



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 14, 1979

MEMORANDUM

TO: FRED EILAND  
PRESS OFFICE

THROUGH: BOB COSTA *RJC*

FROM: JUDY HAWKINS

SUBJECT: PUBLIC ISSUANCE OF AUDIT REPORT -  
NATIONAL COMMITTEE FOR AN EFFECTIVE CONGRESS

Attached please find a copy of the final audit report for the National Committee for an Effective Congress which was approved by the Commission on November 29, 1979.

Informational copies of this report have been received by all parties involved and this report may be released to the public.

Attachment as stated

cc: FEC Library  
RAD  
Public Record

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FEDERAL ELECTION COMMISSION

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REPORT OF THE AUDIT DIVISION  
ON THE  
NATIONAL COMMITTEE FOR AN EFFECTIVE CONGRESS

I. Background

A. Overview

This report covers an audit of the National Committee For An Effective Congress ("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 2 U.S.C. 438(a)(8) 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 this chapter.

The Committee registered with the Office of the Clerk of the U.S. House of Representatives on April 17, 1972, and maintains its headquarters in New York, New York.

The audit covered the period January 1, 1977 through April 30, 1979, the final coverage date of the latest report filed by the Committee at the time of the audit. During the period audited the Committee reported \$36,177.45 in beginning cash, total receipts of \$1,169,696.55, total expenditures of \$1,181,679.95, and ending cash of \$24,194.05.

This audit report is based on documents and working papers supporting each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in this report and were available to Commissioners and appropriate staff for review.

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B. Key Personnel

The principal officers of the Committee for the period covered by the audit were Russell D. Hemenway, National Director, and Eileen K. Fischer, 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. Audit Findings and Recommendations

A. Itemization of Contributions

Section 434(b) (2) of Title 2, United States Code states, in part, that each report shall disclose the full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to or for such committee within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions.

Our review of the Committee's receipt records revealed the following: (a) at least 86 contributions each in excess of or aggregating in excess of \$100, totaling \$9,675 were not itemized. These contributions represent approximately 24% of the number and 7% of the total dollar value of contributions requiring itemization; and (b) the occupation and/or principal place of business was not disclosed for 143 individuals who made contributions, each in excess of or aggregating in excess of \$100. These contributions represent approximately 53% of the number and 42% of the total dollar value of contributions requiring itemization on the reports filed by the Committee. Committee officials stated that the itemization errors were due to computer problems which they are in the process of correcting.

The Committee filed amended reports on June 14, 1979, itemizing the 86 contributions and disclosing the required contributor information for the 143 contributors mentioned above.

Recommendation

The Audit staff recommends that no further action be taken on these matters.

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B. Contributions by Foreign Nationals

Section 441e of Title 2, United States Code states, in part, that it shall be unlawful for a foreign national, directly or through any other person to make any contribution, in connection with an election to any political office. The term "foreign national" means; (1) a foreign principal as defined by Section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)) except that the term shall not include an individual who is a citizen of the United States; or

(2) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence as defined by Section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)).

A review of the bank records revealed charges for foreign currency rate exchanges. Further review disclosed 11 contributions from five (5) individuals, totaling \$325.00 which were originally expressed in Canadian dollars.

The Committee has provided for our review the following: (a) a statement from two (2) contributors indicating their United States citizenship (75.00), (b) a statement that one (1) contributor is deceased (90.00) and (c) copies of letters and refund checks to two (2) contributors (160.00).

Recommendation

The Audit staff recommends that no further action be taken on this matter.

C. Debts and Obligations not Continuously Reported

Section 434(b)(12) of Title 2, United States Code states, in part, that each report shall disclose the amount and nature of debts and obligations owed by or to the committee and a continuous reporting of these debts and obligations until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor.

A review of the Committee's debt and obligation schedules revealed that the Committee did not disclose the disposition of two (2) debts totaling \$2,100 owed to the Committee and three (3) debts totaling \$466.97 owed by the Committee. The two (2) debts owed to the Committee were written off because the entities are now defunct. The debts reported as owed by the Committee were in actuality never incurred as contracts for the related services/goods were cancelled.

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The Committee filed amended reports on June 14, 1979 disclosing the circumstances/conditions under which the debts were extinguished.

Recommendation

The Audit staff recommends that no further action be taken on this matter.

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