



FEDERAL ELECTION COMMISSION

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

REPORT OF THE AUDIT DIVISION ON THE CITIZENS FOR HICKS COMMITTEE

I. Background

A. Overview

This report is based upon an audit of the Citizens for Hicks Committee, The New Generation for Hicks, and the Hicks Luncheon Committee ("the Committee(s)") 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)(8) of Title 2, 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 Citizens for Hicks Committee registered with the Federal Election Commission on June 7, 1976 as the principal campaign committee designated by David V. Hicks, the Republican candidate for the United States House of Representatives from New York State's 24th Congressional District. Mr. Hicks authorized The New Generation for Hicks on June 30, 1976 and the Hicks Luncheon Committee on August 16, 1976.

The audit covered the period April 1, 1976 through June 30, 1977, the final coverage date of the latest report filed by the Committees at the time of the audit. The Committees reported the following activity during that period:

| <u>Committee</u> | <u>Citizens For Hicks</u> | <u>The New Generation for Hicks</u> | <u>Hicks Luncheon Committee</u> |
|--------------------|-------------------------------|---|-------------------------------------|
| Beginning Cash | -0- | -0- | -0- |
| Total Receipts | \$58,083.16 | \$ 910.00 | \$700.00 |
| Total Expenditures | 54,896.64 | 1,285.00 | 700.00 |
| Ending Cash | 3,186.52 | (375.00) | -0- |

1/ Actual expenditures were \$910.00. The \$375.00 was a debt absorbed and paid by the Citizens for Hicks Committee.



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Termination reports were filed by the New Generation for Hicks Committee on November 4, 1976 and the Hicks Luncheon Committee on September 15, 1976.

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 this report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The principal officers of the Committees during the period audited were:

| <u>Committee</u> | <u>Chairman</u> | <u>Treasurer</u> |
|--------------------------|---------------------|----------------------|
| Citizens for Hicks | Josiah Bunting, III | Edwin C. Phillips |
| New Generation for Hicks | Michael Mannix | Edwin C. Phillips |
| Hicks Luncheon Committee | Albert T. Hall | Malcolm A. MacIntyre |

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

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and the records presented, that the reports and statements of the Citizens for Hicks and the Hicks Luncheon Committee fairly present the financial activities of the Committees for the period covered by the audit. No material problems in complying with the Federal Election Campaign Act were discovered during the course of the audit.

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

III. Audit Findings and Recommendations with Respect to the New Generation for Hicks Committee

A. Campaign Depository

Section 437b(a)(1) and (b) of Title 2, United States Code, states, in part, that any political committee authorized by a candidate to receive contributions or to make expenditures on his behalf, shall maintain a single checking account at a depository designated by the candidate and shall deposit any contributions received by the committee into such account. No expenditure may be made by any such committee on behalf of a candidate except by check drawn on such account, other than petty cash expenditures not to exceed \$100.

The Committee did not maintain a checking account as required and all disbursements were made in cash. Committee records and reports verified that only three (3) expenditures in excess of \$100 had been made. These three (3) accounted for all but \$50.80 of the Committee's actual expenditures.

Recommendation

The Audit staff recommends that no action be taken on this matter since the expenditures in excess of \$100 accounted for less than 2% of total money expended by the Committees during the campaign.

B. Filing of Statement of Organization

Section 433(a) of Title 2, United States Code, states "each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding \$1,000 shall file with the Commission a statement of organization, within 10 days after its organization or, if later, 10 days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of \$1,000."

As of the date of the audit the Committee had not filed a statement of organization, although it did file one subsequently on December 6, 1977. Also, one report reflecting all Committee activity has been filed.

Recommendation

Since the Committee has filed a statement of organization the Audit staff recommends no action on this matter.

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SEPARATOR