

AGENDA DOCUMENT NO. 11-05-B



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEDERAL ELECTION COMMISSION
COMMUNICATIONS SECTION
COMMUNICATIONS UNIT

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March 3, 2011

AGENDA ITEM

MEMORANDUM

TO: The Commission

For Meeting of 3-3-11

SUBMITTED LATE

FROM: Vice Chair Caroline C. Hunter *Caroline Hunter LEW*

SUBJECT: A08-02 (Audit Division Recommendation Memorandum on the Kansas
Republican Party)

Attached, please find a proposed motion in the above-referenced matter.

Motion on A08-02 (KS GOP DFAR)

Move to approve Agenda Document No. 11-05, subject to appropriate changes pursuant to Directive 70, with the following modifications (and all necessary technical and conforming changes):

- 1) **In Finding 1 (“Misstatement of Financial Activity”) – for the reasons stated in Finding 2 below**
 - A) On p.5, delete the third full paragraph relating to receipts and expenditures related to attendance at the Republican National Convention, and the \$74,320 understatement in receipts related to the convention account;
 - B) On p.6, delete the first full paragraph relating to possible prohibited contributions relating to the convention account, and the \$105,243 understatement in disbursements related to the same;
- 2) **In Finding 2 (“Receipt of Apparent Prohibited Contributions”) – delete the language in Finding 2 relating to the three receipts totaling \$42,498 received by KRP’s National Convention account, on the grounds that there was a lack of information regarding whose convention travel, lodging, and subsistence expenses were paid for by the account, as well as the lack of any statutory provision or regulation directly addressing the issue of what funds may be used to pay for such expenses for delegates and non-delegates**
- 3) **In Finding 3 (“Payment of Federal Activity Out of Non-federal Accounts”) – delete the following portions of Finding 3 relating to:**
 - A) “Payment and Disclosure of Lodging Expense” – this relates to the same issue in Finding 2 above;
 - B) The following expenses described on p.10, on the grounds that the proposed Audit findings improperly shift the burden to audited committees to disprove a negative instead of properly requiring the Audit Division to demonstrate its findings:
 - i. “Payment and Disclosure of Non Allocable Federal Election Activity” – this regards \$1,639 in pins that Audit speculates were used for the national convention, for which there is no concrete evidence whatsoever that they were actually used for such purpose;
 - ii. “Payment and Disclosure of Allocable Administrative Costs” - **with the exception of rent, phone service, and office supplies** – this portion regards expenses (*i.e.*, postage, consulting, travel reimbursements, and printing) that allegedly had to be paid with an allocation of Federal and non-Federal funds, but which Audit fails to demonstrate with any concrete evidence were actually expended for allocable activities and not for solely non-Federal activities;
 - iii. “Payment and Disclosure of Printed Materials” – this portion regards \$14,359 in printed materials that Audit fails to demonstrate with any concrete evidence was actually Federal Election Activity.
- 4) Find that KRP is not required to take further action with respect to any of the findings.