



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

A83-120

REPORT OF THE AUDIT DIVISION
ON THE
RHODE ISLAND REPUBLICAN CAMPAIGN COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Rhode Island Republican Campaign 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 June 24, 1977 and maintains its headquarters in Providence, Rhode Island.

The audit covered the period January 1, 1981 through December 31, 1982. The Committee reported a beginning cash balance on January 1, 1981 of \$-0-; total receipts for the period of \$91,146.32; total disbursements for the period of \$91,031.02; and an ending cash balance on December 31, 1982 of \$115.30.

This report is based on documents and work papers supporting 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.

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B. Key Personnel

The Treasurers of the Committee during the period covered by the audit were Mr. Ernest R. Beaulieu from January 1, 1981 through June 10, 1982 and Mr. Jonathan T. Isham from June 11, 1982 through the present.

C. Scope

The audit included such tests as verification of total reported receipts and disbursements 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. Audit Findings and Recommendations

A. Itemization of Receipts

Section 434(b)(3)(A) of Title 2, United States Code, states in part, that each report shall disclose the identification of each person (other than a political committee) who makes a contribution to the reporting committee, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount.

Section 434(b)(3)(C) of Title 2, United States Code, states that each report shall disclose the identification of each authorized committee which makes a transfer to the reporting committee.

Section 434(b)(3)(E) of Title 2, United States Code, states in part, that each report shall disclose the identification of each person who makes a loan to the reporting committee together with the date and amount.

A review of the Committee's contribution records revealed the following:

1. The Committee received 18 contributions totaling \$4,363.35 requiring itemization which were not itemized. This represents 19% of the number and 12% of the dollar value of contributions requiring itemization.

2. The Committee received a \$1,250 contribution from an authorized political committee which was not itemized. This represents 50% of the number and 33% of the dollar value of contributions from political committees.

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3. The Committee received a \$2,000 bank loan on April 28, 1981 which was not itemized as required, and reported a \$5,000 bank loan as a transfer from the Rhode Island Republican Party.

On April 2, 1984, the Committee filed the necessary amendments to correct the three reporting deficiencies.

Recommendation

Based on the above, the Audit staff recommends no further action.

B. Recordkeeping for Contributions

Section 432(c) of Title 2, United States Code, states in part, that the treasurer of a political committee shall keep an account of all contributions received by or on behalf of such political committee as well as the name and address of any person who makes any contribution in excess of \$50, together with the date and amount.

For the period covered by the audit the Committee's recordkeeping procedures consisted of maintaining:

1. photocopies by deposit of all contributions received in the form of checks;
2. deposit slips listing the contributors' surnames and amounts of contributions; and
3. an alphabetized contributor card file of all contributions received.

Committee officials stated that subsequent to the audit period the Committee underwent a change in the personnel who maintained the financial records and, in addition, relocated their office headquarters. In the transition, the contributor card file and a portion of the deposit batches (deposit slips and photocopies of contributor checks) were misplaced.

Our initial review indicated that the missing batches comprised \$30,027.70 in contributions. At the Audit staff's request, photocopies of the missing deposit slips listing the contributors' surnames and amounts of contributions were obtained from the bank. As a result we determined that there were 92 contributions, each in excess of \$50, totaling \$12,630.05 for which the contributors' full names and mailing addresses were lacking.

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Due to the circumstances surrounding the loss of the original contributor records and to the fact that the Committee's current system is at least as efficient as the former system (both of which include features beyond the requirements of the Act), the Audit staff is of the opinion that no benefit can be derived from further Committee action.

Recommendation

The Audit staff recommends no further action on this matter.

C. Matter Referred to the Office of General Counsel

A certain matter noted during the audit was referred to the Commission's Office of General Counsel on April 17, 1984.

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