



# FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

## REPORT OF THE AUDIT DIVISION ON THE PAT FULLINWIDER FOR CONGRESS COMMITTEE

### I. Background

#### A. Overview

This report is based upon an audit of the Pat Fullinwider for Congress Committee ("the 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)(3) 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 Committee registered with the Clerk of the House of Representatives on June 7, 1974, in support of Pat Fullinwider, Candidate for the Office of U.S. Representative from the 1st Congressional District of Arizona. The Committee maintained its headquarters in Tempe, Arizona.

The audit covered the period January 1, 1975, the effective date of the Act as amended, through September 20, 1977, the final coverage date of the termination report filed by the Committee. The Committee reported a beginning cash balance at January 1, 1975 of \$839.26, receipts for the period of \$82,932.34, total expenditures for the period of \$83,771.21 and a closing cash balance at September 30, 1977 of \$-0-.

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



B. Key Personnel

The principal officers of the Committee were Mr. Louis Lee Rhodes, Chairman and Mr. Robert A. Henning, Treasurer, during the period of the audit.

C. Scope

The audit included such tests as verification of total 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

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 Pat Pullinwider for Congress 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. Supporting Documentation and Itemization of Expenditures

Section 434(b)(9) of Title 2, United States Code, requires a political committee to disclose the name and address of each person to whom expenditures have been made by or on behalf of the committee which in the aggregate exceed \$100, together with the amount, date, and purpose of each such expenditure.

Section 432(d) of Title 2, United States Code, requires the treasurer to obtain and to keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100, and for any such expenditures in a lesser amount if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.

Part 102.9(c)(4) of the Commission's Regulations states that when a receipted bill is not available, the treasurer may keep: (i) the cancelled check; and (ii) the bill, invoice or other contemporaneous memorandum to support the expenditure.

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Our examination of the Committee expenditure records revealed that 76 expenditures (20.49%) from a total of 371 itemizable expenditures were not itemized on the disclosure reports. The 76 expenditures totalled \$3,776.56 (4.85%) of the \$77,854.95 in itemizable expenditures. This was a result of the Committee not maintaining an aggregation system for expenditures.

Also, our examination revealed that the Committee had no receipted bills or contemporaneous memoranda to support 125 (33.69%) of the 371 itemizable expenditures. The 125 expenditures totalled \$31,441.22 (40.38%) of itemizable expenditures. At our request the Committee agreed to obtain the missing documentation.

Recommendation

The Audit staff recommends no further action be taken on the above matters since an amended report itemizing the 76 expenditures was received on March 20, 1978, and since the Committee has obtained and submitted to the Audit staff adequate documentation to support a substantial amount of the 125 expenditures.

B. Reporting and Itemization of  
Transfers from Political Committees

Section 434(b)(4) of Title 2, United States Code, in part, requires that a report shall disclose the name and address of each political committee from which the reporting committee received any transfer of funds, together with the amounts and dates of all transfers.

Our examination of the Committee's receipt records revealed that three (3) transfers-in totalling \$128.00 were reported as unitemized contributions. A comparison of the Committee's reports to reports of the political committees filed with the Commission disclosing transfers to the Pat Fullinwider for Congress Committee indicated four (4) additional transfers totalling \$993.44 that were not reported.

Recommendation

The Audit staff recommends no further action on this matter since an amendment reporting the four (4) transfers and itemizing the seven (7) transfers was received on March 20, 1978.

C. Other Matter

The following matter was noted during the audit for which no further action is recommended.

Our examination of eight (8) examples of the Committee's campaign literature revealed that four (4) lacked the notice on solicitation materials required by Section 435(b) of Title 2, United States Code. One (1) of the four (4) did have the solicitation notice required by the 1971 Act. In addition, the same four (4) lacked the authorization required by Section 441d(1) of Title 2, United States Code. The Committee treasurer said he was not involved in the design and the production of the campaign literature, but thought most of the literature had the required authorization. The Treasurer agreed that for future elections the appropriate solicitation notice or authorization statement would be included on the Committee's campaign literature.

CONGRESSIONAL AUDIT REPORT

Candidate/Committee: Pat Fullinwider / Pat Fullinwider for Congress  
Committee

State: Arizona

District: 1

Location: Phoenix

Political Party Affiliation: Democrat

Major Opponent(s): John Rhodes (R)

Other Candidates Audited: Rhodes

Votes Cast: General Election - Rhodes 96,397 Fullinwider 68,404

Primary Election - None

Total Receipts for Period: \$82,932.34

Total Expenditures for Period: \$83,771.21

First Elected (if applicable): N/A

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3  
4  
6  
1  
0  
7  
1  
0

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