



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 12, 2007

MEMORANDUM

To: Robert W. Biersack  
Press Officer

From: Joseph F. Stoltz *JFS*  
Assistant Staff Director  
Audit Division

Subject: Public Issuance of the Audit Report on Friends of Clay Shaw

Attached please find a copy of the audit report on Friends of Clay Shaw which was approved by the Commission on October 5, 2007.

All parties involved have received informational copies of the report and the report may be released to the public on October 15, 2007.

Attachment as stated

cc: Office of General Counsel  
Office of Public Disclosure  
Reports Analysis Division  
FEC Library  
DSDD Website



# Report of the Audit Division on the Friends of Clay Shaw

January 1, 2005 – December 31, 2006

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## 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 Act (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.<sup>1</sup> 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 any of the matters discussed in this report.

## About the Campaign (p. 2)

Friends of Clay Shaw is the principal campaign committee for E. Clay Shaw, Jr., Republican candidate for the U.S. House of Representatives from the state of Florida, 22<sup>nd</sup> District, and is headquartered in Deland, FL. For more information, see the chart on the Campaign Organization, p.2.

## Financial Activity (p. 2)

• Receipts	
○ From Individuals	\$ 2,701,407
○ From Political Party Committees	90,749
○ From Other Political Committees	1,649,618
○ Transfers from Other Committees	179,013
○ Offsets to Operating Expenditures	11,845
○ Other Receipts	114,875
○ <b>Total Receipts</b>	<b>\$ 4,747,507</b>
• Disbursements	
○ Operating Expenditures	\$ 5,133,955
○ Refunds of Contributions to Individuals	89,481
○ Refunds of Contributions to Other Political Committees (PAC's)	19,400
○ <b>Total Disbursements</b>	<b>\$ 5,242,836</b>

## Findings and Recommendations (p. 3)

The scope of the audit was limited as outlined in Part I of the report. Based upon a limited examination of the reports and statements filed, and the records presented by the Friends of Clay Shaw, no material non-compliance was discovered.

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<sup>1</sup> 2 U.S.C. §438(b).

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# **Part I**

## **Background**

### **Authority for Audit**

This report is based on an audit of the Friends of Clay Shaw, 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 2 U.S.C. §438(b), which permits the Commission to conduct audits and field investigations of any political committee that is required to file a report under 2 U.S.C. §434. 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. 2 U.S.C. §438(b).

### **Scope of Audit**

Following Commission-approved procedures, the Audit staff evaluated various risk factors and as a result, the scope of this audit was limited to the following:

1. The consistency between reported figures and bank records; and
2. The disclosure of individual contributors' occupation and name of employer.

## Part II

### Overview of Campaign

#### Campaign Organization

<b>Important Dates</b>	<b>Friends of Clay Shaw</b>
• Date of Registration	December 30, 1980
• Audit Coverage	January 1, 2005 – December 31, 2006
<b>Headquarters</b>	Deland, Florida
<b>Bank Information</b>	
• Bank Depositories	1
• Bank Accounts	3
<b>Treasurer</b>	
• Treasurer When Audit Was Conducted	Gregory Wilder
• Treasurer During Period Covered by Audit	Gregory Wilder
<b>Management Information</b>	
• Attended FEC Campaign Finance Seminar	No
• Used Commonly Available Campaign Management Software Package	Yes
• Who Handled Accounting and Recordkeeping Tasks	Volunteer

#### Overview of Financial Activity (Audited Amounts)

<b>Cash on hand @ January 1, 2005</b>	<b>\$ 573,001</b>
<b>Receipts</b>	
○ From Individuals	\$2,701,407
○ From Political Party Committees	90,749
○ From Other Political Committees	1,649,618
○ Transfers from Authorized Committees	179,013
○ Offsets to Operating Expenditures	11,845
○ Other Receipts	114,875
<b>Total Receipts</b>	<b>\$ 4,747,507</b>
<b>Disbursements</b>	
○ Operating Expenditures	\$5,133,955
○ Refunds of Contributions to Individuals	89,481
○ Refunds to other Political Committees	19,400
<b>Total Disbursements</b>	<b>\$ 5,242,836</b>
<b>Cash on hand @ December 31, 2006</b>	<b>\$ 77,672</b>

## **Part III**

### **Findings and Recommendations**

Based upon a limited examination of the reports and statements filed, and the records presented by the Friends of Clay Shaw, no material non-compliance was discovered.