



## FEDERAL ELECTION COMMISSION

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

### REPORT OF THE AUDIT DIVISION ON THE UNITED CAMPAIGN COMMITTEE OF DAVIDSON COUNTY DEMOCRATIC EXECUTIVE COMMITTEE #2

#### I. Background

##### A. Overview

This report is based on an audit of the United Campaign Committee of Davidson County Democratic Executive Committee #2, ("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 July 24, 1978 as an authorized committee designated by the Honorable James R. Sasser, Democratic Candidate for United States Senate from Tennessee. <sup>1/</sup> The Committee maintained its headquarters in Nashville, Tennessee.

The audit covered the period October 19, 1976 through December 31, 1977, the final coverage date of the most recent report filed by the Committee at the time of the audit. During the period, the Committee reported a beginning cash on hand balance of \$ - 0 -, total receipts of \$15,502.00, total expenditures of \$15,479.60 and a closing cash on hand balance of \$22.40.

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<sup>1/</sup> Although the Committee had been designated by the Honorable James R. Sasser, on October 18, 1976 and had filed reports of receipts and expenditures for the period commencing October 19, 1976, it had not filed a statement of organization. Refer to Auditor's Statement and Descriptions of Findings paragraph A.

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. Phillip L. North, Chairman and Mr. Thomas C. Crawford, 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 and Description of Findings

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and the records presented, that, except for the deficiencies noted below, the reports and statements of the United Campaign Committee of Davidson County Democratic Executive Committee #2 fairly present the financial activities of the Committee for the period covered by the audit. Further, except as noted below, no material problems in complying with the Federal Election Campaign Act were discovered during the course of the audit.

A. Registration of Authorized Committee

Section 433(c) of Title 2 of the United States Code requires an authorized committee (other than a principal campaign committee) to file a statement of organization with the principal campaign committee within 10 days after it anticipates receiving contributions or making expenditures exceeding \$1,000. In addition, Section 102.1(a) and (b) of the Commission's Regulations requires the principal campaign committee to file a copy of the statement within the 10 day period.

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During the course of the audit, it was determined that the United Campaign Committee of Davidson County Democratic Executive Committee #2 became an affiliated committee authorized by the candidate on October 18, 1976, but had not filed a statement of organization. The treasurer of the Committee was of the opinion that the statement was properly filed with the principal campaign committee. Further verification disclosed that the statement had not been filed, however, the treasurer expressed a willingness to file the statement of organization.

Recommendation

Based upon the Audit staff's recommendation the Committee filed its statement of organization on July 24, 1978. Therefore, no further action is recommended on the matter.

B. Preservation of Expenditures Documentation

Section 432(d) of Title 2 United States Code states, in part, that it 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.

Section 102.9(c)(4) of the Commission's Regulations states, in part, that when a receipted bill is not available the treasurer may keep a cancelled check showing payment of the bill; and the bill, invoice, or other contemporaneous memorandum.

Our review of the Committee's expenditure records disclosed that four (4) expenditures, each aggregating in excess of \$100 and totaling \$2,259.68, were not supported by receipted bills or other contemporaneous memoranda. However, cancelled checks were presented for each of the four (4) expenditures. This represents 28.57% of the number and 14.59% of the dollar amount requiring documentation.

Recommendation

Based upon the Audit staff's recommendation, the treasurer obtained documentation in support of the expenditures and presented copies for the Audit staff's review. Therefore, no further action is recommended on the matter.

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C. Other Matters

Presented below is another matter noted during the audit for which the Audit staff feels no action is warranted. The Committee has been advised of this discrepancy and informed of the respective requirements of the Act.

It was determined that the Committee filed four (4) disclosure reports between 4 and 66 days after the required date.

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