



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 14, 2008

Scott S. Mackenzie, Treasurer
Americans Against Illegal Immigration PAC
3464 South Utah Street
Arlington, VA 22206

Dear Mr. Mackenzie:

Attached, please find the Report of the Audit Division on Americans Against Illegal Immigration PAC. The Commission approved this report on November 06, 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 Horace Inniss or Thomas 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 Americans Against Illegal Immigration PAC

July 05, 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 Committee (p. 2)

Americans Against Illegal Immigration PAC (AAIIP) is a non-connected, non-qualified, multi-candidate Political Action Committee and is headquartered in Montrose, California. For more information, see chart on Committee Organization.

Financial Activity (p. 2)

- **Receipts**
 - Individuals \$ 891,736
 - Loans 3,000
 - Other Receipts 13,984
 - **Total Receipts** \$ 908,720

- **Disbursements**
 - Operating Expenditures \$ 848,037
 - Contribution Refunds 25
 - Other Disbursements 22,224
 - **Total Disbursements** \$ 870,285

Finding and Recommendation (p. 3)

- Disclosure of Occupation/Name of Employer

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 Americans Against Illegal Immigration PAC, 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 disclosure of individual contributors' occupation/name of employer; and,
2. The consistency between reported figures and bank records.

Part II

Overview of Committee Committee Organization

Important Dates	AAIIP
• Date of Registration	July 05, 2005
• Audit Coverage	July 05, 2005 to December 31, 2006
Headquarters	Montrose, California
Bank Information	
• Bank Depositories	One
• Bank Accounts	Escrow Account Non-Profit Checking
Treasurer	
• Treasurer When Audit Was Conducted	Scott B. Mackenzie
• Treasurer During Period Covered by Audit	John W. Leuthold
Management Information	
• Attended FEC Campaign Finance Seminar	Yes
• Used Commonly Available Campaign Management Software Package	Yes
• Who Handled Accounting and Recordkeeping Tasks	Scott B. Mackenzie

Overview of Financial Activity (Audited Amounts)

Cash on hand @ July 05, 2005	-	\$ 0
○ Individuals		\$ 891,736
○ Loans		3,000
○ Other Receipts		13,984
Total Receipts		\$ 908,720
○ Operating Expenditures		\$ 848,037
○ Contribution Refund		25
○ Other Disbursements		22,224
Total Disbursements		\$ 870,285
Cash on hand @ December 31, 2006		\$ 38,435

Part IV

Finding and Recommendation

Disclosure of Occupation/Name of Employer

Summary

AAIIP did not adequately disclose the contributor's occupation/name of employer for 665 contributions totaling \$63,906. Follow-up letters were sent to a number of contributors requesting the information. Although responses were received, AAIIP did not file amended reports disclosing the new information. In response to the interim audit report, AAIIP materially complied with the interim audit report recommendation. It provided copies of the letters it sent to the remaining contributors and filed amended reports disclosing the contributor information it received.

Legal Standard

A. Itemization Required for Contributions from Individuals. A political committee other than an authorized committee must itemize any contribution from an individual if it exceeds \$200 per calendar year, either by itself or when combined with other contributions from the same contributor. 2 U.S.C. §434(b)(3)(A).

B. Required Information for Contributions from Individuals. For each itemized contribution from an individual, the committee must provide the following information:

- The contributor's full name and address (including zip code);
- The contributor's occupation and the name of his or her employer;
- The date of receipt (the date the committee received the contribution);
- The amount of the contribution; and
- The calendar year-to-date total of all contributions from the same individual. 11 CFR §§100.12 and 104.3(a)(4) and 2 U.S.C. §434(b)(3)(A).

C. Best Efforts Ensures Compliance. When the treasurer of a political committee shows that the committee used best efforts (see below) to obtain, maintain, and submit the information required by the Act, the committee's reports and records will be considered in compliance with the Act. 2 U.S.C. §432(h)(2)(i).

D. Definition of Best Efforts. The treasurer and the committee will be considered to have used "best efforts" with respect to contributions if the committee satisfied all of the following criteria:

- All written solicitations for contributions included:
 - A clear request for the contributor's full name, mailing address, occupation, and name of employer; and
 - The statement that such reporting is required by Federal law.
- Within 30 days after the receipt of the contribution, the treasurer made at least one effort to obtain the missing information, in either a written request or a documented oral request.

- The treasurer reported any contributor information that, although not initially provided by the contributor, was obtained in a follow-up communication or was contained in the committee's records or in prior reports that the committee filed during the same two-year election cycle. 11 CFR §104.7(b).

Facts and Analysis

The Audit staff reviewed contributions from individuals reported on Schedule "A" for disclosure of occupation/name of employer. The review identified 665 contributions, totaling \$63,906, where AAIP did not adequately disclose the contributor's occupation and/or name of employer. AAIP was able to provide copies of 375 follow-up donor letters that requested the missing information. Even though a number of responses were received, AAIP did not file amended reports at the time it received the information. Further, there was no evidence that AAIP sent follow-up letters to contributors for the remaining 290 contributions (\$36,414) lacking such information.

This matter was discussed at the exit conference. Subsequent to the exit conference, AAIP filed amended reports disclosing the contributor information it received.

Interim Audit Report Recommendation and Committee's Response

The Audit staff recommended that AAIP contact each contributor for the remaining 290 contributions lacking the contributor's occupation and/or name of employer; submit evidence of such contact; and, amend its reports to disclose any information received. AAIP materially complied with the interim audit report recommendation. It provided copies of the letters it sent to the remaining contributors and filed amended reports disclosing the contributor information it received.