



FEDERAL ELECTION COMMISSION

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

REPORT OF THE AUDIT DIVISION ON THE RINALDO FOR CONGRESS COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Rinaldo 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 Office of the Clerk of the United States House of Representatives on March 7, 1974, in support of the Honorable Matthew J. Rinaldo, Candidate for the office of United States Representative from the 12th Congressional District of New Jersey. The Candidate designated the Committee as his principal campaign committee on March 17, 1976. The Committee maintains its headquarters in Union, New Jersey.

The audit covered the period from January 1, 1975 through June 30, 1977, the final coverage date of the latest report filed by the Committee. The Committee reported a beginning cash balance on January 1, 1975 of \$367.01, total receipts for the period of \$205,577.55, total expenditures for the period of \$166,332.58, and a closing cash balance on June 30, 1977 of \$39,611.98.

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



B. Key Personnel

The principal officers of the Committee during the period covered by the audit were Mr. Raymond H. Hartlaub, Esq., Chairman, and Mr. Homer F. Dukes, Treasurer.

C. Scope

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

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 Rinaldo 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 Limitations

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

The Committee reported a receipt of \$1,235.00 on March 14, 1977, from the Committee to Elect a New Governor, an unregistered committee.

The Audit staff was informed that the Committee to Elect a New Governor was created solely for the purpose of persuading the candidate to run for the office of Governor of New Jersey. When the candidate declined their offer, the Committee to Elect a New Governor contributed the funds raised (\$1,235.00 from five (5) individuals) to the Rinaldo for Congress Committee.

We recommended this contribution be reported in the names of the five (5) individuals, who originally contributed to the Gubernatorial Committee, and that written authorization for the transfer be obtained from those individuals. The Committee officials agreed with our recommendation, stating the necessary information could be obtained.

Recommendation

We received the Committee's amended schedules on November 10, 1977, disclosing the required information. The Committee has also presented written authorization from the contributors of the Committee to Elect a New Governor authorizing the transfer of their contributions. Therefore, we recommend no further action on this matter.

B. Cash Contribution in Excess of Limitations

Section 441g of Title 2 of the United States Code states, in part, that no person shall make contributions of currency to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

Our review of the Committee's contribution records revealed that the Committee received and accepted one (1) cash contribution of \$500. Committee officials gave no explanation concerning this matter.

Recommendation

Since we received a copy of the Committee's check, used to refund the excessive portion of this contribution to the contributor, we recommend no further action on this matter.

C. Retention of Supporting Documentation for Expenditures

Section 432(d) of Title 2 of the United States Code states, in part, it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

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Section 102.9(c)(4) of the Commission's Regulations states, in part, that when a receipted bill is not available, the treasurer may keep the cancelled checks showing payment of the bill, and the bill, invoice or other contemporaneous memorandum.

During the course of the audit, it was determined the Committee did not obtain and keep the bill, invoice, or other contemporaneous memorandum for 41 expenditures, totaling \$48,973.38. This figure represents 17.15% of the number and 32.07% of the dollar value of all expenditures requiring supporting documentation. The treasurer stated that he was unaware of this situation but agreed to obtain and forward the necessary documents.

Recommendation

Since we received copies of the necessary supporting documentation on October 13, 1977, we recommend no further action on this matter.

D. Itemization of Transfers

Section 434(b)(4) of Title 2 of the United States Code requires, in part, that a committee disclose the name and address of each political committee from which the reporting committee received any transfers of funds, together with amounts and dates of all transfers.

Our review of Committee records indicated that 28 transfers, totaling \$2,557.00 were reported as unitemized receipts. These figures represent 24.14% of the number and 6.18% of the dollar value of all transfers received. The treasurer was not aware that transfers less than \$100 required itemization, but expressed a willingness to file the necessary amendments.

Recommendation

Since we received the Committee's amended schedules on October 13, 1977, disclosing the required information, we recommend no further action on this matter.

E. Other Matters

Presented below is a matter noted during the course of the audit for which the Audit staff feels no action is warranted. The Committee has been advised of this discrepancy and informed of the respective requirement of the Act.

The Committee did not report one (1) outstanding debt of \$561.75 on its debt and obligation schedule. This debt was due December 22, 1976 and subsequently paid on May 13, 1977.

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CONGRESSIONAL AUDIT REPORT

Candidate/Committee: Matt Rinaldo / Rinaldo for Congress Committee

State: New Jersey

District: 12

Location: Union County

Political Party Affiliation: Republican

Major Opponent(s): Richard Buggelli (D)

Other Candidates Audited: Buggelli

Votes Cast: General Election - Rinaldo 136,973 Buggelli 49,189

Primary Election - None

Total Receipts for Period: \$205,577.55

Total Expenditures for Period: \$166,332.58

First Elected (if applicable): 1972



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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 # 493.
THE PRESS SUMMARY WILL PROVIDE A BRIEF HISTORY OF
THE CASE AND A SUMMARY OF THE ACTIONS TAKEN, IF ANY.



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