

CONGRESSIONAL AUDIT REPORT

Candidate/Committee: James Corman - 3/7/79

State: California

District: 21st

Location: Northwest Los Angeles - San Fernando Valley

Political Party Affiliation: Democrat

Major Opponent(s): Erwin Hogan (R)

Other Candidates Audited: Erwin Hogan (R) - 6/11/79

Votes Cast: General Election - James Corman (D) 101,837 - 66.5%
Erwin Hogan (R) 44,094 - 28.8%
Bill Hill (PFP) 7,178 - 4.7%

Primary Election - Unopposed

Total Receipts for Period: \$232,377.95

Total Expenditures for Period: \$237,345.56

First Elected (if applicable): 1960



FEDERAL ELECTION COMMISSION

1155 K STREET, N.W.
WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION
ON THE
CORMAN CAMPAIGN COMMITTEE
THE
CORMAN DINNER COMMITTEE
AND THE
CORMAN CONGRESSIONAL KEYMAN/KEYWOMAN

I. Background

A. Overview

This report is based upon an audit of the Corman Campaign Committee, the Corman Dinner Committee, and the Corman Congressional Keyman/Keywoman ("the Committees") 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 Corman Campaign Committee registered with the Office of the Clerk of the U.S. House of Representatives on April 17, 1972, in support of James C. Corman, Democratic candidate for California's 21st Congressional District. On March 17, 1976 the Candidate designated the Corman Campaign Committee as his principal campaign committee. Congressman Corman authorized the Corman Dinner Committee on October 21, 1974 and the Corman Congressional Keyman/Keywoman on June 10, 1973, to accept contributions and make expenditures on his behalf.

The audit covered the period January 1, 1975, through September 30, 1977, the final coverage date of the latest reports filed by the Committees at the time of the audit. The Committees reported the following activity for the period ending September 30, 1977.



	<u>Corman Campaign Committee</u>	<u>Corman Dinner Committee</u>	<u>Corman Congressional Keyman/Keywoman</u>
Beginning Cash	\$ 5,053.47	\$ 28,486.79	\$ 118.44
Total Receipts	165,632.25	60,601.70	6,144.00
Total Expenditures	141,994.63	89,088.49	6,262.44
Ending Cash	28,691.09	- 0 -	- 0 -

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>
Corman Campaign Committee	Mr. John Guarrera	Mr. James R. Anderson 4-17-72 to 5-31-77 Mr. Michael J. Marvid 6-1-77 to Present
Corman Dinner Committee	Mr. Lawrence E. Silverton	Mr. James R. Anderson
Corman Congressional Keyman/Keywoman	Mr. Harold Svenson	Mr. James R. Anderson

C. Scope

The audit included such tests as verification of reported receipts and expenditures and individual transactions; review of required supporting documentation; analysis of Committees' 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 Corman Campaign Committee, the Corman Dinner Committee and the Corman Congressional Keyman/Keywoman Committees fairly present the financial activities of the Committees 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. Corporate Contributions

Section 441b(a) of Title 2, United States Code, in part, states that it is unlawful for any corporation to make a contribution or expenditure in connection with any election to any political office and for any candidate, political committee, or other person to knowingly accept or receive any contribution from a corporation.

The review of the Committees' contributor records revealed that 14 contributions totaling \$953.50 were received from eight (8) corporate entities. The corporate status of these entities was subsequently verified by the Secretary of State of California. The Committees provided documentation that six (6) of these contributions were not funded by corporate sources. The remaining eight (8) contributions which totaled \$317.00 (Corman Congressional Keyman/Keywoman - four (4) totaling \$187.00 and Corman Campaign Committee - four (4) totaling \$130.00) were refunded on April 19, 1978. The matter was referred to the Office of General Counsel on June 19, 1978, where Matter Under Review 626(78) was initiated. Subsequent information was received by the Office of General Counsel that one (1) check was personal rather than corporate. On August 29, 1978, the Commission found reason to believe that the Committees accepted corporate contributions in violation of 2 U.S.C. 441b(a).

The Office of General Counsel determined that no knowing violations occurred and since the Committees refunded the contributions they recommended that no further action be taken on this matter. The Commission voted on January 24, 1979, to accept the Office of General Counsel's recommendation and close the file.

B. Retention of Supporting Documentation For Expenditures

Section 432(d) of Title 2, United States Code, in part, requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100, or expenditures aggregating in excess of \$100, to the same person within a calendar year.

Section 102.9(c)(4) Title 11 of the Code of Federal Regulations states that when a receipted bill is not available, the treasurer may keep the cancelled check showing payment of the bill; and the bill, invoice or other contemporaneous memorandum of the transaction containing the identification of the person to whom the expenditure is made, the amount of the expenditure, the particulars of the expenditure and the date the expenditure was made.

Our examination of the Committees' records revealed the following:

Corman Campaign Committee: Of 471 expenditures requiring supporting documentation, 77 expenditures, or 16.35% lacked adequate supporting documentation. These 77 expenditures totaled \$20,338.81 and represented 15.28% of the total requiring documentation.

Corman Dinner Committee: Of 221 expenditures requiring supporting documentation, 35 expenditures or 15.84% lacked adequate supporting documentation. These 35 expenditures totaled \$9,524.02 and represented 11.03% of the total requiring documentation.

The Committees submitted supporting documentation or evidence of their best efforts to obtain the required documentation for 91.07% of the above expenditures.

Recommendation

Based on the above documentation submitted by the Committees, and the Committees' efforts to obtain the additional documentation the Audit staff recommends that no further action be taken on this matter.

C. Itemization of Expenditures

Section 434(b)(9) of Title 2, United States Code, in part, requires the committee to disclose the identification of each person to whom expenditures have been made by such committee or candidate which in the aggregate exceeds \$100 within a calendar year, together with the purpose, amount and date of the expenditure.

Our examination of the Committees' records revealed the following exceptions:

Corman Dinner Committee: Of 221 expenditures requiring itemization, 16 expenditures, or 7.24% lacked itemization. These 16 expenditures totaled \$486.31 and represented .56% of the total expenditures requiring itemization.

A list of the unitemized expenditures was provided to the Committees with the request that amendments be submitted to correct the itemized and unitemized expenditure totals on the report summary pages along with the appropriate Schedules B to provide the particulars as required by the Act.

Recommendation

Since we received the Committees' amended reports on April 3, 1978, disclosing the required information, we recommend no further action be taken on this matter.

D. Itemization of Transfers from Political Committees

Section 434(b)(4) of Title 2, United States Code, in part, requires disclosure of the name and address of each political committee from which transfers are received, together with the dates and amounts of each transfer.

Our examination of the Committees' receipt records and a comparison of the Committees' reports to reports of other political committees filed with the Commission disclosing transfers to the Corman Committees revealed 10 transfers that were not itemized by the Corman Campaign Committee. Of 74 transfers received by the Committee, these 10 transfers, or 13.51% were not itemized. These 10 transfers totaled \$795.00 and represented 1.85% of the total of transfers received.

Recommendation

Since the Committee filed amended reports on April 3, 1978, itemizing the above mentioned transfers, the Audit staff recommends that no further action be taken on this matter.



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ADDITIONAL INFORMATION REGARDING THIS ORGANIZATION
MAY BE LOCATED IN A COMPLETED COMPLIANCE ACTION
FILE RELEASED BY THE COMMISSION AND MADE PUBLIC IN
THE PUBLIC RECORDS OFFICE. FOR THIS PARTICULAR
ORGANIZATION'S COMPLETED COMPLIANCE ACTION FILE
SIMPLY ASK FOR THE PRESS SUMMARY OF MUR # 626.
THE PRESS SUMMARY WILL PROVIDE A BRIEF HISTORY OF
THE CASE AND A SUMMARY OF THE ACTIONS TAKEN, IF ANY.



