



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 22, 2002

MEMORANDUM

TO: RON M. HARRIS
PRESS OFFICER
PRESS OFFICE

FROM: JOSEPH F. STOLTZ *JFS*
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF THE AUDIT REPORT ON
GERALD C. "JERRY" WELLER FOR CONGRESS COMMITTEE

Attached please find a copy of the audit report and related documents on Gerald C. "Jerry" Weller for Congress, which was approved by the Commission on August 15, 2002.

All parties involved have received informational copies of the report and the report may be released to the public.

Attachment as stated

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

REPORT OF THE AUDIT DIVISION
ON THE
**Gerald C. “Jerry” Weller for Congress
Committee**

Approved August 15, 2002



FEDERAL ELECTION COMMISSION
999 E STREET, N.W.
WASHINGTON, D.C.

TABLE OF CONTENTS

GERALD C. "JERRY" WELLER FOR CONGRESS

	Page
Executive Summary	1
Final Audit Report	3
Background	3
Findings	5
Transmittal to Committee	15
Chronology	17



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

GERALD C. "JERRY" WELLER FOR CONGRESS

EXECUTIVE SUMMARY

Gerald C. "Jerry" Weller for Congress (GWFC) registered with the Clerk of the U.S. House of Representatives on November 29, 1993, as Gerald C. "Jerry" Weller for Congress, the principal campaign committee for Gerald C. Weller, Republican candidate for the U.S. House of Representatives from the State of Illinois, 11th District

The audit was conducted pursuant to 2 U.S.C. §438(b), which states that the Commission may conduct audits of any political committee whose reports fail to meet the threshold level of compliance set by the Commission.

The following is an overview of the findings contained in the audit report.

APPARENT PROHIBITED CONTRIBUTIONS — 2 U.S.C. §441b(a). A review of GWFC's receipts records identified 7 contributions, totaling \$8,150 made by 7 business entities. All the entities appear to be active corporations or limited liability companies. GWFC also appears to have deposited into its account, a check written to the National Republican Congressional Committee Trust (non-federal account) for \$5,000 by T.I.P. Educational Fund-Hotel Employees and Restaurant Employees PAC. Although GWFC reported refunding the contribution, the refund check never cleared the bank.

In response to the interim audit report, GWFC refunded all prohibited amounts to contributors.

APPARENT EXCESSIVE CONTRIBUTIONS — 2 U.S.C. §441a(a)(1). During the review of GWFC's receipt records the Audit staff identified \$86,052 and \$9,085 in contributions from individuals received in excess of the limitation for the primary election and general election respectively. In addition, GWFC received a total of \$6,700 of contributions in excess of the limitations from political action committees.

In response to both the exit conference and the interim audit report, GWFC refunded all excessive amounts to the contributors.

MISSTATEMENT OF FINANCIAL ACTIVITY — 2 U.S.C. §434(b)(1) and (4). The Audit staff's review of GWFC's financial activity revealed a net misstatement of disbursements and ending cash on hand totaling \$2,391 and \$551 respectively.

In response to the interim audit report, GWFC filed amended disclosure reports which materially corrected the misstatements noted above.

TIMELY DEPOSIT OF CONTRIBUTIONS — C.F.R. §102.8(a) . During its review of contributions from individuals, political action committees and all individual contributors who gave in excess of \$1,000, the Audit staff noted that many deposits were not deposited in a timely manner. The number of days between check date and deposit date ranged from 26 to 145 days.

In its response to the interim audit report, GWFC outlined new procedures implemented to correct this problem.



A01-02

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

***REPORT OF THE AUDIT DIVISION
ON
GERALD C. "JERRY" WELLER FOR CONGRESS***

I. BACKGROUND

A. AUDIT AUTHORITY

This report is based on an audit of Gerald C. "Jerry" Weller for Congress (GWFC), undertaken by the Audit Division of the Federal Election Commission (the Commission) in accordance with the provisions of the Federal Election Campaign Act of 1971, as amended (the Act). The audit was conducted pursuant to Section 438(b) of Title 2 of the United States Code that states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under Section 434 of this title. Prior to conducting any audit under this subsection, the Commission shall 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.

B. AUDIT COVERAGE

The audit covered the period from January 1, 1999 through December 31, 2000. GWFC reported a beginning cash balance of \$93,719; total receipts of \$1,514,991; total disbursements of \$976,798; and a closing cash balance of \$633,912.¹

C. COMMITTEE ORGANIZATION

GWFC registered with the Clerk of the U.S. House of Representatives on November 29, 1993, as Gerald C. "Jerry" Weller for Congress, the principal campaign committee for Gerald C. Weller, Republican candidate for the U.S. House of Representatives from the State of Illinois, 11th District. The Treasurers during the audit

¹ These figures do not foot as the result of an amendment to the 2000 Pre-primary report adjusting beginning cash by \$2,000.

period were Ms. Carol Lindamood (7/15/96 – 1/22/99), Ms. Shelly Carson (1/29/99 – 2/2/00) and Ms. Lauren Dees (2/3/00 – 1/12/01). The current treasurer is Mr. Rodger Forcash. GWFC maintains its headquarters in Washington, D.C.

To manage its financial activity, GWFC maintained two bank accounts. From these accounts, approximately 640 disbursements were made, totaling \$982,527². GWFC's receipts were comprised of approximately 3,140 contributions from individuals, totaling \$778,000; 730 contributions from political committees, totaling \$689,000; and, interest totaling \$60,468. Accounting, recordkeeping and reporting functions were performed by paid campaign staff and consultants, which utilized commonly available campaign software. The Audit staff is not aware of any FEC seminars attended by GWFC personnel.

D. AUDIT SCOPE AND PROCEDURES

In maintaining its disbursement records, GWFC satisfied the minimum recordkeeping requirements of 11 CFR §102.9; however, for contributions from individuals, the Audit staff's verification of reported occupation and name and address of employer was limited by the lack of external documentation, such as contributor response devices.

Following Commission approved procedures, the Audit staff evaluated various risk factors and, as a result the audit included testing of the following general categories:

1. The receipt of contributions or loans in excess of the statutory limitations (see Finding II.B.);
2. the receipt of contributions from prohibited sources, such as those from corporations or labor organizations (see Finding II.A.);
3. proper disclosure of contributions from individuals, political committees and other entities, to include the itemization of contributions when required, as well as, the completeness and accuracy of the information disclosed;
4. proper disclosure of disbursements including the itemization of disbursements when required, as well as, the completeness and accuracy of the information disclosed;
5. proper disclosure of campaign debts and obligations;

² This amount is under reported disbursements by \$866. See Finding II.C.

6. the accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records (see Finding II.C.);
7. adequate recordkeeping for campaign transactions; and
8. other audit procedures that were deemed necessary in the situation (see Finding II.D).

Unless specifically discussed below, no material non-compliance was detected. It should be noted that the Commission may pursue further any of the matters discussed in this report in an enforcement action.

II. AUDIT FINDINGS AND RECOMMENDATIONS

A. RECEIPT OF APPARENT PROHIBITED CONTRIBUTIONS

Section 441b(a) of Title 2 of the United States Code states, in relevant part, that it is unlawful for any corporation organized by authority of any law of Congress, to make a contribution in connection with any election to any political office, or for any corporation or labor organization, to make a contribution in connection with any election to federal office and that it is unlawful for any candidate, political committee or any person knowingly to accept or receive any contribution prohibited by this section.

Section 110.1(g) of Title 11 of the Code of Federal Regulations defines a "limited liability company" (LLC) as a business entity that is recognized as a limited liability company under the laws of the state in which it is established. A contribution by an LLC that elects to be treated as a partnership by the Internal Revenue Service pursuant to 26 CFR 301.7701-3, or does not elect treatment as either a partnership or a corporation pursuant to that section, shall be considered a contribution from a partnership pursuant to 11 CFR 110.1(e). An LLC that elects to be treated as a corporation by the Internal Revenue Service, pursuant to 26 CFR 301.7701-3, or an LLC with publicly-traded shares shall be considered a corporation pursuant to 11 CFR Part 114. A contribution by an LLC with a single natural person member that does not elect to be treated as a corporation by the Internal Revenue Service pursuant to 26 CFR 301.7701-3 shall be attributed only to that single member. An LLC that elects to be treated as a partnership, or with a single natural person member that does not elect to be treated as a corporation, that makes a contribution shall, at the time it makes the contribution, provide information to the recipient committee as to how the contribution is to be attributed, and affirm to the recipient committee that it is eligible to make the contribution.

Section 103.3(b)(1) of Title 11 of the Code of Federal Regulations states, in part, that the treasurer shall be responsible for examining all contributions received for evidence of illegality. Contributions that present genuine questions as to whether they

were made by corporations may be, within ten days of the treasurer's receipt, either deposited into a campaign depository or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. The treasurer shall make at least one written or oral request for evidence of the legality of the contribution. Such evidence includes, but is not limited to, a written statement from the contributor explaining why the contribution is legal, or a written statement by the treasurer memorializing an oral communication explaining why the contribution is legal. If the contribution cannot be determined to be legal, the treasurer shall, within thirty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

Sections 103.3(b)(2) and (4) of Title 11 of the Code of Federal Regulations provide, in part, that the treasurer shall refund any contribution determined to be illegal to the contributor within thirty days of the date on which the illegality is discovered. Further, any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

During the review of contributions from individuals, the Audit staff identified 7 contributions, totaling \$8,150, made by 7 business entities. The Audit staff utilized the Illinois Secretary of State's website to verify the corporate status of these entities; and all the entities appear to be active corporations or limited liability companies (LLC's). In addition, it appears that GWFC deposited a check written to the National Republican Congressional Committee Trust (non-federal account) for \$5,000 by T.I.P. Educational Fund-Hotel Employees and Restaurant Employees PAC³. Although GWFC reported refunding the contribution, the refund check never cleared the bank.

GWFC did not maintain a separate account for questionable contributions although it did maintain a sufficient balance to cover the refund of these contributions throughout the election cycle. On its 2002 April 15th Quarterly Report, GWFC reported a cash balance of \$8,185 on March 31, 2002⁴.

The Audit staff advised GWFC's legal counsel of this matter at an exit conference. Counsel stated that he would review and investigate these items. As for the check payable to the NRCC, he was unsure why this had happened and stated that he would check into the problem. One official did ask about the refund and seemed

³ This PAC may be a non-federal PAC associated with the federally registered PAC, Hotel Employees Restaurant Employees International Union TIP – To Insure Progress (T.I.P. PAC). T.I.P. PAC did not report this contribution. The committees share the same address.

⁴ On its 2001 Mid-Year Report, GWFC reported transferring \$610,559 in apparent excess campaign funds to Jerry Weller for Congress, the Candidate's principle campaign committee for the 2002 election.

surprised that it had not cleared the bank. GWFC officials agreed to refund any contributions that were from prohibited sources.

Subsequently, GWFC submitted a document addressing two of the contributions. GWFC states that one of the contributing companies is in fact registered as an LLC in the State of Illinois and is not treated as a corporation, however, they did not submit any documentation from the contributing company supporting the affirmation as required by 11 CFR 110.1(g)(5)⁵. Furthermore, GWFC states that representatives at Hoffman Transportation were contacted and they stated that at the time of the contribution it was a sole proprietorship. Hoffman Transportation has, according to the Illinois Secretary of State, been a corporation since 1989.

For the remaining apparent incorporated entities, GWFC did not make any comment. Finally GWFC stated,

“In January of 2001, the Committee became aware of a number of difficulties related to their compliance systems. The vast majority of the problems were determined to be the failure of the treasurer to properly execute the duties for which she was retained. Several actions were taken. First, the treasurer was immediately terminated from her position as treasurer of the Committee and all associated recordkeeping and document retention services. The Committee then retained alternative professional staff who conducted an internal review and audit of the Committee’s activities. Based upon findings from that review, recommendations for compliance systems were developed and implemented by the Committee. Those procedures have been in operation since the summer of 2001.” It continues; “The Committee staff now retrieves contribution checks on a frequent and periodic basis. Checks are reviewed by professional staff for potential prohibition and excessive contributions. Contributions are batched with a full accounting trail, to include information pertaining to ‘best efforts’.”

GWFC’s responses fail to resolve any of the eight prohibited contributions totaling \$13,150.

In the Interim audit report, (IAR), the Audit staff recommended that, within 30 calendar days of service of the report, GWFC demonstrate that the 8 contributions in question were not from prohibited sources. Regarding the LLC included in this finding, such evidence was to include information from the contributing entity that verifies that they had not elected to be treated as a corporation for IRS purposes, such as IRS Form 8832 (Entity Classification Election), and which affirms that they were eligible

⁵ Counsel also referenced Advisory Opinion 1998-15 that addressed Illinois Limited Liability Companies. That Opinion was one of a series issued prior to the 1999 promulgation of 11 CFR 110.1 (g)-*Contributions By Limited Liability Companies*. The contribution at issue is governed by the regulation, not the Advisory Opinion.

to make these contributions pursuant to 11 CFR 110.1(g). Absent such evidence, it was recommended that GWFC refund these contributions and provide evidence of such refunds (copies of the front and back of the negotiated refund check) for review.

In response to the IAR, GWFC refunded all the questionable contributions, including a check to replace the original refund to T.I.P. Educational Fund-Hotel Employees and Restaurant Employees PAC and provided copies of the (front only) checks⁶. GWFC agreed to provide copies of cancelled checks and bank statements as they become available. In addition, GWFC's response also included a written segment that states, in part,

“The Committee continues to rely upon the position it asserted in its March 22, 2002 correspondence and follow-up materials related to the LLC issue. However, for purposes of expeditiously resolving this issue, the Committee has issued refund checks for the contributions in question.

The Commission should not view the Committee's refund of these contributions as an acknowledgement that they were received from prohibited sources; to the contrary. The Committee does not agree or acknowledge that these contributions constituted prohibited contributions under the FECA, and reserves its rights and does not waive any of its rights or arguments in the event these contributions become the grounds for subsequent action by the Commission.”

B. APPARENT EXCESSIVE CONTRIBUTIONS

Sections 441a(a)(1)(A) and (2)(A) of Title 2 of the United States Code state, that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000 and that no multi-candidate political committee shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$5,000. Section 110.1(b) of 11 CFR explains that *with respect to any election* means that if the contribution is not designated in writing by the contributor for a particular election then the contribution applies to the next election for that Federal office after the contribution is made. A contribution is considered made when the contributor relinquishes control over the contribution by delivering the contribution to the Candidate, the political committee, or an agent of the committee. A contribution that is mailed is considered made on the date of the postmark.

Section 103.3(b)(3) of Title 11 of the Code of Federal Regulations states that the treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when

⁶ Refund checks were issued from an account of Jerry Weller for Congress Inc., the 2002 re-election committee of Gerald C. Weller. See also, Footnote 4.

aggregated with other contributions from the same contributor, exceed the contribution limitations of 11 CFR 110.1. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 CFR 110.1(b) or 110.1(k), as appropriate. If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

Section 103.3(b)(4) of Title 11 of the Code of Federal Regulations states, in relevant part, that any contribution which appears to be illegal under 11 CFR 103.3(b)(3), and which is deposited into a campaign depository, shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

Section 110.1(k) of Title 11 of the Code of Federal Regulations states, in part, that any contribution made by more than one person, except for a contribution made by a partnership, shall include the signature of each contributor on the check, money order, or other negotiable instrument or in a separate writing and if a contribution made by more than one person does not indicate the amount to be attributed to each contributor, the contribution shall be attributed equally to each contributor. If a contribution to a candidate or political committee, either on its face or when aggregated with other contributions from the same contributor, exceeds the limitations on contributions set forth in 11 CFR 110.1(b),(c) or (d), as appropriate, the treasurer of the recipient political committee may ask the contributor whether the contribution was intended to be a joint contribution by more than one person. A contribution shall be considered to be reattributed to another contributor if the treasurer of the recipient political committee asks the contributor whether the contribution is intended to be a joint contribution by more than one person, and informs the contributor that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution, and within sixty days from the date of the treasurer's receipt of the contribution, the contributors provide the treasurer with a written reattribution of the contribution, which is signed by each contributor, and which indicates the amount to be attributed to each contributor if equal attribution is not intended.

Section 110.1(b)(5) of Title 11 of the Code of Federal Regulations states, in relevant part, that the treasurer of an authorized political committee may request a written redesignation of a contribution by the contributor for a different election if the contribution exceeds the limitation on contributions set forth in 11 CFR 110.1(b)(1). A contribution shall be considered to be redesignated for another election if the treasurer of the recipient authorized political committee requests that the contributor provide a written redesignation of the contribution and informs the contributor that the contributor may request the refund of the contribution as an alternative to providing a written redesignation and within sixty days from the date of the treasurer's receipt of the

contribution, the contributor provides the treasurer with a written redesignation of the contribution for another election, which is signed by the contributor.

Section 110.1(l)(5) of Title 11 of the Code of Federal Regulations states, in part, that if a political committee does not retain the written records concerning redesignation or reattribution, the redesignation or reattribution shall not be effective, and the original designation or attribution shall control.

1. **Contributions from Individuals**

GWFC's contribution records consisted of a database containing contributor information and copies of most deposits slips with copies of contribution checks. A review of contributions from individuals disclosed a problem regarding GWFC's receipt of excessive contributions.

a. **Primary Election Contributions**

GWFC received contributions from individuals, totaling \$86,052, in excess of the contribution limitation for the primary election. These contributions were received prior to the primary election and GWFC designated them to both the primary and general elections without proper written authorization from the contributors.

b. **General Election Contributions**

GWFC received contributions from individuals, totaling \$9,085, in excess of the contribution limitation for the general election. The excessive contributions resulted from a lack of control procedures that should have triggered the required actions from GWFC staff to seek either a reattribution to another individual or redesignation of the excessive portions. In addition, one item in the amount of \$2,500 was written to another committee but had been deposited into a GWFC account. Because the check was not meant for GWFC, the entire amount should be refunded.

2. **Contributions from Political Action Committees**

The Audit staff's review of contributions from political action committees (PACs) revealed that GWFC had accepted a total of \$6,700 in contributions in excess of the limitation from five PACs that were designated to, but dated after the primary election. GWFC reported no primary debt.

GWFC did not maintain a separate account to deposit questionable contributions but did consistently maintain sufficient balances to cover the amounts deposited in excess of the limitations until June 1, 2001.^{7 8}

⁷ On its latest disclosure report covering the period through June 30, 2002, reported ending cash on hand totaling \$8,185. See also, footnote 4.

contributions which the Interim Audit Report and supporting documents identified as excessive contributions.

The Commission should not view the Committee's refund of these contributions as an acknowledgement that they were excessive contributions; to the contrary. The Committee does not agree or acknowledge that these contributions constituted excessive contributions under the FECA, and reserves its rights and does not waive any of its rights or arguments in the event these contributions become the grounds for subsequent action by the Commission."

C. MISSTATEMENT OF FINANCIAL ACTIVITY

Sections 434(b)(1) and (4) of Title 2 of the United States Code state, in part, that a political committee shall disclose the amount of cash on hand at the beginning of the reporting period and the total amount of all receipts and all disbursements for the reporting period and calendar year.

The Audit staff's reconciliation of the GWFC's reported financial activity to its bank activity for calendar year 2000 revealed misstatements of its reported disbursements. GWFC should have reported disbursements totaling \$735,699. It reported total disbursements of \$733,307, a net understatement of \$2,391. This misstatement resulted primarily from the following.

- GWFC did not report a total of \$43,927 in operating disbursements that included an unidentified disbursement of \$17,290 made on November 2, 2000, and several payroll and consulting checks.
- GWFC did not report in-kind disbursements totaling \$5,315.
- GWFC over-reported operating disbursements by \$45,830, mainly as the result of one check that should have been reported for \$3,600, but was inadvertently reported as \$36,000 and one check in the amount of \$12,258 that was reported twice.

GWFC reported cash on hand of \$633,913 and should have reported \$633,361, a discrepancy of \$551. This misstatement was the result of the discrepancies noted above as well as minor misstatements related to receipts.

GWFC officials were provided copies of the bank reconciliation at the exit conference and agreed to file amended reports.

In the IAR, it was recommended that GWFC file comprehensive amended Summary and Detailed Summary pages for calendar year 2000, as well as appropriate Schedules B, by reporting period, to correct the misstatements noted above.

At the exit conference, GWFC officials were informed of the excessive contributions discussed above and provided with documentation and spreadsheets to support the Audit staff's work. GWFC officials stated they realized that the lack of designation information was a problem. They stressed that new procedures which had been implemented subsequent to this election cycle would insure that this type of problem would be avoided in the future.

Subsequent to the exit conference, GWFC sent copies (front only, non-negotiated) of refund checks for a total of \$80,637 for excessive contributions from individuals. GWFC did not refund any of the excessive contributions from the five PACs.

In the IAR, the Audit staff recommended that GWFC provide evidence demonstrating that the remaining contributions are not excessive. Absent such a demonstration, it was recommended that GWFC refund the remaining contributions and provide evidence of such refunds (photocopies of the front and back of the negotiated refund checks) for review. Additionally, GWFC was asked to supply copies of the negotiated checks for the \$80,637 in refunds that have already been made.

In response to these recommendations, GWFC refunded the remaining contributions that had been listed as excessive and also provided copies of cancelled checks. Supporting bank statements were also provided for those checks that have already cleared and GWFC representative agreed to provide copies of cancelled checks and corresponding bank statements as they become available. During the review of these cancelled checks it was noted that one check had been endorsed by the contributor, to the "Jerry Weller for Congress, 2002 general election", but the contributor had already given the limit for the election cycle. Additionally, it appears that GWFC wrote two separate checks to each of five contributors, in effect repaying the contributor twice the excessive amount. The Audit staff informed a GWFC representative of these problems and was assured that a new refund check would be issued to the contributor with a copy of the check provided and that he would inquire into the reason for the duplicate refund checks.

In addition, GWFC's written response further addressed this issue and states, in part,

"The Committee continues to rely upon the position it asserted in its March 22, 2002 correspondence and follow-up materials related to the excessive contributions issue. However, for purposes of expeditiously resolving this issue, the Committee has refunded those

⁸ Based on an analysis of the contributions and disbursements databases provided by GWFC, employing the election designations contained therein, or absent such designations, the transactions dates, the 2000 Primary activity was not funded by contributions designated for the 2000 General, including any excessive contributions identified by the Audit staff.

In response to the IAR, GWFC did file reports materially correcting the problems noted above.

D. TIMELY DEPOSIT OF CONTRIBUTIONS

Section 102.8(a) of Title 11 of the Code of Federal Regulations states, in part, that every person who receives a contribution for an authorized political committee shall, no later than 10 days after receipt, forward such contribution to the treasurer.

Section 103.3(a) of Title 11 of the Code of Federal Regulations states, in part, that all deposits shall be made within 10 days of the treasurer's receipt.

During our sample review of contributions from individuals, the Audit staff noted that 16% of the contributions tested were not deposited in a timely manner. The Audit staff compared the date on the check to the date of deposit as recorded on GWFC's database. The number of days between check date and deposit date ranged from 26 to 145 days. Similar problems were noted during our reviews of contributions from other political committees and the review of all contributors who gave in excess of \$1,000.

This matter was discussed with GWFC's legal counsel and committee officials before and at the exit conference. GWFC's legal counsel stated that he was aware of this problem. He also stated that after the General election, GWFC returned many contributions from political action committees due to the length of time that they had been held without deposit. GWFC's legal counsel also stressed that this problem had been remedied with new accounting procedures put into place in 2001.

It was noted in the IAR that because GWFC had stated that it had established procedures to correct this problem, the Audit staff recommended that no further action be taken.

In its written statement, GWFC stated that it agreed with the Audit staff's recommendation.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

A01-02

August 16, 2002

Mr. Roger C. Forcash, Treasurer
Gerald C. "Jerry" Weller For Congress
P.O. Box 15283
Washington, D.C. 20003

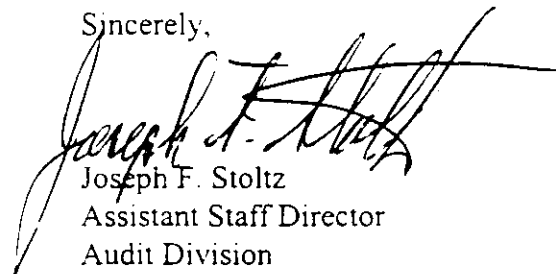
Dear Mr. Forcash:

Attached please find the Report of the Audit Division on Gerald C. "Jerry" Weller for Congress. The Commission approved the report on August 15, 2002.

The Commission approved Final Audit Report will be placed on the public record on August 22, 2002. Should you have any questions regarding the public release of the report, please contact the Commission's Press Office at (202) 219-4155.

Any questions you have related to matters covered during the audit or in the report should be directed to Rhonda Gillingwater or Russ Bruner of the Audit Division at (202) 694-1200 or toll free at (800) 424-9530.

Sincerely,



Joseph F. Stoltz
Assistant Staff Director
Audit Division

Attachment as stated

cc: Paul E. Sullivan, Esq.

CHRONOLOGY

GERALD "JERRY" WELLER FOR CONGRESS

Audit Fieldwork	September 11, 2001 – March 12, 2002
Interim Audit Report to the Committee	June 11, 2002
Response Received to the Interim Audit Report	July 23, 2002
Final Audit Report Approved	August 15, 2002