

**REPORT OF THE REPORTS ANALYSIS AND AUDIT DIVISION**

**ON THE**

**D.C. PROUD INAUGURAL COMMITTEE**

**EXECUTIVE SUMMARY**

The D.C. Proud Inaugural Committee registered with the Office of Campaign Finance (OCF) on November 10, 2014, in accordance with D.C. Official Code 1-1163.07(1).

The audit was conducted pursuant to D.C. Official Code Section 1-1163.04(8).

The findings of the audit were presented to the Committee in the Draft Audit Report issued on October 26, 2015. The responses of the Committee to the audit findings and recommendations are contained in the Audit Report.

The Committee filed an Amended Termination Report on November 23, 2015.

The following is an overview of the findings and recommendations contained in the Draft Audit Report.

**RECEIPTS NOT REPORTED**

D.C. Official Code Sections 1-1163.09(c)(2) and (3). The audit found that the Committee failed to report two (2) bank credits totaling \$0.06. In addition, a comparison of the Committee's reported receipts with its bank records revealed an unreconcilable difference in the amount of \$300.00. The Audit staff recommended in the Draft Audit Report that the Committee file an Amended Termination Report inclusive of the aforementioned bank credits that were previously not reported; and to correct the unreconcilable difference in the amount of \$300.00. On November 23, 2015, the Committee filed an Amended Termination Report correcting the aforementioned discrepancies.

**OVERSTATED TICKET FLY SALES**

The audit found that the Committee reported Ticket Fly sales that were overstated by \$450.00. In the Draft Audit Report, the Audit staff recommended that the Committee file an Amended Termination Report correcting the overstatement in the amount of \$450.00. On November 23, 2015, the Committee filed an Amended Termination Report correcting the \$450.00 overstatement in Ticket Fly sales.

**EXPENDITURE NOT REPORTED**

D.C. Official Code Sections 1-1163.09(c)(8) and (9). The audit found that the Committee failed to report a bank debit in the amount of \$0.06. In the Draft Audit Report, the Audit staff recommended that the Committee file an Amended Termination Report inclusive of the bank debit that was previously not reported. On November 23, 2015, the Committee filed an Amended Termination Report inclusive of the aforementioned bank credit that was previously not reported.

**UNDERSTATED EXPENDITURE**

The audit found that the Committee reported an expenditure that was understated by \$0.30. In the Draft Audit Report, the Audit staff recommended that the Committee file an Amended Termination Report correcting the aforementioned understatement in the amount of \$0.30. On November 23, 2015, the Committee filed an Amended Termination Report correcting the aforementioned understatement.

**OVERSTATED CREDIT CARD FEES (PAYPAL)**

The audit found that Committee reported credit card fees that were overstated by \$300.30. In the Draft Audit Report, the Audit staff recommended that the Committee file an Amended Termination Report correcting the aforementioned overstatement in credit fees in the amount of \$300.30. On November 23, 2015, the Committee filed an Amended Termination Report correcting the aforementioned overstatement in credit card fees.

**OVERSTATED MERCHANT FEES (TICKEY FLY)**

The audit found that Committee reported merchant fees that were overstated in the amount of \$510.00. In the Draft Audit Report, the Audit staff recommended that the Committee file an Amended Termination Report correcting the aforementioned overstatement in merchant fees in the amount of \$510.00. On November 23, 2015, the Committee filed an Amended Termination Report correcting the aforementioned overstatement in merchant fees.



Office of Campaign Finance

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AUDIT REPORT ON  
THE  
D.C. PROUD INAUGURAL COMMITTEE

DECEMBER 2015

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

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## I. BACKGROUND

### A. OVERVIEW

This report is based upon a field audit of the Statements and Reports of Receipts and Expenditures filed by the D.C. Proud Inaugural Committee ("the Committee"), undertaken by the Reports Analysis and Audit Division, Office of Campaign Finance (OCF), to determine whether the Committee has complied with the reporting requirements of D.C. Official Code Section 1-1163.09.

#### 1. Elected Official

The Candidate, Muriel E. Bowser, was elected to the Office of the Mayor of the District of Columbia on November 4, 2014 in the 2014 General Election conducted by the Board of Elections.

#### 2. Inaugural Committee

The D.C. Proud Inaugural Committee registered with the OCF on November 10, 2014, in accordance with D.C. Official Code Section 1-1163.07(1).

The audit of the D.C. Proud Inaugural Committee covered the period, November 17, 2014 through August 04, 2015. The Committee's Report of December 10, 2014, the first report filed, disclosed a beginning cash balance of \$0.00. During the period of the pre-audit (desk) review, the reports filed by the Committee reflected total aggregated receipts of \$1,328,301.47 and total aggregated expenditures of \$1,328,301.47, with an ending cash balance of \$0.00. Total receipts and expenditures per **audit** were \$1,327,551.53 and \$1,327,551.53, respectively, with an ending cash balance of \$0.00.

## B. KEY PERSONNEL

The principal officers of the D.C. Proud Inaugural Committee were Benjamin M. Soto, Treasurer, and Max Brown, Chairperson, as indicated in the Statement of Organization. Acceptance of the positions of Treasurer and Chairperson forms were filed on November 12, 2014.

## C. SCOPE

The audit procedures performed included the verification and/or examination of:

1. The mathematical accuracy of the Reports of Receipts and Expenditures filed with the Director, Office of Campaign Finance, during the period audited;

2. The total reported receipts and expenditures and individual transactions with source documents;
3. The conformity with the contribution limitation as mandated by D.C. Official Code Section 1-1163.22;
4. The Inaugural Committee's debts and obligations;
5. The proper categorization of the Inaugural Committee's receipts and expenditures; and,
6. The review procedures as deemed necessary under the circumstances.

The Draft Audit Report was issued on October 26, 2015.

## **II. FINDINGS AND RECOMMENDATIONS**

### **RECEIPTS**

#### **A. Receipts 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."

The OCF audit found that the Committee failed to report two (2) bank credits totaling \$0.06. The Audit staff was able to verify the unreported bank credits through the review of the Committee's bank statements.

Further, a comparison of the Committee's reported receipts with its bank records revealed an unreconcilable difference in the amount of \$300.00 (0% of total receipts).

In the Draft Audit Report the Audit staff recommended that the Committee file an **Amended Termination Report** inclusive of the aforementioned two (2) bank credits totaling \$0.06 that were previously not reported, and correct the unreconcilable difference in the amount of \$300.00.

On November 23, 2015, the Committee filed an **Amended Termination Report** inclusive of the aforementioned two (2) bank credits that were previously not reported. Additionally, the Committee made the proper adjustment to correct the \$300.00 unreconcilable difference in total receipts.

#### **B. Overstated Ticket Fly Sales**

The OCF audit found that the Committee reported on Schedule C, Mass Collections, total sales in the amount of \$2,470.00. However, the Committee's merchant statements (Ticket Fly) reflected actual sales in the amount of \$2,020.00 (a difference of \$450.00). This was verified through the review of the Committee's Reports of Receipts and Expenditures and the Committee's merchant statements.

In the Draft Audit Report, the Audit staff recommended that the Committee file an **Amended Termination Report** correcting the aforementioned \$450.00 overstatement in total Ticket Fly sales.

On November 23, 2015, the Committee filed an **Amended Termination Report** correcting the aforementioned overstatement in Ticket Fly sales.

### **DISBURSEMENTS**

#### **C. Expenditure Not Reported**

D.C. Official Code Sections 1-1163.09(c)(8) and (9) provide that, "Each report under this section shall disclose: [T]he 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 such committee or on behalf of such 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; The total sum of expenditures made by such committee or candidate during the calendar year."

The OCF found that the Committee failed to report a bank debit in the amount of \$0.06. This was revealed through the review of the Committee's bank statements.

In the Draft Audit Report, the Audit staff recommended that the Committee file an **Amended Termination Report** inclusive of the aforementioned bank debit in the amount of \$0.06 that was previously not reported.

On November 23, 2015, the Committee filed an **Amended Termination Report** inclusive of the aforementioned bank debit that was previously not reported.

#### **D. Understated Expenditure**

The OCF audit found that the Committee reported an expenditure that was understated by \$0.30 through the review of the Committee's Reports of Receipts and Expenditures and bank statements.

In the Draft Audit Report, the Audit staff recommended that the Committee file an **Amended Termination Report** correcting the aforementioned \$0.30 understatement in total expenditures.

On November 23, 2015, the Committee filed an **Amended Termination Report** correcting the aforementioned understatement in total expenditures.

#### **E. Overstated Credit Card Fees (Paypal)**

The OCF audit found that the Committee reported total credit card fees (Paypal) in the amount of \$6,520.18. However, the Committee merchant statements reflect total credit card fees in the amount of \$6,219.88. This results in an overstatement in the amount of \$300.30.

In the Draft Audit Report, the Audit staff recommended that the Committee file an **Amended Termination Report** correcting the aforementioned \$300.30 overstatement in its reported credit card fees.

On November 23, 2015, the Committee filed an **Amended Termination Report** correcting the aforementioned overstatement in credit card fees.

#### **F. Overstated Merchant Fees (Ticket Fly)**

The OCF audit found that the Committee reported total merchant fees (Ticket Fly) in the amount of \$510.00. However, merchant records indicate that the actual merchant fees were \$60.60. This results in a \$450.00 difference in reported merchant fees verses actual merchant fees.

In the Draft Audit Report, the Audit staff recommended that the Committee file an **Amended Termination Report** correcting the aforementioned overstatement in merchant fees in the amount of \$450.00.

On November 23, 2015, the Committee filed an **Amended Termination Report** correcting the overstated merchant fees in the amount of \$450.00.

**FINAL RECOMMENDATION**

We, therefore, recommend that this report be issued as the "Audit Report". We have determined that the reports and statements, filed by the **D.C. Proud Inaugural Committee**, with the Director, Office of Campaign Finance, are in compliance with D.C. Official Code Section 1-1163.09.

December 14, 2015  
Date

Renee Coleman-Rollins  
Renee Coleman-Rollins  
Audit Manager

**AUDIT REPORT APPROVED FOR RELEASE:**

Cecily E. Collier-Montgomery  
Cecily E. Collier-Montgomery  
Director

December 14, 2015  
Date