



FEDERAL ELECTION COMMISSION

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

REPORT OF THE AUDIT DIVISION ON THE SONIA LANDAU FOR CONGRESS COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Sonia Landau 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)(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 Committee registered with the Federal Election Commission on September 7, 1976 as the principal campaign committee designated by Ms. Sonia Landau, candidate for the Office of U.S. Representative from New York's 18th Congressional District. The Committee maintained its headquarters in New York City.

The audit covered the period September 1, 1976 through January 31, 1977, the closing date of the termination report filed by the Committee. During the period the Committee reported \$0.00 in beginning cash, total receipts of \$16,413.70, ^{1/} total expenditures of \$16,414.70 and ending cash of \$0.00.

^{1/} After recommended amendments were filed concerning incorrect reported receipts and expenditures, these totals agreed.



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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 the report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The principal officers of the Committee during the period of the audit were Constantine Sidaman Eristoff, Chairman, and Ms. Sonia Landau, Treasurer.

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 procedures as deemed necessary under the circumstances.

II. Auditor's Statement

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and records presented, that the Sonia Landau for Congress Committee has not conducted its activities in compliance with the Federal Election Campaign Act and that the reports and statements filed by the Committee did not fairly present the financial activities of the Committee for the period covered by the audit.

Audit Findings and Recommendations

A. Contribution Records

Section 432(c)(1) and (2) of Title 2, United States Code, requires the treasurer of a political committee to keep a detailed and exact account of all contributions made to or for such committee, the identification of every person making a contribution in excess of \$50, and the date and amount thereof and, if a person's contributions aggregate more than \$100 during a calendar year, the account shall include occupation and the principal place of business (if any).

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A review of the Committee's records revealed that the Committee did not maintain records on contributions received other than copies of the disclosure reports itemizing contributions in excess of \$100. A contributor list was prepared as contributions were received, but the lists were discarded once disclosure reports were prepared. The Candidate has submitted a written statement that all unitemized contributions were less than \$50.

A reconciliation of total receipts shown in Committee bank records to total receipts shown on Committee reports disclosed that the reports were overstated by \$255. Due to the absence of contributor records, we were unable to locate the error.

Recommendation

The Audit staff recommends no further action on this matter since an amended report correcting the overstatement of receipts was received on January 30, 1978.

B. Retention of Supporting Documentation for Expenditures

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 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) of the Commission's Regulations states, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum.

A review of the Committee's expenditure records revealed that the Committee did not retain receipted bills or invoices for any expenditures reported. It should be noted that the Committee made only 17 expenditures for which a receipted bill was required. The Committee could not offer any explanation as to why the supporting documentation was not retained.

Recommendation

The Audit staff recommends that no further action be taken on this matter since the Committee has obtained the required documents and submitted them for the review of the Audit staff.

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C. Reporting of Expenditures

Section 434(b)(9), (10) and (11) of Title 2, United States Code, states in part that reports filed by political committees shall include the total sum of expenditures made by such committees during the calendar year, together with the amount, date, purpose, and the identification of each person to whom expenditures have been made by such committees within the calendar year in an aggregate amount or value in excess of \$100 to include expenditures for personal services, salaries, and reimbursed expenses.

A review of the Committee's expenditure records and disclosure reports filed revealed that the Committee did not report seven (7) expenditures totaling \$2,744.70. These expenditures accounted for approximately 32% of the total number of Committee expenditures and approximately 17% of the total dollar amount expended by the Committee. In addition, the Committee overstated one (1) expenditure by \$3,000.05. These reporting discrepancies resulted in a net overstatement of reported expenditures of \$255.25. A Committee official stated that the incorrect reporting was the result of bookkeeping errors.

Recommendation

The Committee filed an amended report disclosing the omitted expenditures and correcting the erroneously reported item on January 30, 1978, therefore, the Audit staff recommends no further action on this matter.

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SEPARATOR