



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

December 1, 1997

MEMORANDUM

TO: RON M. HARRIS
PRESS OFFICER
PRESS OFFICE

FROM: ROBERT J. COSTA 
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF THE REPORT OF THE AUDIT DIVISION ON
THE JOE ROGERS FOR CONGRESS COMMITTEE

Attached please find a copy of the report and related documents on the Joe Rogers for Congress Committee which was approved by the Commission on November 21, 1997.

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

99-719-525-1892

**REPORT OF THE AUDIT DIVISION
ON THE
JOE ROGERS
FOR
CONGRESS COMMITTEE**

Approved November 21, 1997



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

TABLE OF CONTENTS

JOE ROGERS FOR CONGRESS COMMITTEE

	Page
Executive Summary	1
Final Audit Report	5
Background	5
Findings	7
Transmittal to Committee	17
Chronology	19

UNCLASSIFIED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

**REPORT OF THE AUDIT DIVISION
ON THE
JOE ROGERS FOR CONGRESS COMMITTEE**

EXECUTIVE SUMMARY

The Joe Rogers for Congress Committee (the Committee) registered with the Clerk of the U.S. House of Representatives on July 13, 1995 as the principal campaign committee of Joe Rogers (the Candidate), Republican candidate for the U.S. House of Representatives from the State of Colorado, 1st 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 the completion of fieldwork on May 8, 1997 and later in the interim audit report. The Committee's response to those findings is contained in the audit report.

The following is an overview of the findings contained in the audit report. The Audit staff's testing of contributions was limited because the Committee could not produce a computerized file or other listing of all contributions received during the audit period.

APPARENT EXCESSIVE CONTRIBUTIONS — 2 U.S.C. §441a(a)(1). Initially, the review of contributions from individuals, although limited by incomplete records, identified 17 apparent excessive contributions totaling \$18,085. There was no evidence that the Committee had attempted to contact these contributors for the purpose of obtaining reattributions or redesignations of the contributions. In addition, the Committee did not deposit these excessive contributions into a separate account, nor were there sufficient funds available for most of the audit period with which to refund these contributions.

The Committee took exception to this matter stating it had complied with the "spirit of the \$1,000 per-election limitation" but filed Schedules D (Debts and Obligations) disclosing these excessive contributions as debts. In addition, as a result of the Committee's submission of additional documentation with respect to another matter, the amount of the excessive contribution made by one individual was reduced by \$2,000 and three additional contributors who had contributed in excess of their limitation by a total of \$5,000 were identified. Therefore, the Committee received 20 excessive contributions, totaling \$21,085.

APPARENT PERSONAL USE OF CAMPAIGN FUNDS — 2 U.S.C. §439a and 11 CFR §113.1(g). Disbursements totaling \$15,709 were identified that raised concerns about whether they were of a personal nature. These disbursements were payments on a credit card which, according to the Treasurer, was used by the Candidate. No documentation, such as copies of the billing statements, was available to determine the “campaign” or “personal” nature of expenses.

In response to the Interim Audit Report, the Committee provided records detailing individual transactions. These documents indicated that the payments were campaign related.

MISSTATEMENT OF FINANCIAL ACTIVITY — 2 U.S.C. §434(b)(1), (2) and (4). A reconciliation of the Committee’s reported activity to its bank activity revealed that material misstatements occurred with respect to reports filed for the period from the Committee’s initial deposit on March 8, 1995 through January 31, 1996.

The Committee filed amended disclosure reports. However, as the result of documentation submitted in response to another matter, receipts and disbursements were identified which had not passed through Committee bank accounts and had not been included in the Committee’s reported activity for 1995. When informed of this matter, the Committee filed additional amended reports.

RECORDKEEPING FOR AND DISCLOSURE OF RECEIPTS — 2 U.S.C. §432(c) & (d) and 434(b)(3)(A). The Committee failed to maintain any records for reported in-kind contributions, totaling \$36,696, and for about 36% of the moneys deposited by the Committee. In addition, for contributions from individuals, totaling \$22,450, the Committee’s files failed to contain a record of the contributor’s occupation and name of employer or any evidence of subsequent efforts to obtain the information. Finally, contributions from individuals, totaling \$28,325, were disclosed inadequately on Schedules A (Itemized Receipts).

The Committee provided copies of memoranda and response forms hand-delivered to individuals who had made in-kind contributions; as well copies of any responses it had received. The Committee also provided photocopies of contributor checks to support deposited moneys for which records had not been maintained and evidence of its recent efforts to obtain missing occupation/name of employer information. Finally, the Committee provided amended Schedules A (Itemized Receipts) materially disclosing the missing information.

DISCLOSURE OF CONTRIBUTIONS FROM POLITICAL COMMITTEES — 2 U.S.C. §434(b)(3)(B). Seven contributions from political committees, totaling \$7,225, were not itemized. Additionally, for contributions from political committees, totaling \$16,250, the contributor’s address was either incompletely disclosed, or not disclosed at all. For most of these contributions, the Committee’s files did not contain a record of the needed information.

720011 7150 7150 7150 7150



**REPORT OF THE AUDIT DIVISION
ON THE
JOE ROGERS FOR CONGRESS COMMITTEE**

I. BACKGROUND

A. AUDIT AUTHORITY

This report is based on an audit of the Joe Rogers 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 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 from the Committee's initial deposit on March 8, 1995 through December 31, 1996. The Committee reported a beginning cash balance of \$0; total receipts for the period of \$431,806; total disbursements for the period of \$423,738; and an ending cash balance of \$4,308.¹

C. CAMPAIGN ORGANIZATION

The Committee registered with the Clerk of the U.S. House of Representatives on July 13, 1995 as the principal campaign committee of Joe Rogers (the Candidate), Republican candidate for the U.S. House of Representatives from the State of Colorado, 1st District.

¹ All amounts in this report have been rounded to the nearest dollar. Additionally, these amounts do not foot as a result of the Committee amending (reducing) its figure for beginning cash on hand on its 1996 April Quarterly Report (see Finding II.C.).

The Treasurer of the Committee from its inception until January 30, 1996, was Stacey Browne. Mr. David Spreace became the Treasurer on January 31, 1996 and is the current Treasurer. The Committee maintains its headquarters in Denver, Colorado.

To manage its financial activity, the Committee used three bank accounts. From these accounts, the Committee made approximately 800 disbursements. The Committee received about 1,850 contributions from individuals, totaling approximately \$317,700, which represented about 75% of the Committee's total receipts. In addition, the Committee received 118 contributions from political action committees and other committees, such as party committees and candidate committees, totaling about \$109,200 (or 25% of total receipts); and received interest, totaling \$1,420 (less than .3% of total receipts).

D. AUDIT SCOPE AND PROCEDURES

The audit covered the following general categories; however, the scope of our testing of contributions received from individuals was limited. The Committee's contribution records were not maintained in a manner which would have allowed the Audit staff to perform the substantive testing normally undertaken when reviewing contributions because the Committee could not produce a computerized file or other listing of all contributions received during the audit period. The Committee's files included an incomplete printout of contributions received during 1996 and photocopies of contributor checks deposited to Committee bank accounts.

The scope of the Audit staff's testing regarding Committee disbursements was also limited because the records provided were predominately generated by the Committee rather than the payee.

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; such as those from corporations or labor organizations;
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.D. and E.);
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.F.);

Section 110.1(k) of Title 11 of the Code of Federal Regulations states, in part, that any contribution made by more than one person, shall include the signature of each contributor on the check, money order, or other negotiable instrument or in a separate writing. A contribution made by more than one person that does indicate the amount to be attributed to each contributor shall be attributed equally to each contributor. If a contribution to a candidate on its face or when aggregated with other contributions from the same contributor exceeds the limitations on contributions, the treasurer may ask the contributor whether the contribution was intended to be a joint contribution by more than one person. A contribution shall be considered to be reattributed to another contributor if the treasurer of the recipient political committee asks the contributor whether the contribution is intended to be a joint contribution by more than one person, and informs the contributor that he or she may request a return of the excessive portion of the contribution if it is not intended to be a joint contribution; and within 60 days from the date of the treasurer's receipt of the contribution, the contributors provide a written reattribution of the contribution, which is signed by each contributor, and which indicates the amount to be attributed to each contributor if equal attribution is not intended.

Section 110.1(b)(5) of Title 11 of the Code of Federal Regulations states, in relevant part, that the treasurer of an authorized political committee may request a written redesignation of a contribution by the contributor for a different election if the contribution exceeds the limitation on contributions set forth in 11 CFR 110.1(b)(1). A contribution shall be considered to be redesignated for another election if the treasurer of the recipient authorized committee requests that the contributor provide a written redesignation of the contribution and informs the contributor that the contributor may request a refund of the contribution and within 60 days from the date of the treasurer's receipt of the contribution, the contributor provides the treasurer with a signed redesignation of the contribution for another election.

Section 110.1(1)(5) of Title 11 of the Code of Federal Regulations states, in part, that if a political committee does not retain the written records concerning redesignations or reattributions, the redesignation or reattribution shall not be effective and the original designation or attribution shall control.

Section 432(h) of Title 2 of the United States Code states, in relevant part, that each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements) by such committee except by check drawn on such accounts in accordance with this section.

At the time of the audit fieldwork, the Audit staff's review of contributions from individuals, although limited by incomplete records, identified 17 apparent excessive contributions totaling \$18,085. We did not find any evidence that the Committee attempted to contact these contributors for the purpose of obtaining reattributions or redesignations of the contributions.

In addition, the Committee did not deposit these excessive contributions into a separate account, nor were there sufficient funds available for most of the audit period with which to refund these contributions. The Audit staff determined that the Committee's cash on balance as of 12-31-96 was \$5,206 and is not sufficient to make the necessary refunds.

At the exit conference, the Committee's Treasurer was presented with a schedule detailing the apparent excessive contributions. The Treasurer indicated that refunds would be made, but sufficient funds may not be available.

In the interim audit report, the Audit staff recommended that the Committee provide evidence demonstrating that the contributions in question were not excessive. It was further recommended that, absent such evidence, the Committee refund these contributions and provide evidence of such refunds (copies of the front and back of the negotiated refund checks) for our review. If funds were not currently available to make the necessary refunds, the Audit staff recommended that the excessive contributions be disclosed as debts on Schedule D (Debts and Obligations) until such time that funds became available to make the refunds.

In response to the interim audit report, the Committee Treasurer submitted a letter which states that the Committee finds this recommendation "...particularly troublesome." The letter notes that none of these individuals contributed in excess of the overall \$2,000 limitation and states that "...all (of the contributors) intended that \$1,000 would be allocated to the primary election and \$1,000 would be allocated to the general election." The response concludes that "...the Committee complied with the spirit of the \$1000 per-election limitation." In addition, Schedules D were submitted which disclosed these excessive contributions as debts of the Committee, describing each debt as "Disputed excessive contribution".

In addition, during a subsequent telephone conversation, the Candidate emphasized that when such a contribution was received, he would advise the contributor that only \$1,000 could be used for the primary election and any excess would have to be applied to the general election.

Finally, as a result of our review of photocopies of deposited contributions submitted by the Committee in response to our recommendation at Finding II.D. of the interim audit report, the Audit staff reduced the amount of the excessive contribution for one contributor by \$2,000 and identified three additional contributors who had contributed in excess of their limitation by a total \$5,000. Further, excessive contributions in the amounts of \$10,000 and \$5,000 from two contributors were not deposited into a Committee account. According to the Treasurer, the Candidate went to the bank and cashed the two contributor checks, using part of the proceeds (\$7,000) to

purchase two money orders to make refunds to the contributors. The remaining \$8,000 was deposited by the Candidate into a Committee depository. Therefore, \$7,000 was not deposited into a Committee account; and, the two refunds were not made by checks drawn on a Committee account.

The Audit staff is not persuaded by the Committee's arguments. Our opinion remains that, in the absence of documentation showing the contributions were redesignated, reattributed or refunded, these are excessive contributions. Further, as a result of the above noted adjustment to one excessive contributor and the additional excessive contributions identified, the Committee received 20 excessive contributions totaling \$21,085.

B. APPARENT PERSONAL USE OF CAMPAIGN FUNDS

Section 439a of Title 2 of the United States Code provides, in relevant part, that amounts received by candidates as contributions that are in excess of any amount necessary to defray his or her expenditures may not be converted for personal use.

Section 113.1(g) of Title 11 of the Code of Federal Regulations defines "personal use" (when used in this part) as any use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a Federal officeholder. Further, 11 CFR §113.1(g)(1)(ii)(D) states that the Commission will determine, on a case by case basis, whether other uses of funds in a campaign account fulfill a commitment, obligation or expense that would exist irrespective of the candidate's campaign or duties as a Federal officeholder, and therefore are personal use.

The Audit staff's review of disbursements identified 20 payments, totaling \$15,709, for which the lack of documentation raised concerns about whether all or some portion of these payments could be for expenses of a personal nature. These disbursements were payments made to American Express for a credit card which, according to the Treasurer, was used by the Candidate. No documentation, such as copies of the billing statements, was available to determine the "campaign" or "personal" nature of expenses incurred by use of this credit card.

At the exit conference, the Committee's Treasurer was presented with a schedule detailing the disbursements discussed above and was requested to provide copies of American Express statements. Although the Treasurer indicated this documentation would be provided, at the time of the interim audit report, the Committee had not submitted any additional documentation.

In the interim audit report, the Audit staff recommended that the Committee provide copies of all American Express billing statements (detailing individual transactions) to support payments made by the Committee. The Audit staff

further recommended that the Committee seek reimbursement from the Candidate for any portion of these disbursements determined to be for his personal use.

As part of its response to the interim audit report, the Committee provided copies of American Express statements detailing individual transactions, annotated to indicate which, if any, charges were personal in nature. The Audit staff's review of these documents indicated that the Committee's payments to American Express were for campaign related expenditures rather than expenditures of personal use.

C. MISSTATEMENT OF FINANCIAL ACTIVITY

Sections 434(b)(1), (2) and (4) of Title 2 of the United States Code state, in part, that a political committee shall disclose the amount of cash on hand at the beginning of the reporting period and the total amount of all receipts and all disbursements for the reporting period and calendar year.

The Audit staff's reconciliation of the Committee's reported activity to its bank activity revealed that material misstatements occurred with respect to reports filed covering the period from the Committee's initial deposit on March 8, 1995 through January 31, 1996.²

The Committee reported receipts of \$137,684 for this period. Utilizing the Committee's financial records, the Audit staff determined that the Committee should have reported receipts of \$131,801. Therefore, receipts were overstated by \$5,883. This overstatement was primarily due to the Committee's inclusion of receipts deposited on February 22, 1996.

During this same period, the Committee reported disbursements of \$70,535. Based on available financial records, the Audit staff determined that the Committee should have reported disbursements of \$72,280. Therefore, disbursements were understated by \$1,745. This understatement resulted primarily from the Committee's failure to report bank charges and errors in reporting in-kind transactions.

As a result of the of the misstatements of receipts and disbursements noted above, the Committee's reported ending cash on hand at 1/31/96 of \$67,149 was overstated by \$7,628. The Audit staff determined that the correct cash balance was \$59,521.

The Committee's Treasurer was provided schedules of the above reporting errors at the exit conference. The Treasurer agreed to amend the Committee's disclosure reports.

² In filing its reports for 1995, the Committee included activity through the date the report was due. Hence, its 1995 Mid Year report covered the period 1/1/95 to 7/31/95 and its 1995 Year End Report covered the period from 8/1/95 to 1/31/96.

In the interim audit report, the Audit staff recommended that the Committee file a comprehensive amendment for the period from its inception through 1/31/96 to correct the misstatements. The Audit staff also recommended that the Committee correct the ending cash on hand balance shown on the latest report it has filed.

In response to the interim audit report, the Committee filed the requested amendments to its disclosure reports. However, as the result of documentation submitted in response to Finding II.D. of the interim audit report, the Audit staff identified \$15,000 in both receipts and disbursements which had not passed through Committee bank accounts and had not been included in the Committee's reported activity for 1995. When informed of this matter by telephone, the Treasurer agreed to submit amendments to correct its disclosure reports. The Committee filed the requested amendment.

D. RECORDKEEPING FOR AND DISCLOSURE OF RECEIPTS

Sections 432(c) and (d) of Title 2 of the United States Code state, in relevant part, that the treasurer of a political committee shall keep an account of all contributions received by or on behalf of such political committee; the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution by any person; and the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year. The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this subchapter for 3 years after the report is filed.

Section 100.7(a)(1) of Title 11 of the Code of Federal Regulations states, in relevant part, that the term *contribution* includes anything of value made by any person for the purpose of influencing any election for Federal office. Further, for purposes of this section, the term *anything of value* includes all in-kind contributions.

Section 434 (b)(3)(A) of Title 2 of the United State Code states that each report shall disclose the identification of each person (other than a political committee) 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, together with the date and amount of any such contribution.

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

Sections 104.7(a) and (b) of Title 11 of the Code of Federal Regulations state, in part, that when the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by the Act, any report of such committee shall be considered in compliance with the Act. The treasurer and the committee will only be deemed to have exercised best efforts if all written solicitations

for contributions include a clear request for the contributor's name, mailing address, occupation and name of employer; the treasurer makes at least one effort after the receipt of the contribution, in either a written request or documented oral request, within 30 days of receipt of the contribution, to obtain the information; and, the treasurer reports all contributor information not provided by the contributor, but in the committee's possession, including information in contributor records, fundraising records and previously filed reports, in the same two year election cycle.

1. Recordkeeping for In-Kind Contributions

As part of our bank reconciliations, the Audit staff identified 63 reported in-kind contributions, totaling \$37,547. Based on a review of the available receipt and disbursement records, the Audit staff determined that the Committee failed to maintain any records for 61 contributions, totaling \$36,696.

In the interim audit report, the Audit staff recommended that the Committee demonstrate that best efforts had been used to obtain, maintain and submit the required information. Absent such a demonstration, the Audit staff recommended that the Committee make an effort to contact those individuals identified as having made in-kind contributions to obtain the information necessary for its records; and provide documentation of any such contacts as well as copies of any responses received.

In its response to the interim audit report, the Committee provided copies of memoranda (all dated October 7, 1997) and response forms hand-delivered to individuals who had made in-kind contributions. The memorandum informs the contributor of the Committee's need to document in-kind contributions received and requests the contributor to sign and return the attached form confirming the nature and amount of the in-kind contribution. The letter also provides a fax number to facilitate the contributor's response, as well as a telephone number should there be any questions. In addition, the Committee provided copies of responses it had received from these contributors.

2. Recordkeeping for Deposited Receipts

In assessing the completeness of Committee receipt records prior to initiating any testing, the Audit staff determined that the Committee made deposits totaling \$106,830 during the period 3/8/95 through 1/31/96. The only records made available by the Committee for this period consisted of a notebook containing copies of contributor checks, totaling \$68,687. Therefore, records were not maintained by the Committee for \$38,223, or about 36% of the moneys deposited during this period. The Treasurer, when advised of this matter during fieldwork, stated he would try to locate the missing records.

Further, the Audit staff performed a limited review of all contributions received from individuals in amounts greater than \$200. These

contributions were identified using copies of contributor checks maintained by the Committee. As a result of this review, as well as other reviews performed, the Audit staff determined that for 42 contributions from individuals, totaling \$22,450, the Committee's files failed to contain a record of the contributor's occupation and name of employer. Although Committee solicitation materials contained requests for this information, the Audit staff was unable to locate any evidence of subsequent efforts to obtain missing occupation and name of employer.

In the interim audit report, the Audit staff recommended that the Committee demonstrate that best efforts had been used to obtain, maintain and submit the required information. Absent such a demonstration, the Audit staff recommended that the Committee obtain and provide for our review copies of the missing contributor checks and/or other documentation for those 1995 receipts lacking a record. It was further recommended that the Committee make an effort to contact contributors for whom no record of occupation and name of employer was available and provide documentation of such contacts to include copies of responses received; and, file amended Schedules A, by reporting period, to disclose any information obtained from those contacts.

In its response to the interim audit report, the Committee provided photocopies of contributor checks to support deposited moneys for which records had not been maintained. Additionally, the Committee submitted evidence of its recent efforts to obtain and maintain the missing occupation/name of employer information, although the response did not contain amended Schedules A to disclose the information obtained.

3. Disclosure of Receipts

The Audit staff's review identified 50 contributions from individuals, totaling \$28,325, for which disclosure on Schedules A was inadequate. For 37 of these items (\$21,375 from 35 contributors) the occupation and name of employer information, available in Committee files, was not disclosed. The remaining errors included the incorrect disclosure of the contributor's name, the date of the contribution, or the amount of the contribution.

At the exit conference, the Committee's Treasurer was provided with schedules detailing these problems. The Treasurer indicated his willingness to obtain the information and amend reports as required.

In the interim audit report, the Audit staff recommended that the Committee file amended Schedules A, by reporting period, to correct the disclosure problems noted above.

As part of its response to the interim audit report, the Committee provided amended Schedules A materially disclosing the missing information.

E. DISCLOSURE OF CONTRIBUTIONS FROM POLITICAL COMMITTEES

Section 434 (b) (3) (B) of Title 2 of the United States Code states 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 the date and amount of any such contribution.

Section 431(13) of Title 2 of the United States Code provides, in part, that the term "identification" means, in the case of any person other than an individual, the name and address of such person.

Section 104.7(b) of Title 11 of the Code of Federal Regulations states, in part, that if best efforts have been used to obtain, maintain and submit the information required by the Act for political committees, any report of such committee shall be considered in compliance with the Act.

The Audit staff reviewed 118 contributions from political action committees, party committees and other committees totaling \$109,207, and noted that seven of these contributions, totaling \$7,225, were not itemized.

Additionally, the review determined that for 14 contributions from political committees, totaling \$16,250, the contributor's address was either incompletely disclosed on Schedule A, or not disclosed at all. For most of these contributions, the Committee's files did not contain a record of the needed information.

At the exit conference, the Committee's Treasurer was supplied with copies of the workpapers detailing the contributions not itemized as well as those contributions which were not adequately disclosed. The Treasurer indicated that the information would be obtained and reports amended, as needed.

In the interim audit report, the Audit staff recommended that the Committee make an effort to obtain the missing information and provide documentation of such efforts, as well as submit amended Schedules A (by reporting period) correcting the disclosure problems addressed above.

The Committee's response provided the missing information and included amended Schedules A materially correcting the disclosure problems.

F. RECORDKEEPING FOR AND DISCLOSURE OF DISBURSEMENTS

Sections 432(c)(5) and (d) of Title 2 of the United States Code state that the treasurer of a political committee shall keep an account of the name and address of every person to whom any disbursement is made, the date, amount and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice or canceled check

for each disbursement in excess of \$200. The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this subchapter for 3 years after the report is filed.

Sections 434(b)(4)(A) and (5) (A) of Title 2 of the United States Code state that each report shall disclose expenditures made to meet candidate or committee operating expenses, and the name and address of each person to whom an expenditure in an aggregate amount of 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.

The Audit staff reviewed all Committee disbursements to determine if records were maintained as required and if the disbursements were adequately disclosed. This review determined that the records maintained for 92 disbursements, totaling \$80,518, did not contain the vendor's address. Additionally, for three disbursements made by wire transfer, totaling \$87,909, no debit memos or other record of the disbursements (other than reported information) were maintained.

The Audit staff also identified 65 disbursements, totaling \$44,621, for which the address was not adequately disclosed, or for which the required memo entries were not provided for credit card payments.

At the exit conference, the Committee's Treasurer was provided with schedules detailing these problems. The Treasurer indicated the information would be obtained and reports amended.

In the interim audit report, the Audit staff recommended the Committee obtain and submit the missing disbursement information noted above (to include originals or copies of the three debit memos and related invoices) and/or provide an explanation of the Committee's efforts to obtain this information. The Audit staff further recommended that the Committee file Amended Schedules B, by reporting period, to disclose the missing addresses and memo entries.

The Committee's response provided the missing documentation and disclosure information. In addition, the Committee submitted amendments to its disclosure reports which materially correct the disclosure problems noted above.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

November 24, 1997

Mr. David Sprecace, Treasurer
Joe Rogers for Congress Committee
333 East 16th Ave., #403
Denver, CO 80203

Dear Mr. Sprecace:

Attached please find the Report of the Audit Division on the Joe Rogers for Congress Committee. The Commission approved the report on November 21, 1997.

The Commission approved Final Audit Report will be placed on the public record on December 1, 1997. 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 Philomena Brooks or Alex Boniewicz of the Audit Division at (202) 219-3720 or toll free at (800) 424-9530.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Costa".

Robert J. Costa
Assistant Staff Director
Audit Division

Attachment as stated

UNIVERSITY OF MICHIGAN LIBRARY

FORM NO. 100

