



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION
ON THE
SONIA JOHNSON-CITIZEN FOR PRESIDENT COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Sonia Johnson-Citizen for President Committee ("the Committee"), to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") and the Presidential Matching Payment Account Act. The audit was conducted pursuant to 26 U.S.C. § 9038(a) which states that "after each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and the committees authorized by the candidate who received payments under Section 9037."

In addition, 26 U.S.C. § 9039(b) and 11 C.F.R. § 9038.1(a)(2) state that the Commission may conduct other examinations and audits from time to time as it deems necessary to carry out the provisions of this subchapter.

The Committee registered with the Federal Election Commission as the principal campaign committee for Sonia Johnson on October 28, 1983. The Committee maintains its headquarters in Arlington, Virginia.

The audit covered the period from October 3, 1983, through November 6, 1984, the final coverage date of the last report filed at the time of the audit. In addition, certain financial activity was reviewed through February 1, 1985. The Committee reported an opening cash balance of \$-0-, total receipts for the period of \$411,989.88, total disbursements for the period of \$407,749.77, and a closing cash balance on November 6, 1984, of \$4,238.70.^{1/}

^{1/} The totals do not foot due to a mathematical error on the summary pages on the disclosure reports

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This report is based upon documents and workpapers which support each of the factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The principal officers of the Committee during the audit period were: Mary R. Boone, Treasurer from October 3, 1983, to January 25, 1984; Mark A. Dunlea, Treasurer from January 25, 1984, to June 25, 1984; Lynn E. Fontana, Treasurer from June 25, 1984, to August 15, 1984; and Julie J. Ainslee, Treasurer from August 15, 1984, to present.

C. Scope

The audit included such tests as verification of total reported receipts, disbursements, and individual transactions; review of required supporting documentation; analysis of Committee debts and obligations; review of contribution and expenditure limitations; and such other audit procedures as deemed necessary under the circumstances.

II. Finding and Recommendation Related to Title 2 of the United States Code

A. Matter Referred to Office of General Counsel

A matter noted during the audit has been referred to the Commission's Office of General Counsel.

III. Finding Related to Title 26 of the United States Code

A. Determination of Net Outstanding Campaign Obligations

Section 9034.5(a) of Title 11 of the Code of Federal Regulations requires that the candidate submit a Statement of Net Outstanding Campaign Obligations (NOCO) which contains, among other items, the total of all outstanding obligations for qualified campaign expenses and an estimate of necessary winding down costs within 15 days of the candidate's date of ineligibility.

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In addition, 11 C.F.R. § 9034.1(b) states, in part, that if on the date of ineligibility a candidate has net outstanding campaign obligations as defined under 11 C.F.R. § 9034.5, that candidate may continue to receive matching payments provided that on the date of payment there are remaining net outstanding campaign obligations.

The Committee filed a NOCO statement on September 7, 1984 showing the Committee's financial position at the date of ineligibility August 23, 1984. The Committee filed an amended NOCO statement on January 7, 1985, updating the estimate of its financial position to January 4, 1985. The Audit staff reviewed the amended NOCO statement and has prepared an audited NOCO statement which appears below.

Sonia Johnson-Citizen for President
Audit Analysis of Committee's NOCO Statement
as of January 4, 1985^{a/}

Assets

Cash in Bank	\$11,862.38	
Accounts Receivable	415.00	
Capital Assets	<u>3,800.00</u>	
Total Assets		\$16,077.38

Obligations

Accounts Payable	\$21,608.93	
Estimated Winding Down Costs		
Salaries	\$7,870.00	
Rent & Utilities	400.00	
Supplies	100.00	
Telephone	400.00	
Accounting fee	3,000.00	
Miscellaneous Office Expenses	<u>300.00</u>	
		<u>12,070.00</u>
Total Obligations		<u>33,678.93</u>

NOCO (Deficit as of
January 4, 1985) ^{b/} (17,601.55)

^{a/} The date of the NOCO statement accompanying the Committee's fourth matching fund request.

^{b/} Since certain estimates were used in computing the amount, the Audit staff will review the Committee's reports and records to compare the actual figures with the estimates and prepare adjustments, as necessary.

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The Committee Treasurer has agreed with all the components of the audited NOCO statement. In addition, a review of the Committee's bank statement activity for the period January 5, 1985 to February 7, 1985 indicated that the Committee received \$7,433.96 in matching funds and other receipts.

Conclusion

The Committee's remaining entitlement at February 7, 1985 is \$10,167.59.

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