



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

REPORT OF THE AUDIT DIVISION
ON THE
TENNESSEE CAMPAIGN '80

I. Background

A. Overview

This report covers an audit of the Tennessee Campaign '80 ("the Committee"), 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 9007(a) of Title 26 of the United States Code which states that "after each presidential election, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of the candidate of each political party for President and Vice President."

In addition, Section 9009(b) of Title 26 of the United States Code states, in part, that the Commission may conduct other examinations and audits from time to time as it deems necessary to carry out the provisions of this subchapter.

The Committee registered with the Federal Election Commission on September 17, 1980, as an affiliate of the Democratic Party of Tennessee. Subsequently, the Committee was authorized by President Jimmy Carter to conduct joint fundraising with the compliance fund of the Carter/Mondale Re-election Committee, Inc. The Committee maintains its headquarters in Nashville, Tennessee.

The audit covered the period from September 15, 1980 through December 31, 1980. The Committee reported an opening cash balance of \$-0-, total receipts of \$72,259.37, total expenditures of \$71,984.14, and a closing cash balance of \$275.23 during the period. The reported totals are misleading, in that in addition to the Committee's portion (30%) of the joint fundraising proceeds, the reported figures also include state party activity. The Committee maintained a separate account into which the proceeds from the joint fundraising event were deposited. Expenses were paid from this account, and the proceeds were then divided, and transferred to the participating committees for disclosure. The Tennessee Campaign '80 received \$24,438.14 net of event expenses, and the Carter/Mondale Re-election Committee, Inc. received \$57,022.33 net of event expenses.

This report is based on documents and working papers supporting each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in this report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The principal officers of the Committee during the period audited were Mr. J. D. Wallace, Treasurer, and Ms. Virginia Heise, Custodian of Records.

C. Scope

In view of the Committee's registration as a state party affiliate, and an account structure which separated joint fundraising activity from the state operations of the Committee, the Audit staff limited the scope of the audit to the review of joint fundraising proceeds and expenses only.

The audit included such tests as verification of the disclosure of total joint fundraising receipts and expenditures and individual transactions; review of required supporting documentation and analysis of joint fundraising debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

The Audit staff express no opinion in relation to the state party activity reported by the Tennessee Campaign '80.

II. Audit Findings and Recommendations

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and the records presented, that the reports and statements of the Tennessee Campaign '80 fairly present the joint fundraising financial activity of the Committee for the period covered by the audit. No material problems in complying with the Federal Election Campaign Act were discovered during the course of the audit.

