



## FEDERAL ELECTION COMMISSION

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

### REPORT OF THE AUDIT DIVISION ON THE DANFORTH FOR SENATOR COMMITTEE

#### I. Background

##### A. Overview

This report is based upon an audit of the Danforth for Senator 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 Secretary of the Senate on April 16, 1975, in support of John Claggett Danforth, candidate for election to the office of United States Senator from the State of Missouri. The Committee was designated as the principal campaign committee for the 1976 election. The Committee maintains its headquarters in Jefferson City, Missouri.

The audit covered the period from January 1, 1975 through December 31, 1977. The Committee reported a beginning cash balance at January 1, 1975 of \$0.00, total receipts and expenditures for the period January 1, 1975 through December 31, 1977 of \$786,737.60 and \$783,214.08 respectively, and a closing cash balance at December 31, 1977 of \$2,985.06. 1/

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.

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1/ Arithmetical and posting errors contained in reports filed during 1975 and 1976 results in an apparent understatement in closing cash of \$538.46 per reported figures.



B. Key Personnel

The principal officers of the Committee during the period of the audit were Mrs. Almira B. Sant (1/1/75-1/1/76), and Mrs. Marian Kraemer (1/1/76 to present) Chairpersons, and Mr. John W. Boyle, Treasurer.

C. Scope

The audit included such tests as verification of 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 deficiency noted below, the reports and statements of the Danforth for Senator 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. Apparent Corporate Contributions

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

A review of the Committee's contribution records revealed that six (6) contributions, totaling \$425.00, were received from apparent corporate entities. The Committee was informed on March 9, 1978 by the Audit staff of the apparent corporate status of the contributors. Five (5) refund checks (totaling \$375.00) were sent to five (5) contributors on March 17, 1978 by the Committee. The sixth apparent corporate contribution of \$50.00 was refunded on September 28, 1976, one (1) day after deposit, by the Committee in accordance with Section 103.3(b)(2) of the Commission's Regulations. One (1) refund check (\$25.00) was returned by the contributor, accompanied by a notation indicating that the contribution was from personal funds and not a corporate contribution, thus, leaving four (4) apparent corporate contributions (\$350.00) unresolved. The matter was referred to the Commission's Office of General Counsel on March 13, 1978, where Matter Under Review 553(78) was initiated. The review conducted by the Office of General Counsel indicated that three (3) of the remaining four (4) contributions were not corporate contributions (see Recap below).

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Recap:	<u>Status</u>	<u># of Contributions</u>	<u>Amount</u>
	Returned per 11 CFR 103.3(b)(2)	1	\$ 50
	Not incorporated per contributor	1	25
	Not incorporated per MUR 553(78)	3	325
	Apparent corporate contribution	<u>1</u>	<u>25</u>
		<u>6</u>	<u>\$425</u>

Based on these facts and the Committee's prompt action in refunding the monies, the Commission voted on June 13, 1978 to close the matter with no further action.

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