



Report of the Audit Division on Forrester 2002, Inc.

January 22, 2002 – December 31, 2002

Why the Audit Was Done

Federal law permits the Commission to conduct audits and field investigations of any political committee that is required to file reports under the Federal Election Campaign Act (the Act). The Commission generally conducts such audits when a committee appears not to have met the threshold requirements for substantial compliance with the Act.¹ The audit determines whether the committee complied with the limitations, prohibitions and disclosure requirements of the Act.

Future Action

The Commission may initiate an enforcement action, at a later time, with respect to any of the matters discussed in this report.

About the Committee (p. 2)

Forrester 2002, Inc. is the principal campaign committee for Douglas R. Forrester, Republican candidate for the U.S. Senate from the state of New Jersey, and is headquartered in Colonia, New Jersey. For more information, see the chart on the Campaign Organization, p.2.

Financial Activity (p. 3)

- Receipts
 - Total Contributions \$2,556,976
 - Loans from the Candidate 8,042,832
 - All Other Receipts 10,531
 - **Total Receipts** **\$10,610,339**
- Disbursements
 - Operating \$9,979,914
 - Loan Repayments 557,832
 - Refunds of Contributions 23,060
 - Other Disbursements 32,845
 - **Total Disbursements** **\$10,593,651**

Findings and Recommendations (p. 3)

Based upon our examination of the reports and statements filed, and the records presented by Forrester 2002, Inc., no material non-compliance was discovered.

¹ 2 U.S.C. §438(b).

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Part I

Background

Authority for Audit

This report is based on an audit of Forrester 2002, Inc., undertaken by the Audit Division of the Federal Election Commission (the Commission) in accordance with the Federal Election Campaign Act of 1971, as amended (the Act). The Audit Division conducted the audit pursuant to 2 U.S.C. §438(b), which permits the Commission to conduct audits and field investigations of any political committee that is required to file a report under 2 U.S.C. §434. Prior to conducting any audit under this subsection, the Commission must 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. 2 U.S.C. §438(b).

Scope of Audit

Following Commission approved procedures, the Audit staff evaluated various risk factors and as a result this audit examined:

1. The disclosure of disbursements, debts, and obligations.
2. The consistency between reported figures and bank records.
3. The completeness of records.
4. Other committee operations necessary to the review.

Changes to the Law

On March 27, 2002, President Bush signed into law the Bipartisan Campaign Reform Act of 2002 (BCRA). The BCRA contains many substantial and technical changes to the federal campaign finance law. Most of the changes became effective November 6, 2002. Except for November 7, 2002 through December 31, 2002, the period covered by this audit pre-dates these changes. Therefore, the statutory and regulatory requirements cited in this report are primarily those that were in effect prior to November 7, 2002.

Part II

Overview of Campaign

Campaign Organization

Important Dates	Forrester 2002, Inc.
• Date of Registration	January 22, 2002
• Audit Coverage	January 22, 2002 – December 31, 2002
Headquarters	Colonia, New Jersey
Bank Information	
• Bank Depositories	2
• Bank Accounts	4 checking accounts
Treasurers	
• Treasurer When Audit Was Conducted	Ronald Gravino
• Treasurer During Period Covered by Audit	Jill Holtzman, Ronald Gravino
Management Information	
• Attended FEC Campaign Finance Seminar	Yes
• Used Commonly Available Campaign Management Software Package	Yes
• Who Handled Accounting, Recordkeeping Tasks and Other Day-to-Day Operations	Paid Consultant

Overview of Financial Activity

(Audited Amounts)

Cash on hand @ January 22, 2002	\$0
Receipts	
○ Total Contributions	\$2,556,976
○ Loans from the Candidate	8,042,832
○ All Other Receipts	10,531
○ Total Receipts	\$10,610,339
Disbursements	
○ Operating	\$9,979,914
○ Loan Repayments	557,832
○ Refunds of Contributions	23,060
○ Other Disbursements	32,845
○ Total Disbursements	\$10,593,651
Cash on hand @ December 31, 2002	\$16,688

Part III

Summaries

Findings and Recommendations

Based upon our examination of the reports and statements filed, and the records presented by Forrester 2002, Inc., no material non-compliance was discovered.