



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

A83-40

REPORT OF THE AUDIT DIVISION  
ON THE  
STEVE JOACHIM FOR CONGRESS COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Steve Joachim For Congress Committee ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(b) of Title 2 of the United States Code which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under section 434 of this title. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Clerk of the House of Representatives on February 9, 1981. The Committee maintains its headquarters in Bala Cynwyd, Pennsylvania. The audit covered the period February 5, 1981 through December 31, 1982, the closing date for the latest report which should have been filed at the time the audit was approved. The Committee reported a cash balance on February 5, 1981 of \$-0-; total receipts of \$316,843.60; total expenditures of \$296,044.42; and a cash balance on November 2, 1982 of \$20,718.69. <sup>1/</sup>

This audit report is based on documents and work papers which support 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 the Commissioners and appropriate staff for review.

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<sup>1/</sup> The reported totals do not calculate correctly due to mathematical errors.

B. Key Personnel

The Treasurer of the Committee during the period covered by the audit was Murray A. Felzer.

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. Audit Findings and Recommendations

A. Itemization of Contributions from Political Committees

Section 434(b)(3)(B) of Title 2 of the United States Code states that each report shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution.

During the course of the audit it was noted that the Committee failed to itemize 36 contributions totaling \$21,991.00, or 13.14% of total contributions from political committees. The Committee was provided with a schedule of this information.

On September 6, 1983, the Committee filed an amended report disclosing the above contributions.

Recommendation

The Audit staff recommends no further action on this matter.

B. Failure to Report Expenditures

Section 434(b)(4) of Title 2 of the United States Code states, in part, that each report shall disclose for the reporting period and the calendar year, the total amount of all disbursements.

Section 434(b)(5)(A) of Title 2 of the United States Code states, in part, that each report shall disclose the name and address of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee together with the date, amount, and purpose of such operating expenditure.

In the course of the review of disbursements for the period January 1, 1982 through November 2, 1982, it was noted that the Committee failed to report 34 items totaling \$48,058.99 or 16.23% of total reported expenditures. The Committee was provided with a schedule of this information. The Committee stated the failure to report these expenditures was caused by oversight.

On September 6, 1983, the Committee filed amendments to its reports which disclosed the above disbursements as required.

#### Recommendation

Based on the above, the Audit staff recommends no further action on this matter.

#### C. Debts and Obligations

Section 434(b)(2)(8) of Title 2 of the United States Code states, in part, that each report shall disclose the amount and nature of outstanding debts and obligations owed by such political committee; and where such debts or obligations are settled for less than their reported amount or value, a statement as to the circumstances under which such debts or obligations were extinguished and the consideration therefor.

In addition, Section 104.11(a) and (b) of Title 11 of the Code of Federal Regulations states, in part, that debts and obligations owed by a political committee shall be continuously reported until extinguished. These debts and obligations shall be reported on separate schedules together with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or extinguished. Also, a debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after such obligation is incurred, whichever comes first. Any loan, debt or obligation, the amount of which is over \$500 shall be reported as of the time of the transaction.

During the audit, it was noted that the Committee failed to report 20 debts totaling \$27,609.92 as of November 2, 1982. These debts were still outstanding as of December 31, 1982. The Committee was provided with a schedule of this information.

On September 6, 1983, the Committee filed an amended report disclosing the above debts.

#### Recommendation

The Audit staff recommends no further action on this matter.

D. Matters Referred to the Office of General Counsel

Certain matters noted during the audit were referred to the Commission's Office of General Counsel on October 18, 1983.

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