



Office of Campaign Finance

**FINAL AUDIT REPORT ON
THE D.C. DEMOCRATIC STATE COMMITTEE
(DCDSC)
(STATE PARTY COMMITTEE)**

DECEMBER 2009

REPORTS ANALYSIS AND AUDIT DIVISION
OFFICE OF CAMPAIGN FINANCE
WASHINGTON, DC 20009

I. BACKGROUND

A. OVERVIEW

This report is based upon the field audit of the Statements and Reports of Receipts and Expenditures filed by the D.C. Democratic State Committee (DCDSC) (the "Committee") undertaken by the Reports Analysis and Audit Division (RAAD), Office of Campaign Finance (OCF), to determine if the Committee complied with the provisions of the District of Columbia Campaign Finance Reform and Conflict of Interest Act of 1974, as amended, D.C. Official Code Section 1-1103.03(8) (2001 Edition) (the "Act"). This audit was conducted as the result of a complaint filed on April 7, 2009 and April 22, 2009 with the Office of Campaign Finance.

The Preliminary Audit Report was issued on August 3, 2009. Based on the Committee bank statements and Reports of Receipts and Expenditures submitted, the Audit staff concluded that the Committee had not disclosed all receipts received and expenditures made; therefore, resulting in a misstatement of the Committee's financial activity for the period under audit.

The Committee responded to the Preliminary Audit Report on September 11, 2009. Additional responses were received on September 18, 2009, September 22, 2009, September 23, 2009 and October 15, 2009. Through the review of the additional information submitted by the Committee, the Audit staff noted that there was an additional depository (money market account) in which additional contributions were received and additional expenditures were made. This information had not been presented to the Audit staff prior to the issuance of the Preliminary Audit Report. Therefore, the Audit staff had to recalculate the Committee's receipts and expenditures for the audit period based on the additional bank records presented.

Further, in its Response to the Preliminary Audit Report, the Committee presented legal arguments regarding the Audit staff's finding concerning the D.C. Denver Convention 2008.

As a result of the Committee's Response to the Preliminary Audit Report and additional information provided, an Interim Audit Report was issued on November 9, 2009.

The Committee responded to the Interim Audit Report on December 10, 2009 in agreement with Findings A through I as noted below. However, the Committee disagreed with Finding H regarding the D.C. Denver Convention 2008. The details are noted within each finding outlined below.

1. Political Action Committee

The DCDSC registered with the OCF on June 18, 1992, in accordance with D.C. Official Code Section 1-1102.04.

The audit of the DCDSC covered the period January 2007 through January 2009. During the period of the pre-audit (desk) review, the Reports filed by the Committee reflected total aggregated receipts of \$33,573.16 and total aggregated expenditures of \$69,619.09, and an ending cash balance of \$21,618.04. Receipts and expenditures per **audit** were \$197,541.95 and \$163,583.32, respectively, with an ending cash balance of \$35,537.68. The Committee failed to file its January 31, 2008 Report of Receipts and Expenditures for the period August 1, 2007 through January 31, 2008. There were numerous unreported receipts and expenditures for the August 1, 2007 through January 31, 2008 period. Further, the Committee failed to provide copies of contributor checks and deposit slips prior to the issuance of the Preliminary Audit Report; therefore, the Audit staff was unable to trace all contributions/receipts to each deposit made.

In its Response to the Preliminary Audit Report, the Committee provided copies of the majority but not all of the contributor checks and few deposit slips for what would have been the projected coverage period of the January 31, 2008 Report (August 1, 2007 through January 31, 2008). However, the deposit slips did not provide an itemization of each receipt; therefore, the Audit staff was again unable to trace all contributions to each deposit.

B. KEY PERSONNEL

The principal officers of the DCDSC were (Lenwood Johnson, Former Treasurer), Daniel Wedderburn, Current Treasurer, and Anita Bonds, Chairperson, as cited in the Statement of Organization. The Committee's depository was PNC Bank, Washington, D.C. On June 18, 2008 an additional account was opened in the name of the DC Democratic State Committee/Marilyn Tyler Brown, 3050 Chestnut Street, NW, Washington, DC 20015, at the Industrial Bank of Washington located in Washington, DC. The Audit staff was only made aware of this account information through the review of the Committee bank records. Contributions were earmarked for both the DCDSC and the D.C. Denver Convention 2008 through the Industrial Bank account.

In response to the Preliminary Audit Report, the Committee submitted additional bank statements indicating an additional depository at Independence Federal Savings Bank, Washington, DC. These bank records were not presented prior to the issuance of the Preliminary Audit Report.

On January 10, 2007 and March 20, 2007, transfers in the amount of \$4,000.00 and \$1,900.00, respectively, were made from the Independence Federal Savings account to the PNC Bank account.

C. SCOPE

The audit procedures performed included a verification and/or examination of:

1. The mathematical accuracy of the Reports of Receipts and Expenditures filed with the OCF Director, during the period audited;
2. Total reported receipts and expenditures and individual transactions with source documents;
3. Conformity with the contribution limitation as mandated by D.C. Official Code Section 1-1131.01;
4. Committee debts and obligations;
5. Proper categorization of the Committee's receipts and expenditures; and
6. The review procedures as deemed necessary under the circumstances.

II. FINDINGS AND RECOMMENDATIONS

RECEIPTS

A. RECEIPTS NOT REPORTED

D.C. Official Code Sections 1-1102.06(b)(2) and (8) provide: “Each report under this section shall disclose: (2) The full name and mailing address (including the occupation and the principal place of business, if any) of each person who has made 1 or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of \$50 or more, together with the amount and date of such contributions; (8) The total sum of all receipts by or for such committee or candidate during the reporting period [.]”

Our audit revealed that the Committee failed to report deposits/receipts/contributions totaling \$152,345.00 from PNC Bank and \$19,974.29 from Independence Federal Savings Bank, and to disclose the contributions in the total sum of all receipts received by the Committee. The Audit staff was made aware of these deposits/receipts/contributions through the review of the copies of the Committee bank statements.

The Committee did not provide substantial background records of all deposits made; therefore, the Audit staff was unable to identify, breakdown, and relate each contribution to the deposits on the Committee’s bank statements. Because the bank records reflect that these monies were actually deposited in the Committee’s bank account, the Audit staff concludes that these receipts were not reported by the Committee on its Reports of Receipts and Expenditures.

In the Interim Audit report, the Audit staff reiterated its recommendation made in the Preliminary Audit Report that the Committee file an Amended Consolidated Report inclusive of each deposit/receipt/contribution previously unreported.

The Committee did not file an Amended Consolidated Report as recommended by the Audit staff. Therefore, the Audit staff is referring each violation of D.C. Official Code Sections 1-1102.6(b)(2) and (8) to the OCF General Counsel for any action deemed appropriate.

B. RECEIPTS NOT NEGOTIATED THROUGH THE COMMITTEE'S BANK ACCOUNTS

Our audit revealed that reported receipts totaling \$8,515.14 were not traceable to the Committee bank statements; therefore, not negotiated through the Committee's bank accounts. It appears that some of these receipts were reported in duplicate by the Committee.

In the Interim Audit Report, the Audit staff reiterated its recommendation made in the Preliminary Audit Report that the Committee file an Amended Consolidated Report deleting each receipt that was not negotiated through the Committee's bank account.

The Committee did not file an Amended Consolidated Report as recommended by the Audit staff. Therefore, the Audit staff is referring each violation to the OCF General Counsel for whatever action deemed appropriate.

C. BANK CREDITS NOT REPORTED

Our audit revealed three (3) bank credits totaling \$164.75 that were not reported by the Committee on its Reports of Receipts and Expenditures.

In addition, our audit revealed that there was an unreconcilable difference in reported receipts verses audited receipts in the amount of (\$ 0.11).

In the Interim Audit Report, the Audit staff reiterated its recommendation made in the Preliminary Audit Report that the Committee file an Amended Consolidated Report including the three (3) bank credits previously unreported and the aforementioned unreconcilable difference in total receipts.

The Committee did not file an Amended Consolidated Report as recommended by the Audit staff. Therefore, the Audit staff is referring each violation to the OCF General Counsel for whatever action deemed appropriate.

DISBURSEMENTS

D. EXPENDITURES NOT REPORTED

D.C. Official Code Sections 1-1102.06(b)(9) and (10) provide: “Each report under this section shall disclose: (9) The full name and mailing address (including the occupation and principal place of business, if any) 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 of \$10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made; (10) The total sum of expenditures made by such committee or candidate during the calendar year [.]”

Our audit revealed that the Committee failed to report expenditures totaling \$85,471.88 on its Reports of Receipts and Expenditures. The Audit staff determined that these expenditures were made through the review of Committee bank statements and canceled checks.

The Committee also failed to report bank charges/adjustments from PNC Bank totaling \$13,877.92 on its Reports of Receipts and Expenditures. Further, the Committee failed to report bank charges from Independence Savings Bank totaling \$170.00.

In the Interim Audit Report, the Audit staff reiterated its recommendation made in the Preliminary Audit Report that the Committee file an Amended Consolidated Report inclusive of the bank charges/adjustments previously unreported as indicated through the Committee bank statements.

The Committee did not file an Amended Consolidated Report as recommended by the Audit staff. Therefore, the Audit staff is referring each violation of D.C. Official Code Sections 1-1102.06(b)(9) and (10) to the OCF General Counsel for any action deemed appropriate.

E. UNDERSTATED EXPENDITURES

Our Audit revealed four (4) expenditures that were incorrectly disclosed resulting in a total understatement of \$0.46 in total expenditures.

Our Audit also noted that there was an unreconcilable difference in reported expenditures verses audited expenditures (per Committee bank statements) in the amount of \$5.70.

In the Interim Audit Report, the Audit staff reiterated its recommendation made in the Preliminary Audit Report that the Committee file an Amended Consolidated Report inclusive of the understatement in total expenditures and the unreconcilable difference as noted above.

The Committee did not file an Amended Consolidated Report as recommended by the Audit staff. Therefore the Audit staff is referring each violation to the OCF General Counsel for any action deemed appropriate.

F. EXPENDITURES NOT NEGOTIATED THROUGH THE COMMITTEE BANK ACCOUNTS

Our audit revealed that the Committee reported expenditures totaling \$4,535.00 on its Reports of Receipts and Expenditures, which were not negotiated through the Committee's bank accounts.

Further review revealed that on the January 31, 2007 Report of Receipts and Expenditures, the Committee reported three (3) payments totaling \$1,015.33 which were made before the period under audit (January 1, 2007 through January 31, 2009). Therefore, these payments must be deleted from total expenditures for the period under audit.

In the Interim Audit Report, the Audit staff reiterated its recommendation made in the Preliminary Audit Report that the Committee file an Amended Consolidated Report deleting the expenditures that were not negotiated through the Committee's bank account. The Audit staff further recommended that the Committee delete the aforementioned transactions that were outside of the scope of the period under audit.

The Committee did not file an Amended Consolidated Report as recommended by the Audit staff. Therefore, the Audit staff is referring each violation to the OCF General Counsel for whatever action deemed appropriate.

OTHER MATTERS NOTED

G. MISSTATEMENT OF FINANCIAL ACTIVITY

The Audit staff compared the Committee's reported figures with its bank records and found that the Committee had misstated its receipts, disbursements, and its cash on hand balance, as of January 31, 2009.

Legal Standard

D.C. Official Code Sections 1-1102.06 (b)(8) and (10) provide that each Report must disclose the following:

- The amount of cash on hand at the beginning and end of the reporting period;
- The total sum of all receipts by or for such committee or candidate during the reporting period; and
- The total sum of expenditures made by such committee or candidate during the calendar year.

The following chart details the discrepancies between the Committee’s disclosure reports and bank records. The chart lists: (a) the amounts the Committee reported, (b) the actual amounts listed on its bank statements, and (c) the discrepancies between the two figures.

Comparison of Disclosure Reports and Bank Records

	Reported	Bank Statements	Discrepancy
Receipts	\$33,573.16	\$197,541.95	(\$163,968.79) understated
Disbursements	\$69,619.09	\$163,583.32	(\$93,964.23) understated
Ending Cash Balance	\$21,618.04	\$35,537.68	(\$13,919.64) understated

The understatement of receipts and expenditures resulted from the Committee’s combination of the aforementioned discrepancies previously noted.

In the Interim Audit Report, the Audit staff reiterated its recommendation made in the Preliminary Audit Report that the Committee file an Amended Consolidated Report correcting the misstatement of its financial activity due to the discrepancies noted above.

The Committee did not file an Amended Consolidated Report as recommended by the Audit staff. Therefore, the Audit staff is referring each violation to the OCF General Counsel for any action deemed appropriate.

I. D.C. DENVER CONVENTION 2008

Our review of Committee bank records indicated that on August 1, 2008, the Committee issued a check to the D.C. Denver Convention 2008 in the amount of \$12,000.00. Through our review of the Committee’s “Check Request Form” by Anita Bonds, Chairperson, the purpose of the expenditure stated “DCDSC Contribution towards convention activities.”

Further, through the review of the bank records for the D.C. Denver Convention 2008, it was noted that the bank account was established in the name of the DC Democratic State Committee DCDSC/Marilyn Tyler Brown, not Denver Convention 2008.

Further, through the review of the D.C. Denver Convention 2008 Donor Sheets, it is indicated at the bottom of the donor sheet that “Our report will be filed with the DC Office of Campaign Finance, Washington, DC, Dr. Marilyn Brown, Treasurer.” The Audit staff is unaware that the D.C. Denver Convention 2008 registered with the OCF; that Ms. Brown filed an Acceptance of Treasurer Form with the OCF; or that Reports of Receipts and Expenditures were filed with OCF regarding the activities of the D.C. Denver Convention 2008.

It was also noted that all contributions were solicited from individuals/entities in Washington, D.C. Additionally, several of the contribution contributor checks were earmarked for the DCDSC; however, these contributions were deposited in the account for the D. C. Denver Convention 2008. In addition, seven (7) of the contributions received were in excess of the contribution limitation pursuant to D.C. Official Code Section 1-1131.01(d)(1) which states that “No person shall make contributions to any 1 political committee in any one election (including primary and general election, but excluding special elections) that, in the aggregate, exceeds \$5,000.”

In the Preliminary Audit Report, the Audit staff stated that it was their belief that the D.C. Denver Convention 2008 was in fact soliciting contributions for activities relating to the DCDSC; therefore, all contributions and expenditures made by the D.C. Denver Convention 2008 should be combined and reported along with the DCDSC, Daniel Wedderburn, Treasurer, in the filing of its Reports of Receipts and Expenditures. The intermingling of funds should have been reported as inter account transfers from one account of the DCDSC to the other. Further, the bank account of the DCDSC established by Marilyn Brown should be included as an additional depository for the DCDSC, Daniel Wedderburn, Treasurer, and reflected on its Statement of Organization under depositories for the Committee.

The Audit staff further stated in the Preliminary Audit Report that the accounting of the receipts and expenditures for the D.C. Denver Convention 2008 bank account **appeared** to be in compliance with campaign finance rules and regulations; and that the audit of the D. C. Denver Convention 2008 bank records and the documentation provided indicated receipts totaling \$126,508.59 and expenditures totaling \$126,513.59 with an ending cash on hand balance of (\$5.00), which is immaterial in amount.

In the Preliminary Audit Report, the Audit staff recommended that the DCDSC file an Amended Statement of Organization inclusive of the bank depository of the D.C. Denver Convention 2008, Marilyn T. Brown, Treasurer. Further, all monies received and spent by the D.C. Denver Convention 2008 should be reported in conjunction with the Reports of the Receipts and Expenditures filed by the DCDSC, Daniel Wedderburn, Treasurer. The Audit staff further recommended that the D.C. Denver Convention 2008 Committee refund the excessive portions of each contribution received in excess of the \$5,000.00 contribution limitation pursuant to D.C. Official Code Section 1-1131.01(d)(1) and provide documentation of the completed transactions (copies front and back) of the negotiated refund checks to the Audit Division for review.

In its Response to the Preliminary Audit Report, the Committee stated that it disagreed with the recommendation of the Preliminary Audit Report as it concerns D.C. Denver Convention 2008. It further stated that the D.C. Denver Convention 2008 was a separate and distinct entity from the Committee and that the Committee does not have to report the D.C. Denver Convention 2008's receipts and expenditures to OCF based on the following:

- The Committee did not authorize the establishment of the D.C. Denver Convention 2008 account nor has it ratified prospectively or retroactively the authorization of the D.C. Denver Convention 2008. The Committee provided affidavits from David Meadows, Executive Director DCDSC, and Anita Bonds, Chairperson DCDSC, to attest to this statement.
- The sole purpose of the D.C. Denver Convention 2008 account was to support the costs/expenses of the D.C. Denver Convention 2008 and that these activities were primarily in support of the D.C. delegation to the convention. The Committee provided an affidavit from Marilyn Tyler Brown to attest to this statement. The Committee further stated that most of the members of the delegation were not members of the DCDSC.
- The D.C. Denver Convention 2008 has a Taxpayer Identification Number which is unique, independent and separate from the DCDSC, which has its own Taxpayer Identification Number (a copy of the assigned number was provided). Further, the D.C. Denver Convention 2008 has its own treasurer, Marilyn Tyler Brown, who was not elected by the DCDSC body to this position.
- The D.C. Denver Convention 2008 account has an independent address and conducts its banking activity at Industrial Bank, which is independent of the DCDSC's banking activity which is conducted at Independence Federal Savings Bank and PNC Bank.
- The D.C. Denver Convention 2008 account was established pursuant to the Federal Elections Commission ("FEC") regulations that do not restrict donations to host committees for the purpose of paying the cost of activities associated with the national political conventions. The FEC regulations specifically permit convention host committees to solicit contributions payable to the host committee.
- The Committee Donor Sheet which was given to potential contributors specifically identified the organization as "D.C. Delegation Denver Convention 2008" and stated that checks were to be made payable to "Denver Convention 2008". The Donor sheet contained prominently the fundraiser disclaimer and that this disclaimer made clear the purpose of the funds solicited and how they were to be used. Further, the disclaimer made it clear that the funds were "for the D.C. Delegation expenses" and identified the host committee as "Denver Convention 2008".
- The use of the funds being solicited was well known to the donors – to pay for the expenses of the Democratic Presidential Convention in Denver.
- The D.C. Denver Convention 2008 did not and does not support candidates for public office.

Audit Staff’s Response

- Although the Committee provided affidavits from Committee officials stating that the Committee did not authorize the establishment of the D.C. Denver Convention 2008, the Committee did not submit documentation (i.e., Committee Bylaws) to the Audit staff evidencing the independence between the two (2) Committees and that the D.C. Denver Convention 2008 was established as a “separate organized entity.” Further, through the review of Committee records, the Audit staff noted that the July 22, 2008 solicitation letter to individuals for contributions for the D.C. Denver Convention 2008 was issued on the DCDSC’s letterhead along with the DCDSC business address and website address. Additionally, the solicitation letter is signed by “Anita Bonds, DC Democratic Chairman”.
- The Committee stated that the sole purpose of the D.C. Denver Convention 2008 was to support the costs/expenses of the D.C. Denver Convention. The Audit staff noted from the records provided by the Committee that there were several expenditures which did not appear to relate to Denver Convention activities. Specifically, the following four (4) expenditures made by the D.C. Denver Convention 2008 were not directly related to the Denver Convention:

Payee	Date	Amount
DC President Gala 2009 Cmte.	01/06/09	\$10,536.00
DC President Gala 2009	12/18/09	\$30,000.00
Horizon Comm. (Sample Ballot)	02/06/09	\$ 3,391.00
DC President Gala 2009	02/06/09	<u>\$ 1,929.17</u>
TOTAL		\$45,856.17

- The notice dated December 24, 2008 to the Committee from the Internal Revenue Service (IRS) assigning an EIN Number indicated that the name on the account was the Democratic State Committee Denver, not the D.C. Denver Convention 2008. The IRS Form W-9, Request for Taxpayer Identification Number and Certification, dated August 5, 2009 and signed by Marilyn Tyler, states “DCDSC Denver Convention 2009” as name. It should also be noted that the bank statements from Industrial Bank of Washington are in the name of the DCDSC; and, the bank agreement states DCDSC Denver 2008. The Audit staff believes that this title appears to be one and the same; that clearly the DCDSC was associated with D.C. Denver Convention 2008. Further, the account was established in June 2008 (per bank records); however, an EIN Number was not assigned until December 24, 2008 after the Denver 2008 Convention. The account was not closed until February 2009.
- Although the Committee states independence in each Committee’s address and banking activity, the account for the D.C. Denver Convention 2008 is clearly in the name of the D.C. Democratic State Committee (DCDSC) Denver 2008 Convention. This title indicates that contributions and expenditures from both Committees could be deposited and expended from this account. This is

evidenced through the deposit of checks earmarked for the DCDSC and the D.C. Denver Convention 2008. Again, the Audit staff does not find that D.C. Denver Convention 2008 and the DCDSC were operated separately and independent of each other. Further, and of significance, Anita Bonds (chairperson for the DCDSC) is an authorized signer on the account for the D.C. Denver Convention 2008.

- The Committee states that the D.C. Denver Convention 2008 account was established pursuant to the Federal Elections Commission (FEC). The Audit staff did not find that either, the DCDSC, or the D.C. Denver Convention 2008, are registered with the FEC; and therefore, cannot conclude that the D.C. Denver Convention 2008 acts as a “host” committee for the DCDSC.
- The Committee states that the “donor sheets” specifically identified the organization as “D.C. Delegation Denver Convention 2008” and stated that checks were to be made payable to “Denver Convention 2008”. The Committee did not provide a donor sheet for each contribution received; therefore, the audit staff cannot attest that each contributor was aware to whom to make the contribution payable. Further, the “donor sheet” has the DCDSC emblem, along with its website, in the upper right hand corner. Although the Committee provided affidavits from four (4) contributors attesting to the fact that their contributions were made for the purposes of the D.C. Denver Convention 2008, and not for activities relating to the DCDSC, seventeen (17) checks were made payable to the DCDSC. Therefore, the Audit staff cannot conclude that all contributions received were specifically earmarked for the D.C. Denver Convention 2008.

The Audit staff also noted that the Committee’s Donor Sheet contains a fundraiser disclaimer stating that Federal Elections Commission regulations specifically permit convention host committees to pay the cost of receptions. Since the alleged “host” committee is or was not registered with the FEC, it cannot fall under regulation of the FEC and therefore attest to this disclaimer. The donor sheet further states that a copy of their report will be filed with the OCF. Since the D.C. Denver Convention 2008 was not registered with the FEC as a “host” committee and did not register with the OCF as a political committee, the Audit staff did not find the Donor Sheet as reliable and proper documentation to support the independence of the D.C. Denver Convention 2008.

- The Committee states that the use of the funds solicited was well know to the donors. As noted earlier, because several checks were made payable to the DCDSC and not the D.C. Denver Convention 2008, the Audit staff does not believe that the use of the funds solicited was known to each contributor. It was also noted that the D.C. Denver Convention 2008 accepted a \$5,000.00 contribution from the American Federation of Teachers which is registered with the FEC. The contribution was reported by the American Federation of Teachers

to the FEC as an expenditure payable to the DCDSC not D.C. Denver Convention 2008.

- The Committee states that the D.C. Denver Convention 2008 did not and does not support candidates for public office. Even though the purpose of the D.C. Denver Convention 2008 was not to support candidates in the District of Columbia, the Audit staff noted that all contributions received by the D.C. Denver Convention 2008 were received from individuals in the District of Columbia and each contribution was given in support of the Democratic Party. Therefore, the Audit staff believes that the D.C. Denver Convention 2008 should have registered with a governing entity as a connected committee to provide oversight in its acceptance of contributions and the expenditure of funds, because it was not clearly distinguishable from the DCDSC.

It is the opinion of the Audit staff that the D.C. Denver Convention 2008 is not a separate entity from the DCDSC. The Committee's reliance on the April 22, 2009 Interpretative Opinion is misplaced, in light of the overlap of activities between the two bodies. Further, the D.C. Denver Convention 2008 has not provided proper documentation to substantiate its claim of independence. Therefore, the Audit staff reiterates its opinion as stated in the Preliminary Audit Report. The Committee should have combined its reporting of receipts and expenditures along with those of the D.C. Denver Convention 2008.

Overall, the audit findings are devoid of any substantial documentation upon which to conclude that the D.C. Denver Convention 2008 intended or attempted to operate independently of the DCDSC. In fact, the activity was integrated to the extent that the D.C. Denver Convention 2008 is indistinguishable as a separate entity and bares absolutely no independent identity.

In the Interim Audit Report, the Audit staff reiterated its recommendation as stated in the Preliminary Audit Report that the DCDSC amend its Statement of Organization to list the D.C. Denver Convention 2008 as an account and report any monies received and spent. Further, the Audit staff recommended that the DCDSC refund the excessive portions of each contribution received in excess of \$5,000.00 as noted above.

The Committee did not amend its Statement of Organization to include the D.C. Denver Convention 2008 as an account nor did it report any monies received or spent. Moreover, the Committee did not refund the excessive portions of each contribution received in excess of \$5,000.00 as recommended by the Audit staff in the Interim Audit Report. Therefore, the Audit staff is referring each violation to the OCF General Counsel for whatever action deemed appropriate.

FINAL RECOMMENDATION

We, therefore, recommend that this report be issued as a “Final Audit Report”. We have determined that the reports, statements, and responses filed by the **D.C. Democratic State Committee**, are not in compliance with the District of Columbia Campaign Finance Reform and Conflict of interest act of 1974, as amended.

Renee Coleman
Renee Coleman
Audit Manager

December 18, 2009
Date

FINAL AUDIT APPROVED FOR RELEASE:

Cecily E. Collier-Montgomery
Cecily E. Collier-Montgomery
Director
Office of Campaign Finance

December 18, 2009
Date

