

October 21, 1997

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

KEVIN QUIGLEY FOR CONGRESS

Attached please find a copy of the final audit report and related documents on Kevin Quigley for Congress which was approved by the Commission on October 15, 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

REPORT OF THE AUDIT DIVISION ON

Kevin Quigley for Congress

Approved October 15, 1997



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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION ON KEVIN QUIGLEY FOR CONGRESS

I. BACKGROUND

A. AUDIT AUTHORITY

This report is based on an audit of Kevin Quigley 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 from the Committee's initial deposit, March 8, 1996 through December 31, 1996. The Committee reported a beginning cash balance of \$0; total receipts for the period of \$499,571; total disbursements for the period of \$482,656; and an ending cash balance of \$16,915.

C. CAMPAIGN ORGANIZATION

The Committee registered with the Federal Election Commission on April 2, 1996, as Citizens for Kevin Quigley for Congress, the principal campaign committee of Kevin Walsh Quigley (the Candidate), Democratic candidate for the U.S. House of Representatives from the State of Washington, 2nd District. On May 3, 1996 the Committee changed its name to Kevin Quigley for Congress.

All amounts in this report have been rounded to the nearest dollar.

The Treasurer of the Committee from its inception until January 31, 1997, was Christine Wakefield. Mr. Stephen M. Dean became the Treasurer on January 31, 1997 and is the current Treasurer. The Committee maintains its headquarters in Lake Stevens, Washington.

To manage its financial activity, the Committee used one bank account. From this account, the Committee made approximately 410 disbursements. The Committee received approximately 2,000 contributions from individuals, totaling approximately \$202,615, which represented about 40% of the Committee's total receipts. In addition, the Committee received 204 contributions from political action committees and other committees, such as party committees and candidate committees, totaling about \$293,154 (or 59% of total receipts), and received other receipts, totaling \$3,803 (less than 1% of total receipts).

D. AUDIT SCOPE AND PROCEDURES

The audit covered the following general categories. However, the scope of the testing of contributions received from individuals was limited due to the fact that the Committee's contribution records were not maintained in a manner which allowed the Audit staff to perform substantive testing of aggregate contributor totals. The Committee's files included a printout of contributions in deposit order and photocopies of all contributor checks deposited to the Committee bank account arranged in the same order. The Committee did satisfy the recordkeeping requirements of 11 CFR §102.9 in maintaining its receipt records.

The audit included testing of the following general categories:

- 1. The receipt of contributions or loans in excess of the statutory limitations;
- 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;
- proper disclosure of disbursements including the itemization of disbursements when required, as well as, the completeness and accuracy of the information disclosed;
- 5. proper disclosure of Committee debts and obligations;

- 6. the accuracy of total reported receipts, disbursements and cash balances as compared to Committee bank records;
- 7. adequate recordkeeping of Committee transactions; and
- 8. other audit procedures that were deemed necessary in the situation.

Unless specifically discussed below, no material non-compliance was detected.

II. AUDIT FINDING AND RECOMMENDATIONS

Based upon examination of the reports and statements filed and the records presented by the Committee, no material problems in complying the Federal Election Campaign Act were discovered during the course of the audit.



October 16, 1997

Mr. Stephen M. Dean, Treasurer Kevin Quigley for Congress 1029 Springbrook Road Lake Stevens, WA 98258

Dear Mr. Dean:

Attached please find the Report of the Audit Division on Kevin Quigley for Congress. The Commission approved the report on October 15, 1997.

The Commission approved Audit Report will be placed on the public record on October 21, 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 Ray Lisi 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

CHRONOLOGY

KEVIN QUIGLEY FOR CONGRESS

Audit Fieldwork

7/9/97 --- 7/18/97

Final Audit Report Approved

10/15/97



