

FEDERAL ELECTION COMMISSION



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FEC FINALIZES AUDITS ON ALL 1992 PRESIDENTIAL CAMPAIGNS; SETS FEBRUARY 15 HEARING ON PROPOSED REGULATIONS FOR 1996

WASHINGTON -- The Federal Election Commission has released all audits related to the 1992 Presidential campaigns, and has scheduled a February 15 hearing on proposed regulations governing public financing of the 1996 Presidential campaigns.

With the release in early December of the last audits stemming from the 1992 Presidential races, the Commission finalized all audits within a 2-year period, an achievement made possible by streamlined procedures, simplified regulations, and an increase of six staff members. This marks significant progress over the time required to finish audits following the 1988 election.

As part of its administration of the Presidential Election Campaign Fund Act, the FEC is required by law to audit all Presidential candidates and convention committees receiving federal funds. Prior to 1992, some of these audits required three to four years to complete, a timeframe due in large part to limited audit resources, but also because of arduous procedures in place at that time.

The 1988 election, which had open primary races in both parties, saw 15 candidates receiving \$67,550,248 in primary matching funds, with the last of the audits not completed until the spring of 1992. By contrast, the 12 candidates in the 1992 primary elections received a total of \$43,430,558 in federal matching funds and the audits were completed in less than two years. In addition, for the 1992 elections, the Commission audited the two national convention committees and the two general election nominees (fund activity totaling \$133 million) all within the 2-year deadline. These additional audits in the 1988 election covered a total of \$110.6 million in fund activity, requiring three years to complete.

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FEC officials attribute the improved turn-around time in auditing to simplified regulations and various changes in audit procedures adopted in January of 1992, including:

- limits on extensions of time for committees to submit comments on audit findings;
- access to committees' computerized data;
- requiring an inventory of committees' campaign records prior to starting fieldwork;
- specific due dates for the provision of campaign records during audit fieldwork (with immediate resort to subpoena power if compliance isn't forthcoming);
- and, perhaps most importantly, full public disclosure of all audit findings in the final report. Prior to 1992, particular findings were removed from final audit reports pending enforcement action. With the 1992 changes in audit procedures, all findings, regardless of possible enforcement actions, are included in the final audit report.

In addition, the streamlined procedures employed a sampling procedure to quantify the dollar value of contributions that were received beyond the limitations and prohibitions prescribed by law. More significantly, based upon those projections, campaigns must disgorge to the U.S. Treasury the amount deemed impermissible. Prior to the 1992 election cycle, funds donated in excess of the limitations were merely returned to contributors, the money thereby remaining in the political system.

The Commission, through the audit process, monitors the spending of public funds in Presidential campaigns and, with the Internal Revenue Service, tracks receipts into the fund through the Form-1040 check-off. The balance in the Presidential Election Campaign Fund at the end of 1994 was estimated at approximately \$101 million. The February 15 public hearing will address amendments to the public financing rules, as proposed in an Oct. 6, 1994, Notice of Proposed Rulemaking (59 Federal Register 51006).

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