



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

February 24, 1982

MEMORANDUM

TO: FRED EILAND
PRESS OFFICE

FROM: BOB COSTA *RJC*

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT - SOUTH CAROLINA REPUBLICAN
PARTY CAMPAIGN '80 FUND

Attached please find a copy of the final audit report of the South Carolina Republican Party Campaign '80 Fund which was approved by the Commission on February 5, 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
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Public Records ✓



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION
ON THE
SOUTH CAROLINA REPUBLICAN PARTY CAMPAIGN '80 FUND

I. Background

A. Overview

This report is based on an audit of the South Carolina Republican Party Campaign '80 Fund ("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 February 27, 1976. The Committee maintains its headquarters in Columbia, South Carolina.

The audit covered the period January 1 through December 31, 1980. The Committee reported a cash balance January 1, 1980 of \$124.58; total receipts for the period of \$143,832.33; total disbursements for the period of \$125,373.53; and a cash balance on December 31, 1980 of \$18,583.38.

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 the report and were available to the Commissioners and appropriate staff for review.

B. Key Personnel

The Treasurer of the Committee from January 1, 1980 to June 15 was Mr. Wayne Adams; from June 15 to August 10, 1980, Mr. Wallace Towe; and from August 10, 1980 through December 31, 1980, Mr. Martin Suber.

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. Findings and Recommendations

A. Misstatements of Financial Activity

Section 434(b)(1)(2) and (4) of Title 2 of the United States Code states, in part, that each report filed by the treasurer of a political committee shall disclose the amount of cash on hand at the beginning of the reporting period; for the reporting period and the calendar year, the total amount of all receipts; and for the reporting period and the calendar year, the total amount of all disbursements.

As part of routine audit procedures, the Committee's reported cash at January 1, 1980, and cash receipts and disbursements for the calendar year ending December 31, 1980 were reconciled with bank statements for the same period. The reconciliation revealed that receipts were understated by \$3,444.95 or 2.4% of the reported total, and disbursements understated by \$11,483.04 or 9.2% of the reported total. The net effect of these misstatements was an overstatement of ending cash by \$8,038.09 or 43.2% of the reported total.

The understatement of reported receipts was created by the omission of one bank deposit from reported activity, and the understatement of cash disbursements resulted from clerical errors (such as typing errors) in report preparation. Although such errors and omissions could have been prevented by a reconciliation of reports to bank activity at the time of report preparation, the Committee stated that reconciliations were not performed.

In the Interim Audit report, the Audit staff recommended that the Committee file a comprehensive amendment correcting the total amount of reported receipts, disbursements, and cash on hand for the year ending December 31, 1980 and for subsequent reporting periods.

On January 11, 1982, the Committee submitted a comprehensive amendment correcting the reported totals for the 1980 Year End report and subsequent reporting periods.

Recommendation

On the basis of the amendments submitted by the Committee, the Audit staff recommends no further action on this matter.

B. Disclosure of Contributor Identification

Section 434(b) (3) and 431(13) (A) of Title 2, United States Code, states, in part, that each report shall disclose the identification (the name, mailing address, occupation, and name of employer) of each person who makes a contribution to the reporting committee in an aggregate amount or value in excess of \$200 within a calendar year, together with the date and amount of any such contribution.

Section 104.7(b) of Title 11, Code of Federal Regulations, states, in part, that a treasurer will not be deemed to have exercised best efforts to obtain the identification of a contributor, unless he or she had made at least one effort per solicitation either by a written request or by an oral request documented in writing to obtain such information from the contributor.

Our review of the Committee's receipt records revealed that the contributor's "name of employer" was not disclosed on Schedules A for 91 contributions or 80.5% of the 113 contributions requiring such information.

Three (3) contributor cards used by the Committee in their fundraising events were provided for our review. Two (2) of these cards were used in direct mail efforts, and both requested complete contributor identification. The third card omitted the request for the contributor's "name of employer". The Committee Treasurer stated that this card was used in all other fundraising activities, primarily personal solicitations.

The receipt records did not indicate the method by which any contribution received was solicited. However, the Committee Treasurer stated that most of the large contributions, those aggregating or in amount in excess of \$200, were raised by personal solicitations or events.

At the time of the audit, the Committee had not provided evidence that best efforts were made to obtain the contributor's "name of employer" for the 91 contributions mentioned above. The Treasurer explained that the omission of the request for the contributor's "name of employer" on this contributor card was an oversight.

In the Interim report the Audit staff recommended that the Committee make an attempt to obtain the contributor's "name of employer" for the 91 contributions, and submit documentation of the attempt, along with amended reports disclosing any such information received.

On January 11, 1982, the Committee filed an amendment which disclosed, for 78 of the 91 contributions, the contributor's "name of employer". The Committee also provided an example of the letter used to obtain this information.

Recommendation

Since the Committee provided the missing contributor identification for a majority of the contributors, and provided evidence of "best efforts" to obtain the information from the remaining contributors, the Audit staff recommends no further action be taken on this matter.

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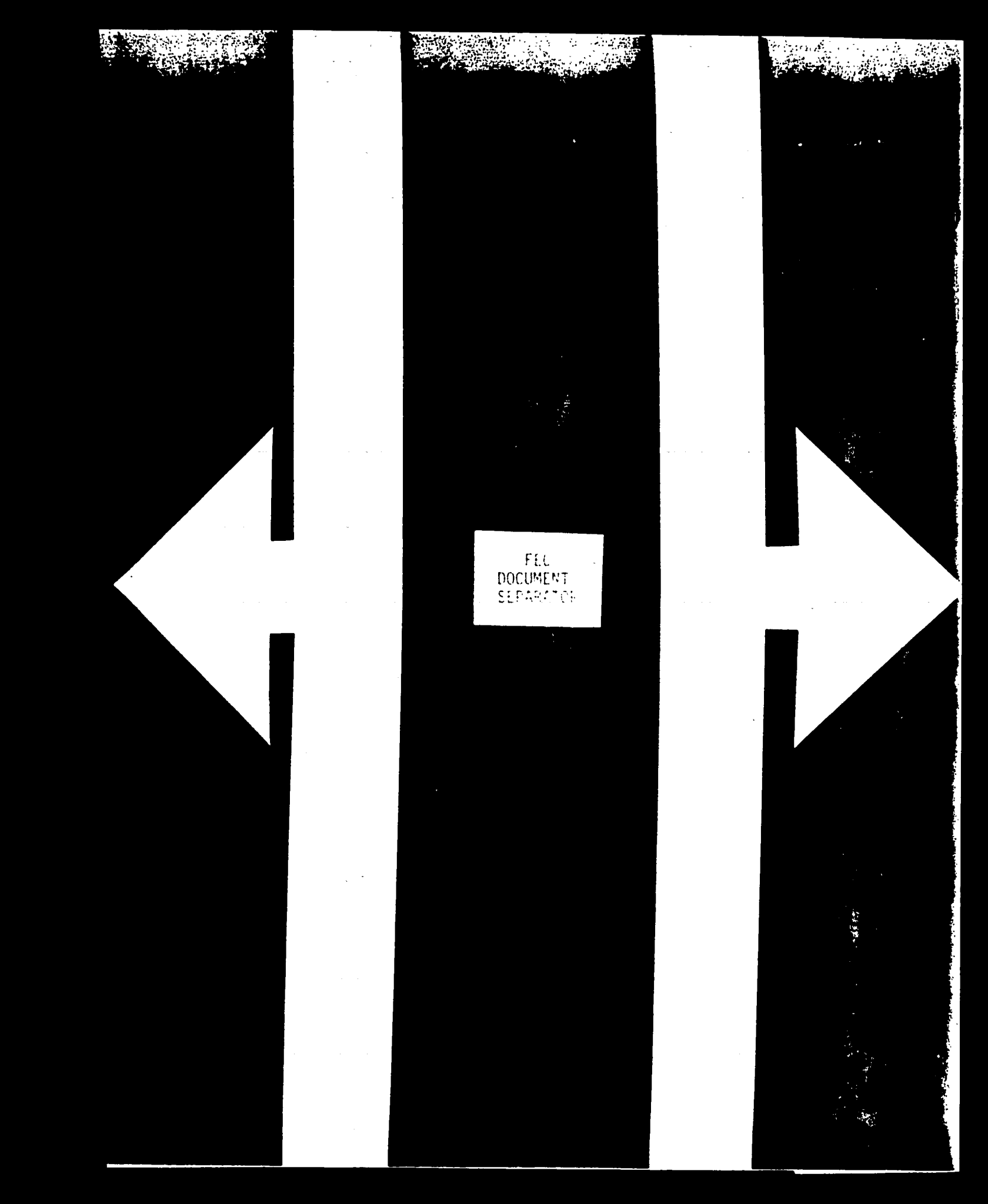
At the time of the audit, the Committee had not provided evidence that best efforts were made to obtain the contributor's "name of employer" for the 91 contributions mentioned above. The Treasurer explained that the omission of the request for the contributor's "name of employer" on this contributor card was an oversight.

In the Interim report the Audit staff recommended that the Committee make an attempt to obtain the contributor's "name of employer" for the 91 contributions, and submit documentation of the attempt, along with amended reports disclosing any such information received.

On January 11, 1982, the Committee filed an amendment which disclosed, for 75 of the 91 contributions, the contributor's "name of employer." The Committee also provided an example of the letter used to obtain this information.

Recommendation

Since the Committee provided the missing contributor identification for a majority of the contributors, and provided evidence of "best efforts" to obtain the information from the remaining contributors, the Audit staff recommends no further action be taken on this matter.

The image shows a high-contrast, black and white scan of a document separator. It features a central white rectangular label with the text "FBI DOCUMENT SEPARATOR" printed on it. The label is positioned between two large, white, arrow-shaped cutouts that point outwards to the left and right. The background is solid black, and the overall appearance is that of a technical or archival document.

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