

Note: The following paragraphs were included in a letter from the principle in an open case involving embezzlement. The remainder of the letter consisted of discussions of settlement terms.

I can also offer some suggestions which may help to avoid situations like this in the future. Many campaigns and political organizations are too small to employ traditional safeguards of separating banking, reporting, and check writing functions. Some relatively simple and inexpensive measures may prove helpful. It may be worth considering requiring that the person signing on committee bank accounts be someone who does not sign disclosure reports in the capacity of Treasurer or Assistant Treasurer. Alternatively, it may be useful to require 2 signatures on committee bank accounts above a certain amount for organizations which anticipate exceeding a threshold level of activity.

Most banks now provide electronic statements. Requiring committees to submit electronic bank records concurrent with disclosure reports could be a deterrent to this or other types of problems. Pre- and post-election reports, and others which do not coincide with standard bank cut-offs, may need to be addressed differently and I would again suggest some minimum level of activity to trigger this possible requirement. It would not be practical for audit staff to review in detail all of these records as they are filed, but preliminary review, sampling, and knowledge that the information would be on file with the Commission could serve as deterrents.