



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

November 15, 1979

MEMORANDUM

TO: FRED EILAND  
PRESS OFFICE

FROM: BOB COSTA *BC*

SUBJECT: PUBLIC ISSUANCE OF AUDIT REPORT - \*  
THE HARRIS FOR PRESIDENT COMMITTEE  
AND AFFILIATED COMMITTEES

Attached please find a copy of the final audit report of the Harris for President Committee and Affiliated Committees which was approved by the Commission on October 12, 1979.

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

Attachment as stated

cc: FEC Library  
RAD  
✓ Public Record

\* Please remove Interim Report from record.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 15, 1979

The Honorable Fred R. Harris  
P.O. Box 1203  
Corrales, New Mexico 87048

Dear Senator Harris:

Enclosed for your information is a copy of the final audit report of the Harris for President Committee and Affiliated Committees which was approved by the Commission on October 12, 1979.

Upon notice of return receipt that your informational copy of the report has been received (within approximately five days), it will be released publicly by the Commission.

Should you have any questions regarding the public release of this report, please contact Mr. Fred Eiland of the Commission's Press Office at (202) 523-4155. Any questions you may yet have related to matters covered during the audit or in the audit report should be directed to Mr. Russell Bruner of the Audit Division at (202) 523-4155.

Sincerely,

Robert J. Costa  
Assistant Staff Director  
for the Audit Division

Enclosure as stated

CERTIFIED MAIL:  
RETURN RECEIPT REQUESTED

1070161223



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 15, 1979

Mr. Paul J. Ward  
The Harris for President Committee  
c Casey, Lane & Mittendorf  
815 Connecticut Avenue, N.W.  
Washington, D.C. 20006

Dear Mr. Ward:

Enclosed for your information is a copy of the final audit report of the Harris for President Committee and Affiliated Committees which was approved by the Commission on October 12, 1979.

Upon notice of return receipt that your informational copy of the report has been received (within approximately five days), it will be released publicly by the Commission.

Should you have any questions regarding the public release of this report, please contact Mr. Fred Eiland of the Commission's Press Office at (202) 523-4155. Any questions you may yet have related to matters covered during the audit or in the audit report should be directed to Mr. Russell Bruner of the Audit Division at (202) 523-4155.

Sincerely,

Robert J. Costa  
Assistant Staff Director  
for the Audit Division

Enclosure as stated

REGISTERED MAIL:  
RETURN RECEIPT REQUESTED

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## FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

### REPORT OF THE AUDIT DIVISION ON THE HARRIS FOR PRESIDENT COMMITTEE

#### I. Background

This report covers an audit of the Harris for President Committee, undertaken by the Audit Division 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(a)(8) of the Act and Section 9038(a) of Chapter 96 of the Internal Revenue Code of 1954. Section 438(a)(8) of the Act directs the Commission "to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this chapter, and with respect to alleged failures to file any report or statement required under the provisions of this chapter, and to give priority to auditing and field investigating of the verification for, and the receipt and use of, any payments received by a candidate under Chapter 95 or Chapter 96 of the Internal Revenue Code of 1954." Section 9038(a) of Chapter 96 states that "after each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under Section 9037."

The Harris for President Committee was established as the principal campaign committee, hereafter called the National Committee, by the Honorable Fred R. Harris, and registered with the U.S. General Accounting Office on January 28, 1975. The principal officers of the Committee at the time of the audit were the Honorable Fred R. Harris, Chairman and Mr. Jim Hightower, Treasurer.

The Harris for President Committee is comprised of the National Committee and 37 affiliated state and local committees. Each affiliated committee had its own treasurer and filed disclosure reports separately from the National Committee. The following 28 affiliated committees were audited:



<u>Committee</u>	<u>Appendix</u>
Harris for President Committee - Southern California	A
Harris for President Committee - Northern California	B
Fred Harris for President - Colorado	
Connecticut Harris for President Committee	
Chicagoland Harris for President Committee	C
Downstate Illinois Committee for Fred Harris for President	
Iowa Committee for Harris for President	D
Maryland Harris for President	E
Massachusetts Harris for President Committee	F
Fred Harris for President Committee of Ann Arbor	
Minnesota Harris for President Committee	
Mississippi Harris for President Committee	
Nebraska Fred Harris for President Committee	
New Hampshire Harris for President Committee	G
New Jersey Harris for President Committee	
Harris for President Committee of New Mexico	
New York Harris for President Committee	H
North Carolina Harris for President Committee	
Oklahoman's for Fred Harris for President	I
Toledoans for Harris for President	
Oregon Harris for President	
Western Pennsylvania Harris for President	J

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<u>Committee</u>	<u>Appendix</u>
Eastern Pennsylvania Harris for President	K
Rhode Island Harris for President Committee	L
Fred Harris for President Texas Committee	M
Virginia Fred Harris for President Committee	
Washington Harris for President	
Wisconsin Harris for President Committee	N

Those affiliated committees with a referenced appendix have Findings and Conclusions which require further consideration by the Commission.

The remaining nine (9) affiliated committees that were not audited had less than \$7,838.00 in total receipts or expenditures, minus transfers.

The audit covered the period January 1, 1975, through September 30, 1976. During that period, the National Committee and the 37 affiliated committees reported receipts less affiliated committee's transfers of \$1,550,996.52 and expenditures less affiliated committee transfers of \$1,542,417.92. <sup>1/</sup>

This audit report is based on documents and working papers 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.

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<sup>1/</sup> Adjusted receipts less transfers total \$1,599,033.57 and adjusted expenditures less transfers total \$1,590,097.97. The adjusted figures are the result of the audit and correction of Committee math errors. See Sections C, D, and Appendix I of the Audit report for an explanation of the adjustments resulting from the audit.

II. Findings and Conclusions

A. Disclosure of Contributor Information

Section 434(b)(2) of Title 2, United States Code, states in part, that a political committee supporting a candidate for a Federal office shall report the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions.

All itemized contributors of the principal campaign committee's disclosure reports were checked for occupation and principal place of business. Out of a total of 388 itemized contributors, 186 (47.93%) contributors lacked sufficient information to satisfy the requirements of the Act. National Committee officials informed us they were successful in obtaining the required missing information; however, amendments were not filed because the Committee was unable to locate the additional information in their records.

On May 25, 1978, the Commission determined that due to the high rate of omission, the Committee was required to obtain the missing information and amend their reports or demonstrate their efforts to do so.

In attempting to obtain the required contributor information, Committee officials stated that a letter was sent to each of the 186 contributors mentioned above. On September 8, 1978, the Committee filed a comprehensive amendment containing the occupation and principal place of business for 110 of the 186 contributors. In addition, Committee officials informed the Audit staff that 29 of their letters have been returned as undeliverable.

Recommendation

The Audit staff believes that substantial compliance has been achieved and that the Committee has demonstrated its best efforts to obtain the required information. Therefore, we recommend no further action in this matter.

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B. Limitation on Contributions

Section 441a(a)(1)(A) of Title 2, United States Code, prohibits a person from making contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate exceed \$1,000.

Our review disclosed that five (5) individual's contributions exceeded the \$1,000 limitation. Three (3) of the contributors exceeded the limitation when they made loans to the Committee in addition to contributions previously made. The National Committee's disclosure reports and records substantiate that the loans were repaid by the Committee. The longest period of time any loan was outstanding in violation of the limitation was 67 days. The other two (2) individuals who made contributions aggregating in excess of \$1,000 gave \$1,015.50 and \$1,400 to the Committee. The \$400 excess was received on October 15, 1975, and refunded on June 21, 1977, and the other \$15.50 resulted from a contribution-in-kind. On June 21, 1977, the National Committee informed the Audit staff that they had issued checks to these individuals for their excessive contributions and would submit copies of the cancelled checks to the Commission.

On May 25, 1978, the Commission determined that the Committee was required to produce the necessary documentation to verify the return of the excess contributions.

On September 8, 1978, the Committee submitted the cancelled check refunding the \$400.00 contribution and information supporting their attempt to refund the \$15.50 contribution.

Recommendation

Since the Committee attempted to comply with the Commission's request, and the contribution not refunded is an insignificant amount, we recommend the Commission take no further action on this matter.

C. Understatement of Receipts and Expenditures

Section 434(b)(3) and (11) of Title 2, United States Code, in part, requires a committee to report the total sum of all receipts and expenditures by or for such committee or candidate during the reporting period, together with total receipts and expenditures less transfers between political committees which support the same candidate and which do not support more than one candidate.

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Our review disclosed that the National Committee understated its total receipts during the period audited by \$33,896.70. Most of this understatement was due to the Committee not reporting part of its unitemized receipts in February, 1976 and failing to properly report the proceeds of a fundraising event as noted in Finding D of this report. Our review also disclosed that Committee expenditures were understated by \$17,774.92. The majority of this error was due to the Committee not reporting three (3) large expenditures, as well as the expenditures relating to the fundraising event cited in Finding D of this report. At our request, the National Committee filed amended disclosure reports on October 9, 1975 and January 31, 1977 correcting their reported receipts and expenditures.

Recommendation

Since the Committee corrected the public record, our recommendation is that no further action be taken by the Commission.

D. Receipts Not Deposited

Section 437b(a)(1) of Title 2, United States Code, in part, requires each candidate to designate one or more national or state banks as his campaign depositories. The principal campaign committee of such candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a single checking account and such other accounts as the committee determines to maintain at its discretion at a depository designated by the candidate and shall deposit any contributions received by such committee into such account. No expenditures may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on such account, other than petty cash.

The audit disclosed that the National Committee did not deposit in a campaign depository \$4,614.32 out of a total of \$16,418.32 in receipts from a concert. The Committee used a portion of the receipts to pay \$4,614.32 of concert expenses before the funds were deposited into a Committee checking account. The Committee also failed to include this amount in receipts and expenditures on their disclosure reports. Total receipts and expenditures were corrected by an amended report filed on January 31, 1977 (see C above).

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Recommendation

Although failure to deposit all receipts into a campaign depository is an apparent violation of Section 437b(a)(1), due to the insignificant amount relative to the total amount of activity and the fact that the amended reports properly disclose the receipts and expenditures, we recommend that the Commission take no further action on this matter. In addition, because it has been possible to determine the origin of the \$4,614.32 in question and to trace its use to a campaign activity, we recommend finding the expenditure of this amount a qualified campaign expense.

E. Supporting Documentation For Expenditures

Section 432(d) of Title 2, United States Code, in part, requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations, state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain the documentation he shall be deemed to be in compliance with this section.

Our review of the National Committee's expenditure records revealed that out of a sample of 321 expenditures, totaling \$307,046.93, taken from the National Committee's disclosure reports, 20 expenditures, totaling \$7,638.77, (6.23%) were not supported by receipts, invoices, bills, or contemporaneous memoranda.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the supporting documentation for the unsupported expenditures to the Audit staff for review, or present evidence of their efforts to do so.

The Committee responded by sending letters to vendors and individuals attempting to get additional documentation. If they received no reply, phone calls were made in an attempt to get the documentation. Of the 20 expenditures originally identified as inadequately documented, sufficient documentation has been obtained for 16 expenditures totaling \$6,596.54.

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Recommendation

In our opinion, the Committee has made its best efforts to comply with the Act and we recommend the Commission take no further action on this matter.

III. Repayment

A. Section 9038(b)(1) of Title 26 of the United States Code provides that if the Commission determines that any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount of payments to which such candidate was entitled under Section 9034, it shall notify the candidate, and the candidate shall pay to the Secretary or his delegate an amount equal to the amount of the excess payments.

The Commission preliminarily determined May 11, 1976 to be the day on which the Honorable Fred R. Harris' candidacy terminated for the purpose of incurring qualified campaign expenses. The Candidate was so informed by letter and did not object to the preliminary determination, thereby making it conclusive.

During the audit it was determined that the Committees' net outstanding campaign obligations, on the Candidate's date of ineligibility, totaled \$174,194.93. Subsequently the campaign received matching fund payments of \$145,734.03. Therefore, the Candidate received no matching fund payments in excess of his eligibility.

Recommendation

Since no payments in excess of the Candidate's eligibility were made, we recommend no action on this matter.

B. Section 9038(b)(2) of Title 26 of the United States Code provides that if the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than: to defray the qualified campaign expenses with respect to which such payment was made; or to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

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Section 9032(9) (A) of Title 26 of the United States Code defines a qualified campaign expense as a purchase, payment, distribution, loan, advance, deposit, or gift of money or of anything of value incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination or election; and neither the incurring or payment of which constitutes a violation of any law of the United States or the state in which the expense is incurred or paid.

1. Our review of Committee expenditure records disclosed that the National Committee reimbursed two (2) individuals a total of \$88.00 for traffic violation fines incurred while conducting Committee business. In addition, the New York Harris for President Committee made a \$40.00 expenditure for a parking violation fine.

On May 17, 1979 the Commission determined that the \$128.00 mentioned above represented unqualified campaign expenses and were repayable in full to the United States Treasury.

2. Our review of the National Committee's expenditure records revealed that out of a sample of 321 expenditures, totaling \$307,046.93, 15 (4.98%) totaling \$6,301.14 were not supported by sufficient documentation to establish the expenditures connection to the campaign. In addition, in each of the 28 affiliated committees audited, expenditures were reviewed to determine if they were sufficiently documented. Expenditures totaling \$68,305.58 made by 11 affiliated committees, were found to be supported by documentation insufficient to establish connection to the campaign.

On May 25, 1978, the Commission determined that absent a showing to the contrary, these expenditures would be considered unqualified campaign expenses and repayable in full to the Treasury. The Committee obtained and submitted additional documentation for most of the expenditures.

On January 16, 1979, the Commission determined that 60 expenditures totaling \$9,495.32 were unqualified campaign expenses requiring an equal amount to be repaid to the United States Treasury. The Committee requested a 30 day extension to object to the above determination, which was approved by the Commission on March 1, 1979. During this time the Committee submitted additional documentation for 10 expenditures totaling \$1,825.00.

A detailed listing of all insufficiently documented expenditures, separately displayed by affiliated committee, is presented in Attachment I.

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On May 17, 1979 the Commission determined that the insufficiently documented expenditures made by the National and affiliated committees totaling \$7,670.32, were unqualified campaign expenses requiring an equal amount to be repaid to the United States Treasury.

Repayment Summary

B. 1.	Traffic Violation Fines	\$ 128.00
B. 2.	Insufficiently Documented Expenditures:	
	National Committee	125.00
	Authorized Committees	<u>7,545.32</u>
	Total Repayment	<u>\$7,798.32</u>

On July 30, 1979, the Committee sent three (3) checks totaling \$7,423.32. Due to an oversight by the Committee, an additional check for \$375.00 was received by the Commission on September 10, 1979.

Recommendation

Since the Committee has repaid the entire obligation, we recommend no further action on this matter.

IV. Auditor's Statement

Except for the matters specifically noted in this report, and the attached appendices, the audit disclosed that the Committees conducted their activities in conformity with the Federal Election Campaign Act of 1971, as amended, and in conformity with Chapter 96 of Title 26, U.S.C., in all material aspects.

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## Attachment I

## CHICAGOLAND HARRIS FOR PRESIDENT COMMITTEE

<u>Payee</u>	<u>Purpose in Committee Records</u>	<u>Amount</u>	<u>Date</u>
Individual	Printing	\$200.00	2/18/76
Individual	Printing	150.00	3/12/76
Individual	Newspaper Ads	100.05	11/23/75
Individual	Newspaper Ads	<u>135.20</u>	3/12/76
Total Chicagoland		<u>\$585.25</u>	

## IOWA HARRIS FOR PRESIDENT COMMITTEE

<u>Payee</u>	<u>Purpose in Committee Records</u>	<u>Amount</u>	<u>Date</u>
Individual	Reimburse Expenses	\$125.00	1/7/76
Individual	Reimburse Expenses	150.00	1/8/76
Individual	Reimburse Expenses	100.00	1/13/76
Individual	Reimburse Expenses	<u>150.00</u>	1/14/76
Total Iowa		<u>\$525.00</u>	

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## MASSACHUSETTS HARRIS FOR PRESIDENT COMMITTEE

<u>Payee</u>	<u>Purpose in Committee Records</u>	<u>Amount</u>	<u>Date</u>
Individual	Rent	\$ 500.00	1/12/76
Individual	Rent	150.00	1/15/76
Individual	Rent	200.00	1/6/76
Individual	Rent	202.50	2/17/76
Individual	Rent	215.00	2/22/76
Individual	Rent	125.00	2/23/76
Individual	Office Expense	75.00	2/28/76
Individual	Travel	150.00	2/10/76
Individual	No Purpose	125.00	1/19/76
Individual	Reimburse Expenses	170.00	2/25/76
Individual	Reimburse Expenses	50.00	2/28/76
Individual	Reimburse Expenses	<u>50.00</u>	2/19/76
Total Massachusetts		<u>\$2,012.50</u>	

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## NEW HAMPSHIRE HARRIS FOR PRESIDENT

<u>Payee</u>	<u>Purpose in Committee Records</u>	<u>Amount</u>	<u>Date</u>
Individual	Rent	\$ 350.00	11/10/75
Individual	Rent	350.00	12/1/75
Individual	Food	25.00	2/7/76
Individual	Food	75.00	2/20/76
Individual	Food	105.00	2/8/76
Individual	Food	35.00	1/15/76
Individual	Food	23.34	1/21/76
Individual	Office Expense	22.17	2/27/76
Individual	Camper Rental	337.50	2/17/76
Individual	Reimburse Expenses	225.00	2/25/76
Individual	Band	125.00	2/13/76
Individual	Purpose Not Given	200.00	1/5/76
Total New Hampshire		<u>\$1,873.01</u>	



NEW YORK HARRIS FOR PRESIDENT

<u>Payee</u>	<u>Purpose in Committee Records</u>	<u>Amount</u>	<u>Date</u>
Political Organization	Publication- Newsletter	\$ 600.00	8/26/75
Political Organization	Advertising	500.00	11/14/75
Individual	Reimburse Expenses	<u>50.00</u>	4/13/76
Total New York		<u>\$1,150.00</u>	

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## OKLAHOMA FOR FRED HARRIS FOR PRESIDENT COMMITTEE

<u>Payee</u>	<u>Purpose in Committee Records</u>	<u>Amount</u>	<u>Date</u>
Individual	Travel	\$ 115.00	1/22/76
Individual	Travel	100.00	1/29/76
Individual	Travel	117.50	1/29/76
Individual	Travel	82.35	1/30/76
Individual	Travel	221.00	2/4/76
Individual	Travel	85.00	2/8/76
Individual	Reimburse Expenses	62.50	2/8/76
Political Organization	Reimburse Expenses	63.96	2/2/76
Individual	Hotel	35.00	1/22/76
Political Organization	No Purpose	42.64	2/2/76
Individual	No Purpose	<u>55.00</u>	2/4/76
Total Oklahoma		<u>\$ 979.95</u>	

## WISCONSIN HARRIS FOR PRESIDENT COMMITTEE

<u>Payee</u>	<u>Purpose in Committee Records</u>	<u>Amount</u>	<u>Date</u>
Individual	Rent	\$ 150.00	3/3/76
Individual	Reimburse Expenses	119.61	3/5/76
Individual	Reimburse Expenses	<u>150.00</u>	3/12/76
Total Wisconsin		<u>\$ 419.61</u>	
CAMPAIGN TOTAL		<u>\$7,670.32</u>	

Appendix A

HARRIS FOR PRESIDENT COMMITTEE - SOUTHERN CALIFORNIA

I. Findings and Conclusions

A. Itemization of Transfers

Section 434(b)(4) of Title 2, United States Code, in part, requires that a committee disclose the name and address of each political committee or candidate from which the reporting committee or candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers.

The Harris For President Committee - Southern California made ten (10) transfers, but failed to itemize six (6), totaling \$3,569.00 on its disclosure reports. On April 11, 1977, we recommended that an amendment be submitted to reflect the unitemized transfers. The Committee treasurer stated she would amend the reports to reflect the transfers. On May 25, 1978, the Commission determined that the Committee was required to file the amended report.

On August 18, 1978, the Committee filed an amended report itemizing the six (6) transfers mentioned above.

Recommendation

We recommend that the Commission take no further action on this matter.

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Appendix B

HARRIS FOR PRESIDENT COMMITTEE - NORTHERN CALIFORNIA

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, states, in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain the documentation, he shall be deemed to be in compliance with this section.

We reviewed all Harris For President Committee - Northern California expenditures, which aggregated in excess of \$100 to any one vendor or payee, for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed that the Committee did not have the required supporting documentation for 13 of 203 expenditures totaling \$3,274.78 out of \$39,062.91 in total expenditures net of transfers.

The Commission determined that the Committee was required to obtain and furnish copies of the required expenditure documentation to the Audit staff for review, or present evidence of efforts to do so.

The Committee submitted additional documentation for 12 expenditures totaling \$3,024.78. In addition, a letter was sent to a vendor in an attempt to obtain documentation for the remaining unsupported expenditure.

Recommendation

In our opinion, substantial compliance has been achieved and the Committee has made its best efforts to comply with the Act. Therefore, we recommend the Commission take no further action on this matter.

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Appendix C

CHICAGOLAND HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, in part, requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain the documentation, he shall be deemed to be in compliance with this section.

We reviewed all Chicagoland Harris for President Committee expenditures which aggregated in excess of \$100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed that the Committee did not have the required supporting documentation for 13 of 55 expenditures totaling \$1,554.45 of \$15,139.35 in total expenditures net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the required expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. The National Committee and the Chicagoland Committee submitted additional supporting documentation for four (4) expenditures totaling \$679.70. The Chicagoland Harris for President Committee has made attempts by letter and telephone to obtain additional documentation for most of the other expenditures mentioned above.

Recommendation

In our opinion, the Committee has made its best efforts to comply with the Act. Therefore, we recommend that the Commission take no further action on this matter.

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Appendix D

IOWA COMMITTEE FOR HARRIS FOR PRESIDENT

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, states, in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain the documentation, he shall be deemed to be in compliance with this section.

We reviewed all Iowa Committee for Harris for President expenditures which aggregated in excess of \$100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed that the Committee did not have the required supporting documentation for 28 of 91 expenditures which amounted to \$4,340.67 out of \$33,479.54 in total expenditures net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the required expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. The Committee submitted additional documentation to support 20 expenditures totaling \$3,131.02. The Committee sent letters and the National Committee made telephone inquiries to individuals and vendors attempting to obtain additional information concerning most of the other expenditures.

Recommendation

In our opinion, the Committee made its best efforts to comply with the Act and we recommend the Commission take no further action on this matter.

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Appendix E

MARYLAND HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, in part, requires the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made by or on behalf of a political committee in excess of \$100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain the documentation, he will be deemed to be in compliance with this section.

We reviewed all Maryland Harris for President Committee expenditures which aggregated in excess of \$100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed that the Committee did not have the required supporting documentation for five (5) of 22 expenditures which amount to \$1,853.01 out of \$7,821.72 in total expenditures net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the required expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. On September 8, 1978, the Committee submitted additional information to support all of the expenditures mentioned above.

Recommendation

We recommend that the Commission take no further action on this matter.

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Appendix F

MASSACHUSETTS HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, states, in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates his best efforts to obtain the documentation, he shall be deemed to be in compliance with this section.

We reviewed all Massachusetts Harris for President Committee expenditures which aggregated in excess of \$100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed that the Committee did not have the required supporting documentation for 56 of 247 expenditures which amounted to \$18,027.02 out of \$102,718.92 in total expenditures net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the required expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. The Committee submitted additional documentation to support 22 expenditures mentioned above totaling \$10,535.30 and sent letters to the remaining individuals and vendors in an attempt to obtain supporting documentation. Also, the National Committee made telephone inquiries attempting to obtain additional documentation.

Recommendation

In our opinion, the Committee made its best efforts to comply with the Act and we recommend that the Commission take no further action on this matter.

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B. Itemization of Expenditures

Section 434(b)(9) of Title 2, United States Code, requires the committee to disclose the name and address of each person to whom an expenditure or expenditures have been made by such committee or candidate which in the aggregate exceed \$100 during the calendar year, along with the purpose, the amount, and the date of the expenditure.

A 100% trace was conducted to determine if all expenditures which aggregated in excess of \$100 to any one vendor, were properly reported on the Massachusetts Harris for President Committee reports. This trace revealed 30 expenditures not itemized which aggregated in excess of \$100 to a payee. We requested that the Committee amend its reports itemizing these expenditures. The Committee filed amended reports on June 30, 1977 itemizing all but four (4) of the 30 expenditures.

Recommendation

We recommend that the Commission take no further action on this matter.

1970151251

Appendix G

NEW HAMPSHIRE HARRIS FOR PRESIDENT

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, in part, requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain documentation, he shall be deemed to be in compliance with this section.

We reviewed all New Hampshire Harris for President expenditures which aggregated in excess of \$100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 80 of 295 expenditures which amounted to \$19,314.46 out of \$73,221.34 in total expenditures net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the required expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. The Committee presented additional documentation to support 66 expenditures totaling \$17,337.08. The Committee also sent letters and the National Committee made telephone inquiries attempting to obtain supporting documentation for five (5) additional expenditures totaling \$495.34.

Recommendation

In our opinion, the Committee made its best efforts to comply with the Act and we recommend the Commission take no further action on this matter.

B. Disclosure of Outstanding Debts

Section 434(b)(12) of Title 2, United States Code, in part, requires disclosure of the amount and nature of debts and obligations owed by or to the committee, in such form as the Commission may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the Commission may require until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefore.

A review of the New Hampshire Harris for President Committee records revealed that the Committee failed to report an outstanding debt in the amount of \$2,376.81. At our recommendation, the Committee filed an amended report on March 28, 1977 to reflect the outstanding debt.

Recommendation

We recommend that no further action be taken on this matter.

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Appendix II

NEW YORK HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, states, in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain the documentation, he shall be deemed to be in compliance with this section.

We reviewed all New York Harris for President Committee expenditures which aggregated in excess of \$100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed that the Committee did not have the required supporting documentation for 26 of 99 expenditures which amounted to \$8,483.00 out of \$37,720.11 in total expenditures net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the necessary expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. In response to the report, the Committee submitted supporting documentation for 11 expenditures totaling \$4,371.25. The Committee and the National Committee made telephone inquiries attempting to obtain additional documentation for eight (8) other expenditures totaling \$1,633.50.

Recommendation

In our opinion, the Committee has made its best efforts to comply with the Act and we recommend the Commission take no further action on this matter.

Appendix I

OKLAHOMAN'S FOR FRED HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

Matters noted during the audit of Oklahoman's for Fred Harris for President were referred to the Office of General Counsel on September 1, 1977.

107016195

Appendix J

WESTERN PENNSYLVANIA HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Filing of Disclosure Reports

Section 434(a) of Title 2, United States Code, in part, requires each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, to file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by it.

Our review of records maintained by the Western Pennsylvania Harris for President Committee disclosed that they failed to file disclosure reports for the period March 1, 1976 to April 30, 1976. During this period, the Committee received \$4,524.75 and made expenditures of \$4,512.41. At our request, the Committee filed the disclosure reports on May 18, 1977.

Recommendation

We recommend the Commission take no action on this matter.

B. Disclosure of Contributor Information

Section 434(b)(2) of Title 2, United States Code, in part, requires a political committee to report the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions. Further, Section 441a(a)(1)(A) of Title 2, United States Code, prohibits any person from making contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate exceed \$1,000.

Our review of the Committee's records revealed that a person gave a \$2,900.00 letter of credit to the telephone company in order that the Committee's phone service would not be interrupted. The individual also gave a contribution on September 30, 1975 of \$250.00. Although the letter of credit is undated, the Committee chairperson stated that it was issued sometime in the fall of 1975 and expired on September 19, 1976.

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This matter was referred to the Office of General Counsel on September 1, 1977, where Matter Under Review 498(78) was instituted.

On August 2, 1978, the Commission found probable cause to believe that the Committee violated 2 U.S.C. 434(b) by failing to report a contribution made in the form of a letter of credit permitting a vendor to draw upon the contributor's account on behalf of defendant in the amount not to exceed \$2,900. In addition, the Commission found probable cause to believe that an individual violated 441a(a)(1)(A) by contributing in excess of \$1,000 per election. Consent orders were entered into with both defendants. The consent orders each contain an admission of liability and a civil penalty of \$100. The civil action was disposed of on May 7, 1979 and the litigation file was closed.

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Appendix K

EASTERN PENNSYLVANIA HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, in part, requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of political committees in excess of \$100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain the information, he shall be deemed to be in compliance with this section.

We reviewed all Committee expenditures, which aggregated in excess of \$100 to any one vendor or payee, for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for six (6) of 47 expenditures which amounted to \$6,912.50 out of \$16,588.83 in total expenditures, net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the necessary expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. Since that time, the Committee has submitted additional documentation for the six (6) expenditures mentioned above.

Recommendation

We recommend that the Commission take no further action on this matter.



Appendix I.

RHODE ISLAND HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Disclosure of Expenditure Information

Section 434(b)(9) of Title 2, United States Code, in part, requires the Committee to disclose the name and address of each person to whom expenditures have been made by such committee or candidate when the aggregate amount of such expenditures exceed \$100 during the calendar year, along with the purpose, the amount and the date of the expenditure.

A 100% trace was conducted to determine if all expenditures which aggregated in excess of \$100 to any one vendor were properly reported. The Committee failed to correctly itemize six (6) expenditures totaling \$1,043.50. On July 8, 1977, we requested that the Committee file an amended report supplying the missing information. The letter requesting the amendment was returned as non-delivered.

Recommendation

We recommend the Commission take no further action on this matter.

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Appendix M

FRED HARRIS FOR PRESIDENT TEXAS COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, in part, requires the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of political committees in excess of \$100, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used his best efforts to obtain the required documentation, he shall be deemed to be in compliance with this section.

We reviewed all Fred Harris for President Texas Committee expenditures which aggregated in excess of \$100 to any one vendor or payee for either a receipted bill, invoice or contemporaneous memorandum. Our review revealed the Committee did not have the required supporting documentation for 18 expenditures which amounted to \$2,528.14 out of \$4,249.62 in total expenditures, net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the necessary expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. In response to the report, the Committee sent additional documentation for 15 expenditures totaling \$2,227.34 and attempted by letter or telephone inquiry to obtain documentation for the three (3) remaining expenditures.

Recommendation

In our opinion, the Committee has made its best efforts to comply with the Act and we recommend the Commission take no further action on this matter.

Appendix N

WISCONSIN HARRIS FOR PRESIDENT COMMITTEE

I. Findings and Conclusions

A. Supporting Documentation for Expenditures

Section 432(d) of Title 2, United States Code, states, in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) and (e) of the Commission's Regulations state, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum. Further, if the treasurer demonstrates that he has used best efforts to obtain the documentation, he shall be deemed to be in compliance with this section.

During the audit we conducted a sample tracing of expenditures from the Committee's cancelled checks to the Committee's receipted bills. The Committee failed to provide either a receipted bill, invoice or contemporaneous memorandum for 15 expenditures which aggregated in excess of \$100. The 15 expenditures with no documentation total \$2,338.90 out of \$30,502.75 in total expenditures net of transfers.

On May 25, 1978, the Commission determined that the Committee was required to obtain and furnish copies of the required expenditure documentation to the Audit staff for review, or present evidence of efforts to do so. On July 13, 1978, the Committee submitted additional documentation to support all of the expenditures mentioned above. However, the information was considered insufficient to support five (5) expenditures totaling \$758.97.

Recommendation

In our opinion, the Committee has made its best efforts to comply with the Act and we recommend the Commission take no further action.

1077161261



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

ADDITIONAL INFORMATION REGARDING THIS ORGANIZATION  
MAY BE LOCATED IN A COMPLETED COMPLIANCE ACTION  
FILE RELEASED BY THE COMMISSION AND MADE PUBLIC IN  
THE PUBLIC RECORDS OFFICE. FOR THIS PARTICULAR  
ORGANIZATION'S COMPLETED COMPLIANCE ACTION FILE  
SIMPLY ASK FOR THE PRESS SUMMARY OF MUR # 452.  
THE PRESS SUMMARY WILL PROVIDE A BRIEF HISTORY OF  
THE CASE AND A SUMMARY OF THE ACTIONS TAKEN, IF ANY.



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