



FEDERAL ELECTION COMMISSION

WASHINGTON, D C. 20463

December 4, 1981

MEMORANDUM

TO: FRED EILAND  
PRESS OFFICE

FROM: BOB COSTA *RJC*

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -  
CALIFORNIA REPUBLICAN VICTORY FUND

Attached please find a copy of the final audit report of the California Republican Victory Fund which was approved by the Commission on November 20, 1981.

Informational copies of the report have been received by all parties involved and the report may be released to the public.

Attachment as stated

cc: FEC Library  
RAD  
✓ Public Record



## FEDERAL ELECTION COMMISSION

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REPORT OF THE AUDIT DIVISION  
ON THE  
CALIFORNIA REPUBLICAN VICTORY FUNDI. BackgroundA. Overview

This report is based on an audit of the California Republican Victory Fund ("the Committee"), undertaken by the Audit Division of the 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(b) of Title 2 of the United States Code which states that the Commission may, upon the affirmative vote of four of its members, conduct an audit of any committee which does not meet the threshold requirements for substantial compliance established by the Commission.

The Committee registered with the Federal Election Commission on September 15, 1980. The Committee maintains its headquarters in Playa Del Rey, California.

The audit covered the period August 13, 1980 <sup>1/</sup> through December 31, 1980. During the period, the Committee reported a beginning cash balance of \$-0-, total receipts for the period of \$584,327.47, total expenditures for the period of \$537,222.54, and an ending cash balance on December 31, 1980 of \$47,104.93.

This audit report is based on documents and working papers which support each of the 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 the Commissioners and appropriate staff for review.

B. Key Personnel

The Treasurer of the Committee was Judith Marie Harrison from inception of the Committee through December 31, 1980.

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<sup>1/</sup> Date of inception.

### C. Scope

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

## II. Audit Findings and Recommendation

### A. Omission of Occupation and/or Name of Employer

Section 432(c)(3) of Title 2 of the United States Code states that the Treasurer of a political committee shall keep an account of the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year, together with the date and amount of any such contribution.

Section 434(b)(3) of Title 2 of the United States Code states, in part, that each report shall disclose the identification of each person who makes a contribution(s) to the committee in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such contribution.

Section 100.12 of Title 11 of the Code of Federal Regulations states, in part, that "identification" means, in the case of an individual, his or her full name; mailing address; occupation; and the name of his or her employer.

A sample review of the Committee's individual receipt records indicated that the Committee had not adequately recorded and disclosed the occupation and name of employer for its contributors. A 100% review of contributions requiring this information was conducted. This review disclosed that the required information was missing for 110 contributors. The contributions from these contributors totaled \$183,275.00 and comprised 51% of the dollar amount and 30% of the number of contributions requiring this information.

All of the contributions lacking this information were the result of one fundraising event and also contributions received where the Audit staff could find no evidence of a written solicitation which would facilitate the collection of this information. Further, the Audit staff could find no evidence in the Committee's records that the information has been requested at a later date.

The Committee Treasurer stated that she would attempt to obtain the information and file amended reports.

In the interim report, the Audit staff recommended that within 30 days of receipt of the report that the Committee obtain the missing contributor information and file a comprehensive amendment disclosing the information or provide evidence of best efforts to obtain the information.

The final day of the Committee's response period was October 22, 1981. On November 9, 1981 the Audit staff received the Committee's response which contained the majority of the requested contributor information. A review of the response disclosed that the Committee had substantially complied with the Audit staff's recommendation.

#### Recommendation

The Audit staff recommends no further action on this matter.

#### B. Timely Deposit of Receipts

Section 103.3(a) of Title 11 of the Code of Federal Regulations states, in part, that all receipts by a political committee shall be deposited in account(s) established pursuant to 11 C.F.R. 103.2. The treasurer of the committee shall be responsible for making such deposits. All deposits shall be made within 10 days of the treasurer's receipt.

A sample review of the Committee's deposits disclosed that receipts were not being deposited within the requisite time period. A 100% review of the Committee's deposits identified 66 deposits totaling \$210,647.57 which were not deposited within 10 days of the treasurer's receipt. These deposits comprised 63% of the number and 36% of the dollar amount of the Committee's receipts. The review also revealed that the deposits were made anywhere from 13 to 33 days after the deposit slips were prepared.

The Committee treasurer stated that deposits were not made in a timely manner because the deposit slips were prepared at the time of receipt of the contribution, however, they were often not deposited until a later date. The receipts processing procedures described above may have contributed to the Committee having to file an amended 12 Day Pre-General Election Report disclosing \$91,920.73 in receipts not contained in the original report.

#### Recommendation

The Audit staff recommends that in the future, the Committee deposit receipts within the time limits set forth under Section 103.3(a) of Title 11 of the Code of Federal Regulations.

C. Failure to Itemize Debts and Obligations

Section 434(b) (8) of Title 2 of the United States Code states, in part, that each report under this section shall disclose the amount and nature of outstanding debts and obligations owed by such political committee.

Section 104.11(a) and (b) of Title 11 of the Code of Federal Regulations states, in part, that debts and obligations owed by a political committee shall be continuously reported until extinguished. These debts and obligations shall be reported on separate schedules together with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or extinguished. In addition, a debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after such obligation is incurred, whichever comes first. Any debt or obligation, the amount of which is over \$500 shall be reported as of the time of the transaction.

During the review of expenditure documentation, it was determined that the Committee failed to disclose on Schedule C, fifteen debts in amounts greater than \$500 totaling \$53,053.34 which were outstanding at the close of the third quarterly, 12 Day Pre- and the 30 Day Post-General Election Report periods. These debts were paid and disclosed as expenditures on subsequent reports.

Recommendation

The Audit staff recommends that since the obligations were subsequently paid and disclosed on Schedule B that no further action be taken on this matter.

FEC  
DOCUMENT  
SEPARATOR