

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



April 22, 2016

Joan Nixon, Interim Administrator of Elections
Davidson County Election Commission
1417 Murfreesboro Pike
Nashville, Tennessee 37217

Dear Ms. Nixon:

Please find attached the final monitoring report on the Davidson County Election Commission's use of Metro credit cards. This report explains the results of our review of delegated purchasing authority and VISA and MasterCard credit card transactions from July 1, 2012 through January 31, 2016. Staff from the Office of Financial Accountability conducted the fieldwork for this review during the weeks of February 1st and February 8th, 2016. You previously reviewed and responded to the preliminary report. Your response, in its entirety, has been incorporated into this final report.

The Office of Financial Accountability's responsibility and authority to review each department's credit card usage has been established within the *Metro Finance Policy #19: Credit Card Policy* section 6 e) "Documentation supporting charges to the credit card should be readily available for review by the Internal Audit staff and/or the *Department of Finance's Office of Financial Accountability staff* or their designees."

The Office of Financial Accountability previously conducted a review of the Davidson County Election Commission's delegated purchasing authority and procurement card use from July 2005 through December 2006. The final report can be viewed at the following link:

http://www.nashville.gov/Portals/0/SiteContent/Finance/docs/Accountability/2007/election_commissionprocurement2007.pdf

In addition, the Office of Financial Accountability conducted a grant review of the

Davidson County Election Commission that covered fiscal year 2014. The final report issued May 2015 can be viewed at the following link:

<http://www.nashville.gov/Portals/0/SiteContent/Finance/docs/Accountability/2015/Election%20Commission%20Grant%20Monitoring%20Report%20Issued%2005262014%20Signed.pdf>

All members of the Office of Financial Accountability are Certified Internal Control Auditors. In addition, the OFA Director is a Certified Public Accountant and Chartered Global Management Accountant. Two OFA staff members are Certified Municipal Finance Officers with one of the staff members being a Certified Public Accountant.

We appreciate your cooperation and assistance during the review. If you have any questions, please call me at (615) 880-1035.

Sincerely,

Director, Office of Financial Accountability

cc: James DeLanis, Chairman, Davidson County Election Commission
Tricia Herzfeld, Commissioner, Davidson County Election Commission
Jennifer Lawson, Commissioner, Davidson County Election Commission
A.J. Starling, Commissioner, Davidson County Election Commission
Jesse Neil, Commissioner, Davidson County Election Commission
Bill Hyden, Finance Manager, Davidson County Election Commission
Talia Lomax-O'dneal, Director of Finance, Department of Finance
Gene Nolan, Deputy Director of Finance, Department of Finance
Kim McDoniel, Chief of Accounts, Department of Finance
Tom Eddlemon, Metropolitan Treasurer, Department of Finance
Mark Swann, Metropolitan Auditor, Office of Internal Audit
Kevin Brown, CMFO, CICA, Office of Financial Accountability
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability



◆ Monitoring Report of ◆

Davidson County Election Commission

Conducted by



Office of Financial Accountability

4/22/2016

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as "OFA") has completed a credit card review of the Davidson County Election Commission's compliance with the *Metro Code of Law Title 4, Procurement Code* and compliance with the *Metro Finance Policy #19: Credit Card Policy*.

A review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of Metro or any of its component units.

The OFA is responsible for the internal monitoring of Metro agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations from Metro government. The OFA also conducts prompt pay performance, delegated purchasing authority, and procurement reviews, including credit card usage by Metro departments. In summary, any agreement that imposes performance and/or financial requirements on Metro government is subject to review by the OFA. The work of the OFA is coordinated with the Office of Internal Audit so as not to duplicate effort.

Agency Background

The Davidson County Election Commission is responsible for providing free and fair elections to every eligible citizen. The Election Commission consists of five (5) commissioners appointed by the State Election Commission who serve a two (2) year term. The commission appoints the Administrator of Elections, who serves as the county's Chief Election Administrator. The Election Commission is responsible for approving election plans and certifying the election results; while, the Administrator of Elections is responsible for voter registration records and voting histories for each voter are maintained and provides information concerning voter registration, absentee voting, election results, and campaign financial disclosures.

OBJECTIVES, SCOPE AND METHODOLOGY

The scope of the credit card review period covered July 1, 2012 through January 31, 2016. There were five (5) cardholders in the Election Commission during the review period. See the table below for details:

Cardholder	Time Period	Number of Transactions	Dollar Value of Transactions
CARDHOLDER A	9/2012 – 1/2014	7	\$515.95
CARDHOLDER B	7/2012 – 11/2012	10	\$799.78
CARDHOLDER C	7/2012 – 4/2013	19	\$1,352.88
CARDHOLDER D	6/2013 – 1/2016	80	\$11,145.02
CARDHOLDER E	1/2014 – 1/2016	162	\$21,493.23
Totals		278	\$35,306.86

The Office of Financial Accountability reviewed one hundred percent (100%) of the credit card activity.

The objectives of our review were:

- 1) To determine the agency's compliance with M.C.L. Title 4, Procurement Code.
- 2) To determine the agency's compliance with Metro Finance Policy #19: Credit Cards.
- 3) To determine whether credit card expenditures were allowable and necessary.
- 4) To determine whether purchasing transactions were authorized and sufficiently documented.
- 5) To determine whether the agency has adequate and effective internal controls over its credit card program.

Our review procedures included meeting with agency management and staff, reviewing internal controls over credit card use, and examining certain financial records and supporting documentation to ensure compliance with requirements set forth in Metro's official procurement policies. Specific procedures included:

- Comparing credit card charges with original receipts, supporting documentation and travel authorizations.
- Reviewing supporting documentation for accuracy, necessity and reasonableness.
- Identifying split purchases and unauthorized or fraudulent transactions.
- Investigating discrepancies and following up as necessary.

RESULTS OF REVIEW

Overall Findings and Major Review Highlights

Our review revealed the following issues of non-compliance with M.C.L. Title 4, Procurement Code and Metro Finance Policy #19: Credit Card. The Davidson County Election Commission:

1. Improperly used Metro credit card for non-business (personal) items,
2. Improperly purchased personal items imbedded in legitimate business transactions,
3. Failed to adequately document the business purpose of the transactions,
4. Could have managed some business purchases more efficiently,
5. Failed to exercise exempt status by improperly paying sales tax,
6. Failed to maintain adequate supporting documentation, and
7. Improperly obtained reimbursement for other non-credit card related transactions.

The section that follows provides more detailed information for the items listed above. Management has been given an opportunity to respond to the findings.

FINDINGS AND RECOMMENDATIONS

1. Improperly used Metro credit card for non-business (personal) transactions.

Finding

Based on testwork completed, the Davidson County Election Commission improperly used the Metro credit card to purchase items which appear to have been personal in nature and not for authorized Metro business. The charges included unsupported charges for meals; charges for personal items; charges for luncheons with an organization affiliated with a specific political party; and unallowable charges from department stores. Our review revealed forty-two (42) transactions that appeared to have been for personal use, twenty-six (26) were transactions at local restaurants during lunch and dinner time, ten (10) were associated with an organization affiliated with a political party, and six (6) were to department stores for personal items. See Table 1 in the Appendix for the detailed listing of transactions.

Per Metro Finance Policy #19: Credit Card Section 3) Expectations of Cardholders c) "Use of the credit card for personal expenses is a misappropriation of Metro Funds. Any use of the credit card for personal expenses will result in cancellation of the card and may result in disciplinary action. Any cardholder who uses the card for personal charges will be barred from future use of a Metro card." In addition, per the Metro Credit Card Cardholder Responsibility Acknowledgement that details the responsibilities of the cardholder, for which is reviewed and signed by the cardholder prior to taking physical possession of the Metro credit card, states "I will not use the card for any non-Metro purpose including personal expenses."

a. **Unsupported Charges for Meals**

The supporting documentation provided for the twenty-six (26) transactions totaling \$765.91, at local restaurants, were only charge slips and not the detailed sales receipt indicating the items purchased. In addition to just the charge slips, the hand written notation provided to justify the transactions included "recruiting", "recruiting poll official", and/or "recruiting election trainer". *Metro Finance Policy #19: Credit Cards Section 3) Expectations of Cardholders, "b) Cardholders should collect and maintain proper sales receipts and invoices to support all charges. Proper sales receipts should include adequate description of the items purchased and the individual benefiting (when applicable). Credit card charge slips are **not** sufficient support." Metro Finance Policy #19 further states under Section*

6) *Documentation Requirements, “b) Use of the Metro credit card for meals at local restaurants is generally not allowable. When charges for meals at local restaurants are necessary, the cardholder shall maintain detailed documentation to justify the charges. The documentation at a minimum include detailed information such as (a) the list of individuals that participated/attended the meeting/luncheon, (b) time, (c) place, (d) and an agenda or document that describes the business purpose of the meeting and meal.”* As a result of insufficient supporting documentation, it was determined that the twenty-six (26) transactions were personal, unauthorized and an unallowable use of Metro funds.

b. Charges for luncheon with organizations with political affiliations

Ten (10) personal transactions, totaling \$452.74, were to an organization associated to a specific political party to attend monthly luncheons and/or night meetings at local restaurants. The commission staff attended monthly meetings of the Nashville Republican Women’s Club (NWRWC). The OFA was advised by the Commission staff that these outreach efforts were intended to recruit poll workers to ensure balanced representation at polling stations; however, the charges on the card are questionable. The OFA could not find other expenditures to any organizations associated with other political parties.

The Davidson County Election Commission is responsible for providing free and fair elections to every eligible citizen. Per the delegated purchasing authority granted to the Election Commission, the Election Commission shall use the credit card for *“non-contracted purchases made in compliance with M.C.L. Title 4, Procurement Code”*. Per the M.C.L. Title 4, Procurement Code, Chapter 4.48.030 – *General standards of ethical conduct section A, “General Standards for Employees. Each employee of the metropolitan government shall avoid any action, whether or not specifically prohibited by this code, which might result in, or create the appearance of: 2)giving preferential treatment to any person, 4) losing complete independence or impartiality, or 6) affecting adversely the confidence of the public in the integrity of the government.”*

c. Unallowable purchases from department stores

Six (6) transactions, totaling \$384.19, were to department stores that included items such as a cell phone car charger, desktop docking station for an iPhone/iPod, a WWE action figure, hot wheels car, Christmas cards, lamps, and other office accessories. The Election Commission failed to provide justification to establish the business purpose for the items purchased and as a result, the items were deemed to be personal. It was also noted that on the charge that included the WWE action figure and hot wheels car, that the cardholder also submitted an invoice seeking reimbursement for \$5.28 from Metro.

As a result, not only did the cardholder use a Metro credit card to complete the initial transaction for the personal items, the cardholder also received a reimbursement of Metro funds by submitting an invoice that implied that they used personal funds to make the initial purchase.

Recommendations

The Davidson County Election Commission should take action to ensure the responsible cardholder reimburse Metro Nashville Government for the total value of the personal transactions identified.

The Election Commission should also take the necessary steps to reinforce to its current cardholders that cardholders of a Metro credit card comply with rules and regulations as stated within their Notice of Purchasing Delegation, the M.C.L. Title 4 Procurement Code, and Metro Finance Policy #19: Credit Card Policy, and the Cardholder Responsibility Acknowledgement Agreement.

In addition to the instructions Finance provided the cardholders when the cards were issued, it is also recommended that the Election Commission offer additional training to the department's cardholders on credit card use and to emphasize the potential that they can be held personally liable for their use of the Metro credit card for personal items charged to the card. Continued violations of the credit card usage regulations and policies shall result in the cancellation of their Metro credit card privileges and other disciplinary actions deemed appropriate.

The Election Commission should seek other alternatives to recruit poll workers to achieve the balance recommended for equal representation of political parties. Such efforts should not include direct purchases from organizations representing political parties or regular monthly meetings, to avoid the appearance of conflict of interest.

Management's Comments

At no time during the period of the MCCR did the Metro Finance director or designee ever contact any current DCEC cardholder with a cautionary note about a particular transaction(s) or challenge any credit card charges or practice.

DCEC employees had no reason to believe that their use of the credit card and the documentation of credit card purchases were unacceptable to Metro Finance.

You requested that each response should include a statement of agreement or disagreement indicated by one of the following: "We concur", "we concur in part", or "we do not concur".

Finding 1- Improper Use of Metro Credit Cards for Non-Business Transactions – (Cardholder E)

Many of the charges involve meetings at local restaurants, were appropriate and in most instances were supported by sufficient documentation to establish that the charge was for "Business" (Metro Policy #19, 6(b)).

Metro policy does not prohibit the use of Metro credit cards for meals at local restaurants. When cards are used for such purchases, the purchases should be supported by information documenting the business purpose. In all but two (2) instances, the DCEC employees using the credit cards to purchase meals at local restaurants explained the business purpose for the meals and provided a credit card slip containing the restaurant name and the date and time of the meal.

In the future, the use of credit cards for meals will be accompanied by a list of persons that accompanied the DCEC employee to the function and a brief explanation of the business purpose for the expense.

In most instances, the DCEC disagrees that a lack of supporting documentation was provided and disputes that such expenses were personal, unauthorized or an unallowable use of Metro funds.

Specifically:

- Catia Eateries – This refers to the cafeteria in the State Office building, frequented by most attendees of training sessions for AOE's. There were 3 lunch-time meals totaling \$22.29. The DCEC AOE was at official State of Tennessee training in conjunction with his duties as AOE. That training was off-site.*
- Darfon's Restaurant – This is the most convenient venue for interviewing/recruiting candidates to fill DCEC staff positions (4 were interviewed, and 3 were hired-- JS, MM, LP); recruiting to find trainers, as well as Poll Officers; to engage the assistance of certain Poll Officers to assist with improving training materials and creating and updating PowerPoint presentations for training. There were 18 separate charges totaling \$473.25 for the period of the MCCR.*

a. Unsupported Charges for Meals

*Table 1- Improper Use of the Metro Credit Card for Non-Business Transactions –
(Cardholder E)*

<u>Date</u>	<u>Vendor</u>	<u>Amount</u> <u>(\$)</u>	<u>OFA Allegations</u>	<u>DCEC Response</u>
9/29/2015	Catia Eateries (E)	4.81	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
10/13/2015	Catia Eateries (E)	8.74	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
11/2/2015	Catia Eateries (E)	8.74	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
4/11/2014	Darfon's (E)	16.11	"Non-Business (Personal)"	-Some documentation missing; Purpose was "Business", not "Personal" -We concur in part
4/16/2014	Darfon's (E)	30.67	"Non-Business (Personal)"	-Some documentation missing; Purpose was "Business", not "Personal" -We concur in part
5/28/2014	Darfon's (E)	26.94	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal"; The purpose was to interview/recruit to fill staff vacancy -We concur in part
6/17/2014	Darfon's (E)	28.04	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
9/25/2014	Darfon's (E)	29.9	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
11/17/2014	Darfon's (E)	33.37	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
12/3/2014	Darfon's (E)	11.74	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part

12/8/2014	Darfon's (E)	26.9	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
12/18/2014	Darfon's (E)	27.49	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
1/9/2015	Darfon's (E)	35.59	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
2/11/2015	Darfon's (E)	30.22	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
4/6/2015	Darfon's (E)	20.93	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
7/13/2015	Darfon's (E)	33.41	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
8/20/2015	Darfon's (E)	22.48	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
9/22/2015	Darfon's (E)	25.17	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
10/8/2015	Darfon's (E)	29.04	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
11/5/2015	Darfon's (E)	11.74	"Non-Business (Personal)"	-Some documentation missing; Purpose was "Business", not "Personal" -We concur in part
11/18/2015	Darfon's (E)	33.41	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
4/17/2014	Jonathan's (E)	35.11	"Non-Business (Personal)"	-We concur in part -Repaid before MCCR was received
7/25/2015	Krispy Kreme (E)	35.11	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
8/1/2015	Krispy Kreme (E)	18.75	"Non-Business (Personal)"	-Documented sufficiently to establish "Business", not "Personal" -We concur in part
10/20/2015	Sam's Place (E)	63.24	"Non-Business (Personal)"	-We concur in part

6/30/2015	Sperry's (E)	123.24	"Non-Business (Personal)"	-Repaid before MCCR was received -We concur in part -Repaid before MCCR was received
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Additional Pertinent Information

Due to the passage of time, some documentation could not be located or recalled. Poll Official/Trainer (JD) provided information from a personal weekly planner that he met Cardholder E for lunch meetings (Business) at Darfon's on 6/17/14, 9/25/14, 12/8/14, 4/6/15, 9/22/15 and 10/8/15. Poll Officer/Trainer (HS) recalled having 3 lunch meetings (Business) with Cardholder E once in 2014 and twice in 2015. Has no record of dates. These meetings were necessary to recruit trainers and Poll Officials, as well as to solicit help with preparation of training materials. Another lunch meeting involved Poll Official (BK) sometime in 2015, date unknown, to recruit him to work with HS to assist with the preparation of training materials.

In spring 2014, cardholder E interviewed/recruited 3 individuals for openings in the DCEC office. Of these, 2 were eventually hired. During the first quarter, 2015, cardholder E interviewed/recruited another individual for an opening (1) in the DCEC office who was eventually hired.

Charges for Luncheon/Dinner with Organizations with Political Affiliations – (Cardholders A and E)

It is important to note that no funds went directly to a political organization but rather to the establishment—Richland CC for luncheon meetings, Dalt's Restaurant and Jonathan's Grill for other meetings.

Expenses for Luncheons with Organizations with Political Affiliations are Necessary and Appropriate.

The Tennessee Legislature imposes specific requirements on county election offices regarding the party affiliation of election officials, inspectors and supply return personnel.

In 2013, the Tennessee Coordinator of Elections (the "COE") performed a review of the DCEC's performance during 2012. In his report, the COE found:

Although Tenn. Code Ann. §§ 2-4-104 and 2-4-105 contains some language providing flexibility in this area, Tenn. Code Ann. § 2-7-138 plainly and unequivocally states, "the

officer of elections, accompanied by either a judge or precinct registrar of another political party, shall immediately deliver the locked ballot box or boxes and remaining election supplies or equipment except the voting machines to the county election commission."

In a general election or in a primary election in which both political parties are participating, the General Assembly recognizes the importance of having both parties represented in the polling place, particularly when transporting ballot boxes and election materials to the election commission office on election night. Consequently, Tenn. Code Ann. § 2-7-138 does not provide any flexibility in its requirement to have election officials of different political parties transporting the election night materials to the election commission office.

Notwithstanding this statutory duty to have election officials of different political parties in each voting precinct, the data provided shows that in eighteen (18) voting precincts, the election commission did not appoint any Republican election officials for the November 6, 2012 election.

For six thousand nine (6,009) voters, Davidson County did not assign any Republican representation in the polling place. Likewise, for two hundred ninety four (294) voters, Davidson County did not assign any Democratic representation in the Polling place.

Review of the Davidson County Election Commission as conducted by the Coordinator of Elections, pp. 14-5.

The COE's audit identified a significant lack of Republican election officials. In order to meet the referenced statutory requirements, in late 2013/early 2014, the DCEC embarked on efforts to increase the Republican participation as election officials. It is axiomatic that the best place to meet Republicans interested in working in elections is Republican events. Thus, among the many community events that DCEC employees attended, some were Republican events. These visits were necessary to recruit Poll Officials to comply with requirements mandated by Tennessee law and the State Election Commission.

The MCCR's statement that charges for employees' attendance at Republican events "are not permissible" is unsupported by reference to a statute, accounting principle or other authority permitting the Finance Department to dictate the internal operations of the DCEC. At the exit interview on February 17, 2016, Chairman DeLanis pressed you repeatedly for any legal or accounting basis for this claim. You had no response. Nonetheless, you insisted that this claim was going to be in the MCCR even without statutory or accounting support.

At one point in the draft dealing with Table 1(b) NRWC, the phrase “attended monthly meetings” is used and is misleading. The NRWC luncheon meetings are indeed held monthly (except during the summer) and from time to time, over the last 3 ½ years of the MCCR, DCEC staff have attended a total of 5 NRWC luncheon meetings, 2 of which were attended by the current AOE (1 was for a mayoral forum) with the same 3-part message, second paragraph below.

Attendance at a limited number of Republican luncheon meetings was only 1 part of the 2014-2015 outreach efforts. DCEC staff members participated in over 200 events including community events, mayoral forums, vice mayoral forums, council member forums, neighborhood meetings and meetings of various clubs and organizations (Attachment C, 2015-2016 Outreach listing, DCEC Response, March 23, 2016). At these events, staff member(s) delivered the same 3-part message:

- If you are not registered to vote, please do so.*
- If your voter registration information is not up-to-date, please see to it.*
- If you are interested in serving as an Election Day Poll Official, please apply (online or in person).*

Many of these events were organized by individuals representing various causes and/or positions. Nashville Republican Women’s Club (NRWC) is one such organization and is singled out in the draft as if to imply political bias. This club is the oldest Republican women’s club in the state (since 1949). For the DCEC, it has proven to be a fertile environment for recruiting Election Day Poll Officials. It has been most cooperative in terms of publicizing the DCEC’s need for Poll Officials via a website and newsletter.

In 2 years of searching, DCEC Community Engagement staff members have identified only one comparable Democratic women’s organization (Davidson County Democratic Women). The DCEC Community Engagement Manager attended the only known meeting on August 27, 2015. Apparently this organization does not meet regularly nor does the organization have a newsletter.

DCEC is also required by state law to conduct a yearly voter registration drive at all public and private high schools in the county. The 2016 campaign was conducted in January and was supported by Congressman Jim Cooper and his staff, as well as State Senator Steve Dickerson (Attachment D, DCEC Response, March 23, 2016).

Table 1(b) - (Charges for Luncheon/Dinner with Organizations with Political Affiliations)

<u>Date</u>	<u>Vendor</u>	<u>Amount (\$)</u>	<u>OFA Allegations</u>	<u>DCEC Response</u>
11/26/2013	NRW via PayPal (A)	30.00	"Not Allowable"	-before Cardholder E was issued a card - Luncheon Meeting; Intro: Current AOE -We do not concur
5/7/2014	NRW via PayPal (E)	105.00	"Not Allowable"	-Luncheon Meeting; Transition from departing Outreach staff member to new team (Total: 3) -We do not concur
9/4/2014	NRW via PayPal (E)	48.00	"Not Allowable"	-Luncheon Meeting; New team (Total: 2) -We do not concur
1/7/2015	NRW via PayPal (E)	25.00	"Not Allowable"	-Luncheon Meeting; (Total: 1) -We do not concur
4/22/2015	NRW via PayPal (E)	25.00	"Not Allowable"	-Luncheon Meeting; Mayoral Forum (Current AOE) -We do not concur
5/21/2015	Dalt's, Night Meeting (E)	31.29	"Not Allowable"	-We concur in part -Repaid before the MCCR was received
9/17/2015	Dalt's, Night Meeting (E)	38.90	"Not Allowable"	-We concur in part -Repaid before the MCCR was received
10/15/2015	Dalt's, Night Meeting (E)	63.52	"Not Allowable"	-We concur in part -Repaid before the MCCR was received
9/18/2014	Jonathan's (E)	30.97	"Not Allowable"	-We concur in part -Repaid before the MCCR was received

c. Alleged Unallowable Purchases from Department Stores

Table 1(c)

Purchased items from the Apple Store (6/17/15, \$141.92, car charger and docking station kept in office), Michael's Stores (10/28/14, \$6.54, easel for "Ponder" print in office) and TJ Maxx (9/13/14, \$148.51 for office lamps and accessories) were and will remain the property of the DCEC. These are the items referenced earlier in this document in the summary of the meeting between Messrs. Hyden and Adom on March 8, 2016, concerning purchased items that are and will remain the property of the DCEC. The MCCR apparently assumed that these items were not used at the DCEC.

The purchase made at Katy's Hallmark (12/4/15, \$49.16) was for holiday cards for DCEC staff members and were used for that purpose. This expense has been repaid to DCEC/Metro.

The Kmart purchase (\$24.87) made on December 8, 2014 included 2 staff member gifts (lighthearted) totaling \$12.08 plus tax (a. WWE action figure, b. Hot Wheels car) in conjunction with the annual DCEC Christmas brunch hosted by the Commissioners and AOE. OFA states that the cardholder submitted an invoice seeking reimbursement for \$5.28 from Metro (See Table 8, 12/8/14, Kmart). When this error was discovered, this amount was immediately repaid to DCEC/Metro along with repayment for the original credit card charge (\$24.87). The other Kmart purchase (6/26/25, \$13.19) was for greeting cards for a Metro Council member. This expense has been repaid to DCEC/Metro.

Table 1(c)

<u>Date</u>	<u>Vendor</u>	<u>Amount (\$)</u>	<u>OFA Allegations</u>	<u>DCEC Response</u>
6/17/2015	Apple Store (E)	141.92	"Not Allowable"	-Items were and will remain property of DCEC
12/3/2015	Katy's Hallmark (E)	49.16	"Not Allowable"	-We concur in part -Holiday cards for DCEC Staff -We concur in part -Repaid
12/8/2014	Kmart (E)	24.87	"Not Allowable"	-We concur in part -Repaid before MCCR was received
6/26/2015	Kmart (E)	13.19	"Not Allowable"	-We concur in part -Greetings cards (3) for Council Member -Repaid
10/25/2014	Michael's Stores (E)	6.54	"Not Allowable"	-Items were and will remain property of DCEC -We concur in part
9/13/2014	TJ Maxx (E)	148.51	"Not Allowable"	-Items were and will remain property of DCEC (in AOE office and department) -We concur in part

Auditor's Rebuttal

Auditor Rebuttal to DCEC response to part "a. Unsupported Charges for Meals" included in Finding #1

The OFA maintains its stance that the Davidson County Election Commission's use of the Metro credit cards at local restaurants was personal and not business related. While the Metro Finance Policy #19 does not completely prohibit the use of credit cards at

local restaurants, the policy does require adequate and sufficient supporting documentation, which was not made available during the review. As stated in the finding per *Metro Finance Policy #19: Credit Cards Section 3) Expectations of Cardholders*, “b) *Cardholders should collect and maintain proper sales receipts and invoices to support all charges. Proper sales receipts should include adequate description of the items purchased and the individual benefiting (when applicable). Credit card charge slips are not sufficient support.*”

In addition, *Metro Finance Policy #19 further states under Section 6) Documentation Requirements*, “b) *Use of the Metro credit card for meals at local restaurants is generally not allowable. When charges for meals at local restaurants are necessary, the cardholder shall maintain **detailed documentation** to justify the charges. The documentation at a **minimum should** include detailed information such as (a) the list of individuals that participated/attended the meeting/luncheon, (b) time, (c) place, (d) and an agenda or document that describes the business purpose of the meeting and meal.*”

The OFA reaffirms that the meals at Catia Eateries were not sufficiently documented to establish “business” purpose and are therefore considered “personal” expense. According to the DCEC’s response for Catia Eateries, the AOE was at official State of Tennessee training in conjunction with his duties as AOE. However, based upon the documentation supplied to auditors, the written justification included “lunch with group of AOE at State Coord’s Office”, “State Meeting, Lunch”, and Lunch during all-day meeting at State Coordinator’s Office” and there was never any indication of “training”. While, the AOE may have been off-site, away from the Davidson County Election Commission’s Office at Metro Southeast, at the State Office building, the AOE was still within Nashville/Davidson County and was not on official travel status. Therefore, the AOE is responsible for providing their own lunch regardless of the location they may be working that day. Working outside the normal office does not qualify as “travel status” and is therefore a personal expense.

According to the “additional pertinent information” that was included within the DCEC’s written response at the time of the report’s draft issuance, the DCEC was conducting job interviews/recruiting for openings within the DCEC office. Such interviews, are usually conducted within Metro office buildings and do not require the purchase of a lunch meal.

Auditor Rebuttal to DCEC response to part “b. Charges for luncheon with Organizations with Political Affiliations” included in Finding #1

The documentation submitted to OFA auditors in support of the credit card charges to "PayPal" and "PayPal NRWC" clearly states "paid to Nashville Republican Women" and not to the Richland CC as stated in the DCEC response. (See below for a copy of the documentation to support the PayPal NRWC credit card charge that was provided to the OFA for review):

Payment Receipt - PayPal

Page 1 of 1

Nashville Republican Women

Secure payments by

Payment Receipt

Receipt ID
0695-3843-9396-7607

Total
\$32.00 USD

We'll send a confirmation email to kent.wall@nashville.gov. This transaction will appear on your statement as PayPal *NRWC.

Paid to
Nashville Republican Women
casutter@bellsouth.net

Shipped to
Kent Wall
700 2nd Ave S
Nashville, TN 37210
United States

Your shopping cart

Description	Price	Quantity	Amount
May Luncheon & Silent Auction	\$32.00	1	\$32.00
		Item total	\$32.00
		Tax	\$0.00
		Total	\$32.00 USD

It is important to note that the charges to the Metro credit card in relation to this specific event is, what is in question. While the Tennessee Coordinator of Elections (the "COE") review of the Davidson County Election Commission did identify a lack of Republican

election officials, it must be noted that the same report stated that **“The Davidson County Election Commission “grossly understaffed” Election Day polling places on November 6”**. The report did not state directly that the DCEC recruit specifically from a specific party.

Auditor Rebuttal to DCEC response to part “c. Unallowable Purchases from Department Stores” included in Finding #1

The purchased items from the Apple Store are personal and are the responsibility of the employee. Per *Metro Finance Department Policy #23: Mobile Communication Devices, effective December 1, 2011, Agency Head Responsibilities* “B) The agency head shall recommend the issuance of a mobile communication device or **allowance** for employees meeting the following criteria: a. The employee’s job requires him/her to be mobile, in various locations, and maintain instant communication with agency staff and other Metro officials and b. The employee is identified as a key staff member that is needed in the event of an emergency.” **It was noted that the Administrator of Elections chose to receive the allowance instead of being issued a Metro owned mobile communication device.** The *Metro Finance Policy #23* further states under the “*Allowance Option: D. Employees receiving an allowance shall be responsible for the following costs regardless of the provider chosen by the employee: a. All activation fees; b. All equipment expenses; c. All airtime plan costs, including airtime in excess of the plan allotment; d. All applicable data plan or text plan costs, including cost in excess of the plan allotment; e. All incidental charges.*” Therefore as a result of the employee receiving the monthly allowance for cell phone reimbursement, the expense associated with charging stations are the personal responsibilities of the Election Commission employee and are not the responsibility of the Metro Government.

Per the Small Appliance Policy issued by the Department of General Services (Page1): **“Government-furnished appliances include shared appliances (such as refrigerators, microwaves, ice makers and coffee services) and personal appliances (such as task lights) or special accommodations that are approved through General Services. “Government-Furnished Appliances (Requires approval of General Services on the Maintenance Work Order on-line form.”** **Employee-furnished appliances are devices brought into the workplace by employees, such as radios, lamps, clocks, fans, etc.”**; therefore, the employee is responsible for the cost of any lamps that may be deemed needed. The Small Appliance Policy can be located at <https://www.nashville.gov/Portals/0/SiteContent/GeneralServices/docs/boss/small-appliance-policy.pdf>

2. Improperly purchased personal items imbedded in legitimate business transactions.

Finding

In addition to the forty-two (42) transactions mentioned in Finding #1, the OFA noted seventeen (17) transactions to Kroger that contained items purchased for both Metro business and personal use. The seventeen (17) transactions totaled \$1,459.38, of which \$798.39 were determined to be personal items. The personal items purchased included but not limited to candy, gum, reading glasses, dental floss, toothpaste, toothbrushes, shoe polish, a shoe polish brush, peanuts, mixed nuts, peanut butter crackers, and armor car wipes. See table 2 in the appendix for a detailed listing of transactions in question.

Per Metro Finance Policy #19: Credit Card Section 3) Expectations of Cardholders c) "Use of the credit card for personal expenses is a misappropriation of Metro Funds. Any use of the credit card for personal expenses will result in cancellation of the card and may result in disciplinary action. Any cardholder who uses the card for personal charges will be barred from future use of a Metro card." In addition, per the Metro Credit Card Cardholder Responsibility Acknowledgement that details the responsibilities of the cardholder, for which is reviewed and signed by the cardholder prior to taking physical possession of the Metro credit card, states "I will not use the card for any non-Metro purpose including personal expenses."

RECOMMENDATION

The Davidson County Election Commission should take action to seek reimbursement, from the cardholder responsible, the total value of the personal transactions identified.

The Election Commission should also take the necessary steps to ensure that cardholders of a Metro credit card comply with rules and regulations as stated within their Notice of Purchasing Delegation, the M.C.L. Title 4 Procurement Code, Metro Finance Policy #19: Credit Card Policy, and the Cardholder Responsibility Acknowledgement Agreement.

The Election Commission should take the necessary steps to ensure that cardholders are held personally responsible for their use of the Metro credit card and that any violation of the credit card usage limitations or policies results in the cancellation of their Metro credit card privileges and any other disciplinary actions deemed appropriate.

Management Comments

Finding 2. Alleged Improperly Purchased Items While Making Legitimate Business Transactions - (Cardholders B, C, E)

Following the direction of OFA on March 8, 2016, charges for Cardholders B and C are not addressed. After reviewing the on-file documentation and the circumstances involved, DCEC found that:

Table 2

<u>Date</u>	<u>Vendor</u>	<u>OFA Allegations*</u>	<u>DCEC Response**</u>
9/14/2014	Kroger (E)	31.14	-We concur in part -Personal items, \$13.37 plus tax -Repaid \$13.37 plus tax
10/14/2014	Kroger (E)	37.35	-We do not concur
11/17/2014	Kroger (E)	5.48	-We do not concur
12/3/2014	Kroger (E)	76.83	-We concur in part -Personal items, \$6.38 plus tax -Repaid \$6.38 plus tax
12/6/2014	Kroger (E)	11.75	-We concur -Repaid
12/31/2014	Kroger (E)	31.96	-We concur in part -Personal items, \$5.99 plus tax -Repaid \$5.99 plus tax
2/24/2015	Kroger (E)	71.93	-We concur in part -Personal items, \$71.93 plus tax -Repaid \$71.93 plus tax
4/22/2015	Kroger (E)	51.07	-We concur in part -Personal items, \$41.60 plus tax -Repaid \$41.60 plus tax
6/16/2015	Kroger (E)	52.4	-We concur in part -Personal items, \$24.85 plus tax -Repaid \$24.85 plus tax
7/6/2015	Kroger (E)	52.92	-We concur in part -Personal items, \$19.17 plus tax -Repaid \$19.17 plus tax
7/21/2015	Kroger (E)	63.31	-We do not concur
8/26/2015	Kroger (E)	168.01	-We concur in part -Personal items, \$30.14 plus tax -Repaid \$30.14 plus tax

**Amount of
"Personal Use
Items"* ***Amount for "Personal Use
Items" for use at MSE office*

On March 17, 2016, after several earlier requests, OFA provided the work papers detailing which purchased items they considered to be "Personal Use". This helped us to understand OFA's interpretation of Metro guidelines. DCEC's definition of "Personal Use" is "'Personal Use Items' for use at MSE office". Cardholder E bought personal items for use exclusively at the office. He considered these items to be work related expenses, but now understands that those expenses were not within the Metro guidelines. Consequently, he has repaid those as set forth above.

Auditor's Rebuttal

The OFA contends that the Election Commission's implication that the OFA relied on documentation other than those supplied from the Election Commission Office is inaccurate. The OFA notified the Election Commission on multiple occasions that all documentation for which the OFA conclusions were based on information supplied by the Election Commission Office and were located within the Election Commission's Finance Manager's Office.

The purchase of candy, for office staff, is not a legitimate Metro business expense; therefore, Metro funds should not be used to make such purchases. As a result, the credit cardholder is responsible for the purchase of candy and other items purchased for personal use and should refund the cost to Metro.

3. Failed to adequately document the business purpose of the transactions.

Finding

The Election Commission failed to adequately document the business purposes for forty (40) credit card transactions totaling \$5,608.81. The OFA noted that those transactions, mainly to restaurants, appeared to be associated with catering of lunches and dinners for large groups of participants, without any indication of the business necessity for the expenditures.

Per Metro Finance Policy #19: Credit Cards states under Section 5) Prohibited Uses, "a) The credit card generally should not be used to purchase meals unless the cardholder is on an approved travel status. (Please see the Travel Policy for details). When it is necessary to use the card for payment for a planned office event, the cardholder should ensure that there is proper

*documentation, approved by the Department or designee authorizing the use of the card.” Metro Finance Policy #19 further states, under Section 6) Documentation Requirements, “b) Use of the Metro credit card for meals at local restaurants is generally not allowable. When charges for meals at local restaurants are necessary, the cardholder shall maintain detailed documentation to justify the charges. The documentation at a **minimum** include detailed information such as (a) the list of individuals that participated/attended the meeting/luncheon, (b) time, (c) place, (d) and an agenda or document that describes the business purpose of the meeting and meal.”*

The OFA noted that on some occasions, the Election Commission maintained a listing of the participants; however, failed to include an agenda or documentation that described the business purpose of the lunch. For example, on October 14, 2015, a credit card was used to purchase a catered meal from Moe’s Southwest Grill totaling \$210.97. The Election Commission provided a listing of individuals who participated, but the documentation for the business purpose only included “October 14, 2015, Moe’s Program 1.” Program 1 refers to the Administrative staff. After discussing the issue with Election Commission Staff, the OFA determined these transactions to be legitimate business expenditures but noted that the Election Commission needs to enhance its documentation to comply with Metro Finance Policy #19. See Table 3 in the appendix for a detailed listing of transactions.

Recommendations

The Election Commission should take the necessary actions to ensure that adequate documentation is maintained to support all credit card transactions. The documentation should include clear and concise notation as to the business purpose of all transactions.

The Election Commission should ensure that at a minimum the following information is maintained to justify the business purpose of meals purchased from a local restaurant.

- a) the list of individuals that participated/attended the meeting/luncheon,
- b) time,
- c) place,
- d) an agenda or document that describes the business purpose of the meeting and meal.

Management Comments

Finding 3 – Failed to Adequately Document the Transaction’s Business Purpose – (Cardholders B, C, D, E)

Following the direction of OFA on March 8, 2016, charges for Cardholders B and C are not addressed.

All of these expenses are legitimate business expenses such as for Poll Officer events, staff/training needs, required candidate and Poll Officer mailings.

Table 3

<u>Transaction Date</u>	<u>Vendor</u>	<u>Amount (\$)</u>	<u>DCEC Response</u>
9/28/2013	Subway (D)	93.6	-We concur; some documentation missing
1/9/2014	Kroger (D)	215.79	-We concur; some documentation missing
1/29/2014	Kroger (E)	72.93	-We concur; some documentation missing
1/31/2014	Pizza Hut (E)	72.49	-We concur; some documentation missing
3/6/2014	Pizza Hut (E)	140.43	-We concur; some documentation missing
4/12/2014	Dunkin Donuts (E)	39.28	-We concur; some documentation missing
4/19/2014	Dunkin Donuts (E)	34.92	-We concur; some documentation missing
4/26/2014	Dunkin Donuts (E)	34.92	-We concur; some documentation missing
4/29/2014	Pizza Hut (D)	74.45	-We concur; some documentation missing
5/1/2001	Jersey Mike's (E)	35.84	-We do not concur; some documentation missing
5/4/2014	Subway (D)	53.56	-We concur; a 'no signature receipt'

5/12/2014	Whitt's (E)	135.85	-We concur in part; some documentation missing
7/9/2014	Whitt's (E)	170.98	-We concur in part; some documentation missing
8/2/2014	Jersey Mike's (D)	38.75	-We concur; a 'no signature receipt'
8/23/2014	Papa John's (E)	88.5	-We do not concur
10/30/2014	Papa John's (D)	22	-We concur; a 'no signature receipt'
11/5/2014	Papa John's (E)	139.5	-We do not concur
3/25/2015	Moe's (E)	205.96	-We concur in part; some documentation missing
3/25/2015	Moe's (E)	241.4	-We concur in part; some documentation missing
3/26/2015	Moe's (E)	150.48	-We concur in part; some documentation missing
4/28/2015	Moe's (E)	214.32	-We concur in part; some documentation missing
5/27/2015	Whitt's (E)	213.21	-We concur in part; some documentation missing
6/11/2015	UPS Store (D)	177.44	-We concur; a 'no signature receipt'
8/18/2015	Whitt's (E)	171.2	-We concur in part; some documentation missing
9/7/2015	Whitt's (E)	176.28	-We do not concur
9/8/2015	Jason's Deli (E)	186.86	-We do not concur
9/8/2015	Jason's Deli (E)	249.97	-We do not concur
10/15/2015	Jason's Deli (E)	227.97	-We concur in part; some documentation missing

10/15/2015	Moe's (E)	210.97	-We concur in part; some documentation missing
10/15/2015	Moe's (E)	233.07	-We concur in part; some documentation missing
10/28/2015	Whitt's (E)	194.42	-We concur in part; some documentation missing
4/3/2015	Office Depot (D)	299.72	-We concur; some documentation missing

Auditor's Rebuttal

The OFA did not question the cost associated with the credit card transactions in this category. The OFA rather pointed to the inadequacy of the documentation on file. The DCEC failed to provide adequate documentation to support the transactions' business purpose. The following table provides details to support OFA's conclusion that the documentation was not adequate for each specific transaction for which the DCEC did not concur:

<u>Transaction Date</u>	<u>Vendor</u>	<u>Amount (\$)</u>	<u>DCEC Response</u>	<u>OFA Rebuttal</u>
5/1/2001	Jersey Mike's (E)	35.84	-We do not concur; some documentation missing	Per the documentation supplied, Meal was at 7:08 PM; Dine-in therefore employees left the office, No indication that employees had to return or did return to office

8/23/2014	Papa John's (E)	88.5	-We do not concur	Per the documentation supplied, "8/22/2014 DCEC Lunch" does not provide adequate documentation to support the business purpose of the meal. Also noted that support was a charge slip, not a detailed itemized receipt and that is not sufficient
11/5/2014	Papa John's (E)	139.5	-We do not concur	Per the documentation supplied, there was not any notation of business purpose plus support was only a charge slip, not a detailed itemized receipt, which is not sufficient support
9/7/2015	Whitt's (E)	176.28	-We do not concur	Per the documentation supplied, "Monday, September 7, 2015 Program 1: Labor Day" does not provide adequate justification to support the meal. Per EC Finance Manager Program 1 identifies the personnel responsible for the charge and does not constitute an actual program. There also was not any notation why employees were required to report on Labor Day

9/8/2015	Jason's Deli (E)	186.86	-We do not concur	Per documentation supplied, "Tuesday September 8, 2015 Program 2: Lunch" is not sufficient to justify the transaction. Per EC Finance Manager Program 2 identifies the personnel responsible for the transaction and does not represent an actual program.
9/8/2015	Jason's Deli (E)	249.97	-We do not concur	Per documentation supplied, "Tuesday September 8, 2015 Program 3: Lunch" is not sufficient to justify the transaction. Per EC Finance Manager Program 3 identifies the personnel responsible for the transaction and does not represent an actual program.

4. Could have managed some business purchases more efficiently

Finding

The Election Commission utilized Metro credit cards to make thirty-nine (39) transactions for legitimate Metro business that could have been handled more efficiently. These transactions were mainly for the purchase of postage stamps and office supplies. The cost of postage for the Election Commission is budgeted and covered fully within the General Services Department Postal Services division's budget. As a result there should not be any additional cost for the Election Commission's mailings as long as the mailings are processed through the Metro Postal Service. This means postage charged to the Election Commission's credit card for standard postage through the United States Postal Services were unnecessary.

The Election Commission utilized the credit card to purchase office supplies. While office supplies are a legitimate business expense, the purchase of office supplies with a Metro credit card is a violation of Metro policy. The Procurement Division within the Finance Department has secured a contract with a vendor for office supplies at a discounted rate. Therefore, while the purchasing of office supplies, off Metro contract, may be for legitimate business, it could be wasteful by failing to take advantage of the discounted pricing that is available through the Metro contract. Per *Metro Finance Policy #19: Credit Cards 1) General Policies a) "the credit card can be used to purchase and make payment for approved transactions only including travel and related cost (hotels, car rentals, food, and ancillary items), petty cash type purchases, conference registrations, subscriptions and emergency purchases (as defined by the Purchasing Agent). **Note: All purchases are subject to established purchasing regulations. The credit card is not a payment/purchasing card and is not to be used for routine procurements from contracted suppliers."** See Table 4 for a detailed listing of the transactions in question.*

In addition, the purchase of routine office supplies does not meet the definition of an emergency purchase as defined by the Purchasing Agent. Per the Procurement Division's website, "*Emergency procurements may occur but only when there exists a threat to public health, welfare or safety. Any department head or other official who makes an emergency purchase without following the regulations of the standards board may be held personally liable for such purchase. (M.C.L. 4.12.070 Emergency procurements).*

The existence of such condition creates an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten:

- a) the functioning of Metro government;*
- b) the preservation or protection of property; or*
- c) the health or safety of any person.*

Per R4.12.070.02 Definition of Emergency Conditions.

- All purchases are to be first attempted through existing contracts. If this attempt fails, when practical, at least two, and preferably three, competitive quotations are to be obtained, and the required supplies and/or services procured from the lowest responsive and responsible bidder able to respond within the emergency demands.*

- *The requirements for sealed solicitations, standard public notice times, SMWBE participation, and labor workforce requirements may be waived. Emergency procurements, however, are made with as much competition as is practical under the circumstances.*
- *Emergency procurements must be approved by the purchasing agent or their designee. If unavailable and the emergency demands immediate attention, the department head may make the determination but assumes liability for the action.*
- *A written determination (Emergency Request Form) is required, preferably prior to the purchase but always must be submitted to the purchasing agent within one (1) Metro business day of the emergency. R4.12.070.04 Authority to Make Emergency Procurements.*

RECOMMENDATION

The Election Commission should take the appropriate measures to avoid incurring unnecessary postage charges. The Election Commission should take full advantage of the provision for postage set aside to cover the Commission's postal charges, by processing their mail through General Services Department Postal Services Division.

In cases as it is not practicable for the Election Commission to utilize Metro Postal Service, potentially due to time constraints, which should be rare, the Election Commission should ensure that the supporting documentation justifies the usage of the United States Postal Service.

The Election Commission should plan ahead and notify The General Services Department Postal Services Division of anticipated increases in mailings, especially in an election year, to allow Metro Postal Services to make adequate provision and projection of the anticipated increase in postage.

The Election Commission should ensure that needed office supplies are purchased from the Metro contracted vendor. In the extraordinary circumstances that would necessitate the Election Commission to purchase off contract, the Election Commission should ensure compliance with the guidelines requirements for Emergency Purchases as required by M.C.L. 4.12.070 Emergency procurements.

Management Comments

Finding 4 – Legitimate Business But Potentially Wasteful - (Cardholders A, B, D, E)

Following the direction of OFA on March 8, 2016, charges for Cardholder B are not addressed.

The OFA language in the draft report dealing with point 4, page 13, “Could have managed same business purchases more efficiently”, focuses primarily on 2 categories, postage stamps and office supplies. In general, DCEC accepts and follows the operating guidelines that 1) take full advantage of the provision for postage set-aside to cover postal charges by processing mail through the General Services Department Postal Services Division (Metro Postal Service) and 2) ensure that needed office supplies are purchased from the Metro contracted vendor(s).

Regarding postage, there are, from time-to-time, situations that necessitate deviation from standard protocol due to time constraints or other extraordinary circumstances that are unique to elections and the elections process. There have been occasions where important mailings dealing with Poll Official notifications about Election Day assignments and individual training schedules have gone awry: late/non-delivery and lack of postage applied as the primary causes and resulted in unnecessary disruption and extra work for the staff, not to mention some disgruntled Poll Officials.

It is not knowable if these errors occurred at the GS Postal Services Division or at the USPS. As a way to increase the probability that must-be-delivered mail is delivered, on occasion, DCEC took several additional steps—affixing purchased postage stamps and delivering separate bundles to multiple USPS locations.

As to office supplies, DCEC has experienced ‘growing pains’ each time Metro changed supply vendors. These problems have involved non-availability, out-of-stocks, late delivery and non-delivery of office supplies. While such situations do not necessarily meet the Metro definition of ‘emergency’, if the Metro Vendor is late or fails to deliver training material folders and the class is the next day or perhaps on a Saturday, then as far as DCEC is concerned, it is an emergency situation.

In the future, DCEC will take steps to see that any such situations are documented fully after the fact.

In following the directions of OFA on March 8, 2016, charges for Cardholder B are not addressed. After reviewing the on-file documentation, DCEC found that these expenses were reasonable and necessary for the same reasons as set forth above.

Table 4

<u>Transaction Date</u>	<u>Vendor</u>	<u>Amount (\$)</u>	<u>DCEC Response</u>
10/28/2014	Bennett (E)	140.89	-We do not concur
7/31/2015	Bennett (E)	614.67	-We do not concur
9/3/2015	FedEx Office (E)	14.19	-We do not concur
8/18/2015	FedEx Office (D)	53.70	-We do not concur
1/12/2015	G.S. Direct (D)	34.15	-We do not concur
10/10/2015	Office Dep. (E)	72.48	-We do not concur
9/22/2014	Office Dep. (E)	63.34	-We do not concur
9/13/2014	Office Dep. (E)	59.75	-We do not concur
3/13/2014	Staples (D)	269.69	-We do not concur
8/6/2014	Staples (D)	284.55	-We do not concur
9/23/2014	Staples (D)	151.96	-We do not concur
9/26/2012	Staples (A)	95.99	-We do not concur
6/24/2014	Staples (D)	110.00	-We do not concur
4/22/2014	Staples (D)	169.80	-We do not concur
8/21/2015	USPS (E)	181.98	-We do not concur
12/8/2014	USPS (E)	49.00	-We do not concur
12/16/2014	USPS (E)	9.80	-We do not concur
12/27/2013	USPS (A)	299.00	-We do not concur
6/13/2014	USPS (D)	98.00	-We do not concur
11/25/2014	USPS (D)	449.03	-We do not concur
1/15/2015	USPS (D)	49.00	-We do not concur
6/30/2015	USPS (E)	1225.00	-We do not concur
8/14/2015	USPS (E)	1058.40	-We do not concur
10/30/2014	USPS (D)	1.19	-We do not concur
10/24/2013	USPS (D)	44.00	-We do not concur
2/9/2015	USPS (D)	49.00	-We do not concur
7/27/2015	USPS (D)	21.95	-We do not concur
10/23/2014	USPS (D)	5.60	-We do not concur
10/30/2014	USPS (D)	5.75	-We do not concur
12/3/2015	USPS (E)	23.52	-We do not concur

3/28/2014	USPS (D)	7.00	-We do not concur
3/28/2014	USPS (D)	38.50	-We do not concur
3/28/2014	USPS (D)	49.40	-We do not concur
3/28/2014	USPS (D)	49.40	-We do not concur
3/28/2014	USPS (D)	37.05	-We do not concur
6/27/2014	USPS (D)	39.20	-We do not concur

Auditor's Rebuttal

This is a procedural finding; the cost is not being questioned. The OFA agrees that from time to time situations may arise for which it may be necessary to purchase postage or supplies on Metro credit card, the OFA contends that the frequency of such purchases should be rare. The OFA further contends that in such situations, the DCEC should provide adequate justification to support the necessity of such purchases.

Based upon review of the documentation supplied to the OFA in support of the postage purchased, the DCEC failed to document justification to support the necessity of using the USPS instead of the Metro General Services Postal Division. In some situations, the DCEC did provide what the postage was being used for; however, as previously stated, the documentation lacked adequate justification as to why the postage was being purchased from USPS instead of utilizing Metro Postal Services for the mailings.

Also the documentation provided to the OFA for review in support of the office supplies, lacked sufficient information to justify the necessity for not utilizing the approved Metro contract. The statements "emergency purchase", "office mtls not readily available via approved contractor", and "office supplies, metro resource 'out of stock'" are not sufficient. The DCEC should have provided additional documentation that demonstrates their efforts to purchase such items off the approved Metro contract.

5. Failed to exercise exempt status by improperly paying sales tax.

The Election Commission improperly paid sales tax on sixty (60) transactions totaling \$414.58. Per *Metro Finance Policy #19 3) Expectations of Cardholders d) "Cardholders are also responsible for identifying and disputing erroneous charges, including Tennessee sales tax charges, to their assigned cards. It is the responsibility of the cardholder to dispute the charges as specified in the cardholder agreement."* In addition, e) *"Cardholders should not pay Tennessee*

sales tax. It is the cardholder's responsibility to dispute Tennessee sales tax charges." See Table 5 in the appendix for a detailed listing of transactions.

RECOMMENDATION

The Election Commission should ensure that cardholders review and avoid charges for Tennessee sales tax. The Election Commission should also ensure that Metro credit card cardholders adhere to Metro Finance Policy #19.

Management Comments

Finding 5 – Improperly Paid Sales Tax - (Cardholders B, C, E)

The subject of payment of sales tax is addressed in Metro Policy #19, 3(e):

Cardholders should not pay Tennessee sales tax. It is the cardholders' responsibility to dispute Tennessee sales tax charges.

However, when DCEC Finance Manager Bill Hyden asked about this in a meeting with Ms. Barbara Hagman, Metro Treasury-Finance, at her office during the first half of 2014, she stated that 'taxes are a justified expense. We don't like to pay them, but we do.'

Cardholder E found the idea of disputing sales taxes was not always practical or feasible in some instances such as internet orders/charges, small order take-out purchases and restaurant charges. In other instances, the merchant did not know how to handle such a transaction or the tax ID information provided to the vendor did not work.

In following the direction of OFA on March 8, 2016, charges for Cardholder B are not addressed. After reviewing the on-file documentation and circumstances involved, DCEC found that:

Table 5

<u>Transaction Date</u>	<u>Vendor</u>	<u>Tax Amount (\$)</u>	<u>DCEC Response</u>
11/13/2015	Amazon.com (E)	8.80	-We do not concur; internet transaction
11/15/2015	Amazon.com (E)	7.68	-We do not concur; internet transaction
11/18/2015	Amazon.com (E)	4.16	-We do not concur; internet transaction

12/3/2015	Amazon.com (E)	14.49	-We do not concur; internet transaction
3/6/2014	Regal Auto (E)	14.82	-We concur in part
4/26/2014	Dunkin Donuts (E)	2.96	-We concur in part
4/26/2014	Kroger (E)	3.21	-We concur in part
6/24/2014	Kroger (E)	6.26	-We concur
8/5/2014	McDonald's (E)	7.82	-We concur
10/14/2014	Kroger (E)	16.77	-We concur
10/25/2014	Deal's (E)	6.48	-We concur
11/2/2014	Krispy Kreme (E)	4.36	-We concur in part
11/7/2014	Kroger (E)	0.78	-We concur in part
2/24/2015	Kroger (E)	7.65	-We concur
2/18/2015	Krispy Kreme (E)	2.28	-We concur in part
2/28/2015	Krispy Kreme (E)	2.97	-We concur in part
8/22/2015	Krispy Kreme (E)	2.97	-We concur in part
9/2/2015	Krispy Kreme (E)	4.16	-We concur in part
9/4/2015	Krispy Kreme (E)	4.36	-We concur in part
9/5/2015	Krispy Kreme (E)	4.36	-We concur in part
11/19/2015	Kroger (E)	6.36	-We concur

4/12/2014	Dunkin Donuts (E)	3.33	-We concur in part
4/19/2014	Dunkin Donuts (E)	2.96	-We concur in part
1/16/2015	Home Depot (E)	3.70	-We concur in part
9/13/2014	TJ Maxx (E)	12.57	-We concur
10/28/2014	Michael's (E)	0.55	-We concur in part
5/1/2014	Jersey Mike's (E)	3.03	-We concur in part
9/12/2014	Kroger (E)	3.43	-We concur in part
12/8/2014	Kmart (E)	2.11	-We concur in part
12/16/2014	Kroger (E)	1.36	-We concur in part
12/31/2014	Kroger (E)	2.96	-We concur in part
4/22/2015	Kroger (E)	5.93	-We concur in part
6/17/2015	Apple Store (E)	12.02	-We concur
6/26/2015	Kmart (E)	1.12	-We concur in part
7/21/2015	Kroger (E)	5.36	-We concur
8/26/2015	Kroger (E)	15.26	-We concur
10/13/2015	Catia (E)	0.74	-We concur in part
11/2/2015	Catia (E)	0.74	-We concur in part
12/3/2015	Katy's H. (E)	4.16	-We concur in part

7/12/2014	Dunkin Donuts (E)	3.11	-We concur in part
7/12/2014	Office Dep. (E)	5.01	-We concur
9/22/2014	Office Dep. (E)	5.36	-We concur
10/18/2014	Krispy Kreme (E)	3.82	-We concur in part
10/27/2014	Bennett (E)	11.93	-We concur
5/1/2015	Krispy Kreme (E)	5.40	-We concur in part
7/31/2015	Bennett (E)	52.04	-We concur
9/3/2015	FedEx Off. (E)	1.20	-We concur in part
10/10/2015	Office Dep. (E)	6.14	-We concur
11/3/2014	Kroger (E)	1.10	-We concur in part
8/1/2015	Krispy Kreme (E)	1.59	-We concur in part
9/9/2015	Kroger (E)	28.81	-We concur
12/8/2015	Kroger (E)	6.89	-We concur
5/1/2014	Kroger (E)	21.29	-We concur
1/6/2016	Kroger (E)	7.84	-We concur
7/6/2015	Kroger (E)	15.83	-We concur

Auditor's Rebuttal

The Metro Finance Policy #19 is very clear in regards to the payment of sales tax.

The Metro Finance Policy #19 states “3) Expectations of Cardholders d) “Cardholders are also responsible for identifying and disputing erroneous charges, including Tennessee sales tax charges, to their assigned cards. It is the responsibility of the cardholder to dispute the charges as specified in the cardholder agreement.” In addition, e) “Cardholders should not pay Tennessee sales tax. It is the cardholder’s responsibility to dispute Tennessee sales tax charges.”

6. Failed to maintain adequate supporting documentation.

Finding

In addition to the previous findings for lack of adequate supporting documentation, the Election Commission made ten (10) other charges to the credit cards but failed to maintain any supporting documentation. There were no invoices and/or sales receipts on file to support these transactions. Without supporting documentation, the OFA was unable to determine the business purpose of these transactions. Per *Metro Finance Policy #19 Credit Cards 3) Expectations of Cardholders b) “Cardholders should collect and maintain proper sales receipts and invoices to support all charges. Proper sales receipts should include adequate description of the items purchased and the individual benefitting (when applicable). Credit card charge slips are not sufficient support.”* See Table 6 in the Appendix for a detailed listing of the transactions without supporting documentation.

The OFA also noted sixty-six (66) transactions for which the supporting documentation was not signed or initialed by the cardholder. Cardholder’s signature is a vital part of the necessary documentation to support the credit card charges. It serves two purposes, 1) it shows that the cardholder was in fact the person who used the card to complete the transaction and 2) it identifies the individual authorized the use of the credit card. Per *Metro Finance Policy #19 2) Card Authorization a) “Only the employee whose name is embossed on a credit card may use the card. No other person is authorized to use the card. The use of the card shall not be delegated to any other person. Cardholder shall use the credit card for Metro authorized purchases only.”* In addition, per the *Metro Credit Card Cardholder Responsibility Acknowledgement*, “the card issued to me must not be used by anyone other than myself. (This includes other Metro employees).” See Table 7 in the Appendix for a detailed listing of the transactions without cardholder signature.

RECOMMENDATION

The Election Commission should ensure that cardholders maintain adequate supporting documentation to support credit card transactions.

The Election Commission should further ensure that the cardholders review and sign the credit card supporting documentation to ensure that no one other than the cardholder is utilizing the Metro credit card.

Management Comments

Finding 6—Failed to Maintain Adequate Supporting Documentation

Includes Table 6 – Missing Supporting Documentation and Table 7 – Missing Cardholders Signature

Table 6

The 4 credit card charges for Cardholder D are in fact missing documentation but are known to be legitimate Business expenses. The 2 charges for Cardholder E are telephone/internet expenses and are sufficiently documented to establish legitimate Business expenses.

In following the direction of OFA on March 8, 2016, charges for Cardholders B and C are not addressed. After reviewing the on-file documentation and the circumstances involved, DCEC found that:

<u>Transaction Date</u>	<u>Vendor</u>	<u>Amount (\$)</u>	<u>DCEC Response</u>
1/29/2014	Ovation Awards (E)	37.00	-We concur in part; telephone transaction -documentation incomplete
8/1/2015	Jersey Mike's (D)	53.50	-We concur; receipt was not turned in after transaction
8/5/2015	Home Depot (D)	48.80	-We concur; receipt was not turned in after transaction
8/22/2015	Lowe's (D)	9.96	-We concur; receipt was not turned in after transaction

9/5/2015	Jersey Mike's (D)	64.14	-We concur; receipt was not turned in after transaction
5/6/2015	Sam's Internet (E)	45.00	-We do not concur; internet transaction

Table 7 – Missing Cardholder's Signature - (Cardholders A, B, C, D, E)

In following the direction of OFA on March 8, 2016, charges for Cardholders B and C are ignored. After reviewing the on-file documentation and the circumstances involved, DCEC found that:

<u>Transaction Date</u>	<u>Vendor</u>	<u>Amount (\$)</u>	<u>DCEC Response</u>
4/25/2013	Hosse & Hosse (A)	22.94	-We concur -Signature missing
5/2/2013	Hosse & Hosse (A)	-1.94	-We concur -Signature missing
6/17/2013	Applebee's (D)	57.22	-We concur in part; TACEO Conference, Memphis
6/19/2013	Marriott (D)	275.68	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	19.68	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	39.33	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	326.19	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	326.19	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	326.19	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	326.19	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	326.19	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location

6/20/2013	Marriott (D)	326.19	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	326.19	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	365.52	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	385.20	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	-13.12	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
6/20/2013	Marriott (D)	217.46	-We concur in part; TACEO Conference, Memphis -documentation was signed for upon checking in but not upon checking out of convention location
1/27/2014	Ovation Awards (E)	118.00	-We concur in part; telephone/ internet transaction; a 'no signature' receipt
3/6/2014	Regal Auto (E)	175.02	-We concur in part; a 'no signature' receipt
4/9/2014	Home Depot (D)	36.88	-We concur in part; a 'no signature' receipt
4/9/2014	Home Depot (D)	95.28	-We concur in part
4/24/2014	Best Buy (E)	899.99	-We concur in part; a 'no signature' receipt
4/26/2014	Kroger (E)	47.49	-We concur in part; a 'no signature' receipt
5/1/2014	Kroger (E)	253.28	-We concur in part; a 'no signature' receipt
5/3/2014	Home Depot (D)	325.29	-We concur in part; a 'no signature' receipt
5/6/2014	Whitt's (D)	104.57	-We concur in part -Election Day food
5/6/2014	Whitt's (D)	223.63	-We concur in part -Election Day food
6/6/2014	Whitt's (E)	272.44	-We concur in part; a 'no signature' receipt
6/10/2014	Pizza Hut (D)	52.92	-We concur in part; a 'no signature' receipt
6/24/2014	Kroger (E)	92.66	-We concur in part; a 'no signature' receipt
8/5/2014	McDonald's (E)	92.41	-We concur in part; a 'no signature' receipt
8/7/2014	Whitt's (E)	263.56	-We concur in part; a 'no signature' receipt
9/17/2014	Whitt's (E)	228.89	-We concur in part; signature not on customer receipt
9/19/2014	Whitt's (E)	17.13	-We concur in part; signature not on customer receipt
9/19/2014	Whitt's (E)	79.09	-We concur in part; signature not on customer receipt
10/27/2014	Home Depot (D)	20.41	-We concur in part
10/13/2014	Home Depot (D)	119.88	-We concur in part; a 'no signature' receipt
11/4/2014	Jason's Deli (E)	249.00	-We concur in part; a 'no signature' receipt
3/17/2015	Goodlettsville CH (D)	13.00	-We concur in part; online transaction
3/19/2015	Cable Foundation (D)	100.00	-We concur in part; online transaction

3/31/2015	Home Depot (D)	62.10	-We concur in part; a 'no signature' receipt
4/1/2015	Home Depot.com (D)	356.40	-We concur in part; online transaction
4/3/2015	Home Depot (D)	-20.70	-We concur in part; a 'no signature' receipt
5/7/2015	Bellevue Chamber (E)	125.00	-We concur in part; mail-in application for reservation
7/18/2015	Home Depot (D)	48.80	-We concur in part; a 'no signature' receipt
8/4/2015	Jason's Deli (E)	236.98	-We concur in part; signature not on customer receipt
8/4/2015	Jet's Pizza (E)	65.31	-We concur in part; signature not on customer receipt
8/7/2015	Moe's (E)	239.07	-We concur in part; a 'no signature' receipt
8/7/2015	Moe's (E)	247.32	-We concur in part; a 'no signature' receipt
8/7/2015	Moe's (E)	249.57	-We concur in part; a 'no signature' receipt
8/24/2015	Home Depot (D)	17.48	-We concur in part; a 'no signature' receipt
9/3/2015	Young Leaders (E)	475.00	-We concur in part; online transaction
9/9/2015	Papa John's (E)	53.25	-We concur; signature not on customer receipt
9/10/2015	Jason's Deli (E)	86.99	-We concur in part; delivery to Satellite office; signature of 'Moffatt', supervisor
11/23/2015	Sicilian Pizza (E)	186.65	-We concur in part; a 'no signature' receipt
12/11/2015	Moe's (E)	155.97	-We concur in part; signed delivery receipt by 'Schweitzer', DCEC staff at MSE
12/11/2015	Moe's (E)	182.97	-We concur in part; signed delivery receipt by 'Schweitzer', DCEC staff at MSE

Auditor's Rebuttal

The OFA reaffirms that that the two (2) charges by Cardholder E were not sufficiently documented. The DCEC failed to provide the OFA any documentation to review in support of the credit card transaction to Sam's Internet. In addition, the documentation provided to support the Ovation Awards transaction was an email that stated "this email is to verify that a payment of \$37.00 was made to us by credit card on 1/31/14".

Metro credit cards are authorized to be used only by the person to whom the credit card was issued. Signatures are a vital part of the required documentation to support the credit card transaction. Regardless, of whether or not, the receipt is a "no signature" receipt, it is the responsibility of the cardholder to sign the documentation. It must be noted that receipts containing signatures of someone other than the credit cardholder's implies that someone other than the authorized personnel utilized the credit card; which is a violation of the credit card policy. Per *Metro Finance Policy #19: Credit Card* section 2) a) *"Only the employee whose name is embossed on a credit card may use the card. No other person is authorized to use the card. The use of the card shall not be delegated to any other person. Cardholder shall use the credit card for Metro authorized purchases only."*

7. Improperly obtained reimbursement for other non-credit card related transactions.

Finding

As a result of following up on some discrepancies in the credit card use , as detailed throughout the report, the OFA noted four (4) questionable transactions totaling \$148.26 which were processed and reimbursed to cardholders as payment vouchers.

The first payment voucher in question was identified in Finding #1, totaled \$5.28 and was associated with the use of a Metro Card in the purchase of a WWE action figure and hot wheels car. The cardholder paid for the initial transaction with the Metro credit card and then in turn submitted an invoice for reimbursement as if they had utilized their personal funds.

The second payment voucher in question, totaled \$29.00, was associated with the purchase of an on-line electronic subscription to a newspaper for their personal email address, which was claimed as reimbursement to the cardholder. The cardholder had already processed and Metro had already purchased an on-line electronic subscription to the same newspaper through the use of the Metro credit card for the cardholder's work email. Therefore, as a result of already having a paid subscription through Metro, the second subscription for the cardholder's personal email becomes a questionable and un-allowed use of Metro funds.

The remaining two (2) reimbursements totaling \$113.98 consisted of reimbursements identified as "recruiting"; however, review of the supporting documentation attached to the invoices did not contain sufficient documentation to justify the business purpose of the transactions. The OFA also noted that the only support attached to one of the invoices for reimbursement was a copy of a business check from a company owned by Cardholder E in the amount of \$65.00 for payment to "West Point Society of Middle Tennessee", an alumni group, to attend their "Founder's Dinner". Without the required minimum documentation, the invoice for reimbursement appears to be personal. See Table 8 for the detailed listing of the four (4) payment vouchers in question.

RECOMMENDATION

The Election Commission should take action to seek reimbursement from the cardholders for the unallowed charges.

The Election Commission should ensure that at a minimum the following information is maintained to justify the business purpose of meals purchased from a local restaurant.

- a) the list of individuals that participated/attended the meeting/luncheon,
- b) time,
- c) place,
- d) an agenda or document that describes the business purpose of the meeting and meal.”

Management Comments

Finding 7 – Improperly Obtained Reimbursement for Other Non-Credit Card Related Transactions

The invoice involving the 12/8/14 Kmart matter was explained under comments involving “Unallowable Purchases from Department Stores” (Table 1(c)). This was repaid before the MCCR was received.

The invoice dated 6/23/15 for \$29.00 is described in the draft report as “improperly obtained reimbursement for other non-credit card related transactions”. This is inaccurate. OFA is partially correct in that a Metro credit card was used to purchase an online electronic subscription to the Tennessean for the card holder’s work email.

OFA then incorrectly concludes --that since the card holder sought reimbursement for an identical electronic subscription purchased using a personal credit card for a personal email— that such a charge was improper.

Both subscriptions were needed, one for the office and one for Cardholder E’s home office in order to access the Tennessean 24/7 while using a mobile electronic device no matter where the device was located. The cardholder works nights and weekends as part of his regular duties.

During this time in 2015, there were several important ongoing activities-- the Metro Council debate on the DCEC FY’16 budget and the County General Election—and needed 24/7 monitoring.

The invoice dated 2/24/14 and another dated 12/6/13 were combined in MCCR (total: \$97.91), were then determined to be ‘without sufficient documentation’ and therefore, ‘personal and not allowable’. The facts are that this total is made up of 2 expenses, 2/20/14 for \$37.91 and another for \$65.00 on 2/21/14. The former is an evening meeting to recruit Poll Officials and the latter, an annual business dinner attended by graduates who live in the area, both retired and employed

in corporate or private positions and invited guests. Cardholder E is a graduate. This group has an active website and other outreach capabilities and was receptive to helping the DCEC distribute the message—“recruiting Poll Officials”. Poll Official/Trainer (JD) was also in attendance at this event and assisted in getting out the message at the event which was attended by at least 150 individuals.

Both transactions are sufficiently documented to establish a ‘Business Purpose’ and therefore, not “Personal”.

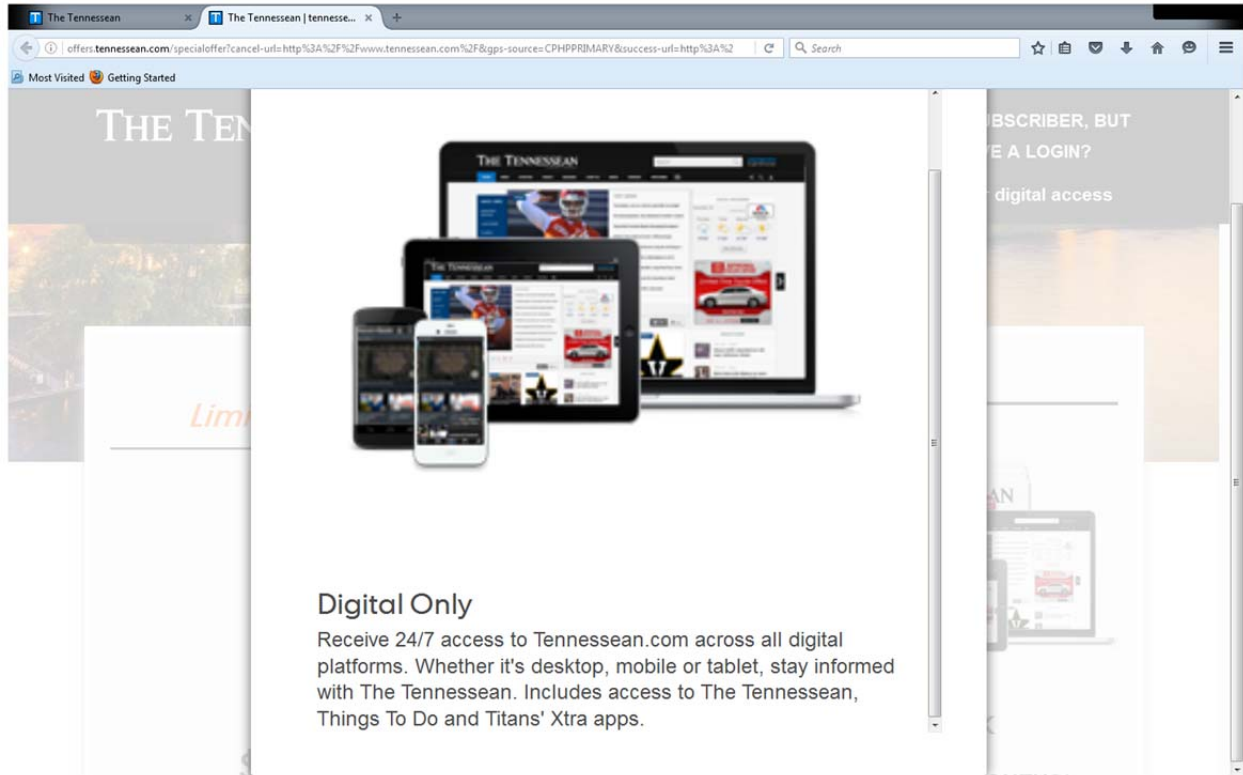
Invoice dated 12/6/13 for \$16.07 is sufficiently documented to establish a “Business Purpose” and is not “Personal”.

Table 8

<u>Date</u>	<u>Invoice #</u>	<u>Amount (\$)</u>	<u>DCEC Response</u>
12/8/14 (E)	120814-1	5.28	-We concur in part -Repaid before MCCR received (See Table 1(c))
6/23/15 (E)	1522061	29.00	-We do not concur
2/24/14 (E)	022414-KW	97.91	-We do not concur
12/6/13 (E)	4987	16.07	-We do not concur

Auditor’s Rebuttal

The OFA disagrees that both subscriptions were needed, one for the office and one for Cardholder E’s home office in order to access the Tennessean 24/7 while using a mobile electronic device no matter where the device was located. Per the Tennessean’s website with digital only subscription you “receive 24/7 access to Tennessean.com across all digital platforms. Whether it’s desktop, mobile or tablet, stay informed with the Tennessean.” See screenshot below:



Therefore, the need for a second subscription is unwarranted. The OFA contends the second expenditure to the Tennessean should be reimbursed to Metro.

The OFA disagrees with the DCEC's opinion in regards to invoice "INV 022414-KW" that the both transactions are sufficiently documented to establish a 'Business Purpose' and therefore, not "Personal". While the reimbursement request appeared to be due to two (2) separate transactions, one (1) for \$65.00 and one (1) for \$32.91, combined into one invoice. The OFA disagrees that the attendance of the AOE was a "recruiting event" but was rather a person attending the "founder's dinner" of an alumni group associated with the University from which they graduated. Auditors did not note AOE attendance at any other alumni events. In regards to the remaining \$32.91 that was included in the reimbursement request, there was no documentation to support the \$32.91 charge. As a result, the total \$97.91 is deemed personal and should be reimbursed to Metro.

The OFA disagrees with the DCEC's opinion that the invoice dated 12/6/13 for \$16.07 is sufficiently documented to establish a "Business Purpose" and is not "Personal". The receipt that was attached to the reimbursement request was from Dalt's American Grill located in Nashville, TN. **The receipt indicated it was a party of three (3) for which**

was paid with cash. The \$16.07 amount appears to only have been for only one (1) meal. There was not any notation of who was present and the meal was at 5:19 pm. Cardholder E was not on official travel status and therefore, the cost of the meal appears personal and needs to be reimbursed to Metro.

In summary, the Election Commission should seek reimbursement from the cardholders listed below in the amount noted:

Cardholder	Amount
CARDHOLDER A	\$30.00
CARDHOLDER B	\$9.70
CARDHOLDER C	\$134.91
CARDHOLDER E	\$2,374.88

As of March 31, 2016 it appears that Cardholder E has reimbursed Metro Government \$726.79. See the following table for details of the reimbursements that are recorded within the Election Commission's general ledger:

Date	Amount	Cash/Check	Bank Deposit Date	EBS BU and OA	GL Date	OFA Comments
8/31/2015	\$5.71	Cash	8/31/2015	05100410.407601	10/12/2015	Unallowed cost discovered by Election Commission Finance Manager on a transaction to Kroger and they requested reimbursement
1/11/2016	\$55.62	Check	1/15/2016	05100410.409514	1/28/2016	Not sure what specific items this reimbursement was for
2/2/2016	\$123.24	Check	2/4/2016	05100410.409514	3/15/2016	Deposited together (Appears to be refund of Sperry's (06/30/2015 - \$123.24 - Finding #1a) and Kmart (12/08/2014 - \$30.15 - \$24.87 - total credit charge - Finding #1c plus \$5.28 reimbursed payment voucher - Finding #7)
2/3/2016	\$30.15	Check	2/4/2016	05100410.409514	3/15/2016	

2/12/2016	\$63.58	Check	2/16/2016	05100410.409514	3/15/2016	Appears to be refund for Sam's Place (Finding #1a) although credit card charge was \$63.24
2/16/2016	\$131.21	Check	2/17/2016	05100410.409514	3/15/2016	Appears to be refund for 2 Jonathan's Grill (4/17/2014 - \$30.05 -Finding #1a and 9/18/2014 - \$30.97 Finding #1b) and 2 Dalts American Grill (5/21/2015 - \$31.29 and 9/17/2015 - \$38.90 - Finding #1b)
2/18/2016	\$79.68	Check	2/22/2016	05100410.409514	3/15/2016	Appears to be refund for Dalt's American Grill (10/15/15 - \$63.58 - Finding #1b) and Kroger (12/16/2014 - \$16.10 Finding #2)
3/15/2016	\$ 129.64	Check		05100410.409514	3/31/2016	Miscellaneous Personal Items purchased from Kroger
	\$107.96			05100410.409514	3/31/2016	Miscellaneous Personal Items
Total	\$ 726.79					

Based on reimbursements paid thus far, the balance outstanding for Cardholder E as of date is as shown below:

	<u>Amount</u>
Cardholder E	\$2,374.88
Amount Reimbursed	\$726.79
Remaining Balance Due	\$1,648.09

OFA further recommends the DCEC make effort to collect the outstanding balances as deemed reasonably possible.

Table 1 - Improper use of the Metro Credit Card for non-business (personal) transactions.

ACC.Account Name	MCH.Merchant Name	FIN.Transaction Date	FIN.Posting Date	FIN.Transaction Amount
a. Unsupported Charges for Meals				
CARDHOLDER E	CATIA EATERIES	09/29/2015	09/30/2015	4.81
CARDHOLDER E	CATIA EATERIES	10/13/2015	10/14/2015	8.74
CARDHOLDER E	CATIA EATERIES	11/02/2015	11/03/2015	8.74
CARDHOLDER E	DARFONS	04/11/2014	04/14/2014	16.11
CARDHOLDER E	DARFONS	04/16/2014	04/17/2014	30.67
CARDHOLDER E	DARFONS	05/28/2014	05/29/2014	26.94
CARDHOLDER E	DARFONS	06/17/2014	06/18/2014	28.04
CARDHOLDER E	DARFONS	09/25/2014	09/26/2014	29.94
CARDHOLDER E	DARFONS	11/17/2014	11/18/2014	33.37
CARDHOLDER E	DARFONS	12/03/2014	12/04/2014	11.74
CARDHOLDER E	DARFONS	12/08/2014	12/09/2014	26.94
CARDHOLDER E	DARFONS	12/18/2014	12/19/2014	27.49
CARDHOLDER E	DARFONS	01/09/2015	01/12/2015	35.59
CARDHOLDER E	DARFONS	02/11/2015	02/12/2015	30.22
CARDHOLDER E	DARFONS	04/06/2015	04/07/2015	20.93
CARDHOLDER E	DARFONS	07/13/2015	07/14/2015	33.41
CARDHOLDER E	DARFONS	08/20/2015	08/21/2015	22.48
CARDHOLDER E	DARFONS	09/22/2015	09/23/2015	25.17
CARDHOLDER E	DARFONS	10/08/2015	10/09/2015	29.04
CARDHOLDER E	DARFONS	11/05/2015	11/06/2015	11.74
CARDHOLDER E	DARFONS	11/18/2015	11/19/2015	33.41
CARDHOLDER E	JONATHAN'S GRILL	04/17/2014	04/21/2014	30.05
CARDHOLDER E	KRISPY KREME DOUGH	07/25/2015	07/27/2015	35.11

CARDHOLDER E	KRISPY KREME DOUGH	08/01/2015	08/03/2015	18.75
CARDHOLDER E	SAMS PLACE	10/20/2015	10/22/2015	63.24
CARDHOLDER E	SPERRYS RESTAURANT	06/30/2015	07/03/2015	123.24
				\$ 765.91
b. Charges for Luncheon/Dinner with Organizations with Political Affiliations				
CARDHOLDER A	PAYPAL	11/26/2013	11/27/2013	30.00
CARDHOLDER E	PAYPAL NRWC	05/07/2014	05/08/2014	105.00
CARDHOLDER E	PAYPAL NRWC	09/04/2014	09/05/2014	48.00
CARDHOLDER E	PAYPAL NRWC	09/04/2014	09/05/2014	48.00
CARDHOLDER E	PAYPAL NRWC	01/07/2015	01/08/2015	25.00
CARDHOLDER E	PAYPAL NRWC	04/22/2015	04/23/2015	32.00
CARDHOLDER E	DALTS AMERICAN GRILL	05/21/2015	05/25/2015	31.29
CARDHOLDER E	DALTS AMERICAN GRILL	09/17/2015	09/21/2015	38.90
CARDHOLDER E	DALTS AMERICAN GRILL	10/15/2015	10/19/2015	63.58
CARDHOLDER E	JONATHAN'S GRILL	09/18/2014	09/22/2014	30.97
				\$ 452.74
c. Unallowable Purchases from Department Stores				
CARDHOLDER E	APPLE STORE #R123	06/17/2015	06/19/2015	141.92
CARDHOLDER E	KATYS HALLMARK	12/03/2015	12/04/2015	49.16
CARDHOLDER E	KMART 3084	12/08/2014	12/10/2014	24.87
CARDHOLDER E	KMART 3084	06/26/2015	06/29/2015	13.19
CARDHOLDER E	MICHAELS STORES 9607	10/28/2014	10/29/2014	6.54
CARDHOLDER E	TJMAXX #0115	09/13/2014	09/15/2014	148.51
				\$ 384.19

Table 2 - Improperly purchased personal items while making legitimate business transactions.

ACC.Account Name	MCH.Merchant Name	FIN.Transaction Date	FIN.Posting Date	FIN.Transaction Amount	Amount of Personal Items
CARDHOLDER C	KROGER #511	07/31/2012	07/31/2012	\$ 44.56	\$ 26.69
CARDHOLDER C	KROGER #511	08/01/2012	08/01/2012	\$ 43.71	\$ 11.41
CARDHOLDER C	KROGER #511	11/02/2012	11/04/2012	\$ 70.87	\$ 70.87
CARDHOLDER C	KROGER #526	11/18/2012	11/19/2012	\$ 39.92	\$ 25.94
					\$ 134.91
CARDHOLDER E	KROGER #542	09/12/2014	09/15/2014	\$ 40.55	\$ 31.14
CARDHOLDER E	KROGER #542	10/14/2014	10/15/2014	\$ 210.98	\$ 37.35
CARDHOLDER E	KROGER #542	11/17/2014	11/18/2014	\$ 9.25	\$ 5.48
CARDHOLDER E	KROGER #542	12/03/2014	12/04/2014	\$ 120.95	\$ 76.83
CARDHOLDER E	KROGER #542	12/16/2014	12/17/2014	\$ 16.10	\$ 11.75
CARDHOLDER E	KROGER #542	12/31/2014	01/02/2015	\$ 34.92	\$ 31.96
CARDHOLDER E	KROGER #542	02/24/2015	02/25/2015	\$ 93.07	\$ 71.93
CARDHOLDER E	KROGER #542	04/22/2015	04/23/2015	\$ 72.45	\$ 51.07
CARDHOLDER E	KROGER #542	06/16/2015	06/17/2015	\$ 183.74	\$ 52.40
CARDHOLDER E	KROGER #542	07/06/2015	07/07/2015	\$ 221.30	\$ 57.91
CARDHOLDER E	KROGER #542	07/21/2015	07/22/2015	\$ 63.31	\$ 57.95
CARDHOLDER E	KROGER #542	08/26/2015	08/27/2015	\$ 183.27	\$ 168.01
					\$ 653.78
CARDHOLDER B	KROGER #542	11/04/2012	11/05/2012	\$ 10.43	\$ 9.70
					\$ 9.70

Table 3 - Failed to adequately document the transactions business purpose.

ACC.Account Name	MCH.Merchant Name	FIN.Transaction Date	FIN.Posting Date	FIN.Transaction Amount
CARDHOLDER C	SUBWAY 00117598	07/31/2012	07/31/2012	\$100.00
CARDHOLDER C	KRISPY KREME DOUGH	08/02/2012	08/02/2012	\$17.46
CARDHOLDER C	WHITTS BARBECUE	08/02/2012	08/02/2012	\$257.80
CARDHOLDER B	JET'S PIZZA WEST END	10/08/2012	10/09/2012	\$88.62
CARDHOLDER C	SUBWAY 00117598	10/30/2012	11/01/2012	\$125.00
CARDHOLDER B	JERSEY MIKES SUBS#4004B	11/01/2012	11/02/2012	\$86.89
CARDHOLDER C	DEMOS RESTAURANT 2	11/06/2012	11/08/2012	\$288.00
CARDHOLDER C	MICHAELS #9808	03/19/2013	03/21/2013	\$31.98
CARDHOLDER D	SUBWAY 00036236	09/28/2013	09/30/2013	93.60
CARDHOLDER D	KROGER #574	01/08/2014	01/09/2014	215.79
CARDHOLDER E	KROGER #574	01/29/2014	01/30/2014	72.93
CARDHOLDER E	PIZZA HUT	01/31/2014	02/03/2014	72.49
CARDHOLDER E	PIZZA HUT	03/06/2014	03/10/2014	140.43
CARDHOLDER E	DUNKIN #346212 Q35	04/12/2014	04/14/2014	39.28
CARDHOLDER E	DUNKIN #346212 Q35	04/19/2014	04/21/2014	34.92
CARDHOLDER E	DUNKIN #346212 Q35	04/26/2014	04/28/2014	34.92
CARDHOLDER D	PIZZA HUT	04/29/2014	05/01/2014	74.45
CARDHOLDER E	JERSEY MIKES SUBS #QPS	05/01/2014	05/02/2014	35.84
CARDHOLDER D	SUBWAY 03108883	05/04/2014	05/06/2014	53.56
CARDHOLDER E	WHITTS BARBECUE	05/12/2014	05/14/2014	135.85
CARDHOLDER E	WHITTS BARBECUE	07/09/2014	07/11/2014	170.98
CARDHOLDER D	JERSEY MIKES SUBS #QPS	08/02/2014	08/04/2014	38.75
CARDHOLDER E	PAPA JOHN'S #00085	08/23/2014	08/25/2014	88.50
CARDHOLDER D	PAPA JOHN'S #00076	10/30/2014	11/03/2014	22.00
CARDHOLDER E	PAPA JOHN'S #00085	11/05/2014	11/06/2014	139.50

CARDHOLDER E	MOES SOUTHWEST GRILL13	03/25/2015	03/26/2015	205.96
CARDHOLDER E	MOES SOUTHWEST GRILL13	03/25/2015	03/26/2015	241.40
CARDHOLDER E	MOES SOUTHWEST GRILL13	03/26/2015	03/27/2015	150.48
CARDHOLDER E	MOES SOUTHWESTGRILL 73	04/28/2015	04/29/2015	214.32
CARDHOLDER E	WHITTS BARBECUE	05/27/2015	05/29/2015	213.21
CARDHOLDER D	THE UPS STORE 3196	06/10/2015	06/11/2015	177.44
CARDHOLDER E	WHITTS BARBECUE	08/18/2015	08/20/2015	171.20
CARDHOLDER E	WHITTS BARBECUE	09/07/2015	09/08/2015	176.28
CARDHOLDER E	JASON'S DELI -WSE	09/08/2015	09/09/2015	186.86
CARDHOLDER E	JASON'S DELI -WSE	09/08/2015	09/09/2015	249.97
CARDHOLDER E	JASON'S DELI -WSE	10/15/2015	10/19/2015	227.97
CARDHOLDER E	MOES SOUTHWEST GRILL13	10/15/2015	10/16/2015	210.97
CARDHOLDER E	MOES SOUTHWEST GRILL13	10/15/2015	10/16/2015	233.07
CARDHOLDER E	WHITTS BARBECUE	10/28/2015	10/30/2015	190.42
CARDHOLDER D	OFFICE DEPOT #1214	04/03/2015	04/06/2015	299.72

Table 4 - Legitimate business but potentially wasteful

ACC.Account Name	MCH.Merchant Name	FIN.Transaction Date	FIN.Posting Date	FIN.Transaction Amount
CARDHOLDER E	BENNETT GALLERIES - FR	10/27/2014	10/28/2014	140.89
CARDHOLDER E	BENNETT GALLERIES - FR	07/31/2015	08/03/2015	614.67
CARDHOLDER E	FEDEXOFFICE 00021931	09/03/2015	09/04/2015	14.19
CARDHOLDER D	FEDEXOFFICE 00021931	08/18/2015	08/19/2015	53.70
CARDHOLDER D	G.S. DIRECT, INC.	01/12/2015	01/14/2015	34.15
CARDHOLDER B	OFFICE DEPOT #22	10/11/2012	10/14/2012	\$199.99
CARDHOLDER B	OFFICE DEPOT #22	10/17/2012	10/19/2012	\$33.98
CARDHOLDER E	OFFICE DEPOT #22	10/10/2015	10/12/2015	72.48
CARDHOLDER E	OFFICE DEPOT #2260	09/22/2014	09/23/2014	63.34
CARDHOLDER E	OFFICE DEPOT #250	09/13/2014	09/15/2014	59.17
CARDHOLDER D	STAPLES 00106955	03/13/2014	03/14/2014	269.69
CARDHOLDER D	STAPLES 00106955	08/06/2014	08/07/2014	284.55
CARDHOLDER D	STAPLES 00106955	09/23/2014	09/24/2014	151.96
CARDHOLDER B	STAPLES 00115394	10/01/2012	10/03/2012	\$97.96
CARDHOLDER A	STAPLES 00115394	09/26/2012	09/28/2012	\$95.99
CARDHOLDER D	STAPLES 00115394	06/24/2014	06/25/2014	110.00
CARDHOLDER D	STAPLES 00118141	04/22/2014	04/23/2014	169.80
CARDHOLDER E	USPS 47615502235803634	08/21/2015	08/24/2015	181.98
CARDHOLDER E	USPS 47615502235803634	12/08/2014	12/09/2014	49.00
CARDHOLDER E	USPS 47615502235803634	12/16/2014	12/17/2014	9.80
CARDHOLDER A	USPS 47615602035802727	12/27/2013	12/29/2013	\$299.00
CARDHOLDER D	USPS 47615602035802727	06/13/2014	06/16/2014	98.00
CARDHOLDER D	USPS 47615602035802727	11/25/2014	11/26/2014	449.03
CARDHOLDER D	USPS 47615602035802727	01/15/2015	01/16/2015	49.00
CARDHOLDER E	USPS 47615602035802727	06/30/2015	07/01/2015	1,225.00

CARDHOLDER E	USPS 47615602035802727	08/14/2015	08/17/2015	1,058.40
CARDHOLDER D	USPS 47615602035802727	10/30/2014	10/31/2014	1.19
CARDHOLDER D	USPS 47615602035802727	10/24/2013	10/25/2013	44.00
CARDHOLDER D	USPS 47615695525800004	02/09/2015	02/10/2015	49.00
CARDHOLDER D	USPS 47615695525800004	07/27/2015	07/28/2015	21.95
CARDHOLDER D	USPS 47615695525800004	10/23/2014	10/24/2014	5.60
CARDHOLDER D	USPS 47615695525800004	10/30/2014	10/31/2014	5.75
CARDHOLDER E	USPS 47616002135803220	12/03/2015	12/04/2015	23.52
CARDHOLDER D	USPS476156955225703083	03/28/2014	03/31/2014	7.00
CARDHOLDER D	USPS476156955225703083	03/28/2014	03/31/2014	38.50
CARDHOLDER D	USPS476156955225703083	03/28/2014	03/31/2014	49.40
CARDHOLDER D	USPS476156955225703083	03/28/2014	03/31/2014	49.40
CARDHOLDER D	USPS476156955225703083	03/28/2014	03/31/2014	37.05
CARDHOLDER D	USPS476156955225703083	06/27/2014	06/30/2014	39.20

Table 5 - Improperly paid sales tax.

ACC.Account Name	MCH.Merchant Name	FIN.Transaction Date	FIN.Posting Date	FIN.Transaction Amount	Sales Tax Amount
CARDHOLDER E	AMAZON.COM	11/13/2015	11/16/2015	49.05	8.8
CARDHOLDER E	AMAZON.COM AMZN.COM/BI	11/15/2015	11/16/2015	171.24	7.68
CARDHOLDER E	AMAZON.COM AMZN.COM/BI	11/18/2015	11/19/2015	90.61	4.16
CARDHOLDER E	AMAZON.COM AMZN.COM/BI	12/03/2015	12/04/2015	103.60	14.49
CARDHOLDER B	THE HOME DEPOT 732	11/03/2012	11/05/2012	\$116.58	9.87
CARDHOLDER B	KROGER #542	11/04/2012	11/05/2012	\$10.43	0.73
CARDHOLDER E	REGAL AUTOWASH XXIV N	03/06/2014	03/07/2014	175.02	14.02
CARDHOLDER E	DUNKIN #346212 Q35	04/26/2014	04/28/2014	34.92	2.96
CARDHOLDER E	KROGER #542	04/26/2014	04/28/2014	47.49	3.21
CARDHOLDER E	KROGER #542	06/24/2014	06/25/2014	92.66	6.26
CARDHOLDER E	MCDONALD'S F2994	08/05/2014	08/07/2014	92.41	7.82
CARDHOLDER E	KROGER #542	10/14/2014	10/15/2014	210.98	16.77
CARDHOLDER E	DEALS 4629 00046292	10/25/2014	10/27/2014	76.48	6.48
CARDHOLDER E	KRISPY KREME DOUGH	11/02/2014	11/04/2014	51.48	4.36
CARDHOLDER E	KROGER #542	11/17/2014	11/18/2014	9.25	0.78
CARDHOLDER E	KROGER #542	02/24/2015	02/25/2015	93.07	7.65
CARDHOLDER E	KRISPY KREME DOUGH	07/18/2015	07/20/2015	26.93	2.28
CARDHOLDER E	KRISPY KREME DOUGH	07/25/2015	07/27/2015	35.11	2.97
CARDHOLDER E	KRISPY KREME DOUGH	08/22/2015	08/24/2015	35.11	2.97
CARDHOLDER E	KRISPY KREME DOUGH	09/02/2015	09/03/2015	49.10	4.16
CARDHOLDER E	KRISPY KREME DOUGH	09/04/2015	09/07/2015	51.48	4.36
CARDHOLDER E	KRISPY KREME DOUGH	09/05/2015	09/07/2015	51.48	4.36
CARDHOLDER E	KROGER #542	11/19/2015	11/20/2015	76.89	6.36

CARDHOLDER C	KRISPY KREME DOUGH	08/02/2012	08/02/2012	\$17.46	1.48
CARDHOLDER E	DUNKIN #346212 Q35	04/12/2014	04/14/2014	39.28	3.33
CARDHOLDER E	DUNKIN #346212 Q35	04/19/2014	04/21/2014	34.92	2.96
CARDHOLDER E	THE HOME DEPOT 733	01/16/2015	01/19/2015	43.67	3.7
CARDHOLDER B	JET'S PIZZA WEST END	10/08/2012	10/09/2012	\$88.62	6.66
CARDHOLDER E	TJMAXX #0115	09/13/2014	09/15/2014	148.51	12.57
CARDHOLDER E	MICHAELS STORES 9607	10/28/2014	10/29/2014	6.54	0.55
CARDHOLDER E	JERSEY MIKES SUBS #QPS	05/01/2014	05/02/2014	35.84	3.03
CARDHOLDER E	KROGER #542	09/12/2014	09/15/2014	40.55	3.43
CARDHOLDER E	KMART 3084	12/08/2014	12/10/2014	24.87	2.11
CARDHOLDER E	KROGER #542	12/16/2014	12/17/2014	16.10	1.36
CARDHOLDER E	KROGER #542	12/31/2014	01/02/2015	34.92	2.96
CARDHOLDER E	KROGER #542	04/22/2015	04/23/2015	72.45	5.93
CARDHOLDER E	APPLE STORE #R123	06/17/2015	06/19/2015	141.92	12.02
CARDHOLDER E	KMART 3084	06/26/2015	06/29/2015	13.19	1.12
CARDHOLDER E	KROGER #542	07/21/2015	07/22/2015	63.31	5.36
CARDHOLDER E	KROGER #542	08/26/2015	08/27/2015	183.27	15.26
CARDHOLDER E	CATIA EATERIES	10/13/2015	10/14/2015	8.74	0.74
CARDHOLDER E	CATIA EATERIES	11/02/2015	11/03/2015	8.74	0.74
CARDHOLDER E	KATYS HALLMARK	12/03/2015	12/04/2015	49.16	4.16
CARDHOLDER E	DUNKIN #346212 Q35	07/12/2014	07/14/2014	36.76	3.11
CARDHOLDER E	OFFICE DEPOT #250	09/13/2014	09/15/2014	59.17	5.01
CARDHOLDER E	OFFICE DEPOT #2260	09/22/2014	09/23/2014	63.34	5.36
CARDHOLDER E	KRISPY KREME DOUGH	10/18/2014	10/20/2014	45.04	3.82
CARDHOLDER E	BENNETT GALLERIES - FR	10/27/2014	10/28/2014	140.89	11.93
CARDHOLDER E	KRISPY KREME DOUGH	05/05/2015	05/08/2015	63.78	5.4
CARDHOLDER E	BENNETT GALLERIES - FR	07/31/2015	08/03/2015	614.67	52.04
CARDHOLDER E	FEDEXOFFICE 00021931	09/03/2015	09/04/2015	14.19	1.2
CARDHOLDER E	OFFICE DEPOT #22	10/10/2015	10/12/2015	72.48	6.14
CARDHOLDER B	LOWES #00629	10/09/2012	10/11/2012	50.16	4.25

CARDHOLDER E	KROGER #542	11/03/2014	11/04/2014	16.26	1.1
CARDHOLDER E	KRISPY KREME DOUGH	08/01/2015	08/03/2015	18.75	1.59
CARDHOLDER E	KROGER #542	09/09/2015	09/10/2015	417.04	28.81
CARDHOLDER E	KROGER #542	12/08/2015	12/09/2015	81.35	6.89
CARDHOLDER E	KROGER #542	05/01/2014	05/02/2014	253.28	21.29
CARDHOLDER E	KROGER #542	01/06/2016	01/07/2016	116.03	7.84
CARDHOLDER E	KROGER #542	07/06/2015	07/07/2015	221.30	15.83

TABLE 6 – Missing supporting documentation.

ACC.Account Name	MCH.Merchant Name	FIN.Transaction Date	FIN.Posting Date	FIN.Transaction Amount
CARDHOLDER B	JERSEY MIKES SUBS#4004B	07/28/2012	07/28/2012	\$52.66
CARDHOLDER E	OVATION AWARDS & ENGRA	01/29/2014	01/31/2014	37.00
CARDHOLDER C	DOMINO'S 5422	08/02/2012	08/02/2012	\$24.50
CARDHOLDER B	THE HOME DEPOT 732	10/15/2012	10/17/2012	\$42.51
CARDHOLDER A	S & S FRAMING	08/02/2013	08/04/2013	\$25.00
CARDHOLDER D	JERSEY MIKE'S SUBS 40	08/01/2015	08/03/2015	53.50
CARDHOLDER D	THE HOME DEPOT 733	08/05/2015	08/07/2015	48.80
CARDHOLDER D	LOWES #02725	08/22/2015	08/24/2015	9.96
CARDHOLDER D	JERSEY MIKE'S SUBS 400	09/05/2015	09/07/2015	64.14
CARDHOLDER E	SAMS INTERNET	05/06/2015	05/08/2015	45.00

TABLE 7 – Missing cardholder’s signature.

ACC.Account Name	MCH.Merchant Name	FIN.Transaction Date	FIN.Posting Date	FIN.Transaction Amount
CARDHOLDER C	THE HOME DEPOT 732	07/30/2012	07/30/2012	\$34.50
CARDHOLDER C	THE HOME DEPOT 732	08/01/2012	08/01/2012	\$34.50
CARDHOLDER B	THE HOME DEPOT 732	11/03/2012	11/05/2012	\$116.58
CARDHOLDER C	KROGER #526	11/12/2012	11/13/2012	\$28.66
CARDHOLDER C	SUBWAY 00117598	11/12/2012	11/14/2012	\$75.00
CARDHOLDER C	CRACKER BARREL #530 BRENT	11/13/2012	11/14/2012	\$31.98
CARDHOLDER C	KROGER #526	11/18/2012	11/19/2012	\$3.69
CARDHOLDER C	SUBWAY 00117598	11/19/2012	11/21/2012	\$65.00
CARDHOLDER A	HOSSE & HOSSE SAFE & LOCK	04/25/2013	04/28/2013	\$22.94
CARDHOLDER C	S & S FRAMING	04/26/2013	04/28/2013	\$35.75
CARDHOLDER A	HOSSE & HOSSE SAFE & LOCK	04/30/2013	05/02/2013	(\$1.94)
CARDHOLDER D	APPLEBEES 819997881999	06/17/2013	06/19/2013	57.22
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/19/2013	06/20/2013	275.68
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	-19.68
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	39.33
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	326.19
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	326.19
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	326.19
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	326.19
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS	06/20/2013	06/21/2013	326.19

	DT			
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	326.19
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	326.19
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	365.52
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/20/2013	06/21/2013	385.20
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/24/2013	06/25/2013	-13.12
CARDHOLDER D	MARRIOTT 337U3 MEMPHIS DT	06/24/2013	06/25/2013	217.46
CARDHOLDER E	OVATION AWARDS & ENGRA	01/27/2014	01/29/2014	118.00
CARDHOLDER E	REGAL AUTOWASH XXIV N	03/06/2014	03/07/2014	175.02
CARDHOLDER D	THE HOME DEPOT 733	04/09/2014	04/11/2014	95.28
CARDHOLDER D	THE HOME DEPOT 733	04/09/2014	04/11/2014	368.88
CARDHOLDER E	BEST BUY 00010645	04/24/2014	04/25/2014	899.99
CARDHOLDER E	KROGER #542	04/26/2014	04/28/2014	47.49
CARDHOLDER E	KROGER #542	05/01/2014	05/02/2014	253.28
CARDHOLDER D	THE HOME DEPOT 733	05/03/2014	05/05/2014	325.29
CARDHOLDER D	WHITT'S BARBECUE	05/06/2014	05/08/2014	104.57
CARDHOLDER D	WHITT'S BARBECUE	05/06/2014	05/08/2014	223.63
CARDHOLDER E	WHITTS BARBECUE	06/06/2014	06/09/2014	272.44
CARDHOLDER D	PIZZA HUT	06/10/2014	06/12/2014	52.49
CARDHOLDER E	KROGER #542	06/24/2014	06/25/2014	92.66
CARDHOLDER E	MCDONALD'S F2994	08/05/2014	08/07/2014	92.41
CARDHOLDER E	WHITTS BARBECUE	08/07/2014	08/11/2014	263.56
CARDHOLDER E	WHITTS BARBECUE	09/17/2014	09/19/2014	228.89
CARDHOLDER E	WHITTS BARBECUE	09/19/2014	09/22/2014	17.13
CARDHOLDER E	WHITTS BARBECUE	09/19/2014	09/22/2014	79.09

CARDHOLDER D	THE HOME DEPOT 733	10/23/2014	10/27/2014	20.41
CARDHOLDER D	THE HOME DEPOT 733	10/28/2014	10/30/2014	119.88
CARDHOLDER E	JASON'S DELI -WSE	11/02/2014	11/04/2014	249.00
CARDHOLDER D	GOODLETTSVILLE AREA CH	03/17/2015	03/18/2015	13.00
CARDHOLDER D	CABLE FOUNDATION	03/19/2015	03/20/2015	100.00
CARDHOLDER D	THE HOME DEPOT 732	03/31/2015	04/02/2015	62.10
CARDHOLDER D	HOMEDEPOT.COM	04/01/2015	04/03/2015	356.40
CARDHOLDER D	THE HOME DEPOT 732	04/01/2015	04/03/2015	-20.70
CARDHOLDER E	BELLVUE CHAMBER	05/07/2015	05/11/2015	125.00
CARDHOLDER D	THE HOME DEPOT 733	07/18/2015	07/20/2015	48.80
CARDHOLDER E	JASON'S DELI -WSE	08/04/2015	08/05/2015	236.98
CARDHOLDER E	JET'S PIZZA	08/04/2015	08/05/2015	65.31
CARDHOLDER E	MOES SOUTHWEST GRILL13	08/07/2015	08/10/2015	239.07
CARDHOLDER E	MOES SOUTHWEST GRILL13	08/07/2015	08/10/2015	247.32
CARDHOLDER E	MOES SOUTHWEST GRILL13	08/07/2015	08/10/2015	249.57
CARDHOLDER D	THE HOME DEPOT 732	08/24/2015	08/26/2015	17.48
CARDHOLDER E	YOUNG LEADERS COUNCIL	09/03/2015	09/04/2015	475.00
CARDHOLDER E	PAPA JOHN'S #00085	09/09/2015	09/10/2015	53.25
CARDHOLDER E	JASON'S DELI -WSE	09/10/2015	09/11/2015	86.99
CARDHOLDER E	SICILIAN PIZZA AND PAS	11/23/2015	11/24/2015	182.65
CARDHOLDER E	MOES SOUTHWEST GRILL13	12/11/2015	12/14/2015	155.97
CARDHOLDER E	MOES SOUTHWEST GRILL13	12/11/2015	12/14/2015	182.97

TABLE 8 - Other non-credit card issues.

Invoice Number	Invoice Submitted by	Invoice Date	Amount
INV 120814-1	CARDHOLDER E	12/8/2014	5.28
INV 1522061	CARDHOLDER E	06/23/2015	29.00
INV 022414-KW	CARDHOLDER E	2/24/2014	97.91
INV 4987	CARDHOLDER E	12/6/2013	16.07
Total			\$ 148.26