

**AGENDA DOCUMENT NO. 11-05-A**



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
FEDERAL ELECTION COMMISSION  
SECRETARIAT

2011 FEB 17 A 8:36

February 17, 2011

**MEMORANDUM**

**AGENDA ITEM**

To: The Commission  
From: Caroline C. Hunter *CH*  
Vice Chair  
Subject: Audit Division Recommendation Memorandum on Kansas Republican Party (A08-02)

For Meeting of 2-17-11  
**SUBMITTED LATE**

Pursuant to Commission Directive No. 70 (FEC Directive on Processing Audit Reports), please find attached a proposed motion to modify the Audit Division's recommendations in this matter as presented in the Draft Final Audit Report (DFAR).

**(Revised) Motion on A08-02 (KS GOP DFAR)**

Move to approve Agenda Document No. 11-05, subject to appropriate changes pursuant to Directive 70, with the following modifications:

**1) In Finding 1 (“Misstatement of Financial Activity”) – for the reasons to be stated in Finding 2 below**

- A) On p.5, delete the third full paragraph relating to receipts and expenditures related to attendance at the Republican National Convention, and the \$74,320 understatement in receipts related to the convention account;
- B) On p.6, delete the first full paragraph relating to possible prohibited contributions relating to the convention account, and the \$105,243 understatement in disbursements related to the same;
- C) Make the necessary conforming changes to the summaries and all aggregate misstatement figures in Finding 1.

**2) In Finding 2 (“Receipt of Apparent Prohibited Contributions”) – delete Finding 2 on the grounds that there was a lack of information regarding whose convention travel, lodging, and subsistence expenses were paid for by the KRP’s National Convention account, as well as the lack of any statutory provision or regulation directly addressing the issue of what funds may be used to pay for such expenses for delegates and non-delegates**

**3) In Finding 3 (“Payment of Federal Activity Out of Non-federal Accounts”) – delete the following portions of Finding 3, and make the necessary conforming changes to the summaries and all aggregate figures in Finding 3, relating to:**

- A) “Payment and Disclosure of Lodging Expense” – this relates to the same issue in Finding 2 above;
- B) The following expenses described on p.10, on the grounds that the proposed Audit findings improperly shift the burden to audited committees to disprove a negative instead of properly requiring the Audit Division to demonstrate its findings:
  - i. “Payment and Disclosure of Non Allocable Federal Election Activity” – this regards \$1,639 in pins that Audit speculates were used for the national convention, for which there is no concrete evidence whatsoever that they were actually used for such purpose;
  - ii. “Payment and Disclosure of Allocable Administrative Costs” - with the exception of rent, phone service, and office – this portion regards expenses (*i.e.*, postage, consulting, travel reimbursements, and printing) that allegedly had to be paid with an allocation of Federal and non-Federal funds, but which Audit fails to demonstrate with any concrete evidence were actually expended for allocable activities and not for solely non-Federal activities;
  - iii. “Payment and Disclosure of Printed Materials” – this portion regards \$14,359 in printed materials that Audit fails to demonstrate with any concrete evidence was actually Federal Election Activity.