



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 1, 2013

**MEMORANDUM**

To: The Commission

Through: Alec Palmer  
Staff Director

From: Patricia C. Orrock *PCO*  
Chief Compliance Officer

Thomas E. Hintermister *TH*  
Assistant Staff Director  
Audit Division

Alex Boniewicz *MBGF*  
Audit Manager

Marty Favin *MF*  
Audit Manager

By: Randy Harris *RH*  
Lead Auditor

Subject: Audit Division Recommendation Memorandum on the Mississippi  
Democratic Party PAC (MDP) (A11-10)

Pursuant to Commission Directive No. 70 (FEC Directive on Processing Audit Reports), the Audit staff presents its recommendations below and discusses the findings in the attached Draft Final Audit Report (DFAR). The Office of General Counsel (OGC) has reviewed this memorandum and concurs with the recommendations.

**Finding 1. Misstatement of Financial Activity**

In response to the Interim Audit Report, MDP filed amendments that materially complied with the recommendation. MDP had no additional comments in its response to the DFAR.

The Audit staff recommends that the Commission find that MDP misstated their financial activity for calendar years 2009 and 2010.

**Finding 2. Disclosure of Disbursements**

In response to the Interim Audit Report, MDP filed amendments that materially complied with the recommendation. MDP had no additional comments in its response to the DFAR.

The Audit staff recommends that the Commission find that MDP omitted disclosure information related to disbursements totaling \$361,109.

**Finding 3. Disclosure of Occupation/Name of Employer**

In response to the Interim Audit Report, MDP filed amendments that materially complied with the recommendation. MDP had no additional comments in its response to the DFAR.

The Audit staff recommends that the Commission find that MDP failed to disclose occupation/name of employer for contributions from individuals totaling \$17,426 and did not demonstrate "best efforts" to obtain, maintain, and submit disclosure information with respect to these contributions.

**Finding 4. Recordkeeping for Employees**

For the period covered by the audit, MDP did not maintain any monthly payroll logs, as required, to document the percentage of time each employee spent on federal election activity. For 2009 and 2010, the Audit staff identified payments to MDP employees totaling \$138,741, for whom MDP was required to maintain monthly payroll logs. In response to the Interim Audit Report recommendation, MDP implemented a plan to track employees' time spent on federal election activities. MDP had no additional comments in its response to the DFAR.

The Audit staff recommends that the Commission find that MDP failed to maintain logs to document the time employees spent on federal election activity totaling \$138,741.

MDP did not request an audit hearing.

If this memorandum is approved, a Proposed Final Audit Report will be prepared within 30 days of the Commission's vote.

In case of an objection, Directive No. 70 states that the Audit Division Recommendation Memorandum will be placed on the next regularly scheduled open session agenda.

Documents related to this audit report can be viewed in the Voting Ballot Matters folder. Should you have any questions, please contact Randy Harris or Marty Favin at 694-1200.

**Attachment:**

- Draft Final Audit Report of the Audit Division on the Mississippi Democratic Party PAC

cc: Office of General Counsel