




FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

A82-5

July 28, 1983

MEMORANDUM

TO: FRED EILAND
PRESS OFFICER

FROM: BOB COSTA 

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -
LIFE AMENDMENT POLITICAL ACTION COMMITTEE, INC.

Attached please find a copy of the final audit report of Life Amendment Political Action Committee, Inc. which was approved by the Commission on June 16, 1983.

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

Attachment as stated

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Public Record



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REPORT OF THE AUDIT DIVISION
ON THE
LIFE AMENDMENT POLITICAL ACTION COMMITTEE, INC.

I. Background

A. Overview

This report is based on an audit of the Life Amendment Political Action Committee, Inc. ("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, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under section 434 of this title. Prior to conducting any audit under this subsection, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Federal Election Commission on November 7, 1977. The Committee maintains its headquarters in Garrisonville, Virginia.

The audit covered the period January 1, 1981, through October 21, 1982. The Committee reported a cash balance on January 1, 1981 of \$4,412.00; total receipts for the period of \$351,606.35; total disbursements for the period of \$356,545.43 and a cash balance on October 21, 1982 of \$2,337.70. ^{1/}

This audit report is based on documents and work papers 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 the Commissioners and appropriate staff for review.

^{1/} There are apparent arithmetical discrepancies within the Committee's reported totals.

B. Key Personnel

The Treasurer of the Committee during the period covered by the audit was Mr. Paul A. Brown.

C. Scope

The audit included such tests as verification of total reported receipts and disbursements 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. Although the contribution records provided by the Committee substantially met the recordkeeping requirements of 2 U.S.C. 432(c) and 11 C.F.R. 102.9(a), they appeared to be incomplete, thus only a partial verification of individual transactions was performed (see Finding II.A. below).

II. Audit Findings and Recommendations

A. Itemization of Individual Contributions

Section 434(b)(3) of Title 2 of the United States Code requires a political committee to disclose the identification of each person (other than a political committee) who makes a contribution to the reporting committee which in the aggregate exceeds \$200 within the calendar year, together with the date and amount of any such contribution.

A review of the Committee's contribution records indicated that there were 39 contributions in excess of, or aggregating in excess of \$200, which were not initially itemized on Committee disclosure reports. These contributions totaled \$4,769.00 and represented 67.2% of the number and 43.6% of the dollar value of individual contributions requiring itemization. Committee officials stated that these omissions were due to the fact that the Committee discontinued the computer processing of contributions for a portion of the period covered by the audit.

It should be noted that subsequent to the commencement of audit fieldwork, the Committee performed a manual aggregation of certain contributions and included on the 1982 year-end report 27 contributions which were previously not itemized for calendar year 1982. Our review of this report revealed that 12 (of the 39) contributions, totaling \$1,693.50, have yet to be itemized.

As noted in Section I.C., the scope of the audit was modified due to the unavailability of records necessary to verify certain receipt transactions. Briefly, the records presented for audit review consisted of:

1. Two computerized contribution listings which included contributions received from inception (1978) through February 1983. However, one of the listings did not include contributions received from July 1981 through December 31, 1981.
2. Nine containers of Committee source documents (contributor reply envelopes) which appeared to represent contributions received during 1981, 1982, and 1983.

Several tests performed with respect to the above mentioned source documents indicated that they appeared to be incomplete both in dollar value and quantity, therefore the Audit staff could not verify that all Committee receipts had been properly disclosed. Accordingly, it is suggested that the Committee devise and implement procedures for contribution record maintenance which will result in the proper accounting and disclosure of contributions.

It was recommended in the interim audit report that the Committee file amendments itemizing the remaining 12 contributions.

On April 27, 1983, the Committee filed amendments to its disclosure reports itemizing the contributions as required.

Recommendation

Based upon the action of the Committee, the Audit staff recommends no further action on this matter.

B. Contributions To/From Other Political Committees

Sections 434(b)(3)(D) and (6)(E)(i) of Title 2 of the United States Code require the disclosure of the identification of each affiliated committee which makes a transfer to the reporting committee during the reporting period, and the name and address of each political committee which has received a contribution from the reporting committee together with the date and amount of any such contribution.

During the pre-audit review, it was noted that the Committee did not itemize two contributions to political committees totaling \$525.00 and one contribution apparently received from an affiliated committee totaling \$3,000.00. A review of the Committee's cancelled checks during the audit fieldwork confirmed that two contributions, totaling \$525.00 were made. However, the Audit staff was unable to verify the Committee's receipt of the \$3,000.00 contribution since the Committee did not maintain certain contributor records.

On April 4 and 27, 1983, the Committee filed amendments disclosing the above transactions.

Recommendation

Based on the above we recommend no further action.

C. Matter Referred to the Office of General Counsel

A certain matter noted during the audit was referred to the Commission's Office of General Counsel on June 16, 1983.

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