



# FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

REPORT OF THE COMPLIANCE REVIEW SECTION  
OFFICE OF DISCLOSURE AND COMPLIANCE  
FEDERAL ELECTION COMMISSION  
ON  
THE SANFORD FOR PRESIDENT COMMITTEE

## I. Background

This report covers the post-primary audit of the Sanford for President Committee, undertaken by the Compliance Review staff of the Federal Election Commission to determine whether there has been compliance with the provisions of the Federal Election Campaign Act, as amended ("the Act"). The audit was conducted pursuant to Section 9038 of Title 26, United States Code (26 U.S.C. 9038), which directs the Commission to conduct an audit of the qualified campaign expenses of every candidate and his authorized committees who received matching fund payments and to determine the amount, if any, of repayment to the matching payments account.

The Sanford for President Committee, formerly Citizens Committee to Nominate Terry Sanford, originally registered with U.S. General Accounting Office on June 21, 1974, to support the nomination of James Terry Sanford for the Office of President. The principal officers of the Committee at the time of the audit were Mr. Hulett C. Smith, Chairman, and Mr. Paul Allen Vick, Sr., Treasurer. The Committee maintains its headquarters in Durham, North Carolina.

The audit covered the period January 1, 1975 through June 30, 1976. During that period, the Committee reported receipts of \$590,843.68 and expenditures of \$603,008.48.

## II. Findings and Conclusions

(a) Section 433(b)(9) of Title 2, United States Code [2 U.S.C. 433(b)(9)] requires a political committee to disclose all banks, safety deposit boxes, or other depositories used in their Statement of Organization.

Our review disclosed that the Committee maintained the following bank accounts which were neither disclosed on



1077710  
1079167041

the original Statement of Organization nor in any amendments to this Statement:

- (1) First Union National Bank, Raleigh, North Carolina
- (2) New England Merchants National Bank, Boston, Massachusetts
- (3) Bank of New Hampshire, Manchester, New Hampshire
- (4) United California Bank, Los Angeles, California

It was our recommendation that an amended Statement of Organization be filed to disclose this information. On July 30, 1976, and September 7, 1976, amended Statements of Organization were received by the Commission disclosing this information.

(b) Section 434(b) of Title 2, United States Code [2 U.S.C. 434(b)] requires a political committee to report the total sum of all receipts for the reporting period.

In several instances, Committee records showed contributions in kind received by the Committee which were not disclosed in the reports. Although these contributions totaled \$889.38, no single item required itemization.

We recommended that the January 31, 1976 Report be amended to include these unitemized contributions. On July 30, 1976, the Committee amended this Report to include these contributions.

(c) Repayment of Receipts from the Matching Payment Account.

(1) Section 9038(b)(2) of Title 26, United States Code [26 U.S.C. 9038(b)(2)] requires that the Commission determine the amount, if any, of any payment made to a candidate from the matching payment account used for any purpose other than a qualified campaign expense.

During the course of the audit all expenditure records of the Committee were reviewed. Based on this review, no expenditures for other than qualified campaign expenses were identified.

107016794

(2) Section 9038(b)(3) of Title 26, United States Code [26 U.S.C. 9038(b)(3)] requires repayment of the portion of the unexpended balance in the candidate's account which bears the same ratio as the total amount received from the matching payment account bears to the total of all deposits.

On July 16, 1976, the Commission notified Mr. Sanford of its determination that his candidacy terminated on May 11, 1976, for purposes of making qualified campaign expenditures. This letter further requested a statement of the total net outstanding campaign obligations on May 11, 1976.

On July 28, 1976, the Committee Treasurer responded to this request with a statement which disclosed cash on hand, \$373.63; debts owed the Committee, \$2,408.86; and obligations of the Committee, \$2,662.93. This results in a cash balance of \$119.56.

Upon review of this statement by the Compliance Review staff, the Committee was found to be able to substantiate that all of the Committee debts and obligations were incurred prior to May 11, 1976.

Based on this, the Compliance Review staff has computed the amount of repayment as follows:

Total Matching Payments -	\$246,388.32		Unexpended
<u>Total Deposits</u> -	<u>\$613,183.66</u>	X	\$119.56 - Balance

We therefore recommend repayment of \$48.04

### III. Present Status of the Committee

At the present time the Committee has collected all receivables and liquidated all obligations. The Committee is presently inactive and awaiting final notification from the Commission so that it can make final distribution of the cash balance and terminate the Committee.

### IV. Recommendation

It is the recommendation of the Compliance Review staff that the Commission accept the above-mentioned findings and advise the candidate of these findings (proposed letter attached).



# FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

The Honorable Terry Sanford  
1508 Pinecrest Road  
Durham, North Carolina 27705

Dear Mr. Sanford:

This is in reference to the review of your principal campaign committee, The Sanford for President Committee, conducted by our Compliance Review staff under the authority of Section 9038 of Title 26, United States Code (26 U.S.C. 9038).

The Commission has accepted the staff findings of this review which are as follows:

(a) Section 433(b)(9) of Title 2, United States Code [2 U.S.C. 433(b)(9)] requires a political committee to disclose all banks, safety deposit boxes, or other depositories used in their Statement of Organization.

The review disclosed that the Committee maintained the following bank accounts which were neither disclosed in the original Statement of Organization nor in any amendments to this Statement:

- (1) First Union National Bank, Raleigh, North Carolina
- (2) New England Merchants National Bank, Boston, Massachusetts
- (3) Bank of New Hampshire, Manchester, New Hampshire
- (4) United California Bank, Los Angeles, California

Based on the recommendation of our staff, this information was included in amended Statements of Organization



received by the Commission on July 30, 1976, and September 7, 1976.

(b) Section 434(b) of Title 2, United States Code [2 U.S.C. 434(b)] requires a political committee to report the total sums of all receipts for the reporting period.

In several instances, Committee records showed contributions in kind received by the Committee which were not disclosed in the reports. Although these contributions totaled \$889.38, no single item require itemization.

Our staff recommended that the January 31, 1976 report of your Committee be amended to include these unitemized contributions. On July 30, 1976, the Commission received an amended January 31, 1976 report containing this information.

(c) Section 9038(b)(2) of Title 26, United States Code [26 U.S.C. 9038(b)(2)] requires that the Commission determine the amount, if any, of any payment made to a candidate from the matching payment account used for any purpose other than a qualified campaign expense.

During the course of the audit all expenditure records of the Committee were reviewed. Based on this review, no expenditures for other than qualified campaign expenses were identified.

(d) Section 9038(b)(3) of Title 26, United States Code [26 U.S.C. 9038(b)(3)] requires repayment of the portion of the unexpended balance in the candidate's account which bears the same ratio as the total amount received from the matching payment account bears to the total of all deposits.

On July 16, 1976, the Commission notified you of its determination that your candidacy terminated on May 11, 1976, for purposes of making qualified campaign expenditures. This letter further requested a statement of the total net outstanding campaign obligations on May 11, 1976.

On July 28, 1976, the Committee Treasurer, Mr. Paul Vick, responded to this request with a statement which disclosed:

Cash on Hand	\$ 373.63
Debts owed the Committee	2,408.86
Obligations of the Committee	(2,662.93)
Cash Balance	119.56

1 0 7 0 1 5 0 9 4



FEC  
DOCUMENT  
SEPARATOR