



FEDERAL ELECTION COMMISSION

1325 K STREET NW
WASHINGTON, D.C. 20463

August 7, 1979

MEMORANDUM

TO: FRED EILAND
PRESS OFFICE

THROUGH: BOB COSTA *rk*

FROM: JUDY HAWKINS *JH*

SUBJECT: PUBLIC ISSUANCE OF AUDIT REPORT -
REPUBLICAN STATE CENTRAL AND
EXECUTIVE COMMITTEE OF OHIO

Attached please find a copy of the final audit report of the Republican State Central and Executive Committee of Ohio which was approved by the Commission on July 31, 1979.

All informational copies of the report have been received by all parties involved and this report may be released to the public.

Attachment as stated

cc: FEC Library
RAD
Public Record



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FEDERAL ELECTION COMMISSION

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

REPORT OF THE AUDIT DIVISION ON THE REPUBLICAN STATE CENTRAL AND EXECUTIVE COMMITTEE OF OHIO

I. Background

A. Overview

This report is based on an audit of the Republican State Central and Executive Committee of Ohio ("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 United States House of Representatives on January 11, 1974. The Committee maintains its headquarters in Columbus, Ohio.

The audit covered the period from January 1, 1976 through October 23, 1978, the final coverage date of the latest report filed by the Committee. The Committee reported a beginning cash balance on January 1, 1976 of \$5,772.09, total receipts for the period of \$1,773,791.08, total expenditures for the period of \$1,778,073.49, and a closing cash balance on October 23, 1978 of \$1,439.68.

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.



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B. Key Personnel

The principal officers of the Committee during the period of the audit were Mr. Kent McGough, Chairman, from January 1, 1976 through June 29, 1977, Mr. Earl T. Barnes, Chairman, from June 30, 1977 through the present, and Mr. George C. Eyrich, Treasurer.

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. Auditor's Statement and Description of Findings

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and the records presented, that, except for the deficiencies noted below, the reports and statements of the Republican State Central and Executive Committee of Ohio fairly present the financial activities of the Committee for the period covered by the audit. Further, except as noted below, no material problems in complying with the Federal Election Campaign Act were discovered during the course of the audit.

Audit Findings and Recommendations

A. Excessive Contributions

Section 441a(a)(2)(A) of Title 2 of the United States Code, states that no multicandidate political committee shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$5,000.

Section 441a(f) of Title 2 of the United States Code states, in part, that no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section.

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A review of the Committee's records and reports disclosed that contributions aggregating in excess of \$5,000 were made to the '76 Taft for Senate Committee by the Committee prior to the 1976 primary election which was held on June 8, 1976.

For the period January 1, 1976 through June 8, 1976, the Committee made 17 in-kind contributions totaling \$1,439.83 as well as one (1) direct contribution of \$5,000 on May 11, 1976. In addition, the Committee records disclosed that in 1975, the Committee made six (6) in-kind contributions totaling \$2,149.81, to the '76 Taft for Senate Committee. Total contributions attributable to the 1976 primary elections were \$8,589.64 or \$3,589.64 in excess of the contributor's limitation of \$5,000 per candidate, per election.

Although the '76 Taft for Senate Committee registered with the United States Senate on May 21, 1975, and filed disclosure reports during 1975, all of the contributions (\$8,589.64) from the Committee were reported during the first two (2) quarters of 1976.

The Committee officials stated that they were unaware that the excessive contributions were made.

Recommendation

On April 10, 1979, the Committee obtained a refund for the excessive contributions (\$3,589.64) from the '76 Taft for Senate Committee. Additionally, the Committee submitted copies of both sides of the refund check with the reverse side being endorsed by the Committee. Therefore, we recommend no further action on this matter.

B. Disclosure of Transfers

Section 434(b)(4) of Title 2 of the United States Code states, in part, that each report shall contain the name and address of each political committee from which the reporting committee received, or to which that committee made, any transfer of funds, together with the amounts and dates of all transfers.

Section 104.2(b)(4) of Title 11, Code of Federal Regulations states, in part, that each report shall disclose the identification of each political organization from which the reporting committee received, or to which the committee made, any transfer of funds, together with the amounts and dates of all transfers.

The Committee publishes the Ohio Republican News, Inc., a newsletter, printed for the purpose of informing members of the party's activities. The newsletter does not advocate the election or defeat of any candidate for federal office. Subscriptions for the newsletter are \$1 and \$2 and are deposited into a separate account maintained by the Committee. They were reported as unitemized receipts (line 17b) on the Committee's disclosure report.

The Committee received transfers from unregistered political organizations which were comprised of payments from individuals for subscriptions to the newsletter. For the period January 1, 1976 through October 23, 1978, the Committee received 436 transfers (ranging from \$1 to \$444) totaling \$19,408 which were not properly disclosed by the Committee.

Recommendation

Based upon the Audit staff's recommendations, the Committee filed amended reports on April 4, 1979, disclosing the transfers in the required manner. Therefore, we recommend no further action on this matter.

C. Expenditures Not Properly Reported

Section 434(b)(9) of Title 2 of the United States Code states, in part, that each report shall disclose the identification of each person to whom expenditures have been made by a political committee within the calendar year in excess of \$100 or in an aggregate amount which exceeds \$100.

A review of the Committee's reports disclosed that the Committee failed to itemize expenditures of \$100 or less which aggregated in excess of \$100 on their 1976 disclosure reports. All expenditures in 1977 and 1978 were itemized. It was determined that in 1976 there were 270 expenditures, totaling \$14,963.03, which aggregated in excess of \$100 and required itemization. This represents 20.03% of the number and 2.15% of the amount of expenditures requiring itemization in 1976.

Recommendation

Based upon the Audit staff's recommendation, the Committee filed an amended report on April 4, 1979, itemizing the expenditures. Therefore, we recommend no further action on this matter.

D. Other Matters

Presented below is another matter noted during the audit for which the Audit staff feels no action is warranted. The Committee has been advised of the matter and informed of the related requirements of the Act.

Upon review of the Committee's reported debts and obligations, it was determined that the final payments of 22 debts totaling \$57,527.92 were not reported on Schedule C as required. All expenditures related to the debts requiring itemization were disclosed on Schedule B.

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