



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

A83-68

September 9, 1983

MEMORANDUM

TO: FRED EILAND  
PRESS OFFICER

FROM: BOB COSTA *[Signature]*

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -  
MID-AMERICA CONSERVATIVE POLITICAL  
ACTION COMMITTEE

Attached please find a copy of the final audit report of the Mid-America Conservative Political Action Committee which was approved by the Commission on August 31, 1983.

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

Attachment as stated

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REPORT OF THE AUDIT DIVISION  
ON THE  
MID-AMERICA CONSERVATIVE POLITICAL ACTION COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Mid-America Conservative Political Action 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(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 Federal Election Commission on February 3, 1981. The Committee maintains its headquarters in Waterloo, Iowa.

The audit covered the period January 1, 1981 through December 31, 1982. The Committee reported a cash balance at January 1, 1981 of \$-0-; total receipts for the period of \$240,063.12; total disbursements for the period of \$238,543.02; and a cash balance on December 31, 1982 of \$1,520.10.

This audit report is based on documents and work papers 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.

B. Key Personnel

The Treasurer of the Committee during the period covered by the audit was Mr. Leroy Dale Corey.

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 Committee's contribution records met the recordkeeping requirements of 2 U.S.C. Section 432(c) and 11 C.F.R. Section 102.9(a). Because the Committee did not maintain additional contributor records generated outside the Committee (for example, copies of contributor checks or contributor cards completed by contributors), this audit did not include the standard audit procedure of verification of individual contributions to such records. However, the maintenance of those records is not required to comply with the recordkeeping section of the Act.

II. Audit Finding and Recommendation

A. Deposits of Receipts and Cash Disbursements

Section 432(h)(1) of Title 2 of the United States Code states, in part, that each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements) by such committee except by check drawn on such accounts.

Section 103.3(a) of Title 11 of the Code of Federal Regulations states, in part, that all receipts by a political committee shall be deposited in account(s) established pursuant to 11 C.F.R. 103.2. The treasurer of the committee shall be responsible for making such deposits. A committee shall make all disbursements by check or similar drafts drawn on an account at its designated campaign depository, except for expenditures of \$100 or less made from a petty cash fund.

During the review of Committee bank records, it was noted that the Committee had made a practice of requesting some portion of the amount shown on its bank deposit slips be returned in cash, with the net amount being deposited into the Committee account. The Committee treasurer stated that in the past this cash had been used for Committee travel expenses, postal services, and supplies. The Audit staff was able to identify \$47,611 handled in this manner. Also, a review of the Committee's expenditure ledger disclosed that \$42,309 in cash expenditures went to pay postal expenses. The remaining \$5,302 in expenditures could not be readily identified.



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