

**STATE'S  
EXHIBIT No. 9**



**BOARD OF ELECTION COMMISSIONERS  
CITY OF ST. LOUIS, MISSOURI**

**From The Office Of State Auditor  
Claire McCaskill**

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**Report No. 2004-40  
May 26, 2004  
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**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

May 2004

**St. Louis Election Board could save thousands in cell phone costs and increase the accuracy of the voter registration files**

In response to the extensive problems in St. Louis during the November 2000 election, this audit evaluated policies and management practices of the St. Louis Board of Election Commissioners (BEC) in conducting elections and voter registration, and monitoring campaign finance reporting. The audit work covered three fiscal years (2001-2003) and determined if the board's policies followed the law. In responding to the audit, the BEC agreed with all recommendations and has already implemented or begun to implement them.

**Board could have saved \$140,000 in cell phone costs**

The BEC began issuing cell phones to election judges in 1999 and racked up nearly \$180,000 in charges over three fiscal years. But when the BEC did not track the phones, more than 100 ended up lost or stolen and the board incurred thousands of additional charges. A police investigation found the BEC's poor-record keeping made it impossible to tell who had the phones. In addition, auditors found the cell phone vendor overcharged the BEC by \$45,800 in trying to settle a \$317,000 outstanding bill. Overall auditors found several concerns with the cell phones including: (See page 5)

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- Bids were not obtained for any of the phone purchases.
- No detailed written contracts were established.
- The phones were not preprogrammed to limit calls to only the BEC office.
- No inventory listing was prepared.
- Adequate phone issuance and return procedures were not developed.
- BEC management failed to suspend service on phones following elections.

**Voter files included deceased persons, Illinois residents, and felons**

The BEC registers St. Louis voters and maintains the voter registration data. There were 249,346 voters as of April 2003 (194,060 were active voters and 55,286 were inactive voters). Auditors ran various computer matches to check the background of voters and found more than 24,000 questionable voters including: deceased persons, convicted felons, Illinois residents, voters who listed a city vacant lot as their addresses, and voters registered in other Missouri counties. Such computer matches can improve the integrity of the voter files and help St. Louis decrease its percentage of inactive voters (22 percent), which is nearly twice the national and statewide 12 percent average. (See page 10)

YELLOW SHEET

### **Campaign finance reporting requirements not always followed**

The BEC failed to monitor campaign finance issues, which included ensuring candidates and political action committees complied with reporting requirements. The BEC appeared to be unaware of several of the requirements. Because the BEC did not track compliance with campaign finance reporting, the BEC could not determine if candidates complied with the campaign finance requirements. Additionally, the BEC did not assess late filing fees. (See page 17)

### **Board did not bill or refund election costs on time**

The BEC estimates election costs, submits invoices of the estimated costs to the political subdivisions, calculates actual election costs, makes refunds, and requests additional payments. But the BEC failed to comply with at least one of the timing requirements in each of the 10 elections billed to other political subdivisions and failed to issue refunds timely in 7 of 7 instances when a refund was due. (See page 21)

### **Minimum required number of judges not always present at elections**

The BEC failed to ensure the statutory minimum number of election judges, who should represent each major political party equally, worked precinct tables during the three most recent elections. Auditors found the board should consider redrawing the precinct boundaries to reduce the number of precincts and decrease city-wide election costs. In addition, consolidating precincts could significantly reduce the number of voting machines and total cost of a new voting system when the BEC replaces the punch card system now in use. (See page 23)

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### **Board did not bid all purchases and properly monitor all expenditures**

The BEC failed to seek bids or retain bidding documentation for many purchases. Auditors noted the BEC failed to bid or retain bidding documentation on 9 of 19 purchases totaling \$23,225. Each purchase exceeded \$1,000. In addition, the BEC paid \$1,900 for food and drinks, including alcoholic beverages, for a reception to welcome new commissioners. This expenditure does not appear necessary or essential to the operation of the BEC. Also, the audit noted at least two payments authorized by the board that exceeded existing contract rates. (See page 26)

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BOARD OF ELECTION COMMISSIONERS  
CITY OF ST. LOUIS, MISSOURI

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**STATE AUDITOR'S REPORT**

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**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

Derio L. Gambaro, Chairman  
and  
Members of the Board of Election Commissioners  
City of St. Louis, MO 63101

We have audited the Board of Election Commissioners of the city of St. Louis. The scope of this audit included, but was not necessarily limited to, the years ended June 30, 2003, 2002, and 2001. The objectives of this audit were to:

1. Review compliance with certain legal provisions.
2. Review certain management practices.
3. Review election board policies and procedures related to the conduct of elections, voter registration, and campaign finance.

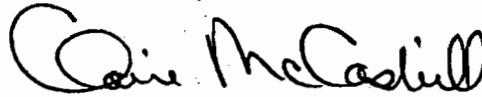
Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed minutes of meetings, written policies, financial records, and other pertinent documents and interviewed various personnel of the election board.

As part of our audit, we assessed the election board's management controls to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to management controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk. In order to assess control risk, we performed tests of controls to obtain evidence regarding the effectiveness of the design and operation of certain policies and procedures.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the election board's management and was not subjected to the procedures applied in the audit of the election board.

The accompanying Management Advisory Report presents our findings arising from our audit of the Board of Election Commissioners of the city of St. Louis.



Claire McCaskill  
State Auditor

October 16, 2003 (fieldwork completion date)

The following auditors participated in the preparation of this report:

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**MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS**

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BOARD OF ELECTION COMMISSIONERS  
CITY OF ST. LOUIS, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

<b>1.</b>	<b>Cellular Telephones</b>
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During the three years ended June 30, 2003, 2002, and 2001, the Board of Election Commissioners (BEC) paid nearly \$181,000 for cellular phone service for about 500 phones for election workers. The BEC did not seek bids for the phone services. The BEC did not enter into a detailed written contract setting forth the duties and responsibilities of the BEC and the vendor. The BEC failed to establish adequate physical controls and over 100 phones were lost or stolen. The BEC negotiated a settlement that included at least \$45,800 of questionable cellular telephone charges. We estimated the BEC could have acquired the necessary cellular telephone services for less than \$41,200, a saving of nearly \$140,000, if the BEC would have properly planned and controlled cellular telephone usage.

A. The BEC began issuing cellular telephones in 1999 to election judges in about 45 polling places that did not have a readily accessible telephone. Following the extensive problems during the November 2000 election, the BEC determined that a cellular telephone was to be issued to each precinct table, to roving election deputies, and to specialist judges. The phones were to be used by the election workers to contact the BEC central office regarding missing election judges, voting equipment, supplies and polling place problems, electioneering, and "inactive" voters. The BEC contacted the existing cell phone vendor and signed two standard cellular telephone order forms on January 11, 2001, for a total of 420 phones. The services for the original 45 phones were terminated. The cellular phones were provided at no charge. The monthly service cost for each phone was \$25. There was to be no charge for suspending (placing on "vacation") phone services between elections. We noted the following concerns:

- Bids were not obtained for any of the phone purchases.
- No detailed written contracts were established.
- It was not clear that the BEC could activate only the number of phones necessary for each election.
- The phones were not preprogrammed to limit calls to only the BEC office.
- No inventory listing was prepared.
- Adequate cellular phone issuance and return procedures were not developed.
- BEC management failed to place phones on "vacation" status after the elections.
- No formal procedures for notifying the phone company and law enforcement in case of loss or theft were developed.

During the first four months under the new agreement, two phones were stolen and over \$1,000 in charges were made using the stolen phones. The minutes of the BEC board meeting on April 3, 2001 indicated, "the (election) judges were not leaving (returning) the cellular phones and the Board may need to look into this matter." The BEC was aware of the serious lack of controls over the cellular phones and the potential significant costs related to lost and stolen phones. However, they failed to establish adequate physical controls, promptly notify the vendor to place the phones on vacation status following each election, and perform thorough reviews of the cellular phone bills to identify unauthorized use. It appears additional phones were lost or stolen following the February and March 2002 elections, resulting in over \$1,500 in unauthorized airtime charges.

In early September 2002, the BEC noted several phones were missing and a significant number of unauthorized calls had been made throughout August 2002. An internal investigation indicated about 60 cellular phones had been lost or stolen after the August 2002 election. On September 9, 2002, the BEC initiated a series of faxes to the vendor requesting the phones be placed "on vacation". The phones were not placed on vacation status as requested. Between August 7 and September 11, 2002, over \$11,600 in unauthorized airtime charges were incurred and it appears the charges were the responsibility of the BEC. Between September 11 and November 25, 2002, the lost and stolen phones incurred additional charges totaling \$32,634. The BEC contacted law enforcement to report the apparent theft. After an investigation by the St. Louis Police Department and the St. Louis Circuit Attorney's office, it was determined that the BEC records were not adequate to determine who had possession of the phones that made the unauthorized calls and it could not be determined who had stolen the phones from the BEC offices. No charges were ever filed.

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On October 28, 2002, the BEC entered into a one-year cell phone agreement with the same vendor for 80 replacement phones. Again no detailed written contract was used. Under this agreement the BEC, as indicated on the order form, was to pay \$25 per month for four months and a vacation charge of \$10 per month for 8 months for a total of \$14,400. The negotiated settlement for these phones was \$6,221 for three months of service. The vendor agreed to waive the remaining balance. Apparently the BEC only received 79 of the 80 phones.

In February 2003, the BEC contacted the phone company to request the phones be activated for the March election. From June 2001 through February 2003, the BEC had only made token payments to the vendor and the balance due on the February 2003 billing statement was over \$317,000. The vendor required payment of \$65,000 before the service would be activated. The vendor also prepared a listing of 100 missing or stolen phones that were to be permanently suspended. That listing included six phones that had been acquired in October 2002 and lost or stolen after the November 2002 election and 94 phones that had been acquired in January 2001.

Due to the significant overdue balances from October 2002 through June 2003, an employee of the vendor received the bills and held them for internal review. The BEC did not receive copies of the bills before entering settlement negotiations with the vendor. At our request the vendor provided the auditors with copies of the missing bills. The negotiated settlement was based in part upon charges for which the BEC never received or reviewed the actual billing statements. Prudent business practice would require the BEC to obtain and review supporting documentation before negotiating any settlement of disputed charges.

In March 2003, the BEC instituted new procedures over the issuance, collection, and storage of the cellular phones. The phones were preprogrammed so calls could only be made to key BEC office phones. The phones are distributed in the ballot boxes, a specific election judge must sign a tracking sheet, and the roving deputies must verify that the phone was received and the judge's signature is present on the correct form. The phones are to be returned and checked in by BEC personnel after the polls close. The phones are stored in a special cabinet which is locked at all times except when phones are issued for an election. As of May 30, 2003, a physical inventory indicated 386 cellular phones on hand of which five were broken and one was "locked" and not available for use. The cellular service agreements have now expired and the BEC is attempting to negotiate cellular phone services for future years.

- B. The BEC negotiated a settlement with the phone company for the cellular phone charges. The BEC had paid a total of \$104,874 from January 2001 through March 2003 for the cell phone services, and the phone company agreed to waive or credit over \$202,000 in access charges, airtime charges, and other charges arising from months in which no election was held and all late payment fees. The final settlement payment from the BEC of \$76,123 was issued on June 24, 2003. Our review found that the BEC paid over \$45,800 in charges inappropriately included in the settlement.

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The BEC had indicated that elections were held in February and June 2001 when in fact no elections were held in those months. Based upon the information provided by the BEC, the phone company erroneously included charges of \$7,818 for those months in the settlement agreement.

The phone company failed to place the phones on vacation as requested by the BEC on September 9, 2002. The settlement included \$32,634 in charges for phones that should not have been able to make any calls in the months of September and October 2002.

The settlement included at least \$5,348 in charges for phones in March and April 2003 that had been placed on permanent suspension by the phone company as of February 28, 2003.

We contacted the phone company about our concerns and the phone company readily agreed to refund \$45,848 to the BEC. It appears that \$44,324 of the refund should be paid over to the city treasury since the city provides funding to the BEC. The Board of Education should be refunded \$1,524 because they had been overcharged those cellular phone costs for the April 8, 2003 election.

- C. In January 2001, the BEC decided that for each election it would provide a cellular phone to each precinct table, to each team of roving deputies, to the special deputies, and to each specialist judge. To accomplish this they ordered 420 phones. We obtained the number of precincts, polling places, roving deputies, special deputies, and specialist judges required for each election in 2001, 2002 and 2003. It appears that one phone to be shared by all the precincts in a single polling place along with one phone for each specialist judge and one phone for each team of roving and special deputies would provide sufficient ready access to conduct necessary election related business. It appears that 250 phones would have met the BEC needs. If the BEC had only acquired 250 phones, they could have saved over \$4,250 for each election.

Since the BEC had obtained the phones at \$25 per month plus the required federal user service charge of \$.52 and it appears the BEC could have activated and paid for only the minimum number of phones necessary to conduct each election, we based our estimated minimum cost for cell phone services upon those assumptions. The following table indicates the minimum number of phones needed for each election and the estimated cost based upon our calculations.

<u>Election Date</u>	<u>Minimum # of Phones</u>	<u>Estimated Cost</u>
Jan. 24, 2001	103	\$2,629
Mar. 6, 2001	239	6,099
Apr. 3, 2001	241	6,150
Aug. 7, 2001	17	434
Dec. 11, 2001	60	1,531
Feb. 5, 2002	84	2,144
Mar. 5, 2002	19	485
Mar. 26, 2002	45	1,148
June 4, 2002	7	179
Aug. 6, 2002	196	5,002
Nov. 5, 2002	202	5,155
Mar. 4, 2003	200	5,104
Apr. 8, 2003	199	5,078
<b>Total Estimated Cost</b>		<b>\$41,138</b>

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We estimated that adequate cellular phone services could have been purchased for under \$41,200 rather than the \$181,000 the BEC paid for cellular phone services. The failure of the BEC to limit costs of cellular phones adversely affected not only the city treasury but also the state of Missouri and local political subdivisions

within the city, such as the Board of Education, that are required to reimburse the BEC for conducting elections.

**WE RECOMMEND** the BEC seek bids for future cellular phone services, enter into written contracts that clearly indicate the duties and responsibilities of the BEC and the vendor, develop specific written policies and procedures for physical control over the cellular phones and a thorough review of cellular phone bills by senior management. The BEC should consider reducing the number of cellular telephones issued. In addition, the BEC should refund \$1,524 to the Board of Education and deposit the remainder of the refund, \$44,324, into the city treasury.

### **AUDITEE'S RESPONSE**

*The BEC agrees with the recommendations contained in the Report and has taken steps to implement them. As the Report correctly points out, the prior contracts for cellular telephone service were entered into following the "extensive problems" the BEC encountered during the November 2000 election in communicating with the election workers at the various polling sites throughout the city, and were standard service order forms that did not specify the duties and responsibilities of the parties, particularly with respect to placing phones on "vacation" status after each election and charging the BEC only for phones actually used in an election (as opposed to all phones covered by the contracts). After those contracts expired, the BEC obtained bids for its current cellular service from three vendors and entered into a two-year contract with the lowest bidder. Pursuant to that contract:*

- i. *260 cellular telephones were provided to the BEC at no additional charge.*
- ii. *The BEC has access to a variety of business pool rate plans that "can be changed at any time upon request." This enables the BEC to utilize a rate plan that "fits" our needs on the day of an election, but switch to the least expensive rate plan during months in which there is no election. This flexibility will be especially beneficial for special elections (such as when a vacancy occurs on the Board of Aldermen), when the BEC may only need a dozen or so phones.*

*Moreover, the cellular phones delivered to the polling precincts for use by election day judges and supervisors are programmed so that they can only be used to contact specific departments at the BEC, which eliminates the possibility of someone using one of these phones inappropriately. Furthermore, as the Report correctly notes, in March, 2003, the BEC instituted new procedures covering the issuance, collection and storage of its cellular phones, as a result of which every cellular telephone used in the March and April, 2003 Municipal Elections and the February 3 Presidential Preference Primary Election was accounted for and is stored in a locked cabinet designated for that purpose. Senior management now reviews the monthly statements received from its cellular service provider to insure that they are accurate and that no phone has been used for non-BEC purposes.*

*Finally, the refund received from the prior cellular service provider was turned over to the City Treasurer and a voucher has been submitted to the Comptroller's Office to reimburse the Board of Education for its proportionate share thereof.*

*Although the BEC agrees with the recommendations contained in this section of the Report, it questions the suggestion that "one phone to be shared by all the precincts in a single polling place along with one phone for each specialist judge and one phone for each team of roving and special deputies would provide sufficient ready access to conduct election related business". Due to precinct consolidation, the question of how many cellular phones are sufficient on election day is probably moot. In our view, however, a cellular phone is needed in every voting precinct, rather than just one phone per polling site, and is consistent with the mandate contained in Paragraph XIV of the Consent Decree entered into with the U. S. Department of Justice in August, 2002 (the "Consent Decree").*

## **2. Voter Registration Matches**

The BEC is responsible for registering voters and maintaining the voter registration data in the city of St. Louis. The procedures used by the BEC to maintain voter registration data are not in writing nor have the procedures been consistently performed. We obtained the voter registration data as of April 8, 2003. There were 249,346 voters registered in the city of which 194,060 were active voters and the remaining 55,286 were inactive voters. We noted over 24,000 voters registered in the city that were either deceased, also registered in another jurisdiction, had been convicted of a felony, or were living at an address included on the city's vacant lot listing.

The BEC receives quarterly reports from the Secretary of State's office of voters in the city that may also be registered in another county, monthly reports from the Missouri Department of Health and Senior Services (DHSS) of persons who have died in the city of St. Louis, reports of felony convictions from the St. Louis Circuit Clerk's office, reports of incapacitated persons from the St. Louis Probate Clerk's office, and reports of federal felony convictions from the Secretary of State's office who gathers them from the federal courts in Missouri. They also receive new voter registration applications and change of address information through the motor voter process at the Missouri Department of Revenue's drivers license offices and through local registration drives. The BEC uses these various reports to keep the voter registration records as current as possible. They also use returned mail from the mass mailings of voter identification cards to identify voters who may have moved.

We obtained voter registration data from the centralized voter registration database and reports of federal felony convictions in Missouri from the Secretary of State's office, the DHSS's Vital Statistics records of deceased persons, Missouri felony convictions from the Missouri Department of Corrections' (DOC) offender database, the St. Louis County Board of Election Commissioners voter registration data, the vacant lot listing maintained by the Assessor of the city of St. Louis, and voter registration information from Madison and St. Clair counties in Illinois. We also obtained the results of a March 2003 match between the BEC voter registration data and the DHSS's Vital Statistics (VS) unit's deceased persons data that was performed by the department at the request of the BEC. We performed matches between the available data and records based upon names, dates

of birth, and, when available, full or partial Social Security numbers. We matched street addresses of registered voters to the addresses on the vacant lot listing.

It should be noted that the results of data matches such as those we performed indicate a high likelihood that an individual may be inappropriately registered or inappropriately voted in a particular election. Each instance must be investigated thoroughly before a voter is removed from the voter registration records or referred to law enforcement for possible legal action. We provided the BEC with each of our detailed match results for their further investigation. It should also be noted that neither the Secretary of State nor any other election board that we contacted, routinely performs all of the matches we performed during this audit.

The following table indicates the matches performed, the number of questionable registered active and inactive voters identified in our matches, and the number of instances of possible voting felonies committed by persons in our match results:

Source of Data for Match	# of Matching Records	Possible Voting Felonies
BEC-Deceased Persons per VS	4,000	0
Deceased Persons SAO Match	405	0
Felons per DOC	2,194	882
Federal Felons	48	15
Vacant Lot Listing	1,453	0
St. Louis County	9,097	12
Registered Elsewhere in MO	4,500	16
Illinois	2,366	10
Total	24,063	935

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A. The BEC has received monthly reports of persons who have died in the city of St. Louis from the DHSS's VS unit since the early 1970's. In March 2003, the BEC requested the VS perform a data match of city registered voters against the VS database of deceased persons. That match indicated there were 4,000 deceased persons in the voter registration data. We also ran a match against the VS data for persons who had died since 1995 and identified 1,219 matching records. We cross matched against the VS match results to eliminate any duplications. We identified an additional 405 deceased persons as being registered. We noted 136 of the 405 deceased persons were listed as active voters and had died prior to January 1, 2003. Their names were on the poll registers for the April 8, 2003 election. The risk that inappropriate voting activity could take place is increased when the names of deceased persons are on the poll registers.

We provided the results to the BEC for further investigation. The current vital statistics reports received by the BEC include only persons who died in the city and not elsewhere in the state. The BEC should periodically conduct matches of voter registration records and records of deceased persons and investigate all exceptions to help ensure the accuracy of the voter registration data.

- B. The BEC receives monthly reports of felony convictions from the St. Louis Circuit Clerk's office. The BEC is not required to obtain felony convictions from other jurisdictions in the state. We obtained a report from the DOC of all persons incarcerated or on parole or probation at any time from 1995 through April 8, 2003. We matched those persons against the voter registration data and noted 2,194 persons who had a felony conviction or were listed as having an outstate conviction (which was likely a felony) and were registered. We noted that 1,567 felons were listed as active voters as of April 8, 2003, and, therefore, their name appeared in the poll registers for that election. The remaining 627 persons were listed as inactive but could have voted if they had followed procedures for the inactive voters. We examined the registration dates and last date voted as recorded in the registration data and compared that to the sentence starting and ending dates as reported by the DOC. It appears that 610 felons registered while under sentence, 160 felons voted while under sentence, and 112 felons both registered and voted while under sentence. In a few instances, the felon may have properly registered if his sentence was ending prior to the next election.

Under Section 115.133, RSMo Cumulative Supp. 2003, voting while under a sentence of probation or parole for a felony conviction is prohibited. Under Section 115.135, RSMo Cumulative Supp. 2003, registering to vote when the person is ineligible to vote is prohibited. Under Section 115.631, RSMo 2000, voting while under felony sentence and registering when ineligible are felony offenses punishable by up to 5 years in prison and or fines of not less than \$2,500 or more than \$10,000. Violators also lose their voting rights until those rights are restored by a court of law.

A primary reason that so many felons were included in the voter registration records is that the BEC only receives reports of convictions from the St. Louis Circuit Court and not from other jurisdictions. Of the 2,194 registered felons, 757 had been sentenced in the St. Louis city circuit courts. It is unclear why these felons, at a minimum, were not removed from the voter registration records under the existing procedures. We provided the results of our felon match to the BEC for further investigation.

- C. The BEC receives quarterly reports of federal convictions from the Secretary of State's Office. We obtained the reports for 2001 through March 31, 2003, and matched those reports against the city voter registration data. We identified 48 federal felons who were registered, 11 who registered while under sentence, one who voted while under sentence, and 3 who were both registered and voted while under sentence. It is unclear why the BEC did not remove the federal felons from the voter registration records. We provided the results of our federal felony match to the BEC for further investigation.
- D. The BEC had obtained a listing of vacant lots in the city from the City Assessor's office in 2001. At that time, the BEC determined many of the lots on the Assessor's list were in fact not vacant. We obtained a current listing and matched

the addresses of the vacant lots to addresses of registered voters. We identified 1,453 voters registered at 890 addresses that were on the vacant lot listing. We provided the results of this match to the BEC. The BEC has asked for assistance from the city aldermen and their neighborhood assistance organizations to inspect each suspect address within their ward to determine if they are in fact vacant. If the lots are determined to be vacant, the BEC should attempt to contact voters registered at those addresses to confirm their voter registration information. If the lots are determined to not be vacant, the BEC should report those lots to the City Assessor to revise the assessment listing and to ensure property taxes are being properly assessed against those properties.

- E. The BEC receives quarterly matches of voters registered in the city and in other counties in the state. Those matches, called duplicate registrant reports, are performed by the Secretary of State's office. Prior to October 2002, the reports were received in paper format. In October 2002, the format of the report was changed to an electronic format. However, the BEC was not aware that the electronic reports were available and were awaiting a paper version. The BEC failed to contact the Secretary of State's office and request information about the duplicate records reports that had not been received within the normal timeframes. It appears this lack of action by the BEC caused a significant number of voters to inappropriately be included in the poll registers for the November 2002 and the March and April 2003 elections. When a duplicate registrant report is received, the BEC must examine their voter registration information to determine which jurisdiction has the latest date of registration or voting activity. After the BEC has contacted the other jurisdiction to confirm the voter has registered in the other jurisdiction, these voters can be removed from the city's registration rolls.

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We obtained the statewide centralized voter registration data from the Secretary of State's office and the voter registration data from the Board of Election Commissioners of St. Louis County. We matched the data of the city to both the statewide and the county data and noted that 9,097 voters were registered in both the city and St. Louis County with 7,922 voters having a later registration date in the county. We noted 3,311 voters were listed as active on both the city and the county and therefore were listed in the poll registers in both places. This increases the risk that persons could vote in both the city and the county in the same election. We noted 12 instances in which a voter, according to the available data, did vote in both places. We also identified 318 instances in which a voter voted in the city after the date of registration in the county.

We also noted that 4,500 voters were registered in the city and elsewhere in the state (but not in St. Louis County). Of the 4,500 voters, 2,317 were listed as active in both places while 3,038 had a registration date in the other county that was later than the registration date in the city. We noted 16 instances in which a voter may have voted in the same election in both places. We provided the results of our match to the BEC for further investigation.

F. The BEC does not obtain voter registration data from nearby counties in Illinois. We requested the voter registration and available voting history of Madison and St. Clair counties in Illinois, including the city of East St. Louis, from the Illinois Board of Elections. We identified 2,366 voters who were listed in the registration data in both the city of St. Louis, Missouri and Illinois. Of those, 1,482 voters had a more recent registration date in Illinois than in the city. The data indicated that 10 voters had voted in both Illinois and the city in the same election. We provided our match results to the BEC for further investigation. It should be noted that subsequent to our obtaining a list of voter registrations from the Illinois Board of Elections, the state of Illinois passed legislation further restricting access to this information which may cause this information to be no longer available to the BEC.

G. The BEC, along with all other election authorities, is mandated under the National Voter Registration Act of 1993 to conduct a program to maintain the integrity of the voter rolls. Certain changes are planned or currently in progress to improve the management and accuracy of the voter rolls.

- The names of voters may not be removed from the voter registration records solely by reason of a person's failure to vote. The BEC issues a notice of election card to each voter for each election. Some of these notices are returned by the Post Office as undeliverable. The BEC periodically sends follow-up return postage paid forwardable confirmation mailings to the voter's last known address requesting the voter respond or contact the BEC to confirm their current voter registration and address.

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If a voter does not respond to the forwardable mailing or it is also returned as undeliverable, the voter is placed on the inactive voter list. If that voter does not vote in any election by the second subsequent federal general election, the voter can be purged from the registration records. The BEC has not purged the inactive voters from the registration records since 1994, resulting in an additional administrative burden to manage and track the inflated voter rolls. The BEC plans to purge or eliminate the inactive voter lists after the November 2004 election.

- The forwardable mailing notices sent prior to June 2001 did not contain a notice that the voter may be purged from the voter records after failing to vote by the second federal general elections following the date of the notice unless a response was received by the BEC. Since 1994, Section 115.193.3, RSMo 2000, required that these notices include this information.

In August 2002, the BEC signed a consent decree with the United States Department of Justice which required the BEC to correct the notification language and prohibited the BEC from removing any inactive voters that had been mailed notices that did not contain the appropriate language regarding potential removal from the voter registration records. The BEC also has

placed the inactive voter registration list on its website and voters may search that list to determine if they are included. The inactive voter lists are also available at the public libraries. These measures will allow voters an opportunity to review their voter registration records and eventually allow the BEC to maintain more current and accurate voter registration data.

- The names of the inactive voters do not appear in the poll registration books. This condition, along with the lack of adequately trained specialist judges and an adequate communication system between election judges and the BEC, contributed to the problems encountered during the November 2000 elections. Procedures have been developed to address situations when inactive voters arrive at a polling place.

If an inactive voter arrives at polls, there are several steps that the voter and the election judges must now complete. If the election judges can determine that the voter is an eligible voter in the correct polling place, that voter is allowed to cast a ballot. If the voter is determined to be a valid voter but at the wrong precinct, the voter is provided with the address of the correct polling place or the voter may report to the BEC central offices to cast a ballot. If the election judges at the polling place cannot determine if the voter is a valid voter, the BEC central office is contacted and their registration records are checked and approval may be given to allow the voter to cast a ballot. If the BEC cannot determine if the voter is a valid voter, the voter may report to the BEC office and request a form to seek a court order authorizing him to vote and submit that form to a circuit court judge. These procedures, if followed, should allow all eligible voters in the city of St. Louis to properly cast a ballot in each election.

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We obtained a copy of a 2002 report issued by the Federal Election Commission titled "*The Impact of the National Voter Registration Act of 1993 on the Administration of Elections for Federal Office 2001-2002.*" That report included voter registration data for 46 states. It indicated as of 2002 there were nearly 20.5 million (12 percent) inactive voters and about 147.8 million (88 percent) active registered voters nationwide. The report indicated that in Missouri there were about 469,660 (12 percent) inactive voters and 3.39 million (88 percent) active voters. However, in the city of St. Louis as of April 8, 2003, there were 55,286 (22 percent) inactive voters and 194,060 (78 percent) active voters. If the BEC had performed the matches discussed above, which are similar to procedures performed by other election authorities in the state, and had procedures in place to effectively manage the voter registration records, about 12,800 inactive voters identified in the matches we performed may have been removed from the voter registration records prior to the April 8, 2003 election.

As referred to earlier, the BEC signed a consent decree with the United States Department of Justice on August 14, 2002. As part of this decree, the BEC committed to eliminate the inactive lists as soon as possible after the November 5,

2002, federal general election, but no sooner than the city of St. Louis next regular budget allocation in Fiscal Year 2004. The BEC has interpreted this to be no sooner than after the November 2, 2004 election. The BEC estimated less than 2,200 ballots (0.6 percent) had been cast by inactive voters out of a total of about 370,000 ballots in five major elections from November 2000 through April 2003. The BEC indicated that a significant number of the inactive voters, all of whom had been sent a notice containing the proper language, will be purged from the voter registration records following the November 2004 federal general election unless those voters contact the BEC or cast a ballot in any interim election.

**WE RECOMMEND** the BEC investigate the match results to ensure the voter registration records are as accurate as possible and report suspected violations of voting laws to the proper law enforcement officials. The BEC should consider performing similar matches periodically in the future and resolving all exceptions in a timely manner. All procedures used by the BEC to maintain the voter registration records should be in writing and the performance of these procedures effectively reviewed to ensure they are performed in a consistent manner.

#### **AUDITEE'S RESPONSE**

*The BEC agrees with the recommendations contained in the Report and has already taken steps to implement them. For example, the BEC has entered into a contract with the Regional Justice Information Service ("REJIS") to match our database with those of the Circuit Courts of St. Louis City and County, to identify convicted felons and individuals judicially determined to be incompetent, and the DHSS' Bureau of Vital Statistics, to identify city residents who are deceased. We are also trying to compare our database with that of the Department of Revenue, to identify licensed drivers who have moved from the city of St. Louis to another county; working with other city departments (such as the Assessor's Office and the Department of Public Safety) to identify addresses that may be vacant lots or contain abandoned or derelict buildings; and trying to utilize the National Change of Address database maintained by the United States Postal Service to obtain forwarding addresses of individuals whose mail has been returned to us. Moreover, once the centralized database being developed by the Secretary of State pursuant to the mandate contained in the Help America Vote Act ("HAVA") is fully operational, the BEC will have access to a valuable tool to identify and eliminate duplicate voter registrations.*

*As for the "match results" that the BEC received from the audit team, all reports are being reviewed in an effort to eliminate inappropriate registrations. In addition, pursuant to BEC policy, all suspect registrations are referred to the Office of the Circuit Attorney for investigation and such action as may be deemed by that office to be warranted. It is also our intent, in accordance with the Report's recommendation, to set forth in writing the practices and procedures used by the BEC to maintain voter registration records and review those practices and procedures periodically with appropriate personnel to ensure that they are being performed in a consistent manner.*

*Even though the BEC agrees with the recommendations contained in this section of the Report, it is also important to point out that the audit team had access to resources that are not as readily*

accessible to the BEC. For example, the Report states that the BEC does not obtain voter registration data from nearby counties in Illinois. The Report also acknowledges, however, that recently passed legislation in Illinois may preclude the BEC from obtaining access to such information).

The BEC is also appreciative that the Report recognizes steps being taken by the BEC "to improve the management and accuracy of the voter rolls." Some of those steps are mandated by the National Voter Registration Act of 1993 ("NVRA"), while others are required by the Consent Decree. Over and above those mandated steps, however, the BEC is working with elected officials, religious leaders, groups that conduct voter registration drives, neighborhood and community organizations, local cable television networks, and various other groups in an effort to reduce the number of names contained on its Inactive Voter List (the "IVL"). The BEC also encourages everyone who may have any doubt as to whether his/her name is on the IVL to contact the Board, check its website, or visit a public library (where a copy of the IVL can be found).

While the BEC remains committed to trying to eliminate the IVL entirely, as long as voters move and fail to notify the BEC of their new address, the BEC will need to identify such voters in some manner in order to comply with NVRA requirements. However, all registered voters are part of the BEC's database, and the BEC has procedures in place that will enable a registered voter who appears at a polling place on election day for whom we do not have a current address to update his/her voter registration record and cast a ballot.

3.

### Campaign Finance

The BEC failed to perform several duties related to monitoring campaign finance issues, including failure to ensure candidates and political action committees complied with reporting requirements. Under Chapter 130, RSMo 2000, the BEC receives campaign finance reports for candidates for election in the city of St. Louis. Candidates for state offices and county offices such as the Circuit Clerk, Collector of Revenue, and Public Administrator as well as candidates for the Board of Aldermen must file reports with the BEC and the Missouri Ethics Commission. Candidates for other local offices such as the school board are only required to file reports with the BEC.

- A. Section 130.056.2, RSMo 2000, sets forth the duties of the BEC regarding campaign finance reporting. There are nine specified duties. The BEC failed to perform four of those duties and marginally complied with one duty. The BEC appeared to be unaware of several of the requirements. The following table indicates the statute subsection, general requirement and if the BEC complied with the requirement.

Section 130.056.2 Subsection	General Requirement	BEC Compliance
1	Furnish forms and instructions	Yes
2	Accept reports and statements	Yes
3	Maintain filing, coding, and cross indexing system	Marginal
4	Make report available to public	Yes
5	Preserve reports for 5 years	Yes
6	Examine reports for completeness and timely filing	No
7	Notify person of failure to file	No
8	Notify Missouri Ethics Commission of violations	No
9	Assess late filing fee	No

B. Requirements for disclosure reports are set forth in Section 130.041, RSMo 2000 and the required times to file are specified in Section 130.046, RSMo Cumulative Supp. 2003. Between July 1, 2000 and June 30, 2003, there were 15 elections with over 400 candidate contests and issues on the ballots and over 125 political action committees (PAC) in the city. A typical candidate committee or PAC would file about 8 campaign finance reports each year. We reviewed campaign finance report files for one year for 15 candidates and eight PAC's. We excluded candidates for statewide office, the Missouri legislature and judges. We then randomly chose the candidates from a listing of the remaining candidates on all ballots from August 8, 2000 to April 8, 2003. We randomly selected the PAC's from a listing prepared by the BEC for calendar year 2002. We requested the BEC provide the appropriate files. Based upon the files provided, we determined the BEC had 56 file documents reports, and the number of missing reports, the number of reports filed late, and how many days late the reports were filed, if any. After completing our review we gave a listing of missing and late filed reports to the BEC and requested they search their files for any additional documentation. The BEC provided a complete file for one candidate that they previously had not been able to locate. There may be other candidate and PAC reports that were actually submitted but cannot be located by the BEC.

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The following table indicates the elected office sought, if the candidate won or lost the election, the year of the file we reviewed, and the missing reports or late filed reports noted in our review of the candidate files:

Office	Won /Lost	Year	Missing/Late Reports
Ward 11 Alderman	Lost	2001	40 day before election missing Filed 8 day report for Mar. 2001 election 14 days late Filed Jan. 2001 quarterly report 12 days late
Circuit Clerk	Won	2002	Missing Jan. 2002 before election quarterly report
Aldermanic President	Won	2003	Missing Jul. 2003 quarterly report
School Board 4 Yr Term	Lost	2003	Incomplete termination report
Ward 22 Alderman	Won	2003	Missing 8 day before election report for both the Mar. and Apr. 2003 elections
Ward 18 Alderman	Won	2003	Filed 8 day report for Mar. 2003 election 56 days late Missing Jul. 2003 quarterly report
Ward 16 Alderman	Won	2003	Missing Jul. 2003 quarterly report
Ward 26 Alderman	Won	2003	Missing 8 day before election report for Mar. 2003 election Filed 8 day before election report for Apr. 2003 election 8 days late Missing 30 day after report for Apr. 2003 election Missing Jul. 2003 quarterly report
Collector of Revenue	Lost	2002	No reports on file
Public Administrator	Won	2000	No reports on file

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We also reviewed the campaign reports for eight PAC's and the BEC was unable to locate at least one quarterly report for two committees and could not locate any reports for two PAC's. We noted reports were filed a total of 42 days late. We also checked with the Missouri Ethics Commission and it appears the candidates and PAC's in our tests did file required reports with the commission.

- C. The BEC issues a certificate of election to the winning candidate following each election. That certificate includes a statement that the candidate has complied with "Section 130 of the Revised Statutes of Missouri". Under Section 130.071, RSMo 2000, a successful candidate may not take office until all required reports are filed or seek subsequent office until all required reports are filed. The certificate of election must be provided to the Board of Aldermen before those candidates may take office. The Public Administrator is required to file his certificate with the probate court clerk before assuming office. The BEC did not retain copies of any certificates of election. Because the BEC did not track compliance with campaign finance reporting, the BEC could not have determined that any candidate complied with the campaign finance requirements.

From the files provided, it appears the BEC incorrectly reported 4 candidates complied with the reporting requirements prior to taking office. It appears, based upon the documentation provided by the BEC, those four candidates and six other candidates who failed to file a required report may not seek subsequent office until all reports are filed.

D. The BEC does not assess late filing fees. It does not track the reports to determine if they are received within the required time frame. The BEC does not retain the mailing envelope or record the postmark date on received reports to have the mailing date for determination of timely filing. The late filing fee is \$10 per day capped at \$300 per report. If the BEC had imposed the late filing fees for the missing and late filed reports, based upon the BEC time stamped receipt date, the late filing fees would have been at least \$4,220 for candidate committees and \$2,820 for PAC's on just the files we reviewed.

E. The BEC does attempt to file and retain reports that are submitted. However, they have not developed a coding and cross-indexing system. At a minimum, the BEC should develop a tracking system listing each candidate, issue and committee, reports of organization and termination of committees, each report required for each election and each quarterly filing date and whether a required report has been filed and the number of days a report has been filed late. Furthermore, the tracking system should include an indicator that the BEC had reviewed the report for completeness, the late fees imposed and collected, and if the violation has been reported to the Missouri Ethics Commission. The tracking system should be reviewed by BEC management so that required notices of failure to file reports and assessment of late filing fees may be prepared. A relatively simple electronic spreadsheet or database file, both of which the BEC currently have available, would likely provide sufficient information to allow the BEC to monitor compliance with campaign finance reporting requirements.

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In the past, the BEC did have a record of the candidates and committees and the reports that were actually received. However, those records did not identify all reports which should be filed, did not allow identification of missing reports, or the number of days late, and those records were not adequately maintained. The BEC did not use the system to identify noncompliance.

**WE RECOMMEND** the BEC comply with requirements of Chapter 130 RSMo 2000, track the failure to file and late filing of campaign finance reports, assess late filing fees as required, and notify candidates, committees, and the Missouri Ethics Commission when reports have not been filed. In addition, the BEC should ensure candidates have complied with the campaign finance reports prior to making any certifications regarding compliance and accepting any declarations of candidacy prior to an election.

## AUDITEE'S RESPONSE

*The BEC agrees with the recommendations and has already taken steps to implement them.*

*Historically, the BEC viewed its role with respect to the filing of campaign finance disclosure (CFD) reports as that of a depository only. It provided information about CFD reporting to candidates who filed for office and other individuals who requested forms and instructions; accepted CFD reports that were submitted to it; kept all CFD reports on file and made them available to the public upon request; and preserved all CFD reports for a period of five years. It is now clear, however, that the BEC's responsibilities with respect to CFD reporting are more extensive than had been thought and the BEC is developing a written procedure that will enable it to track:*

- i. Every candidate and committee required to file CFD reports.*
- ii. Each CFD report required for each election.*
- iii. Whether a required report has been filed and, if so, whether it is complete.*
- iv. If a report is filed late, the number of days it is late.*
- v. Late fees imposed and collected.*
- vi. When a violation has been reported to the Missouri Ethics Commission (MEC).*

*As a first step in this regard, the BEC has notified all candidates who have filed a declaration of candidacy for the Special Election to be held in the city of St. Louis on May 11 to fill a vacancy on the Board of Aldermen in the 23<sup>rd</sup> Ward of the City of St. Louis, Missouri, including the need to file a CFD report for the period that ends the day before taking office if the candidate will take office prior to the 25<sup>th</sup> day after the election. Similar notices will be sent to candidates who file declarations of candidacy for all future elections, including a Special Election to be held on June 15 to fill a vacancy on the Board of Aldermen in the 25<sup>th</sup> Ward, the Primary Election on August 3, and the General Election on November 2, 2004.*

**4.**

### **Estimation and Collection of Election Costs**

Section 115.077, RSMo Cumulative Supp. 2003, specifies the timing of the estimation and collection of election costs from the state and other political subdivisions (PSDs) when those entities have candidates or issues on the ballot. The BEC is responsible for preparing the estimates, submitting requests for payment of the estimated costs to the PSDs, calculating the actual election costs and making any refund or requests for additional payments. The PSDs are responsible for submitting the payment for the estimated cost and any additional payments. During the three years ended June 30, 2003, the BEC failed to comply with at least one of the timing requirements in each of the 10 elections billed to other PSDs. The BEC failed to issue refunds timely in 7 of 7 instances

when a refund was due. The BEC also failed to maintain adequate supporting documentation of the actual cost calculations used to determine refunds or additional amounts due.

- A. The BEC is required to submit the estimated cost of elections to the PSDs no later than the 5th Tuesday preceding the election. The PSDs must submit the payment by the 3rd Tuesday preceding the election. However, since the BEC failed to prepare the estimate on time, we used 14 days following the preparation of the estimate as the cutoff for determining timely payment. Any refunds shall be made timely which we considered to be within 45 days following the election. The BEC took between 62 and 161 days to issue a refund. Any additional payment must be submitted by the 5th Tuesday after the election. However, it took the BEC 35, 91, and 106 days to prepare the additional billing. We considered the additional payment timely if it was made within 30 days of the additional billing. For the November 7, 2000 election, one PSD failed to make the additional payment for 119 days. The following table indicates the election date and compliance by the BEC and PSDs regarding the timing of the estimation and collection of election costs:

Election Date	Estimate Timely	Payment Timely	Refund Timely	Additional Billing Timely	Additional Payment Timely
11/7/2000	No	Yes	-	No	1 of 2
1/24/2001	Yes	Yes	-	No	Yes
4/3/2001	No	Yes	No	-	-
8/7/2001	No	No	-	Yes	No
2/11/2001	No	No	No	-	-
2/5/2002	No	Yes	No	-	-
3/5/2002	No	No	No	-	-
3/26/2002	No	No	No	-	-
11/5/2002	No	No	No	-	-
4/8/2003	No	No	No	-	-

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The BEC indicated that they do not usually receive the invoices from their vendors until sometime in the month following an election and, therefore, it is nearly impossible to calculate the actual costs and any refunds or additional payments due within the time requirements set by statute. However, it appears the BEC placed no priority upon the preparation of the estimates, calculation of actual costs, and any refund or additional payments due.

- B. The BEC did not maintain adequate documentation of the calculation of actual election costs when billing election costs to the PSDs. The actual costs as indicated on actual cost worksheets could not be traced to the underlying invoices and internal reports for salaries of BEC staff and election workers and payments to polling places. There were some interim worksheets that allowed identification

of some of the specific expenditures on the final worksheet. The BEC staff person who had prepared the estimates and calculated the actual costs, refunds, and additional amounts due left the BEC in April 2003.

We requested the BEC to provide a complete and detailed listing of all amounts along with voucher numbers or reference to internal reports that would fully support the actual costs for 5 of the 10 elections. After significant effort, the BEC managed to prepare the requested reports and provide supporting documentation for all but 5 line items totaling \$1,173 out of total expenditures of over \$850,000 for the 5 elections. In the future, the BEC should maintain complete documentation of the calculation of the actual costs of elections charged to other political subdivisions.

**WE RECOMMEND** the BEC comply with requirements regarding the timing of the estimation and collection of election costs charged to the state and other political subdivisions, and maintain adequate supporting documentation of the calculation of actual election costs.

#### **AUDITEE'S RESPONSE**

*The BEC agrees with these recommendations and is pleased to report that it complied with the requirements of RSMo Section 115.077 with respect to the February Presidential Preference Primary Election and has adequate documentation to support the calculation of the actual costs incurred.*

#### **5. Shortage of Election Judges and Selection of Polling Places**

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The BEC failed to ensure the statutory minimum number of election judges and equal numbers of judges from each major political party were present at precinct tables during the three most recent elections. The BEC has not been able to attract a sufficient number of judges to fully staff polling places under their current staffing policies. The BEC should consider redrawing the precinct boundaries to reduce the number of precincts and the number of election judges required for each election. Our analysis indicates the BEC could reduce the number of election judges to about 1,000, a 20 percent reduction over current levels, and reduce the citywide election costs by \$24,000. The BEC should place polls in publicly owned buildings rather than buildings owned by nonprofit or private entities when suitable public buildings are available.

- A. The BEC assigns election judges to a specific precinct. Many election judges who were assigned and indicated they were willing to work an election did not show up on election day. The BEC has not been able to attract enough election judges, particularly those from the Republican party, to fully staff polling places. We obtained the judge assignment and payroll reports for the November 2002 and March and April 2003 elections. We identified 31 instances in which a single election judge or two election judges from the same political party staffed a

precinct. We noted that in most cases a judge from each major political party did initial the poll book. Often a judge of the other major political party assigned to another precinct in the same polling place would assist the judge or judges of the precinct that did not have a judge from each major political party. However, we noted 10 instances when only a single judge or two judges of the same political party initialed the poll book. We also noted 506 instances in the three elections in which unequal numbers of election judges for each major political party staffed a precinct. These instances appeared to violate state law on staffing of election judges. They also increase the risk that inappropriate voting activity may occur.

Under Section 115.081, RSMo 2000, four election judges, two from each major political party, are required for each polling place at each primary and general election. In all other elections only two election judges, one from each major political party, are required at each polling place. State law also requires an equal number of judges from each major political party in a polling place. The poll registers and ballots must be initialed by a judge from each major political party. Judges of other recognized political parties and judges who do not claim party affiliation may serve but may not be included in any official decisions requiring majority approval of the election judges. The BEC policy dictates that four election judges, two from each major political party are to be assigned to each precinct. In addition 56 roving deputies, 8 special deputies, and 122 specialist judges were used in the November 2002 election.

To fully staff a citywide election under the current policy, the BEC requires up to 1,600 judges. While the BEC has been active in trying to recruit additional judges, the BEC has not been able to attract more than 1,200 judges in recent elections.

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- B. The BEC is responsible for drawing the precinct boundaries within the 28 city wards. The city is currently divided into 360 voting precincts, seven of which have no registered voters. Sixty of those precincts are necessary because of the overlapping of the political boundaries for the various levels of government; local, state, and federal. In those 60 precincts, it is possible that the voters would be required to vote on a unique set of candidates and election issues when there are candidates and issues at several levels of government. For example, an election with candidates for the Board of Aldermen, a trustee for the community college district, and a special election to fill a state house or senate seat would have a unique set of ballot issues in one precinct as compared to all other precincts. We designated those precincts as boundary driven. However, within the ward boundaries there are often several precincts that are all within the same political boundaries. Those precinct boundaries could be redrawn to increase the number of registered voters within each precinct and thereby reduce the number of precincts. This would result in a reduced need for election judges. The trade off would be more voters would need to be processed at each precinct.

The BEC provided the auditors with a 2002 map of the geopolitical boundaries in the city. We were able to determine groupings of precincts that fell within the same political boundaries. We used the voter registration data as of April 8, 2003 to identify the current population of active registered voters within each existing precinct. There were on average 550 active registered voters in each precinct with the actual number of active voters ranging from 3 to 948.

If the BEC were to redraw the precinct boundaries with a goal of having, on average, 1,000 active voters in each of the recombined precincts with no more than 1,250 active voters in any precinct, the total number of precincts could be reduced from 360 to 244. The average number of active voters in each precinct would be 863. The actual range would be from 3 to 1250 active voters.

The BEC has been combining the voting activity of about 20 precincts with very low numbers of registered voters with the voting activity of a nearby precinct to reduce the need for election judges. We noted that an additional 18 boundary driven precincts with less than 500 registered voters which could be combined. This could result in a reduction of up to 72 additional judges.

If the BEC consolidated the precincts and combined the voting activity of the smaller precincts, the BEC should be able to fully staff the precincts (four at each precinct and six at precincts having more than 1,000 registered voters) with about 1,000 election judges. The BEC should be able to assign the judges so that two judges from each major political party are present at each precinct table. In addition to having fully staffed elections, the BEC could save about \$16,500 in election judge costs for a citywide election and about \$7,500 through lower cellular phone and polling place costs.

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Any action to reduce the number of voting precincts must be considered very carefully since the number of voters who will be processed at each precinct table would increase. Under the scenario discussed above, there could be as many as 875 voters at a precinct on election day with a 70% voter turnout. The average number of voters per precinct would be 604 with a 70% turnout.

Another benefit of consolidating and combining the precincts would be a significant reduction in the number of voting machines and total cost of a new voting system when the BEC replaces the punch card system now in use. The BEC currently staffs about 333 teams of election judges for the 360 precincts at 170 polling places. The BEC could reduce that to about 226 teams of election judges and 244 precincts in about 120 polling places.

- C. Under Section 115.117, RSMo 2000, the BEC may designate tax-supported public buildings as polling places. If the BEC determines no public building is convenient, it may place polls at privately owned tax-exempt buildings and, in the event no tax-exempt building is available, the BEC may rent a suitable place. The BEC pays nonprofit and private firms \$75 per precinct to place polls in those

buildings. For the April 8, 2003 election, the BEC placed 132 precincts in tax-exempt privately owned buildings and 42 precincts at privately owned buildings. The BEC paid \$13,050 to those firms for rent. If the BEC implements a plan to reduce the number of precincts as discussed on part B above, the number of polls located in non-public buildings could also be dramatically reduced. The BEC should attempt to locate polls in public buildings before contracting with tax-exempt and privately owned firms.

**WE RECOMMEND** the BEC redraw the precinct boundaries to reduce the number of voting precincts and the number of election judges needed to staff the polling places. In addition, the BEC should attempt to locate polling places in public buildings rather than contracting with tax-exempt and private firms.

### **AUDITEE'S RESPONSE**

*The BEC agrees with these recommendations and is pleased to report that it has already implemented them. Prior to the February 3 Presidential Preference Primary Election, the BEC completed a plan of precinct consolidation that reduced the number of polling precincts from 353 to 203 and the number of polling places from 164 to 132. Of the 132 polling places used in February, only 63 were paid sites. The financial effect of this consolidation effort was a savings of approximately \$40,000 in terms of less money paid for the number of judges needed to staff those 203 polling precincts and less money paid to rent polling sites.*

*Although the precinct consolidation program enabled the BEC to better staff the polling places used in February, the need to recruit additional judges continues. For the most part, the judges used by the BEC tend to be older individuals, most of whom are retired, and most of whom are not familiar (or at least comfortable) with computers and computer technology. Although they need to be very loyal and dedicated, many of them have been serving as judges for many years and have indicated to the BEC a desire to "step down" and let someone younger take their place, particularly if/when the BEC replaces the punch-card voting system currently in use.*

*Accordingly, the BEC plans to continue to aggressively recruit more judges, so that the BEC can better fulfill its mission to "effect the best possible election process." The BEC also plans to continue its efforts to reduce, and perhaps eventually eliminate entirely, the number of paid polling sites used on election day.*

6.

### **Controls over Expenditures**

The BEC failed to seek bids or retain bidding documentation for many purchases. The BEC does not cancel vendor invoices after preparing vouchers. The BEC does not require indication of receipt of goods before approving payment. The BEC authorized payments in excess of contracted rates to two vendors. The BEC paid \$1,900 for food and drinks including alcoholic beverages for a reception to welcome new commissioners.

- A. The BEC stated policy is to use vendors approved by the city of St. Louis Supply Division when possible. The BEC has not established a minimum bidding threshold. We noted that the BEC failed to bid or retain bidding documentation on 9 of 19 purchases totaling \$23,225. Each purchase exceeded \$1,000. In some instances, the BEC did provide some evidence that a search for vendors or services was made, but formal bids were not solicited or the reason a particular vendor was chosen was not documented. The BEC should establish a minimum threshold for bidding, seek formal bids for major purchases, and retain bidding documentation.
- B. The BEC does not cancel or mark paid supporting invoices or other documentation to reduce the risk that duplicate payments could be made. The BEC failed to cancel 53 of 55 invoices reviewed.
- C. The BEC does not require indication of receipt of goods prior to authorizing payments. We noted 11 of 40 invoices were paid that did not have indication of receipt of goods.
- D. The BEC authorized two payments when the unit cost exceeded the existing contract rate. In one instance, the BEC had not updated the former BEC's attorney services contract under which the cost for out of court work was to be \$90 per hour instead authorizing \$120 per hour. A review of the detailed billing indicated that less than 5 of 53 hours billed were likely due to in court services. The overpayment was about \$1,450. The BEC paid a vendor \$20 per filled propane gas bottle for portable heaters instead of the contracted \$17 per bottle. There were 66 bottles purchased and the overpayment totaled \$198.

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The BEC held a reception on July 29, 2001, for about 150 persons including staff to welcome newly appointed commissioners. The BEC paid the vendor \$1,800 and two BEC employees were reimbursed \$100 from BEC petty cash funds for tips to the vendor's employees who served the reception. The vendor served hors d'oeuvres and beverages including alcoholic beverages.

We also noted over \$1,350 in other reimbursements from the petty cash fund for food, cookies, and cakes for board meetings and employee parties. These expenditures do not appear necessary or essential to the operation of the BEC. The purchase of alcoholic beverages by a public agency is not appropriate.

**WE RECOMMEND** the BEC establish a minimum bidding threshold, seek formal bids for major purchases, retain all bidding documentation, require cancellation of invoices after approval of payments, require indication of receipt of goods prior to authorizing payments, and ensure payments are in compliance with written contracts. In addition, the BEC should ensure disbursements are a necessary and prudent use of public funds.

### AUDITEE'S RESPONSE

*The BEC agrees with these recommendations and is pleased to report that it has already begun to implement them. The BEC now obtains at least three bids for any purchase in excess of \$1,000 and endeavors to utilize vendors approved by the City's Supply Division whenever possible. With respect to computer and computer-related purchases, the BEC communicates with and obtains bids through the City's Office of Information Technology Services before making a purchase through an outside vendor. In addition, all bidding documentation is now retained for future reference.*

*It has always been the practice at the BEC to verify receipt of goods prior to issuing a voucher to pay for them, and to consider an invoice cancelled once a corresponding voucher was prepared and sent to the Comptroller's Office for payment. Moreover, all vouchers are approved by the BEC's Commissioners to ensure that the payment being made is a "necessary and prudent use of public funds." In the future, however, the BEC will adopt the recommendations set forth above by:*

- i. Indicating on the invoice or other shipping documents that the goods covered thereby have been received before preparing a voucher for their payment.*
- ii. Indicating on the invoice when a voucher in payment thereof has been sent to the Comptroller's Office for payment.*
- iii. Ensuring that payments are in accordance with applicable contracts.*

**HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION**

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BOARD OF ELECTION COMMISSIONERS  
CITY OF ST. LOUIS, MISSOURI  
HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

The Board of Election Commissioners for the city of St. Louis exists pursuant to Section 115.017, RSMo 2000, and was originally established under city ordinance in 1878. The four members of the board are appointed by the Governor with the advise and consent of the Senate to four year terms. Two members shall be from one major political party and two members shall be from the other major political party. The chairman and the secretary must not be from the same political party. The current members of the board along with their title, party affiliation and date of appointment are:

Derio L. Gambaro, Chairman, Democrat, February 20, 2003  
Michael A. Lueken, Secretary, Republican, February 20, 2003  
Yvonne B. Hunter, Member, Republican, June 14, 2001  
Angela da Silva, Member, Democrat, July 23, 2003

Past members of the board who have served since July 2000 are Floyd A. Kimbrough, Edward E. Ottinger, Joseph V. Neill, Joan M. Crawford, Audrey R. Jones, Judy A. Zakibe, Kathy A. Suratt-States, and Carol A. Wilson.

Other key board personnel are:

Leo G. (Gary) Stoff, Jr., Republican Director  
James P. O'Toole, Democratic Director  
Jeanne Bergfeld, Assistant Republican Director  
Keena M. Carter, Assistant Democratic Director

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The board's primary duties are to conduct all elections in the city of St. Louis, maintain voter registration records, maintain and review campaign finance reports and estimate and collect the cost of elections from the state and local political subdivisions who have candidates or issues on the ballot. The board is authorized 28 full-time employees who serve at the pleasure of the board. The board receives most of its funding from the city of St. Louis. Other revenue sources are the reimbursement of elections costs from the state and other political subdivisions, and the sale of voter registration lists, precinct maps, copies and certificates of residency. When monies are received, they are turned over to the city of St. Louis Treasurer's Office and reported to the Comptroller's Office. Following approval of vouchers by the board, disbursements are handled through the city's Comptroller and Treasurer offices. The board does not maintain separate bank accounts. The board's annual operating budgets are set by the mayor and the Board of Alderman.

The city is divided into 28 wards and 360 voting precincts. The board attempts to recruit over 1,600 election judges and election day workers and uses about 170 polling places for a citywide election. They also conduct registration and absentee voting visits to about 28 nursing homes for a citywide election. As of April 8, 2003, there were 194,060 active and 55,286 inactive voters registered in the city. The cost to conduct a citywide election is over \$300,000, excluding routine full-time board personnel and operational costs. The following table shows the number

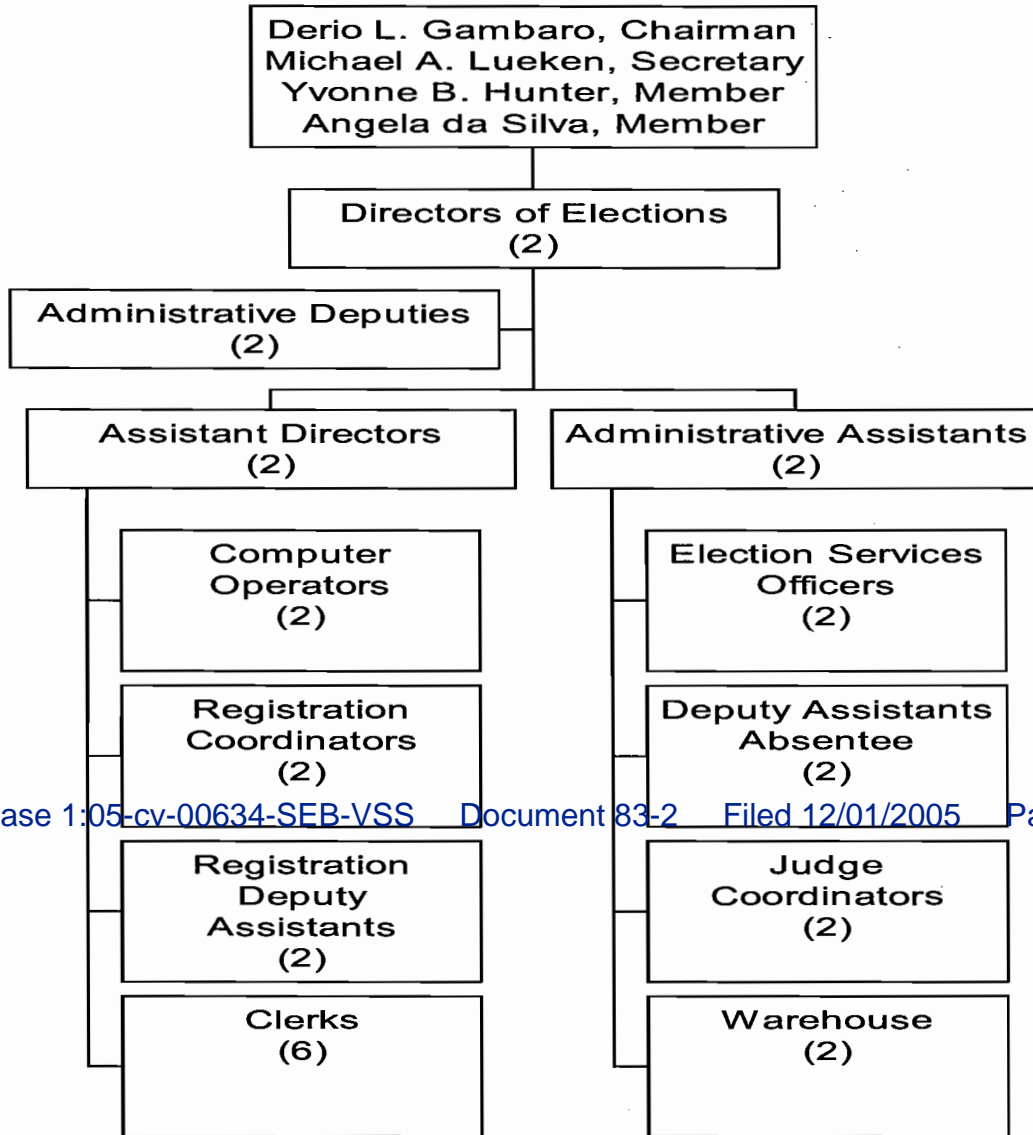
of registered voters, number of ballots cast and the voter turnout for three of the fourteen elections held during our audit period.

<u>Election</u>	<u>November 2000</u>	<u>November 2002</u>	<u>March 2003</u>
Registered Voters	193,304	193,276	194,629
Votes Cast	129,074	97,126	22,891
Voter Turnout	68%	50%	12%

On August 14, 2002, the board entered into a consent decree with the US Department of Justice that required some additional procedures during federal elections. The board also voluntarily committed to eliminating the inactive voter lists. The consent decree terminates on January 31, 2005.

An organization chart follows:

City of St. Louis  
Board of Election Commissioners  
July 23, 2003



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Appendix

BOARD OF ELECTION COMMISSIONERS  
CITY OF ST. LOUIS, MISSOURI  
SCHEDULE OF REVENUES, EXPENDITURES, AND CASH BALANCES

	Year Ended June 30,		
	2003	2002	2001
<b>GENERAL FUND</b>			
<b>Revenues and Transfers</b>			
Public Services	\$ 13,234	\$ 6,894	\$ 26,154
Candidate Filing Fees	1,934	0	966
Other	(4,333)	15,313	20
Net Transfers from the City's General Revenue Fund	2,727,427	1,539,071	2,428,921
<b>Total Revenues</b>	<b>2,738,262</b>	<b>1,561,278</b>	<b>2,456,061</b>
<b>Expenditures</b>			
Personnel Services	1,866,934	1,191,965	1,753,605
Materials and Supply	236,678	83,413	41,025
Rental and Non-Capital Leases	221,532	164,759	394,474
Contractual and Other Services	413,118	121,141	266,957
<b>Total Expenditures</b>	<b>2,738,262</b>	<b>1,561,278</b>	<b>2,456,061</b>
Beginning Cash Balance (1)	0	0	0
Ending Cash Balance	0	0	0
<b>SPECIAL REVENUE - ELECTION &amp; REGISTRATION</b>			
<b>Revenues</b>			
Election Services	89,384	309,932	559,946
<b>Total Revenues</b>	<b>89,384</b>	<b>309,932</b>	<b>559,946</b>
<b>Expenditures</b>			
Personnel Services	0	143,875	279,000
Materials and Supply	88,268	17,285	89,883
Rental and Non-Capital Leases	3,383	19,291	131,206
Contractual and Other Services	88,119	85,764	82,168
<b>Total Expenditures</b>	<b>179,670</b>	<b>286,715</b>	<b>512,257</b>
Beginning Cash Balance	90,286	67,069	19,380
Ending Cash Balance	0	90,286	67,069
<b>SPECIAL REVENUE - ELECTION SERVICES (2)</b>			
<b>Revenues</b>			
Election Services	8,515	26,158	0
<b>Total Revenues</b>	<b>8,515</b>	<b>26,158</b>	<b>0</b>
<b>Expenditures</b>			
Materials and Supply	29,642	5,031	0
<b>Total Expenditures</b>	<b>29,642</b>	<b>5,031</b>	<b>0</b>
Beginning Cash Balance	21,127	0	0
Ending Cash Balance	\$ 0	\$ 21,127	\$ 0

(1) Cash balances lapse at the end of each year.

(2) Fund established July 2001