



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

A87-35

September 2, 1988

MEMORANDUM

TO: FRED EILAND
CHIEF, PRESS OFFICE

FROM: ROBERT J. COSTA *RJC*
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF THE FINAL AUDIT REPORT
ON THE POLITICAL ACTION COMMITTEE OF THE
ASSEMBLY OF TURKISH AMERICAN ASSOCIATIONS

Attached please find a copy of the Final Audit Report on the Political Action Committee of the Assembly of Turkish American Associations which was approved by the Commission on August 26, 1988.

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: Office of General Counsel
Office of Public Disclosure
Reports Analysis Division
FEC Library

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REPORT OF THE AUDIT DIVISION
ON
POLITICAL ACTION COMMITTEE OF THE ASSEMBLY OF TURKISH
AMERICAN ASSOCIATIONS

I. Background

A. Overview

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This report is based on an audit of the Political Action Committee of the Assembly of Turkish American Associations ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to 2 U.S.C. § 438(b) 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 section, 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 May 30, 1985, and maintains its headquarters in Washington, D.C. The connected organization of the Committee during the audit period was the Assembly of Turkish American Associations ("the Connected Organization"), a membership organization.

The audit covered the period May 30, 1985 through December 31, 1986. The Committee reported an opening cash balance on June 1, 1985 of \$-0-; total receipts for the period of \$70,405; total disbursements for the period of \$66,059; and a closing cash balance on December 31, 1986 of \$4,346.

This report is based on documents and workpapers supporting each of its factual statements. They form part of the record upon which Commission based its decision 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 during the period covered by the audit was Mr. Bulent Atalay. The designated agent^{1/} of the Committee is Mr. Erol Ozdemir.

C. Scope

The audit included such tests as verification of total reported receipts, disbursements and individual disbursement transactions; review of required supporting documentation; analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances. However, although the contribution records provided by the Committee met the recordkeeping requirements of 2 U.S.C. § 432(c) and 11 C.F.R. § 102.9(a), they did not include any material prepared outside of the Committee. Therefore, no verification of individual contribution transactions was performed.

II. Audit Findings and Recommendations

A. Misstatement of Financial Activity

Sections 434(b)(1) and (2) of Title 2, United States Code, require that a committee report the beginning cash on hand and the total sum of all receipts made during a reporting period and the calendar year.

The Audit staff performed a reconciliation of activity per the Committee's bank account to its disclosure reports which indicated that total receipts on the 1986 Year End Report were understated by \$8,000 resulting in an understatement of ending cash at December 31, 1986 of \$8,000. This understatement was apparently the result of the Committee's failure to report an \$8,000 deposit on December 12, 1986.

The Committee representative stated that he believed the deposit was composed of funds intended for the Connected Organization but inadvertently deposited into the Committee's account. On January 25, 1988, the Committee representative provided records of this receipt which supported this contention. Finally, the Committee representative stated that the Committee would file an amended report disclosing the deposit.

^{1/} According to a letter received February 2, 1988, the Committee is currently without a Treasurer. The designated agent is addressing all issues until a Treasurer is appointed.

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In the Interim Audit Report the Audit staff recommended that the Committee amend the Year End 1986 disclosure report to correct the receipts and cash on hand figures. On June 6, 1988, the Committee filed an amended report to disclose the deposit and correct the misstatement noted above.

Recommendation #1

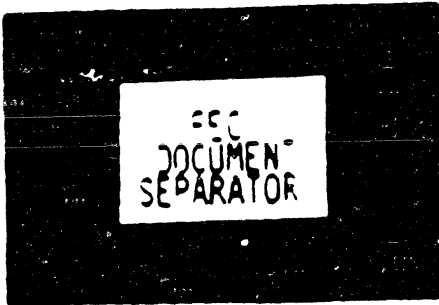
The Audit staff recommends no further action on this matter.

B. Matters Referred to the Office of General Counsel

Certain matters noted during the audit were referred to the Commission's Office of General Counsel.

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