



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

A87-11  
November 24, 1987

MEMORANDUM

TO: FRED EILAND  
CHIEF, PRESS OFFICER

FROM: ROBERT J. COSTA *RJC*  
ASSISTANT STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -  
MCMILLAN FOR CONGRESS COMMITTEE

Attached please find a copy of the final audit report of the McMillan for Congress Committee which was approved by the Commission on November 13, 1987.

Informational copies of the report have been received by all parties involved and the report may be released to the public.

Attachment as stated

cc: FEC Library  
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/Public Disclosure  
Office of General Counsel

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REPORT OF THE AUDIT DIVISION  
ON  
MCMILLAN FOR CONGRESS COMMITTEE

I. Background

A. Overview

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This report is based on an audit of the McMillan 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 June 14, 1985. The Committee maintains its headquarters in Charlotte, North Carolina.

The audit covered the period January 1, 1985 through December 31, 1986. The Committee reported a cash balance on January 1, 1985 of \$-0-; total receipts of \$760,563.16; total disbursements of \$741,463.60; and a cash balance on December 31, 1986 of \$19,099.56.

This audit report is based on documents and workpapers 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.

B. Key Personnel

The Treasurer of the Committee during the period covered by the audit was Mr. George Rohe.

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. Finding and Recommendation

A. Misstatement of Financial Activity

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

The auditors' reconciliation of 1985 reported activity to adjusted bank activity revealed that receipts were underreported by a net amount of \$7,154.08 and expenditures underreported by a net amount of \$7,102.04.

The misstatements resulted from (a) underreporting of receipts (\$8,404.21), (b) overreporting of itemized receipts (\$1,250.00), (c) including expenditures on Schedules B but not in Summary page total (\$7,390.41), (d) not reporting in-kind contributions as expenditures (\$2,661.63) and (e) overreporting of expenditures (\$2,950.00).

The Treasurer of the Committee was provided with schedules detailing the discrepancies.

The Audit staff recommended that within 30 days of receipt of the interim report the Committee file comprehensive amendments to correct the financial misstatement as noted above.

On November 2, 1987, the Committee filed comprehensive amendments which substantially corrected the financial discrepancies.

Recommendation

The Audit staff recommends that no further action be taken.

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SEPARATOR