



FEDERAL ELECTION COMMISSION

AK004056

August 27, 1993

MEMORANDUM

TO: FRED EILAND
CHIEF, PRESS OFFICE

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

SUBJECT: PUBLIC ISSUANCE OF THE FINAL AUDIT REPORT ON
WORLEY FOR CONGRESS 1990

Attached please find a copy of the final audit report on Worley for Congress 1990 which was approved by the Commission on August 23, 1993.

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: Office of General Counsel
Office of Public Disclosure
Reports Analysis Division
FEC Library

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FEDERAL ELECTION COMMISSION
WASHINGTON, D. C. 20543

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REPORT OF THE AUDIT DIVISION
ON
WORLEY FOR CONGRESS 1990

I. Background

A. Overview

This report is based on an audit of Worley For Congress 1990 ("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 5, 1990, as the principal campaign committee for David James Worley ("the Candidate"). The Committee maintains its headquarters in Morrow, Georgia.

The audit covered the period from September 11, 1989, the date of the Committee's first recorded transaction, through December 31, 1990, the closing date for the latest report which should have been filed at the time of the audit.^{1/} The Committee

^{1/} Subsequent to the completion of fieldwork, the Committee filed the 1990 January 31 Year End Report (See Finding II.A.).

reported a beginning cash balance of \$-0-; total receipts of \$303,265.43; total disbursements of \$295,580.86;^{2/} and an ending cash balance on November 26, 1990 of \$9,180.47.^{3/}

This report is based on documents and workpapers supporting each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in this report and were available to the Commissioners and appropriate staff for review.

B. Key Personnel

During the period covered by the audit, the Committee's Treasurer was Kevin Bruce Getzendanner. The current Treasurer is Gregg C. Brasher.

C. Scope

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

II. Audit Findings and Recommendations

A. Failure to File Disclosure Report

Sections 434(a)(1) and (2)(A)(iii) of Title 2 of the United States Code state, in relevant part, that the treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of the Act. If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate in any calendar year during which there is a regularly scheduled election for which such candidate is seeking election, a report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year.

The Committee did not file a disclosure report for the period November 27, 1990 through December 31, 1990 (Year End Report due to be filed on January 31, 1991). Based on bank

^{2/} Total receipts and total disbursements were calculated by summing the current period totals for each reporting period. This differs from the figures for total receipts and total disbursements (\$311,062.48 and \$295,580.96, respectively) calculated by summing the amounts reported as calendar year-to-date for 1989 and 1990.

^{3/} The totals do not foot due to discrepancies in the reported cash balances.

statements and other Committee records, the Audit staff determined that receipt activity totaling \$6,243.84 and disbursement activity totaling \$8,423.83 should have been reported for the period.

At the exit conference, the Candidate indicated he was aware that the report had not been filed and expressed a willingness to file the disclosure report for the period noted above.

On July 15, 1991, the Committee filed the Year End Report for 1990 with the Federal Election Commission.

Recommendation #1

The Audit staff recommends no further action on this matter.

B. Contributions Subject to 48 Hour Disclosure Notices

Section 434(a)(6) of Title 2 of the United States Code requires that each Treasurer of the principal campaign committee of a candidate shall notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of \$1,000 or more received by any authorized committee of such candidate after the 20th day, but more than 48 hours before, any election. This notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the candidate and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution. The notification required under this paragraph shall be in addition to all other reporting requirements under this Act.

Section 431(8)(A) of Title 2 of the United States Code states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

The Audit staff reviewed all Committee deposits made between two and twenty days of the general election (11/06/90) to identify and schedule all contributions greater than or equal to \$1,000. The auditors identified 14 such contributions, including two receipts in the form of loan proceeds, totaling \$32,500. Of these, it appears the Committee did not file the required notices for 6 contributions, totaling \$18,500, including contributions in the form of loan proceeds (\$11,500).

At the exit conference, the Candidate was provided with a photocopy of a schedule detailing these items. The Candidate could provide no explanation and indicated the matter would be further researched.