



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 22, 1980

MEMORANDUM

TO: FRED EILAND
PRESS OFFICE

THROUGH: BOB COSTA *RC*

FROM: JUDY HAWKINS

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -
CONNECTICUT DEMOCRATIC FEDERAL CANDIDATES
COMMITTEE

Attached please find a copy of the final audit report of the Connecticut Democratic Federal Candidates Committee which was approved by the Commission on December 10, 1980.

Informational copies of this report have been received by all parties involved and this report may be released to the public as of today, December 22, 1980.

Attached as stated

cc: FEC Library
RAD
Public Record

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REPORT OF THE AUDIT DIVISION ON THE CONNECTICUT DEMOCRATIC FEDERAL CANDIDATES COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Connecticut Democratic Federal Candidates Committee ("the Committee") undertaken by the Audit Division of Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(a)(8) of Title 2 of the United States Code which, at the time of the audit, directed the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Committee registered as the Connecticut Democratic Federal Candidates Committee with the Federal Election Commission on October 1, 1976. The Committee maintained its headquarters in Hartford, Connecticut.

The audit covered the period from September 28, 1976 through November 29, 1976, the date of the Committee's termination report.

The Committee reported a beginning cash balance on September 28, 1976 of \$-0-, total receipts of \$11,100.00, total expenditures of \$11,100.00, and a closing cash balance as of November 29, 1976 of \$-0-.

This audit report is based on documents and workpapers which support each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The principal officers of the Committee during the period audited were: Henry D. Altobello, Chairman, and Arline M. Bidwell, Treasurer.

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation; analysis of debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

II. Audit Findings and Recommendations

A. Transfer Received from Unregistered Committee

During the period of the audit, the proposed Section 102.6(a)(2)(i) and (ii) of Title 11, Code of Federal Regulations, ^{1/} stated that any political committee which has solicited or received contributions for or on behalf of, or made expenditures or transfers to or on behalf of, any candidate for Federal office shall either:

(i) Establish a separate Federal campaign Committee which shall register as a political committee. The Federal campaign committee shall establish a segregated Federal account in either a national or State bank; or

(ii) Establish a single committee with a single account to make contributions to Federal and non-Federal candidates, but only if all contributions received are permissible under the Act, and all contributors are informed that all contributions are subject to the limitations of Sections 110.1, 110.2, and 110.5.

During the period of the audit, Section 102.6(b)(2) of Title 11, Code of Federal Regulations, stated, in part, that the accounts and committees in (a)(2)(i) and (ii) of this section may not receive transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee, except from a committee or account set out in paragraph (a)(i) and (ii) of this section.

^{1/} The Commission's Regulations were not promulgated until April 13, 1977.

During our review of Committee records, we found that the Committee received one (1) transfer from the Connecticut Democratic State Central Committee, an unregistered state level party organization, totaling \$11,100.00. This transfer represents the only funds received by the Committee. Although the State of Connecticut prohibits corporate contributions, there is no such restriction on labor union contributions.

This matter was referred to the Commission's Office of General Counsel for further review on April 16, 1979, where Matter Under Review 1089 was subsequently initiated. The Office of General Counsel, after investigating the matter, recommended that the Commission take no further action against the Committee with regard to a violation of Section 102.6(b)(2) in view of the fact that the Commission's Regulations were not promulgated until April 13, 1977, and the Committee is no longer involved in federal activity.

On February 5, 1980, the Commission approved the recommendation of the Office of General Counsel and closed the file.

B. Contributions In Excess of the Limitation

Section 441a(a)(1)(A) of Title 2 of the United States Code states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.00.

During our review of Committee records, we found that the Committee made six (6) transfers to Federal candidates totaling \$11,000.00. Of this total, three (3) transfers were in excess of \$1,000.00 with respect to the 1976 General Election.

We found that the Committee failed to meet the criteria established by the Act to qualify as a multicandidate political committee since the Committee was not registered with the Federal Election Commission for at least six (6) months as required. Therefore, it was the opinion of the Audit staff that the Committee exceeded the limitation in its support of Federal candidates in one (1) instance by \$4,000.00 and in the two (2) remaining instances by \$750.00 each.

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This matter was referred to the Commission's Office of General Counsel for further review on April 16, 1979, where Matter Under Review 1089 was subsequently initiated. The Office of General Counsel after investigating the matter, recommended that the Commission find reason to believe that the Committee may have violated Section 441a(a)(1)(A) by exceeding the \$1,000.00 limitation in its support of the three (3) Federal candidates, and take no further action in the matter. The Office of General Counsel based its recommendation on the fact that the activity dates back to 1976 and the Committee is no longer in existence. On February 5, 1980, the Commission approved the recommendation of the Office of General Counsel and closed the file.

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FEDERAL ELECTION COMMISSION

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ADDITIONAL INFORMATION REGARDING THIS ORGANIZATION
MAY BE LOCATED IN A COMPLETED COMPLIANCE ACTION
FILE RELEASED BY THE COMMISSION AND MADE PUBLIC IN
THE PUBLIC RECORDS OFFICE. FOR THIS PARTICULAR
ORGANIZATION'S COMPLETED COMPLIANCE ACTION FILE
SIMPLY ASK FOR THE PRESS SUMMARY OF MUR # 1087.
THE PRESS SUMMARY WILL PROVIDE A BRIEF HISTORY OF
THE CASE AND A SUMMARY OF THE ACTIONS TAKEN, IF ANY.



