



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 13, 2011

MEMORANDUM

To: Lynn M. Fraser
Director
Office of Alternative Dispute Resolution

Through: Alec Palmer *AP*
Acting Staff Director

From: Patricia Carmona *PC*
Chief Compliance Officer

Joseph F. Stoltz *JFS*
Assistant Staff Director
Audit Division

Thomas J. Nurthem *TJN*
Audit Manager

By: Lezhi W. Irving *Le*
Lead Auditor

Subject: Office and Professional Employees International Union - Voice of the
Electorate Committee (A09-29) - Referral Matter

On February 24, 2011, the Commission approved the final audit report on the Office and Professional Employees International Union - Voice of the Electorate Committee (A09-29). The final audit report includes the following matter that is referable:

Misstatement of Financial Activity – Increased Activity

All work papers and related documentation are available for review in the Audit Division. Should you have any questions regarding this matter, please contact Lezhi Irving or Tom Nurthem at 694-1200.

Attachment: Finding – Misstatement of Financial Activity – Increased Activity

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Misstatement of Financial Activity – Increased Activity

Summary

On its reports as originally filed with the Commission, OP-VOTE underreported disbursements by \$171,938 for calendar years 2007 and 2008. In response to a discussion at the exit conference, OP-VOTE provided a detailed explanation of how the initial underreporting occurred as well as steps taken to eliminate future reporting problems. In response to the interim audit report, Counsel for OP-VOTE again stated that OP-VOTE has implemented, or is in the process of implementing, improved procedures. The Commission approved this finding.

Legal Standard

Contents of Reports. Each report must disclose:

- The amount of cash on hand at the beginning and end of the reporting period;
- The total amount of receipts for the reporting period and for the calendar year;
- The total amount of disbursements for the reporting period and for the calendar year; and
- Certain transactions that require itemization on Schedule A (Itemized Receipts) or Schedule B (Itemized Disbursements). 2 U.S.C. §434(b) (1), (2), (3), (4) and (5).

Facts and Analysis

A. Facts

The original disclosure reports filed by OP-VOTE with the Commission for calendar years 2007 and 2008 underreported disbursements by \$171,938. A major portion of the underreporting (\$151,000) occurred during the Post-General reporting period for 2008 (October 16, to November 24, 2008). OP-VOTE discovered the problem, and on its own initiative, filed amended reports which materially corrected the underreporting.

B. Interim Audit Report & Audit Division Recommendation

This matter was discussed at the exit conference. In response, Counsel stated that the person in charge of filing reports was on maternity leave from August 2008 to mid-October 2008, and returned on a part-time basis. She returned to full time on January 5, 2009. The Post-General report was compiled and filed by a part-time employee transitioning back to full-time status, and another newly hired but inexperienced employee. Counsel believed that the error was the result of the lack of clear assignment of responsibilities to, and oversight of, part-time and new employees. In addition, Counsel stated that OP-VOTE is currently reviewing their accounting, reporting, internal control, and oversight policies so that they may be brought into accord with the Commission's regulations and Best Practices for Committee Management guidelines. OP-VOTE is also procuring on-line reporting software, which will have many built-in safeguards and compliance checks, to replace its current software. The Audit staff

recommended that OP-VOTE provide any additional information or comments that it considered relevant to this matter.

C. Committee Response to the Interim Audit Report

In response, Counsel again stated that OP-VOTE has implemented or is in the process of implementing the improved procedures described above.

D. Draft Final Audit Report

The Draft Final Audit Report acknowledged OP-VOTE's efforts to revise its reporting procedures.

Commission Conclusion

The Commission approved this finding.

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