




FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 20, 2000

MEMORANDUM

TO: RON M. HARRIS
PRESS OFFICER
PRESS OFFICE

FROM: ROBERT J. COSTA 
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF THE FINAL AUDIT REPORT ON
EMPLOYEE FEDERAL POLITICAL ACTION COMMITTEE
DUKE ENERGY CORPORATION (DUKE PAC)

Attached please find a copy of the final audit report and related documents on Employee Federal Political Action Committee Duke Energy Corporation (Duke PAC) which was approved by the Commission on March 1, 2000.

Informational copies of the report have been received by all parties involved and the report may be released to the public on March 20, 2000.

Attachment as stated

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

22.07.025.3055

REPORT OF THE AUDIT DIVISION
ON
EMPLOYEES FEDERAL
POLITICAL ACTION COMMITTEE
DUKE ENERGY CORPORATION

Approved March 1, 2000



FEDERAL ELECTION COMMISSION

999 E STREET, N.W.

WASHINGTON, D.C.

22.07.025.3057

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POLITICAL ACTION COMMITTEE
DUKE ENERGY CORPORATION

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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***REPORT OF THE AUDIT DIVISION
ON THE
EMPLOYEES FEDERAL POLITICAL ACTION COMMITTEE
DUKE ENERGY CORPORATION***

I. BACKGROUND

A. AUDIT AUTHORITY

This report is based on an audit of Employees Federal Political Action Committee - Duke Energy Corporation (Duke PAC), 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 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.

B. AUDIT COVERAGE

The audit covered the period January 1, 1997 through December 31, 1998. During this period, Duke PAC reported a beginning cash balance of \$12,724; total receipts of \$124,863; total disbursements of \$111,783; and an ending cash balance of \$25,823.¹

C. COMMITTEE ORGANIZATION

Duke PAC registered with the Federal Election Commission on December 13, 1977 and maintains its headquarters in Charlotte, NC.

¹ Figures in this report have been rounded to the nearest dollar. These amounts do not foot as a result of a \$19 change to Duke PAC's beginning cash on hand balance on March 1, 1998.

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Treasurers during the audit period included: Christin Jarvis Juvier (7/1/94-1/15/97); Phyllis T. Simpson (1/16/97 - 3/19/98); Vincent M. Davis (3/20/98 - 8/2/98); and Jaqueline Granados (8/3/98 - 11/15/98). On November 16, 1998, Daniel Hill became Treasurer and continues to serve in that capacity.

To manage its financial activity, Duke PAC utilized one Federal bank account, one non-federal account, and one escrow account. The escrow account was used as the initial depository for PAC contributions from Duke Energy employees. These contributions were then transferred periodically to Duke PAC's federal and non-federal accounts according to a predetermined ratio. Duke PAC made approximately 277 disbursements from its non-federal account for non-federal activity. From its federal account, Duke PAC made approximately 150 disbursements. Duke PAC's federal account received only contributions from individuals, approximately \$124,438; the majority of which were collected through payroll deduction.

D. AUDIT PROCEDURES

The audit included testing of the following general categories:

1. The receipt of contributions or loans in excess of the statutory limitations;
2. the receipt of contributions from prohibited sources, such as those from corporations or labor organizations;
3. proper disclosure of contributions from individuals, political committees and other entities, to include the itemization of contributions when required, as well as, the completeness and accuracy of the information disclosed;
4. proper disclosure of disbursements including the itemization of disbursements when required, as well as, the completeness and accuracy of the information disclosed;
5. proper disclosure of debts and obligations;
6. the accuracy of total reported receipts, disbursements and cash balances as compared to bank records;
7. adequate recordkeeping for committee transactions; and
8. other audit procedures that were deemed necessary in the situation.

As part of the Commission's standard audit process, an inventory of Duke PAC's records was conducted prior to the audit fieldwork to determine if its records were materially complete and in an auditable state. Based on our review of the records presented, it was concluded that they were materially complete and fieldwork began immediately.

Based upon our examination of the reports and statements filed, and the records presented by Duke PAC, no material non-compliance was discovered.

22.07.025.3061

22.07.025.3062



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 13, 2000

Mr. Daniel Hill, Treasurer
Employee Federal Political Action Committee
Duke Energy Corporation (Duke PAC)
422 South Church Street PB05E
Charlotte, NC 28242

Dear Mr. Hill:

Attached please find the Report of the Audit Division on Employee Federal Political Action Committee Duke Corporation (Duke PAC). The Commission approved the report on March 1, 2000.

The Commission approved Final Audit Report will be placed on the public record on March 20, 2000. Should you have any questions regarding the public release of the report, please contact the Commission's Press Office at (202) 219-4155.

Any questions you have related to matters covered during the audit or in the report should be directed to Tesfai Asmamaw or Alex Boniewicz of the Audit Division at (202) 694-1200 or toll free at (800) 424-9530.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Costa".

Robert J. Costa
Assistant Staff Director
Audit Division

Attachment as stated

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22.07.025.3064

CHRONOLOGY

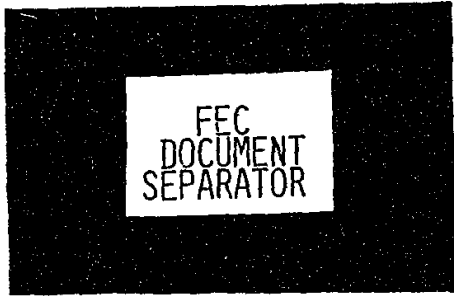
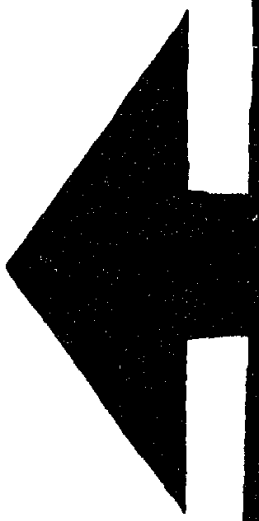
EMPLOYEES FEDERAL
POLITICAL ACTION COMMITTEE
DUKE ENERGY CORPORATION

Audit Fieldwork	01/10/2000 — 01/18/2000
Exit Conference	01/18/2000
Final Audit Report Approved	03/01/2000

503.500.70.22

22.07.025.3066

22.07.025.3068



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DOCUMENT
SEPARATOR

