



Office of Campaign Finance

AUDIT REPORT
ON
COMMITTEE TO ELECT NATALIE WILLIAMS FOR
WARD 8
PRINCIPAL CAMPAIGN COMMITTEE

AUGUST 2015

REPORTS ANALYSIS AND AUDIT DIVISION
OFFICE OF CAMPAIGN FINANCE
WASHINGTON, DC 20009

I. Background

The Committee to Elect Natalie Williams for Ward 8 Principal Campaign Committee registered with the Office of Campaign Finance (OCF) on December 29, 2014, in accordance with D.C. Official Code Section 1-1163.07(1). The Committee filed the March 10, 2015 Report of Receipts and Expenditures on March 11, 2015. Amended March 10, 2015 Reports of Receipts and Expenditures were filed on April 19, 2015, July 9, 2015, and July 28, 2015.

The periodic random audit of the Committee's reports, statements, and records covered the period February 1, 2015 through March 10, 2015. During the period of the pre-audit (desk review), the report filed by the Committee reflected total aggregate receipts of \$19,158.50 and expenditures of \$11,881.13 with an ending cash balance of \$23,858.88. Total receipts and expenditures per **audit** were \$20,498.50 and \$26,024.63 respectively with an ending cash balance of \$11,055.38.

The Statement of Findings was issued on June 24, 2015.

II. Findings and Recommendations

A. **Bank Deposit Not Reported**

D.C. Official Code Sections 1-1163.09(c)(2) and (7) provide that, "Each report under this section shall disclose: The full name and mailing address, including the occupation and the principal place of business, if any, of each person who has made one or more contributions to or for a committee or candidate, including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events, within the calendar year in an aggregate amount or value in excess of \$50 or more, together with the amount and date of the contributions. The total sum of all receipts by or for a committee or candidate during the reporting period."

Our audit revealed that the Committee failed to report a bank deposit in the amount of \$1,000.00. The Committee provided a deposit ticket; however, no contributor check(s) were provided to substantiate the deposit. The Audit staff was able to verify the aforementioned deposit that was not reported through the review of the Committee's bank statements.

In the Statement of Findings issued on June 24, 2015, the Audit staff recommended that the Committee file an **Amended March 10, 2015 Report** inclusive of the aforementioned bank deposit in the amount of \$1,000.00 that was previously not reported.

On July 28, 2015, the Committee filed an Amended March 10, 2015 Report of Receipts and Expenditures inclusive of the aforementioned bank deposit in the amount of \$1,000.00 that was previously not reported as recommended by the Audit staff in the Statement of Findings. Further, the Committee provided documentation to evidence that the deposit in the amount of \$1,000.00 was a contribution received from the candidate in the form of a check from her personal funds.

In-Kind Contribution Not Reported

3 DCMR Section 3008.9 states that, "Each in-kind contribution under Sections 3008.5 and 3008.8 shall be assessed at the current local fair market value at the time of the contribution, and shall be itemized and reported on the appropriate sub-schedules of Schedules A and B."

Our audit revealed that the Committee failed to report an in-kind contribution from Jean William in the amount of \$340.00. However, the Committee reported the transaction as an expenditure on Schedule B, Itemized Expenditures. The Audit staff was able to verify the aforementioned in-kind contribution that was not reported through the review of the Committee's records.

In the Statement of Findings issued on June 24, 2015, the Audit staff recommended that the Committee file an **Amended March 10, 2015 Report** inclusive of the aforementioned in-kind contribution in the amount of \$340.00 that was previously not reported on Schedule A.

On July 28, 2015, the Committee filed an Amended March 10, 2015 Report of Receipts and Expenditures inclusive of the aforementioned in-kind contribution in the amount of \$340.00 that was previously not reported on Schedule A as recommended by the Audit staff in the Statement of Findings.

B. In-Kind Expenditures Not Reported

3 DCMR Section 3008.9 states that, "Each in-kind contribution under Sections 3008.5 and 3008.8 shall be assessed at the current local fair market value at the time of the contribution, and shall be itemized and reported on the appropriate sub-schedules of Schedules A and B."

Our audit revealed that the Committee failed to report eighty-two (82) in-kind expenditures totaling \$14,143.50. The Committee reported the in-kind transactions as contributions on Schedule A, Itemized Receipts; however, the Committee failed to report the transactions as expenditures on Schedule B, Itemized Expenditures. The Audit staff was able to verify the aforementioned eighty-two (82) in-kind transactions that were not reported through the review of the Committee's records.

In the Statement of Findings issued on June 24, 2015, the Audit staff recommended that the Committee file an **Amended March 10, 2015 Report** inclusive of the aforementioned eighty-two (82) in-kind expenditures totaling \$14,143.50 that were previously not reported on Schedule B.

On July 28, 2015, the Committee filed an Amended March 10, 2015 Report of Receipts and Expenditures inclusive of the aforementioned eighty-two (82) in-kind expenditures totaling \$14,143.50 that were previously not reported on Schedule B as recommended by the Audit staff in the Statement of Findings.

C. Recordkeeping Errors

3 DCMR Section 3400.2 provides that, "Each person who is required to file records under § 3400.1 shall obtain and preserve, from the date of registration, detailed records of all contributions and expenditures disclosed in reports and statements filed with the Director, including the following: (a) Check stubs; (b) Bank statements; (c) Canceled checks; (d) Contributor cards and copies of donor checks; (e) Credit card contributions, including merchant statements (f) Deposit slips; (g) Invoices; (h) Receipts; (i) Contracts; (j) Subcontracts; (k) Payroll records; (l) Lease agreements; (m) Petty cash journals, if applicable; (n) Ledgers; (o) Vouchers; and (p) Loan documents including the source of the funds."

Our audit revealed that the Committee reported two (2) **contributions** totaling \$750.00 and five (5) **expenditures** totaling \$5,390.00 for which proper documentation was not provided.

In the Statement of Findings issued on June 24, 2015, the Audit staff recommended that the Committee provide the proper documentation to substantiate each of the aforementioned two (2) contributions totaling \$750.00 and the five (5) expenditures totaling \$5,390.00.

On July 10, 2015, the Committee provided the proper documentation to substantiate each of the aforementioned two (2) contributions and five (5) expenditures that was previously not provided as recommended by the Audit staff in the Statement of Findings.

D. Disclosure Errors

D.C. Official Code Sections 1-1163.09(c)(8) provide that, "Each report under this section shall disclose: The full name and mailing address (including the occupation and principal place of business, if any) of each person to whom expenditures have been made by a committee or on behalf of a committee or candidate within the calendar year in an aggregate amount or value of \$10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made."

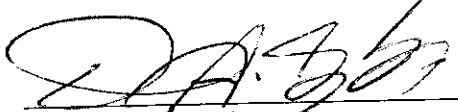
Our audit revealed that the Committee reported two (2) expenditures totaling \$51.95 that were not properly disclosed.

In the Statement of Findings issued on June 24, 2015, the Audit staff recommended that the Committee file an **Amended March 10, 2015 Report** correcting the aforementioned expenditures totaling \$51.95 that were not properly disclosed.

On July 28, 2015, the Committee filed an Amended March 10, 2015 Report of Receipts and Expenditures correcting the aforementioned two (2) expenditures totaling \$51.95 that were previously not properly disclosed as recommended by the Audit staff in the Statement of Findings.

RECOMMENDATION

We, therefore, recommend that this Report be issued as the "Audit Report." We have determined that the Amended March 10, 2015 Report filed by the Committee to Elect Natalie Williams for Ward 8 Principal Campaign Committee, with the Director, Office of Campaign Finance, is in substantial compliance with the D.C. Official Code Section 1-1163.09.



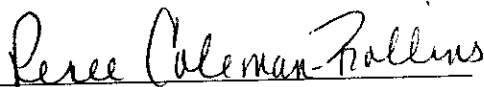
Dwayne A. Gilliam, Sr.
Supervisory Auditor

August 5, 2015

Date

CONCURRENCE

In view of the forgoing, I HEREBY CONCUR with the Recommendation.

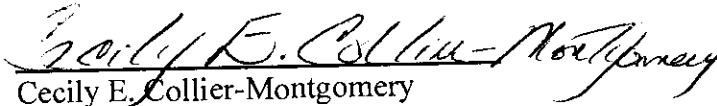


Renee Coleman-Rollins
Audit Manager

August 5, 2015

Date

AUDIT APPROVED FOR RELEASE:



Cecily E. Collier-Montgomery
Director
Office of Campaign Finance

August 5, 2015

Date