

**CITY ETHICS COMMISSION
AUDIT REPORT**

“Wesson Officeholder Account”
Officeholder Account Committee
(ID 1277458)

December 5, 2007



**City Ethics Commission
City Hall – 24th Floor Suite 2410
200 N. Spring Street
Los Angeles, CA 90012
(213) 978-1960**

LOS ANGELES CITY ETHICS COMMISSION AUDIT REPORT

“Wesson Officeholder Account” *Officeholder Account Committee*

AUDIT AUTHORITY

This report is based on the City Ethics Commission’s audit of the “Wesson Officeholder Account” committee (“the Committee”). The purpose of the audit was to determine if the elected City officer, treasurer and the Committee complied with the limitations, prohibitions, and record keeping and disclosure requirements of (1) Los Angeles City Municipal Code Section 49.7.12, et seq.; (2) the Political Reform Act of 1974, as amended; and (3) applicable City ordinances. The audit is mandated by Los Angeles City Charter Section 470(n)(2). That section states that “[the City Ethics Commission shall] conduct audits and investigations of reports and statements filed by candidates and committees supporting or opposing candidates for elective City office.” Los Angeles Administrative Code Section 24.6(A) requires that the City Ethics Commission (CEC) audit each candidate who raised \$100,000 or more in contributions or who spent \$100,000 or more in expenditures in connection with his or her campaign for the primary and/or general election. Section 24.6(A) also requires the CEC to audit each committee controlled by a candidate who is subject to a mandatory campaign audit. In addition, Los Angeles City Charter Section 702(d) requires audits to be conducted of every candidate receiving public matching funds.

AUDIT PERIOD

The audit covered the period July 1, 2006 through September 30, 2007. During this period, the Committee reported on its campaign statements an opening cash balance of \$3,347, total cash receipts of \$76,563, total cash disbursements of \$52,344 and a closing cash balance of \$27,316.^{1/}

COMMITTEE BACKGROUND

The Committee filed a Statement of Organization with the Secretary of State on June 16, 2005, to support Herb Wesson’s candidacy for Tenth District Councilmember in the November 8, 2005, special primary election. On February 28, 2006, the Honorable Herb Wesson filed a Statement of Organization to support his re-election for Tenth District Councilmember in the

^{1/} The closing cash balance is comprised of funds raised from the “Wesson for City Council” committee and the “Wesson Officeholder Account.” This is due to the Committee receiving and spending funds for officeholder expense fund purposes while continuing to retire election related debts. Cash receipts include monetary contributions and miscellaneous increases to cash (account interest, refund of deposits, etc.)

**City Ethics Commission
Audit Report – “Wesson Officeholder Account”**

March 6, 2007, primary election. As of the completion of the audit, the Committee has not filed an amendment to its Statement of Organization to re-designate the campaign committee as an officeholder account committee. The Committee’s identification number is 1277458. The committee treasurer is Jan Wasson, whose office is located at 1769 Fallen Leaf Lane, Lincoln, California 95648.

To manage its financial activity, the Committee maintained one campaign checking account located within the City of Los Angeles as required by Los Angeles Municipal Code Section 49.7.12 C.

AUDIT SCOPE AND PROCEDURES

The audit included tests of the Committee’s campaign records and transactions and included, but was not limited to, the following general categories:

1. compliance with laws governing the receipt of contributions, including loans;
2. proper disclosure of contributions from persons, including the itemization of contributions when required, as well as the completeness and accuracy of the information disclosed;
3. proper disclosure of disbursements, including the itemization of disbursements when required, as well as the completeness and accuracy of the information disclosed;
4. proper disclosure of campaign debts and obligations;
5. accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records;
6. adequate record keeping for campaign transactions;
7. complete and timely filing of State forms, statements and reports; and
8. other audit procedures that were deemed necessary in the situation.

This report will be referred for routine review to the City Ethics Commission’s Enforcement Division, the City Attorney’s Office and the Fair Political Practices Commission.

**City Ethics Commission
Audit Report - "Wesson Officeholder Account"**

AUDIT FINDINGS

Audit findings describe instances where auditors concluded that a committee failed to comply with State and City law.

The Committee did not have any findings that auditors concluded were material.