



FEDERAL ELECTION COMMISSION

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

REPORT OF THE AUDIT DIVISION ON THE COUGHLIN FOR CONGRESS COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Coughlin for Congress Committee ("the 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)(8) 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 Clerk of the U.S. House of Representatives on August 26, 1976, in support of Mr. Jerome W. Coughlin, a candidate for the office of United States Representative from the Third (3rd) Congressional District of Minnesota. The Committee maintained its headquarters in Richfield, Minnesota.

The audit covered the period August 26, 1976 through June 30, 1977. The Committee reported a beginning cash balance of \$-0-, total receipts of \$12,340.00, total expenditures of \$11,857.01 and a closing cash balance of "unknown". ^{1/}

This audit report is based on documents and working papers which support each of the 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.

^{1/} See Part II, A. of this report.



B. Key Personnel

The principal officers of the Committee during the period covered by the audit were Mr. Michael Ross, Chairman, and Mr. William Jerome Coughlin, Treasurer.

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 Coughlin 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. Disclosure of Total Receipts and Expenditures

Section 434(b)(8) of Title 2 of the United States Code provides that each report under this section shall disclose the total sum of all receipts by or for such committee or candidate during the reporting period, while Section 434(b)(11) requires the disclosure of the total sum of expenditures made by or for such committee or candidate during the calendar year.

We found that five (5) of six (6) reports covering the periods September 1, 1976 through March 31, 1977 contained errors in amounts disclosed on the summary sheets. The errors ranged from a low of \$169.00 to a high of \$3,624.00. The errors in two (2) of the reports were due to the non-disclosure of three (3) expenditures totaling \$470.00. Errors found in the remaining four (4) reports resulted from the carry over of incorrect totals from previous reports. In addition, the Committee was unable to determine its March 31, 1977 closing cash balance and disclosed it as "unknown."

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The treasurer told us that his experience in book-keeping matters is limited. He stated that he had reviewed Committee reports and had identified some of the errors. He said the July 10, 1977 and amended reports were being prepared and would be submitted when completed.

Subsequent to the completion of our field work, the treasurer filed amendments correcting the errors noted. However, the opening and/or closing cash balances for the periods November 23, 1976 through June 30, 1977, contain minor errors of up to \$27.91. The errors have been discussed with the Committee bookkeeper who has agreed to make the appropriate corrections.

Recommendation

As noted above, the Committee has attempted to correct errors contained in its disclosure reports. Although, minor errors still exist in its cash balances, we recommend no action be taken with respect to this matter.

B. Itemization of Expenditures

Section 434(b)(9) and (10) of Title 2 of the United States Code provides in part that each report under this section shall disclose the identification of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount, date and purpose of each such expenditure.

During the period covered by the audit, the Committee made 39 expenditures totaling \$11,476.47 which were in excess of or aggregated in excess of \$100. Six (6) of those (14.6%) were not disclosed as required. The items not disclosed as required totaled \$675.96 or 5.8 percent of the total dollar value of all the items required to be itemized. Three (3) of the expenditures were disclosed in the Committee's total expenditures figures, although not itemized, while the other three (3) were not disclosed at all. The expenditures totaled \$205.96 and \$470.00 respectively.

Committee personnel explained that the items were simply overlooked. The Committee treasurer acknowledged the errors as noted and informed us that he was in the process of amending Committee reports.

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Recommendation

The treasurer has filed an amendment itemizing the items noted as required. Therefore, we recommend no action be taken with respect to this matter.

C. Other Matters

Presented below is a matter for which we feel no Commission action is warranted.

The Committee had not filed a July 10, 1977 report nor a FEC Form 3a as required by Section 434(a)(1)(C) of Title 2, United States Code. The treasurer stated that the report had not been filed because of difficulties encountered in determining whether other errors exist in previous reports and his inability to determine cash balances. Subsequent to the close of field work, the treasurer filed the report which is now on public record.

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