



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

A81-56

March 29, 1982

MEMORANDUM

TO: FRED EILAND  
PRESS OFFICE

FROM: BOB COSTA *RJC*

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -  
FRIENDS OF ASSEMBLYMAN RICHARD ROBINSON  
COMMITTEE

Attached please find a copy of the final audit report of the Friends of Assemblyman Richard Robinson Committee which was approved by the Commission on March 11, 1982.

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



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

A81-56

REPORT OF THE AUDIT DIVISION  
ON THE  
FRIENDS OF ASSEMBLYMAN RICHARD ROBINSON COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Friends of Assemblyman Richard Robinson Committee ("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(b) of Title 2 of the United States Code which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under Section 434 of this title. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Federal Election Commission on May 31, 1978. The Committee maintains its headquarters in Santa Ana, California.

The audit covered the period January 1, 1980 through December 31, 1980. The Committee reported a cash balance on January 1, 1980 of \$4,306.58; total receipts for the period of \$20,748.99; total expenditures for the period of \$25,000.00; and a cash balance on December 31, 1980 of \$55.57.

This report is based upon documentation and workpapers 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 the Commissioners and appropriate staff for review.

B. Key Personnel

The Treasurer for the Committee during the period covered by the audit was Mr. Richard W. Milner.

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. Audit Finding and Recommendation

A. Allocation of Fundraising Expenses

Section 102.5(a)(1) of Title 11, Code of Federal Regulations states, in part, that each organization which finances political activity in connection with both federal and non-federal elections shall either: (i) Establish a separate federal account in a depository which shall be treated as a separate federal political committee and shall comply with the requirements of the Act; or (ii) Establish a political committee which shall receive only contributions subject to the prohibitions and limitations of the Act, regardless of whether such contributions are for use in connection with federal or non-federal elections.

Section 106.1(e) of Title 11, Code of Federal Regulations, states that party committees and other political committees which have established federal campaign committees pursuant to 11 C.F.R. 102.5 shall allocate administrative expenses on a reasonable basis between their federal and non-federal accounts in proportion to the amount of funds expended on federal and non-federal elections, or on another reasonable basis.

The Committee is a separate account established by Assemblyman Richard Robinson to engage in federal activity. Assemblyman Robinson also has established another entity, of the same name, which engages in non-federal activity. During the audit period fundraising expenses paid on behalf of both entities by the non-federal account were not allocated between the federal and non-federal accounts as required by 11 C.F.R. 106.1(e).

Committee officials advised that they would determine, on a reasonable basis, an amount of fundraising expenses allocable to the federal account.

In the interim audit report, the Audit staff recommended that the Committee, within 30 days of receipt of the report, determine on a reasonable basis the amount of fundraising expense allocable to the federal account and provide sufficient documentation to evaluate the reasonableness of the allocation method. It was also recommended that the Committee reimburse the non-federal account for the appropriate amount and provide to the Audit staff evidence of the reimbursement.

On March 1, 1982, the Audit staff received the Committee's response to the interim report indicating that fundraising costs totaling \$1,306.73 were allocable to the federal account and that reimbursement had been made. The Audit staff's review of the supporting documentation has revealed that the allocation method and reimbursement appear to be reasonable.

Recommendation

The Audit staff recommends no further action with respect to the requested reimbursement. However, it is recommended that the Committee, in the future, perform such allocations as necessary on a timely basis.

FEC  
DOCUMENT  
SERIALS