



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20543

A81-22

September 28, 1981

MEMORANDUM

TO: FRED EILAND
PRESS OFFICE

FROM: BOB COSTA *RC*

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -
REPUBLICAN STATE CENTRAL COMMITTEE OF
IOWA AND ITS FINANCE COMMITTEE

Attached please find a copy of the final audit report of the Republican State Central Committee of Iowa and its Finance Committee which was approved by the Commission on September 15, 1981.

Informational copies of the report have been received by all parties involved and this report may be released to the public as of today, September 28, 1981.

Attachment as stated

cc: FEC Library
RAD
Public Record



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION
ON THE
REPUBLICAN STATE CENTRAL COMMITTEE OF IOWA
AND ITS
FINANCE COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Republican State Central Committee of Iowa and its Finance 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 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 Comptroller General of the United States on April 17, 1972. The Committee maintains its headquarters in Des Moines, Iowa.

The audit covered the period January 1, through December 31, 1980. The Committee reported a cash balance at January 1, 1980 of \$2,174.88; total receipts for the period of \$953,884.28; total disbursements for the period of \$938,082.35; and a cash balance on December 31, 1980 of \$17,976.81.

This audit report is based on documents and work 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 the report and were available to the Commissioners and appropriate staff for review.

B. Key Personnel

The Treasurer of the Committee during the period covered by the audit was Ms. Martha Charles.

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. Finding and Recommendation

A. Disclosure of Federal and Non-Federal Activity

Section 102.5(a)(1)(i) of Title 11 of the Code of Federal Regulations states, in relevant part, that a political committee which finances political activity in connection with both federal and non-federal elections and has established a separate federal account in a depository shall treat such an account as a separate federal political committee which shall comply with the registration and reporting requirements of the Act.

Our review of the reports filed by the Committee revealed that the Committee disclosed the activity of its non-federal account as well as its federal activity. The committee's reports were prepared in such a manner that federal activity was indistinguishable from non-federal activity. By reporting both federal and non-federal activity, it appears that the Committee has not treated the federal account as a separate political committee.

The Committee officials acknowledged the disclosure of federal and non-federal activity in reports filed with the Commission and stated their intent to begin reporting only federal activity at the earliest possible date.

Recommendation

It is the recommendation of the Audit staff that the Committee discontinue the disclosure of non-federal activity in reports filed with the Commission with the next report filed after receipt of this audit report.

