NORTH CAROLINA
State Board of Elections & Ethics Enforcement

Mailing Address:
P.O. Box 27255
Raleigh, NC 27611-7255

Phone: (919) 733-7173
Fax: (919) 715-0135

Audit Memorandum

Auditor	Joe Patton
Committee Name	John Bell Committee
Date	3/1/2019

Mark One	**Reason for Audit**
X	Statutorily required
	As a result of a filed complaint
	Bank audit
	Requested by Committee
	Other (*specify*)

Reports included in audit:

- 2015 Mid-Year, Year-End Reports
- 2016 First, Second, third and Fourth Qtr. Reports
- 2017 Mid-Year, Year-End Reports
- 2018 First, Second, third and Fourth Qtr. Reports

The audit of reports covers three areas, Prohibited Transactions, Reporting Errors and Informational Items. All items that are checked during the audit are included in one of these areas. Issues identified during the audit are noted below.

Prohibited Transactions

Reports are checked for all of the following prohibited transactions. The 'present' column is marked Y or N depending on whether an item was found on the covered reports. If a particular type of prohibition is found information regarding the resolution will be given in the Audit Conclusion at the end of this memorandum.

	Prohibited Transaction	**Present**	**Resolution**
1	Business contribution	N	
2	Cash contribution over $50	Y	It was a reporting error which was corrected with amendment.
3	Aggregate contributions in excess of $50	N	
4	Anonymous contribution	N	
5	Contribution in excess of the maximum limit	Y	See below
6	Contribution from non-registered committee	Y	See below
7	Cash expense over $50	N	
8	Media expense in cash	N	
9	Contributions from lobbyists	N	

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10	Contributions from PACs with a registered lobbyist, made during Legislative Session (NC Senate, NC House, Council of State only)	N	

Reporting Errors

Reports are checked for the following reporting errors. Dependent on the extent of the error, amended reports may be required. The 'present' column is marked Y or N depending on whether an error was found on the covered reports. If a particular error is found, information regarding the resolution will be given.

	Reporting Error	Present	Resolution
11	Mathematical errors in totals/balances	Y	Corrected with amendments
12	Transaction omissions (cross audit items etc.)	Y	See below
13	Expense purposes are not complete	Y	See below
14	Expense purposes are not justified under G.S. 163-278.16B (candidates only)	N	
15	48 Hour Notice was not filed	N	
16	Information on 48 Hour Notice was not included on subsequent report	N	
17	Joint contributions were reported	N	
18	Occupation information missing	N	
19	Addresses missing	N	
20	Dates missing	N	
21	Forgiven Loan statement missing	N	
22	Refunds are missing the original date and/or amount	N	

Informational Items

The following issues may appear on reports, but are deemed minor and do not require reports to be amended. The committee must be advised of these items however, so that errors do not occur on future reports.

	Informational Item	Present	How to Report on Future Reports
23	Election Cycle totals are incorrect or missing	N	Correct Election Cycle totals must be recorded on future reports. This column shows an accumulation of totals from report to report, through the entire Election Cycle
24	Sum to date totals incorrect or missing	N	The sum to date contains an accumulation of contributions made over a Primary Election period or a General Election period
25	Loan Proceed Statement missing	N	Each Loan Proceed must be accompanied by a signed Loan Proceeds statement. This is only required to be filed once, with the report that the Loan Proceed is recorded on.
26	Bank account code missing	N	Each transaction listed on a report must include the code for the bank account that the receipt was deposited to or the expense was made from
27	Page totals missing	N	A correct page total helps to determine if overall totals and balances are correct, or

			helps to identify issues with totals and balances.
28	Expense purpose code missing	N	The expense purpose code helps to determine which category an expense falls into. If no code is present, the required remarks field must be completed
29	Transactions on the wrong forms	N	All transactions must be included on correct forms for future filings. The forms instructions on the website will help to determine which forms are needed
30	In-Kind Contribution entry is missing one side of the transaction	N	In-Kind contributions must be reported on both receipts and expenses, so that the balance is not affected
31	Outstanding Loans are missing	N	All outstanding loans must be recorded on each report filed, until the loan is either repaid or forgiven

Contacts made with Committee:

- Phone call 11/19/2018
- Email sent 11/27/2018
- Email received 11/27/2018
- Email sent 11/28/2018
- Email received 11/28/2018
- Email sent 11/28/2018
- Phone call 11/29/2018
- Email sent 12/20/2018
- Email received 12/20/2018
- Email sent 12/20/2018
- Email sent 1/23/2019
- Email received 1/24/2019
- Email sent 1/24/2019
- Email received 1/24/2019
- Email sent 1/24/2019
- Phone call 1/25/2019
- Email received 1/25/2019
- Email sent 1/29/2019
- Email sent 1/31/2019
- Email received 1/31/2019
- Email sent 1/31/2019
- Email received 1/31/2019
- Phone call 2/1/2019
- Email sent 2/1/2019
- Email received 2/1/2019
- Email received 2/1/2019
- Email sent 2/4/2019
- Email received 2/6/2019
- Email sent 2/06/2019
- Phone call 2/8/2019
- Email received 2/9/2019

- Phone call 2/11/2019
- Email sent 2/14/2019
- Email sent 2/26/2019
- Email sent 3/1/2019
- Email received 3/1/2019

Audit Conclusion

5. There were three contributors that were over the contribution limit.

Elaine Wordsworth	5/9/2018	$2,000.00
Elaine Wordsworth	9/28/2018	$4,000.00
		$6,000.00 for 2018 General Election $800.00 over limit.
Steve Wordsworth	5/9/2018	$2,000.00
Steve Wordsworth	9/28/2018	$4,000.00
		$6,000.00 for 2018 General Election $800.00 over limit.
Thomas Seagrave	7/31/2017	$1,000.00
Thomas Seagrave	5/1/2018	$5,200.00
		$6,200.00 for 2018 Primary $1,000.00 over limit.

The excess has been forfeited to the NC Civil Penalty & Forfeiture Fund.

6. The committee received $500.00 from the Recreational Fishing Alliance which is not a registered PAC. This contribution was forfeited to the NC Civil Penalty & Forfeiture Fund.

12. The following PAC checks were not reported as being received on the original reports. The committee obtained bank records and filed amendments to correct these and other errors on their reports. The committee provided a December 2018 bank statement to show that their reports now reconciled with their bank statements.

9/23/2016	Altria Group	$500.00
9/16/2016	Carolina Auto Recyclers	$5,100.00
9/12/2016	Time Warner Cable	$750.00
9/22/2016	Federal Express	$5,000.00
9/152016	Nationwide Participation Fund	$2,000.00
9/12/2016	NC Advocates for Justice	$3,100.00
10/22/2017	NC Association of Electric Cooperatives	$5,200.00
7/24/2017	NC Dental PAC	$1,000.00
5/1/2018	NC Medical Society PAC	$1,000.00
9/16/2016	Reynolds American	$1,000.00
1/5/2015	United Health Group	$1,000.00
11/2/2017	Verizon	$500.00
		$26,150.00

The following expenses were duplicated on the original reports. They have since been corrected with the amendments.

3/4/2016	$1,000.00	Brenden Jones for NC House
2/19/2016	$1,000.00	Brenden Jones for NC House

3/1/2016	$1,000.00	Charles Jeter Committee
2/19/2016	$1,000.00	Charles Jeter Committee
10/21/2016	$1,000.00	Committee to Elect Jonathan Jordan
10/24/2016	$1,000.00	Committee to Elect Jonathan Jordan
3/01/2016	$1,000.00	Committee to Elect Larry Pittman
2/26/2016	$1,000.00	Committee to Elect Larry Pittman
3/1/2016	$500.00	Kyle Hall Committee
2/19/2016	$500.00	Kyle Hall Committee
3/3/2016	$1,000.00	Malone for NC House
2/26/2016	$1,000.00	Malone for NC House
3/7/2016	$1,000.00	Pat McCrory Committee
2/16/2016	$1,000.00	Pat McCrory Committee
10/24/2016	$20,000.00	NC Republican Party
10/21/2016	$20,000.00	NC Republican Party
4/24/2018	$1,300.00	Wayne Republican Party
4/20/2018	$1,300.00	Wayne Republican Party

13. There were 12 checks that were written to Salem Strategies that were incorrectly classified as salaries. On the amendments, these were changed to advertising expenses with a purpose of communications and social media.

The audit is complete though the 2018 4th Qtr. report.