



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1980

MEMORANDUM

TO: FRED EILAND
PRESS OFFICE

THROUGH: BOB COSTA *BJC*

FROM: JUDY HAWKINS

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -
REGULAR HUDSON COUNTY DINNER COMMITTEE
(NOV. 1976)

Attached please find a copy of the final audit report of the Regular Hudson County Dinner Committee (Nov. 1976) which was approved by the Commission on August 29, 1980.

Informational copies of this report have been received by all parties involved and this report may be released to the public as of today, September 10, 1980.

Attached as stated

cc: FEC Library
RAD
Public Record



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION
ON
REGULAR HUDSON COUNTY
DINNER COMMITTEE (NOV. 1976)

I. Background

A. Overview

This report is based on an audit of the Regular Hudson County Dinner Committee (Nov. 1976) ("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 at the time of the audit, directed 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 October 12, 1976. The Committee maintained its headquarters in Union City, New Jersey. The audit covered the period from registration through December 31, 1976, the coverage date of the Committee's termination report. ^{1/}

For the period audited, the Committee reported a beginning cash balance of \$-0-, total receipts of \$197,158.00, total expenditures of \$130,147.78, and an ending cash balance of \$67,010.22.

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.

^{1/} The auditors examined financial records from September, 1976, (the Committee began receiving contributions in September), through May, 1977, to determine disposition of residual funds on hand at termination (see Finding E).

These 38 transactions were reported by the Committee as election day expenses in the amount of \$50,000. The advances to the 27 precinct chairmen varied in amounts from \$50 to \$5,000. The Committee presented to the auditors receipts for each of the 38 transactions which stated the funds were "for use for food, poll watchers, and incidental expenses for election workers, for the General Election of November 2, 1976."

Committee officials explained to the auditors that the precinct chairmen used their cash advances to pay poll watchers in amounts of \$5.00 - \$15.00 on election day. No documentation supporting these \$5.00 - \$15.00 expenditures was presented for examination during the audit.

Acting upon the recommendations of the auditors, the Committee, by contacting former Committee officials and precinct chairmen, located and submitted for review documentation for the \$5.00 - \$15.00 election day expenditures totaling \$12,762.74. This amount represents approximately 26% of the total amount expended on election day. The Committee submitted a statement to the auditors which detailed their efforts to obtain documentation for the remaining \$36,572.97. The statement also expressed the Committee's belief that they have made their best efforts to obtain the required documentation.

Recommendation

Since the Committee has complied with the recommendations of the auditors by submitting documentation for a portion of the election day expenses, and because the Committee has submitted evidence demonstrating their best efforts to obtain the remaining documentation, the Audit staff recommends no further action in this matter.

B. Disclosure of Contributor Information

During the period of the audit, Section 434(b)(2) of Title 2, United States Code, required the disclosure of the full name and mailing address, occupation and principal place of business of each person who has made one or more contributions to or for a political committee within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions.

During the period of the audit, Section 434(b)(14) of Title 2 of the United States Code stated when Committee treasurers show that best efforts have been used to obtain and submit the information required by this subsection, they shall be deemed to be in compliance with this subsection.

Our examination of Committee disclosure reports indicated that the Committee did not disclose the occupation and principal place of business of the contributors for 198 contributions in excess of \$100 (100% of itemized contributions). These 198 contributions totaled \$67,000.00. In addition, the aggregate amount of all contributions made within the calendar year for each contributor was not included on the Committee disclosure reports.

Acting upon the recommendations of the auditors, the Committee attempted to obtain the required information by contacting a former Committee official and some of the contributors. The Committee obtained and disclosed in amended reports, the occupation for 100% of the contributors and the principal place of business for 52% of the contributors.

Recommendation

Based upon the Committee's demonstration of best efforts to obtain the required information, the Audit staff recommends no further action in this matter.

C. Disclosure of Disposition of Residual Funds

During the period of the audit, Section 102.4(a) of Title 11 of the Code of Federal Regulations stated, in part, that when a political committee seeks to disband, it shall file a notice of termination which shall contain a statement as to the disposition of residual funds.

Our examination of Committee records and disclosure reports revealed that the Committee did not disclose the disposition of residual funds totaling \$67,183.52. During the audit it was determined that \$60,762.97 of the residual funds was transferred to the Hudson County Regular Democratic Organization and the remaining \$6,420.55 was used for general expenses incurred in terminating the Committee's activities.

Acting upon the recommendations of the auditors, the Committee filed a statement of disposition of residual funds with the Commission which reflected the above facts and further stated that the residual funds were not subsequently used in connection with Federal elections.

Recommendation

Based on the Committee's response, the Audit staff recommends no further action in this matter.

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D. Other Matters

Certain other matters noted during the audit were referred to the Office of General Counsel on June 18, 1980.

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