



FEDERAL ELECTION COMMISSION

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

May 31, 1979

The Honorable James E. Carter
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

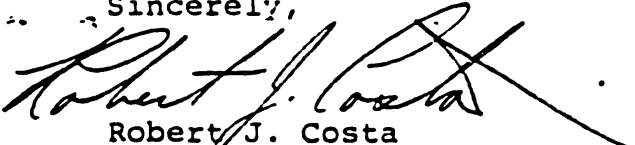
Dear Mr. President:

This is to advise you that on May 31, 1979 the Commission approved the public release of the final audit report of the 1976 Democratic Presidential Campaign Committee, Inc. to occur on Monday, June 4, 1979 at 11:00 A.M. It is our understanding that the matters contained in the report, along with the proposed date of public release will remain confidential until June 4, 1979 at 11:00 A.M. This parallels the procedures utilized with respect to the final audit report on The Committee For Jimmy Carter recently released.

Although the Commission has determined that a repayment of \$50,202.94 is required within 90 days; you are afforded 30 days to submit factual materials which, if considered acceptable, would reduce the repayment amount.

Should you or your staff have any questions regarding any matters contained in the attached report, please do not hesitate to contact Mr. Rick Halter or myself on 523-4155.

Sincerely,


Robert J. Costa
Assistant Staff Director
for the Audit Division

Attachment as stated

cc: Mr. Robert Lipshutz, Treasurer
Mr. Ronald Eastman, Counsel
Ms. Joanna Lambert, Controller





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REPORT OF THE AUDIT DIVISION ON THE 1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.

I. Background

This report covers an audit of the 1976 Democratic Presidential Campaign Committee, Inc. ("the Committee") undertaken by the Audit Division of the Federal Election Commission 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 9007(a) of Chapter 95 of Title 26 of the United States Code. 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 Title 26 of the United States Code. Section 9007(a) of Title 26 of the United States Code directs the Commission to conduct an audit of the qualified campaign expenses of every candidate and his authorized committees who receive a Presidential Election Campaign Fund payment and to determine the amount, if any, of repayment to the general fund of the United States Treasury.

The Committee registered with the Federal Election Commission on July 20, 1976 as the principal campaign committee of the Honorable James E. Carter. The principal officers of the Committee during the period of the audit were Mr. Hamilton Jordan, Chairman and Mr. Robert Lipshutz, Treasurer. The audit covered the period from July 16, 1976, the beginning of the expenditure report period, through March 31, 1979. During that period, the Committee reported beginning cash of \$-0-, total receipts of \$25,996,565.00, total expenditures of \$25,995,190.00 ^{1/}, and ending cash of \$1,375.00. The Committee maintained its headquarters in Atlanta, Georgia.

1/ Expenditures subject to limitation as adjusted, \$21,802,601.00. (See 2 U.S.C. 441a(b)(1)(B)). Also see footnote 2/ on page 17 of this report.



II. Findings and Conclusions

A. Title II - Reporting and Recordkeeping

(1) Reporting of Advances

Sections 434(b)(9) and (10) of Title 2 of the United States Code, provide that each report under these sections shall disclose the identification of each person to whom expenditures have been made by such committee or candidate in an amount in excess of \$100 and in a lesser amount if the total expenditures to the same payee exceed \$100 during the calendar year, together with the date, amount and purpose of such expenditure.

Prior to September 29, 1976, the Committee used the term "expense advance made" as the purpose for advance payments made to its field workers. However, on that date the Commission issued a policy statement indicating that "advance-travel" was not an adequate purpose for an expenditure and that reporting committees and candidates should disclose the "particulars" of an expenditure (see Exhibit A). Subsequently, the Committee used the term "salary advance" as the purpose of such payments. Committee reports contain 507 entries totaling \$82,381.00 for which that purpose was reported. In addition to the \$82,381.00 stated above, other expense advances of \$1,807.34 were reported on line 20 of Committee reports with some other purpose listed for the expenditures. Thus, this reporting procedure provided no more detailed disclosure than the method used prior to the Commission's September 29, 1976 policy statement.

In a number of cases, the recipients of advances did not return all the documentation required to support the full amount advanced. The undocumented portion was deducted from salary owed to the recipient; thereby, recovering that portion of the salary advance. The Committee deducted a total of \$27,876.34 from the salaries of its employees to offset all or portions of advances made which were not documented or accounted for to their satisfaction.

When the Audit staff brought this matter to the attention of Committee officials, their explanation was that like any other business entity, the Committee assumed that if an employee could not provide adequate reporting for the advance, then the money was presumed to have been spent for personal items, and was therefore deducted from his or her salary at the close of the campaign.

This practice resulted in the "particulars" of the expenditures reported as "salary advances" totaling \$56,312.00 not being disclosed. It should be noted that the \$27,876.34 deducted from employees' salaries is properly reported as salary advances.

On August 17, 1978, the Commission preliminarily determined that the Committee was required to file amendments to its reports pursuant to the Commission's Policy Statement dated September 29, 1976 disclosing the "particulars" of expenditures totaling \$56,312.00 originally reported as "salary advance" within 30 days of receipt of the Commission's notice. Should the Committee be unable to disclose the "particulars" of all or a portion of the "salary advances", due to the lack of supporting documentation, records relating to the expenditures would be examined to determine compliance with the recordkeeping requirements of Title 26. Any found to be insufficiently documented would be recommended as non-qualified campaign expenses repayable in full to the U.S. Treasury.

Although the Committee was given an extension of 34 days (to October 30, 1978), the appropriate amendments were not filed until January 25, 1979. It should be noted that fieldwork performed in October 1978 relating to expenditures originally itemized as "salary advances" indicated that adequate supporting documentation was present for Title 26 purposes. Furthermore, at the time the amendments were filed, the Audit staff, utilizing information gathered as a result of our documentation review noted above, reviewed the amendments to determine their adequacy with respect to the disclosure of particulars pursuant to Title 2 requirements. As a result of our review, the Audit staff has determined that the amendments with respect to disclosure under Title 2 were adequate.

Recommendation

Since the Committee filed the appropriate amendments, we recommend no further action.

(2) Inexact Purpose of Expenditures

Section 434(b)(9) of Title 2 of the United States Code provides in part that each report under this section "shall disclose the identification of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100.00, together with the amount, date and purpose of each such expenditure..." In addition, on September 29, 1976, the Commission informed candidates and committees by a mailed notice, that a full description of the purpose of an itemized expenditure must be reported, and that entries such as "advance to fieldman" or "travel" were not sufficient to meet the statutory requirement. This requirement regarding the reporting of the "particulars" of an itemized expenditure was incorporated into Section 104.2(b)(9) of the Commission's Regulations (proposed during the period 10/18/76-4/13/77) and was published in the Federal Register on October 18, 1976.

Our review of Committee reports for the period October 19, 1976 through March 31, 1977 indicated that the Committee used approximately 36 different terms to describe the purpose of an expenditure (see Exhibit E). These terms are also account titles or variations thereof used for internal Committee financial reports (see Exhibit B for account title definitions). Subsequent to the publication date (10/18/76) of the amendment to Section 104.2(b)(9) of the Commission's Proposed Regulations, the Committee continued to use these same account titles to describe the purpose of an expenditure.

In the opinion of the Audit staff, six (6) of the 36 terms used to describe the purpose/particulars of an expenditure were too broad to accurately disclose for what purpose the funds were actually expended. The six (6) terms (account titles or variations thereof) are: travel subsistence, meetings, get-out-the-vote, voter registration, other, and transition costs.

To illustrate, a review of Committee disclosure reports covering the period 10/19/76 through 3/31/77 was conducted to identify the number and dollar value of expenditures reported with an inadequate purpose (see chart below).

<u>Purpose Reported</u>	<u># of Expenditures</u>	<u>\$ Value of Expenditures</u>
1. Travel Subsistence Reimbursement	5,052	\$ 773,880.90
2. Meetings	465 *	98,837.09 *
3. Voter Registration	16	4,397.52
4. Other	2	475.00
5. Transition Costs	33	45,834.22
6. Get-Out-The-Vote	<u>1,318</u>	<u>386,426.04</u>
Total	<u>6,886</u>	<u>\$1,309,850.77</u>

Further, we determined that the Committee's expenditure reporting system did possess adequate capacity for a more detailed purpose of expenditure to be reported, instead of the brief account title that was used.

A Committee official stated that although their computerized accounting system could have accommodated a more detailed purpose of expenditure, no changes in the manner of reporting were made subsequent to receiving notice by the Commission.

On August 17, 1978, the Commission made a preliminary determination that the Committee was required to review its reports and supporting documentation for the period 10/19/76-3/31/77 regarding the six (6) general account titles listed above, and amend their reports to disclose a detailed purpose of expenditure. The amendments were to be filed not later than 30 days after receipt of Commission notice. Further, should the Committee be unable to amend certain expenditure entries on its reports, due to the lack of supporting documentation, records relating to the expenditures would be examined to determine compliance with the recordkeeping requirements of Title 26. Any found to be insufficiently documented would be recommended as non-qualified campaign expenses repayable to the U.S. Treasury.

Although an extension of 34 days was granted (to October 30, 1978) by the Commission, the Committee did not file the amendments until December 5, 1978. However, our review of the amendments indicated that the particulars of the expenditures listed were in accordance with the Commission's September 29, 1976 policy statement.

* Comprised of 117 expenditures to individuals totaling \$16,894.03 and 348 expenditures to vendors (apparently providing goods and/or services other than "space for a meeting") totaling \$81,943.06. The Audit staff has not included 122 expenditures to vendors apparently providing "space for a meeting" totaling \$35,991.63 (i.e., hotels, motels, convention center, etc.).

Furthermore, our review of the documentation relating to amendments indicated that the expenditures were, for the most part, adequately documented. Those expenditures which were, in our opinion, not adequately documented under Title 26 are listed as non-qualified campaign expenses on Exhibit C, pages 5 and 6 identified by a ¢ (also Finding C(1)).

Recommendation

Since the Committee has filed the appropriate amendments, we recommend no action be taken.

(3) Retention of Supporting Documentation

Section 432(d) of Title 2 of the United States Code provides that a treasurer must 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 in amount, and for any such expenditure in a lesser amount if total expenditures to the same person during a calendar year exceeds \$100. In addition, Section 102.9(c) of the Commission's Regulations, provides in part, that when a receipted bill is not available, the treasurer may keep a cancelled check and a bill, invoice or other contemporaneous memorandum containing the same information as a receipted bill.

The Committee made 29,440 expenditures totaling \$24,326,977.35 which were itemized during the period July 16, 1976 through June 30, 1977.

Our review indicated that the Committee generally maintained: (a) a cancelled check and bill, invoice or acceptable contemporaneous memorandum (expense report from an individual) or (b) a cancelled check and a Committee generated ADP (Automatic Data Processing) voucher which contains the payee's name, date processed, amount and a general categorization of the expense * (i.e. travel, meetings, etc.). Occasionally, a check request form, prepared by the Committee, containing the payee's name, request date, authorization, cost center, amount and intended purpose was attached to the ADP voucher.

A statistical sample of 294 expenditures disclosed that 24 of the 294 items (8%) totaling \$2,323.44 were not supported by a receipted bill or a cancelled check and bill, invoice or acceptable contemporaneous memorandum as required.

* See Exhibit B for listing of all categorizations utilized by Committee. Also, see Exhibit D for examples of processing documents used by the Committee.

(a) an invoice received from a firm indicated that \$3,500.00 was for non-compliance related activities;

(b) an invoice received from a firm indicated that a portion (no dollar value assigned) of the activity was for non-compliance related activities;

(c) correspondence records apparently indicated that a firm paid subsistence costs for two (2) individuals, in order that they might work as volunteers on other than compliance related matters.

The items labelled (a) and (b) were reported as in-kind contributions, however, the third item (c) was not reported as an in-kind contribution nor were we able to determine at the time, whether or not the firm had been reimbursed for the amount of subsistence costs.

Committee officials explained that they were unaware of any non-compliance related services rendered, and had not issued payment for the services described above. Therefore, at the time, it appeared the Committee had accepted contributions prohibited by Section 9003(b)(2) of the Act.

In the course of additional fieldwork performed in October, 1978, the Audit staff reviewed documentation supplied by the Committee relating to the items previously mentioned:

(a) it was determined that the \$3,500.00 was not on behalf of the Committee and was erroneously included on the firm's invoice;

(b) the firm corrected its billing to reflect \$967.50 in services for non-compliance related activity. The Committee has recognized this as a current liability and plans to transfer it to the Democratic National Committee for payment. Reports of both committees will be reviewed to insure proper disclosure of this transaction; and

(c) the Committee provided documentation which showed that the subsistence costs of the volunteers were paid by the Committee.

Recommendation

Since the Committee has resolved the questions relating to items (a), (b) and (c) above, we recommend no further action.

At this juncture, we expanded our review to include a judgment sample of additional expenditures, with a specific emphasis on Get-Out-The-Vote (GOTV) expenditures. This testing showed a lack of documentation for an additional 62 items, totaling \$163,785.32. Thus, as of June 30, 1977, the total number of items which were unsupported was 86, totaling \$166,108.76.

Although our testing initially showed a lack of supporting documentation in Committee records, we did review documents (copies of some letters sent to payees) provided which in our opinion represented "best efforts" by the Committee pursuant to Section 102.9(e) of the Commission's Regulations. *

Recommendation

In view of the Committee's attempts to obtain the required documentation, we recommend that the Commission find that the Committee has demonstrated its "best efforts" pursuant to Section 102.9(e) of the Commission's Regulations and take no further action in this matter as it relates to Title 2 recordkeeping. However, in view of the fact that the "best efforts" provision does not apply to Title 26, the subject of apparent non-qualified campaign expenses is discussed in Finding C(1) of this audit report.

(4) Acceptance of In-Kind Legal and Accounting Services

Section 141.2(a)(2) of the Commission's Regulations prohibits candidates for the Office of President and Vice President from accepting contributions to defray qualified campaign expenses. Section 140.11(e)(2) excludes legal and accounting services paid for by the lawyer's or accountant's regular employers or by the candidate or his or her committee and rendered solely for the purposes of insuring compliance with this Act or Chapter 95 of the Internal Revenue Code of 1954, from the definition of qualified campaign expenses.

Committee reports show in-kind legal and accounting services contributed to the campaign of \$137,887.54. Our initial review revealed three (3) instances where it was not apparent from the information at hand, whether or not all the activity was solely for compliance with the Act:

* See Finding C(1) for updated figures relating to the Committee's efforts to obtain supporting documentation for Title 26 purposes.

(5) Reporting of Debts and Obligations
Owed by the Committee

Section 104.8(a) of the Commission's Regulations requires a continuous reporting of debts and obligations until extinguished. Section 104.8(b) provides that a debt, obligation, or other promise to make an expenditure of \$500 or less, shall be reported as of the time payment is made or no later than 60 days after incurrence, whichever comes first. A loan of money in the ordinary course of business and any debt or obligation over \$500 shall be reported as of the time of the transaction.

(a) Our review of Committee records indicated a total of \$21,557.99 in "disputed payables" which were not disclosed. However, these disputed debts have been disclosed as such on subsequent Committee reports.

(b) We also noted that the Committee transferred numerous invoices totaling approximately \$138,714.00 to the Democratic National Committee (DNC) on or before December 2, 1976. There existed several discrepancies in the total amount reported as debts by the DNC as of December 31, 1976. However, during the first quarter of 1977, the Committee reassumed and, with the exception of two (2) debts paid by the DNC, paid all of these items, but did not show the disposition of these debts on FEC Schedule C. After notice by the Reports Analysis Division, the DNC amended its reports by letter briefly explaining these transactions.

On August 17, 1978, the Commission made a preliminary determination that the Committee was required to file a statement for the public record describing the transactions between itself and the DNC. This statement was filed on November 14, 1978.

(c) On May 17, 1979, the Commission voted to refer to the Office of General Counsel certain issues relating to the Committee's reporting of debts and obligations.

Recommendation

Since the Committee filed the necessary amendments, we recommend no further action regarding (a) and (b) above.

(6) Disclosure of Repositories

Section 433(b)(9) of Title 2 of the United States Code, requires the disclosure of all committee repositories, and Section 433(c) requires that any change in information previously submitted in a statement of organization be reported to the Commission within 10 days following the change.

The Committee made use of 16 accounts in 14 repositories. Only one (1) of the repositories had been disclosed at the time the audit began. Seven (7) of the repositories were maintained at Committee headquarters in Atlanta, while the remaining seven (7) were maintained by Committee workers in various states to distribute GOTV funds (see Finding B(1)). Committee officials were advised of the appropriate sections of the Act and subsequently filed an amended statement of organization on March 29, 1977, as recommended by the staff, disclosing the repositories.

Recommendation

Since the Committee has amended its statement of organization, no further action is recommended.

B. Other Matters

Noted below are other matters for which we feel no Committee action is necessary.

(1) Distribution of Get-Out-The-Vote (GOTV) Funds

Committee records show the disbursement of \$412,513 to its representatives in certain target states for GOTV purposes (see Exhibit J). A total of \$317,513 was disbursed as advances while the remaining \$95,000 was paid by contracts to various political organizations. The funds were received and distributed further to pay election day and related expenses. This further distribution was made for the most part in the form of cash payments for services rendered on election day.

Although most of the transactions involved cash payments, at least eight (8) bank accounts had been opened to distribute such funds. A total of \$175,644.00 was disbursed from these accounts. The disbursements included five (5) checks totaling \$7,600 written to cash from one of the accounts. Also included was a check made payable to the Committee of \$14,800 and another of \$26,000 written on and payable to a Chicago bank. The funds were for election day expenses.

Committee records contain cash receipts and other documents for the bulk of these expenditures which show that the ultimate recipients of these funds were election day workers, who received payments in cash of less than \$100 in amount.

Although some checks payable to cash in excess of \$100.00 were drawn on these accounts, and payments were made in cash in excess of \$100.00, contrary to the provisions of Section 437b(a)(1) of Title 2 of the United States Code, the Committee retained supporting documentation and reported the transactions as required (see Finding A(2) relating to disclosure of GOTV activities).

(2) Use of Campaign Depositories

The Committee made loan repayments amounting to \$894,418.51 from funds which had not been deposited into Committee depositories. These funds consisted of various media, United States Secret Service receivables, and a telephone deposit refund which were endorsed by the Committee and taken directly to the bank. The funds were never deposited into the Committee's accounts; thus the repayments were not made with checks drawn on Committee depositories as required by Section 437b(a)(1) of Title 2 of the United States Code. However, the transactions are well documented in Committee records and have been disclosed as required.

(3) Reporting of Media Expenditures

Our review of the Committee's reported expenditures for media (TV, radio, newspaper, magazine and billboard advertising and/or production) indicated that although the Committee disclosed the purpose (TV, radio, etc.) of advertising or production for which the payments to its agency were made, several cases were noted where the Committee grouped more than one (1) type of media under a single category.

C. Apparent Non-qualified Campaign Expenses

Section 9007(b)(4) of Title 26 of the United States Code provides that if the Commission determines that any amount of any payment made ... under Section 9006 was used for any purpose other than-

(A) To defray the qualified campaign expenses with respect to which such payments were made; or

(B) 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 such qualified campaign expenses, it shall notify such candidates of the amount so used, and such candidates shall pay to the Secretary an amount equal to such amount. Section 9002(11)(A)(iii) of Title 26 defines qualified campaign expense, in part, as an expense by an authorized committee of the candidates of a political party for the offices of President and Vice President to further the election of either or both of such candidates to such office.

(1) Unsupported Expenditures

As stated in Finding A(3) of this report, a statistical sample showed that 24 expenditures (8%) totaling \$2,323.44 made between July 16, 1976 and December 31, 1976 were not supported by a receipted bill or a cancelled check and bill, invoice or acceptable contemporaneous memorandum as required.

In addition, further testing showed a lack of documentation for another 62 expenditures totaling \$163,785.32 made between July 16, 1976 and June 30, 1977. Thus, as of June 30, 1977, the total number of items which were unsupported was 86, totaling \$166,108.76.

However, Committee records did contain a cancelled check and a Committee generated ADP Voucher which included the payee's name, date processed, amount and a general categorization of the expense.* In addition, some expenditure records contained a check request form prepared by the Committee, which included the payee's name, request date, authorization, cost center, amount and "intended purpose" for which the check was drawn.

The Commission made a preliminary determination on August 17, 1978 that the Committee was required to produce acceptable documentation for the 24 items inadequately supported in the statistical sample within 30 days of notification. Should the Committee make an acceptable showing, only those sample items not sufficiently documented and those presented in Finding A(1) and (2), would require repayment. Should they not make an acceptable showing, additional audit work would be required to identify other inadequately supported expenditures. Such expenditures would be considered non-qualified and the value repaid in full to the U.S. Treasury.

Further, the Committee was to produce acceptable documentation for the 62 items inadequately supported in the expanded review within 30 days of notification. Absent the presentation of sufficient documentation, the unsupported expenses would be viewed as non-qualified and the value repaid in full to the U.S. Treasury.

Our review of Committee documentation relating to the statistical sample resulted in a reduction of the sample error rate from 8% to approximately 2%, which is an acceptable level in the opinion of the Audit staff. However, the remaining expenditures in the sample and the expanded review which remain unsupported are included on Exhibit C as non-qualified campaign expenses identified by a # and @ respectively.

* See Exhibit D for examples of processing documents used by Committee

Furthermore, our review of the Committee's amendments relating to Finding A(2) revealed 7 additional expenditures which were not supported by sufficient documentation to allow a determination as to whether the expenditures were made to further the election of the Candidate; hence, these 7 expenditures, totaling \$4,899.65 have also been included as non-qualified campaign expenses and listed on Exhibit C, pages 5 and 6 identified by a ¢.

It is the opinion of the Audit staff that the documentation in support of the expenditures noted above does not disclose the purpose of the expenditures in sufficient detail to allow a determination as to whether the expenditures were made to further the election of the Candidate, and consequently whether these expenditures are qualified campaign expenses as defined in Section 9002(11) of Title 26 of the United States Code.

Recommendation

We recommend that the value of the unsupported expenditures listed on Exhibit C (\$48,442.25) be viewed as non-qualified campaign expenses and be repaid in full to the U.S. Treasury.

Recommended Repayment Amount - Finding C(1) \$48,442.25 *

On April 25, 1979, the Commission voted 4-2 to divide the Audit Division's recommendation. Commissioners Aikens, Harris, McGarry and Tiernan voted to divide; while Commissioners Friedersdorf and Thomson voted against.

On April 25, 1979, the Commission voted 3-3 with respect to a portion of the Audit Division's recommendation concerning the seven (7) items, totaling \$25,320.00, underscored on Exhibit C. Commissioners Aikens, Friedersdorf and Thomson voted for repayment; while Commissioners Harris, McGarry and Tiernan voted against.

On April 25, 1979, the Commission voted 6-0 to approve a portion of the Audit Division's recommendation concerning the 36 remaining items, totaling \$23,122.25, listed on Exhibit C. Commissioners Aikens, Friedersdorf, Harris, McGarry, Thomson and Tiernan voted for approval.

Adjusted Repayment Amount - Finding C(1) \$23,122.25

* The legal analysis of this section of the Audit Report prepared by the Office of General Counsel is contained in Exhibit I. The General Counsel's recommendation differed from that of the Audit Division concerning this issue.

(2) Reimbursements Due the Committee

The Committee wrote off \$3,313.00 which represents the value of receivables deemed uncollectible. In several cases the Committee was able to collect a portion of the amount due as a result of legal action. These receivables were set up as a result of Committee payments which were to be partially or fully recovered from the person who benefited from services originally paid for by the Committee. An example is the payment by the Committee for charter transportation costs to be reimbursed to the Committee by the person(s) who were not traveling in an official capacity.

It is the opinion of the Audit staff that the Committee in writing off the amount of receivables deemed uncollectible has, in effect, reduced the value of their assets (Federal funds) which, if unused, are repayable in full to the U.S. Treasury.

Recommendation

Since the Committee has not collected the full amount due, we recommend that the value (\$3,313.00) be viewed as a non-qualified campaign expense and be repaid in full to the U.S. Treasury.

Recommended Repayment Amount - Finding C(2) \$3,313.00 *

On April 25, 1979, the Commission voted 3-3 with respect to the Audit Division's recommendation concerning the \$3,313.00 repayment. Commissioners Aikens, Friedersdorf and Thomson voted for repayment; while Commissioners Harris, McGarry and Tiernan voted against.

Adjusted Repayment Amount- Finding C(2) \$-0-.

D. Repayment to the United States Treasury

Pursuant to Section 9007(b) of Title 26 of the United States Code and Section 142.4 and 145.2 of the Commission's Regulations, the repayment amount applicable to the Committee is computed as follows:

* The legal analysis of this section of the Audit Report prepared by the Office of General Counsel is contained in Exhibit I. The General Counsel's recommendation differed from that of the Audit Division concerning this issue.

(1) Unreimbursable Expense

Committee records show the Candidate's spouse accepted charter transportation on a privately owned aircraft amounting to \$322.00. The owner is prohibited from accepting payment for such services by Federal Aviation Administration Regulations. Therefore, the services became an in-kind contribution the Committee is prohibited from accepting. The Committee repaid an equal amount to the Treasury on January 28, 1978. In addition, this amount is chargeable to the spending limitation contained in Section 441a(b)(1)(B) of Title 2 of the United States Code.

Amount Repaid - Finding D(1) \$322.00

(2) Earned Interest Income

The Committee made telephone deposits of approximately \$1.46 million. These deposits accumulated \$27,080.69 in interest as of September 30, 1978. However, the interest was earned on funds received under Section 9006(b) of Title 26 of the United States Code; and hence, is to be repaid to the United States Treasury. The Committee has agreed to transfer this liability to the DNC, which will, in turn, remit the sum of \$27,080.69 to the U.S. Treasury.

Recommendation

Section 142.4(b) of the Commission's Regulations, first published August 25, 1976, provides that earned interest income must be returned to the U.S. Treasury. In addition, the Committee is advised that the value of the repayment is not subject to the spending limitation contained in Section 441a(b)(1)(B) of Title 2 of the United States Code.

Recommended Repayment Amount - Finding D(2) \$27,080.69

On April 25, 1979, the Commission voted 6-0 to approve the Audit Division's recommendation with respect to the \$27,080.69

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(3) Other Adjustments

Our review of Committee bank records indicated that, as of June 30, 1977, 42 checks dated between September 21, 1976, and February 10, 1977, were voided when accounts were closed on May 31, 1977 and not reissued or otherwise resolved. These checks, amounting to \$8,634.02, were apparently issued by the Committee in payment for goods and services rendered to further the election of the Candidate by individuals and apparent corporate entities. The Committee has since reissued or otherwise resolved 24 of the 42 checks noted above. However, should the Committee be unable to resolve the remaining 18 (\$3,234.78), it is the opinion of the Audit staff that the value of any unresolved checks, presently \$3,234.78, should be considered as contributions and thus repayable to the U.S. Treasury, pursuant to Section 9007(b) (3) of Title 26 of the United States Code.

Recommended Repayment Amount - Finding D(3) \$ 3,234.78 *

On April 25, 1979, the Commission voted 5-1 to delete this Finding from the Audit report. Commissioners Aikens, Harris, McGarry, Thomson and Tiernan voted not to require repayment; while Commissioner Friedersdorf voted for repayment.

Subsequently, the Commission decided to include all votes taken on questions of repayment; therefore, this finding has been included in order to reflect the subject of the vote.

Adjusted Repayment Amount - Finding D(3) \$ -0-

* The legal analysis of this section of the Audit Report prepared by the Office of General Counsel is contained in Exhibit I. The General Counsel's recommendation differed from that of the Audit Division concerning this issue.

(4) Unused Portion of Fund Payment 2/

The computation below illustrates the method of arriving at the amount to be repaid to the U.S. Treasury relating to the \$21.82 million fund payment received by the Committee. With the exception of the amount added for estimated Qualified Campaign Expenses, the remainder of the computation is self-explanatory. Exhibit F is a schedule comprising the Committee's best estimate of winding down costs for the period April 1, 1979 through the date of termination, and accounts payable as of March 31, 1979 (incurred during the expenditure report period).

The estimated figures were reviewed by the Audit staff and are considered reasonable. Estimates will be compared to actual figures by reviewing future Committee reports filed and/or records as necessary through the date of termination. An adjustment to the repayment figure presented will be made in a supplemental report, if necessary.

Fund Payment	\$21,820,000.00
Less: Amount repaid to date	(17,025.77)*
Subtotal	<u>\$21,802,974.23</u>
Less: Expenditures subject to limitation (7/16/76-3/31/79)	<u>(21,802,601.00)</u>
Remainder of Federal Funds (3/31/79)	373.23
Estimated Qualified Campaign Expenses as of 3/31/79 (See Exhibit F)	(11,337.00)
Unused Portion of Fund Payment	(10,963.77)**
Recommended Repayment Amount - Item D(4)	\$ -0-

On April 25, 1979, the Commission voted 6-0 to approve the recommendation. Commissioners Aikens, Friedersdorf, Harris, McGarry, Thomson and Tiernan voted for approval.

2/ The figures shown in this computation may change depending on the resolution of the matter referred to the Office of General Counsel noted in Finding A(5) of this audit report.

* This amount was repaid to the United States Treasury by the Democratic National Committee on behalf of the Committee.

** This amount will be paid by the Democratic National Committee prior to the termination date of the Committee. In addition, the repayment in Finding D(2) may also be paid by the DNC. (See 2 U.S.C. 441a(d)(2)).

Recap - Section C and D as recommended by the Audit Division

Finding C(1) - Unqualified Campaign Expenses	\$48,442.25
Finding C(2) - Reimbursements Due the Committee	3,313.00
Finding D(1) - Unreimbursable Expense	-0-
Finding D(2) - Earned Interest Income	27,080.69
Finding D(3) - Other Adjustments	3,234.78
Finding D(4) - Unused Portion of Fund Payment	<u>-0-</u>
Total Recommended Repayment Amount	<u><u>\$82,070.72</u></u>

Recap - Section C and D as adjusted by Commission action

Finding C(1) - Unqualified Campaign Expenses	\$23,122.25
Finding C(2) - Reimbursements Due the Committee	-0-
Finding D(1) - Unreimbursable Expense	-0-
Finding D(2) - Earned Interest Income	27,080.69
Finding D(3) - Other Adjustments	-0-

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Pursuant to Section 145.2 of the Commission's Regulations, the Committee is to submit a check to the Federal Election Commission, made payable to the United States Treasury, Bureau of Government Financial Operations, in the amount of \$50,202.94 within 90 days. The Committee may contest the Commission's determination that a repayment in this amount is required within the first 30 days of the 90 day repayment period.

III. Auditor's Opinion

Except for the matters specifically noted in this report, the audit disclosed that the 1976 Democratic Presidential Campaign Committee, Inc. conducted their activities in conformity with the Federal Election Campaign Act of 1971, as amended, and in conformity with Chapter 95 of Title 26 of the United States Code in all material aspects.*

* See Finding A(5) which refers to matters yet to be resolved.

1070161021

EXHIBIT A

(re: Finding A-1 and A-2)

The Commission's September 29, 1976 Policy Statement

107016102



1325 K STREET N.W.
WASHINGTON, D.C. 20543

EXHIBIT "A"

September 29, 1976

NOTICE TO ALL CANDIDATES AND COMMITTEES

During the course of the review of reports of contributions and expenditures, the Commission has noted that some committees and candidates are failing to fully describe the purpose of itemized expenditures, see §102.9 of the Commission's proposed regulations and 2 U.S.C. §432(d).

As required by the statute, the "particulars" of each over-\$100 expenditure must be reported. Entries such as "advance to fieldman" or "travel" are not sufficient to meet the statutory requirement. An advance to staff is not an expenditure, but rather an intra-committee transfer. The actual use to which the advance is put must be itemized. For example, if a fieldman receives a \$500 advance and spends \$250 to rent a hall; \$125 on posters; and \$125 on meals and lodging, each of these expenditures must be specifically itemized. Expenditures of \$100 or less need not be itemized, but must be aggregated and reported as unitemized expenditures. Back-up material for these expenditures should be maintained.

The Commission notes that some committees and candidates are not maintaining receipted bills or invoices as back-up for expenditures. The proposed regulations permit a canceled check and a contemporaneous memorandum to be kept instead of a receipted bill. That type of back-up may be used only if a receipted bill is not available, since a canceled check/memorandum back-up usually does not provide as much information as a bill or invoice.

If you or your treasurer have questions about these matters, please contact the Commission's office.

EXHIBIT B

(re: Finding A-2)

Committee's Chart of Accounts

1
2
3
4
5
6
7
8
9
10

400-499 RECEIPTS400-407 U. S. TREASURY FUNDS400 U. S. Treasury Funds

This account is to be used exclusively for deposit of the campaign funds received from the Federal Election Commission.

410-417 *Refunds and Rebates412 Deposits Refunded

This account is to be used to record receipt of transportation, rent, utilities, etc. ^{deposits} deposits that will be refunded upon termination of the services.

413 Reimbursement of Joint Expense

This account is to be used to record receipt of expenses recovered from areas such as travel on airplanes by the Secret Service, press, etc.

415 Other Refunds & Rebates

This account is to be used to record any other refunds of expenses not itemized or provided for above.

420-427 OTHER RECEIPTS420 Interest

This account is to be used to record interest on cash invested in government securities. ✓

425 Other

This account should be used for any other receipts not listed above.

* For other refunds and rebates, refer also to:

626 Expense Advances Repaid

632 Charter Transportation Expenses Recovered

600-699 DISBURSEMENTS600-607 MEDIA PRODUCTION600 Television

To record costs of producing the advertisements aired on television, including personnel used, cameramen, listing, drafting and creating advertisement, research, tape duplications.

601 Radio

To record costs of producing the advertisement aired on radio, including personnel used, creation and drafting advertisement, research, tape duplication.

602 Newspaper

To record costs of preparing and producing the advertisement, including creation, drafting, research, printing.

603 Magazine

To record costs of preparing and producing the advertisement, including creation, drafting, research, printing.

604 Outdoor Facilities

To record costs of preparing and producing the advertisement on a billboard, sign, etc., including creation, drafting, research, painting.

607 Other

610-617 MEDIA USE

610 Television Time

To record specific cost of air time on television or cable television.

611 Radio Time

To record specific cost of air time on radio.

612 Newspaper Space

To record specific costs of newspaper advertisement space, agent fees, and commission.

613 Magazine Space

To record specific cost of magazine advertisement space, agent fee, and commission.

614 Outdoor Facilities - Space

To record specific cost of outdoor advertisement

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space (such as billboard and signs), agent fee, and commission.

617 Other

620-627 PERSONAL SERVICES

620 Staff Payroll

To record the gross salaries and wages paid to employees of the committee, which are subject to Federal, state, and other income tax withholding regulations. This account does not include non-salaried volunteers or professional personnel on retainer or other fixed fee reimbursement basis. It does include employer paid payroll taxes.

621 Consultant/Professional Fees

To record retainer fees and fixed reimbursement expense amounts for consultants who are paid on a periodic basis for performing services to a committee (and who are not on staff payroll and who are not media consultants).

624 Expense Advances and Cash Reimbursements Made

To record reimbursements to campaign workers for personal expenses (travel and meals) incidental to performing services on behalf of committee. To also record all expense advances made.

625 Expenses Reported for Advances Made (contra to account 624; also refer to account 626 for expense advances repaid.)

To report expenses turned in by staff and volunteer workers. A properly approved expense report should be used to support this entry. The only entries to this account will be through journal entry.

626 Expense Advances Repaid

To record the receipt of cash turned in by persons who had previously received advances and not utilized them completely.

630-637 TRAVEL (TRANSPORTATION, MEALS, LODGING)

630 ~~General~~ Transportation - Nonrecoverable

To record all transportation expenses of which none will be recovered from other parties.

631 Charter Transportation - Partially Recoverable

To record the cost of charter flights and other transportations of which a portion will be recovered from Secret Service, press, etc.

632 Charter Transportation Expenses Recovered

To record the receipt of funds from Secret Service, press, etc. for reimbursement of travel expenses.

DATE

July 13, 1976

PAGE

6

OF 8

633 Travel Deposits

To record deposits for lease of airplanes, etc. and any other travel deposits.

634 Meals and Lodging

To record all lodging and meal expenses incurred by committee and ~~by the committee~~ ~~by the vendor~~, ~~directly to the committee~~ (For reimbursed personal meals and lodging, see Account 62^{1/2}).

640-647 OTHER VOTE-GETTING640 Polling

To record all costs directly related to polling activities.

641 Telephone Canvassing

To record costs of telephones, paid telephonists (other than staff personnel), automatic telephone equipment, and other telephone canvassing costs.

642 Direct Mail

To record direct mail processing costs, including computer processing services and facilities, handling.

643 Campaign Material

To record the costs of campaign materials and

supplies which are distributed free of charge.

644 Meetings

To record the cost of special meetings (such as rental space, etc.)

645 Voter Registration

To record all direct expenses incurred in connection with voter registration drives, etc.

647 Other

650-659 OFFICE

650 Occupancy Costs

To record rent, utilities, insurance, security and janitorial services, building improvements and repairs, and similar office occupancy expenses.

651 Telephone

To record costs of telephone equipment and service including answering services. But as a general rule, the third and subsequent telephone calls in offices should be recorded as telephone canvass (see Account 642).

652 Postage and Delivery

To record costs of postage, delivery, etc., except direct mail (see Account 642).

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653 Data Processing

To record all expenses incurred in connection with A.D.P., including forms for Electronic Data Processing.

654 Equipment and Furniture

To record rental costs of furniture, fixtures, and office equipment (i.e., typewriters, adding machines, xerox machine; photographic equipment).

655 Office Material and Supplies

To record all office materials and supplies (such as paper, forms, pencils, etc.).

656 Deposits - Other Than Travel

To record rental, utility, telephone, etc. deposits.

657 Other670-677 TRANSFERS OUT670 Transfers Out (to other committees, etc.)

To record transfers of funds to other political committees or candidates. Set up a separate account for each committee by its account number from 670 through 677.

EXHIBIT C

(re: Finding A-2 and C-1)

Schedule of Unsupported Expenditures as of March 31, 1979

1 9 7 0 1 6 1 0 3 :

EXHIBIT C

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.
SCHEDULE OF UNSUPPORTED EXPENDITURES AS OF MARCH 31, 1979

<u>PAYEE</u>	<u>TYPE OF PAYEE</u>	<u>DATE & AMOUNT OF CHECK/DRAFT & AMOUNT UNSUPPORTED *</u>	<u>INTENDED PURPOSE PER DOCUMENTATION PROVIDED FOR UNSUPPORTED AMOUNT</u>	<u>TYPE OF DOCUMENTATION *** AMOUNT UNSUPPORTED</u>
# Chester Davenport	Individual	9/29/76 - 225	Travel expense	Expense report not filled out or signed by payee. Committee follow-up 9/78.
# Charles R. Appleby	Individual	10/27/76- 25 **	Travel subsistence reimbursement	No add'l documentation. Follow-up by Committee on 9/20/78.
# Steven G. Murphy	Individual	10/28/76- 40 **	Misc. office expense	No add'l documentation. Committee follow-up 10/78.
# People Committee AFSCME	Political Committee	11/2/76 - 20 **	Telephone canvassing	See Exhibit G. Memo from disbursing agent instead of from payee.
# Andrew Zausner	State Coordinator	10/29/76- 100 **	"Harrisburg expenses"	See Exhibit G. Memo from disbursing agent instead of from payee.
@ Steve Petry	Individual	2/25/77 - 200	Office rent	No add'l documentation. Committee follow-up 7/78.

* Amount shown in column is the amount of the check or draft which is also the amount unsupported, unless footnoted (A/) and explained below.

** All items listed represent payments aggregating or in excess of \$100.00.

*** Except where noted, there was a cancelled check/draft along with a Committee ADP voucher as supporting documentation for items listed. Further documentation presented is noted on the Schedule or contained in Exhibit G.

Sample - Finding C(1)

@ Expanded review - Finding C(1)

EXHIBIT C

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.
SCHEDULE OF UNSUPPORTED EXPENDITURES AS OF MARCH 31, 1979

<u>PAYEE</u>	<u>TYPE OF PAYEE</u>	<u>DATE & AMOUNT OF CHECK/DRAFT & AMOUNT UNSUPPORTED *</u>	<u>INTENDED PURPOSE PER DOCUMENTATION PROVIDED FOR UNSUPPORTED AMOUNT</u>	<u>TYPE OF DOCUMENTATION *** AMOUNT UNSUPPORTED</u>
@ Ronald Landry	Individual	4/1/77 - 387.60	Campaign materials	No add'l documentation. Numerous attempts by Committee.
@ Al Brocker	Fieldperson	10/27/76- 200	GOTV	See Exhibit G. Memo from other than payee.
@ Elmer Cooper	Fieldperson	11/2/76 - 3,575	GOTV	See Exhibit G. - memo from payee.
@ Janice Cornish	Fieldperson	10/28/76- 300	GOTV - telephone squad	See Exhibit G. - memo from payee.
@ Interfaith Committee for Yes on 14	Political Committee	11/1/76 - 3,000	GOTV	See Exhibit G. - memo from payee.
@ Sherri Little	Fieldperson	10/27/76- 400 <u>A/</u>	GOTV	Documentation reviewed to clear \$150.00. Committee is following up on \$250.00.
@ Paul Schaeffer	Fieldperson	10/29/76- 3,000 <u>B/</u>	GOTV	Committee attempting to resolve \$240.00.

@ Expanded Review - Finding C(1)

A/ Amount unsupported = \$250.00, Amount previously unsupported = \$ 400.00
B/ Amount unsupported = \$240.00

EXHIBIT C

Page 3 of 6

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.
 SCHEDULE OF UNSUPPORTED EXPENDITURES AS OF MARCH 31, 1979

<u>PAYEE</u>	<u>TYPE OF PAYEE</u>	<u>DATE & AMOUNT OF CHECK/DRAFT & AMOUNT UNSUPPORTED *</u>	<u>INTENDED PURPOSE PER DOCUMENTATION PROVIDED FOR UNSUPPORTED AMOUNT</u>	<u>TYPE OF DOCUMENTATION *** AMOUNT UNSUPPORTED</u>
@ Maxine Waters	Fieldperson	11/1/76 - 3,552	GOTV	See Exhibit G - memo from payee.
@ Berick Withers	Fieldperson	11/1/76 - 1,000	GOTV	See Exhibit G - memo from payee.
@ Democratic Executive Committee of FL	Political Committee	10/27/76-21,500 A/	GOTV - per contract	Documentation reviewed to clear \$5,200.00. See Exhibit G for memo from payee's representative.
@ Charleston County Democratic Party	Political Organiz.	10/31/76- 2,500	GOTV - per contract	Letter from Committee Fieldperson and contract included in Exhibit G.
@ Florence County Democratic Party	Political Organiz.	10/28/76- 1,750	GOTV - per contract	Letter from Committee Fieldperson and contract included in Exhibit G.
@ Sumter County Democratic Party	Political Organiz.	10/28/76- 1,500	GOTV - per contract	Letter from Committee Fieldperson and contract included in Exhibit G.
@ Barnwell County Democratic Party	Political Committee	10/28/76- 250	GOTV - per contract	Letter from Committee Fieldperson and contract included in Exhibit G.

@ Expanded review -
 Finding C(1)

A/ Amount unsupported \$16,300.00.

EXHIBIT C

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.
SCHEDULE OF UNSUPPORTED EXPENDITURES AS OF MARCH 31, 1976

<u>PAYEE</u>	<u>TYPE OF PAYEE</u>	<u>DATE & AMOUNT OF CHECK/DRAFT & AMOUNT UNSUPPORTED *</u>	<u>INTENDED PURPOSE PER DOCUMENTATION PROVIDED FOR UNSUPPORTED AMOUNT</u>	<u>TYPE OF DOCUMENTATION *** AMOUNT UNSUPPORTED</u>
@ John W. Billett	Individual	11/2/76 - 59,100 <u>A/</u> 10/30/76- 10,000 <u>A/</u>	Food, gas & soundtruck operation	See Exhibit G - memo from disbursing agent.
@ Karen Hernandez	Individual	11/76 - 210	Illinois GOTV	Middleman receipt - See Exhibit H.
@ Irma Diaz	Individual	11/76 - 210	Illinois GOTV	Middleman receipt - See Exhibit H.
@ Daniel Perez	Individual	11/76 - 200	Illinois GOTV	Middleman receipt - See Exhibit H.
@ James Polk	Individual	11/76 - 400	Illinois GOTV	Middleman receipt - See Exhibit H.
@ Frank Smith	Individual	11/76 - 1,500	Illinois GOTV	Middleman receipt - See Exhibit H.
@ James Chars	Individual	11/76 - 250	Illinois GOTV	Middleman receipt - See Exhibit H.
@ Gracie Merritt	Individual	11/76 - 250	Pennsylvania GOTV	Middleman receipt - See Exhibit H.
@ Frank Oliver	Individual	11/76 - 250	Pennsylvania GOTV	Middleman receipt - See Exhibit H.
@ Edgar Campbell	Individual	11/76 - 250	Pennsylvania GOTV	Letter from payee - See Exhibit G.
@ Expanded review - Finding C(1)				

A/ Amount unsupported \$2,858.00

EXHIBIT C

Page 5 of 6

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.
 SCHEDULE OF UNSUPPORTED EXPENDITURES AS OF MARCH 31, 1979

<u>PAYEE</u>	<u>TYPE OF PAYEE</u>	<u>DATE & AMOUNT OF CHECK/DRAFT & AMOUNT UNSUPPORTED *</u>	<u>INTENDED PURPOSE PER DOCUMENTATION PROVIDED FOR UNSUPPORTED AMOUNT</u>	<u>TYPE OF DOCUMENTATION *** AMOUNT UNSUPPORTED</u>
@ Joel Johnson	Individual	11/76 - 250	Pennsylvania GOTV	Middleman receipt - See Exhibit H.
@ Grace Daniels	Individual	11/76 - 250	" " "	Middleman receipt - See Exhibit H.
@ Eddie Mearion	Individual	11/76 - 250	" " "	Middleman receipt - See Exhibit H.
@ William Monroe	Individual	11/76 - 500	" " "	Middleman receipt - See Exhibit H.
@ Brian Donnelly	Individual	11/76 - 300	" " "	Middleman receipt - See Exhibit H.
@ Thomas Minino	Individual	11/76 - 200	" " "	Middleman receipt - See Exhibit H.
¢ Angie Ray	Individual	11/2/76 - 320	GOTV -Peanut Brigade	Middleman receipt - See Exhibit H.
¢ S.E. Nat'l Bank of Orlando	Depository	10/15/76- 2,500	Voter Registration	No add'l documentation. Committee follow-up 11/78.
@ Expanded review - Finding C(1)				
¢ Sample - Finding A(2)				

EXHIBIT C

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.
SCHEDULE OF UNSUPPORTED EXPENDITURES AS OF MARCH 31, 1979

<u>PAYEE</u>	<u>TYPE OF PAYEE</u>	<u>DATE & AMOUNT OF CHECK/DRAFT & AMOUNT UNSUPPORTED *</u>	<u>INTENDED PURPOSE PER DOCUMENTATION PROVIDED FOR UNSUPPORTED AMOUNT</u>	<u>TYPE OF DOCUMENTATION *** AMOUNT UNSUPPORTED</u>
¢ Terry Straub	Individual	10/13/76- 1,189.30	Travel subsistence reimbursement	See Exhibit G - letter from payee.
¢ Walter D. Parham	Individual	10/27/76- 250	Entertainment for HQ	No add'l documentation. Committee follow-up 11/78.
¢ Larry Houghton	Individual	10/28/76- 100**	Lodging	No add'l documentation. Committee follow-up 11/78.
¢ Chuck Appleby	Individual	10/27/76- 40.35**	Gasoline	No add'l documentation. Committee follow-up 11/78.
¢ Andrew Zausner	Individual	11/1/76 - <u>500</u>	GOTV	Memo from disbursing agent without sufficient detail. Committee to follow-up.
		Total Unsupported - <u>\$48,442.25</u>	Exhibit C	

¢ Sample - Finding A(2)

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EXHIBIT D
(re: Finding A-2)

Examples of the Committee's Internal Processing Forms

INVOICE DATE 11/1/16
INVOICE NUMBER

PAY (52)

CHASE AMOUNT 75.00

ACCOUNT COST NUMBER 651840 (53-58)

DISTRIBUTIONS AMOUNT 75.00 (65-72)

PURPOSE OF EXPENDITURE (PRINT CLEARLY)

EQUIPMENT & FURNITURE

20 POSITIONS

20 POSITIONS

20 POSITIONS

(14-19)

(34-39)

(14-19)

(34-39)

(14-19)

(34-39)

(26-31)

(46-51)

(26-31)

(46-51)

(26-31)

(46-51)

CODE (73)

CODE (73)

CODE (73)

PREPARED BY ST.

REC

APPROVED BY

PRICE

EXT

TOTAL

75.00

ACCOUNTS PAYABLE VOUCHER

VENDOR NAME AND ADDRESS FORM

CLIENT NO. (76-00) 051000

VENDOR NO. 02

(1-36) NAME

VENDOR NO. 02

(39-68) ADDRESS LINE 1

VENDOR NO. 03

(9-33) ADDRESS LINE 2

VENDOR NO. 03

(34-68) ADDRESS LINE 3 (61-65)

VENDOR NO. 04

(9-36) ADDRESS LINE 4

CUSTOMER COPY

Signature

CHECK REQUEST

1976 Democratic Presidential Campaign Committee, Inc.

Payee Name (print) Music Man Seward Company

Payee Address (print) 3242 N High Street
Columbus, Ohio 43202

Amount \$ 75⁰⁰

Requested by (print) Payee

Date Needed: A.S.A.P.

Purpose of Payment (print) Missing Equipment

Field Office (Cost Center)
to be Charged (print) _____ // _____ code

Approved for Payment RA
(Cost Center Director or his authorized agent)

- Carter/Mondale Only
- OR
- Shared with Other Candidates

AUTH.	ST
INT.	ST
FOOT	ST
VDR	ST
668	59151

- Paid by Draft
- OR
- To be Paid

P

ATTACH SUPPORTING DOCUMENTATION
(Invoice, Packing Slip, Statement, Receipt, etc.)

PICK UP OR MAIL

107315104

ROOM 209
ATLANTA, GEORGIA 30309

NOTICE: THIS LETTER IS TO PROVE YOUR'S AND THE CAMPAIGN'S BEST EFFORTS TO COMPLY WITH THE LAWS OF THE UNITED STATES. THE FEDERAL ELECTIONS COMMISSION REQUIRES THAT WE MAINTAIN THE INFORMATION REQUESTED BELOW. YOUR IMMEDIATE ATTENTION AND RESPONSE IS NEEDED.

_____ 1977
() - _____

REF: OUR NO. _____
Date Number Amount
CHECKS:

Dear _____

We are unable to locate a complete explanation for the above referenced payments made to or by you during the course of the campaign.

Please provide us with a complete description of what the payment covered. Please itemize below as follows:

Date TO WHOM PURPOSE AMOUNT

Also, please enclose any receipts you have in your possession. If you do not have receipts for those above payments which exceed \$25.00, please complete and sign the enclosed affidavit.

As you may be aware, it is very important that this information be provided immediately. Should you need additional information or instructions, please call me at (404) 897-5050.

Sincerely,

Bob Bland
BUREAU OF INVESTIGATION

1070151041

Example

STATE OF _____
(Your State of Residence)

COUNTY OF _____
(Your County of Residence)

_____, being of lawful age
(Print Your Name)
age and having been duly sworn on her (his) oath, states that she (he)
is the person who received the following amount of money:

\$13,200 in drafts from the 1976 Democratic Presidential
Campaign Committee, Inc.

and that she (he) knows of her (his) own knowledge, the facts here-
inafter stated:

(Describe what the money you received was used for)

Election Day activities as detailed in ledger previously
submitted to 1976 Democratic Presidential Campaign Committee, Inc.

SIGNATURE

Subscribed and sworn to before me this _____ day of
_____, 1977.

(SEAL)

Notary Public, County of _____, State of _____

My commission expires _____

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EXHIBIT E

(re: Finding A-2)

Schedule of Terms Used as Purpose of Expenditure
10/19/76-3/31/77

EXHIBIT E

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.

SCHEDULE OF TERMS USED AS PURPOSE OF EXPENDITURE
FOR THE PERIOD 10/19/76 - 3/31/77

<u>Related 1/ Account Title #</u>	<u>Purpose of Expenditure</u>	<u>Adequate</u>	<u>Inadeq</u>
250	Transition Costs		X
600	Television	X	
601	Radio	X	
607	Other Media Production	X	
610	Television Time	X	
611	Radio Time	X	
612	Newspaper Space	X	
613	Magazine Space	X	
617	Other Media Use	X	
620	Staff Salary/Payroll	X	
620	Payroll Taxes	X	
621	Consultant/Professional Fees	X	
624	Salary Advance <u>2/</u>	X	
624	Expense Advance Made <u>2/</u>	X	
630	Air Fare	X	
630	Direct Ground Transportation	X	
631	Commercial Transportation/ Non-Recoverable	X	
631	Charter Transportation/ Partially Recoverable	X	
634	Travel Subsistence Reimbursement		X
640	Polling	X	

EXHIBIT E

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.

SCHEDULE OF TERMS USED AS PURPOSE OF EXPENDITURE
FOR THE PERIOD 10/19/76 - 3/31/77

<u>Related 1/ Account Title #</u>	<u>Purpose of Expenditure</u>	<u>Adequate</u>	<u>Inadeq:</u>
641	Telephone Canvassing	X	
642	Direct Mail	X	
643	Campaign Material	X	
644	Meetings		X
645	Get-Out-The-Vote		X
645	Voter Registration		X
645	Election Celebration	X	
650	Occupancy Costs	X	
651	Telephone	X	
652	Postage and Delivery	X	
653	Data Processing	X	
654	Equipment and Furniture	X	
655	Miscellaneous Office Expense	X	
655	Office Material and Supplies	X	
655	Miscellaneous Office Supplies	X	
--	Other		X

1/ See EXHIBIT B "Chart of Accounts" for Account description.

2/ See Finding A(1) for amending action required of Committee.

EXHIBIT F
(re: Finding D-4)

Estimated Qualified Campaign Expenses as of March 31, 1979

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EXHIBIT F

Estimated Qualified Campaign Expenses and Receivables
as of Close of Business March 31, 1979

Accounts Payable March 31, 1979	\$ 3,337.00
Winding Down Costs March 31, 1979 to Termination (estimate for Legal and Accounting Fees, Telephone, Postage, Office Rent, Equipment Rental, and Miscellaneous expenses.)	<u>8,000.00</u>
Estimated Qualified Campaign Expenses as of March 31, 1979.	<u>\$11,337.00</u>

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EXHIBIT G

(re: Finding C-1 and Exhibit C)

Examples of Supporting Documentation Submitted by the Committee

APR 14/198

Draft Numbers:	
618535	\$ 20.00
618534	100.00
904850	<u>500.00</u>
	<u>\$ 620.00</u>

was drawn to pay (11/2/76)

People for AFSCME
 for the use of their
 phones at their
 union headquarters in
 connection with Carter-
 Mondale Campaign.

Jarden J...

1073161051

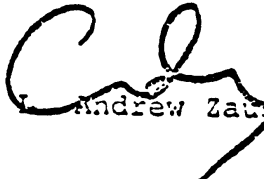
August 30, 1978

Ms. Joanna M. Lambert
Controller
1976 Democratic Presidential
Campaign Committee, Inc.
1795 Peachtree Road, N.E.
Room 206
Atlanta, Georgia 30309

Dear Joanna:

Enclosed is the certification you requested. If I can
be of any more help, please do not hesitate to contact
me.

Sincerely,


Andrew Zausner

Enclosure

107016105

RECEIVED
SEP 1 1978
COMMUNICATIONS SECTION

RECEIVED
SEP 1 1978
COMMUNICATIONS SECTION

Audit Workpapers

1976 Democratic Presidential Campaign Committee, Inc.

FEDERAL ELECTION COMMISSION

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bank account numbers, credit card information, telephone

numbers, Social Security numbers, etc.)

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- | | | |
|--|-------------------------------------|--|
| <input type="checkbox"/> (1) Classified Information | <input checked="" type="checkbox"/> | (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> | (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> | (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> | (9) Well information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | | |

Signed

Thomas A. Blanton

date

5/31/79

FEC 9-21-77

1073161053

CERTIFICATION

I, L. Andrew Zausner, hereby certify that I signed and delivered four \$100 drafts Nos. 607152, 607153, 607154 and 607155 payable to Jack Leary for \$400, and five drafts No. 618432 \$100, No. 618433 \$100, No. 904826 \$500, No. 904840 \$500, and No. 905926 \$500 payable to Girard Bank for cash, which were wired to Paul Shone. All of the funds from the nine drafts were, pursuant to my instructions, to be used by Mr. Leary and Mr. Shone for Harrisburg, Pennsylvania election day expenses.

9/30/78
Date

L. Andrew Zausner
Signature (do not print)

1712-1/2 - 19th St., NW
Street Address

Washington, D. C. 20009
City/State/Zip Code

Telephone (include area code)

107016051



OPTIONAL SERVICES
CONSULTING SERVICES

Department of Justice
Federal Campaign Committee, Inc.

CARTER
WALTER
MONDALE



Leaders, for a change.

August, 1978

X

Mrs. Carolyn Burns
The White House - East Wing
Washington, D.C. 20500

Dear Carolyn:

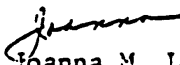
Enclosed are copies of information submitted with two Michigan drafts Nos. 619367 and 619369 for \$100 each, together with a memo from Malcolm Dade, Jr., although the drafts were payable to Al Brooker.

The Federal Election Commission is conducting an audit of the campaign expenditures and they have asked for the \$15 receipts mentioned in the memo. The memo is not adequate documentation and we need receipts and particulars for the \$200 total.

Since three people were involved in this transaction, I am requesting the information from you as Budget and Finance Coordinator for Michigan.

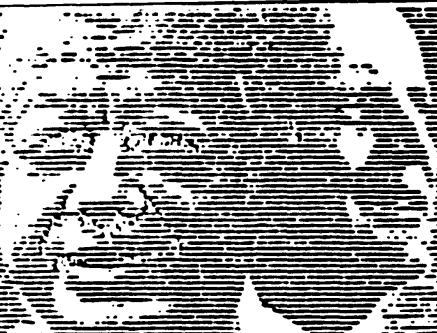
We need the documentation by September 10.

Sincerely,


Joanna M. Lambert
Controller

JML:s
encis.

CARTER
WALTER
MONDALE



Leaders, for a change.

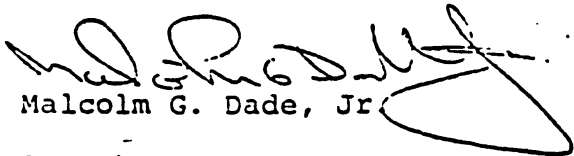
15251 W. Eight Mile Rd. / Detroit, MI 48235
Phone 863-0800

November 3, 1976

To Whom It May Concern:

As it relates to the attached, this is to advise that MS. Rosalie Whelan who authorized these payments was involved in a "Get Out the Vote" organization which involved teams or individuals daily to hang signs, distribute literature, deliver material, etc. The rate was \$15 per day and in some instances to conserve drafts when several individuals were involved, the draft was made payable to one individual.

Sincerely,


Malcolm G. Dade, Jr

Attachment

10706053

REQUISITION
DRAFT OR ADVANCE OF FUNDS

9

Date 10/29/76

TO: Donald E. O'Brien

Requested by: Karen Nichols

Title: GOTU

Issued to: 100 Brookline

Address: 111953 Paderewski Street
Brookline, Mass.

PURPOSE:

200⁰⁰

GOTU - 659 RW

Karen Nichols
(Signature)

AUTHORIZATION

Approved by: _____

Donald E. O'Brien
State Coordinator

PETTY CASH:

Draft No. 619,367+369

Amount \$ 200 -

Date 10/29/76

Atlanta Control No. _____

DOCUMENTS

Receipts Attached: _____

Receipts Pending: _____

Forwarded to Atlanta NOV 1 1976

logged 10/29

Signed _____

Carolyn S. Burns
Budget & Finance Coordinator

*19
1/5/27*

107316057

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.
P. O. BOX 1976, ATLANTA, GEORGIA 30301

619367

PAY TO XXXXXXXX AL BROOKER

DATE 10/29/76

14153 Padorewski St.
ADDRESS

Livonia, Mich.
ADDRESS

CC

NOT VALID FOR MOI
THAN \$100.0

One hundred and no/100 DOLLARS \$ 100.00

PURPOSE GOTV/

7 1 1

PAYABLE THROUGH

Fulton National Bank
ATLANTA, GEORGIA

COPY-NOT NEGOTIABLE
AUTHORIZED SIGNATURE *[Signature]*

⑆0610⑉0007⑆ 01 471 92⑈

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.
P. O. BOX 1976, ATLANTA, GEORGIA 30301

619369

PAY TO AL BROOKER

DATE 10/29/76

14153 Padorewski St.
ADDRESS

Livonia, Michigan
ADDRESS

CC

NOT VALID FOR MOI
THAN \$100.0

One hundred and no/100 DOLLARS \$ 100.00

PURPOSE GOTV

7 1 1

PAYABLE THROUGH

Fulton National Bank
ATLANTA, GEORGIA

COPY-NOT NEGOTIABLE
AUTHORIZED SIGNATURE *[Signature]*

⑆0610⑉0007⑆ 01 471 92⑈

Audit Workpapers

1976 Democratic Presidential Campaign Committee, Inc.

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| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> | (9) Well information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | | |

Signed

Thurston F. Halter

date

5/3/79

FEC 9-21-77

AFFIDAVIT

1. Elmer R Cooper, hereby certify that the information listed on the attached letter is a true and accurate accounting, to the best of my recollection, and that the funds were spent in behalf of the 1976 Democratic Presidential Campaign Committee's efforts to elect Jimmy Carter/Walter Mondale.

Nov 2, 1978
Date

Elmer R Cooper Elmer R Cooper
Signature (do not print)

934 T St N.W.
Street Address

Washington DC
City/State/Zip/Code

[Redacted]
Telephone (include area code)

190161067

NOTICE: THIS LETTER IS TO PROVE YOUR'S AND THE CAMPAIGN'S BEST EFFORTS TO COMPLY WITH THE LAWS OF THE UNITED STATES. THE FEDERAL ELECTIONS COMMISSION REQUIRES THAT WE MAINTAIN THE INFORMATION REQUESTED BELOW. YOUR IMMEDIATE ATTENTION AND RESPONSE IS NEEDED.

2-9 1977

() -
Elmer Cooper

REF:	OUR NO.	Date	Number	Amount
	79209, 79210, 79211, 80868, 69033, 69034			
CHECKS:		11-01-76	904748	500.00 ^
		11-01-76	904747	500.00 ^
		11-01-76	904749	500.00 ^
		11-01-76	617385	50.00 ^
Dear		11-16-76	611827	100.00
		10-16-76	611828	42.00

169.20

We are unable to locate a complete explanation for the above referenced payments made to or by you during the course of the campaign.

Please provide us with a complete description of what the payment covered. Please itemize below as follows:

<u>Date</u>	<u>TO WHOM</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
<i>These were for G.O.P. that is the only thing going on in early November. Some might have been for G.O.P. events, I just can't recall each of the G.O.P. events were at Atlanta at the Campaign Center. They may have been for the G.O.P. bank, I don't know. I can't recall, but they had money at that time. We gave them</i>			

Also, please enclose any receipts you have in your possession. If you do not have receipts for those above payments which exceed \$25.00, please complete and sign the enclosed affidavit.

As you may be aware, it is very important that this information be provided immediately. Should you need additional information or instructions, please call me at (404) 897-5050.

Sincerely,

Bob Bland
BUDGET & FINANCE

1 0 7 3 1 5 0 6 1

BUDGET & FINANCE
 1795 PEACHTREE ST., N. E.
 ROOM 606
 ATLANTA, GEORGIA 30309

NOTICE: THIS LETTER IS TO PROVE YOUR'S AND THE CAMPAIGN'S BEST EFFORTS TO COMPLY WITH THE LAWS OF THE UNITED STATES. THE FEDERAL ELECTIONS COMMISSION REQUIRES THAT WE MAINTAIN THE INFORMATION REQUESTED BELOW. YOUR IMMEDIATE ATTENTION AND RESPONSE IS NEEDED.

2-9 1977

()
Mr. Elmer Cooper
1504 Noe St.
San Francisco, CA. 94131

REF: OUR NO. 17390, 17391, 17927, 17928, 17929

	Date	Number	Amount
CHECKS:	11-03-76	904782	500.00 ^
	11-03-76	904781	275.00 ^
	11-03-76	904772	500.00 ^
	11-03-76	904773	250.00 ^
	11-03-76	904769	500.00 ^

Dear Mr. Cooper:

We are unable to locate a complete explanation for the above referenced payments made to or by you during the course of the campaign.

Please provide us with a complete description of what the payment covered. Please itemize below as follows:

Date	TO WHOM	PURPOSE	AMOUNT
<i>This had to be used for GOTV purposes no other large checks were issued that late in the campaign. the date of No 3. maybe a mistake. One GOTV receipt total more than 30.00 minutes to Atlanta. Any other GOTV receipts have long since been</i>			

Also, please enclose any receipts you have in your possession. *Miss Bland*
 If you do not have receipts for those above payments which exceed *in \$25.00* please complete and sign the enclosed affidavit.

As you may be aware, it is very important that this information be provided immediately. Should you need additional information or instructions, please call me at (404) 897-5050.

Sincerely,

Bob Bland

Bob Bland
 BUDGET & FINANCE

CARTER-MONDALE
BUDGET & FINANCE
1795 PEACHTREE ST., N. E.
ROOM 206
ATLANTA, GEORGIA 30309

NOTICE: THIS LETTER IS TO PROVE YOUR'S AND THE CAMPAIGN'S BEST EFFORTS TO COMPLY WITH THE LAWS OF THE UNITED STATES. THE FEDERAL ELECTIONS COMMISSION REQUIRES THAT WE MAINTAIN THE INFORMATION REQUESTED BELOW. YOUR IMMEDIATE ATTENTION AND RESPONSE IS NEEDED.

2-12 1977

() -
ELMER COOPER
1504 NICH ST
SAN FRANCISCO CA
94131

REF: OUR NO. 68709,

	Date	Number	Amount
CHECKS:	<u>10/15</u>	<u>611833-4</u>	<u>140.00 TO DELTA AIRLN</u>

Dear M.R. COOPER:

We are unable to locate a complete explanation for the above referenced payments made ~~to or by~~ you during the course of the campaign.
for

Please provide us with a complete description of what the payment covered. Please itemize below as follows:

Date TO WHOM PURPOSE AMOUNT

*This was for a air trip to Atlanta on a
group trip to St. Louis for a trip I make to
East St Louis about this time and also make
a trip to Atlanta, Ga. about this time so it can
have been used for that. I don't have that rec.*

Also, please enclose any receipts you have in your possession.
If you do not have receipts for those above payments which exceed \$25.00, please complete and sign the enclosed affidavit.

As you may be aware, it is very important that this information be provided immediately. Should you need additional information or instructions, please call me at (404) 897-5050.

Sincerely,


Bob Bland
BUDGET & FINANCE

1 0 7 0 1 6 0 6

Janice Cornish
1439 E. Mt. Pleasant Ave.
Phila., Pa. 19150

Carter-Mondale
Budget & Finance
1795 Peachtree St., N.E.
Atlanta, Georgia 30309

February 17, 1977

Dear Mr. Bland:

In response to your letter of February 8, 1977, with reference to the Carter-Mondale campaign and Monies disbursed to a telephone squad, servicing the Carter-Mondale, ticket. I have referred the same to H. Patrick Swygert, esq. for any needed action. However, when a satisfactory conclusion of this matter has been reached, I would like to be informed.

Thanking you in advance for your consideration.

Janice Cornish
Janice Cornish

JIMMIE
CARTER
WALTER
MONDALE



Leaders, for a change.

July, 1978

X

Ms. Janice Cornish
1439 East Mt. Pleasant Avenue
Philadelphia, Pennsylvania 19150

Dear Ms. Cornish:

A copy of our request for you to furnish receipts and particulars of the \$475 in drafts made payable to you, together with a copy of your response, is enclosed.

These are federal funds for campaign purposes and the Federal Election Commission is auditing the expenditures made.

The Commission does not consider your response proper documentation (Mr. Swygert didn't send any receipts either) and since you were the payee on the drafts, you are responsible for accounting for these funds; therefore, we need to have you furnish this documentation immediately. The Commission has set September 10, as their follow-up date.

Please respond immediately.

Sincerely,

Joanna M. Lambert
Joanna M. Lambert
Controller

JML:s
encls.

**JIMMY
CARTER**

**WALTER
MONDALE**



Leaders, for a change.

December 20, 1978

Addition to Exh. G of 12/11/78

Mr. Rick Halter, Auditor
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Rick:

Enclosed is a copy of the affidavit from the Interfaith Committee regarding the \$3,000 the Committee disbursed to them. This is Item 2, Page 5, Exhibit C. I trust you will accept the affidavit of a servant of God as gospel.

Also enclosed is a copy of the information sent in by Elmer Cooper. God he isn't but I hope you will accept his affidavit as well. This is Item 12, Page 4, Exhibit C.

If these are satisfactory, please advise.

Sincerely,

Joanna M. Lambert
Controller

JML:s
encis. (2)

Copy: Mr. Richard M. Harden

000013

Interfaith Committee For Yes On 14

2625 South Vermont Ave.
Los Angeles, CA. 90007
213-386-8130

December 11, 1978

TO WHOM IT MAY CONCERN:

I, Sister Mary Anne Sandoval, S.J., hereby declare that I was the treasurer of the Interfaith Committee for Yes on 14 during and after the election campaign of 1976. We did receive \$3,000 from the 1976 Democratic Presidential Campaign Committee, Inc. during the last week before the election. The money was deposited in the general fund of the Interfaith Committee for Yes on 14 and was reported as income to the California Campaign Practices Committee in Sacramento. Although the money was not earmarked for a particular purpose, our resources during and after the final 10 days of the campaign were primarily used in support of the general get-out-the-vote effort in Los Angeles County.

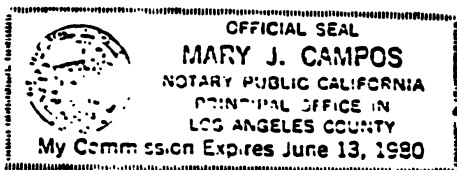
I declare under penalty of perjury that the above is true and correct.

EXECUTED on December 12, 1978

at Los Angeles, CA.

Mary J. Campos

Sister Mary Anne Sandoval
S.J.



Audit Workpapers

1976 Democratic Presidential Campaign Committee, Inc.

FEDERAL ELECTION COMMISSION

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| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> | (9) Well information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | | |

Signed

Harold A. Hickey

date

5/31/79

AFFIDAVIT

I, Marye Waters, hereby certify that the information listed on the attached letter is a true and accurate accounting, to the best of my recollection, and that the funds were spent in behalf of the 1976 Democratic Presidential Campaign Committee's efforts to elect Jimmy Carter/Walter Mondale.

9/11/78
Date

Marye Waters
Signature (do not print)

7900 So. Central
Street Address

Los Angeles Calif.
City/State/Zip Code

Telephone (include area code)

To Whom it May Concern,
This is the second time I have sent you this type of affidavit. The \$3,532.00 was money distributed to election-day workers for the get-out-the-vote effort in South-Central Los Angeles. We utilized a puncher system for payment of equipment supplies & the

107316067

xx of the expenses or vouchers
& payment slips were given to
your accountant. All monies were
accurately accounted for. Where
are the individual receipts?
They should be on file —

Rayne Waters

1072161073

"G"

M. Wilson
1900 So. Ventrice
19. 9001

1976 Democratic Presidential Campaign Committee, Inc.
1795 PEACHTREE ROAD, N. E. ROOM 206
ATLANTA, GEORGIA 30339

EM
15 SEP
1978



1 2 0 9 1 0 2 0 1

Audit Workpapers

1976 Democratic Presidential Campaign Committee, Inc.

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| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | |

Signed

James T. Hatcher

date

5/31/79

FEC 9-21-77

107016107

G

AFFIDAVIT

I. Dedrick Withers, hereby certify that the information listed on the attached letter is a true and accurate accounting, to the best of my recollection, and that the funds were spent in behalf of the 1976 Democratic Presidential Campaign Committee's efforts to elect Jimmy Carter/Walter Mondale.

1/18/79

Date

Dedrick Withers
Signature (do not print)

504 E. McLemore
Street Address

Memphis Tenn 38109
City/State/Zip Code

Telephone (include area code)

1 2 7 3 6 7 1

G

2253 Monaghan Drive
Tallahassee, Florida 32303
October 16, 1978

Ms. Joanna M. Lambert
Controller
1795 Peachtree Road, N.E., Room 206
Atlanta, Georgia 30309

Dear Ms. Lambert:

This is to acknowledge receipt of your letter of August, 1978 requesting information regarding how \$21,500.00 of election funds for the 1976 Presidential Campaign were spent or distributed. I am surprised that this information was not provided by the Florida State Democratic Party, in Tallahassee, Florida, when in fact, this information, in addition to actual check stubbs and receipts were submitted to them for record, immediately after the November 2 election. I am confident therefore, that if you were to contact them, they would be delighted to share this information with you.

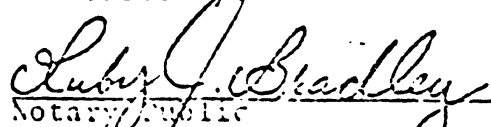
But in view of your time limitations, I am enclosing "break out" information and those individuals throughout the state who received various amounts of money for "Get-out-the-vote" activities and expenses in their respective communities. As indicated in sample attachments (A & B) any and everyone who receives funds from me were told in advance how the funds must be spent and further that they were assuming full responsibility for such funds. These recipients all signed receipts acknowledging they fully understood the same. To my knowledge none of these funds were misused. Consequently, you may use this letter as a sworn affidavit signifying the same.

If additional information is needed, I would suggest contact either Mr. Greg Framer, State Democratic Party or any of the recipients named herein.

Respectfully,


Claud Anderson

Witnesses by


Notary Public
State of Florida at Large

Notary Public, State of Florida at Large
My Commission Expires Dec. 13, 1980
Issued By American Fire & Casualty Company

107015071

6

BUDGET EXPLANATION

In the upcoming presidential election, it is generally expected that the Black vote will be a Carter/Mondale vote; therefore, our "get-out-the-vote" activities should exert maximum efforts in the Black communities across the state. The previously listed fourteen counties were identified and prioritized based upon their Black population densities. The projected GOTV allocations were determined by multiplying the number of registered Black, Democratic voters by an average cost factor of twenty-two cents, thereby producing a basic county allocation. It should be pointed out that these allocations are subject to change as a result of pre-election day needs. To assist local county coordinators in developing their budgets, an approved expenditure list is attached. County coordinators are asked to contact Dr. Claud Anderson, Deputy Coordinator, prior to making any financial commitments which significantly deviate from the approved items.

As a safe-guard to monies being spent prematurely, 33% of each county's allocation will be reserved until five days before the November 2 election.

Voter registration figures listed in this budget are based on an official release by the State Division of Elections, effective September 13, 1976. Final registration tabulations should result in only slight variations of these figures.

1 0 7 0 1 6 1 0 7 3

11 G 11

PROPOSED BUDGET FOR GOTV

<u>COUNTY</u>	<u>REGISTERED VOTERS</u>	X	<u>AVERAGE COST</u>	=	<u>BASIC ALLOCATION</u>
Dade	94,915	X	\$.22	=	\$ 20,881.00
Duval	57,979	X	.22	=	12,755.00
Broward	22,288	X	.22	=	4,903.00
Hillsborough	21,372	X	.22	=	4,702.00
Palm Beach	19,864	X	.22	=	4,370.00
Orange	16,759	X	.22	=	3,687.00
Lscambia	15,204	X	.22	=	3,345.00
Pinellas	14,441	X	.22	=	3,177.00
Polk	10,668	X	.22	=	2,347.00
Leon	10,203	X	.22	=	2,245.00
Volusia	7,701	X	.22	=	1,694.00
Alachua	7,485	X	.22	=	1,647.00
Gadsden	6,118	X	.22	=	1,346.00
Marion	5,752	X	.22	=	1,265.00
	<u>310,749</u>				<u>68,364.00</u>

Additional Allocations:

Slate Cards	1,000.00
Radio Advertising	<u>1,000.00</u>
	<u>\$ 70,364.00</u>

107016107

G

APPROVED EXPENDITURES

PERSONNEL

Office Staff
Literature Distributors
Poll Watchers
Drivers (Pickup Sites)
Site Telephone Workers

TRANSPORTATION

Automobile (personal or rental)
Fuel

SOUND SYSTEMS

Vans or Equipment

REFRESHMENTS

Food
Punch

ADVERTISING

Radio (GOTV Promotes)
State and Local Slates

107016077

Audit Workpapers

1976 Democratic Presidential Campaign Committee, Inc.

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| <input type="checkbox"/> (5) Internal Documents | |

Signed

Harold F. Hartung

date

5/31/79

FEC 9-21-77

107016073

Attachment A

Barnett Bank of Tallahassee

Account Name: Florida Democratic Party G.O.P.V.

Check No.	Name	Amount	Date
1	Janell Wilson Jacksonville.Fl.	\$800.00 ^w	Oct. '76
2	Mike Hightower Gainesville, Fl.	\$100.00 ^w	Oct. '76
3	Edward Holt Jacksonville, Fl.	\$200.00 ^w	Oct. '76
4	Patricia White	VOID	
5	Holiday Inn Conference Expenses Tampa, Florida	\$39.00	
6	Robert Travis Tallahassee, Fl.	\$500.00 ^w	Oct. '76
7	Harry Rocker Orlando, Fl	VOID	
8	Al Dempsey Present Address unknown Last known address Atlanta	\$100.00 ^w	Oct. '76
109	Clarence Edwards Miami, Florida	\$5000.00 ^w	Oct. '76
110	Al Daniels Gainesville, Fl.	\$550.00 ^w	Oct. '76
111	Ufallo Frazier Miami, Fl	\$550.00 ^w	Oct. '76
112	Dan Hendrix West Palm Beach, Fl.	\$1400.00 ^w	Oct. '76
113	Zebedee Wright Ft. Lauderdale, Fl	\$1300.00 ^w	Oct. '76

4 - traced & posted to

Audit Workpapers

1976 Democratic Presidential Campaign Committee, Inc.

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numbers, Social Security numbers, etc.)

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input checked="" type="checkbox"/> (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | |

Signed *John F. Walters*

date 5/31/79

FEC 9-21-77

RECEIVED JAN 29 1979



January 25, 1979

Mr. Ronald D. Eastman
Cadwalader, Wickersham & Taft
Eleven Dupont Circle
Washington, D.C. 20036

Dear Mr. Eastman:

Prior to the 1976 general election, several Democratic Party county committees in South Carolina entered into contracts with the 1976 Democratic Presidential Campaign Committee, Inc. Under those contracts our county committees were paid certain amounts of money to finance particular activities in connection with our get-out-the-vote effort. Copies of the contracts for Barnwell County (\$250.00), Sumter County (\$1,500.00), Florence County (\$1,750.00), and Charleston County (\$2,500.00) are attached. The Charleston County contract provided that 48 cars and drivers were to be hired on election day at \$30.00 each and that 53 runners would be hired at \$20.00 each. The Florence County contract specified that 32 cars and drivers would be hired at \$800.00, that \$250.00 would be spent on door hangers and \$250.00 on voter registrations, \$320.00 spent on 8 sound trucks, and \$130.00 for 13 poll watchers. The Sumter County contract provided for 60 cars and drivers at \$25.00 each. The Barnwell County contract provided that 25 cars and drivers would be hired at \$10.00 each.

I had personal contact with the persons in each of the GOTV efforts in each of these counties, including County Party Secretary Franklin Robson in Charleston, County Chairman Ed Ervin in Sumter, County Chairman Tom Rogers in Florence, and County Party Chairman Robert Collins in Barnwell counties. I certify that the money was spent in accordance with the terms of the contracts.

Sincerely,

Donald L. Fowler
Chairman

:dr

Enclosure

10706108

RECEIVED JAN 29 1979

219

Check No.	Name	Amount	Date
114	Otis Williams Lakeland, Fl.	\$800.00 ^w	Oct. '76
115	Eugene Poole Ocala, Fl	\$600.00 ^w	Oct. '76
116	Morris Milton St. Petersburg, Fl.	\$1100.00 ^w	Oct. '76
117	Richard Moore Daytona Beach, Fl	\$700.00 ^w	Oct. '76
118	Robert Gilder Tampa, Fl.	\$1400.00 ^w	Oct. '76
119	Harry Rucker Orlande, Fl.	\$1000.00 ^w	Oct. '76
120	Roosevelt Harris Tallahassee, Fl.	\$800.00 ^w	Oct. '76
121	Edward Holt Jacksonville, Fl.	\$661.00 ^w	Oct. '76
123	Gil Kendrick Last known address Pensacola, Fl.	\$300.00 ^w	Oct. '76
124	Clarence Edwards Miami, Fl.	\$3000.00 ^w	Oct. '76
142	Richard Moore Daytona Beach, Fl.	\$150.00 ^w	Oct. '76

4-1-1976

AGREEMENT entered into between 1976 Democratic Presidential Campaign Committee, Inc. and the Charleston County Democratic Party:


The 1976 Democratic Presidential Campaign Committee, Inc. hereby agrees to pay the Charleston County Democratic Party the sum of \$2,500.00, in return for which the Charleston County Democratic Party agrees to perform certain services in connection with Get out the Vote activities on election day. The parties anticipate that \$2,500.00 will be expanded by the Charleston County Democratic Party in the following fashion:

48 Cars and Drivers at \$30.00 each

53 Runners at \$20.00 each

The Charleston County Democratic Party further agrees to maintain records, including receipts, of all expenditures made pursuant to this agreement.

Done this 31st day of October, 1976.


Carter Representative

Franklin E. Robson
Charleston County Democratic Party

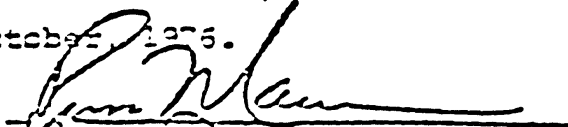
AGREEMENT entered into between 1976 Democratic Presidential Campaign, Inc. and the Sumter County Democratic Party:

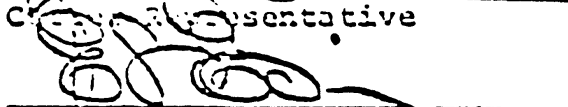
The 1976 Democratic Presidential Campaign Committee, Inc. hereby agrees to pay the Sumter County Democratic Party the sum of \$1,500.00 in return for which the Sumter County Democratic Party agrees to perform certain services in connection with Get out the Vote activities on election day. The parties anticipate that \$1,500.00 will be expended by the Sumter County Democratic Party in the following fashion:

60 cars and drivers at \$25.00 each

The Sumter County Democratic Party further agrees to maintain records, including receipts, of all expenditures made pursuant to this agreement.

Done this 28th day of October, 1976.



County Representative


Sumter County Democratic Party

1 0 7 7 6 0 8 1

AGREEMENT entered into between 1976 Democratic Presidential Campaign Committee, Inc. and the Barnwell County Democratic Party:

The 1976 Democratic Presidential Campaign Committee, Inc. hereby agrees to pay the Barnwell County Democratic Party the sum of \$250.00, in return for which the Barnwell County Democratic Party agrees to perform certain services in connection with Get out the Vote activities on election day. The parties anticipate that \$250.00 will be expanded by the Barnwell County Democratic Party in the following fashion:

25 cars and drivers at \$10.00 each

The Barnwell County Democratic Party further agrees to maintain records, including receipts, of all expenditures made pursuant to this agreement.

Done this 28th day of October, 1976.

J. R. West C'Y
Party Representative

Miss L. ...
Barnwell County Democratic

AGREEMENT entered into between 1976 Democratic Presidential Campaign Committee, Inc. and the Florence County Democratic Party:

The 1976 Democratic Presidential Campaign Committee, Inc. hereby agrees to pay the Florence County Democratic Party the sum of \$1,750.00, in return for which the Florence County Democratic Party agrees to perform certain services in connection with Get out the Vote activities on election day. The parties anticipate that \$1,750.00 will be expanded by the Florence County Democratic Party in the following fashion:

Door Hangers	- \$250.00
Voter Registrations	- 250.00
8 Sound Trucks	- 320.00
32 Cars and Drivers	- 800.00
13 Poll Watchers	- 130.00

The Florence County Democratic Party further agrees to maintain records, including receipts, of all expenditures made pursuant to this agreement.

Done this 28th day of October, 1976.


Carter Representative

AFFIDAVIT

STATE OF DISTRICT OF COLUMBIA
CITY OF WASHINGTON

JOHN W. BILLET, being of lawful age and having been duly sworn on his oath, states that he is the person who received funds for Get Out the Vote activities in the amount of \$69,100.

He further states that receipts for the expenditure of those funds has been submitted to the 1976 Democratic Presidential Campaign Committee in the amount of \$66,242 for a balance of \$2,858 unaccountable by individual receipts.

He finally states that the sum (\$2,858) was expended for direct Get Out the Vote activities primarily in the category of food, gasoline and sound truck operations.

John W. Billet
March 14, 1977

10706087



CLERK OF QUARTER SESSIONS
ROOM 673, CITY HALL
PHILADELPHIA, PA. 19107
MU 6-4280-81-82

2-250

G

EDGAR C. CAMPBELL SR
CLERK OF QUARTER SESSIONS

February 21, 1979

Ms. Joann M. Lambert
Controller
Democratic Campaign Committee
1795 Peachtree Road, N. E.
Room 206
Atlanta, Georgia 30309

Dear Ms. Lambert:

I am in receipt of your letter of December 13, 1978, in which you requested names, addresses and the amount of funds disbursed during the 1976 Presidential Election.

never
found
number

I have tried on several occasions to reach you by calling 404-397-5050, as you requested in your correspondence, but with no success. Therefore, I am sending you this letter.

At the time that I received the money from Campaign Headquarters, after the election, to the best of my knowledge, I gave them a receipt, and it was broken down to whom and the amount disbursed.

After almost 4 years, there is no way possible for me to remember the names, addresses and the amount of money disbursed. I believe that the money was disbursed to 10 or 12 persons, for handing out literature on Election Day throughout my Ward.

I hope that this letter will be of some service to you.

Sincerely,

EDGAR C. CAMPBELL, SR.
Clerk of Quarter Sessions

ECC:msw

November 30, 1978

Ms. Joanna Lambert
Controller
1795 Peachtree Road, N.E.
Room 206
Atlanta, Georgia 30309

Dear Joanna:

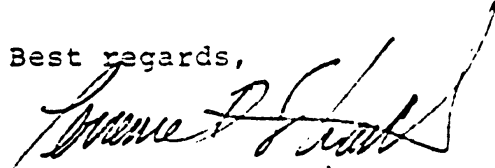
I am in receipt of your letter dated November 11, 1978 referencing the enclosed letter which had apparently been sent to me in February of 1977 requesting information on drafts made payable to me during the campaign.

Inasmuch as a considerable amount of time has passed since the campaign itself I am unable to recall in specifics what the money assigned to me was used for. Let me just say that the majority of those funds expended to me in the Northern California general election campaign for the most part covered payment of radio spots that we bought during the last two weeks of the campaign, printing of literature, payment of campaign workers for expenses incurred for gas and other general field supplies for the field campaigns around the Northern California area. This would include postage, other mailing costs, as well as some reimbursement for election day workers by the field offices.

I hope this is a satisfactory documentation for the expenditures of that period of time; inasmuch as I do not recall specifically at this late date what this money was used for I am reluctant to sign the voucher or personal expense report that you have enclosed.

Please let me know if I can be of any further assistance.

Best regards,



Terrence D. Straub
Special Assistant for
Congressional Liaison

1 0 7 1 6 7 9 7

CARTER-MONDALE
BUDGET & FINANCE
1795 BLIGHTREE ST., N. E.
ROOM 209
ATLANTA, GEORGIA 30309

NOTICE: THIS LETTER IS TO PROVE YOUR'S AND THE CAMPAIGN'S BEST EFFORTS TO COMPLY WITH THE LAWS OF THE UNITED STATES. THE FEDERAL ELECTIONS COMMISSION REQUIRES THAT WE MAINTAIN THE INFORMATION REQUESTED BELOW. YOUR IMMEDIATE ATTENTION AND RESPONSE IS NEEDED.

2-9 1977

() -

TERRY STRAUB

1800 M ST #612

WASHINGTON DC 20036

REF: OUR NO. 21453 FF.

	Date	Number	Amount
CHECKS:	9/10	687389	100.00
	10/4	602133-4	137.00
	11/1	610712-3	150.00
	10/13	612230-5	258.35
	11/1	982053	503.00

Dear Mrs. STRAUB:

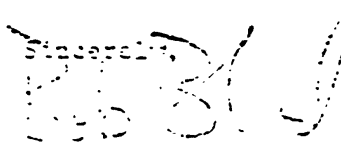
We are unable to locate a complete explanation for the above referenced payments made to or by you during the course of the campaign.

Please provide us with a complete description of what the payment covered. Please itemize below as follows:

<u>Date</u>	<u>TO WHOM</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
-------------	----------------	----------------	---------------

Also, please enclose any receipts you have in your possession. If you do not have receipts for those above payments which exceed \$25.00, please complete and sign the enclosed affidavit.

As you may be aware, it is very important that this information be provided immediately. Should you need additional information or instructions, please call me at (404) 397-5050.

Sincerely,


1 0 7 2 1 6 0 9 1

AFFIDAVIT

I, _____ (your name - print) hereby certify that the information listed on the attached letter is a true and accurate accounting to the best of my recollection and that the funds were spent in the furtherance of the 1976 United States Presidential Election.

Signature

Date

Full Mailing Address

Street & No. _____

City _____

State _____

Zip _____

Telephone _____

1 0 7 3 1 6 1 0 9 1

JIMMY CARTER FOR PRESIDENT

Leaders, for a change.

November 11, 1973

Mr. Terrence Straub
3727 Veasey Street N.W.
Washington, D.C. 20016

Dear Mr. Straub:

Enclosed is a letter sent to you in February, 1977, requesting information concerning drafts made payable to you during the campaign for expenses.

When the letter was returned, it was apparently laid aside and forgotten.

Now, these items have come under review by the Federal Election Commission because we have no documentation for the expenditures to you.

We realize that at this late date you probably do not have receipts around to cover the drafts totalling \$1,119.00. If you will complete the enclosed expense receipts in your own hand, sign them and return to us as soon as possible, the auditors will accept them as proper documentation.

Hopefully, this will reach you and you will be able to respond promptly.

Sincerely,

JML:js
encls.

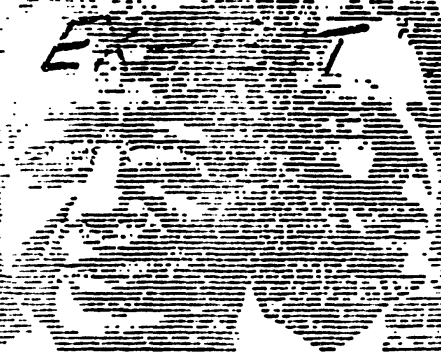
Joanna M. Lambert
Joanna M. Lambert
Controller

1070:61091

EXHIBIT H

(re: Finding C-1 and Exhibit C)

Examples of Middlemen Receipts



Leaders, for a change.

October 27, 1976

TO: All Persons Disbursing Money for GOTV

As part of the Carter-Mondale campaign's get out the vote effort, you are being given money to cover certain election day activities, such as payments for poll workers. Under the Federal Election Campaign Act:

1. It is illegal to use this money to pay any one person more than \$100.00 in cash. If you need to make a disbursement greater than \$100.00, you must do it by check.
2. If you are making payments directly to workers, you need only obtain a receipt from them. You have been given receipts for this purpose.
3. If you are disbursing money to "middlemen," you must have them sign a copy of this letter.
4. Return all receipts and copies of this letter to your state Carter-Mondale coordinator no later than November 4.

Thank you for your cooperation.

CK # 19446	4,000 ⁰⁰	<i>Douglas B. Huron</i> Douglas B. Huron Legal Counsel 1976 Democratic Presidential Campaign Committee, Inc.
CK # 19447	39,300 ⁰⁰	
<u>total</u>	<u>43,300⁰⁰</u>	

I have read this letter and understand the legal requirements in connection with disbursing money for GOTV purposes.

(signature) _____

(print name) _____

residence address _____

city, state, and zip _____

amount of money received to disburse _____

date October 28th 1976

1 9 7 6 4 9 9 3

EXHIBIT "H"

CARTER MONDALE

1976 Presidential Campaign Committee Inc.
New Jersey

CASH RECEIPT

AMOUNT \$ 6

DATE 10/30/76, 1976

TYPE OF SERVICE (Check One)

WORKING POLLS

PURCHASE

CANVASSING

TRANSPORTATION

OTHER (Describe, Middleman)

I hereby acknowledge payment in full of the amount indicated above for the indicated expenses concerning Get Out The Vote 1976, rendered by me to the 1976 Democratic Presidential Campaign Committee Inc.

NAME _____

(Print)

ADDRESS _____

CITY _____

STATE 1

ZIP _____

SIGNATURE _____

COPIED

1073 5097

EXHIBIT I

Legal Analysis of the Office of General Counsel
dated March 27, 1979

10706093

6-1-50



FEDERAL ELECTION COMMISSION

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

March 27, 1979

MEMORANDUM

TO: Bob Costa

THROUGH: Orlando B. Potter ^{OBP}
Staff Director

FROM: William C. Oldaker *[Signature]*

SUBJECT: Audit Report for the 1976 Democratic Presidential Campaign Committee, Inc. - Analysis by the Office of General Counsel

The Office of General Counsel has reviewed the report submitted by the Audit Division concerning the 1976 Democratic Presidential Campaign Committee, Inc., such audit having been undertaken pursuant to 2 U.S.C. § 433(a)(3) and 26 U.S.C. § 9007(a). Based on the information presented by the Audit Division, we have comments as follow on certain sections of the report. The absence of a comment indicates agreement with the conclusion reached by the Audit Division.

- I. Reporting of Debts and Obligations Owed To and By the Committee (Audit Finding II-A-5).

2 U.S.C. § 434(b)(13) requires the continuous reporting of debts and obligations owed to and by a committee until all such debts and obligations are extinguished. 11 CFR 102.4(c) provides that a political committee may file a



1070161991

Audit Workpapers.

1976 Democratic Presidential Campaign Committee, Inc.

FEDERAL ELECTION COMMISSION

Material excluded contains information which pertains

to matters that have been referred to the Office of

General Counsel.

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input checked="" type="checkbox"/> (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | |

Signed

Howard T. Holtz

date

5/30/79

1073161100

termination report only if it has no remaining debts and obligations owed to or by it.

According to the Audit Report, the Committee proposes to transfer all remaining debts owed by it to the Democratic National Committee for payment, such payment to be made prior to the Committee's filing of a termination report.

It is the recommendation of the Office of General Counsel that once all of the debts owed by the Committee have been met and its current balance reduced to zero, the

1070161101

Committee should be permitted to terminate.

II. Payments to Other Political Organizations (Audit Finding II-A-7)

The audit report states that the Committee made payments to six political organizations for GOTV activities. Three of the organizations negotiated contracts with the Committee in this regard. None of the six organizations has registered or filed reports with the Commission.

We agreed with the recommendation of the Audit Division that these six organizations be required to file statements of organization and reports. As will be noted below, we disagree with the finding that expenditures by four of these organizations have been inadequately documented.

III. Apparent Non-Qualified Campaign Expenses: Unsupported Expenditures (Audit Finding II-C-1)

Exhibit C of the Audit Report lists the expenditures found by the auditors to be inadequately documented for purposes of Title 26. These expenditures include five which formed part of the initial statistical sample studied by the auditors, 36 from the expanded review which emphasized expenditures made for GOTV purposes, and eight included in the additional review discussed in Audit Finding A-2.

The Office of General Counsel agrees that with regard to the individuals included in Exhibit C, as well as the S.E. National Bank of Orlando, the documentation of expenditures is inadequate and an amount equal to the value of these payments

should be repaid. Questions arise, however, as to the type of documentation required in support of expenditures made to political committees for purposes such as GOTV or voter registration. In the present situation the Audit Division has found that the documentation provided by the People Committee (AFSCME), the Democratic Executive Committee of Florida, the Interfaith Committee for Yes on 14, and four county committees in South Carolina is insufficient because it does not include documents provided by the ultimate recipients of payments in excess of \$100 or aggregating in excess of \$100.

In the cases of the Florida Democratic Executive Committee and the county committees in South Carolina, the Committee entered into formal contracts for the provision of services. Documentation in hand includes a letter from a representative of the Florida State Democratic Party, which contains a breakdown of the distribution of funds received from the Committee, and copies of the contracts signed by the four county committees. It is true that the information supplied in these documents is prospective in nature; that is, it sets forth how the money was to be spent, not how in fact it was utilized. However, there exists no clear authority on the part of the Commission to go behind the provisions of a contract to determine how that contract was carried out, whether it be with a vendor or

a political committee. 1/ The Office of General Counsel therefore finds the documentation now available sufficient to show that the expenditures in question were qualified.

In the case of the Interfaith Committee for Yes on 14, documentation made available is in the form of a letter from the recipient's representative stating how the money was used, while in the case of the People Committee (AFSCME) the expenditure has been documented by a note from the Committee's disbursing agent stating how the funds were spent. We find that in both instances the documentation in hand is sufficient to show that there was a connection between the use of the money and the campaign.

IV. Apparent Non-Qualified Campaign Expenses: Accounts Receivable (Audit Finding II-C-2).

The audit report states that the Committee has written off \$3,313.00 in debts owed to the Committee which are now deemed uncollectible. These debts arose as the result of the use by media personnel of planes chartered by the Committee. The Audit Division recommends that the value of the uncollectible receivables be deemed non-qualified campaign expenses and that the Committee be required to repay their value in full.

The Audit Division bases its recommendation upon the

1/ The Commission has not had prior occasion to consider the question of documentation requirements re. contracts entered into by a recipient of public funds with vendors or other political committees.

premise that by writing off these receivables the Committee has reduced the value of its assets which would otherwise be subject to repayment. It argues that if the Committee is permitted to transfer its debts to the Democratic National Committee, its accounts payable would be reduced to zero while, assuming no permitted write-off of debts owed to the Committee, its accounts receivable would remain, thereby creating a repayable surplus.

Title 26 does not deal with circumstances in which a committee's accounts show a surplus after all debts have been met. However, 11 CFR 145.2(b) provides that a committee shall repay any portion of public funds which remain unspent after all qualified campaign expenses have been met. An application of Section 145.2(b) to the present situation raises the question of whether the Committee's accounts receivable are "public funds which remain unspent". In fact, the accounts receivable represent potential refunds of portions of Committee expenditures; they do not constitute unspent funds and thus they do not come within the meaning of Section 145.2(b).

2 U.S.C. § 9007(b) (4) requires repayment of any amount of public funds used for purposes other than the defraying of qualified campaign expenditures. The present situation does not come within the provisions of this section because the expenditures in question were in fact qualified in nature.

The regulations dealing with presidential primary

matching funds includes media transportation expenditures as an example of qualified campaign expenses for purposes of calculating net outstanding campaign obligations. (See 11 CFR 133.3(c)). Although there is no comparable provision in the regulations dealing with the public financing of general presidential elections, there also is no provision in either Title 26 or the regulations which prohibits a committee from permitting media personnel to use committee-chartered transportation. A decision to request reimbursements from such media representatives is left up to a committee, the alternative being the charging of the full amount of charter costs against the committee's expenditure limitation. (See 11 CFR 140.11(c)). Therefore, failure to collect reimbursements for these expenditures does not render the initial expenditures non-qualified.

We recommend that the Committee be permitted to write-off the accounts receivable in question as uncollectible. 1

1/ A question as to the writing off of receivables arose during the audit of the President Ford Committee. There the expenditures involved a duplicate payment of an invoice and overpayments of individuals. These payments were, therefore, undocumentable and thus non-qualified and repayable if written-off.

7. Repayment to the United States Treasury: Other
Adjustments (Audit Finding D-3)

The audit report states that as of June 30, 1977, 42 checks issued by the Committee between September 21, 1976, and February 10, 1977, were voided when the accounts involved were closed on May 31, 1977. Since the latter date the Committee has reissued checks or otherwise resolved debts involved in 24 of these uncashed checks; however, 18 debts totaling \$3234.78 remain unresolved. It is the opinion of the Audit Division that an amount equal to the amount of these unresolved debts should be repaid to the Treasury in order to preclude the application of 26 U.S.C. § 9003(b)(2).

26 U.S.C. § 9003(b)(2) requires that candidates of major parties desirous of receiving payments under Section 9006 certify under penalty of perjury that no contributions will be accepted by candidates or their respective authorized committees except under particular circumstances. 11 CFR 100.4(2) states that the term "contribution" does not include the value of volunteered personal services performed by individuals on behalf of a candidate.

Attached is a list of the uncashed checks at issue. It should be noted that, with the exception of the first check, all were written on checks with four digit numbers, indicating that all were written on the Committee's payroll account. Therefore, these checks were written in payment of

services which would not be considered contributions if uncompensated. Thus 26 U.S.C. 5 9003(b) (2) would not be applicable in this situation, whether or not repayment is made, and the Committee should be permitted to write the uncashed check: back into cash.

RECOMMENDATIONS BY THE OFFICE OF GENERAL COUNSEL

1. (Re. question raised on page 10 of Audit Report)
That the 1976 Democratic Presidential Campaign Committee be permitted to terminate once it is able to report a zero balance as to its current assets and liabilities.
2. (Re. finding on page 15 of Audit Report)
That the Commission deem adequate the documentation submitted with regard to expenditures made by the Committee to the political committees included in Exhibit C.
3. (Re. finding on page 16 of Audit Report)
That the Committee be permitted to write-off as uncollectible \$3,313.00 in accounts receivable.
4. (Re. finding on page 17 of Audit Report)
That the Committee be permitted to write uncashed checks totaling \$3,234.76 back into its cash account.

ATTACHMENT: List of uncashed checks

1 1 7 0 1 6 1 0 3

1	2	3	4
PRICE	DATE	OK #	AMT
NEW YORK TIMES NEWS SERVICE	2/10/77	153443	10.00
Total FULTON NB			
Mary A Field	9/30/76	3654	3470
Enrico Cannino	10/15	4963	5000
Wm H Turner	10/15	5457	5000
" " "	10/31	6908	5000
Doris Finnegan	10/31	6779	5000
Simon Lazarus	10/31	6789	4000
" "	10/31	8123	5000
James Mac Kinnon	10/31	6389	3000
Michael L. MAZUR	10/31	6887	3000
Michael O'Donovan	10/31	6647	7000
John G Murphy	10/31	6964	7000
ORA REED	10/31	7057	1000
DEBRA L. CAGAN	10/31	7729	4000
Joanne Caschelli	10/31	7710	1000
John Michaelson	10/31	7113	5000
Margaret Charles	10/31	7937	5000
Robert L. Krasnowski	10/31	7952	5000
Total Total			5000
Total items - Fulton NB Bank			
check 970 4/3/77			
G-			
MARKET			
3750			

at 10/15/77

3750

107016110

EXHIBIT J
(re: Finding B-1)

Distribution of GOTV Funds to States

EXHIBIT J

1976 DEMOCRATIC PRESIDENTIAL CAMPAIGN COMMITTEE, INC.

Disbursement of GOTV Funds

<u>State</u>	<u>Amount</u>
Alabama	\$ 3,900
Connecticut	1,255
Florida	20,000
Illinois	40,890
Indiana	19,280
Kentucky	4,000
Louisiana	20,324
Maryland	26,500
Mississippi	12,000
Missouri	19,900
New Jersey	69,100
New York	7,575
Ohio	33,609
Pennsylvania	53,300
South Carolina	11,200
Tennessee	5,000
Texas	33,800
Virginia	<u>30,880</u>
Total	\$412,513

