Draft Final Audit Report of the Audit Division on the Ohio Republican Party State Central & Executive Committee
(January 1, 2007 - December 31, 2008)

Why the Audit Was Done
Federal law permits the Commission to conduct audits and field investigations of any political committee that is required to file reports under the Federal Election Campaign Act (the Act). The Commission generally conducts such audits when a committee appears not to have met the threshold requirements for substantial compliance with the Act.

About the Committee
The Ohio Republican Party State Central & Executive Committee is a state party committee registered in Columbus, Ohio. For more information, see The Committee Organization, p. 2.

Financial Activity
- Receipts
  o Contributions from individuals $3,058,229
  o Contributions from political organizations $1,666,512
  o Indivisible Affiliates $11,851,559
  o Transfers from Federal Accounts $2,385,909
  o Other Receipts $1,310,775
- Total Receipts $20,272,984

- Disbursements
  o Operating Expenditures $5,304,397
  o Refunds of Contributions $1,747,000
  o Independent Expenditures $50,000
  o Coordinated Expenditures $13,003
  o Federal Election Activity $10,710,668
  o Other Disbursements $1,345,414
- Total Disbursements $19,170,482

Future Action
The Commission may initiate an enforcement action, at a later time, with respect to the matter discussed in this report.

Finding and Recommendation (p. 3)
- Reporting of Debts and Obligations

1 2 U.S.C. §438(b).
Draft Final Report of the Audit
Division on the
Ohio Republican Party State
Central & Executive Committee

(January 1, 2007 - December 31, 2008)
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Part I
Background

Authority for Audit
This report is based on an audit of the Ohio Republican Party State Central & Executive Committee (ORP), undertaken by the Audit Division of the Federal Election Commission (the Commission) in accordance with the Federal Election Campaign Act of 1971, as amended (the Act). The Audit Division conducted the audit pursuant to 2 U.S.C. §438(b), which permits the Commission to conduct audits and investigations of any political committee that is required to file a report under 2 U.S.C. §434. Prior to conducting any audit under this subsection, the Commission must 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. 2 U.S.C. §438(b).

Scope of Audit
Following Commission approved procedures, the Audit Division evaluated various risk factors and as a result, this audit examined:
1. The disclosure of individual contributors' occupations and name of employer.
2. The disclosure of disbursements, obligations, and non-federal accounts.
3. The disclosure of expenses allocated to federal and non-federal accounts.
4. The consistency between reported figures and.
5. The completeness of.
6. Other committee operations necessary to the review.
Part II
Overview of Committee

Committee Organization

Important Dates
- Date of Registration: October 5, 1982
- Audit Coverage: January 1, 2007 - December 31, 2008

Headquarters
- Columbus, Ohio

Bank Information
- Bank Depositories: Two
- Bank Accounts: 10 Federal, Six Non-federal

Treasurer
- Treasurer When Audit Was Conducted: Paul Hong, January 23, 2007 - Present

Management Information
- Attended FEC Campaign Finance Seminar
- Who Handled Accounting and Recordkeeping Tasks: Paul Hong

Overview of Financial Activity
(Audited Amounts)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand @ January 1, 2007</td>
<td>$172,248</td>
</tr>
<tr>
<td>Receipts</td>
<td></td>
</tr>
<tr>
<td>o Contributions from Individuals</td>
<td>3,058,229</td>
</tr>
<tr>
<td>o Contributions from Political Committees</td>
<td>1,666,512</td>
</tr>
<tr>
<td>o Transfers from Affiliates</td>
<td>11,851,559</td>
</tr>
<tr>
<td>o Transfers from Non-Political Accounts</td>
<td>2,385,909</td>
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<tr>
<td>o Offsets/Other Receipts</td>
<td>1,310,775</td>
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<td>$20,272,984</td>
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<td>1,345,414</td>
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<td>Total Disbursements</td>
<td>$19,170,482</td>
</tr>
<tr>
<td>Cash on hand @ December 31, 2008</td>
<td>$1,274,750</td>
</tr>
</tbody>
</table>
Part III
Summary

Finding and Recommendation

Reporting of Debts and Obligations
Audit fieldwork identified debts to five vendors that ORP failed to report. The debts totaled $1,195,892. In response to the Interim Audit Report recommendation, ORP amended its reports to disclose these debts. (For more detail see p. 4)
Part IV
Finding and Recommendation

Reporting of Debts and Obligations

Summary
Audit fieldwork identified debts to five vendors that ORP failed to report. The debts totaled $1,195,892. In response to the Interim Audit Report recommendation, ORP amended its reports to disclose these debts.

Legal Standard
A. Continuous Reporting Required. A political committee must close the amount and nature of outstanding debts and obligations until these debts are extinguished. 2 U.S.C §434(b)(8) and 11 CFR §§104.3(d) and 104.11(a).

B. Separate Schedules. A political committee must file separate schedules of debts owed by and to the committee with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or extinguished. 11 CFR §104.11(a).

C. Itemizing Debts and Obligations.
- Once it has been outstanding 60 days from when incurred, a debt of $500 or less must be reported in the next regularly scheduled report.
- A debt exceeding $500 must be disclosed in the report that covers the date on which the debt was incurred. 11 CFR §104.11(b).

Facts and Analysis

A. Facts
Disguised reports filed by ORP among the audit period did not disclose any debts owed. Although ORP paid the majority of invoices timely, it carried outstanding balances with five vendors that were not disclosed as debts. During audit fieldwork, a review of vendor invoices and computer files identified debts totaling $1,195,892 that should have been disclosed on Schedule D (Debts and Obligations). The vendors consistently invoiced ORP for the balances due. Some of the undisclosed debts were outstanding prior to the beginning of the audit period.

B. Interim Audit Report & Audit Division Recommendation
The Audit staff informed ORP representatives of this matter at the exit conference and provided schedules detailing the undisclosed debts for each reporting period for the audited cycle. ORP representatives indicated that amended reports would be filed.

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2 Each debt in this amount was counted once. In order for ORP to correctly file amended reports, the schedule provided included the amount of each debt required to be reported for each reporting period.
In the Interim Audit Report, the Audit staff recommended that ORP amend its reports to disclose the debts and obligations addressed above.

C. Committee Response to Interim Audit Report
In response to the Interim Audit Report, ORP filed amended reports disclosing the debts and obligations.