



FEDERAL ELECTION COMMISSION

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

REPORT OF THE AUDIT DIVISION ON THE NATIONAL REPUBLICAN HERITAGE GROUPS (NATIONALITIES) COUNCIL

I. Background

A. Overview

This report is based on an audit of the National Republican Heritage Groups (Nationalities) Council ("the Committee") undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy 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 Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Committee registered with the Comptroller General of the United States on April 17, 1972, as an affiliate of the Republican National Committee. The Committee maintains its headquarters in Washington, D.C.

The audit covered the period from January 1, 1976 through December 31, 1978, the final coverage date of the latest report filed by the Committee at the time of the audit. The Committee reported a beginning cash balance on January 1, 1976 of \$20,190.97, total receipts for the period of \$371,696.98, total expenditures for the period of \$355,408.41, and a closing cash balance on December 31, 1978 of \$36,479.54.

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



B. Key Personnel

The principal officers of the Committee during the period covered by the audit were the Honorable Edward J. Derwinski, Chairman for the period January 1, 1976 through May 20, 1977, Mitchell P. Kobelinski, Chairman for the period May 21, 1977 through December 31, 1978, and Stanley Glod, Treasurer for the period January 1, 1976 through December 31, 1978.

C. Scope

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

II. Finding and Recommendation

A. Acceptance of Corporate Contribution

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any corporation to make a contribution or expenditure in connection with any election to Federal office.

During the course of the audit it was determined that the Committee received and accepted a \$100.00 contribution from an incorporated entity in March of 1976. Pursuant to a recommendation by the Audit staff, the Committee determined that the check had been drawn on a prohibited source and subsequently refunded the entire amount on April 3, 1979. The Committee has provided the Audit staff with copies of both sides of the cancelled refund check.

Recommendation

Since the Committee refunded the contribution and submitted evidence of the refund, it is the recommendation of the Audit staff that no further action be taken on this matter.

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