



FEDERAL ELECTION COMMISSION

135 K STREET NW
WASHINGTON, DC 20463

July 17, 1979

MEMORANDUM

TO: FRED EILAND
PRESS OFFICE

THROUGH: ROBERT J. COSTA *RJC*

FROM: JUDY HAWKINS *JH*

SUBJECT: PUBLIC ISSUANCE OF AUDIT REPORT -
REPUBLICAN STATE CENTRAL COMMITTEE
OF NEW MEXICO/REPUBLICAN CAMPAIGN
COMMITTEE OF NEW MEXICO

Attached please find a copy of the final audit report of the Republican State Central Committee of New Mexico/Republican Campaign Committee of New Mexico which was approved by the Commission on June 27, 1979.

All informational copies of the report have been received by all individuals involved and this report may be released to the public as of today, July 17, 1979.

Attachment as stated

cc: FEC Library
RAD
Public Record



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FEDERAL ELECTION COMMISSION

1275 K STREET, N.W.
WASHINGTON, D.C. 20563

REPORT OF THE AUDIT DIVISION ON THE REPUBLICAN STATE CENTRAL COMMITTEE OF NEW MEXICO AND THE REPUBLICAN CAMPAIGN COMMITTEE OF NEW MEXICO

I. Background

A. Overview

This report is based upon audits of the Republican State Central Committee of New Mexico ("the State Central Committee") and the Republican Campaign Committee of New Mexico ("the Campaign 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, 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 State Central Committee registered with the United States House of Representatives on April 19, 1972. The State Central Committee terminated on May 11, 1976. The Campaign Committee registered with the Federal Election Commission on May 11, 1976 to support only Federal candidates. The Committees maintained their headquarters in Albuquerque, New Mexico.

The audit covered the period January 1, 1976 through October 23, 1978, the final coverage date of the most recent report filed by the Campaign Committee at the time of the audit. The State Central Committee reported a beginning cash balance at January 1, 1976 of \$14,275.43, total receipts of \$100,466.23, total expenditures of \$53,986.37, and an ending cash balance at March 31, 1976 of \$60,755.29. The Campaign Committee reported a beginning cash balance of \$-0- on April 29, 1976, total receipts of \$67,704.03, total expenditures of \$62,827.56, ending cash balance at October 23, 1978 of \$4,876.47.



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 State Central Committee were Mr. Jack Stahl, Chairman, and Mr. Tony D. Chan, O.D., Treasurer. The principal officers of the Campaign Committee were Mr. Jack Stahl, Chairman, for the period April 29, 1976 through April 28, 1977, and Mr. Gary Carruthers, Chairman, for the period April 29, 1977 through October 23, 1978; Mr. Tony D. Chan, O.D., Treasurer, for the period April 29, 1976 through April 28, 1977, Rhonda Parsons, Treasurer, for the period April 29, 1977 through October 23, 1978.

C. Scope

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

II. Auditor's Statement

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 Committee of New Mexico and the Republican Campaign Committee of New Mexico fairly present the financial activities of the Committees 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.

III. Description of Findings with Respect to
the Republican State Central Committee of New Mexico

A. Reporting of Receipts and Expenditures

Section 434(b)(1) through (4), (8), (9), and (11) of Title 2, United States Code, requires a political committee to include in its reports the identification of each person from whom it has received contributions or made expenditures, which in the aggregate exceed \$100, during the calendar year together with the date, amount, and total sum of all contributions and expenditures within the calendar year.

Our review of Committee records revealed the State Central Committee failed to file a report of receipts and expenditures covering the period April 1, 1976 through April 29, 1976. The amount of unreported activity during this period was approximately \$7,636 in receipts and \$18,414 in expenditures. The Treasurer agreed to file a report to disclose the unreported activity.

Recommendation

Since the State Central Committee filed an amended report on January 2, 1979 disclosing the activity occurring for the period April 1, 1976 through April 29, 1976, we recommend no further action on this matter.

B. Itemization of Transfers

Section 434(b)(4) of Title 2 of the United States Code requires, in part, that a committee disclose the name and address of each political committee to which that committee has made any transfer of funds, together with the amounts and dates of all transfers.

Our review of the State Central Committee records revealed that 13 transfers to political committees all under \$100.00 and totaling \$373.85 (22.4% of the total number and 2.6% of the total dollar amount of all transfers made) were improperly disclosed as unitemized operating expenditures. The State Central Committee Treasurer responded that she was unaware of the requirement to itemize all transfers, regardless of amount, and would file the required amendment.

Recommendation

Since the State Central Committee filed an amended report on April 30, 1979 disclosing the transfers, we recommend no further action on this matter.

C. Other Matters

Presented below is a matter discussed with the State Central Committee during the audit for which the Audit staff feels no further action is warranted.

1. It was determined that the State Central Committee did not disclose that an obligation of \$1,400 owed to the Committee had been satisfied (itemized on the Schedule of Debts and Obligations with an outstanding balance of \$-0-). The State Central Committee's reports did disclose the receipt of funds which satisfied the obligation.

IV. Description of Findings with Respect to the Republican Campaign Committee of New Mexico

A. Disclosure of Contributions

Section 434(b)(2) of Title 2 of the United States Code states, in part, that each report shall disclose the full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within a calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions.

During the course of the audit, it was determined that the Campaign Committee did not report the occupation and principal place of business for 15 itemized contributors, totaling \$2,400 (23.8% of the total number and 18% of the total dollar value requiring itemization). The Campaign Committee Treasurer informed us that she was aware of some omissions in contributor information and had intended to file an amendment.

Recommendation

Since the Campaign Committee filed an amendment on April 30, 1979 disclosing the contributor information, we recommend no further action on this matter.

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B. Preservation of Receipts

Section 432(d) of Title 2 of the United States Code states, in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

In addition, Section 102.9(c)(4) of Title 11, Code of Federal Regulations states, in part, that when a receipted bill is not available, the treasurer may keep the cancelled check showing payment of the bill; and the bill, invoice, or other contemporaneous memorandum.

Our review of the Campaign Committee's expenditure records disclosed five (5) expenditures, each in excess of or aggregating in excess of \$100 and totaling \$3,744.89, not supported by receipted bills or other contemporaneous memoranda. The unsupported expenditures represent approximately 22.7% of the total number and 24.7% of the total dollar amount of expenditures requiring such support. Cancelled checks were available to support all of the expenditures.

Recommendation

Since the Campaign Committee submitted copies of the necessary supporting documentation on April 30, 1979, we recommend no further action on this matter.

C. Other Matters

Presented below are other matters discussed with the Campaign Committee during the audit for which the Audit staff feels no further action is warranted.

1. It was determined that the Campaign Committee did not disclose that several obligations owed by the Committee had been satisfied (itemized on the Schedule of Debts and Obligations with an outstanding balance of \$-0-). The Campaign Committee's reports did disclose the expenditure of funds which satisfied the obligations.

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