



## FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

### REPORT OF THE AUDIT DIVISION ON THE WHALEN FOR CONGRESS COMMITTEE

#### I. Background

##### A. Overview

This report is based on an audit of the Whalen for Congress Committee undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended (the Act). The audit was conducted pursuant to Section 438(a)(3) of Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Committee registered with the Office of the Clerk of the United States House of Representatives on April 17, 1972 in support of the Honorable Charles W. Whalen, Jr., candidate for the office of U.S. Representative from the Third (3rd) Congressional District of Ohio. On February 4, 1976, Congressman Whalen designated the Committee as his principal campaign committee for the 1976 election. The Committee maintained its headquarters in Dayton, Ohio.

The audit covered the period from January 1, 1975 through September 30, 1977, the final coverage date of the latest report filed by the Committee at the time of the audit. The Committee reported a beginning cash balance on January 1, 1975 of \$891.24, total receipts for the period of \$41,082.29, total expenditures for the period of \$41,836.37 and a closing cash balance on September 30, 1977 of \$137.16.

This audit report is based on documents and working papers supporting each of its 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 during the period covered by the audit were as follows:

Mr. Roland F. Eichner, Chairman, 1/1/75 through 2/3/76;  
Mr. Charles W. Horlacher, Chairman, 2/4/76 through 4/12/76;  
Mr. Charles W. Horlacher, Co-Chairperson, 4/13/76 through 9/30/77;  
Ms. Vella M. Heisel, Co-Chairperson, 4/13/76 through 9/30/77;  
Mr. Richard M. DeLon, Treasurer, 1/1/75 through 4/7/76; and  
Mr. Leo Kessler, Jr., Treasurer, 4/8/76 through 9/30/77.

C. Scope

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

II. Auditor's Statement and Description of Findings

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and the records presented, that, except for the deficiencies noted below, the reports and statements of the Whalen for Congress Committee fairly present the financial activities of the Committee for the period covered by the audit. Further, except as noted below, no material problems in complying with the Federal Election Campaign Act were discovered during the course of the audit.

A. Contribution in Excess of the Limitation

Section 441a(a)(1)(A) of Title 2 of the United States Code provides 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.

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Committee records show the receipt of a loan of \$3,500.00 and a contribution of \$100.00 from the Committee Treasurer. The records show the loan was made on May 20, 1976 and was subsequently repaid in two installments. The first installment of \$2,500.00 was made a day later on May 21, 1976. The second of \$1,000.00 was made three days later on May 24, 1976. Each of the transactions was itemized on Committee reports as required.

In a letter to the Clerk of the U.S. House of Representatives on June 29, 1976, the Treasurer explained that he made the loan to prevent an overdraft of the Committee's bank depository and an invalid check being provided to the U.S. Postmaster. The Treasurer stated he was not aware at the time that a loan was applied to an individual's contribution limitation.

Recommendation

As noted above, the Treasurer contributed a total of \$3,600.00 to the Committee and in so doing, exceeded his contribution limit by \$2,600.00. However, since the loan was repaid within a period of four days, we recommend no action be taken with respect to this matter.

B. Other Matters

Listed below are other deficiencies noted during the audit for which no action is recommended. The Committee has been advised of the requirements of the Act which relate to each item.

a) The Committee failed to itemize the total proceeds of \$395.00 from a fundraising event on Schedule D as required. No contribution in excess of \$100 was received from those attending. The amount was reported in the Committee's receipt and expenditure totals as required.

b) The Committee failed to itemize in-kind contributions totaling \$253.00 and two (2) transfers from political committees totaling \$150.00. The amounts were reported in the Committee's receipt and expenditure totals as required.

c) The Committee failed to retain a receipted bill or other contemporaneous memoranda as required for four (4) expenditures totalling \$2,055.83. However, the expenditures were supported by a cancelled check.

d) The Committee made seven (7) expenditures totalling \$176.15 in cash from proceeds collected from a fundraising event. The funds were never deposited into the Committee's depository.

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