

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Audit Division Recommendation) Agenda Documents No. 11-05, No. 11-
Memorandum on Kansas Republican) 05-A, No. 11-05-B and No. 11-05-C
Party (A08-02))

CERTIFICATION

I, Shawn Woodhead Werth, recording secretary of the Federal Election Commission open meeting on March 03, 2011 do hereby certify that the Commission took the following actions in the above-captioned matter:

1. Failed by a vote of 3-3 to:

Approve the motion as set forth in Agenda Document No. 11-05-B --

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):

a) In Finding 1 ("Misstatement of Financial Activity") - for the reasons stated in Finding 2 below

- 1) 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;
- 2) 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 relatnd to the same;

b) In Finding 2 ("Receipt of Apparent Prohibited Contributions") - delete the language in Finding 2 relating to the three roceipts 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

c) In Finding 3 ("Payment of Federal Activity Out of Non-federal Accounts") - delete the following portions of Finding 3 relating to:

- 1) "Payment and Disclosure of Lodging Expense" - this relates to the same issue in Finding 2 above;
- 2) The following expenses described on p.1 0, 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.
- d) Find that KRP is not required to take further action with respect to any of the findings.

Commissioners Hunter, McGahn II and Petersen voted affirmatively for the motion.

Commissioners Bauerly, Walther and Weintraub dissented.

2. Failed by a vote of 3-3 to:

Approve Agenda Document No. 11-05.

Commissioners Bauerly, Walther and Weintraub voted affirmatively for the motion.

Commissioners Hunter, McGahn II and Petersen dissented.

3. Decided by a vote of 6-0 to:

Approve the motion as set forth in Agenda Document No. 11-05-C --

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):

- a) In Finding 1 ("Misstatement of Financial Activity") - approve this finding, *with the exception of:*
 - 1) The language regarding receipts and expenditures related to attendance at the Republican National Convention, and the \$74,320 understatement in receipts related to the convention account;
 - 2) The language regarding possible prohibited contributions relating to the convention account, and the \$105,243 understatement in disbursements related to the same;

- b) In Finding 2 ("Receipt of Apparent Prohibited Contributions") - approve this finding, *with the exception of* the language relating to the three receipts totaling \$42,498 received by KRP's National Convention account.
- c) In Finding 3 ("Payment of Federal Activity Out of Non-Federal Accounts") - approve this finding *with the exception of* the language relating to:
- 1) "Payment and Disclosure of Lodging Expense" for the \$5,000 disbursement for lodging at the national party convention;
 - 2) The following expenses described on p.10:
 - i. "Payment and Disclosure of Non Allocable Federal Election Activity" for the \$1,639 disbursement for pins;
 - ii. "Payment and Disclosure of Allocable Administrative Costs" for all disbursements relating to postage, consulting, travel reimbursements, and printing.
 - iii. "Payment and Disclosure of Printed Materials" for the \$14,359 in printed materials.
- d) Find that KRP is not required to take any additional corrective action with respect to amending its reports in relation to the receipts to and disbursements from its National Convention account, nor is KRP required to make any additional reimbursements from its Federal account to the National Convention account. Additionally, KRP should remove from its next regularly scheduled report the \$37,498 disclosed as debt owed by its Federal account to the National Convention account.

Commissioners Bauerly, Hunter, McGahn II, Petersen, Walther and Weintraub voted affirmatively for the decision.

Attest:

March 7, 2011
Date

Shawn Woodhead Werth
Shawn Woodhead Werth
Secretary and Clerk of the Commission