



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

A93-83

REPORT OF THE AUDIT DIVISION
ON THE
WESTERN INTERMOUNTAIN NETWORK
POLITICAL ACTION COMMITTEE

I. Background

A. Overview

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This report is based on an audit of the Western Intermountain Network Political Action Committee ("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 subsection, 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 Federal Election Commission on November 22, 1976, and maintains its headquarters in Bozeman, Montana.

The audit covered the period January 1, 1981 through December 31, 1982. The Committee reported an opening cash balance on January 1, 1981 of \$24,762.25; total receipts for the period of \$142,048.54; total disbursements for the period of \$165,741.77, and a closing cash balance on December 31, 1982 of \$4,049.10. 1/

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 the Commissioners and appropriate staff for review.

1/ Certain report totals were misstated.

B. Key Personnel

The Treasurer of the Committee during the period of audit was Mr. Donald C. Burger.

C. Scope

The audit included such tests as verification of total reported receipts, disbursements and individual transactions; review of required supporting documentation; analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances. Because the Committee did not maintain adequate contributor records, this audit did not include the standard audit procedure of verification of individual contributions to such records.

II. Audit Findings and Recommendations

A. Itemization of Contributions and Disclosure of Contributor Information

Section 434(b)(3)(A) of Title 2 of the United States Code requires disclosure of the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such contribution. Section 431(13)(A) of Title 2 of the United States Code states the term "identification" means, in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer.

Section 432(i) of Title 2 of the United States Code states, in part, that when the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act.

The Audit staff's comparison of available contribution records with reports filed revealed that the Committee did not itemize at least 29 contributions from individuals totaling \$5,460. This represents 60.42% of the number and 27.08% of the dollar amount of contributions requiring itemization and for which records were available. Further, the Committee did not disclose 27.45% of the occupations and 29.41% of the names of employers for contributors itemized in the reports.

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With respect to the occupations, the Audit staff determined that contributions were received in response to written solicitations. These solicitations requested the occupation but not the name of the employer.

In the interim audit report, the Audit staff recommended that the Committee file comprehensive amendments for 1981 and 1982 itemizing the contributions. Further, the Audit staff recommended that the Committee amend its fundraising procedures so that, in the future, the names of contributors' employers are requested. Finally, the Audit staff noted that the Committee had demonstrated its best efforts to obtain and disclose the contributors' occupations.

On May 3, 1984, the Committee filed amendments to its reports of receipts and disbursements itemizing the contributions as recommended. Further, the Committee provided a list of contributors which they stated were sent letters on April 20, 1984 requesting the contributors' occupation and name of employer. The Committee stated that as of April 30, 1984, no responses were received from these contributors.

Recommendation

No further action is recommended on the matter.

B. Itemization of Expenditures

Section 434(b)(5)(A) of Title 2 of the United States Code requires the itemization of the name and address of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made, together with the date, amount, and purpose of any such expenditure.

The Audit staff's review of the expenditure records revealed that 69 expenditures, in an aggregate amount or value in excess of \$200, totaling \$14,866.94 had not been itemized. These expenditures represent 25.37% of the total number and 9.23% of the total amount of expenditures requiring itemization.

The Treasurer indicated that he was unfamiliar with the aggregation requirement regarding such itemization.

In the interim audit report, the Audit staff recommended that the Committee file comprehensive amendments for 1981 and 1982 itemizing the expenditures.

On May 3, 1984, the Committee filed amendments to its reports of receipts and disbursements itemizing the expenditures.

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Recommendation

No further action is recommended on the matter.

C. Matters Referred to Office of General Counsel

Certain matters noted during the audit were referred to the Commission's Office of General Counsel on March 26, 1984 and May 24, 1984.

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