



FEDERAL ELECTION COMMISSION
WASHINGTON, D. C. 20463

A81-32

August 11, 1982

MEMORANDUM

TO: FRED S. EILAND
PRESS OFFICE

FROM: BOB COSTA *RPC*

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -
DEMOCRATIC STATE CENTRAL COMMITTEE
FEDERAL CANDIDATES FUND

Attached please find a copy of the final audit report of the Democratic State Central Committee Federal Candidates Fund which was approved by the Commission on August 3, 1982.

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

Attachment as stated

cc: FEC Library
RAD
✓ Public Record



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REPORT OF THE AUDIT DIVISION
ON THE
DEMOCRATIC STATE CENTRAL COMMITTEE
FEDERAL CANDIDATES FUND

I. Background

A. Overview

This report is based upon an audit of the Democratic State Central Committee (of California) Federal Candidates Fund ("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(b) of Title 2 of the United States Code which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under Section 434 of this title. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Comptroller General of the United States on September 16, 1975. The Committee maintains its headquarters in Los Angeles, California. The audit covered the period from January 1, 1980 through December 31, 1980. The Committee reported a beginning cash balance of \$1,980.00, total receipts of \$171,672.00, total expenditures of \$173,663.00, and an ending cash balance of \$(11.00).

This audit report is based on documents and workpapers which support each of its 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 the Commissioners and appropriate staff for review.

B. Key Personnel

The Treasurer of the Committee during the period of the audit was Madale Watson from January 1, 1980 to January 31, 1980 and Loretta Collier from February 1, 1980 to December 31, 1980.

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. Continuous Disclosure of Debts and Obligations

Section 104.11(a) of Title 11, Code of Federal Regulations states in relevant part, that debts and obligations owed by or to a political committee which remain outstanding shall be continuously reported until extinguished. Also, Section 104.3(d) of Title 11, Code of Federal Regulations states in relevant part, that each report filed under 11 C.F.R. 104.1 shall, on Schedule C or D, as appropriate, disclose the amount and nature of outstanding debts and obligations owed by or to the reporting committee.

During the audit it was determined that the Committee disclosed four (4) debts and obligations totaling \$9,730.00 in the 1980 30 Day Post General Election Report, but did not disclose them in the 1980 Year End Report or thereafter. The debts remain outstanding through the close of the audit fieldwork (October 27, 1981).

On November 23, 1981, the Committee filed an amended 1980 Year End report and an amended 1981 Mid Year report. These reports disclosed \$11,942.00 ^{1/} in debts and obligations owed by the Committee on line 10 of FEC form 3X (Summary Page), but did not include the requisite supporting Schedules 'D' for itemization purposes.

^{1/} Due to overbilling errors by a vendor, the amount included on the amended reports (\$11,942.00) varies from the audit verified amount noted above (\$9,730.00). The difference of \$2,212.00 is not a legitimate debt owed by the Committee and should not be included on the recommended amended reports.

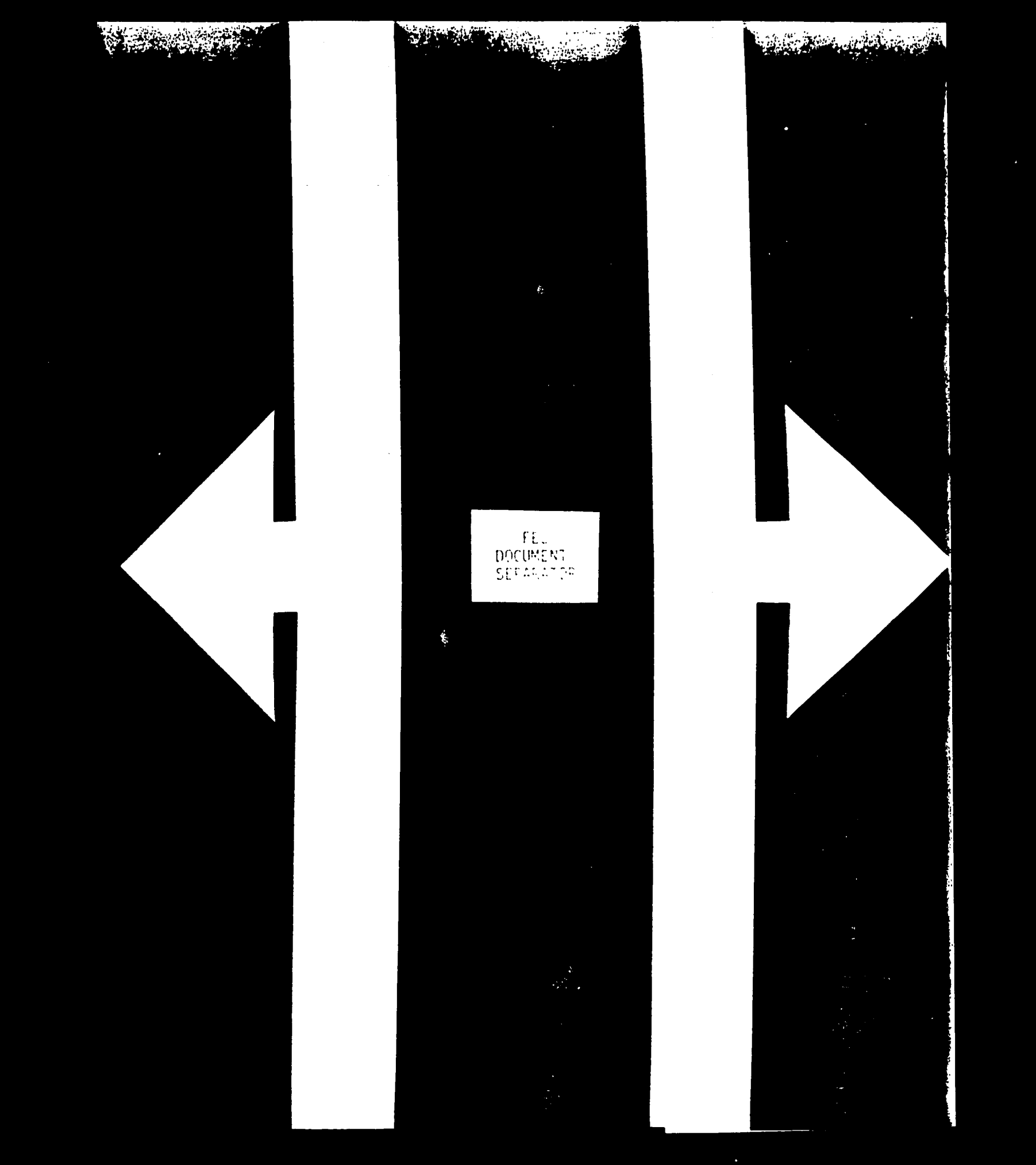
On April 12, 1982, the Committee submitted an amended 1980 Year End report and a comprehensive amendment for 1981 (including Schedules 'D') which properly disclose these debts and obligations.

Recommendation

The Audit staff recommends no further action on this matter.

B. Other Matter

A certain other matter noted during the audit was referred to the Commission's Office of General Counsel on August 3, 1982.



FEL
DOCUMENT
SEPARATOR