



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 11, 2007

MEMORANDUM

To: Robert W. Biersack  
Press Officer

From: Joseph F. Stoltz *TS Sur 35*  
Assistant Staff Director  
Audit Division

Subject: Public Issuance of the Audit Report on McNerney for Congress

Attached please find a copy of the audit report on McNerney for Congress, which was approved by the Commission on September 27, 2007.

All parties involved have received informational copies of the report 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  
Web Manager



# Report of the Audit Division on McNerney for Congress

January 01, 2005 – December 31, 2006

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## 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.<sup>1</sup> 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 Campaign (p. 2)

McNerney for Congress is the principal campaign committee for Jerry McNerney, Democratic candidate for the U.S. House of Representatives from the state of California, 11<sup>th</sup> District, and is headquartered in Dublin, California. For more information, see the chart on the Campaign Organization, p.2.

## Financial Activity (p. 2)

- **Receipts**
  - Contributions from Individuals \$ 1,964,671
  - Contributions from Political Committees 492,794
  - Offsets to Operating Expenditures 820
  - Other receipts 6,032
  - **Total Receipts** **\$2,464,317**
- **Disbursements**
  - Operating Expenditures & Other Disbursements \$ 2,422,850
  - **Total Disbursements** **\$ 2,422,850**

## Findings and Recommendations (p. 3)

- The scope of the audit was limited as outlined in Part I of the report. Based upon our limited examination of the reports and statements filed, and the records presented by McNerney for Congress, no material non-compliance was discovered.

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<sup>1</sup> 2 U.S.C. §438(b).

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# **Part I**

## **Background**

### **Authority for Audit**

This report is based on an audit of the McNerney for Congress, 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, the audit scope examined:

1. The consistency between reported figures and bank records;
2. The disclosure of individual contributors' occupation and name of employer; and,
3. The receipt and permissibility of loans.

## Part II

# Overview of Campaign Campaign Organization

<b>Important Dates</b>	<b>McNerney for Congress</b>
• Date of Registration	May 10, 2004
• Audit Coverage	January 01, 2005 – December 31, 2006
<b>Headquarters</b>	Dulin, California
<b>Bank Information</b>	
• Bank Depositories	4
• Bank Accounts	4 checking account
<b>Treasurer</b>	
• Treasurer When Audit Was Conducted	William C. Woodruff
• Treasurer During Period Covered by Audit	Rita Copeland
<b>Management Information</b>	
• Attended FEC Campaign Finance Seminar	No
• Used Commonly Available Campaign Management Software Package	Yes
• Who Handled Accounting and Recordkeeping Tasks	Paid Consultant

## Overview of Financial Activity (Audited Amounts)

<b>Cash on hand @ January 01, 2005</b>	<b>\$ 2,385</b>
<b>Receipts</b>	
○ Contributions from Individuals	1,964,671
○ Contributions from Political Committees	492,794
○ Offsets to Operating Expenditures	820
○ Other Receipts	6,032
<b>Total Receipts</b>	<b>\$ 2,464,317</b>
<b>Disbursements</b>	
○ Operating & Other Disbursements	2,422,850
<b>Total Disbursements</b>	<b>\$ 2,422,850</b>
<b>Cash on hand @ December 31, 2006</b>	<b>\$ 43,853</b>

## **Part III**

### **Findings and Recommendations**

- Based upon our limited examination of the reports and statements filed, and the records presented by McNerney for Congress, no material non-compliance was discovered.