




FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AK007529

February 5, 1996

MEMORANDUM

TO: RON M. HARRIS
PRESS OFFICER
PRESS OFFICE

FROM: ROBERT J. COSTA 
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

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

Attached please find a copy of the final audit report and related documents on Jude for Congress which was approved by the Commission on January 25, 1996.

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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**REPORT OF THE AUDIT DIVISION
ON**

Jude for Congress

approved January 25, 1996



**FEDERAL ELECTION COMMISSION
999 E STREET, N.W.
WASHINGTON, D.C.**

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JUDE FOR CONGRESS

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FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

**FINAL AUDIT REPORT
ON
JUDE FOR CONGRESS
EXECUTIVE SUMMARY**

The Committee registered with the Clerk of the U.S. House of Representatives on June 15, 1992, as the principal campaign committee for Thaddeus Jude, Republican candidate for the U.S. House of Representatives, Minnesota, 6th District.

The audit was conducted pursuant to 2 U.S.C. §438(b), which states that the Commission may conduct audits of any political committee whose reports fail to meet the threshold level of compliance set by the Commission.

The findings of the audit were presented to the Committee at an exit conference held after the audit fieldwork (5/18/95) and later in an interim audit report.

The following is an overview of the findings contained in the final audit report.

Candidate Loan

Sections 431(8)(A)(i) and 441a(a)(1)(A) of Title 2 of the United States Code; Sections 100.7(a)(1)(i) and 110.10(a) and (b) of Title 11 of the Code of Federal Regulations. It appears that the Candidate's mother, Ruth M. Jude, made a total of \$51,000 in contributions, exceeding the general election contribution limitation by \$50,000.

The Candidate's mother, Ruth Jude, issued a \$50,000 check on October 31, 1994, from the Ruth M. Jude Revocable Trust account, payable to the Candidate's deceased father's trust, the Victor N. Jude Revocable Trust. The Victor N. Jude Revocable Trust, in turn, issued a \$50,000 check payable to Tad Jude (Candidate); the Candidate signed the check on behalf of the trust. This check was then deposited into the Candidate's personal checking account, held jointly with his wife. The Candidate then issued his personal check to the Committee. Further, the Candidate issued other checks, totaling \$1,500, drawn on the Victor N. Jude Revocable Trust that were deposited into the Committee's campaign account.

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According to the Committee's attorney "the loan made by the candidate's mother to the candidate's deceased father's trust was to provide liquidity to the Victor N. Jude Trust. The candidate/beneficiary of the Victor N. Jude Trust then received a portion of his share in his father's trust. This was not a loan for the purpose of influencing the election but rather a loan to the candidate of a portion of his share of the Victor N. Jude Trust following his father's death. Victor Jude died in August, 1994."

It should be noted, however, that neither the Victor N. Jude Trust Agreement nor the Ruth M. Jude Revocable Trust Agreement provided for such a distribution at the time the checks were issued.

Itemization of Contributions From Individuals

Sections 434(b)(3)(A) and 431(13)(A) of Title 2 of the United States Code. The audit identified 28 contributions from individuals, totaling 19,550, that were not itemized on Schedule A, as required.

The Committee responded by filing amended Schedules A, which materially corrected the itemization errors.

Itemization of Contributions From Political Committees

Sections 434(b)(3)(B) and 431(4)(A) of Title 2 of the United States Code. The Audit staff identified 32 contributions, totaling \$19,753, which were not itemized on Schedule A, as required.

The Committee responded by filing amended Schedules A, which corrected the above omissions.

Disclosure of Disbursements

Section 434(b)(5)(A) of Title 2 of the United States Code and Section 104.3(b)(3)(i)(A) and (B) of Title 11 of the Code of Federal Regulations. The Audit staff identified a material number of disbursement entries on Schedule B that failed to adequately identify the purpose of the disbursement.

The Committee responded by filing amended Schedules B, which materially corrected the public record.

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REPORT OF THE AUDIT DIVISION
ON
JUDE FOR CONGRESS

I. Background

A. Audit Authority

This report is based on an audit of Jude For Congress (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 subsection, 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.

B. Audit Coverage

The audit covered the period January 1, 1993 through December 31, 1994. During this period, the Committee reported a beginning cash balance of \$997; total receipts for the period of \$705,343; total disbursements for the period of \$699,417; and an ending cash balance of \$6,923 ^{1/}

C. Campaign Organization

The Committee registered with the Clerk of the U.S. House of Representatives on June 15, 1992 and maintained its headquarters in Minneapolis, Minnesota. During the audit period, Mr. Scott R. Riddle was the Treasurer of the Committee. The current Treasurer is Mr. Kevin Dittbenner.

To manage its financial activity, the Committee maintained one checking account and one savings account. The Committee reported receiving 68.6% (\$483,331) of its receipts from individual contributions, 22.1% (\$156,065) from political

^{1/} The figures cited in this report were rounded to the nearest dollar.

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action committees, 7.3% (\$51,500) from the candidate, 1.9% (\$13,257) from political party committees and the rest from offsets to operating expenditures.

D. Audit Scope and Procedures

The audit included testing of the following general categories:

1. The receipt of contributions or loans in excess of the statutory limitations (see Finding II.A.);
2. the receipt of contributions from prohibited sources;
3. proper disclosure of contributions from individuals, political committees and other entities, to include the itemization of contributions when required, as well as, the completeness and accuracy of the information disclosed (see Findings II.B. and C.);
4. proper disclosure of disbursements including the itemization of disbursements when required, as well as, the completeness and accuracy of the information disclosed (see Finding II.D.);
5. proper disclosure of campaign debts and obligations;
6. the accuracy of total reported receipts, disbursements and cash balances as compared to bank records;
7. adequate recordkeeping of campaign transactions; and,
8. other audit procedures that were deemed necessary in the situation.

Unless specifically discussed below, no material non-compliance with statutory or regulatory requirements was detected. It should be noted that the Commission may pursue any of the matters discussed in this report in an enforcement action.

II. Audit Findings and Recommendations

A. Candidate Loan

Section 431(8)(A)(i) 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.

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Section 100.7(a)(1)(i) of Title 11 of the Code of Federal Regulations states, in part, that the term loan includes a guarantee, endorsement, and any other form of security.

Sections 110.10(a) and (b) of Title 11 of the Code of Federal Regulations state, in part, that candidates for Federal office may make unlimited expenditures from personal funds. For purposes of this section, personal funds means any assets which, under applicable state law, at the time he or she became a candidate, the candidate had legal right of access to or control over, and with respect to which the candidate had either: legal and rightful title, or an equitable interest. A candidate may use a portion of assets jointly owned with his or her spouse as personal funds. The portion of the jointly owned assets that shall be considered as personal funds of the candidate shall be that portion which is the candidate's share under the instrument(s) of conveyance or ownership. If no specific share is indicated by an instrument of conveyance or ownership, the value of one-half of the property used shall be considered as personal funds of the candidate.

Section 441a(a)(1)(A) of Title 2 of the United States Code states, in part, 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 receiving a \$50,000 loan from the Candidate, Thaddeus V. Jude, on October 31, 1994. The reported loan transaction was made via check drawn on a bank account that is jointly held by the Candidate and his spouse.^{2/} It should be noted that a deposit in the amount of \$50,000 was made to the joint checking account held by the Candidate and his spouse on October 31, 1994.

During the course of the fieldwork, the Audit staff requested that the Committee identify the source of the October 31, 1994 deposit made to the joint checking account, and if made from an account controlled by the Candidate; copies of the account statements for the period October through November 1994.

At the exit conference, the Candidate's attorney stated that the source of the \$50,000 deposit into the joint checking account was from a trust account. The Audit staff again requested that the Committee provide copies of the October and November 1994 bank statements for the trust account. The Audit staff also requested the Committee identify the type of trust, provide a copy of the trust agreement as well as any codicil(s)

^{2/} This check was returned by the bank on November 2, 1994 due to insufficient funds. The Committee re-deposited the check on November 15, 1994.

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to the trust agreement. It should be noted that the Candidate issued checks, totaling \$1,500, dated October 7, 1994, drawn on the Victor N. Jude Revocable Trust.

The Committee did not provide any of the documentation requested within the 10 day period provided subsequent to the exit conference.

Given the above, at the time of the interim audit report, it appeared that the source of the loan was the trust account. However, absent documentation with respect to the type of trust, the trust agreements, statements for the account, etc., a determination as to the actual source of funds and whether the loan was permissible was not certain.

In the interim audit report the Audit staff recommended that the Committee provide the October and November 1994 bank statements for the trust account,^{3/} identify the type of trust, provide a copy of the trust agreement and codicil(s) if any. The Committee was also requested to provide a statement that demonstrated that the funds from the trust account were permissible for use in federal elections.

In response to the interim audit report the Committee provided the following:

- copy of the Ruth M. Jude Revocable Trust Agreement [Candidate's mother];
- copy of the Victor N. Jude Revocable Trust Agreement [Candidate's father];
- copies of the October 7 through November 10, 1994 bank statement for each trust account;
- copies of the October 1994 and November 1994 bank statements for the Candidate and spouse joint checking account; and,
- copies of checks relevant to the above loan transaction.

According to the documents provided, on November 2, 1994 a \$50,000 check, payable to Victor N. Jude Revocable Trust, was issued from the Ruth M. Jude Revocable Trust Account. The

^{3/} If a deposit was made to the trust account to cover the check (from the trust account) deposited into the Candidate's personal account, bank statements associated with the check deposited into the trust account should be made available.

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memo line is annotated "loan to Thaddeus Jude taken from Vic Jude Trust". The check was deposited into the Victor N. Jude Revocable Trust Account on November 2, 1994.

On October 31, 1994 a \$50,000 check payable to Tad Jude (signed by Tad Jude) was issued from the Victor N. Jude Revocable Trust. The memo line was annotated "loan". The balance in the Victor N. Jude Revocable Trust Account on October 31, 1994, prior to this check being issued was approximately \$2,444. This check was deposited into the Candidate's joint checking account.

According to the Committee's attorney "the loan made by the candidate's mother to the candidate's deceased father's trust was to provide liquidity to the Victor N. Jude Trust. The candidate/beneficiary of the Victor N. Jude Trust then received a portion of his share in his father's trust. This was not a loan for the purpose of influencing the election but rather a loan to the candidate of a portion of his share of the Victor N. Jude Trust following his father's death. Victor Jude died in August, 1994."

Based on our review of the Victor N. Jude Revocable Trust Agreement, the Candidate did not have legal and rightful title or an equitable interest to any portion of Victor N. Jude trust assets on October 31, 1994.

With respect to distribution of the assets of this trust, it appears only Article III. (Dispositive Provisions), Paragraph 3.3 (Upon Death of the Settlor with a Surviving Spouse) and Paragraph 3.4 (Upon Death of the Settlor without a Surviving Spouse, or Disposition of Family Trust Upon Death of Settlor's Spouse) is relevant.

Victor N. Jude was survived by his spouse, Ruth M. Jude. Therefore, Paragraph 3.3 governs distribution of the trust assets. There is no stated directive that provides a distribution to the Candidate pursuant to Paragraph 3.3.

Paragraph 3.3 provides, in relevant part, that upon the death of the Settlor leaving a surviving spouse, the Trustee shall from the trust property: pay certain expenses unless these payments are otherwise provided for; distribute a gift provided for; transfer an amount to the Settlor's surviving spouse; if any balance is remaining, transfer an amount to the Family Trust; if a balance still remains transfer this amount to the surviving spouse. (According to the Ruth M. Jude Revocable Trust Agreement, upon the death of Ruth M. Jude, after payment of just debts, expenses and gifts, the balance of the trust property (including the Family Trust) would be distributed outright to the Settlor's children in equal shares, per stirpes.)

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Rather Paragraph 3.4.3 states, absent a surviving spouse, the Candidate, as well as, eight other children would have received in equal shares, per stirpes, the balance of the trust property subsequent to distributions required at Paragraphs 3.4.1 and 3.4.2. [payment of just debts and gift provisions].

Based on documentation made available, the source of the \$50,000 loan was the Ruth M. Jude Revocable Trust Account, not the personal funds of the Candidate as posited in the Committee's response. As a result, it appears Ruth M. Jude, the Candidate's mother, made a \$50,000 excessive contribution to the Committee. Ruth N. Jude previously contributed \$1,000 to each election.

Finally, as previously stated the Candidate issued checks, totaling \$1,500, drawn on the Victor N. Jude Revocable Trust. Article III., Paragraph 3.3, does not provide for such a distribution.

B. Itemization of Contributions From Individuals

Section 434(b)(3)(A) of Title 2 of the United States Code states, in part, that each report under this section shall disclose the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year.

Section 431(13)(A) of Title 2 of the United States Code defines identification in the case of any individual, as the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer.

During our review of contributions, it was noted that 28 contributions from individuals were not itemized on Schedule A, as required. The contributions, totaling \$19,550, were received in the October/November 1994 reporting periods.

At the exit conference the Committee was provided schedules of contributions requiring itemization. The Committee stated that it would amend its disclosure reports to rectify the errors noted above.

In the interim audit report the Audit staff recommended that the Committee file amended Schedules A to correct the omissions noted above.

In response to the interim audit report the Committee filed amended Schedules A which materially corrected the itemization errors.

C. Itemization of Contributions From Political Committees

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

Section 431(4)(A) of Title 2 of the United States Code states, in part, that the term "political committee" means any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year.

The Committee's receipt records were reviewed to determine whether all contributions received from political committees were itemized. The Audit staff identified 32 contributions, totaling \$19,753, which were not itemized as required on Schedule A.

At the exit conference, the Committee was provided a schedule of the aforementioned contributions. The Committee stated that they would file the appropriate amendments.

In the interim audit report the Audit staff recommended that the Committee file amended Schedules A to correct the above omissions.

In response to the interim audit report the Committee filed amended Schedules A which corrected the itemization errors.

D. Disclosure of Disbursements

Section 434(b)(5)(A) of Title 2 of the United States Code states, in part, that each report under this section 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 to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure.

Section 104.3(b)(3)(i)(A) and (B) of Title 11 of the Code of Federal Regulations states, in part, that purpose means a brief statement or description of why the disbursement was made. Examples of statements or descriptions which meet the requirements include the following: dinner expenses, media, salary, polling, travel, party fees, phone banks, travel expenses, travel expense reimbursement, and catering costs. However, statements or descriptions such as advance, election day

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expenses, other expenses, expenses, expense reimbursement, miscellaneous, outside services, get-out-the-vote and voter registration would not meet the requirements of 11 CFR 104.3(b)(3) for reporting the purpose of an expenditure.

The Audit staff's review of the disbursements itemized on Schedule B identified a material number of 1994 disbursement entries that contained inadequate purposes. In most cases the itemized entries included a purpose, however, descriptions such as "expense reimbursement" and "various campaign expenses" for payments made to Committee personnel and to vendors do not satisfy the disclosure requirements.

The Committee representatives were shown examples of the inadequate purposes at the exit conference. The Committee agreed to amend its 1994 disclosure reports to correct the irregularities.

In the interim audit report the Audit staff recommended that the Committee file amended Schedules B to its 1994 disclosure reports providing an adequate purpose for disbursements.

In response to the interim audit report the Committee filed amended Schedules B which materially corrected the public record.

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Placed in Case:
12/20/95



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

EXHIBIT A

December 18, 1995

MEMORANDUM

TO: Robert J. Costa
Assistant Staff Director
Audit Division

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble
General Counsel

BY: Kim Bright-Coleman *KBC*
Associate General Counsel

Lorenzo Holloway *LH*
Assistant General Counsel

Abel Montez *AM*
Attorney

SUBJECT: Proposed Final Audit Report on Jude for Congress
(LRA #480)

I. INTRODUCTION

The Office of General Counsel has reviewed the proposed Final Audit Report on Jude for Congress ("the Committee") submitted to this Office on November 2, 1995.¹ The following memorandum summarizes our comments on the proposed report. We concur with findings in the proposed report which are not discussed separately in the following

¹ Because the proposed Final Audit Report does not include any matters exempt from public disclosure under 11 C.F.R. § 2.4, we recommend that the Commission's discussion of this document be conducted in open session.

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memorandum. If you have any questions concerning our comments, please contact Abel M6n6tez, the attorney assigned to this audit.

II. CANDIDATE LOAN (II.A.)

The cover memorandum to the proposed Final Audit Report raises a question that relates to the original source of a \$50,000 loan from the candidate to the Committee. The proposed Final Audit Report notes that the Committee reported receiving a \$50,000 loan from the candidate on October 31, 1994. The loan was disbursed from a checking account that was jointly held by the candidate and his spouse. Based on documentation submitted in response to the Interim Audit Report, the auditors traced the \$50,000 to the candidate's mother's revocable trust.

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The Candidate's father, Victor N. Jude, died in August 1994. On October 31, 1994, the balance in the Victor N. Jude Revocable Trust ("Victor Trust") was approximately \$2,444.² On October 31, 1994, a \$50,000 check payable to the candidate Tad Jude, signed by Tad Jude, was issued from the Victor Trust. On October 31, 1994, the Committee reported receiving a \$50,000 loan from the Candidate. The check's memo line was annotated "loan." On November 2, 1994, due to insufficient funds in the Victor Trust account, the bank returned the check to the Committee. On November 2, 1994, the Ruth M. Jude Revocable Trust ("Ruth Trust") issued a check for \$50,000 to the Victor Trust.³ The check's memo line is annotated "loan to Thaddeus Jude taken from Vic Jude Trust." The candidate subsequently loaned the same amount to the Committee on November 15, 1994; the Committee re-deposited the \$50,000 check that had been previously issued on October 31, 1994 by the Victor Trust.

The proposed Final Audit Report notes that the candidate did not have legal and rightful title or an equitable interest in the assets from the Victor Trust when the funds were disbursed to the candidate on October 31, 1994. Therefore, the \$50,000 was not the personal funds of the candidate as defined in 11 C.F.R. § 110.10(b). The auditors reviewed the relevant portions of the Victor Trust concerning the distribution of trust property upon the father's death (with the survival of the spouse, Ruth M. Jude). The auditors note priority of payments of the property and conclude that the candidate did not have any legal or rightful title to the trust property on the date the \$50,000 was disbursed from the Victor Trust. Therefore, the Audit Division concludes that Ruth M. Jude made a \$50,000 contribution to the Committee.

² The candidate's father was the original trustee with the candidate as the successor trustee. This trust was established by the father with the principal purpose being the management of the father's assets.

³ The candidate's mother was the original trustee with the candidate as the successor trustee. The Ruth Trust was established by the candidate's mother, with the principal purpose being the management of the mother's assets.

The Committee argues that the \$50,000 from the Ruth Trust made available to the Victor Trust was for the purpose of providing liquidity to the Victor Trust. The Committee contends that the candidate then received a portion of his share in the Victor Trust. The Committee characterizes the disbursement to the candidate as a loan that was not intended to influence a federal election, but a disbursement of the candidate's share of the Victor Trust.

A candidate may make unlimited expenditures of personal funds to his committee. 11 C.F.R. § 110.10(a). Personal funds means any assets the candidate had legal right to or control over (at the time he became a candidate) and which the candidate had legal and rightful title or an equitable interest. 11 C.F.R. § 110.10(b)(1)(i) and (ii).⁴ Personal funds also includes income from trusts that were established before candidacy and income from trusts established by bequest after candidacy of which the candidate is the beneficiary. 11 C.F.R. § 110.10(b)(2).⁵

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The Office of General Counsel notes that in the situation where Ruth Jude survived Victor Jude, the candidate would only be entitled to the trust property upon the subsequent death of Ruth Jude. Therefore, any benefit that the candidate could receive from the Victor Trust was based on a condition that had not occurred on the date the funds were made available to the candidate.⁶ Thus, the candidate received an advance of the trust property before the date that he was entitled to the disbursement of the funds. MINN.STAT.ANN. § 501B.81(29) (West 1989) (state statute allows the trustee to advance income to or for the use of a beneficiary); Matter of Ward, 360 N.W.2d 650 (Minn.App. 1985) (trustee's advancement of anticipated income to life beneficiary of testamentary trust was not an invasion of trust principal, where it was authorized by statute). The candidate may be personally liable to repay the loan to the trust estate. MINN.STAT.ANN. § 501B.81(29) (West 1989) (pursuant to state statute, trustee has a lien on the future benefits of the beneficiary receiving an advance). As a result, the candidate did not have legal or rightful title to nor did he have a present equitable interest in the \$50,000 payment on the date it

⁴ Commission regulations view the equitable owner as the person to whom trust funds are attributable. See 11 C.F.R. § 9034.2(c)(2) (checks drawn on a trust account are matchable provided the contributor has equitable ownership of the account); 11 C.F.R. § 110.1(i)(2)(ii) (child may use the proceeds of a trust to make a contribution to the extent the child is a beneficiary).

⁵ Cf. MUR 3097 (Commission found no reason to believe that the Louis DuPont Smith for Congress Committee violated 2 U.S.C. § 441a(f) when the candidate obtained funds from a trust, under court order, that was in addition to his ordinary income from the trust, in Statement of Reasons, the Commission concluded that because trust property was the personal funds of the candidate before the trust was created, the candidate retained an equitable interest in the trust property after the creation of the trust).

⁶ The candidate only had control over the property of the Victor Trust in accordance with his fiduciary duty as the trustee.

**Memorandum to Robert J. Costa
Final Audit Report for
Jude for Congress (LRA # 480)
Page 5**

EXHIBIT A

public report. Pursuant to the Commission's regulations promulgated under the Freedom of Information Act, 5 U.S.C. § 552, the Commission shall make audit reports discussed in open session available for public inspection and copying. 11 C.F.R. § 4.4(a). If a final audit report does not include any matters exempt from public disclosure under 11 C.F.R. § 2.4, the report will be discussed in the Commission open session meeting. This Office believes that this information should be disclosed, given that the Committee provided the Revocable Trust Agreements of Victor N. Jude and Ruth M. Jude, and documents related to the \$50,000 transaction in response to the Commission's formal audit inquiry. However, because it is the Commission's policy to "make the fullest possible disclosure of public records, consistent with the rights of individuals to privacy[,]" 11 C.F.R. § 5.2(a), we recommend that you attach both trusts, but redact any financial or commercial information that is privilege or confidential. 11 C.F.R. § 2.4(b)(2).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

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January 29, 1996

Mr. Keith Dittbenner, Treasurer
Jude for Congress
c/o Ruth Ann Michnay
1323 Strawberry Hill Road
Afton, MN 55001

Dear Mr. Dittbenner:

Attached please find the Final Audit Report on Jude for Congress. The Commission approved the report on January 25, 1996.

The Commission approved Final Audit Report will be placed on the public record on February 5, 1996. Should you have any questions regarding the public release of the report, please contact the Commission's Press Office at (202) 219-4155. Any questions you have related to matters covered during the audit or in the report should be directed to Sam Owusu or Tom Nurthen of the Audit Division at (202) 219-3720 or toll free at (800) 424-9530.

Sincerely,

Robert J. Costa
Assistant Staff Director
Audit Division

Attachment as stated

cc: Mr. Gregory R. Troy, P.A.

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CHRONOLOGY

JUDE FOR CONGRESS

Audit Fieldwork	5/1/95 - 5/18/95
Interim Audit Report to the Committee	8/31/95
Response Received to the Interim Audit Report	10/3/95
Final Audit Report Approved	1/25/96

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Public Disclosure
(Cooper)



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

RECEIVED
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SECRETARIAT

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January 3, 1996

MEMORANDUM

TO: COMMISSIONERS

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

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

SUBJECT: FINAL AUDIT REPORT - JUDE FOR CONGRESS

Attached is page 5 of the Office of General Counsel's legal analysis that was inadvertently omitted from the circulation.

Should you have any questions, please contact Tom Nurthen at 219-3720.

Attachment as stated

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**Memorandum to Robert J. Costa
Final Audit Report for
Jude for Congress (LRA # 480)
Page 5**

public report. Pursuant to the Commission's regulations promulgated under the Freedom of Information Act, 5 U.S.C. § 552, the Commission shall make audit reports discussed in open session available for public inspection and copying. 11 C.F.R. § 4.4(a). If a final audit report does not include any matters exempt from public disclosure under 11 C.F.R. § 2.4, the report will be discussed in the Commission open session meeting. This Office believes that this information should be disclosed, given that the Committee provided the Revocable Trust Agreements of Victor N. Jude and Ruth M. Jude, and documents related to the \$50,000 transaction in response to the Commission's formal audit inquiry. However, because it is the Commission's policy to "make the fullest possible disclosure of public records, consistent with the rights of individuals to privacy[.]" 11 C.F.R. § 5.2(a), we recommend that you attach both trusts, but redact any financial or commercial information that is privilege or confidential. 11 C.F.R. § 2.4(b)(2).

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