



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

RL87/110587

November 5, 1987

MEMORANDUM

TO: FRED EILAND
CHIEF, PRESS OFFICE

FROM: ROBERT J. COSTA *RJC*
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF THE FINAL AUDIT REPORT -
CRYTS IN CONGRESS COMMITTEE

Attached please find a copy of the above mentioned Final Audit Report which was approved by the Commission on October 28, 1987.

Informational copies of the Final Audit Report have been received by all parties involved and the Final Report may be released to the public.

Attachment as stated

cc: FEC Library
RAD
Office of General Counsel
Public Disclosure ✓

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RL87/102287

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**REPORT OF THE AUDIT DIVISION
ON
CRYTS IN CONGRESS COMMITTEE**

I. Background

A. Overview

This report is based on an audit of Cryts In Congress Committee ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to 2 U.S.C. § 438(b) which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under Section 434 of this title. Prior to conducting any audit under this section, the Commission shall 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.

The Committee registered with the Clerk of the House of Representatives on January 23, 1986 as the principal campaign committee of Wayne Cryts, Democratic candidate for the U.S. House of Representatives, representing the 8th district of Missouri. The Committee maintains its headquarters in Puxico, Missouri.

The audit covered the period from the Committee's inception, January 1, 1986 through December 31, 1986. The Committee reported an opening cash balance on January 1, 1986 of \$-0-; total receipts for the period of \$310,876.06; total disbursements for the period of \$309,506.83; and a cash on hand balance at December 31, 1986 of \$1,369.23.

This report is based on documents and workpapers 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 Treasurer of the Committee during the period covered by the audit was Ms. Charlotte Sifford.

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C. Scope

The audit included such tests as verification of total reported receipts and disbursements 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. The disbursement records were not maintained in a manner which allowed testing by the auditors relative to the proper reporting of debts and obligations.

II. Audit Finding and Recommendation

A. Misstatement of Financial Activity

Sections 434(b)(1), (2) and (4) of Title 2 of the United States Code state in part, that each report shall disclose the amount of cash on hand at the beginning of the reporting period and the total amount of all receipts and disbursements for the reporting period and the calendar year.

The Audit staff performed a reconciliation between the Committee's bank records and disclosure reports. Total reported receipts were understated by \$5,963.60 and total reported disbursements were understated by a net amount of \$6,189.60. As a result of these understatements, the ending cash on hand balance, as of December 31, 1986, was understated by a net amount of \$(226.00). These discrepancies resulted from the following:

Receipts

°	Unreported contributions from Political Committees	\$5,100.00
°	Unreported In-kind Contributions	728.27
°	Unexplained Difference	<u>135.33</u>
	Total Unreported Receipts	<u><u>\$5,963.60</u></u>

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Disbursements

• Net underreporting of disbursements	\$5,828.39
• Unreported In-Kind contributions	3,092.27
• Math errors	\$ (504.35)
• Reported voided check	(300.00)
• Reported inter-account transfer	(850.00)
• Unexplained Difference	<u>(1,076.71)</u>
Total Net Disbursement Errors	<u>\$6,189.60</u>

The Committee did not make a statement regarding the misstatement of financial activity.

In the interim audit report, the Audit staff recommended that the Committee file a comprehensive amendment to correct the misstatements noted above. On October 21, 1987, the recommended amendment was filed.

Recommendation

The Audit staff recommends no further action.

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