



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 14, 2008

Shirley J. Simmons, Treasurer
Talent For Senate, Inc.
21 N Meramec
2nd Floor
Clayton, MO 63105
Attn: Garrett Lott

Dear Ms. Simmons:

Attached, please find the Report of the Audit Division on Talent for Senate, Inc. The Commission approved this report on November 5, 2008.

The Commission approved Final Audit Report will be placed on the public record on November 24, 2008. Should you have any questions regarding the public release of this report, please contact the Commission's Press Office at (202) 694-1220.

Any questions you may have related to matters covered during the audit or in the report should be directed to Robert Morcomb or Thomas J. Nurthen of the Audit Division at (202) 694-1200 or toll free at (800) 424-9530.

Sincerely,

A handwritten signature in cursive script that reads "Wanda J. Thomas".

Wanda J. Thomas
Acting Assistant Staff Director
Audit Division

Attachment as stated



Report of the Audit Division on Talent for Senate, Inc.

January 1, 2005 – December 31, 2006

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.¹ 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)

Talent for Senate, Inc. (TFS) is the principal campaign committee for James M. Talent, Republican candidate for the United States Senate from the state of Missouri. TFS is headquartered in St. Louis, Missouri. For more information, see chart on the Campaign Organization, p. 2.

Financial Activity (p. 2)

- **Receipts**
 - From Individuals \$ 8,961,464
 - From Political Party Committees 35,000
 - From Other Political Committees 3,458,700
 - From Other Authorized Committees 1,405,346
 - Offsets to Operating Expenditures 83,098
 - Other Receipts 172,595
 - **Total Receipts \$ 14,116,203**
- **Disbursements**
 - Operating Expenditures \$ 14,202,656
 - Refunds of Contributions 155,260
 - **Total Disbursements \$ 14,357,916**

Finding and Recommendation (p. 3)

- Failure to File 48-Hour Notices

¹ 2 U.S.C. §438(b).

Table of Contents

	Page
Part I. Background	
Authority for Audit	1
Scope of Audit	1
Part II. Overview of Campaign	
Campaign Organization	2
Overview of Financial Activity	2
Part III. Summary	
Finding and Recommendation	3
Part IV. Finding and Recommendation	
Failure to File 48-Hour Notices	4

Part I

Background

Authority for Audit

This report is based on an audit of the Talent for Senate, Inc. (TFS), 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

This audit examined:

1. The receipt of excessive contributions and loans.
2. The receipt of contributions from prohibited sources.
3. The disclosure of contributions received.
4. The disclosure of disbursements, debts and obligations.
5. The consistency between reported figures and bank records.
6. The completeness of records.
7. Other committee operations necessary to the review.

Part II

Overview of Campaign

Campaign Organization

Important Dates	Talent for Senate, Inc.
• Date of Registration	July 14, 2003
• Audit Coverage	January 1, 2005 – December 31, 2006
Headquarters	St. Louis, Missouri
Bank Information	
• Bank Depositories	3
• Bank Accounts	4
Treasurer	
• Treasurer When Audit Was Conducted	Shirley J. Simmons
• Treasurer During Period Covered by Audit	Garrett M. Lott & Shirley J. Simmons
Management Information	
• Attended FEC Campaign Finance Seminar	Yes
• Used Commonly Available Campaign Management Software Package	Yes
• Who Handled Accounting and Recordkeeping Tasks	Garrett M. Lott

Overview of Financial Activity (Audited Amounts)

Cash on hand @ January 1, 2005	\$ 245,500
○ From Individuals	\$8,961,464
○ From Political Party Committees	35,000
○ From Other Political Committees	3,458,700
○ From Other Authorized Committees	1,405,346
○ Offsets to Operating Expenditures	83,098
○ Other Receipts	172,595
Total Receipts	\$ 14,116,203
○ Operating Expenditures	\$14,202,656
○ Refunds of Contributions	155,260
Total Disbursements	\$ 14,357,916
Cash on hand @ December 31, 2006	\$ 3,787

Part III

Summary

Finding and Recommendation

Failure to File 48-Hour Notices

A review of contributions by the Audit staff identified 38 contributions totaling \$62,300 for which TFS did not file the required 48-hour notices. In response, TFS agreed with the amount addressed in the interim audit report. In addition, TFS stated that it intended to file 48-hour notices for all contributions requiring this notice. (For more detail, see p. 4)

Part IV

Finding and Recommendation

Failure to File 48-Hour Notices

Summary

A review of contributions by the Audit staff identified 38 contributions totaling \$62,300 for which TFS did not file the required 48-hour notices. In response, TFS agreed with the amount addressed in the interim audit report. In addition, TFS stated that it intended to file 48-hour notices for all contributions requiring this notice.

Legal Standard

Last-Minute Contributions (48-Hour Notice). Campaign committees must file special notices regarding contributions of \$1,000 or more received less than 20 days but more than 48 hours before any election in which the candidate is running. This rule applies to all types of contributions to any authorized committee of the candidate, including:

- Contributions from the candidate;
 - Loans from the candidate and other non-bank sources; and
- Endorsements or guarantees of loans from banks. 11 CFR §104.5(f)

Facts and Analysis

TFS was required to file 48-hour notices for the primary and general elections for those contributions of \$1,000 and greater, received less than 20 days but no more than 48 hours before the election. The Audit staff reviewed those contributions. TFS failed to file 48-hour notices for 38 contributions totaling \$62,300. Those contributions are summarized below:

Contribution Type	Primary	General	Total
Contributions from Individuals	\$6,000	\$29,300	\$35,300
Contributions from Political Committees	\$21,000	\$6,000	\$27,000
Total 48-Hour Notices not Filed	\$27,000	\$35,300	\$62,300

At the exit conference, the Audit staff informed TFS representative of the finding. The representative stated that TFS tried to file all notices and that they believe multiple pages of the 48-hour notice faxes may have gotten stuck together.

Interim Audit Report Recommendation and Committee Response

The Audit staff recommended that TFS provide evidence that 48-hour notices were filed timely for those contributions mentioned above or provide any comments it has regarding this matter. In response, TFS agreed with the amount addressed in the interim audit report. In addition, TFS stated that it intended to file 48-hour notices for all the

contributions requiring this notice. TFS believes that when the notices were faxed to the FEC several pages did not transmit properly. However, they did not include copies of the faxed 48-hour notices with the response. Finally, TFS stated that in the future notices will be transmitted electronically to prevent this from happening again.