



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 14, 2008

Ms. Nancy H. Watkins, Treasurer
Roskam for Congress Committee
610 S. Boulevard
Tampa, FL 33606

Dear Ms. Watkins:

Attached please find the Report of the Audit Division on the Roskam for Congress Committee. The Commission approved this report on November 5, 2008.

The Commission approved Final Audit Report will be placed on the public record on November 21, 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 Terry O'Brien or Marty Favin 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

cc: William J. McGinley, Counsel



Report of the Audit Division on the Roskam for Congress Committee

April 18, 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)

The Roskam for Congress Committee is the principal campaign committee for Peter Roskam, Republican candidate for the U.S. House of Representatives from the state of Illinois, 6th District, and is headquartered in Wheaton, IL. For more information, see the chart on the Campaign Organization, p. 2.

Financial Activity (p. 2)

- **Receipts**
 - From Individuals \$ 1,922,138
 - From Other Political Committees 1,169,208
 - From Transfers from Other Authorized Committees 358,932
 - Other Receipts 2,086
 - **Total Receipts** \$ 3,452,364

- **Disbursements**
 - Operating Expenditures \$ 3,344,921
 - Contribution Refunds 17,904
 - **Total Disbursements** \$ 3,362,825

Finding and Recommendation (p. 3)

- Misstatement of Financial Activity

¹ 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 Roskam for Congress Committee (RCC), 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

Important Dates	Roskam for Congress Committee
• Date of Registration	April 21, 2005
• Audit Coverage	April 18, 2005 – December 31, 2006
Headquarters	Wheaton, IL
Bank Information	
• Bank Depositories	One
• Bank Accounts	One checking account
Treasurer	
• Treasurer When Audit Was Conducted	Nancy H. Watkins
• Treasurer During Period Covered by Audit	Robert Earl / Christopher J. Ward
Management Information	
• Attended FEC Campaign Finance Seminar	Unknown
• Used Commonly Available Campaign Management Software Package	Yes
• Who Handled Accounting and Recordkeeping Tasks	Treasurer

Overview of Financial Activity (Audited Amounts)

Cash on hand @ April 18, 2005	\$ 0
Receipts	
○ From Individuals	\$1,922,138
○ From Other Political Committees	1,169,208
○ From Transfers from Other Authorized Committees	358,932
○ Other Receipts	2,086
Total Receipts	\$ 3,452,364
Disbursements	
○ Operating Expenditures	\$3,344,921
○ Contribution Refunds	17,904
Total Disbursements	\$ 3,362,825
Cash on hand @ December 31, 2006	\$ 89,539

Part III

Summary

Finding and Recommendation

Misstatement of Financial Activity

A comparison of reported figures to bank records revealed that RCC overstated its December 31, 2006 cash on hand balance by \$51,376. The Audit staff recommended that RCC amend the cash balance on its most recently filed report in the amount of \$51,376 with an explanation that the change resulted from a prior period audit adjustment; and, reconcile its reported figures to bank records for subsequent periods in order to assure the current reported cash is correct. In response, RCC materially corrected the misstatement. (For more detail, see p. 4)

Part IV

Finding and Recommendation

Misstatement of Financial Activity

Summary

A comparison of reported figures to bank records revealed that RCC overstated its December 31, 2006 cash on hand balance by \$51,376. The Audit staff recommended that RCC amend the cash balance on its most recently filed report in the amount of \$51,376 with an explanation that the change resulted from a prior period audit adjustment; and, reconcile its reported figures to bank records for subsequent periods in order to assure the current reported cash is correct. In response, RCC materially corrected the misstatement.

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 calendar year; and
- The total amount of disbursements for the reporting period and for the calendar year.
2 U.S.C. §434(b)(1), (2) and (4).

Facts and Analysis

The Audit staff reconciled RCC's reported activity to its bank records for the period covered by the audit and determined that the ending cash on hand balance at December 31, 2006 was overstated by \$51,376. This was primarily due to RCC not reporting or under reporting its payroll and payroll taxes in 2006, mostly between July and October.

At the exit conference, the Audit staff explained the misstatement and subsequently provided RCC representatives with schedules detailing the discrepancy. The representatives indicated that the necessary amendments would be filed.

Interim Audit Report Recommendation and Committee Response

The Audit staff recommended that RCC:

- amend the cash balance on its most recently filed report in the amount of \$51,376 with an explanation that the change resulted from a prior period audit adjustment; and,
- reconcile its reported figures to bank records for subsequent periods in order to assure the current reported cash is correct.

In response, RCC materially corrected the cash balance on its 2008 Pre-Primary report with an explanation for the change. In addition, RCC Counsel noted that they had reconciled reported figures to bank records for periods subsequent to the period covered by the audit.