, Kristin on March 25, 2022, for \$252
4. Pirtle Jon on March 8, 2022, for \$100
5. Pirtle Jon on March 14, 2022, for \$200
6. Poteet, Amy on March 22, 2022, for \$200
7. Wagner, Dwight on March 24, 2022, for \$50

The amounts and dates are reconcilable to the amount deposited in March and appear as itemized disclosures on the 2022 First Quarter Campaign Finance Disclosure Statement.

Due to the limitation of records, the contributors could not be verified as the source of the funds from the March deposit, nor could the audit determine if the funds deposited were received by cash or other forms of payment.

Therefore, the Director of Audit will not opine or infer that the contributors listed on the "candidate's Anedot listing" related to the deposit in March. Additionally, the Director of Audit notes the source of the funds deposited cannot be determined for auditing compliance with the campaign finance statutes, including campaign contribution limits. The auditor only notes the amounts on the "candidate's Anedot listing" associate to the amounts deposited in March.

Part 3

As previously noted, the candidate failed to provide any supporting records for \$111.35 deposited on November 14, 2022. The candidate, however, did report an expense adjustment on that day for \$111.35 on the 2022 Fourth Quarter disclosure.

The dates of the deposit and disclosure by the candidate appear to suggest the deposit may not be a contribution to the campaign. However, due to the lack of records, the audit cannot verify the source of the funds deposited, or if these funds related to contributions to the campaign or refunds of campaign-paid expenses.

Therefore, the Director of Audit cannot opine or infer information for the \$111.35 deposited as to its source or purpose related to the campaign. The audit only notes that \$111.35 was received and reported as an expense adjustment by the candidate. Thus, this item is unaudited.

Part 4

As previously noted, the candidate failed to provide any supporting records for \$350 deposited on November 14, 2022. No additional information is available. Due to the lack of records, the audit cannot verify the source of the funds deposit, or if these funds related to contributions or some other receipt (such as an expense adjustment).

Therefore, the Director of Audit cannot opine or infer information for the \$350 deposited as to its source or purpose related to the campaign. The audit only notes that \$350 was deposited into the campaign account. The audit does report that funds were deposited, and by statute, some disclosure was required to report funds available at the end of each reporting period. No disclosure was made by the candidate. See Item 9 of the Listing of Non-Compliance.

Verification of “best efforts” for occupation and employer.

Normal audit procedures attempt to verify compliance with reporting requirements for occupation and employer specifically related to the disclosure of “Best Efforts” in the occupation and employer fields. As noted in the Verification of sources of funds deposited, the contributor data for “candidate’s Anedot list” could not be confirmed due to a lack of confirming records provided. Regardless that the contributor data is unconfirmed, the Director of Audit elected to complete the occupation and employer testing with the assumption that the data may be accurate. This process was completed for all contributions that appear to have been received through Anedot. However, the process was not completed for check contributions or cash contributions, due to the lack of records.

Therefore, the Director of Audit cannot opine or infer any disclosure with the occupation and employer fields that read “Best Effort” are properly disclosed, nor that the campaign met its compliance obligations in performing best effort activities required by statute. The audit only notes that contributors listed on the “candidate’s Anedot list” that were made through Anedot shows contributor keyed occupation and employer, unemployment status, or that the contributor failed to provide the requested information. The audit notes the campaign disclosed the data for those contributions or “best effort” when not disclosed by the contributor. As the contributor is requested to give the data as part of the online contribution process, this appears to support best effort was performed for those contributions’ online contributions.

It appears to the Director of Audit that it is likely that this process of verifying occupation and employer was either not performed or not appropriately documented for all check contributions (or the records were not provided). This is based on the “candidate’s Anedot list” and the candidate’s disclosures made. The audit found 35 itemized contributions that the records show were supported by checks and which were reported with “Best Effort” in the occupation and employer fields. As noted previously, the “candidate’s Anedot list” appears to include check and cash contribution data keyed by the candidate (or at the candidate's direction) into the Anedot records. That “candidate’s Anedot list” shows the 35 check contributions, “GET” in the occupation and employer fields. The notation appears to infer a notice entered by the campaign to either get the data from another source or to complete some “best effort” process. Due to the scope limitations, the audit could not determine if the candidate had another source of the data or whether

a best effort process was completed in compliance with the statute. However, the lack of completing the data in the “candidate’s Anedot listing”, the subsequent reporting of all 35 contributors as “Best Effort”, and the lack of the candidate providing the records from the original request to support occupation and employer is a good indicator that the process was either not performed or properly documented.

Verification of in-kind contribution reported.

As noted in the audit objectives, one objective is determining whether all in-kind contributions were supported by donation letters or other appropriate supporting documentation. A standard audit has two procedures for verifying compliance in this area:

1. The in-kind documentation provided by the candidate should be reviewed to determine if the candidate’s in-kind contributions received during the audit period totaled the amount reported.
2. In-kind contributions by contributors should be 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 candidate reported \$1,525.95 in in-kind contributions received from one individual. However, neither procedure was performed because no records were provided to support the in-kind contribution reported.

Therefore, the Director of Audit cannot opine or infer that the disclosure represents any in-kind contribution received, or if received, was reported in compliance with the campaign finance statute, nor that such contribution is within the campaign limits. It should, however, be noted the campaign finance system has a notice system that can help identify if a contributor has reported itemized contributions over the limit, but the system notes no error for the reported itemized contribution for the contributor reported.

Preliminary report presentation notice:

No findings, recommendations, or candidate corrective actions

As a result of this being a preliminary report on an incomplete audit and the related scope limitations, no detailed findings will be presented; however, a Listing of Non-Compliance, which lists known non-compliance or auditor assertions of possible known non-compliance, is presented herein for the Members consideration. It should also be noted that no recommendations or candidate corrective actions appear at the end of the report. Normal audit procedures would include a request to the candidate to correct any non-compliance noted in the audit report for which they concur. However, this procedure was not done due to the scope limitation and the nature of a preliminary report. The Members should note the one corrective action by the candidate after the original audit notice but before this report release is noted in the preliminary audit report.

Audit Conclusion:

Prior to the original audit notice, the audit test work shows Gary Humble's 2022 Campaign Financial Disclosure Statements from January 16, 2022, to January 15, 2023, indicated monetary contributions totaling \$208,209.69. The contribution amounts were reported as \$17,744.70 in unitemized contributions and \$190,464.99 in itemized contributions. However, after the notice and before the preliminary audit report release, the candidate amended the 2022 Second Quarter Campaign Finance Disclosure Statement by adding \$1,304 in unitemized contributions. Thus, after the amendment, Gary Humble's 2022 Campaign Financial Disclosure Statements from January 16, 2022, to January 15, 2023, indicated monetary contributions totaling \$209,513.69. The contribution amounts were reported as \$19,048.70 in unitemized contributions and \$190,464.99 in itemized contributions.

The audit procedure of the Registry audit group is to report any amendment after the audit notice that appears to correct a previous non-compliant submission. In this instance the audit test work indicates \$1,304 in funds were received in the 2022 Second Quarter that were previously unreported prior to the audit notice. Before the amended report, the candidate had failed to report \$1,304 in contributions received in non-compliance with the statute (See Item 1 of Listing of Non-Compliance in this report).

The campaign records show that the candidate collected contributions through a campaign bank account and an online campaign donation platform, AneDot. The contributions collected through AneDot are also deposited into the campaign account; however, before deposit, a fee is deducted from the amounts collected for services rendered. Therefore, to reconcile the total contributions received, the fee must be added back to the amounts deposited. The campaign account shows deposits totaling \$205,867.80, including three expense adjustments totaling \$1,105.35. Thus, deposits related to contributions appear to be \$204,762.45 (\$205,867.80 less \$1,105.35). The related total fee retained by the servicer appears to be \$5,025.44. This would make the total contributions received per the campaign records \$209,787.89 (\$204,762.45 plus \$5,025.44).

The difference between the amount reported (\$209,513.69) and the amount the campaign records indicate was received (\$209,787.89) is \$274.20. Thus, the audit test work indicates that the candidate received \$274.20 more in contributions than was reported. However, the test work indicates the actual difference is the result of several errors noted for non-compliance. The various errors are stated below.

2022 Second Quarter

- a. The audit test work indicated \$800 in contributions were unreported. See, Item 2 in Listing of Non-Compliance.
- b. The audit test work indicated that three itemized contributions, totaling \$900, reported were not received. See Item 4 in Listing of Non-Compliance.
- c. The audit test work indicated one \$100 contribution adjustment related to a contributor refund was not reported. See Item 5 in Listing of Non-Compliance.

The net effect on this period is the candidate overstated contributions by \$200.

2022 Pre-Primary

- d. The audit test work indicated \$485 in contributions were unreported. See Item 2 in Listing of Non-Compliance.

The net effect on this period is the candidate understated contributions by \$485.

2022 Third Quarter

- e. The audit test work indicated that unitemized contributions were overstated by \$10.80. See Item 3 in Listing of Non-Compliance.

The net effect on this period is the candidate overstated contributions by \$10.80.

The campaign records and disclosures indicated that Gary Humble had no loans or interest earnings. In addition to the non-compliance noted above related to the amounts disclosed and the amounts deposited, the audit test work noted several other issues related to non-compliance for contributions, which are reported in the Listing of Non-Compliance that follows.

Listing of Non-Compliance:

1. The candidate failed to report \$1,304 in campaign contributions prior to the original notice. The candidate attempted to correct this when amending the 2022 Second Quarter Disclosure Statement on October 4, 2022 (after the audit notice), adding the amount as unitemized contributions. The auditor noted the \$1,304 is the exact amount of cash deposited during the same period. The candidate correction does, at minimum, properly disclose the amount received for the period which was not originally reported. However, which contributions were not originally reported (cash or others) could not be determined based on the records provided.

Based on the available records, it appears to the Director of Audit that the unreported amount prior to the audit notice was cash received during the 2022 Second Quarter. However, due to the lack of records provided related to unitemized contribution disclosures, the assumption cannot be confirmed. In addition, no records were provided as to the source or purpose of the cash deposits. Therefore, the Director of Audit cannot not opine or infer that the disclosure as made by the candidate represents un-itemized contributions, or contributions at all (also see Item 2 that follows).

2. The candidate failed to report \$1,285 in contributions received. In addition to the unreported funds noted in Item 1 of this listing, the audit noted an additional \$1,285 in unreported contributions. As noted in the audit methodology, the audit prepared a listing of unitemized contributions based on records provided and reconciled to amounts to deposited. The test work identified \$800 on the 2022 Second Quarter disclosure and \$485

on the 2022 Pre-primary disclosure more than what the candidate reported as unitemized contributions.

The scope limitations and specifically the lack of a candidate listing of reported unitemized contributions each period restricts the audit from identifying which contributions were and were not reported.

3. The candidate overstated unitemized contributions received during the 2022 Third Quarter by \$10.80. Unlike the unreported contributions noted in Item 2 above, in this instance, the candidate reported amount is \$10.80 more than the campaign records indicate the candidate received using the same audit prepared a listing of unitemized contributions noted in Item 2.

The scope limitations and specifically the lack of a candidate listing of reported unitemized contributions each period restricts the audit from identifying the cause of the overstatement.

4. The candidate reported three contributions that were not actually received, totaling \$900, on the 2022 Second Quarter disclosure. The candidate reported the following unsubstantiated contributions:
 - Bouchard, Laurie, dated June 28, 2022, for \$500
 - Limpus, Frank, dated May 4, 2022, for \$150
 - Sanders, Jina, dated April 4, 2022, for \$250

The candidate failed to provide any documentation indicating that these funds were received. Furthermore, the bank statements provided for the campaign account do not support the amount reported.

The audit test work noted the possibility that the Limpus, Frank entry was duplicated from the 2022 First Quarter and that the Sanders, Jina entry maybe a duplicate entry, as there were two on the same day. Reporting of contributions that were not received results in non-compliance by causing the balance on hand to be overstated as required of T.C.A. § 2-10-107(e).

5. The candidate failed to report \$100 returned to a contributor as a contribution adjustment or properly disclose the net amount received by the contributor. The campaign records indicate that, on April 25, 2022, \$100 was returned by Anedot to Jina Sanders. This return appears to be related to the contribution reported April 4, 2022, for \$250. Therefore, the disclosure overstates the actual amount received as \$250 instead of the proper \$150 after the return. See Item 4 above, noting that the same contribution was improperly reported twice.
6. The candidate failed to report contributions related to a \$300 check from a contributor(s) (one or two depending on allocation) as itemized contributions during the 2022 Second Quarter. The audit test work identified a check not reported as itemized, which would be

required to be itemized based on the amounts received. The check was unreported as itemized by the candidate in non-compliance with the statute for contribution over \$100.

Due to the scope limitations and specifically the lack of a candidate listing of reported unitemized contributions each period, the audit is unable to identify what contributions were and were not reported; therefore, the Director of Audit cannot opine or infer that the contribution was originally reported or not. The audit can determine only that, when reported, the disclosure should have been itemized. The test work, however; also notes the candidate's Anedot listing did not include the contribution either.

7. The candidate failed to report contributions related to \$500 check from a contributor(s) (one or two depending on allocation) as itemized contribution during the 2022 Pre-Primary. The audit test work identified a check not reported as itemized, which would be required to be itemized based on the amounts received. The check was unreported as itemized by the candidate in non-compliance with the statute for contribution over \$100.

Due to the scope limitations and specifically the lack of a candidate listing of reported unitemized contributions each period, the audit cannot identify what contributions were and were not reported; therefore, the Director of Audit cannot opine or infer that the contribution was originally reported or not. The audit can determine only that, when reported, the disclosure should have been itemized.

8. The candidate failed to itemize a contribution from multiple contributors during the 2022 Second Quarter reporting period who each contributed more than \$100 during the period. The candidate's Anedot records show a contribution on May 22, 2022, for \$100 and an additional contribution of \$100 on June 28, 2022. Both contributions were made through Anedot using the same credit card with the same last four digits and billing address. The May contribution was reported with one contributor name; however, the June contribution was reported with two contributor names (two first names and surname). No additional information was provided for the preliminary report.

Based on the records provided, it appears that the allocation of contributions for the 2022 Second Quarter should be \$150 to the contributor listed in both May and June and the remaining \$50 should be allocated to the other contributor's name listed in June. Based on that allocation, the candidate failed to itemize the disclosure for the \$150 contributions from the contributor listed in May and June as required by statute.

9. The candidate improperly reported the contributor's name for several itemized contributions. It appears that, in at least one instance, the actual contributor may have exceeded the aggregate contribution limit allowable for the 2022 election by \$200.
 - a. Three checks were received during the 2022 Second Quarter reporting period from a joint account. The check amounts were \$99.00, \$99.90, and \$500. The \$99.90 check was signed by one account holder (hereafter "account holder 1"), while the other two checks were signed by the other account holder (hereafter "account holder 2"). Two of these checks (\$99 and \$500) were itemized in two entries, but

not under the name of the person who signed the check. The remaining \$99.90 check was not itemized (or was unreported; see Items 1 & 2).

Based on the records provided, the following are the manners by which properly these items could be disclosed per statute:

- The two checks signed by account holder 1 could be reported as itemized using the signer's name, and the other check for \$99.90 signed by account holder 2 could be reported as unitemized.
- The contributions from all checks could be split and allocated evenly among account holders. This method would require all contributions to be itemized and entries in the name of each account holder in half of the check amount.

The analysis is because, without a record to indicate otherwise by receiving multiple checks signed by different people, the allocation would be based on the signatory. The signor indicates a de facto notice of the contributor when joint account checks are received with different signatories. However, the Director of Audit recognizes joint account holders may not always both sign a contribution check. Thus, a split allocation would also be proper. Based on the records available for the preliminary audit, the disclosures made would be improper in one of the following manners:

- The candidate improperly disclosed the contributor's name and related data for the two itemized check and the associated amounts. The candidate disclosed account holder 2 instead of account holder 1, the signer of the check. The candidate disclosed \$99 instead of \$99.90.

Or

- The candidate improperly disclosed all contributions from these contributors, including not allocating enough to account holder 2 and itemizing all contributions received.

Due to the scope limitations noted, specifically the verification that no other contributor data is held by the candidate or confirming the process used by the campaign to report joint holder accounts, the audit cannot determine which error occurred. The preliminary test work can only indicate the candidate's current disclosure of the contributions is improperly reported.

- b. The candidate disclosed two checks received on May 10, 2022, for \$700 and June 6, 2022, for \$400, from Christine Deekens. The campaign check records indicate that these funds came from a trust account (The Christine Deekens Rev Living Trust). Based on the Registry's previous treatment of trusts, finding them to be separate entities for purposes of limits and reporting, the candidate was required to report the trust as the contributor, not the individual. Thus, the candidate has improperly reported the contributor for these contributions.

- c. The candidate disclosed contributions from Nicholas Van Weiden and Codi Van Weiden each in the amount of \$1,600 and on May 19, 2022. The campaign records have no supporting information for a contribution from Codi Van Weiden. The campaign records to support the Nicholas Van Weiden contribution is a check where the header indicates the contributor is the only account holder. The check is for \$3,200 written on May 19, 2022, and deposited on May 26, 2022. No other supporting records was provided for the preliminary report.

Therefore, due to the scope limitations, and thus without a record to indicate otherwise, the candidate has improperly allocated \$1,600 of the contribution to the wrong contributor. Additionally, if both contributions were allocated to the primary election, the primary allocation for a second contribution of \$1,600 from Nicholas Van Weiden would be improper.

- d. The candidate disclosed the following itemized contributions on the 2022 Second Quarter.
- Bell, Brandon on June 10, 2022, for \$200 to the general election.
 - Bell, Brandon on June 10, 2022, for \$1,600 to the primary election.
 - Bell, Layla on June 10, 2022, \$200 to the primary election.

The campaign records have no supporting information for a contribution from Brandon Bell. Per the candidate's Anedot listing, Layla Bell gave \$2,000 on June 10, 2022, paid by credit card. The card's account holder is unconfirmed/unidentified based on the records provided and audit test work performed. No other supporting records were provided for the preliminary report.

Therefore, due to the scope limitations, and thus without a record to indicate otherwise the candidate has improperly allocated \$1,800 of Layla Bell's contribution to the wrong contributor.

Further, it appears that Layla Bell has made contributions in excess of contribution limits. Also, the allocation to the primary and general election were improper. Layla Bell made two additional contributions to the candidate per the disclosures and records provided:

- Bell, Layla, on June 27, 2022, for \$1,200 to the primary election, paid by credit card.
- Bell, Layla, on April 10, 2022, for \$200 to the primary election, paid by credit card.

Thus, based on the records provided, the total of all contributions from Layla Bell was \$3,400. Thus, to properly allocate the max amount per election the candidate had to report \$1,600 to the primary and \$1,600 to the general election. The additional \$200 also should be reported to one of the elections until returned. Based

on the records, the contributor is \$200 over the aggregate limits, as there is no record to indicate the \$200 was returned. Thus, the candidate improperly received \$200 in contributions over the aggregate campaign limits, and improperly reported the contributor of \$1,800 in funds received. Finally, the funds were improperly allocated to the proper elections.

- e. The candidate disclosed the following contributions on the 2022 Second Quarter:
- Mary Wolf on April 10, 2022, for \$100, to the primary.
 - Buster Wolf on April 19, 2022, for \$1600 to the primary.
 - Mary Wolf on April 19, 2022, for \$1,500 to the primary.

The campaign's supporting records indicate the following contributions were received through Anedot (the contributor appears on the candidate's Anedot listing). The records indicate all contribution were paid by a credit card with the same last four digits and billing address (card holders were unconfirmed by audit testing).

- WOLFE, BUSTER on April 10, 2022, for \$100
- WOLFE, (Unprovided by audit) April 10, 2022, for \$100
The first name appears in the record but is unprovided as it is possible the contribution could be reportable only as unitemized and is not Mary or Buster.
- WOLFE, BUSTER on April 19, 2022, for \$1600
- WOLFE, MARY on April 19, 2022, for \$1,500

The audit testing showed the surname "Wolf" with the unidentified first name as being either a reported unitemized \$100 contribution or an unreported contribution see Items 1 and 2 of the *Listing of Non-Compliance*.

The campaign records have no supporting information for a contribution for Mary Wolfe on April 10, 2022. Therefore, due to the scope limitations, and thus without a document to indicate otherwise the candidate has improperly allocated \$100 of contributions to the wrong contributor. Due to the same scope limitation noted the audit cannot determine if the improper contributor relates to the Wolfe where the first name is unprovided or Buster Wolf.

Note to the Members: The Members should be aware that the lack of records to confirm the keyed contributor is the person or persons who hold the credit card that made the payment is affecting the analysis above. Those records could identify the relationship between all the entries and the proper reportable contributor, especially when three individuals are associated with one credit card number. That analysis could result in other possible reporting options but would still indicate improper reporting.

- f. The candidate reported a contribution from Brittany Bartkowiak on July 24, 2022, for \$150 with occupation and employer as "Best Effort". The campaign records

have no supporting information for a contribution from Brittany Bartkowiak. The campaign records do include a check with the header Britt Law PLLC of \$150 signed by Brittany Bartkowiak, with the header indicating the source of the funds. Therefore, due to the scope limitations, and thus without a record to indicate otherwise the candidate has improperly allocated \$150 to the wrong contributor.

The candidate's disclosure also improperly reports "best effort" when an occupation and employer was known. However, the occupation and employer disclosure will no longer be required when (or if) the report is corrected to the PLLC.

- g. The candidate reported a contribution from Lorie Lebert, on July 28, 2022, for \$150. The candidate campaign records provided indicate these two items:
- A check from Lorence Lebert written on July 26, 2022, for \$150 deposited on July 26, 2022. The candidate's Anedot listing showing the contribution from Lorence Lebert.
 - A contribution made through Anedot on June 9, 2022, from Lorie Lebert for \$100 made by credit card.

No additional records were provided. Based on the records provided, the Director of Audit cannot determine if Loerence and Lorie are two individuals or one. The entry of both names in the candidate's Anedot listing indicates possibly two individuals. Therefore, due to the scope limitations, and thus without a record to indicate otherwise, it would seem that, the candidate has improperly allocated \$150 of contributions to the wrong contributor or improperly reported the contributor's name.

- h. The candidate reported a contribution from Tommy Hansen on May 14, 2022, for \$125. The candidate's campaign records and the audit test work indicates the support check is from Tommy Hanson. Therefore, due to the scope limitations, and thus without a record to indicate otherwise the candidate has improperly allocated \$125 of contributions to the wrong contributor or improperly reported the contributor's name.
10. The candidate failed to maintain any contributor data for cash contributions, with the exception of one contribution of \$20. The records reflect that \$1,704 in cash was deposited into the campaign account, which cannot be attributed to any contributor. These funds cannot be tested for allowability or compliance with campaign finance statutes or limits. As noted, the candidate's Anedot listing shows contributions received and deposited into the campaign account, including cash; however, the listing only indicates a cash amount and date, and no other donor information was included. The audit test work also indicates the candidate's Anedot listing is not accurate to the amounts actually deposited per the bank records.

According to the campaign bank records, the following cash deposits were made:

- Second Quarter Cash deposit on May 18, 2022, for \$300
- Second Quarter Cash deposit on June 10, 2022, for \$80
- Second Quarter Cash deposit on June 27, 2022, for \$170
- Second Quarter Cash deposit on June 30, 2022, for \$754
- Pre-Primary Cash deposit on July 14, 2022, for \$50
- Pre-Primary Cash deposit on July 21, 2022, for \$20
(The candidate's Anedot listing shows a name on July 21, 2022, and indicates it was a cash contribution of \$20. Cash has no paper trail, so a notation in a candidate keyed/prepared document supports a cash disclosure).
- Pre-Primary Cash deposit on July 25, 2022, for \$100
- Third Quarter Cash deposit on July 26, 2022, for \$100
- Third Quarter Cash deposit on July 28, 2022, for \$160

Consistent with past audit procedures and reporting, the cash that cannot be associated to a specific contributor or contributors is considered an anonymous contribution. Without the specific contributor names, amounts contributed, and dates, the audit could not determine compliance with the following campaign finance statutes, for the cash contributions:

- T.C.A. §2-10-107(a)(2)(A)(i) requires contributions of more than \$100 from one source received during a reporting period to be itemized. The itemized information for each contributor must include name, address, occupation, employer, date of receipt, and the amount of contribution.
- T.C.A. §2-10-311(a) limits cash contributions to \$50 per election for each contributor.

NOTE: Based on the auditor's experience, it is unlikely the candidate has maintained records to support the cash received and deposited except for the \$20 noted. Based on the data provided and the Director of Audit's experience, even without additional inquiries, the candidate likely failed to maintain cash donation records. This analysis is also based on the lack of contributor data in cash entries on the "candidate's Anedot listing". The Director of Audit also believe this lack of cash records may be the reason the \$1,304 was not originally reported on 2022 Second Quarter disclosure until after the audit notice (see Item 1), however, that assertion cannot be confirmed.

11. The candidate failed to maintain any data relating to a July 28, 2022, deposit in the amount of \$350, including contributor data, if applicable. Beyond being listed on the bank statement as a deposit, there are no other records provided. Further, there were no related transactions identified on the candidate's Anedot listing.

Therefore, based on the preliminary test work and consistent with past audit procedures and reporting, deposits that cannot be associated with a specific contributor or contributors, or some other purposes, are considered anonymous contributions. Without the specific contributor names and amounts contributed, the Director of Audit could not determine compliance with the following campaign finance statutes for the deposited contributions:

- T.C.A. §2-10-107(a)(2)(A)(i) requires contributions of more than \$100 from one source received during a reporting period to be itemized. The itemized information for each contributor must include name, address, occupation, employer, date of receipt, and the amount of contribution.
- T.C.A. §2-10-311(a) limits cash contributions to \$50 per election for each contributor.

12. The candidate improperly disclosed the amount of contributions attributable to two individuals; however, unlike the improper reporting of the contributor's name, this appears to relate to the allocated amounts. The candidate disclosed the following campaign contributions:

- Kevin Fuller on April 4, 2022, for \$100 to the primary.
- Kevin Fuller on June 11, 2022, for \$1,000 to the primary.
- Kevin Fuller on July 24, 2022, for \$500 to the primary
- Karyn Fuller on July 24, 2022, of \$1,500 to the primary

The candidate provided records indicate the following contributions were received related to the disclosures:

- Kevin Fuller on April 4, 2022, for \$100 by credit card through Anedot;
- A joint account check from Kevin and Karyn Fuller on June 11, 2022, for \$1,000 signed by Kevin Fuller;
- Kevin Fuller on July 14, 2022, for \$1,000 by credit card through Anedot;
- A joint account check from Kevin and Karyn Fuller on July 24, 2022, for \$1,000 signed by Kevin Fuller.

Due to the scope limitations, and thus without a record to indicate otherwise, it appears the candidate has improperly allocated the contributions received by each contributor. Based on the records provided, the candidate appears to split the \$1,000 received on July 24, 2022, by check to Kevin and Karyn, which is an allowable option. However, the candidate then appears to allocate the \$1,000 received from Anedot on July 14, 2022, to Karyn. As there is no record to show the funds that came through Anedot relate to Karyn, this was improper. The July allocations would have to be reversed, with Kevin showing \$1,500 and Karyn \$500. Additionally, as all other contributions noted above were allocated to Kevin only, the contributions would have to be allocated to the general election and not the primary.

There were additional ways to allocate such that the contribution could all be allocated to the primary. However, that would also indicate improper allocation of the first contribution made by check in June of 2022, which was all reported as from Kevin.

13. The audit noted that a contribution by Emily Bowers was reported and that the contributor's occupation and employer were listed as "Best Effort". The candidate's Anedot listing indicates that Emily Bowers was retired. Therefore, the proper occupation and employer

entry was to report “Retired,” not “Best Effort”. Reporting “Best Effort” in place of the known data appears to be non-compliant with the intent of the statute.

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 Gary Humble’s 2022 Campaign Financial Disclosure Statements from January 16, 2022, to January 15, 2023. The Director of Audit requested Gary Humble to provide all campaign records to support all expense activities of the 2022 election campaign. As noted in the audit scope, not all records were provided. On July 25, 2023, and August 29, 2023, the candidate provided the following records related to expenses and disbursement:

- Campaign bank statements from March 7, 2022 (the day the account was opened) to December 30, 2022 (the account was closed on December 13, 2022).
- Copies of canceled checks disbursed from the campaign account.
- The final item provided by the candidate was the candidate’s Anedot listing as noted above. This list is mainly contributor information but does include the fee amount retained from each contribution received through Anedot, which is a reportable expense or obligation.

The following steps were performed on the campaign documentation:

- The documentation was reviewed to determine if the candidate’s expenses from January 16, 2022, to January 15, 2023, totaled \$209,513.69.
- The candidate elected to itemize all expenses; as such, a list of all reported expenses was prepared and compared to the candidate’s bank statements and copies of cleared checks to determine if the candidate reported all expenses that were expended from the campaign bank account or were retained by the online service.

- All disbursements from the campaign account were reconciled to the candidate’s campaign disclosures and the bank statements to determine if all disbursements were reported.
- The listing of all reported expenses and any identified unreported expenses noted in the prior two items were reviewed to determine if all expenditures were reported, reported in the proper period, and reported in compliance with T.C.A. §§2-10-107 and 2-10-114.

Effect of scope limitations:

Prior to presenting the audit conclusion related to expenses, the Director of Audit is presenting the following information related to the limitation of this preliminary report. It details specific items that the Members may or may not be aware of related to the scope limitations placed on this audit and preliminary report.

Verification of expenses.

Part 1 – Vendor reporting

Normal audit procedures attempt to verify the proper vendor was reported. This process requires both payment records (i.e., canceled checks, credit card records, or electronic payment records, etc.) and supporting documentation (i.e., contracts, invoices, receipts, ad copies, transcripts, etc.). Due to the scope limitations noted, the process could not be completed.

Therefore, the Director of Audit cannot opine or infer that the vendors reported were proper vendors per statute. The Director of Audit and audit test work can only state that, unless otherwise noted in the preliminary report, the vendor reported is the vendor to whom payment was made.

Based upon the Auditor’s experience, it appears that the candidate records indicate that the candidate paid expenses, which appear to be reimbursements. The candidate’s disclosures indicate the possible use of sub-contractors or other vendors by the reported vendor for services recouped through charges to the candidate. There are also indicators of payment to individuals that may have been for services to others that the payee redistributed. In each instance, the person paid may not be (and likely is not) the proper reportable vendor. Due to the scope limitation, the assertion cannot be confirmed or refuted without additional records and testing. The audit noted one specific expense that should be noted as no testing was performed, and there are sufficient indicators to show the reporting may be improper. The candidate reported an expense to Kim Done on May 2, 2022, for \$1,798.48. The supporting record of this expense is a check to Kim Done written on April 21, 2022, that cleared the bank on May 21, 2022. The check memo line reads “Kickoff Events Reimbursement”. The records indicate a possible reimbursement. Thus, there are sufficient indicators to indicate Kim Done may not be the proper vendor for reporting.

Part 2 – Proper period reporting

Normal audit procedures attempt to verify that each expense was reported in the proper period. This process requires both payment records (i.e., canceled checks, credit card records, or electronic payment records, etc.) and supporting documentation (i.e., contracts, invoices, receipts, ad copies, transcripts, etc.). Due to the scope limitation noted, the process could not be completed.

Therefore, the Director of Audit cannot opine or infer that any expense was reported in the proper period per statute. The Director of Audit and audit test work can only state that, unless otherwise noted in the preliminary report, the expenses appear to be reported in the period in which payment was made.

Based on the Auditor's experience, it appears that the candidate's records and disclosures indicate that the candidate incurred expenses or obligations before the period in which they were reported. This could have resulted in expenses that should have been reported as obligations and obligation payments or early reported expense payments. Specifically, the audit noted several expenses dated after the primary election that could indicate improper reporting by period. Due to the scope limitation stated, the assertion cannot be confirmed or refuted without additional records and testing.

Part 3 – Goods and services

Normal audit procedures attempt to verify that all goods or services reported were actually received, properly reported, and allowable. This process requires both payment records (i.e., canceled checks, credit card records, or electronic payment records, etc.) and supporting documentation (i.e., contracts, invoices, receipts, ad copies, transcripts, etc.). Due to the scope limitation noted, the process could not be completed.

Therefore, the Director of Audit cannot opine or infer that any good or service was received, properly reported, and allowable. However, there are three exceptions:

- a. Any bank fee noted in the report from the campaign account at Regions Bank is supported by disbursement and the bank statement from Regions Bank.
- b. The Anedot fee calculated by the audit is supported by the amounts indicated received by the candidate in the candidate's Anedot listing, including the fee listed, and the amounts reconcile to the amount Anedot deposited into the campaign bank account. The calculated fee is also consistent with the Director of Audit's experience for the normal percentage fee amount collected.
- c. The payment of \$1,000 to the Tennessee Republican Party as a ballot fee, was not properly supported by a receipt; however, this is a known expense by the Director of Audit that will occur to the party, thus the check alone and disclosure appears to be sufficient to support the expense.

The Director of Audit also noted several expenses dated after the primary election on August 4, 2022, that could indicate improper reporting of expenditures or obligations. Due to the scope limitation noted, the assessment of proper reporting or allowability could not be made. However, it should be noted that T.C.A §2-10-114 puts additional restrictions on such activity after an election. The following is a listing of those expenses reported by the candidate:

1. American Mail & Insert, INC. listed as "postage" on August 11, 2022, for \$279.00
2. American Mail & Insert, INC listed as "printing" on August 11, 2022, for \$584.13.
3. Kim Done, listed as "Events-Catering", on August 19, 2022, for \$791.26

4. The Daily Dish, listed as “Events-Catering”, on August 11, 2022, for \$3,750.
5. Costco, listed as “Events-Catering”, on November 4, 2022, for \$365.10.
6. Amiee Fletcher listed as “Campaign workers” on September 1, 2022, for \$5,000.
7. Franklin Lions Charities, INC., listed as “Donations” on August 22, 2022, for \$500.
8. Google listed as “advertising” on August 10, 2022, for \$63.25.
9. Meta Platforms Inc listed as “advertising” on August 11, 2022, for \$416.12.

Audit Conclusion:

Gary Humble’s 2022 Campaign Financial Disclosure Statements from January 16, 2022, to January 15, 2023, disclosed campaign expenses totaling \$209,513.69. The bank account shows disbursements of \$205,767.80. As noted previously, this amount excludes the fees retained by Anedot. The audit determined those fees to be \$5,025.44. The fees and the disbursements added together equal \$210,793.24. The resulting difference in the amount reported by the candidate \$209,513.69 and the combined bank disbursements and Anedot fee \$210,793.24, is \$1,279.55. It appears that the difference relates to the following:

- There appear to be two adjustments to expenses, totaling \$994. The bank records indicate two of the expense adjustments were related to credit card payments that were reversed and appear on the bank statements. The candidate netted the activity and elected to report nothing on the campaign finance disclosure. This net method is an allowable option when activity happens in the same period, which occurred for both activities.
- The candidate reported an expense adjustment to “EffectTV” for \$111.35 on the 2022 Fourth Quarter. Although this was not entirely supported, as noted in the section *Verification on sources of funds deposited- Part 3*, the audit treated the activity as an expense adjustment based on the candidate’s disclosure only. Therefore, the amount is part of the difference noted above.
- The candidate reported a \$50 payment to the Williamson County Election Commission on March 24, 2022. There is no support in the campaign records to indicate this expense was incurred or paid out of the campaign account. See Item 14 of the Listing of Non-Compliance continued below.
- The candidate reported \$4,801.24 in fees retained by Anedot. The candidate listing and bank records indicate that the fees totaled \$5,025.44 (a difference of \$224.20). The difference represents unreported campaign expenses. See Item 15 of the Listing of Non-Compliance continued below.

Beyond the errors noted in the amount reported and the amounts disbursed from the campaign account, there were other items noted in the preliminary review that indicate possible non-compliance, which are presented in the Listing of Non-Compliance, which is continued below.

Due to the scope limitation noted for expenses and to assist the Members in their assessment of the report and the candidate disclosures, the following is a chart of the vendors

reported by the candidate, which is being presented for Members to make their own assessments on the probability of the accuracy of the data. The chart includes the various purposes reported in a consolidated format. Also presented are the total amounts paid to the vendor for the election per the candidate disclosures. As noted in the *Verification of expenses* above, many aspects of the disclosure cannot be confirmed by the audit test work due to the scope limitation; thus Members should consider that information prior to assessing the accuracy of the candidate disclosure in the chart that follows.

1.	ACTIVECAMPAIGN, LLC	\$140.00	SOFTWARE - CRM
2.	AMERICAN MAIL & INSERT, INC.	\$86,514.83	ADVERTISING / PRINTING / POSTAGE
3.	ANEDOT	\$4,801.24	PROCESSING FEE
4.	CAMPAIGN VERIFY	\$95.00	PROFESSIONAL SERVICES
5.	COSTCO	\$365.10	EVENTS - CATERING
6.	CRAIN LAW GROUP, PLLC	\$1,541.49	LEGAL SERVICES
7.	CUMULUS MEDIA	\$6,950.00	ADVERTISING
8.	DELUXE	\$75.96	BANK FEES
9.	DONE, KIM	\$2,589.68	EVENTS - CATERING
10.	ECANVASSER	\$3,030.94	SOFTWARE - CRM
11.	EFFECTV <i>EffecTV is a division of Comcast Corp which is who listed in the payment</i>	\$10,166.00	ADVERTISING
12.	ELLIE'S OLD-FASHIONED DOUGHNUTS	\$1,646.25	EVENTS - CATERING
13.	ESPACES	\$286.98	RENT
14.	FLETCHER, AIMEE	\$5,000.00	CAMPAIGN WORKERS
15.	FRANKLIN LIONS CHARITIES, INC	\$500.00	DONATIONS
16.	GAGLERS, INC <i>Gaglers Inc is a software developer that appear to relate to Calihub.io. All the payments are to Calihub.io</i>	\$5,020.00	SOFTWARE – CRM / PHONE OUTREACH
17.	GOOGLE	\$506.85	ADVERTISING
18.	META PLATFORMS, INC. <i>Rebranded name payments were listed as Facebook</i>	\$11,610.06	ADVERTISING
19.	MEYER CONSULTING, LLC	\$6,000.00	ADVERTISING
20.	NATIONBUILDER	\$909.00	SOFTWARE - CRM
21.	NEXSTAR MEDIA GROUP	\$26,495.00	ADVERTISING
22.	PROTON AG	\$449.02	SOFTWARE - EMAIL
23.	REGION'S BANK	\$186.00	BANK FEES
24.	STICKER MULE, LLC	\$1,358.71	PRINTING
25.	TACHYON STRATEGIES, LLC	\$13,739.00	PROFESSIONAL SERVICES / PRINTING / MERCH & APPAREL / DIGITAL DEVELOPMENT - WEBSITE
26.	TENNESSEE REPUBLICAN PARTY	\$1,000.00	BALLOT FEE
27.	THATS PRINTING	\$12,147.41	PRINTING / SIGNS
28.	THE DAILY DISH	\$3,750.00	EVENTS - CATERING
29.	THE ROCKET SCIENCE GROUP, LLC <i>There appears to be a DBA Mailchimp for this vendor. Mailchimp was the vendor listed in the payment record.</i>	\$350.11	SOFTWARE - CRM
30.	TRACTOR SUPPLY	\$1,396.11	SIGNS
31.	TRI-STAR MEDIA GROUP	\$904.30	ADVERTISING
32.	WILLIAMSON COUNTY ELECTION COMMISSION	\$100.00	RESEARCH / POLLING
	TOTAL	\$209,625.04	
	Candidate reported adjustment. (Refunds on prior expenses paid)		
	EFFECTV (see 11 above and 14 below)	(111.35)	
	TOTAL after adjustments	\$209,513.69	

Listing of Non-Compliance (continued): Items noted in the Preliminary Review of Expenses & Disbursements.

14. The candidate reported a \$50 payment to the Williamson County Election Commission on March 24, 2022. There is no support to indicate this expense was incurred. There is no withdrawal or other supporting payment from the campaign account.
- Based on the records provided, this was not an incurred expense and should not have been reported on the campaign finance statements as an expense. The reporting of an expenses not incurred from the reported contribution (which were placed into the campaign account) creates a report the improperly reports the available balance at the end of the reporting period and each subsequent period as required by statute.
 - Based on the candidate disclosures, the campaign incurred an expense for \$50 that was paid from an unknown source. The paying source was unreported on the campaign finance system. Again, the reporting understates the available balance. Also, the disclosure fails to report the contributor of the \$50.
 - Based on the records and disclosures there was a third possibility. The candidate reported a \$50 expense instead of a \$50 in-kind contribution. In this instance again, the reporting understates the available balance and fails to report the contributor of the \$50.

Due to the scope limitations, the candidate records are insufficient to make a determination concerning compliance. Therefore, the Director of Audit cannot opine or infer the proper reporting of the transaction. Only that, as reported, the disclosure overstates the available balance each reporting period.

NOTE: Based on the Auditor's experience auditing campaign finance statements, it is likely that the expense is an expense paid with the candidate's personal funds at the start of the campaign. The candidate recognized the payment as a reportable campaign activity but failed to recognize the funds used were campaign contributions. Thus, the expense was reported, but no contribution. However, the assertion cannot be confirmed or refuted on the information available for the preliminary report.

15. The candidate failed to report \$224.20 in Anedot fees retained by the vendor from collections made for the campaign. The reportable fee amount is the fee that corresponds to the contributions received during the period (those are the contributions that should also be reported). This is due to the fact the fee is paid at the same time the contribution is made, regardless of when the net proceeds are provided to the candidate. The fee is generally reported as an expense. However, as the net proceeds are not always immediately available, if a candidate elected a portion of the fees corresponding to contributions yet be received could be reported as obligation and when deposited the net proceeds are reported as an obligation payment. The candidate disclosures indicate no fees reported as obligations and obligation payments; as such it would appear the candidate attempted to use the expense method of reporting. The audit test

work indicates the fee amounts reported each period were improper and net in such a way that \$224.20 in fees were unreported for the election.

In order to make this assessment, the audit test work listed each contribution by period, then determined the amount of the contributions received through Anedot and their related fees. The audited test work indicates the fees were improperly reported as follows:

- 2022 First Quarter: fees were understated by \$41.20.
 - The candidate reported \$282; the actual fee for contributions received that period was \$323.20.
- 2022 Second Quarter fees were understated by \$158.30.
 - The candidate reported \$2,835.94; the actual fee for contributions received that period was \$2,994.24.
- 2022 Pre-Primary fees were understated by \$24.70.
 - The candidate reported \$1,458.70; the actual fee for contributions received that period was \$1,483.40.

These fees, in total, were understated by \$224.20. This means the candidate failed to report \$224.20 in online fees incurred as expenses in non-compliance with the statute.

16. The following vendors reported could not be supported by the records provided. In each instance, the payment record provided does not specify the vendor reported:

- Crain Law Group, PLLC, on December 13, 2022, for \$1,541.49. The candidate provided no supporting record to substantiate that a payment was made to this vendor or even occurred.

Additionally, on December 13, 2022, there was a \$1,541.19 closing withdrawal made from the campaign bank account. The candidate provided no supporting record to substantiate the purpose of the withdrawal. In addition, the bank records are not sufficient to identify the recipient of the withdrawal beyond the account holder, Gary Humble.

Although the amount of the withdrawal and the reported transaction indicate a relationship, due to the limited records provided, the relationship cannot be determined.

Therefore, the Director of Audit cannot opine or infer anything related to the candidate reported Crain Law Group, PLLC, on December 13, 2022, for \$1,541.49 as an expense or a campaign expense and the source of that payment. Additionally, the Director of Audit cannot opine or infer anything related to the candidate's \$1,541.19 withdrawal as a proper disbursement of campaign funds and that the disbursement was properly reported. The auditor can only state that \$1,541.19 in disbursement had to be reported due to the withdrawal of campaign funds.

NOTE: The Director of Audit is aware that the candidate is represented by Counsel relating to this audit and that Counsel appears to be related to the Crain Law Group, PLLC. Those services are another indicator that legal services activities (and related expenses) probably occur and are likely continuing to occur. However, as noted above, the support records have not been provided to demonstrate that the legal expense occurred paid from campaign funds.

- The candidate reported each of the following expenses:
 - American Mail & Insert, Inc. on July 12, 2022, \$25,802.06 for Advertising.
 - American Mail & Insert, Inc. on July 25, 2022, \$16,370.12 for Advertising.
 - American Mail & Insert, Inc. on July 28, 2022, \$15,538.29 for Advertising.
 - American Mail & Insert, Inc. on August 11, 2022, \$279.00 for Postage.
 - American Mail & Insert, Inc. on August 11, 2022, \$584.13 for Printing.

The bank statements show withdrawals in related amounts as follows:

- "Gary Humble for Humble TN Gary Humble Fo" on July 12, 2022, in the amount of \$25,802.06.
- "Gary Humble for Humble TN Gary Humble Fo" on July 25, 2022, in the amount of \$16,370.12.
- "Gary Humble for Humble TN Gary Humble Fo" on July 28, 2022, in the amount of \$15,538.29.
- "Gary Humble for Humble TN Gary Humble Fo" August 11, 2022, in the amount of \$863.13 (This the \$279 & \$584.13 reported the amounts total \$863.13).

Due to the scope limitations, the candidate records are insufficient to determine whether the reported American Mail & Insert, Inc expenses listed above occurred as reported. Therefore, the Director of Audit cannot opine or infer the proper reporting or allowability of the transaction.

The Director of Audit asserts that expenses occurred and paid with funds withdrawn from the campaign account as noted above could relate to American Mail & Insert, Inc; however, these funds appear to have passed through another account or entity first called "Gary Humble for Humble TN Gary Humble Fo". This assertion is based on the listed bank withdrawals, the candidate disclosures, and additional American Mail & Insert, Inc. transactions noted in testing. (These additional transactions to American Mail & Insert, Inc. were supported differently than the ones above; one was supported by a check to AMI, the back of the check showing a deposit to American Mail & Insert, Inc., and several made by credit\debit card purchase reported on the candidate bank statements as "Card Purchase American Mail A 7399 Brentwood Tn 37027", the address data being the vendor's location in Brentwood.)

Due to the scope limitations and specifically no records provided to indicate the funds were paid to American Mail & Insert, Inc, no identifying information was

provided for the bank entry "Gary Humble for Humble Ads Gary Humble Fo" and receipts to show services rendered, the audit cannot confirm or refute the expense that occurred as reported. Nor can the audit confirm whether the funds listed above were disbursed to American Mail & Insert, Inc or some other entity. Finally, the audit cannot confirm the disbursement to the account or entity identified as "Gary Humble for Humble TN Gary Humble Fo" was an allowable disbursement of campaign funds.

- Similarly, the candidate reported an expenditure to NextStar Media Group on June 27, 2022, in the amount of \$26,495.00 for Advertising. The bank statement shows a withdrawal from the account that appears to relate to this activity as follows:
 - "Gary Humble for Humble Ads Gary Humble Fo" on June 27, 2022, in the amount of \$26,495.

The candidate's provided records are insufficient to determine whether the reported NextStar Media Group expenses listed above occurred as reported. Therefore, the Director of Audit cannot opine or infer the proper reporting or allowability of the transaction.

The Director of Audit asserts that expenses occurred and paid with funds withdrawn from the campaign account as noted above could relate to NextStar Media Group; however, these funds appear to have passed through another account or entity first called "Gary Humble for Humble Ads Gary Humble Fo". However, unlike the bullet above, no other transactions for this vendor were noted, and as a result it is possible "Gary Humble for Humble Ads Gary Humble Fo" is some unknown bank designated identifier for NextStar Media Group. However, that appears to be unlikely again based on the bullet above.

As noted above, the audit cannot confirm or refute the expense that occurred as reported, nor can the audit confirm whether the funds listed above were disbursed to NextStar Media Group or some other entity. Finally, the audit cannot confirm the disbursements to the account or entity identified as "Gary Humble for Humble Ads Gary Humble Fo" was an allowable disbursement of campaign funds.

Director of Audit Notes: There is a slight difference in the bank entry on this and the prior bullet on the candidate-provided bank statement. The difference is the "TN" in the amounts related to American Mail & Insert, Inc is changed to "Ads", for the NextStar Media Group payments. This difference could indicate multiple entities or accounts, but again, it cannot be confirmed with the records provided for the preliminary report.

- The candidate reported two expenses to Tri-Star Media Group on May 16, 2022, and June 2, 2022, both in the amount of \$565.15, for Advertising. The bank

statements show withdrawals from the accounts that appear to relate to these amounts as follows:

- "GWT Investments sale Gary Humble fo" on May 16, 2022, \$565.15.
- "GWT Investments sale Gary Humble fo" on June 2, 2022, \$339.15.

Due to the scope limitations, the candidate records are insufficient to determine the reported Tri-Star Media Group expenses listed above occurred as reported. Therefore, the Director of Audit cannot opine or infer the proper reporting or allowability of the transaction.

The Director of Audit asserts that expenses occurred and paid with funds withdrawn from the campaign account as noted above could relate to Tri-Star Media Group. The Director of Audit did internet searches that resulted in some indicators that GWT is an identifier for Tri-Star Media Group, however, those could not be confirmed.

As noted above, the audit cannot confirm or refute the expense that occurred as reported, nor can the audit confirm if the funds listed above were disbursed to Tri-Star Media Group or some other entity. Finally, the audit cannot confirm the disbursements to account or entity identified as "GWT Investments sale Gary Humble fo" was an allowable disbursement of campaign funds.

- The candidate reported several expenses paid to "Ecanvasser", an international vendor. When the company was paid, Regions Bank charged an international services assessment to the campaign, according to the bank statement. The candidate usually properly reported these expenses as a bank fee. However, for the payments made on July 1, 2022, and August 1, 2020, the candidate included the bank-assessed \$17.97 fee within the expenditure paid to the vendor. Therefore, the \$17.97 fee was reported to the wrong vendor in these instances.
- The candidate reported several expenses paid to Proton AG, another international vendor, and again the bank charged international services assessments to the campaign. In several instances, the candidate reported those fees as being paid to Proton AG instead of the bank. Further, some of the improperly related fees reported as Proton AG expenses were fees related to Ecanvasser. The improperly related transactions are as follows:
 - 2022 Second Quarter (\$77.11 for the period)
 - Proton AG April 1, 2022, in the amount of \$17.97
 - Proton AG April 1, 2022, in the amount of \$17.97
 - Proton AG April 4, 2022, in the amount of \$0.55
 - Proton AG May 2, 2022, in the amount of \$17.97
 - Proton AG May 2, 2022, in the amount of \$1.44
 - Proton AG May 12, 2022, in the amount of \$0.70
 - Proton AG May 19, 2022, in the amount of \$0.62

- Proton AG June 1, 2022, in the amount of \$17.97
- Proton AG June 1, 2022, in the amount of \$1.92
- 2022 Pre-Primary (\$1.92 for the period)
 - Proton AG July 19, 2022, in the amount of \$65.84 (Actual amount of expense \$63.92; improperly reported fee \$1.92)
- 2022 Pre-Primary (\$3.84 for the period)
 - Proton AG August 19, 2022, in the amount of \$65.84 (Actual amount of expense \$63.92; improperly reported fee \$1.92)
 - Proton AG September 19, 2022, \$65.84 (Actual amount of expense \$63.92; improperly reported fee \$1.92)

The total amount improperly reported as Proton AG was \$82.87. The entire \$82.87 amount should be reported to Regions Bank in the amount applicable to each reporting period.

Legal Fees

As noted above, the candidate reported an expense to Crain Law Group, PLLC on December 13, 2022. Although payment to the law firm cannot be confirmed (see Item 16 of the Listing of Non-Compliance), it is the Director of Audit's opinion that payment to the firm likely occurred and may be supportable as paid with other supporting records. Thus, an assessment of allowability would need to occur for the legal expenses to determine the full proper reporting.

In the Director of Audit's experiences at the Registry, legal expenses being allowable has been very fact-dependent. Thus, the underlying purpose of the legal expense is key. As such, any legal expenses reported by the candidate usually result in a related request for additional information. While the Director of Audit has asked for further information from the candidate regarding these legal fees, both in the audit and during the original file review, the candidate has not provided any additional documentation.

As the Members are aware, the candidate has been represented by counsel for this audit process, which commenced initially in September 2022. Therefore, it is possible the legal services reported related to this representation. Due to the scope limitations, the candidate records are insufficient to determine if this was for services rendered or some other service was provided. Therefore, the Director of Audit cannot opine or infer the proper reporting or allowability of the transaction.

The Director of Audit asserts that even if the candidate provides documentation indicating, or stipulates, that the legal services are for representation for the audit process, the Director of Audit would still be unable to opine on the allowability of that type of legal services based on the auditor's review of the applicable statutes. The applicable statute appears to be T.C.A. §§ 2-10-102(6) and 2-10-114. As such, the Members under their authority in T.C.A. § 2-10-207(3), in consultation with legal counsel, would have to determine if the reported expense was allowable or a violation of the campaign finance statutes.

Interim Reporting

Effective July 1, 2022, all candidates were required to file interim reports as required by T.C.A. § 2-10-105(h). The audit test work indicates Gary Humble filed no interim reports. The audit test work and the candidate's campaign disclosures indicated possible non-compliance with interim reporting related to the August 4, 2022, primary election.

As the Members are aware, a previous notification of possible non-compliance related to the interim reports for the August 4, 2022, primary election by various candidates was presented, and the Members determined that no action should be taken concerning instances of non-compliance with these reporting requirements. As the prior notice may not have included all possible entries noted by an audit, and to provide full disclosure to the Members of interim activity in the 2022, the 2022 audits include this section on interim reporting.

However, as this is a preliminary report and due to the scope limitations, and because the candidate records are insufficient to determine the exact date an expense was incurred (specifically lack of receipts/invoices), the Director of Audit cannot opine or infer the proper reporting for the expenses on an interim report. However, based on the disclosures made by the candidate or the activity reported, the following areas of possible non-compliance with activity in the interim reporting were noted.

- American Mail & Insert, Inc. on July 28, 2022, for \$15,538.59. (It should be noted this is one of the expenses noted where the vendor disclosure could not be confirmed; see Item 16 in the Listing of Noncompliance.) As the candidate records show a disbursement of \$15,538.59 on July 28, 2022, an interim report was required to report the disbursement in some format.
- Meyer Consulting, LLC on July 29, 2022, for \$3,000. As the candidate records show a disbursement of \$3,000 on July 29, 2022, an interim report was required to report the disbursement in some format.

Other activity was also noted shortly after the election which indicates an obligation may have been required to be reported on an interim report in advance of the primary election. Again, due to the lack of available records, it is impossible to determine whether additional instances of failure to comply with the Interim Reporting requirements may have occurred.

RESOLUTIONS

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance were presented the preliminary audit report related to the 2022 campaign finance audit of Gary Humble during the January 23, 2024, regular monthly meeting. Due to the nature of the report, only a listing of noncompliance was provided; the listing has seventeen items. The Registry voted to accept and approve the report. Any subsequent further action taken on the items noted will be noted in the minutes for the meeting. Additional any further audit actions will be noted.