



Final Audit Report of the Commission on Amodei for Nevada (May 11, 2011 – December 31, 2012)

Why the Audit Was Done

Federal law permits the Commission to conduct audits and field investigations of any political committee that is required to file reports under the Federal Election Campaign Act¹ (the Act). The Commission generally conducts such audits when a committee appears not to have met the threshold requirements for substantial compliance with the Act.² The audit determines whether the committee complied with the limitations, prohibitions and disclosure requirements of the Act.

Future Action

The Commission may initiate an enforcement action, at a later time, with respect to the matter discussed in this report.

About the Campaign (p. 2)

Amodei for Nevada is the principal campaign committee for Mark Amodei, Republican candidate for the U.S. House of Representatives from the state of Nevada, 2nd District, and is headquartered in Carson City, Nevada. For more information, see the Campaign Organization Chart, p. 2.

Financial Activity (p. 2)

• Receipts	
○ Contributions from Individuals	\$ 612,917
○ Contributions from Political Committees	693,646
○ Transfers from Other Authorized Committees	956
○ Offsets to Operating Expenditures	4,039
Total Receipts	\$ 1,311,558
• Disbursements	
○ Operating Expenditures	\$ 1,122,607
○ Transfers to Other Authorized Committees	4,500
○ Contribution Refunds	2,350
○ Other Disbursements	1,250
Total Disbursements	\$ 1,130,707

Commission Finding (p. 3)

- Misstatement of Financial Activity

¹ On September 1, 2014, the Federal Election Campaign Act of 1971, as amended ("the Act"), was transferred from Title 2 of the United States Code to new Title 52 of the United States Code.

² 52 U.S.C. §30111(b).

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Part I

Background

Authority for Audit

This report is based on an audit of Amodei for Nevada (AFN), undertaken by the Audit Division of the Federal Election Commission (the Commission) in accordance with the Federal Election Campaign Act of 1971, as amended (the Act). The Audit Division conducted the audit pursuant to 52 U.S.C. §30111(b), which permits the Commission to conduct audits and field investigations of any political committee that is required to file a report under 52 U.S.C. §30104. Prior to conducting any audit under this subsection, the Commission must 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. 52 U.S.C. §30111(b).

Scope of Audit

Following Commission-approved procedures, the Audit staff evaluated various risk factors and as a result, this audit examined:

1. the receipt of excessive contributions;
2. the receipt of contributions from prohibited sources;
3. the disclosure of contributions received;
4. the disclosure of individual contributors' occupation and name of employer;
5. the consistency between reported figures and bank records;
6. the completeness of records; and
7. other campaign operations necessary to the review.

Audit Hearing

AFN declined the opportunity for a hearing before the Commission on the matter presented in this report.

Part II

Overview of Campaign

Campaign Organization

Important Dates	
• Date of Registration	May 9, 2011
• Audit Coverage	May 11, 2011 – December 31, 2012
Headquarters	Carson City, Nevada
Bank Information	
• Bank Depositories	One
• Bank Accounts	One
Treasurer	
• Treasurer When Audit Was Conducted	Nicola Neilon
• Treasurer During Period Covered by Audit	Nicola Neilon
Management Information	
• Attended Commission Campaign Finance Seminar	No
• Who Handled Accounting and Recordkeeping Tasks	Paid Staff

Overview of Financial Activity (Audited Amounts)

Cash-on-hand @ May 11, 2011	\$ 0
Receipts	
○ Contributions from Individuals	612,917
○ Contributions from Political Committees	693,646
○ Transfers from Other Authorized Committees	956
○ Offsets to Operating Expenditures	4,039
Total Receipts	\$ 1,311,558
Disbursements	
○ Operating Expenditures	1,122,607
○ Transfers to Other Authorized Committees	4,500
○ Contribution Refunds	2,350
○ Other Disbursements	1,250
Total Disbursements	\$ 1,130,707
Cash-on-hand @ December 31, 2012	\$ 180,851

Part III

Summary

Commission Finding

Misstatement of Financial Activity

During audit fieldwork, a comparison of AFN's reported financial activity with its bank records revealed a misstatement of ending cash-on-hand in 2012. AFN overstated ending cash-on-hand by \$7,700. In response to the Interim Audit Report recommendation, AFN amended its most recently filed disclosure report to correct the misstatement.

The Commission approved a finding that AFN misstated its financial activity for calendar year 2012. (For more detail, see p. 4.)

Part IV

Commission Finding

Misstatement of Financial Activity

Summary

During audit fieldwork, a comparison of AFN's reported financial activity with its bank records revealed a misstatement of ending cash-on-hand in 2012. AFN overstated ending cash-on-hand by \$7,700. In response to the Interim Audit Report recommendation, AFN amended its most recently filed disclosure report to correct the misstatement.

The Commission approved a finding that AFN misstated its financial activity for calendar year 2012:

Legal Standard

Contents of Reports. Each report must disclose:

- The amount of cash-on-hand at the beginning and end of the reporting period;
- The total amount of receipts for the reporting period and for the election cycle; and
- The total amount of disbursements for the reporting period and for the election cycle; 52 U.S.C. §30104(b)(1), (2), and (4).

Facts and Analysis

A. Facts

During audit fieldwork, the Audit staff reconciled AFN's reported financial activity with its bank records for calendar years 2011 and 2012. This review indicated that the ending cash-on-hand balance in 2012 was overstated by \$7,700. The \$7,700 overstatement of the ending cash-on-hand balance in 2012 resulted primarily from unreported disbursements.

B. Interim Audit Report & Audit Division Recommendation

The Audit staff discussed the misstatement for 2012 with AFN's representative during the exit conference and provided copies of relevant work papers detailing the misstatement.

The Interim Audit Report recommended that AFN amend its most recently filed disclosure report to correct the cash-on-hand balance with an explanation that the change resulted from a prior period adjustment. Further, it was recommended that AFN reconcile the ending cash-on-hand balance of its most recent report to identify any subsequent discrepancies that may affect the cash-on-hand balance.

C. Committee Response to Interim Audit Report

In response to the Interim Audit Report recommendation, AFN amended its most recently filed disclosure report. This amended report corrected the misstated cash-on-hand balance.

D. Draft Final Audit Report

The Draft Final Audit Report acknowledged that AFN filed an amended report that corrected the misstatement of financial activity.

E. Committee Response to the Draft Final Audit Report

AFN's response to the Draft Final Audit Report provided no additional comments relating to this matter.

Commission Conclusion

On March 26, 2015, the Commission considered the Audit Division Recommendation Memorandum in which the Audit staff recommended the Commission find that AFN misstated its financial activity for calendar year 2012.

The Commission approved the Audit staff's recommendation.