




FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 18, 1985

MEMORANDUM

TO: FRED S. EILAND
PRESS OFFICER

FROM: ROBERT J. COSTA 
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -
DALLAS WELCOMING COMMITTEE

Attached is a copy of the final audit report of Dallas Welcoming Committee which was approved by the Commission on June 3, 1985.

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

Attachment as stated

cc: FEC Library
RAD
~~Public Record~~
Office of General Counsel

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FINAL REPORT OF THE AUDIT DIVISION ON THE DALLAS WELCOMING COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Dallas Welcoming Committee ("the Committee"), the host committee for the 1984 Republican National Convention, 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 11 C.F.R. § 9008.9 which states, in part, that the Commission shall conduct an examination and audit of each host committee.

The Committee registered with the Federal Election Commission on August 31, 1983 as a non-partisan corporation to act as the host committee for the 1984 Republican National Convention. The Committee maintained its headquarters in Dallas, Texas. The audit covered the period April 27, 1983 through October 2, 1984, the date of the latest report on file at the Commission at the time of the audit. In addition, certain activity was reviewed through December 17, 1984. During the period, the Committee reported a beginning cash balance of \$-0-, total receipts of \$411,872.16, total disbursements of \$351,497.68 and an ending cash balance on October 2, 1984 of \$60,374.48.

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

B. Key Personnel

The Treasurer of the Committee during the period audited was Mr. William L. Schilling.

C. Scope

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

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II. Audit Finding and Recommendation

Itemization of Expenditures

Section 437 of Title 2 of the United States Code states, in part, that each committee which represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President, shall, within 60 days following the end of the convention, file with the Commission a full and complete financial statement, in such form and detail as it may prescribe, of the sources from which it derived its funds, and the purpose for which such funds were expended.

Under 11 C.F.R. § 9008.12(a)(2), each committee required to register under 11 C.F.R. 9008.12(a)(1)(i) shall file a post convention report with the Commission FEC Form 4.

The Dallas Welcoming Committee operated in conjunction with the Dallas Chamber of Commerce. The Chamber of Commerce paid Committee related invoices and subsequently billed the Committee for the payments made on its behalf. The Committee then issued a check made payable to the Chamber of Commerce for the invoiced amount.

The disclosure reports filed by the Committee itemize the lump sum payments made by the Committee to the Chamber of Commerce and not the payments to the persons actually providing the goods or services to the Committee. A Committee internal report attached to each of the four reports filed, groups the expenditures into specific categories such as salaries, operational costs, public relations, etc.

A review of the Committee's disbursement records disclosed that the Committee paid \$317,264.03 to the Chamber of Commerce during the period audited.

At the exit conference, Committee representatives explained that they believed that the reports filed for expenditures made satisfied the disclosure requirements of the Act.

In the interim audit report, the Audit staff recommended that the Committee file a comprehensive amendment properly itemizing the name and address of each person to whom an expenditure in the aggregate amount or value in excess of \$200 within the calendar year was made, together with the date, amount and purpose of such expenditure. On May 28, 1985 the Committee filed amendments properly itemizing the expenditures.

Recommendations

The Audit staff recommends no further action on this matter.

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