

REPORT OF THE AUDIT DIVISION
ON THE
**MISSISSIPPI DEMOCRATIC PARTY
POLITICAL ACTION COMMITTEE**

Approved January 16, 1997.



**FEDERAL ELECTION COMMISSION
999 E STREET, N.W.
WASHINGTON, D.C.**

TABLE OF CONTENTS

**MISSISSIPPI DEMOCRATIC PARTY
POLITICAL ACTION COMMITTEE**

	Page
Executive Summary	1
Final Audit Report	3
Background	3
Findings	5
Transmittal to Committee	17
Chronology	19



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

**FINAL AUDIT REPORT
ON THE**

**MISSISSIPPI DEMOCRATIC PARTY
POLITICAL ACTION COMMITTEE**

EXECUTIVE SUMMARY

The Mississippi Democratic Party Political Action Committee (the Committee) registered with the Federal Election on February 8, 1982, and maintains its headquarters in Jackson, Mississippi.

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 of any political committee whose reports fail to meet the threshold level of compliance set by the Commission.

The findings of the audit were presented to the Committee at an exit conference held at the completion of field work on January 23, 1996 and later, in interim audit report. The Committee's responses to those findings are included in the final audit report.

The following is an overview of the findings contained in the final report.

RECORDKEEPING FOR RECEIPTS AND DISBURSEMENTS — 2 U.S.C. §§432(c), (d) and 431(13). The review of contributions and disbursements was restricted by the lack of documentation maintained by the Committee. Although some records were obtained via Commission subpoena, the missing records hampered the audit. In response to the interim audit report, the Committee provided the Audit Staff with a written description of the procedures which they have implemented to insure that contribution and disbursement records are currently maintained.

REVIEW OF ALLOCABLE ACTIVITY — 11 CFR §§106.5(g)(1), 104.10(b)(3) and 104.10(b)(4). The Committee made 54 disbursements totaling \$30,122 which were for shared federal/non-federal expenses and were paid from the Committee's non-federal accounts. In addition the Committee failed to itemize 13 reimbursements from the non-federal account to federal accounts totaling \$23,714. In response to the interim audit report, the Committee filed amended Schedules to correct the public record.

Celebrating the Commission's 20th Anniversary
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

RECEIPT OF APPARENT PROHIBITED CONTRIBUTIONS — 2 U.S.C. §441b(a) and 11 CFR §§103.3(b)(2) and (4). The scarcity of Committee documentation precluded the Audit staff from completing a review for prohibited contributions. However, \$2,500 in prohibited contributions from two different corporations was identified. In response to the interim audit report, the Committee filed amended Schedules D to report the refunds due as debts.

MISSTATEMENT OF FINANCIAL ACTIVITY — 2 U.S.C. §§434(b)(1)(2) and (4). The 1993 beginning cash on hand was understated by \$3,673, receipts were understated by \$3,912, disbursements were understated by \$13,057, and ending cash on hand was overstated by \$13,296. For 1994, the Committee only filed a report for the first quarter. For that report period, beginning cash on hand was overstated by \$13,296, receipts were overstated by \$13,876, disbursements were overstated by \$17,939 and ending cash on hand was overstated by \$9,233. In response to the interim audit report, the Committee filed amended disclosure reports, to correct the public record.

FAILURE TO FILE DISCLOSURE REPORTS — 2 U.S.C. §434(a)(4). The Committee failed to file disclosure reports for the following periods in 1994, the second and third quarters, pre-general, post general and year end. In response to the interim audit report, the Committee filed the missing disclosure reports to complete the public record.

ITEMIZATION OF RECEIPTS FROM INDIVIDUALS AND POLITICAL ORGANIZATIONS — 2 U.S.C. §§434(b)(3)(A), (B), (D) and 431(13). The Committee failed to itemize \$10,140 in contributions from individuals. Most of the itemization errors appear to result from a failure to properly aggregate multiple contributions from the same individual. The Committee also failed to itemize 11 contributions totaling \$53,978 from political committees and miscategorized \$4,200 as contributions from individuals that were from political committees. In response to the interim audit report, the Committee filed Schedules A complete the public record.

ITEMIZATION OF DISBURSEMENTS — 2 U.S.C. §434(b)(5)(A) and 11 CFR §104.10(b). The Committee failed to itemize 71 disbursements totaling \$24,185. This amount is in addition to items not reported during the period for which disclosure reports were not filed. In response to the interim audit report, the Committee filed amended Schedules to correct the public record.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

AR# 95-92

**REPORT OF THE AUDIT DIVISION
ON THE
MISSISSIPPI DEMOCRATIC PARTY POLITICAL ACTION
COMMITTEE**

I. BACKGROUND

A. AUTHORITY

This report is based on an audit of the Mississippi Democratic Party Political Action 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 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 subsection, 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.

B. AUDIT COVERAGE

The audit covered the period from January 1, 1993 through December 31, 1994. During this period, the Committee reports reflect an opening cash balance of \$21,709; total receipts of \$148,986; total disbursements of \$161,379; and a closing cash balance of \$9,316.¹

C. COMMITTEE ORGANIZATION

The Committee registered with the Commission on February 8, 1982, and maintains its headquarters in Jackson, Mississippi. The Treasurers of the Committee

¹ These totals represent reported figures through March 31, 1994. The Committee failed to file any disclosure reports for the period from April 1, 1994 to December 31, 1994 (see Finding II.E.). Figures in this report are rounded to the nearest dollar.

during the period covered by the audit were Mr. Larry Denman from January 1, 1993 through July 13, 1994 and Mr. Stephen Hale from June, 1994² through the end of the audit period. Ms. Peggy Peterson was elected Treasurer on September 16, 1995 and is the current Treasurer.

To manage its federal financial activity, the Committee maintained two bank accounts. From these accounts, the Committee made approximately 340 disbursements. The Committee's receipts were composed of contributions from individuals (approximately \$49,320), contributions from other political committees and organizations (approximately \$58,100) and transfers from the Committee's non-federal accounts of approximately \$23,700.

D. AUDIT SCOPE AND PROCEDURES

The audit included testing of the following general categories:

1. The receipt of contributions or loans in excess of the statutory limitations;
2. the receipt of contributions from prohibited sources, such as those from corporations or labor organizations (see Finding II.C.);
3. the receipt of excessive cash contributions;
4. proper disclosure of contributions from individuals, political committees and other entities, to include the itemization of contributions when required, as well as, the completeness and accuracy of the information disclosed (see Finding II.F.);
5. proper disclosure of disbursements including the itemization of disbursements when required, as well as, the completeness and accuracy of the information disclosed (see Finding II.G.);
6. proper disclosure of campaign debts and obligations;
7. the accuracy of total reported receipts, disbursements and cash balances as compared to bank records (see Finding II.D.);
8. adequate recordkeeping of Committee transactions (see Finding II.A.);

² The Committee never filed an amended Statement of Organization indicating that Mr. Hale was the Committee Treasurer. However, the Committee's Executive Director notified the Commission on June 23, 1995 that Mr. Hale was the Committee's Treasurer and had taken office in June of 1994.

9. proper reporting and funding of allocable (shared) expenditures (see Finding II.B.);
10. review of expenditures made on behalf of federal candidates; and
11. other audit procedures that were deemed necessary in the situation (see Finding II.E.).

Unless specifically discussed below, no material non-compliance was detected. The review of contributions was limited. The Committee's receipt records consisted of copies of bank deposit slips with names and amounts listed for the contributions (see Finding II.A.). In addition, the Committee did not maintain invoices for most of its disbursements and did not have canceled checks for some of the disbursements (see Finding II.A.). As a result, we were unable to test the reporting of debts and obligations and disclosure of information such as payee address and purpose of the disbursement for all items. Some records were obtained by the Commission via subpoena. These records included copies of selected deposits, copies of some canceled checks, invoices related to one of the Committee's major vendors, and documentation related to the mortgage for the Committee's headquarters. Finally, as noted at Finding II.E., the Committee failed to file disclosure reports for any of the reporting periods from April 1, 1994 to December 31, 1994. Therefore, all disclosure problems noted in this report will be related to the actual reports which were filed between January 1, 1993, and March 31, 1994. It should be noted that the Commission may pursue any of the matters discussed in this report in an enforcement action.

II. AUDIT FINDINGS AND RECOMMENDATIONS

A. RECORDKEEPING FOR RECEIPTS AND DISBURSEMENTS

Section 432(c) and (d) of Title 2 of the United States Code states, in part, that the treasurer of a political committee shall keep an account of the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution by any person; the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year, together with the date and amount of any such contribution; and the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, including a receipt, invoice or canceled check for each disbursement in excess of \$200. The treasurer shall preserve all records required to be kept and copies of all reports required to be filed for 3 years after the report is filed.

Section 431(13) of Title 2 of the United States Code defines the term "identification" as, in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer; and in the case of any other person, the full name and address of such person.

As noted previously, the only receipt records available for our review were copies of deposit slips to support the Committee's bank deposits. These deposit slips contained only the name of the contributor and an amount. Deposit slips were missing for 5 deposits totaling \$6,303. Therefore, the Committee did not maintain the address or identification of its contributors when required. This lack of documentation precluded the Audit staff from verifying information such as reported addresses, occupation, and name of employer. Furthermore, we did not have the necessary documentation to test for prohibited contributions unless there was a name on the deposit slips which raised a concern about the permissibility of the contributions. In addition the audit staff could not verify proper attribution of the contributions. The Commission obtained copies of selected deposits from the Committee's bank via subpoena to assist in our testing.

In addition to the Committee failing to maintain invoices for most of its disbursements, no canceled checks were maintained for 31 disbursements totaling \$15,332. Copies of the front and back of the negotiated checks were obtained as a result of subpoenas issued by the Commission. Since only canceled checks were available to perform our reviews, we could not review the reporting of debts and obligations. Our work was further limited by our inability to verify the purpose of disbursement that was noted on Committee canceled checks.

In the interim audit report, the Audit staff recommended that the Committee demonstrate that the records noted as not being available were in fact maintained by the Committee. Absent such a demonstration, it was recommended that the Committee provide a written description of the procedures which have been implemented to insure that contribution and disbursement records are maintained.

In response to the interim audit report, the Committee was unable to demonstrate that the required records were in fact maintained by the Committee. However, the Committee has provided the Audit staff with a written description of the procedures which it has implemented to insure that contribution and disbursement records are currently being maintained.

B. REVIEW OF ALLOCABLE ACTIVITY

Section 106.5(g)(1) of Title 11 of the Code of Federal Regulations states, in part, that committees that have established separate federal and non-federal accounts under 11 CFR 102.5(a)(1)(i) shall pay the expenses of joint federal and non-federal activities as follows: (i) pay the entire amount of an allocable expense from its federal account and transfer funds from its non-federal account to its federal account solely to cover the non-federal share of that allocable expense; or (ii) establish a separate allocation

account into which funds from its federal and non-federal accounts shall be deposited solely for the purpose of paying allocable expenses. Once a Committee has established a separate allocation account for this purpose, all allocable expenses shall be paid from that account for as long as the account is maintained.

Section 104.10(b)(4) of Title 11 of the Code of Federal Regulations states, in part, that a political committee that pays allocable expenses in accordance with 11 CFR 106.5(g) or 106.6(e) shall also report each disbursement from its federal account or its separate allocation account in payment for a joint federal and non-federal expense or activity.

The rules regarding the percentages to be used in the allocation of shared expenses for administrative and generic voter drives; exempt activities; and direct fundraising costs are described respectively under sections 106.5(d), (e) and (f) of Title 11 of the Code of Federal Regulations. Administrative and voter drive percentages are calculated on the ratio of the federal offices expected on the ballot to total federal and non-federal offices expected on the ballot in the next general election to be held in the committee's state. State and local party committees in states that do not hold federal and non-federal elections in the same year shall allocate the costs of generic voter drives according to the ballot composition method based on a ratio for that calendar year.³ Exempt activities are allocated according to the proportion of time or space devoted to federal candidates or elections as compared to the total time or space devoted to all federal or non-federal candidates or elections. Fundraising costs shall be allocated based on the ratio of funds received into the Committee's federal account to its total receipts from each fundraising program or event.

Section 104.10(b)(3) of Title 11 of the Code of Federal Regulations states, in part, that a political committee that pays allocable expenses shall report each transfer of funds from its non-federal account to its federal account for the purpose of paying such expenses. In the report covering the period in which each transfer occurred, the committee shall explain in a memo entry the allocable expenses to which the transfer relates and the date on which the transfer was made. If the transfer includes funds for the allocable costs of more than one activity, the committee shall itemize the transfer, showing the amounts designated for administrative expenses and generic voter drives, and for each fundraising program or exempt activity. Section 106.5(g)(2)(ii) in part provides that such funds may not be transferred more than 10 days before or more than 60 days after the payments for which they are designated.

The Audit staff reviewed disbursements from both the federal and non-federal accounts during the audit period and identified 54 disbursements totaling \$30,122 which were for allocable expenses and were paid from the Committee's non-federal accounts. The disbursements were for administrative expenses and 1994 get-out-the-vote

³

The State of Mississippi holds non-federal elections in years for which no federal election is held.

expenses. The correct allocation percentage for administrative expenses for the audit period was 50% federal and 50% non-federal. The 1994 get-out-the-vote percentage was 66.67% federal and 33.33% non-federal. As a result, the federal share of the allocable expenditures made from the non-federal accounts was \$15,853. Further, most of these disbursements were not included on the disclosure reports that the Committee filed (see Finding II.D.). Of the above disbursements, \$18,431 were made during the period for which disclosure reports were filed (January 1, 1993 to March 31, 1994) and \$11,691 were made during the remainder of the audit period.

In addition, the Committee's federal accounts made 340 disbursements totaling \$134,227 which were for allocable activity. The non-federal share of these disbursements totaled \$66,548. The non-federal account made 13 transfers totaling \$23,714 to the federal account. However, the Committee had maintained no documentation to support the amounts transferred. Although documentation was not available to support the amounts transferred, the Audit staff considered them to be for allocable activity and thus, the Committee's non-federal accounts could have reimbursed the federal account an additional \$42,834 for allocable activity (\$66,548 - \$23,714). These transfers from the non-federal account should have been itemized on FEC Schedule H-3. Ten of these transfers totaling \$17,414 were during the period for which reports were filed; none were itemized on Schedule H-3. Three of the transfers totaling \$6,300 were made in the period for which no reports were filed.

The regulations require that all allocable activity be paid from a federal account and reimbursements may be made from a committee's non-federal accounts. As noted previously, the Committee made \$30,122 in disbursements for allocable activity from its non-federal account, \$15,853 of which represented the federal share. Also, the Committee made allocable disbursements from its federal accounts and could have been reimbursed an additional \$42,834 by its non-federal accounts. Therefore, although the Committee's actions did not conform to 11 CFR §106.5(g), the Committee's federal account paid more than its share of the allocable activity.

The Committee was informed of this problem at the exit conference but had no response at that time.

In the interim audit report, the Audit staff recommended that the Committee demonstrate that the disbursements noted on Attachment 1 do not represent allocable activity which should have been paid from the federal account. Absent such a demonstration, it was recommended that the Committee file amended disclosure reports which would include these disbursements as memo entries on Schedules H-4. Further, it was recommended that the Committee file Schedules H-3 to itemize the transfers from the non-federal accounts to the federal accounts. Finally, it was recommended that the

Committee provide a written description of the changes which it has made to its accounting system to insure that all allocable expenses are paid from a federal account and that documentation is maintained to support the amounts transferred from its non-federal accounts to its federal accounts.

In response to the interim audit report, the Committee filed amended Schedules H-3 and H-4 for 1993 and 1994 to correct the public record. As noted in the previous finding the Committee has provided the Audit staff with a written description of the procedures which they have implemented to insure that the required records are maintained

C. RECEIPT OF APPARENT PROHIBITED CONTRIBUTIONS

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any corporation organized by authority of any law of Congress to make a contribution in connection with any election to any political office.

Section 103.3(b)(2) and (4) of Title 11 of the Code of Federal Regulations state, in part, that the treasurer shall refund any contribution determined to be illegal to the contributor within thirty days of the date on which the illegality is discovered. Further, any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

During our review of the Committee's receipts, the Audit staff identified three contributions from two apparent prohibited sources. As noted previously, only copies of deposit slips were available for review and thus the only possible prohibited contributions we could identify were based on the name contained on the deposit slip copy. These contributions total \$2,500. Two of the contributions were from a casino which is located in the state. The Committee did not maintain sufficient funds in its bank accounts to refund these apparent prohibited contributions as required by 11 CFR §103.3(b)(4).

At the exit conference, the Committee was provided with a schedule detailing these contributions. The Committee responded by stating that they thought money could be accepted from casinos. The Audit staff responded that money could not be accepted if the casino was an incorporated entity.

In the interim audit report, it was recommended that the Committee demonstrate that the above contributions are not from prohibited sources. Absent such a demonstration, it was recommended that the Committee refund the contributions and

provide evidence (i.e., copies of the front and back of the negotiated check) of such refunds. If funds were not available to make the refunds, the Committee was to report the amounts as debts on Schedules D.

In response to the interim audit report, the Committee filed amended Schedules D for 1993 and 1994 to report the refunds due for apparent prohibited contributions as debts.

D. MISSTATEMENT OF FINANCIAL ACTIVITY

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

The Audit staff's reconciliation of bank activity to reports filed by the Committee indicated a material misstatement for 1993 as well as a material misstatement for the one report filed by the Committee for 1994. The Committee maintained two federal bank accounts during the audit period. One was the main operating account and the second account was entitled Victory '92. The Victory '92 account had been used during the 1992 election and had little activity during the audit period. However, it appears that the Committee did not include at least the beginning cash on hand and disbursements from this account in its disclosure reports. The account was closed in early 1994.

1. 1993 Activity

On its 1993 disclosure reports, the Committee understated beginning cash on hand by \$3,673, overstated receipts by \$3,912, understated disbursements by \$13,057, and overstated ending cash on hand by \$13,296. The beginning cash understatement was the result of not accounting for \$276 in outstanding checks as of December 31, 1992 and by not including \$3,949 in beginning cash in the Victory '92 bank account. The Committee's disclosure reports included large amounts of unitemized receipts, and no record was kept of how reported amounts were derived. As a result, the Audit staff could not determine what was included in the Committee's reported receipt figures and consequently could not definitely determine the cause of the receipts misstatement.

The disbursements misstatement was the result of the following:

Total Disbursements Reported	\$127,966
Disbursements not Reported	15,762
Payroll Taxes Reported Twice	(5,052)
Amounts Overreported	(7,235)

Victory '92 Account not Reported	10,222
Reconciling Item	(641)
Correct Reportable Disbursements	\$141,022

The misstatement of the ending cash on hand was the result of the adjustments noted above.

2. 1994 Activity:

As noted previously, the only disclosure report filed by the Committee in 1994 was the report covering the period from January 1st to March 31st. The Committee's beginning cash on hand was overstated by \$13,296; receipts were overstated by \$13,876; disbursements were overstated by \$17,939; and ending cash on hand was overstated by \$9,233. The misstatement of beginning cash on hand was the result of the 1993 misstatement noted above and the receipts misstatement was primarily the result of the Committee reporting \$14,250 in receipts which were deposited in one of its non-federal bank accounts.

The disbursements misstatement was the result of:

Total Disbursements Reported	\$33,414
Disbursements not Reported	3,091
Payroll Taxes Reported Twice	(1,142)
Reconciling Item	(70)
Non-federal Disbursements Reported	(19,819)
Correct Reportable Disbursements	\$15,474

The misstatement of ending cash on hand was the result of the adjustments noted above.

The Audit staff discussed these misstatements with the Committee at the exit conference. The Committee expressed its willingness to file any amended disclosure reports as required.

In the interim audit report, the Audit staff recommended that the Committee file a comprehensive amended report for calendar year 1993 to correct the misstatements for that year. In addition, it was recommended the Committee file an amended first quarter of 1994 report to correct the misstatement for that reporting period.

In response to the interim audit report, the Committee filed amended disclosure reports, Schedules A and Schedules H-4 for 1993 and 1994 to correct the public record.

E. FAILURE TO FILE DISCLOSURE REPORTS

Section 434(a)(4) of Title 2 of the United States Code states, in relevant part, that all political committees other than authorized committees of a candidate shall file quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter: except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year; a pre-election report, which shall be filed no later than the 12th day before any election in which the committee makes a contribution to or an expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election; and, a post-general election report, which shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election.

During the audit period, the Committee filed a mid-year and a year-end report for 1993 and filed a disclosure report covering the first quarter of 1994.⁴ Thus, the Committee did not file reports covering the second and third quarters of 1994 nor did it file a pre-general, post-general, or year-end disclosure report. The reports for the period from April 1, 1994 to December 31, 1994 should have reflected a beginning cash balance of \$84, total receipts of \$28,437, total disbursements of \$24,853, and an ending cash balance of \$3,668. In addition to the activity in the federal accounts, the Committee impermissibly made 24 disbursements totaling \$11,691 from its non-federal accounts which were for allocable activity (see Finding II.B.).

At the exit conference, the Committee was informed that it would be required to file disclosure reports covering this period. The Audit staff stated that we would provide the Committee officials with information needed to file the reports once we had obtained the necessary records. The Audit staff subsequently provided the Committee with schedules which show the total activity to be reported as well as the transactions required to be itemized on the supporting schedules. A portion of the information provided to the Committee was obtained via Commission subpoena.

In the interim audit report, the Audit staff recommended that the Committee file a disclosure report which covers the period from April 1, 1994, to December 31, 1994.

In response to the interim audit report, the Committee filed disclosure reports, Schedules A and Schedules H-4 for 1994 to complete the public record.

⁴ In settlement of Matter Under Review 3800, the Committee paid a civil penalty in the amount of \$15,000 for failing to file disclosure reports during the 1991-92 election cycle.

F. ITEMIZATION OF RECEIPTS FROM INDIVIDUALS AND POLITICAL ORGANIZATIONS

Section 434(b)(3)(A), (B) and (D) of Title 2 of the United States Code states, in relevant part, that each report under this section shall disclose the identification of each person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such contribution. Further, each report under this section 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; and each affiliated committee which makes a transfer to the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds to the reporting committee, regardless of whether such committees are affiliated, together with the date and amount of such transfer.

Section 431(13) of Title 2 of the United States Code states that the term "identification" means: in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer; and in the case of any other person, the full name and address of such person.

As noted previously, the Committee failed to file disclosure reports for the period from April 1, 1994 to December 31, 1994. The itemization errors discussed below are in addition to the items not reported for the above period.

1. Receipts from Individuals

As noted previously, the Committee's receipt records consisted only of copies of deposit slips which contained names of contributors. The Audit staff based its review of the reporting of contributions on these names and identified all individuals whose contributions required itemization. The Audit Staff identified 52 contributions totaling \$10,140 which were not itemized. Most of the itemization errors occurred in the later part of 1993 and appear to result from a failure to properly aggregate all contributions from an individual.

At the exit conference, the Committee was provided with a schedule detailing the items which the Committee had failed to itemize. Committee officials agreed to file amended disclosure reports as needed.

2. Receipts from Political Organizations

The Audit staff also reviewed contributions received from party committees and other political committees and organizations and identified 16 such contributions which totaled \$58,178. Included in this amount are 2 contributions totaling \$40,000 which were received from DNC Services Corporation and the Democratic Congressional Campaign Committee. Of these contributions, 11 contributions totaling \$53,978 were not itemized. The remaining 5 contributions totaling \$4,200 were itemized on Line 11(a) as contributions from individuals.

At the exit conference, the Committee was provided a schedule detailing these items. Committee officials again agreed to file amended disclosure reports.

In the interim audit report, the Audit staff recommended that the Committee file amended disclosure reports which contain Schedules A for Line 11(a) to itemize the contributions from individuals which were previously omitted. In addition, it was recommended that the Committee file amended Schedules A for Lines 11(b) and 11(c) which contain all of the contributions from the political organizations noted above which were previously omitted or incorrectly reported.

In response to the interim audit report, the Committee filed Schedules A for lines numbers 11(a), 11(b) and 11(c) for 1993 and 1994 to complete the public record.

G. ITEMIZATION OF DISBURSEMENTS

Section 434(b)(5)(A) of Title 2 of the United States Code requires the reporting committee to disclose the name and address of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a committee operating expense, together with the date, amount, and purpose of such operating expenditure.

Section 104.10(b) of Title 11 of the Code of Federal Regulations states in relevant part that political committees that have established separate federal and non-federal accounts pursuant to 11 CFR §102.5(a)(1)(i) shall state, for each disbursement from its federal account for a joint federal and non-federal expense or activity, the full name and address of each person to whom the disbursement was made, and the date, amount and purpose of each such disbursement.

The Audit staff reviewed disbursements made by the Committee and identified 71 disbursements totaling \$24,185 which were not itemized. These items are in addition to the ones not reported during the period for which disclosure reports were not filed by the Committee (see Finding II.E.). As noted previously, the Committee did not

69-99-108-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200

✓ F W H ✓ S ✓ S ✓ S





FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 17, 1997

Ms. Peggy Peterson, Treasurer
Mississippi Democratic Party
Political Action Committee
426 Friday Harbour
Ridgeland, MS 39157

Dear Ms. Peterson:

Attached please find the Final Audit Report on the Mississippi Democratic Party Political Action Committee. The Commission approved the report on January 16, 1997.

The Commission approved Final Audit Report will be placed on the public record on January 24, 1997. Should you have any questions regarding the public release of the report, please contact the Commission's Press Office at (202) 219-4155 or toll-free at (800) 424-9530. Any questions you have related to matters covered during the audit or in the report should be directed to Robert Morcomb of the Audit Division at (202) 219-3720 or at the above toll free number.

Sincerely,

Robert J. Costa
Assistant Staff Director
Audit Division

Attachment as stated

SECRET
UNCLASSIFIED

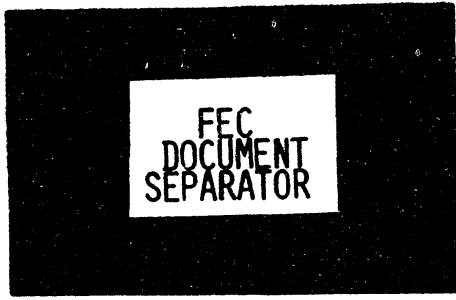
CHRONOLOGY

**MISSISSIPPI DEMOCRATIC PARTY
POLITICAL ACTION COMMITTEE**

Audit Fieldwork	1/8/96 - 1/23/96
Interim Audit Report to the Committee	10/11/96
Response Received to the Interim Audit Report	12/27/96
Final Audit Report Approved	1/16/97

© 1999 by the American Psychological Association
0893-3200/99/2703-0200\$12.00
DOI: 10.1037/0893-3200.27.3.0200

2025-11-19 10:10:00



FEC
DOCUMENT
SEPARATOR

