



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

April 28, 1986

MEMORANDUM:

TO: FRED EILAND
PRESS OFFICER

FROM: ROBERT J. COSTA 
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -
COMMITTEE ON ARRANGEMENTS FOR THE 1984 REPUBLICAN
NATIONAL CONVENTION

Attached please find a copy of the final audit report on the Committee on Arrangements for the 1984 Republican National Convention which was approved by the Commission on April 23, 1986.

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
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Office of General Counsel
Public Record.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION
ON THE
COMMITTEE ON ARRANGEMENTS FOR THE
1984 REPUBLICAN NATIONAL CONVENTION

I. Background

A. Overview

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This report is based on an audit of the Committee on Arrangements for the 1984 Republican National Convention ("the Committee"), 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 9008(g) of Title 26, United States Code which directs the Commission to conduct an examination and audit of the payments for Presidential nominating conventions no later than December 31 of the calendar year in which the convention is held.

The Committee registered with the Federal Election Commission on September 7, 1982 as an affiliate of the Republican National Committee. On June 2, 1983, the Republican National Committee designated the Committee as the convention committee of the Republican Party. The Committee maintains its headquarters in Washington, D.C. The audit covered the period from February 17, 1982 through September 30, 1984. During the period, the Committee reported a beginning cash balance of \$-0-, total receipts of \$8,753,193.79, total expenditures of \$8,437,961.92, and an ending cash balance on September 30, 1984 of \$315,231.87. In addition, certain financial activity has been reviewed through October 31, 1984.

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 for the period audited was Mr. George L. Clark, Jr.

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; review of contribution and expenditure limitations; and such other audit procedures as deemed necessary under the circumstances.

II. Finding Related to Title 2 of the United States Code

A. Misstatement of Financial Activity

Section 437(2) of Title 2, United States Code provides that each committee or other organization 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 (but not later than 20 days prior to the date on which presidential and vice-presidential electors are chosen), 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.

The Audit staff's reconciliation of Committee bank accounts to reports filed for the period January 1, 1984 through September 30, 1984, indicated that the Committee overstated its receipts and its disbursements by \$250,000.00. The overstatement was caused by a Committee error made in preparing the reports.

On December 19, 1984, the Committee filed an amendment correcting its misstatement of financial activity.

Recommendation

It is the Audit staff's recommendation that no further action be taken on this matter.

III. Findings Related to Title 26 of the United States Code

A. Unspent Portion of Fund Payment

Section 9008(h) of Title 26, United States Code states, in part, that the Commission shall have the same authority to require repayments from the national committee of a major party as it has with respect to repayments from any eligible candidates under Section 9007(b).

In addition, 11 C.F.R. § 9008.10(e)(1) states that if any portion of the payment under 11 C.F.R. § 9008.3 remains unspent after all convention expenses have been paid that portion shall be returned to the Secretary of the Treasury.

Also, 11 C.F.R. § 9008.10(g)(2) states, in part, that the national committee shall repay to the Secretary within 90 days of the notice, the amount of the repayment.

**Calculation of the Unspent Portion of the Entitlement
of the Committee on Arrangements for the 1984
Republican National Convention
as of October 31, 1984**

Amount of Federal Funds Received by the Committee	\$8,080,000.00
Adjusted Total of Convention Expenses Made	(<u>8,069,368.11</u>)
Total	\$ <u>10,631.89</u>
Estimated Winding Down Costs: <u>1/</u>	
Contract - Convention Proceedings	(6,000.00)
Furniture Rental	(1,000.00)
Miscellaneous	(<u>2,468.04</u>)
Repayment Amount <u>2/</u>	\$ <u>1,163.85</u>

On January 10, 1985, the Committee repaid \$1,163.85 to the U.S. Treasury pursuant to 11 C.F.R. § 9008.10(e).

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- 1/ The estimated winding down costs for the Committee were provided by Committee staff. Actual expenses will be compared against these estimates, and adjustments made if appropriate.
 - 2/ The Committee repaid \$302,506.36 of interest income to the U.S. Treasury on October 10, 1984 in accordance with 11 C.F.R. § 9008.6(a)(5).

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In addition, by letter dated July 18, 1985, the Committee forwarded a check in the amount of \$2,784.08. According to the Committee, this amount represents the value of unexpected refunds received from vendors since January 10, 1985. On July 23, 1985 the check was delivered to the U.S. Treasury for deposit into the General Fund pursuant to 26 U.S.C. § 9008(h).

Recommendation

The Audit staff recommends that no further action is necessary at this time.

B. Matters Referred to the Office of General Counsel

Certain matters noted during the audit were referred to the Commission's Office of General Counsel.

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