



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 1, 2003

MEMORANDUM

TO: RON M. HARRIS
PRESS OFFICER
PRESS OFFICE

FROM: JOSEPH F. STOLTZ *JFS*
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF THE AUDIT REPORT ON MATSUNAKA FOR
CONGRESS

Attached please find a copy of the audit report and related documents on Matsunaka for Congress, which was approved by the Commission on September 25, 2003.

The report may be released to the public on October 1, 2003.

Attachment as stated

cc: Office of General Counsel
Office of Public Disclosure
Reports Analysis Division
FEC Library



Report of the Audit Division on Matsunaka for Congress

February 27, 2002 – December 31, 2002

Why the Audit Was Done

Federal law permits the Commission to conduct audits and field investigations of any political committee that is required to file reports under the Federal Election Campaign Act (the Act). The Commission generally conducts such audits when a committee appears not to have met the threshold requirements for substantial compliance with the Act.¹ The audit determines whether the committee complied with the limitations, prohibitions and disclosure requirements of the Act.

Future Action

The Commission may initiate an enforcement action, at a later time, with respect to any of the matters discussed in this report.

About the Committee (p. 2)

Matsunaka for Congress is the principal campaign committee for Stan Matsunaka, Democratic candidate for the U.S. House of Representatives from the state of Colorado, 4th District, and is headquartered in Loveland, Colorado. For more information, see the chart on the Campaign Organization, p.2.

Financial Activity (p. 3)

- Receipts
 - From Individuals \$568,624
 - From Political Committees 4,908
 - From Other Political Committees 388,973
 - Offsets to Operating Expenditures 360
 - Other Receipts 2,517
 - **Total Receipts** **\$965,382**
- Disbursements
 - Operating & Other Disbursements \$965,688
 - **Total Disbursements** **\$965,688**

Findings and Recommendations (p. 3)

Based upon our examination of the reports and statements filed, and the records presented by Matsunaka for Congress, no material non-compliance was discovered.

¹ 2 U.S.C. §438(b).

Report of the Audit Division on the Matsunaka for Congress

February 27, 2002 – December 31, 2002



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Part I

Background

Authority for Audit

This report is based on an audit of Matsunaka for Congress, undertaken by the Audit Division of the Federal Election Commission (the Commission) in accordance with the Federal Election Campaign Act of 1971, as amended (the Act). The Audit Division conducted the audit pursuant to 2 U.S.C. §438(b), which permits the Commission to conduct audits and field investigations of any political committee that is required to file a report under 2 U.S.C. §434. Prior to conducting any audit under this subsection, the Commission must 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. 2 U.S.C. §438(b).

Scope of Audit

Following Commission approved procedures, the Audit staff evaluated various risk factors and as a result this audit examined:

1. The receipt of excessive contributions and loans.
2. The receipt of contributions from prohibited sources.
3. The disclosure of contributions received.
4. The consistency between reported figures and bank records.
5. The completeness of receipt records.
6. Other committee operations necessary to the review.

Changes to the Law

On March 27, 2002, President Bush signed into law the Bipartisan Campaign Reform Act of 2002 (BCRA). The BCRA contains many substantial and technical changes to the federal campaign finance law. Most of the changes became effective November 6, 2002. Except for November 7, 2002 through December 31, 2002, the period covered by this audit pre-dates these changes. Therefore, the statutory and regulatory requirements cited in this report are primarily those that were in effect prior to November 7, 2002.

Part II

Overview of Campaign

Campaign Organization

Important Dates	Matsunaka for Congress
• Date of Registration	February 28, 2002
• Audit Coverage	February 27, 2002 – December 31, 2002
Headquarters	Loveland, Colorado
Bank Information	
• Bank Depositories	2
• Bank Accounts	2 checking accounts
Treasurers	
• Treasurer When Audit Was Conducted	David J. Rostici
• Treasurer During Period Covered by Audit	David J. Rostici
Management Information	
• Attended FEC Campaign Finance Seminar	No
• Used Commonly Available Campaign Management Software Package	Yes
• Who Handled Accounting, Recordkeeping Tasks and Other Day-to-Day Operations	Paid Consultant

Overview of Financial Activity (Audited Amounts)

Cash on hand @ February 27, 2002	\$0
Receipts	
o From Individuals	\$568,624
o From Political Committees	4,908
o From Other Political Committees	388,973
o Offsets to Operating Expenditures	360
o Other Receipts	2,517
o Total Receipts	\$965,382
Disbursements	
o Operating & Other Disbursements	\$965,688
o Total Disbursements	\$965,688
Cash on hand @ December 31, 2002	\$(306)

Part III Summaries

Findings and Recommendations

Based upon our examination of the reports and statements filed, and the records presented by Matsunaka for Congress, no material non-compliance was discovered.

