



FEDERAL ELECTION COMMISSION

1325 K STREET NW
WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION ON THE WILEY FOR CONGRESS - PRIMARY ELECTION COMMITTEE AND THE WILEY FOR CONGRESS - GENERAL ELECTION COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Wiley For Congress - Primary Election Committee and the Wiley For Congress - General Election Committee undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(a)(8) of Title 2, United States Code, which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Primary Election Committee registered with the Federal Election Commission on May 7, 1976 in support of Charles W. Wiley, Candidate for the office of Representative from the 15th Congressional District of New Jersey and maintained its headquarters in Piscataway, New Jersey. The General Election Committee registered with the Federal Election Commission on July 28, 1976 in support of Charles W. Wiley, Candidate for the office of Representative from the 15th Congressional District of New Jersey and maintained its headquarters in Sayreville, New Jersey.



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The audit covered the period from April 12, 1976, the inception date of the Primary Election Committee through June 30, 1977, the final coverage date of the latest report filed by the General Election Committee. The Primary Election Committee reported an opening cash at April 12, 1976 of \$-0-, total receipts for the period of \$5,058.00, total expenditures for the period of \$5,058.00, and a closing cash balance of \$-0-. The General Election Committee reported an opening cash balance at July 14, 1976 of \$-0-, total receipts for the period July 14, 1976 to December 31, 1976 of \$10,054.48, total expenditures for the period July 14, 1976 to December 31, 1976 of \$9,884.28, and a closing cash balance at December 31, 1976 of \$170.20. 1/

This audit report is based on documents and working papers which support each of the factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The principal officers of the Primary Election Committee for the period of the audit were Theodore F. Munday, Chairman, Robert F. Costello, Vice Chairman and Secretary, and Joseph M. Lynch, Treasurer. The principal officers of the General Election Committee for the period of the audit were Kathleen Buchanan, "Campaign Manager", 2/ and Elizabeth L. Popovich, Treasurer.

C. Scope

The audit included such tests as verification of reported receipts and expenditures and individual transactions; review of required supporting documentation; analysis of Committee debts and obligations; and, such other audit procedures as deemed necessary under the circumstances.

II. Auditor's Statement and Description of Findings
Primary Election Committee

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and the records presented, that the reports and statements of the Wiley for Congress - Primary Election Committee fairly present the financial activities of the Committee for the period covered by the audit. No material problems in complying with the Federal Election Campaign Act were discovered during the course of the audit.

1/ The General Election Committee was exempt from filing disclosure reports for the first two quarters of 1977. A FEC Form 3a and a letter were filed on April 18, 1977 and June 30, 1977.

2/ According to the Candidate, the term Campaign Manager, was synonymous with the term Chairman.

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General Election Committee

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and the records presented, that, except for the deficiencies noted below, the reports and statements of the Wiley for Congress - General Election Committee fairly present the financial activities of the Committee for the period covered by the audit. Further, except as noted below, no material problems in complying with the Federal Election Campaign Act were discovered during the course of the audit.

A. Disclosure of Expenditures

Section 434(b)(9), (10), and (11) of Title 2, United States Code, require that each report shall disclose the identification of each person to whom expenditures have been made by the Committee in a calendar year in an aggregate amount or value in excess of \$100, the amount, date and purpose of each such expenditure; the identification of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of \$100 has been made and is not otherwise reported, including the amount, date and purpose of such expenditure; and the total sum of expenditures made by such committee during the calendar year.

During the course of the audit our comparison of the Committee's reports and bank records revealed that the Committee did not report expenditures totaling \$4,333.94 (43.85% of total expenditures). The treasurer explained that fundraising expenditures were not included in the Committee's reports because the Committee reported on FEC Form 6B (Short Form) which does not specifically indicate that fundraising expenditures are to be reported (i.e., neither the instructions on the reverse side of the form nor the type of expenditure box on the face of the form make any reference to the reporting of fundraising expenditures). Further, our review of expenditure records revealed that the Committee did not itemize 26 fundraising expenditures totaling \$5,610.21 (56.76% of total expenditures requiring itemization).

Since the amount of the expenditures, which the Committee failed to itemize, exceeds the amount not reported in any fashion, it is apparent that some of the 26 expenditures had been included in the reported unitemized amounts. However, the Committee did not record which expenditures were included in their unitemized balances, making it impossible to determine which of the 26 fundraising expenditures had been disclosed as unitemized, and which had not been reported as either itemized or unitemized. At our request on November 15, 1977, the Committee filed an amended report itemizing the 26 fundraising expenditures and adjusting the unitemized balance so that the total reported expenditures equal the total expenditures shown on Committee bank records.

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Recommendation

In view of the fact that the Committee's failure to disclose fundraising expenditures may have resulted from ambiguities in FEC forms, and in view of the fact that appropriate amendments have now been filed, the Audit staff recommends no further action on this matter.

B. Disclosure of Receipts

Section 434(b)(3) and (6), Title 2, United States Code, states that each report shall disclose the total sum of individual contributions made to or for such committee during the reporting period; and not reported as itemized individual contributions under Section 434(b)(2); and the total amount of proceeds from the sale of tickets to each dinner, luncheon, rally and other fundraising event.

During the course of the audit, it was determined that the Committee did not report contributions totalling \$2,120.00 (20.95% of total receipts). The Candidate explained that contributions resulting from fundraising events were not included in the Committee's reports as a result of the treasurer's belief that fundraising expenditures were not to be included in the reports, and therefore the resulting contributions were to be treated in the same way.

The total amount of contributions not reported is comprised of \$1,860.00 from the sale of tickets at a fundraising dinner and \$260.00 of unidentifiable contributions at the same fundraising dinner.

On November 15, 1977, the General Election Committee filed an amendment reporting these contributions.

Recommendation

While the Committee did fail to comply with the disclosure requirements, we note that it has filed appropriate amendments in accordance with the initial findings of the Audit staff, and we therefore recommend no further action.

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CONGRESSIONAL AUDIT REPORT

Candidate/Committee: CHARLES WILEY/WILEY FOR CONGRESS

State: NEW JERSEY

District: 15

Location: MIDDLESEX & UNION COUNTIES

Political Party Affiliation: REPUBLICAN

Major Opponent(s): ED PATTEN (D)

Other Candidates Audited: PATTEN

Votes Cast: General Election - PATTEN 106,170 WILEY 54,487

Primary Election - WILEY UNOPPOSED

Total Receipts for Period: \$15,112.48

Total Expenditures for Period: \$14,942.28

First Elected (if applicable): N/A

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SEPARATOR