



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MW004288

September 29, 1992

MEMORANDUM

TO: FRED EILAND
CHIEF, PRESS OFFICE

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

SUBJECT: PUBLIC ISSUANCE OF THE FINAL AUDIT REPORT ON
HOOSIERS FOR TIM ROEMER

Attached please find a copy of the Final Audit Report on Hoosiers for Tim Roemer, which was approved by the Commission on September 22, 1992.

Informational copies of the report have been received by all parties involved 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

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REPORT OF THE AUDIT DIVISION
ON
HOOSIERS FOR TIM ROEMER

I. Background

A. Overview

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This report is based on an audit of Hoosiers for Tim Roemer ("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 section 438(b) of Title 2 of the United States Code 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 U.S. House of Representatives on July 11, 1989 as the principal campaign committee of Tim Roemer, Democratic candidate for the U.S. House of Representatives (3rd Congressional District) from the state of Indiana. The Committee maintains its headquarters in South Bend, Indiana.

The audit covered the period from the inception through December 31, 1990, the closing date for the latest report filed at the time of the audit. The Committee reported a cash balance on July 1, 1989 of \$-0-; total receipts for the period of \$503,511.62; total disbursements for the period of \$473,060.15; and a closing cash balance on December 31, 1990 of \$31,826.64*./.

This report is based on documents and workpapers which support 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 the Commissioners and appropriate staff for review.

*./ The reported totals do not foot due to mathematical errors.

B. Key Personnel

The Treasurer of the Committee during the audit period was Fred P. Crowe. The current Treasurer is John R. Gildea.

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.

II. Audit Findings and Recommendations

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 of a committee shall disclose the beginning cash on hand, and the total amount of all receipts and disbursements for the reporting period and the calendar year.

The Committee's bank account activity was reconciled to reported activity by the Audit staff. For calendar year 1990, the Committee understated its receipts by \$1,384.03. The Committee did not report \$1,448.78 in interest income, \$444.88 in offsets to expenditures and \$100 in contributions. In addition, there remained an unexplained overstatement of receipts of \$609.63.

Further, the Committee understated disbursements for calendar year 1990 by \$8,774.22. The Committee did not report 14 operating expenditures totaling \$10,234.12. The Committee also reported expenditures totaling \$2,410.96 which were later voided and made no adjustment. The Audit staff noted that the Committee made several math errors when reporting total expenditures amounting to \$1,304.50. There remained an unexplained overstatement of disbursements of \$353.44.

In addition to the above described adjustments, a math error totaling \$1,375.17, resulting from addition and subtraction errors on the summary pages of 1990 disclosure reports, as well as an overstatement of beginning cash on January 1, 1990 of \$576.38, caused the ending cash as of December 31, 1990 to be overstated by \$9,341.74. The correct ending cash balance was determined by the Audit staff to be \$22,484.90.

At the exit conference, the Audit staff provided the Committee representatives with photocopies of workpapers detailing the above misstatements. The Committee representatives indicated a willingness to file amendments to correct this problem.

In the interim audit report the Audit staff recommended that within 30 calendar days of service of that report the Committee file a comprehensive amendment for 1990 correcting the misstatement of financial activity noted above.

In response to the interim audit report, the Committee filed amendments for each reporting period, which materially corrected the misstatements of financial activity noted above.

Recommendation #1

The Audit staff recommends no further action with respect to this matter.

B. Disclosure of Contributions from Political Party and Other Political Committees

Section 434(b)(3)(B) of Title 2 of the United States Code requires, in part, that each report shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution.

Section 104.3(a)(4) of Title 11 of the Code of Federal Regulations requires, in part, the disclosure of the aggregate year-to-date totals for all committees that make contributions to the reporting committee, together with the date of receipt, and the amount of the contribution.

A review of the Committee's contributor records indicated the Committee was required to itemize on Schedule A 267 contributions from political committees, totalling \$286,586.79. Of these, the itemized entries for 50 contributions, totaling \$47,222.79, did not contain the correct aggregate year-to-date total. In addition, other errors were noted with respect to 7 additional entries.

At the exit conference, Committee representatives were provided details with respect to these items. They were willing to file amended reports correcting the problems noted above.

In the interim audit report the Audit staff recommended that within 30 calendar days of service of that report, the Committee file amended Schedules A to correct the public record.

In response to the interim audit report, the Committee filed amended Schedules A which materially corrected the disclosure problems noted above.

Recommendation #2

The Audit staff recommenas no further action with respect to this matter.

C. Matter Referred to the Office of General Counsel

A certain matter noted during the audit has been referred to the Commission's Office of General Counsel.



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