



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 613

Date Filmed 5/14/80 Camera No. --- 2

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RECEIVED
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
)
Rudasill for Congress)
Committee)

MUR 613 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, certify that on January 18, 1979, the Commission, meeting in an Executive Session at which a quorum was present, determined by a vote of 5-0 to adopt the recommendation of the General Counsel to take the following actions in MUR 613 (78):

1. Find probable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(c)(1)(2) by failing to maintain records in support of \$1,645.06 in reported receipts.
2. Find probable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(c)(3) by failing to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures.
3. Find probable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(d) by failing to retain adequate supporting documentation for thirty (30) itemized expenditures.
4. Find probable cause to believe that the Rudasill for Congress Committee through the Candidate made eight (8) cash expenditures in excess of \$100 in violation of 2 U.S.C. §437b(a)(1) and (b).
5. Authorize the General Counsel to institute civil suit.

1/19/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 613 (78)
Rudasill for Congress)
Committee)

GENERAL COUNSEL'S REPORT

I. History of Case

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This matter was initiated internally as a result of a random audit of the receipts and expenditures maintained by the Rudasill for Congress Committee ("the Committee"), the principal campaign committee of Elbert Geroud Rudasill. Mr. Rudasill was an unsuccessful candidate for election to the United States House of Representatives from the 2nd Congressional District of North Carolina in 1976.

The Audit Division requested additional records from the Candidate/Committee, on February 23, 1978, in order to complete the audit. The Candidate provided certain additional records on March 10, 1978, and promised to attempt to provide the remainder of the missing records by March 20, 1978. However, the auditors have been unable to contact the Candidate since March 10, 1978, and as of this date the remainder of the missing records have not been provided.

On May 19, 1978, this matter was referred to the Office of General Counsel.

On July 26, 1978, the Commission found reason to believe that the Rudasill for Congress Committee failed to maintain records in support of \$1,645.06 in reported receipts in violation of 2 U.S.C. §432(c)(1); that the Committee has failed to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures in violation of 2 U.S.C. §432(c)(3); that the Committee failed to retain adequate supporting documentation for thirty (30) itemized expenditures in violation of 2 U.S.C. §432(d); and that the Candidate violated 2 U.S.C. §437b(a)(1) and (b) when he made eight (8) cash expenditures on behalf of and reported by the Committee in excess of \$100.

The letter of notification was mailed on July 27, 1978, to the Candidate's last known address in Oxon Hill, Maryland. However, the letter was returned, marked, "Moved-left no address."

Subsequently, it was learned that Mr. Rudasill was a 1978 Candidate from the 2nd Congressional District of North Carolina for the United States House of Representatives.

On August 17, 1978, the original letter of notification was re-mailed to the Candidate's campaign headquarters in Warrenton, North Carolina, the address registered with the Commission. The letter was forwarded from that address to Lanham, Maryland, where it was returned marked, "Refused."

On August 30, 1978, a member of the General Counsel's staff communicated with Mrs. Catherine Rudasill, the wife of the Candidate, who is presently residing in Lanham, Maryland. The staff member was informed that Mr. Rudasill was out of the country, but he would be returning in mid-September. Mrs. Rudasill indicated that she would not accept any mail from the Commission on behalf of her husband and suggested that we await his return.

On September 18, 1978, at Mrs. Rudasill's suggestion, the original letter of notification was re-mailed to the Lanham, Maryland address. However, on October 6, 1978, it was again returned to the Commission marked, "Unclaimed."

Having received no response from the Candidate or the Committee and no cooperation from the candidate's spouse, on October 23, 1978, the Commission found reasonable cause to believe that the Rudasill for Congress Committee violated the Act.

On October 26, 1978, the letter of notification and the Conciliation Agreement were mailed to the Candidate's last known mailing address in Lanham, Maryland. However, this letter was returned to the Commission on or about November 20, 1978, marked, "Unclaimed."

On November 21, 1978, the letter of notification and the Conciliation Agreement were re-mailed first-class mail to the Candidate's Lanham, Maryland, address. To date, this letter has not been returned to the Commission.

In addition, the Office of General Counsel on November 8, 1978, mailed first-class a copy of the letter of notification and the Conciliation Agreement to the Committee's address in Warrenton, North Carolina. This is the address registered with the Commission by the Committee for the 1978 campaign.

In that the respondent has not responded to the Commission's attempt at conciliation and the staff has exhausted all reasonable methods of communicating with the respondent, it is recommended that the Commission proceed with a probable cause determination.

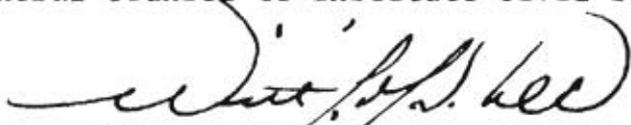
II. Recommendations

1. Find probable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(d)(1)(2) by failing to maintain records in support of \$1,645.06 in reported receipts.
2. Find probable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(c)(3) by failing to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures.
3. Find probable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(d) by failing to retain adequate supporting documentation for thirty (30) itemized expenditures.

4. Find probable cause to believe that the Rudasill for Congress Committee through the Candidate made eight (8) cash expenditures in excess of \$100 in violation of 2 U.S.C. §431b(a)(1) and (b).
5. Authorize the General Counsel to institute civil suit.

Date

1/11/79



William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: DECEMBER 6, 1978
SUBJECT: MUR 613 (78) - Interim Conciliation Report
dated 12-4-78; Received
in OCS 12-4-78, 5:20

The above-named document was circulated on a 24
hour no-objection basis at 12:00, December 5, 1978.

The Commission Secretary's Office has received
no objections to the Interim Conciliation Report as of
1:00 this date.

30040103657

December 4, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 613

Please have the attached Interim Concil Report on
MUR 613 distributed to the Commission.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
BY THE
SECRETARY

In the Matter of)
)
Rudasill for Congress)
Committee)

MUR 613 (78)
78 DEC 4 P 5: 20

INTERIM CONCILIATION REPORT

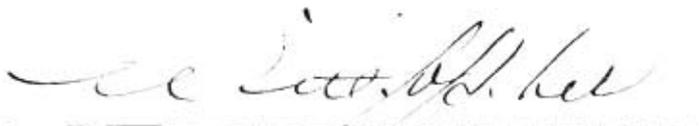
On October 23, 1978, the Commission found reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. § 432(c)(1) by failing to maintain records in support of \$1,645.06; 2 U.S.C. § 432(c)(3) by failing to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures; 2 U.S.C. § 432(d) by failing to retain adequate supporting documentation for thirty (30) itemized expenditures on behalf of and reported by the Committee in excess of \$100 in violation of 2 U.S.C. § 437b(a)(1) and (b).

On October 26, 1978, the letter of notification and the Conciliation Agreement were mailed to the Candidate's last known mailing address in Lanham, Maryland. However, this letter was returned to the Commission on or about November 20, 1978, marked "Unclaimed".

On November 21, 1978, the letter of notification and the Conciliation Agreement were re-mailed first-class mail to the Candidate's Lanham, Maryland, address.

The Office of General Counsel is of the opinion that every reasonable effort has been made to notify the Respondent of the Commission's findings. If no response is received to our last attempt at notice, we will make a further recommendation for proceeding at that time.

12/4/78
Date


William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463



POSTAGE AND FEES PAID



UNDELIVERED
ADDRESS
INCOMPLETE
NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

PS CHECK NO.

02454

HOLD

DATE

10-31-78

1ST NOTICE

103-78

2ND NOTICE

17-14

RETURN

Mr. Elbert G. Rudasill
7918 Dollwood Avenue
Lanham, Maryland 20801

CLERK
943764

PS Form 3840, July 1977

80040 18 36661

613

PS Form 3811, April 1977
 RETURN, RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

• SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY Show to whom and date delivered.
 RESTRICTED DELIVERY Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
 Robert C. Rutasill

3. ARTICLE DESCRIPTION
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943764

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE CLERK'S INITIALS



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 26, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Elbert G. Rudasill, Treasurer
Rudasill for Congress Committee
7918 Dellwood Avenue
Lanham, Maryland 20801

MUR 613 (78)

Dear Mr. Rudasill:

On October 23, 1978, the Commission found reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(c)(1)(2) by failing to maintain records in support of \$1,645.06 in reported receipts; that your Committee has failed to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures in violation of 2 U.S.C. §432(c)(3); that your Committee failed to retain adequate supporting documentation for thirty (30) itemized expenditures in violation of 2 U.S.C. §432(d); and that your Committee through the Candidate made eight cash expenditures in excess of \$100.00 in violation of 2 U.S.C. §437(a)(1) and (b).

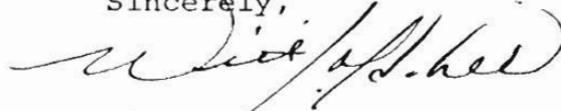
The Commission has a duty to attempt to correct such violations for a period of thirty (30) days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty.

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We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it along with the One Thousand Dollar (\$1,000.00) civil penalty within ten (10) days. We will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed Conciliation Agreement, please contact Conley Edwards, Jr., the staff member assigned to this matter, at 202-523-4529.

Sincerely,



William C. Oldaker
General Counsel

Enclosure

30010133653

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Rudasill for Congress) MUR 613(78)
Committee)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and after an investigation, the Commission having found reasonable cause to believe that the Rudasill for Congress Committee (hereinafter "Respondent") violated 2 U.S.C. §§ 432 (c)(1)(2), 432(c)(3), 432d, and 437b(a)(1) and (b):

WHEREFORE, the Commission and Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437g (a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter of this case.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters into this agreement voluntarily with the Commission.
- IV. The pertinent facts in this matter are as follows:
 - A. Respondent failed in 1976 to maintain records in support of \$1,645.06 in reported receipts as required by 2 U.S.C. § 432(c)(1)(2).
 - B. Respondent failed in 1976 to maintain detailed and accurate accounts with regard to thirty(30)

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itemized expenditures as required by 2 U.S.C. § 432(c)(3).

- C. Respondent failed to retain adequate supporting documentation for thirty(30) itemized expenditures as required by 2 U.S.C. § 432(d).
- D. Respondent through the Candidate made nine(9) cash expenditures totaling \$2,053.37, eight(8) of these nine(9) itemized cash expenditures exceeded \$100 in value in violation of 2 U.S.C. § 437b(a)(1) and (b).

WHEREFORE, Respondent agrees:

- I. That Respondent will obtain records in support of \$1,645.06 in reported receipts and file an amended and accurate report of Committee receipts within thirty (30) days of the date this Agreement is approved by the Commission.
- II. That Respondent will obtain and file adequate documentation of the thirty(30) itemizable expenditures that are presently inadequately documented. If any of this information is not obtainable, the amended report shall indicate why it was not obtainable and the efforts expended in attempting to obtain the information.
- III. That Respondent will now, and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.
- IV. That Respondent will pay a civil penalty in the amount

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of one thousand dollars, (1,000.00), to the Secretary of the United States Treasury within ten (10) days of the effective date of this Agreement, pursuant to 2 U.S.C. § 437g(a)(5)(B).

V. General Conditions

- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. This Conciliation Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this agreement.
- C. It is mutually agreed that this Agreement shall become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

2001033656

Date

William C. Oldaker
General Counsel

Date

Elbert G. Rudasill
Rudasill for Congress Committee

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Rudasill for Congress) MUR 613 (78)
Committee)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 23, 1978, the Commission determined by a vote of 4-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated October 18, 1978, regarding the above-captioned matter:

1. Find reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(c)(1)(2) by failing to maintain records in support of \$1,645.06 in reported receipts.
2. Find reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(c)(3) by failing to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures.
3. Find reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(d) by failing to retain adequate supporting documentation for thirty (30) itemized expenditures.

(Continued on Page 2)

4. Find reasonable cause to believe that the Rudasill for Congress Committee through the Candidate made eight (8) cash expenditures in excess of \$100 in violation of 2 U.S.C. §431b(a)(1) and (b).
5. Send the letter and Conciliation Agreement attached to the above-named report.

Voting for this determination were Commissioners
Springer, Tiernan, Staebler and Harris.

Attest:

10/22/78
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Report received in Office of Commission Secretary: 10-19-78, 12:08
Circulated on 48 hour vote basis: 10-19-78, 3:30

2271719338

October 19, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 613

Please have the attached General Counsel's Report on MUR 613 distributed to the Commission on a 48 hour tally basis.

Thank you.

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In the Matter of)
78 OCT 19 12:08) MUR 613(78)
Rudasill for Congress)
Committee)

GENERAL COUNSEL'S REPORT

I. History of Case

This matter was initiated internally as a result of a random audit of the receipts and expenditures maintained by the Rudasill for Congress Committee ("the Committee"), the principal campaign committee of Elbert Geroud Rudasill. Mr. Rudasill was an unsuccessful candidate for election to the United States House of Representatives from the 2nd Congressional District of North Carolina in 1976.

The audit revealed that the Committee violated 2 U.S.C. § 432(c)(1)(2) by failing to maintain records in support of \$1,645.06 in reported receipts; 2 U.S.C. § 432(c)(3) by failing to maintain detailed and accurate accounts with regard to thirty(30) itemized expenditures; 2 U.S.C. § 432(d) by failing to retain adequate supporting documentation for thirty(30) itemized expenditures; and that the Committee through the Candidate made nine(9) cash expenditures totaling \$2,053.37, eight(8) of these nine(9) itemized cash expenditures exceeded \$100 in value in violation of 2 U.S.C. § 437b(a)(1) and (b).

The Audit Division requested additional records from the Candidate/Committee, on February 23, 1978, in order to

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complete the audit. The Candidate provided certain additional records on March 10, 1978, and promised to attempt to provide the remainder of the missing records by March 20, 1978. However, the auditors have been unable to contact the Candidate since March 10, 1978, and as of this date the remainder of the missing records have not been provided.

On May 19, 1978, this matter was referred to the Office of General Counsel.

On July 26, 1978, the Commission found reason to believe that the Rudasill for Congress Committee failed to maintain records in support of \$1,645.06 in reported receipts in violation of 2 U.S.C. § 432(c)(1); that the Committee has failed to maintain detailed and accurate accounts with regard to thirty(30) itemized expenditures in violation of 2 U.S.C. § 432(c)(3); that the Committee failed to retain adequate supporting documentation for thirty (30) itemized expenditures in violation of 2 U.S.C. § 432(d); and that the Candidate violated 2 U.S.C. § 437b(a)(1) and (b) when he made eight(8) cash expenditures on behalf of and reported by the Committee in excess of \$100.

The letter of notification was mailed on July 27, 1978, to the Candidate's last known address in Oxon Hill, Maryland. However, the letter was returned, marked "Moved-left no address."

Subsequently, it has been learned that Mr. Rudasill is a 1978 Candidate from the 2nd Congressional District of North

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Carolina for the United States House of Representatives.

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On August 30, 1978, a member of the General Counsel's staff communicated with Mrs. Catherine Rudasill, the wife of the Candidate, who is presently residing in Lanham, Maryland. The staff member was informed that Mr. Rudasill was presently out of the country, but he would be returning in mid-September. Mrs. Rudasill indicated that she would not accept any mail from the Commission on behalf of her husband and suggested that we await his return.

II. Analysis

A. Recordkeeping-Receipts

2 U.S.C. § 432(c)(1)(2) states that: "(I)t shall be the duty of the treasurer of a political committee to keep a detailed and exact account of - all contributions made to or for such committee; the identification of every person making a contribution in excess of \$50, and the date and amount thereof and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business(if any);"^{1/}

^{1/} 11 C.F.R. § 104.12(b) requires reporting committees to maintain records in sufficient detail to permit verification of filed reports and statements.

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During an examination of a seven(7) month period (March through September, 1976) it was revealed that the Committee failed to maintain records to support \$1,645.05 in reported receipts. The Committee's receipt records listed each contributor's name, address, date, and the amount of each contribution. The Candidate has stated that these receipts probably represented contributions from himself; however, this has not been verified since both the bank and contribution records were incomplete.

On March 10, 1978, the Candidate provided one(1) bank statement and the accompanying checks. In addition, he promised to provide the additional bank records once he collected them from the Committee's depositories for further examination. To date, these documents have not been received nor has the Candidate communicated with the Commission since March 10, 1978.

B. Recordkeeping-Expenditures

2 U.S.C. § 432(c)(3) states that: "(I)t shall be the duty of the treasurer of a political committee to keep a detailed and exact account of all expenditures made by or on behalf of such committee;"^{2/}

2/ 11 C.F.R. § 102.9(c)(4) permits the treasurer, when a receipted bill is not available to keep cancelled checks showing payment of the bill(s), and the bill(s), invoice(s), or other contemporaneous memorandum of the transaction. In addition, 11 C.F.R. § 104.12(b)(1)(2)(3) requires that each political committee and candidate required to file reports under the Act shall maintain records with respect to the matters reported, including vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and data from which the filed reports may be verified, and keep those records available for audit or inspection

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To date, the Committee has not made all the bank records available to the Commission for two(2) campaign depositories. These missing bank records are needed to verify twenty-one (21) itemized expenditures made by check and to confirm the Candidate's claim that nine(9) other itemized expenditures were made in cash, not by check. These bank records are also needed to permit a determination concerning the completeness of the Committee's reporting of expenditures.

C. Recordkeeping-Documentation of Expenditures

2 U.S.C. § 432(d) states that: "(I)t shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the Commission."

The Committee has continued to fail to provide any supporting documentation for five(5) of thirty(30) itemized expenditures discussed in Section C. These five(5) expenditures total \$2,066.29. Also, the Committee has continued to fail to provide cancelled checks for the

by the Commission or its authorized representative for a period of not less than three(3) years from the end of the year in which the report or statement was filed.

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twenty-five(25) other itemized expenditures involved.

D. Reporting

2 U.S.C. § 434(a)(1) and (b) requires each treasurer of a political committee supporting a candidate for election to Federal office to file with the Commission reports containing specific information on their receipts, expenditures and beginning cash for a reporting period.

The Committee's records revealed that the Candidate had made contributions to the Committee, and had made campaign-related expenditures totaling \$2,112.53. The Committee reported \$1,578.44 of this amount as a debt and obligation; however, the auditor's were unable to ascertain from the records in hand if any of the \$2,112.53 had ever been reported as receipts and expenditures.

E. Excessive Cash Expenditures

2 U.S.C. § 437b(a)(1) and (b) requires that all Committee expenditures in excess of \$100 be made by check drawn on a designated campaign depository.

The Candidate has stated that a \$2,053.37 loan itemized by the Committee represents nine(9) cash expenditures made by himself and reported by the Committee. Eight(8) of these nine(9) itemized expenditures were in excess of \$100 in value.

III. Conclusion

In light of the above, the Rudasill for Congress Committee has continued to fail to make an effort to comply with the Act.

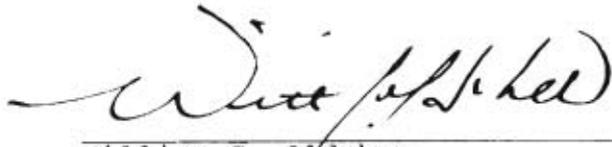
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IV. Recommendations

1. Find reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. § 432(c)(1)(2) by failing to maintain records in support of \$1,645.06 in reported receipts.
2. Find reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. § 432(c)(3) by failing to maintain detailed and accurate accounts with regard to thirty(30) itemized expenditures.
3. Find reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. § 432(d) by failing to retain adequate supporting documentation for thirty(30) itemized expenditures.
4. Find reasonable cause to believe that the Rudasill for Congress Committee through the Candidate made eight(8) cash expenditures in excess of \$100 in violation of 2 U.S.C. § 431b(a)(1) and (b).
5. Send attached letter and Conciliation Agreement.

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Date 10/18/78



William C. Oydaker
General Counsel

Attachments: Conciliation Agreement
RCTB Letter

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Elbert G. Rudasill, Treasurer
Rudasill for Congress Committee
7918 Dellwood Avenue
Lanham, Maryland 20801

MUR 613 (78)

Dear Mr. Rudasill:

On October , 1978, the Commission found reasonable cause to believe that the Rudasill for Congress Committee violated 2 U.S.C. §432(c)(1)(2) by failing to maintain records in support of \$1,645.06 in reported receipts; that your Committee has failed to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures in violation of 2 U.S.C. §432(c)(3); that your Committee failed to retain adequate supporting documentation for thirty (30) itemized expenditures in violation of 2 U.S.C. §432(d); and that your Committee through the Candidate made eight cash expenditures in excess of \$100.00 in violation of 2 U.S.C. §437(a)(1) and (b).

The Commission has a duty to attempt to correct such violations for a period of thirty (30) days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty.

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We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it along with the One Thousand Dollar (\$1,000.00) civil penalty within ten (10) days. We will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed Conciliation Agreement, please contact Conley Edwards, Jr., the staff member assigned to this matter, at 202-523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

9 0 7 4 0 1 3 3 6 7 7



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO CHARLES STEELE *mwe*
FROM: MARJORIE W. EMMONS
DATE: SEPTEMBER 12, 1978
SUBJECT: MUR 613 - Interim Report dated 8-31-78
Signed 9-8-78
Received in Office of Commission
Secretary: 9-8-78, 5-05

The above-named document was circulated on a 24
hour no-objection basis at 4:00 p.m., September 11, 1978.

The Commission Secretary's Office has received
no objections to Interim Report as of 4:00 p.m. this date.

3774549330

September 8, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 613

Please have the attached Interim Report on MUR 613
distributed to the Commission.

Thank you.

8 7 7 1 1 3 3 6 3 1

BEFORE THE FEDERAL ELECTION COMMISSION

AUGUST 31, 1978

In the Matter of)
)
Rudasill for Congress) MUR 613(78)
Committee)

INTERIM REPORT

On July 26, 1978, the Commission found reason to believe that the Rudasill for Congress Committee violated 2 U.S.C. § 432(c)(1) by failing to maintain records in support of \$1,645.06; 2 U.S.C. § 432(c)(3) by failing to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures; 2 U.S.C. § 432(d) by failing to retain adequate supporting documentation for thirty (30) itemized expenditures on behalf of and reported by the Committee in excess of \$100 in violation of 2 U.S.C. § 437b(a)(1) and (b).

On July 27, 1978, the letter of notification was mailed to the candidate's last known address in Oxon Hill, Maryland. However, the letter was returned, marked "Moved left no address".

Subsequently, it has been learned that Mr. Rudasill is a 1978 candidate from the 2nd Congressional District of North Carolina for the United States House of Representatives.

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CLAIM CHECK NO.

775475

HOLD

9/21
1ST NOTICE

8-26
2ND NOTICE

80-6
RETURN

Derived from
Form 3062-A
1977



Mr. Elbert G. Rudasill
c/o Sarah Davis
7918 Dellwood Avenue
Lanham, Maryland 20801

POSTAGE AND FEES PAID

PD



104 ; i 6 2 5/25

CLÉ

GL3

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered. _____ \$
 Show to whom, date, and address of delivery. _____ \$
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____ \$
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Albert G. Rudasill

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY | POSTMARK

5. ADDRESS: (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

STOPS 1977-0-348-88

copy of front to CLÉ

FEDERAL ELECTION COMMISSION

5 K STREET N.W.
WASHINGTON, D.C. 20463

CLAIM CHECK NO.

771830

HOLD

DATE

1ST NOTICE

2ND NOTICE

RETURN



Detached from
FE Form 3969-A
July 1977



REASON CHECKED

Unclaimed ~~Delivered~~
Address unknown _____
Insufficient Address _____
No such street number _____
No such office in state _____
Do not accept in this category _____

REFUSED
8-23-78
54



POSTAGE AND FEES PAID



Mr. Elbert G. Rudasill
Rudasill for Congress Committee
Route 2 Box 70 A
Warrenton, North Carolina 27589

c/o Sarah Davis
7918 Dellwood Ave.
Lanham, MD 20801

CERTIFIED
438165



CF 613

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered. _____
 Show to whom, date, and address of delivery. _____
 RESTRICTED DELIVERY
Show to whom and date delivered. _____
 RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$_____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Robert D. Rudasill

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. | INSURED NO.
438165

(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY _____ POSTMARK _____

5. ADDRESS (complete only if registered)

6. UNABLE TO DELIVER BECAUSE: _____
CLERK'S INITIALS _____



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463



POSTAGE AND FEES PAID



Mr. Elbert G. Rudasill, Treasurer
Rudasill for Congress Committee
11603 Olympic Drive
Oxon Hill, MD 20022

CERTIFIED

943852



AW 613

PS Form 3811, Apr. 1977

<p>● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.</p>	
<p>1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered. <input checked="" type="checkbox"/> Show to whom, date, and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery. \$ _____ (CONSULT POSTMASTER FOR FEES)</p>	
<p>2. ARTICLE ADDRESSED TO: <i>Mr. Albert B. Rudwell</i></p>	
<p>3. ARTICLE DESCRIPTION: REGISTERED NO. <u>94352</u> INSURED NO.</p>	<p>(Print or stamp name and address of addressee or agent) I have received the article described above. SIGNATURE <i>[Signature]</i> Address <input type="checkbox"/> Authorized agent</p>
<p>4. DATE OF DELIVERY Addressee's Address</p>	<p>WASHINGTON, D.C. POSTOFFICE APR 21 1977 LINDSEY</p>
<p>5. ADDRESS (Complete city, state, and ZIP code)</p>	<p>UNABLE TO DELIVER BECAUSE REASON <i>SC</i></p>

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 27, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Elbert G. Rudasill, Treasurer
Rudasill for Congress Committee
11603 Olympic Drive
Oxon Hill, MD 20022

Re: MUR 613(78)

Dear Mr. Rudasill:

This letter is to inform you that the Federal Election Commission has found reason to believe that the Rudasill for Congress Committee has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found that the Committee has failed to maintain records in support of \$1,645.06 in reported receipts in violation of 2 U.S.C. § 432(c)(1); that the Committee has failed to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures in violation of 2 U.S.C. § 432(c)(3); that the Committee failed to retain adequate supporting documentation for thirty (30) itemized expenditures in violation of 2 U.S.C. § 432(d), and that you, as the Candidate, made eight cash expenditures on behalf of and reported by the Committee in excess of \$100 in violation of 2 U.S.C. § 437b(a)(1) and (b).

Under the Act you have an opportunity to demonstrate that no action should be taken against the Committee. Please submit any factual or legal materials which you believe would be relevant to the Commission's consideration of these matters. In particular we request that you submit all bank statements and cancelled checks not previously submitted to the Audit Division of this Commission pertaining to the Committee's account with the North Carolina National Bank of Henderson, North Carolina, and all bank statements and cancelled checks related to Committee's account with the Peoples Bank of Roxboro, North Carolina.

We originally attempted to reach you at the above address.

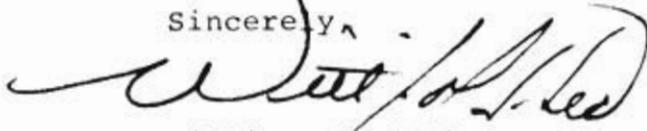
80047193570

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. If we have not heard from you by that date we will proceed on the basis of the information already in hand.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,



William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 27, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Elbert G. Rudasill, Treasurer
Rudasill for Congress Committee
11603 Olympic Drive
Oxon Hill, MD 20022

Re: MUR 613(78)

Dear Mr. Rudasill:

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Under the Act you have an opportunity to demonstrate that no action should be taken against the Committee. Please submit any factual or legal materials which you believe would be relevant to the Commission's consideration of these matters. In particular we request that you submit all bank statements and cancelled checks not previously submitted to the Audit Division of this Commission pertaining to the Committee's account with the North Carolina National Bank of Henderson, North Carolina, and all bank statements and cancelled checks related to Committee's account with the Peoples Bank of Roxboro, North Carolina.

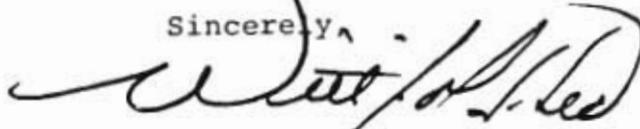
30713672

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. If we have not heard from you by that date we will proceed on the basis of the information already in hand.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

A handwritten signature in cursive script, appearing to read "William C. Oldaker".

William C. Oldaker
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 613 (78)
Rudasill for Congress Committee)
)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 26, 1978 the Commission determined by a vote of 5-0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Find reason to believe that the Rudasill for Congress Committee has violated 2 U.S.C. § 432(c) (1) (2) and (3), 2 U.S.C. § 432(d), 2 U.S.C. § 434b(2), (3), (9) and (11) and 2 U.S.C. § 437b(a) (1) and (b).

2. Send letter attached to the First General Counsel's Report dated July 24, 1978.

Commissioner Thomson was not present at the time of the vote.

Date: 7/26/78

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received by the Office of the Commission Secretary: 7-24-78, 1:53
Circulated on a 48 hour basis: 7-24-78, 4:30

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Elbert G. Rudasill, Treasurer
Rudasill for Congress Committee
11603 Olympic Drive
Oxon Hill, MD 20022

Re: MUR 613(78)

Dear Mr. Rudasill:

This letter is to inform you that the Federal Election Commission has found reason to believe that the Rudasill for Congress Committee has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found that the Committee has failed to maintain records in support of \$1,645.06 in reported receipts in violation of 2 U.S.C. § 432(c)(1); that the Committee has failed to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures in violation of 2 U.S.C. § 432(c)(3); that the Committee failed to retain adequate supporting documentation for thirty (30) itemized expenditures in violation of 2 U.S.C. § 432(d); and that you, as the Candidate, made eight cash expenditures on behalf of and reported by the Committee in excess of \$100 in violation of 2 U.S.C. § 437b(a)(1) and (b).

Under the Act you have an opportunity to demonstrate that no action should be taken against the Committee. Please submit any factual or legal materials which you believe would be relevant to the Commission's consideration of these matters. In particular we request that you submit all bank statements and cancelled checks not previously submitted to the Audit Division of this Commission pertaining to the Committee's account with the North Carolina National Bank of Henderson, North Carolina, and all bank statements and cancelled checks related to Committee's account with the Peoples Bank of Roxboro, North Carolina.

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7/26/78

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. If we have not heard from you by that date we will proceed on the basis of the information already in hand.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. IF you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

3 7 7 4 1 7 3 6 7 6

July 24, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 613

Please have the attached 7 day report on MUR 613 distributed to the Commission on a 48 hour tally basis.

Thank you.

3004-183637

FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION JUL 24 1978

MUR NO. 613
STAFF MEMBER(S) _____

Weissenborn

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

RESPONDENT'S NAME: Rudasill for Congress Committee

RELEVANT STATUTE: 2 U.S.C. § 432(c) (1), (2), (3) and (4)
2 U.S.C. § 432(d)
2 U.S.C. § 434(a)
2 U.S.C. § 437b(1)

INTERNAL REPORTS CHECKED:
Audit records

FEDERAL AGENCIES CHECKED:

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Rudasill for Congress Committee.

SUMMARY OF ALLEGATIONS

During the audit of the Rudasill for Congress Committee ("the Committee"), the Audit staff found that the Committee had not maintained a detailed and exact account of all contributions received in violation of 2 U.S.C. § 432(c) (1) and (2), and that the Committee had failed to supply the auditors with adequate supporting documentation for 74.6% of its itemized expenditures in violation of 2 U.S.C. § 432(c) (3) and (4).

Nine of these itemized expenditures involved cash expenditures in excess of \$100 made by the Candidate.

The auditors were also unable to verify that \$2,112.53 in expenditures made by the Candidate and partially reported as a debt by the Committee were ever reported as receipts or expenditures. Failure by a committee to report all receipts and expenditures constitutes a violation of 2 U.S.C. § 434b(2), (3), (9), and (11).

PRELIMINARY LEGAL ANALYSIS

I. Record-keeping - Receipts

2 U.S.C. § 434(c)(1) requires that political committees maintain detailed and exact accounts of all contributions received. 11 C.F.R. § 104.12(b) requires reporting committees to maintain records sufficient to permit verification of filed reports and statements.

Here the auditors have found that the Committee did not maintain records to support \$1,645.06 in reported receipts. Mr. Elbert G. Rudasill ("the Candidate") has stated that these receipts probably represent contributions from himself; however, sufficient records, particularly bank records, have not been supplied by the Committee to permit verification of this claim.

We recommend a finding of reason to believe that the Committee has violated 2 U.S.C. § 432(c)(1).

II. Recordkeeping - Expenditures

2 U.S.C. § 432(c)(3) requires that political committees maintain detailed and exact accounts of all expenditures made by or on behalf of such committees.

Here the Committee has not made available to the auditors all bank records for two campaign depositories. The missing records are needed to verify 21 itemized expenditures allegedly made by check and to confirm the Candidate's claim that 9 other itemized expenditures were made in cash, not by check. These bank records are also needed to permit a determination concerning the completeness of the Committee's reporting of expenditures.

We recommend a finding of reason to believe that the Committee has violated 2 U.S.C. § 432(c)(3).

III. Record-keeping - Documentation of Expenditures

2 U.S.C. § 432(d) requires that committee treasurers maintain receipted bills for all expenditures made to an individual in excess or aggregating in excess of \$100. 11 C.F.R. § 102.9 permits substitution of a cancelled check plus the bill, invoice or other contemporaneous memorandum in the event a receipted bill is unavailable.

Here the Committee has failed to provide any supporting documentation for five of the 30 itemized expenditures discussed in Section II above. These five expenditures total \$2,066.29. In addition the Committee has not provided cancelled checks for the 25 other itemized expenditures involved. Therefore we recommend a finding of reason to believe that the Committee has violated 2 U.S.C. § 432(d).

IV. Reporting

2 U.S.C. § 434(a) (1) and (b) requires treasurers of committees to file reports containing specific information with regard to receipts and expenditures.

Here the Committee's records showed that the Candidate had made contributions to the Committee and had made campaign-related expenditures. The records for these expenditures indicate a total value of \$2,112.53. The Committee reported \$1,578.44 of this amount as a debt and obligation; however, the auditors were unable to ascertain from the records in hand if any of the \$2,112.53 had ever been reported as receipts and expenditures.

We recommend a finding of reason to believe that the Committee has violated 2 U.S.C. § 434(a) (1) and (b).

V. Excessive Cash Expenditures

2 U.S.C. § 437b(a) (1) and (b) required that all Committee expenditures in excess of \$100 be made by check drawn on a designated campaign depository. In the present situation the Candidate has explained that a \$2,053.37 loan itemized by the Committee represents nine cash expenditures made by himself and reported by the Committee. Eight of these nine itemized expenditures exceeded \$100 in value. Therefore we recommend a finding that the Committee has violated 2 U.S.C. § 437b(a) (1) and (b).

RECOMMENDATION

1. Find reason to believe that the Rudasill for Congress Committee has violated 2 U.S.C. § 432(c) (1), (2) and (3), 2 U.S.C. § 432(c), 2 U.S.C. § 432(d), 2 U.S.C. § 434b(2) (3), (9) and (11), and 2 U.S.C. § 437b(a) (1) and (b).
2. Send attached letters.



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

May 19, 1978

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER

FROM: *RC* BOB COSTA/GREGORY MACAULAY *MSM*

SUBJECT: RUDASILL FOR CONGRESS COMMITTEE -
FAILURE TO RESPOND TO REQUEST
FOR RECORDS

Attached please find our report of audit findings on the Rudasill for Congress Committee. On February 23, 1978, we requested the Candidate/Committee to provide additional records for our examination in order to complete the audit. On March 10, 1978, the Candidate provided certain additional records and indicated his intention to attempt to provide the balance of the missing records by March 20, 1978. However, since March 10, 1978, we have been unable to make any contact with the Candidate/Committee and no additional records have been provided. Due to the incomplete records, the Scope (paragraph I, C.) and the Auditor's Statement (Paragraph II) have been modified to include a disclaimer. *

Because of the lack of response to our request for records necessary for completion of the audit, we are forwarding this report for your consideration at this time for release to the public as is or implementation as a compliance matter. Should you have any questions, please contact Greg Macaulay on extension 3-4155.

Attachment as stated

* Modified portion underscored.





FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20461

REPORT OF THE AUDIT DIVISION
ON
RUDASILL FOR CONGRESS COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Rudasill for Congress Committee ("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(a)(8) of Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Committee registered with the Federal Election Commission on March 6, 1976, in support of Elbert G. Rudasill, Candidate for election to the Office of United States Representative from the Second Congressional District of North Carolina. The Committee maintained its headquarters in Henderson, North Carolina.

The audit covered the period from March 10, 1976 through December 31, 1977. During this period the Committee reported a beginning cash balance of \$-0-, total receipts of \$8,002.50, total expenditures of \$7,952.80 and a closing cash balance of \$49.70. 1/

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 Commissioners and appropriate staff for review.

1/ The reported totals are for the period March 10, 1976 through September 6, 1976 and have been adjusted for mathematical errors by the Audit staff. However, we were unable to verify these totals. See finding D(1) for further explanation.



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B. Key Personnel

The principal officers of the Committee during the period covered by the audit were Charles Jeffress, Chairman, Elizabeth Blackwell, Treasurer from March 1, 1976 to July 5, 1976; Barbara C. Harris, Treasurer from July 6, 1976 to August 31, 1976; and Elbert G. Rudasill, Treasurer, from September 1, 1976 to present. 2/

C. Scope

Except as set forth in findings A, B, and C, the audit included such tests as verification of total 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. Auditor's Statement and Description of Findings

Based on the examination of disclosure reports and records presented, it is the opinion of the Audit staff that the Rudasill for Congress Committee has not conducted its activities in compliance with the Federal Election Campaign Act of 1971, as amended, in certain material aspects noted below; and as noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express an opinion on the representations contained in the Committee's disclosure reports for the audit period.

A. Recordkeeping for Receipts

Section 432(c)(1) and (2) of Title 2, United States Code, states that the treasurer of a political committee shall keep a detailed and exact account of all contributions made to or for such committee, to include identification of every person making a contribution in excess of \$50 with the date and amount thereof and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any).

2/ See finding D(2) for further explanation.

33040134703

Section 104.12(b) of Title 11, Code of Federal Regulations, requires in part, that each political committee and candidate required to file reports under the Act shall: 1) maintain records with respect to the matters reported, including vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and data from which the filed reports may be verified, and 2) keep those records available for audit or inspection by the Commission or its authorized representative for a period not less than three (3) years.

During our audit we examined the Committee's receipt records which consisted of a looseleaf notebook containing the contributors' names and addresses, dates and amounts of contribution, covering from March through September 1976. We were unable to compare the bank records for the audit period to the Committee's other contributor records since only part of the bank records were available. A comparison was made between available receipt records and receipts contained in the Committee's reports. Our test revealed that the Committee did not have records to support a total of \$1,645.06 in reported receipts. We discussed this with the Candidate, and he stated that this amount probably represented contributions from himself to the campaign. However, since both the bank and contributor records were incomplete, we were unable to verify this.

On February 23, 1978, we requested the Candidate to provide copies of the missing bank records for our examination. On March 10, 1978, the Candidate provided one (1) statement and the accompanying checks. At that time he agreed to obtain the additional bank records from the Committee's depositories and provide them for our examination. However, as of this date, the Candidate has not provided any additional records. Despite efforts, the staff has been unable to make any contact with the Candidate since March 10, 1978.

B. Recordkeeping for Expenditures

Section 432(c)(3) and (4) and (d) of Title 2, United States Code, states that a treasurer of a political committee shall keep a detailed and exact account of all expenditures made by or on behalf of such committee, to include identification of every person to whom any expenditure is made, the date and amount thereof. Further, the treasurer shall obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of, or in the aggregate in excess of \$100 in a calendar year. Section 102.9(c)(4) of Title 11, Code of Federal Regulations states that when a receipted bill is not available, the treasurer may keep the cancelled check(s) showing payment of the bill; and the bill, invoice or other contemporaneous memorandum of the transaction.

3004195774

Section 104.12(b) of Title 11, Code of Federal Regulations requires in part, that each political committee required to file reports under the Act shall: 1) maintain records with respect to the matters reported, including vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and data from which the filed reports may be verified, and 2) keep those records available for audit or inspection by the Commission or its authorized representatives for a period not less than three (3) years.

During our audit we examined the Committee's expenditure records which consisted of check stubs, cancelled checks, ^{3/} paid bills, receipts and other memoranda. We compared the check stubs from one of the Committee's bank accounts and other available supporting documentation to the expenditures itemized on the Committee's reports. Our test revealed that the Committee was unable to provide cancelled checks for 30 of the 41 itemized expenditures totaling \$4,324.47 (74.6% of itemized expenditures) and was unable to provide any other supporting documentation for five (5) of the 30 expenditures totaling \$2,066.29 (35.7% of itemized expenditures). However, due to the incompleteness of the records we were unable to perform any other tests to verify that the Committee had reported all of their activity or that the reported activity was properly disclosed.

On February 23, 1978, we requested the Candidate to provide copies of the missing bank records and other supporting documentation for our examination. On March 10, 1978, the Candidate provided one (1) bank statement and the accompanying checks (included in totals above) and documentation for nine (9) expenditures (included in totals above). At that time he agreed to obtain the additional bank records from the Committee's banks and provide them for our examination. He also agreed to attempt to obtain the missing documentation and submit them to us for examination. However, as of this date, the Candidate has not provided any additional records and despite efforts, the staff has been unable to make any contact with the Candidate since March 10, 1978.

3/ We noted that none of the records (including bank statements, cancelled checks, deposit tickets, debit and credit memoranda, and check stubs) for a second bank account were available and that the bank records (including bank statements, cancelled checks, deposit tickets, and debit and credit memoranda) from the first bank account were materially incomplete.

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C. Reporting of Receipts and Expenditures

Section 434(a)(1) and (b) of Title 2, United States Code requires each treasurer of a political committee supporting a candidate for election to Federal office to file with the Commission reports containing specific information on their receipts, expenditures and beginning cash for a reporting period.

During our examination we reviewed records and documents apparently indicating that the Candidate had made contributions to the Committee and made campaign related expenditures that had been reported by the Committee. We reviewed receipted bills, invoices and other memoranda totaling \$2,112.53. The Committee reported \$1,578.44 of this amount as a debt and obligation, however, we were unable to verify if any of the \$2,112.53 was ever reported as a receipt or expenditure by the Committee.

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However, due to the incompleteness of the records we were unable to verify that the Committee had reported all of the Candidate's campaign related financial activity or that the reported activity was properly disclosed.

Overall Recommendation

Due to the lack of response to our requests for records noted above, it is our recommendation that this matter be referred to the Office of General Counsel for action as deemed necessary.

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D. Other Matters

1. During a review of Committee reports filed with the Commission we noted that the Committee did not file any disclosure reports subsequent to September 6, 1976. Discussions with the Candidate confirmed that no further reports had been filed, but no explanation was offered for this omission. At our recommendation on March 14, 1978, the Committee filed reports covering the period September 7, 1976 through December 31, 1977. 4/

2. We also noted that the Candidate had not filed a Statement of Candidacy designating the Committee to serve as his principal campaign committee, and that the Committee did not file an amended Statement of Organization when the treasurer changed in September 1976. The Candidate was unable to offer an explanation for this omission, but agreed to file these statements. On March 14, 1978, the Commission received a Statement of Candidacy and an amended Statement of Organization.

3. Our examination of the Committee's solicitation literature, consisting of a mass mailing brochure revealed that it did not contain the required notification as per Section 435(b) of Title 2 of the United States Code. The Committee was advised of the required notification for all solicitation literature in accordance with this section of the Act.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Elbert G. Rudasill, Treasurer
Rudasill for Congress Committee
11603 Olympic Drive
Oxon Hill, MD 20022

Re: MUR 613(78)

Dear Mr. Rudasill:

This letter is to inform you that the Federal Election Commission has found reason to believe that the Rudasill for Congress Committee has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found that the Committee has failed to maintain records in support of \$1,645.06 in reported receipts in violation of 2 U.S.C. § 432(c)(1); that the Committee has failed to maintain detailed and accurate accounts with regard to thirty (30) itemized expenditures in violation of 2 U.S.C. § 432(c)(3); that the Committee failed to retain adequate supporting documentation for thirty (30) itemized expenditures in violation of 2 U.S.C. § 432(d), and that you, as the Candidate, made eight cash expenditures on behalf of and reported by the Committee in excess of \$100 in violation of 2 U.S.C. § 437b(a)(1) and (b).

Under the Act you have an opportunity to demonstrate that no action should be taken against the Committee. Please submit any factual or legal materials which you believe would be relevant to the Commission's consideration of these matters. In particular we request that you submit all bank statements and cancelled checks not previously submitted to the Audit Division of this Commission pertaining to the Committee's account with the North Carolina National Bank of Henderson, North Carolina, and all bank statements and cancelled checks related to Committee's account with the Peoples Bank of Roxboro, North Carolina.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. If we have not heard from you by that date we will proceed on the basis of the information already in hand.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 523-4039.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

20041103709



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 19, 1978

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER *OBP*

FROM: *RC* BOB COSTA/GREGORY MACAULAY *GM*

SUBJECT: RUDASILL FOR CONGRESS COMMITTEE -
FAILURE TO RESPOND TO REQUEST
FOR RECORDS

Attached please find our report of audit findings on the Rudasill for Congress Committee. On February 23, 1978, we requested the Candidate/Committee to provide additional records for our examination in order to complete the audit. On March 10, 1978, the Candidate provided certain additional records and indicated his intention to attempt to provide the balance of the missing records by March 20, 1978. However, since March 10, 1978, we have been unable to make any contact with the Candidate/Committee and no additional records have been provided. Due to the incomplete records, the Scope (paragraph I, C.) and the Auditor's Statement (Paragraph II) have been modified to include a disclaimer. *

Because of the lack of response to our request for records necessary for completion of the audit, we are forwarding this report for your consideration at this time for release to the public as is or implementation as a compliance matter. Should you have any questions, please contact Greg Macaulay on extension 3-4155.

Attachment as stated

* Modified portion underscored.



100-3710

Section 104.12(b) of Title 11, Code of Federal Regulations, requires in part, that each political committee and candidate required to file reports under the Act shall: 1) maintain records with respect to the matters reported, including vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and data from which the filed reports may be verified, and 2) keep those records available for audit or inspection by the Commission or its authorized representative for a period not less than three (3) years.

During our audit we examined the Committee's receipt records which consisted of a looseleaf notebook containing the contributors' names and addresses, dates and amounts of contribution, covering from March through September 1976. We were unable to compare the bank records for the audit period to the Committee's other contributor records since only part of the bank records were available. A comparison was made between available receipt records and receipts contained in the Committee's reports. Our test revealed that the Committee did not have records to support a total of \$1,645.06 in reported receipts. We discussed this with the Candidate, and he stated that this amount probably represented contributions from himself to the campaign. However, since both the bank and contributor records were incomplete, we were unable to verify this.

On February 23, 1978, we requested the Candidate to provide copies of the missing bank records for our examination. On March 10, 1978, the Candidate provided one (1) statement and the accompanying checks. At that time he agreed to obtain the additional bank records from the Committee's depositories and provide them for our examination. However, as of this date, the Candidate has not provided any additional records. Despite efforts, the staff has been unable to make any contact with the Candidate since March 10, 1978.

B. Recordkeeping for Expenditures

Section 432(c)(3) and (4) and (d) of Title 2, United States Code, states that a treasurer of a political committee shall keep a detailed and exact account of all expenditures made by or on behalf of such committee, to include identification of every person to whom any expenditure is made, the date and amount thereof. Further, the treasurer shall obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of, or in the aggregate in excess of \$100 in a calendar year. Section 102.9(c)(4) of Title 11, Code of Federal Regulations states that when a receipted bill is not available, the treasurer may keep the cancelled check(s) showing payment of the bill; and the bill, invoice or other contemporaneous memorandum of the transaction.

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However, due to the incompleteness of the records we were unable to verify that the Committee had reported all of the Candidate's campaign related financial activity or that the reported activity was properly disclosed.

Overall Recommendation

Due to the lack of response to our requests for records noted above, it is our recommendation that this matter be referred to the Office of General Counsel for action as deemed necessary.

D. Other Matters

1. During a review of Committee reports filed with the Commission we noted that the Committee did not file any disclosure reports subsequent to September 6, 1976. Discussions with the Candidate confirmed that no further reports had been filed, but no explanation was offered for this omission. At our recommendation on March 14, 1978, the Committee filed reports covering the period September 7, 1976 through December 31, 1977. 4/

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FEDERAL ELECTION COMMISSION

1325 K STREET NW
WASHINGTON, D.C. 20463

May 19, 1978

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER

FROM: *RC* BOB COSTA/GREGORY MACAULAY *HBM*

SUBJECT: RUDASILL FOR CONGRESS COMMITTEE -
FAILURE TO RESPOND TO REQUEST
FOR RECORDS

Attached please find our report of audit findings on the Rudasill for Congress Committee. On February 23, 1978, we requested the Candidate/Committee to provide additional records for our examination in order to complete the audit. On March 10, 1978, the Candidate provided certain additional records and indicated his intention to attempt to provide the balance of the missing records by March 20, 1978. However, since March 10, 1978, we have been unable to make any contact with the Candidate/Committee and no additional records have been provided. Due to the incomplete records, the Scope (paragraph I, C.) and the Auditor's Statement (Paragraph II) have been modified to include a disclaimer. *

Because of the lack of response to our request for records necessary for completion of the audit, we are forwarding this report for your consideration at this time for release to the public as is or implementation as a compliance matter. Should you have any questions, please contact Greg Macaulay on extension 3-4155.

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FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION ON RUDASILL FOR CONGRESS COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Rudasill for Congress Committee ("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(a)(8) of Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Committee registered with the Federal Election Commission on March 6, 1976, in support of Elbert G. Rudasill, Candidate for election to the Office of United States Representative from the Second Congressional District of North Carolina. The Committee maintained its headquarters in Henderson, North Carolina.

The audit covered the period from March 10, 1976 through December 31, 1977. During this period the Committee reported a beginning cash balance of \$-0-, total receipts of \$8,002.50, total expenditures of \$7,952.80 and a closing cash balance of \$49.70. ^{1/}

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 Commissioners and appropriate staff for review.

^{1/} The reported totals are for the period March 10, 1976 through September 6, 1976 and have been adjusted for mathematical errors by the Audit staff. However, we were unable to verify these totals. See finding D(1) for further explanation.



B. Key Personnel

The principal officers of the Committee during the period covered by the audit were Charles Jeffress, Chairman, Elizabeth Blackwell, Treasurer from March 1, 1976 to July 5, 1976; Barbara C. Harris, Treasurer from July 6, 1976 to August 31, 1976; and Elbert G. Rudasill, Treasurer, from September 1, 1976 to present. 2/

C. Scope

Except as set forth in findings A, B, and C, the audit included such tests as verification of total 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. Auditor's Statement and Description of Findings

Based on the examination of disclosure reports and records presented, it is the opinion of the Audit staff that the Rudasill for Congress Committee has not conducted its activities in compliance with the Federal Election Campaign Act of 1971, as amended, in certain material aspects noted below; and as noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express an opinion on the representations contained in the Committee's disclosure reports for the audit period.

A. Recordkeeping for Receipts

Section 432(c)(1) and (2) of Title 2, United States Code, states that the treasurer of a political committee shall keep a detailed and exact account of all contributions made to or for such committee, to include identification of every person making a contribution in excess of \$50 with the date and amount thereof and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any).

2/ See finding D(2) for further explanation.

Section 104.12(b) of Title 11, Code of Federal Regulations, requires in part, that each political committee and candidate required to file reports under the Act shall: 1) maintain records with respect to the matters reported, including vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and data from which the filed reports may be verified, and 2) keep those records available for audit or inspection by the Commission or its authorized representative for a period not less than three (3) years.

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Overall Recommendation

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FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 613

Date Filmed 5/14/80 Camera No. --- 2

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