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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 17, 2001

MEMORANDUM

TO: RON M. HARRIS  
PRESS OFFICER  
PRESS OFFICE

FROM: ROBERT J. COSTA   
DEPUTY STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF THE FINAL AUDIT REPORT ON  
FRIENDS OF TIM JOHNSON

Attached please find a copy of the final audit report and related documents on Friends of Tim Johnson, which was approved by the Commission on October 4, 2001.

Informational copies of the report have been received by all parties involved and the report may be released to the public on October 17, 2001.

Attachment as stated

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

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**REPORT OF THE AUDIT DIVISION  
ON  
FRIENDS OF TIM JOHNSON**

**Approved October 4, 2001**



**FEDERAL ELECTION COMMISSION**

**999 E STREET, N.W.**

**WASHINGTON, D.C.**

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***REPORT OF THE AUDIT DIVISION  
ON THE  
FRIENDS OF TIM JOHNSON***

**I. BACKGROUND**

**A. AUDIT AUTHORITY**

This report is based on an audit of Friends of Tim Johnson (FOTJ), 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 October 14, 1999 (the date of FOTJ's initial deposit) through December 31, 2000. FOTJ reported a beginning cash balance of \$-0-; total receipts of \$1,338,024; total disbursements of \$1,311,887; and a closing cash balance of \$26,137.<sup>1</sup>

**C. COMMITTEE ORGANIZATION**

FOTJ registered with the Commission on November 9, 1999 as the principal campaign committee for Timothy Johnson, Republican candidate for the U.S. House of Representatives from the state of Illinois, Fifteenth District, for the 2000 election. FOTJ maintains its headquarters in Champaign, Il and its treasurer is Mr. James Bray.

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<sup>1</sup> All figures in this report have been rounded to the nearest dollar.

To manage its financial activity, FOTJ maintained one bank account. From this account, approximately 800 disbursements were made, totaling approximately \$1,307,486. FOTJ's receipts were comprised of approximately 2,860 contributions from individuals, totaling \$585,782; 270 contributions from political committees, totaling approximately \$405,157; and, three loans from the candidate in the amount of \$340,000. Accounting and recordkeeping functions were performed by campaign staff, which utilized commonly available campaign management software.

#### **D. AUDIT SCOPE AND PROCEDURES**

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 general categories:

1. The receipt of contributions or loans in excess of the statutory limitations;
2. the receipt of contributions from prohibited sources, such as those from corporations or labor organizations;
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. the accuracy of total reported receipts, disbursements and cash balances as compared to bank records;
5. adequate recordkeeping for receipts transactions; and,
6. other audit procedures that were deemed necessary in the situation.

As part of the Commission's standard audit process, an inventory of FOTJ's records was conducted prior to the audit fieldwork to determine if its records were materially complete and in an auditable state. Based on our review of the records presented, it was concluded that they were materially complete and fieldwork began immediately.

Based upon our examination of the reports and statements filed, and the records presented by FOTJ, no material non-compliance was discovered.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 5, 2001

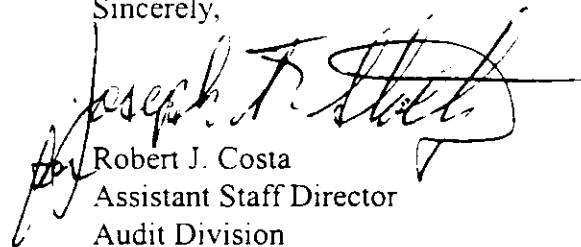
Mr. James Bray, Treasurer  
Friends of Tim Johnson  
PO Box 17097  
Urbana, IL 61803

Dear Mr. Bray:

Attached please find the Report of the Audit Division on the Friends of Tim Johnson (Final Audit Report). The Commission approved the report on October 4, 2001.

The Commission approved Final Audit Report will be placed on the public record on October 15, 2001. Should you have any questions regarding the public release of the report, please contact the Commission's Press Office at (202) 694-1220. Any questions you have related to matters covered during the audit or in the report should be directed to Robert Morcomb or Marty Favin of the Audit Division at (202) 694-1200 or toll free at (800) 424-9530.

Sincerely,



Robert J. Costa  
Assistant Staff Director  
Audit Division

Attachment as stated

cc: William J. McGinley, Counsel, Patton Boggs LLP  
Kenneth P. Jones, Counsel, Patton Boggs LLP



CHRONOLOGY  
FRIENDS OF TIM JOHNSON

Audit Fieldwork	8/13/01-9/27/01
Final Audit Report Approved	10/04/01