



FEDERAL ELECTION COMMISSION

125 K STREET N.W.
WASHINGTON, D.C. 20563

December 12, 1978

MEMORANDUM

TO: SHARON SNYDER
PRESS OFFICE

THROUGH: BOB COSTA *R/C*

FROM: JUDY HAWKINS

SUBJECT: PUBLIC ISSUANCE OF AUDIT REPORT -
TEXAS DEMOCRATIC PARTY-FEDERAL

Attached please find a copy of the final audit report of the Texas Democratic Party-Federal which was approved by the Commission on November 27, 1978.

All informational copies of the report have been received by all parties involved and this report may be released to the public as of today, December 12, 1978.

Attachment as stated

cc: Library
RAD
✓ Public Record





FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, DC 20463

REPORT OF THE AUDIT DIVISION ON THE TEXAS DEMOCRATIC PARTY-FEDERAL

I. Background

A. Overview

This report is based on an audit of the Texas Democratic Party-Federal ("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)(2) 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 February 16, 1978 as a Federal account of the Democratic Party of Texas. The Committee received Texas' proportionate share of the receipts collected by the Association of State Democratic Chairpersons and transferred them to the Texas Democratic Party (non-Federal). The Committee maintains its headquarters in Austin, Texas.

The audit covered the period from February 10, 1978 through June 30, 1978, the final coverage date of the most recent report filed by the Committee at the time of the audit. The Committee reported a beginning cash balance on February 10, 1978 of \$-0-, total receipts for the period of \$18,088.22, total expenditures for the period of \$13,500.00 and a closing cash balance on June 30, 1978 of \$4,588.22.

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.



B. Key Personnel

The principal officers of the Committee during the period audited were Mr. Calvin R. Guest, Chairman, and Mr. Joseph C. Gagen, Treasurer.

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation and analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

II. Auditor's Statement

It is the opinion of the Audit staff based on examination of the reports and statements filed and the records presented that Texas Democratic Party-Federal is not a political committee as defined by the Act and was not subject to the jurisdiction of the Commission during the audit period.

This opinion is based on the fact that the Committee has not supported candidates in connection with Federal elections and that it exists as an intermediary between the Association of State Democratic Chairpersons and the Texas Democratic Party (non-Federal).

The Treasurer stated that the Committee will continue to file reports with the Commission until the newly elected State Party Chairman decides whether the Committee will function as a political committee or terminate.

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