



FEDERAL ELECTION COMMISSION

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

REPORT OF THE AUDIT DIVISION ON THE BETTER GOVERNMENT COMMITTEE

(Richard L. Ottinger)

I. Background

A. Overview

This report is based upon an audit of the Better Government 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 April 23, 1974 in support of the Honorable Richard L. Ottinger, candidate for election to the office of U.S. Representative from the 24th Congressional District of New York. The Committee maintains its headquarters in Scarsdale, New York.

The audit covered the period from January 1, 1975, the effective date of the Act as amended, through June 30, 1977, the final coverage date of the latest report filed by the Committee at the time of the audit. The Committee reported a beginning cash balance as of January 1, 1975, of \$2,537.50, total receipts for the period of \$62,243.69, total expenditures for the period of \$63,036.36, and a closing balance as of December 31, 1976 of \$1,744.83. 1/

1/ The Committee filed FEC Forms 3a for the period January 1, 1977 to June 30, 1977.



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.

B. Key Personnel

The principal officers of the Committee during the period of the audit were Raymond T. Heilpern, Chairman and Helen W. Heilpern, Treasurer.

C. Scope

The audit included such tests as the 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 Better Government 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. Reporting of Exempt Accounting Services

Section 434(b)(2) of Title 2, United State Code, requires that each report shall disclose the full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100.00, together with the amount and date of such contributions. Further, Sections 431(e)(4) and 431(f)(4)(J) of Title 2, United States Code, exclude from the definitions of contribution and expenditure, legal and accounting services rendered to or on behalf of the Committee solely for the purpose of ensuring compliance with the provisions of the Act, by the regular employer of the individual rendering the services. However, the value of these services must be reported in accordance with Section 434(b) of Title 2, United States Code.

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During the course of the audit, it was determined that an individual provided bookkeeping services to the Committee at no cost. This individual was a salaried employee of a partnership of which the assistant treasurer of the Committee was a partner. According to the assistant treasurer, this individual spent approximately 30-40 hours during normal working hours in the preparation of the payroll, tax, and disclosure reports for the Committee. Services of this nature must be reported as exempt accounting services from the partnership employing the individual providing the services.

Recommendation

On February 2, 1978, the Committee filed an amended report assigning a value of \$250.00 to the bookkeeping services provided and disclosing the services as an in-kind contribution from the partnership. Therefore, no further action is recommended on this matter.

B. Disclosure of Occupation and Principal Place of Business

Section 434(b)(2) of Title 2, United States Code, requires that each report shall disclose the full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100.00, together with the amount and date of such contributions.

Our review of Committee contribution records revealed that the occupation and principal place of business of 24 contributors (32.9%) whose aggregate contributions exceeded \$100.00 were not disclosed. These contributions totalled \$4,600.00 (26.94% of total itemized contributions).

In order to obtain additional information, such as occupation and principal place of business for a contributor, the Committee would attempt to contact the contributor by telephone. The Committee officials were of the opinion that this procedure represented their best effort in obtaining additional information.

Recommendation

On February 2, 1978, the Committee filed amended reports disclosing the occupation and principal place of business for 18 of the 24 contributors noted above. Considering the Committee's efforts to secure this information, the Audit staff recommends no further action on this matter.

C. Itemization of Transfers-In

Section 434(b)(4) of Title 2, United States Code, requires that each report shall disclose the name and address of each political committee or candidate from which the reporting committee received or to which that committee made any transfer of funds, together with the amounts and dates of all transfers.

Contribution records revealed that the Committee did not itemize 11 transfers-in totalling \$835.00 (42.31% of total number and 11.43% of total dollar value of all transfers-in) each aggregating less than \$100. The assistant treasurer was of the opinion that the Committee was required only to itemize transfers-in, which in the aggregate, exceeded \$100.00.

Recommendation

The amended reports filed by the Committee on February 2, 1978 itemized the transfers noted above, therefore the Audit staff recommends no further action on this matter.

D. Itemization of Expenditures

Section 434(b)(9) of Title 2, United States Code, requires that each report shall disclose the identification of each person to whom expenditures have been made by such committee within the calendar year in an aggregate amount or value in excess of \$100.00, and the amount, date, and purpose of each such expenditure.

During the course of the audit, it was determined that the Committee did not itemize 23 of 127 expenditures (18.11%), each aggregating in excess of \$100.00 within the calendar year, totalling \$1,830.22 (3.21% of total itemized expenditures). This was a result of the Committee not maintaining an aggregation system to identify multiple expenditures to the same person.

Recommendation

The amended reports filed by the Committee on February 2, 1978 disclosed the expenditures noted above, therefore no further action is recommended by the Audit staff.

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E. Other Matters

Presented below are other matters noted during the audit for which the staff feels no further action is warranted.

1) The Committee wrote four (4) checks payable to cash, each in excess of \$100.00, totalling \$1,640.00 for reasons other than to replenish the petty cash fund. However, proper documentation was maintained for each of the expenditures.

2) The Candidate did not file a Statement of Candidate designating the Committee as his principal campaign committee for the 1976 election.

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CONGRESSIONAL AUDIT REPORT

Candidate/Committee: DAVID HICKS/CITIZENS FOR HICKS

State: NEW YORK

District: 24

Location: WESTCHESTER COUNTY (NEW YORK CITY SUBURBS)

Political Party Affiliation: REPUBLICAN

Major Opponent(s): RICHARD OTTINGER (D)

Other Candidates Audited: OTTINGER

Votes Cast: General Election - OTTINGER 99,761 HICKS 81,111

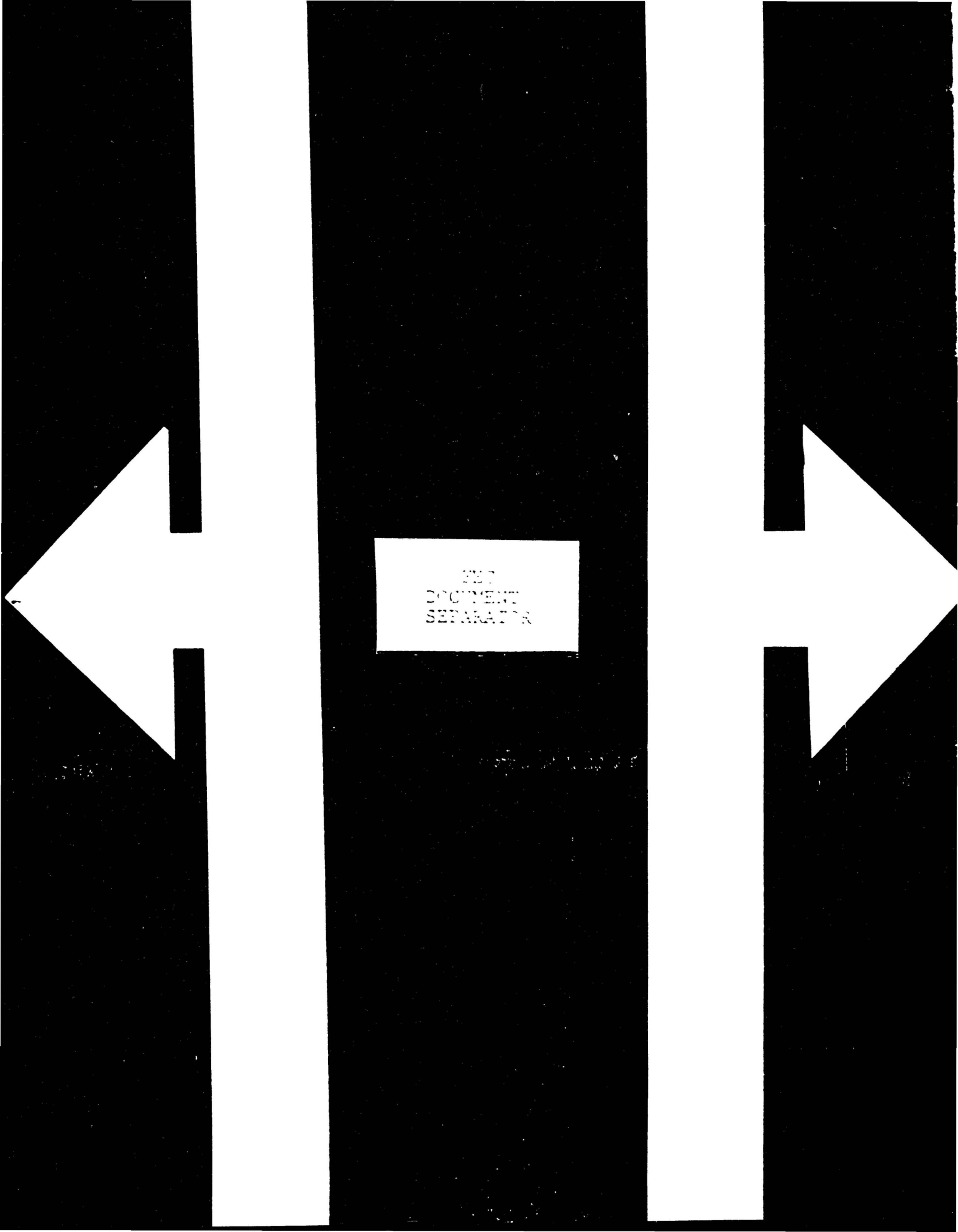
Primary Election - NONE

Total Receipts for Period: \$59,693.16

Total Expenditures for Period: \$56,881.64

First Elected (if applicable): N/A

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