FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 998

Date Filmed 1/25/80 Camera No. --- 2

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CE MUR 998

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... ¢
   - ☐ Show to whom, date, and address of delivery ..... ¢
   - ☐ RESTRICTED DELIVERY Show to whom and date delivered ..... ¢
   - ☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery . $____ (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: Mr. E. Clayton Gonzales

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. E C Gonzales

DATE OF DELIVERY 9-6-79

POSTMARK

HARTFORD, CT. SEP 6 1979 POST ANNEX

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO: 1977-0-249-595

CE MUR 998

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... ¢
   - ☐ Show to whom, date, and address of delivery ..... ¢
   - ☐ RESTRICTED DELIVERY Show to whom and date delivered ..... ¢
   - ☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery . $____ (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: Dan W. Lufkin

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. J. DeLuca

DATE OF DELIVERY 9/14/79

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO: 1977-0-249-595

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... ¢
   - ☐ Show to whom, date, and address of delivery ..... ¢
   - ☐ RESTRICTED DELIVERY Show to whom and date delivered ..... ¢
   - ☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery . $____ (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: Anton P. Fittner

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. [signature]

DATE OF DELIVERY

POSTMARK

HARTFORD, CT. SEP 10 1979 USPO

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO: 1977-0-249-595

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 31, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. E. Clayton Gengras
1093 Prospect Avenue
West Hartford, Connecticut 06105

Re: MUR 998 (79)

Dear Mr. Gengras:

On August 14, 1979, based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission found reason to believe that you may have violated a provision of the Federal Election Campaign Act of 1971, as amended.

The Federal Election Campaign Act includes a loan in the definition of a contribution. 2 U.S.C. § 431(e). Therefore, the loan/contribution you made to the Connecticut Republican Federal Campaign Committee may have violated 2 U.S.C. § 441a(a)(1)(c) in that it was in excess of the $5,000 contribution limitation. However, after considering the circumstances in this matter, the Commission has determined that no further action should be taken but noted that steps should be taken by you to ensure that no excessive contributions occur in the future. Accordingly, the file will be closed in this matter.

If you have any questions concerning this matter or if there is any relevant factual or legal materials you wish to submit for the public record, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll-free line (800) 424-9530.

Sincerely,

William C. Oldaker
General Counsel

FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 31, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Fenton P. Futtner, Treasurer
Connecticut Republican Federal
Campaign Committee
1 High Street
Hartford, Connecticut 06103

Re: MUR 998 (79)

Dear Mr. Futtner:

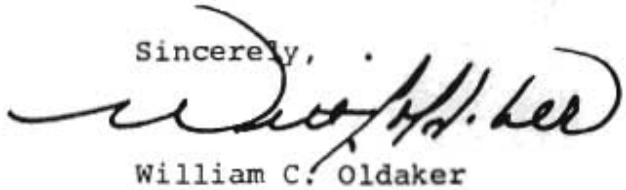
On August 14, 1979, based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission found reason to believe that you may have violated a provision of the Federal Election Campaign Act of 1971, as amended.

The Federal Election Campaign Act includes a loan in the definition of a contribution. 2 U.S.C. § 431(e). Therefore, the Connecticut Republican Federal Campaign Committee violated 2 U.S.C. § 441a(f) by accepting a loan endorsement/contribution from Mr. E. Clayton Gengras and Mr. Dan Lufkin in excess of the $5,000 contribution limitation set forth in 2 U.S.C. § 441a(a)(1)(c).

However, after considering the circumstances in this matter, the Commission has determined that no further action should be taken but noted that steps should be taken by the Committee to ensure that no excessive contributions are accepted in the future. Accordingly, the file will be closed in this matter.

If you have any questions concerning this matter or if there is any relevant factual or legal materials you wish to submit for the public record, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll-free line (800) 424-9530.

Sincerely,



William C. Oldaker
General Counsel

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 31, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dan W. Lufkin
Poverty Hollow Farms
Newton, Connecticut 06470

Re: MUR 998 (79)

Dear Mr. Lufkin:

On August 14, 1979, based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission found reason to believe that you may have violated a provision of the Federal Election Campaign Act of 1971, as amended.

The Federal Election Campaign Act includes a loan in the definition of a contribution. 2 U.S.C. § 431(e). Therefore, the loan/contribution you made to the Connecticut Republican Federal Campaign Committee may have violated 2 U.S.C. § 441a(a)(1)(c) in that it was in excess of the $5,000 contributions limitation. However, after considering the circumstances in this matter, the Commission has determined that no further action should be taken but noted that steps should be taken by you to ensure that no excessive contributions occur in the future. Accordingly, the file will be closed in this matter.

If you have any questions concerning this matter or if there is any relevant factual or legal materials you wish to submit for the public record, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll-free line (800) 424-9530.

Sincerely,

William C. Oldaker
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Connecticut Republican	)	MUR 998
Federal Campaign Committee	)	

AMENDED CERTIFICATION

I, Lena L. Stafford, Recording Secretary at the Executive Session of the Federal Election Commission on August 14, 1979, do hereby certify that the Commission determined by a vote of 4-2 to take the following actions in the above-captioned matter:

1. Find reason to believe that in 1976 the Connecticut Republican Federal Campaign Committee violated 2 U.S.C. § 44la(f) by accepting a contribution which was in excess of the $5,000.00 per calendar year limitation on contributions from individuals as provided in 2 U.S.C. § 44la(a) (1) (c).

2. Find reason to believe that in 1976 E. Clayton Gengras violated 2 U.S.C. § 44la(a)(1)(c) by making a contribution in excess of the $5,000.00 per calendar year limitation on contributions from individuals.

3. Find reason to believe that in 1976 Dan W. Lufkin violated 2 U.S.C. § 44la(a)(1)(c) by making a contribution in excess of the $5,000.00 per calendar year limitation on contributions from individuals.

4. Write a letter admonishing the Committee.

5. Close the file.

Commissioners Aikens, Friedersdorf, Reiche, and Tiernan voted in the affirmative. Commissioners Harris and McGarry dissented.

Attest:

8/20/79
Date

Lena L. Stafford
Lena L. Stafford
Recording Secretary

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE by pc

DATE: AUGUST 6, 1979

SUBJECT: MUR 998 - First General Counsel's Report dated 8-2-79; Received in OCS 8-2-79, 2:13

The above-named document was circulated on a 48 hour vote basis at 4:00, August 3, 1979.

Commissioner Friedersdorf submitted an objection at 12:02, August 6, 1979, thereby placing MUR 998 on the Executive Session Agenda for August 14, 1979.

80040173767

August 2, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 998

Please have the attached First General Counsel's Report on MUR 998 distributed to the Commission on a 48 hour tally basis.

Thank you.

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FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

'9 AUG

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION AUG 2 1979

MUR NO. 228
STAFF MEMBER(S) Conley Edwards

SOURCE OF MUR: INTERNALLY GENERATED / AUDIT

RESPONDENT'S NAMES: Connecticut Republican Federal Campaign Committee
E. Clayton Gengras
Dan W. Lufkin

RELEVANT STATUTE:
2 U.S.C. § 441a(a)(1)(c)
2 U.S.C. § 441a(f)

INTERNAL REPORTS CHECKED: Audit and Committee's Financial Reports

FEDERAL AGENCIES CHECKED: NONE

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Connecticut Republican Federal Campaign Committee, ("the Committee"). (Attachment I)

SUMMARY OF ALLEGATIONS

An audit finding and a review of the financial reports submitted to the Commission by the Committee for the period commencing January 1, 1976, through October 23, 1978, revealed that the Committee received and accepted an excessive loan endorsement/ contribution in violation of 2 U.S.C. § 441a(f). Also, two individuals exceeded their individual limits in violation of 2 U.S.C. § 441a(a)(1)(c) by co-endorsing a $30,000 unsecured loan note on behalf of the Committee.

PRELIMINARY LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(c) states that no person shall make a contribution to any other political committee in any calander year which, in the aggregate, exceed $5,000. In addition, 2 U.S.C. § 441 a (f) provides that no employee or officer of a political committee shall knowingly accept an excessive contribution in violation of any limitation imposed on contributions and expenditures.

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On September 16, 1976, E. Clayton Gengras and Dan W. Lufkin made a joint loan/contribution of $30,000 1/ to the Committee. This loan caused them both to be in violation of 2 U.S.C. § 441a(a)(1)(c) by exceeding the $5,000 contribution limitation to a committee. Mr. Gengras exceeded his limitation by $11,906.36 and Mr. Lufkin exceeded his by $12,006.36. (Attachment II) This loan was repaid by the Committee on October 12, 1976.

The Committee accepted this excessive loan endorsement/ contribution in violation of 2 U.S.C. § 441a(f).

RECOMMENDATIONS

1. Find reason to believe that in 1976 the Connecticut Republican Federal Campaign Committee violated 2 U.S.C. § 441a(f) by accepting a contribution which was in excess of the $5,000.00 per calendar year limitation on contributions from individuals as provided in 2 U.S.C. § 441a(a)(1)(c).

2. Find reason to believe that in 1976 E. Clayton Gengras violated 2 U.S.C. § 441a(a)(1((c) by making a contribution in excess of the $5,000.00 per calendar year limitation on contributions from individuals.

3. Find reason to believe that in 1976 Dan W. Lufkin violated 2 U.S.C. § 441a(a)(1)(c) by making a contribution in excess of the $5,000.00 per calendar year limitation on contributions from individuals.

4. Send attached letters.

Attachments: Audit Report Attachment I
Committee letter Attachment II
Gengras letter
Lufkin letter
Futtner letter

1/ Each of the two (2) endorsers were attributed one half of the $30,000 loan which was discounted to $28,812.71. Mr. Gengras and Mr. Lufkin were each credited with a loan/contribution of $14,906.36.

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A. 490

FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 10, 1979

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR

FROM: BOB COSTA

SUBJECT: INTERIM AUDIT REPORT - CONNECTICUT REPUBLICAN FEDERAL CAMPAIGN COMMITTEE

Attached please find a copy of the interim audit report of the Connecticut Republican Federal Campaign Committee for your review and legal analysis.

Attachment as stated

Attachment I

FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

INTERIM REPORT OF THE AUDIT DIVISION ON THE CONNECTICUT REPUBLICAN FEDERAL CAMPAIGN COMMITTEE

I. Background

A. Overview

This interim report is based on an audit of the Connecticut Republican Federal 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(a)(8) of Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Connecticut Republican Federal Campaign Committee registered with the Federal Election Commission on January 22, 1976. The Committee maintains its headquarters in Hartford, Connecticut.

The audit covered the period January 1, 1976 through October 23, 1978, the final coverage date of the most recent report filed at the time of the audit. The Committee reported a beginning cash balance at January 1, 1976 of $ -0-, total receipts for the period of $460,452.23, total expenditures for the period of $456,682.22, and a closing cash balance on October 23, 1978 of $3,770.01.

This interim report is based on documents and working papers supporting 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 Commissioners and appropriate staff for review.

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B. Key Personnel

The principal officers of the Committee during the period covered by the audit were Mr. Joseph B. Burns, Chairman, from the Committee's inception through December 31, 1976, Mr. Frederick K. Biebel, Chairman, from January 1, 1977 through October 23, 1978, Mr. Kendrick F. Bellows, Jr., Treasurer, from the Committee's inception through May 3, 1978, 1/ and Mr. Donald J. Schmidt, Treasurer, from May 3, 1978 through October 23, 1978.

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. Interim Audit Report Findings and Recommendations

A. Allocation of Expenditures Between Federal and Non-Federal Accounts

Section 434(b)(2) of Title 2, United States Code, requires that a committee shall disclose the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions.

Section 104.3(a) of Title 11, Code of Federal Regulations, requires that each in-kind contribution shall be valued at the usual and normal charge on the date received and reported if in excess of $100 on the appropriate schedules as a receipt and as an expenditure, identified as to its nature and listed as an "in-kind contribution".

1/ The Committee did not disclose an apparent change in the office of treasurer. This matter is addressed in Finding H.

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Section 106.1(e) of Title 11, Code of Federal Regulations, states that Party committees and other political committees which have established Federal campaign committees pursuant to 11 CFR 102.6 shall allocate administrative expenses on a reasonable basis between their Federal and non-Federal accounts in proportion to the amount of funds expended on Federal and non-Federal elections, or on another reasonable basis. 2/

For the period covered by the audit, the Connecticut Republican State Central Committee maintained separate accounts for Federal and non-Federal activity disclosing only the Federal account's activity in its reports to the Commission. During the entrance conference, Committee officials stated that they were unfamiliar with the requirements of 11 CFR 106.1(e) and did not allocate administrative expenses between their Federal and non-Federal accounts. Our review of the Committee's (the Federal account's) expenditure records revealed that the Federal account did make expenditures that were administrative in nature but that no formal method was used to determine the type or amount of the expenditures to be paid from the Federal account. As a result, our preliminary review indicated that the Federal account may have paid less than its proportionate share of administrative expenses.

Recommendation

The Audit staff recommends that the Committee develop a basis for allocating the administrative costs according to the method prescribed in 11 CFR 106.1(e) or some other reasonable method and submit such basis with supporting documentation to the Audit staff for review within 30 days of receipt of this report.

Further, the Audit staff recommends that within 30 days of receipt of this report, the Committee file an amended report disclosing an in-kind contribution from the non-Federal account for the excess paid by the non-Federal over its proportionate share resulting from the application of the above method, if any. However, if that portion of the non-Federal account's contributions or expenditures used to influence Federal elections when combined with the above in-kind contribution exceeds $1,000 in a calendar year, the non-Federal account would be required to register and report under Sections 433 and 434 of Title 2 of the United States Code.

2/ April 13, 1977, the date the notice of promulgation of the Commission's Regulations was published in the Federal Register, is the effective date of 11 CFR 106.1(e).

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As an alternative to registering and reporting, the non-Federal account could seek refunds for the excess over $1,000 (and provide evidence of such to the Audit staff), thereby precluding the applicability of 2 U.S.C. 433 and 434.

B. Excessive Loan Endorsements

Section 441a(a)(1)(C) of Title 2, United States Code, and Section 110.1(c) of Title 11, Code of Federal Regulations, in part, provides that no person shall make contributions to a political committee in any calendar year which, in the aggregate, exceed $5,000.

Section 110.9(a) of Title 11, Code of Federal Regulations, in part, provides that no political committee shall accept any contribution in violation of the provisions of Section 110.1(c) of Title 11, Code of Federal Regulations.

Section 431(e) of Title 2, United States Code, and Section 100.4(a)(1) and (b)(13) of Title 11, Code of Federal Regulations, in part, defines "contribution" as a loan of money made for the purpose of influencing the election of any person to Federal office. In addition, a "loan" is defined as a contribution to the extent that the obligation remains outstanding and includes an endorsement where the risk of non-payment rests with the endorser in that proportion to the unpaid balance that each endorser bears to the total number of endorsers.

As a result of our review of the Committee records, it was determined that for a loan received by the Committee, two (2) endorsers exceeded their $5,000 contribution limitations. One of the endorsers of the loan, which was outstanding for 26 days, exceeded his limitation by $11,906.36. The other endorser exceeded his limitation by $12,006.36 during the period outstanding.

The Committee Treasurer informed us that during the period of time the loan was outstanding, although aware of the $5,000 individual contribution limitation, Committee officials did not realize that an endorsement of a loan was, by definition, a contribution. The Treasurer also stated that since the Committee had never considered defaulting on a loan, the logic of endorsements as contributions had never occurred to Committee officials.

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Recommendation

Based on the above facts and the brevity of time, the Audit staff recommends that no action be taken by the Commission in this matter.

C. Unitemized Expenditures

Section 434(b)(9) of Title 2, United States Code, in part, requires a committee to report the identification of each person to whom expenditures have been made by such committee within the calendar year aggregating in excess of $100.

Our review of the Committee's expenditure records revealed that the Committee did not itemize 28 expenditures aggregating in excess of $100 and totaling $1,199.42. This represents 16.97% of the total items and .60% of the total dollar amounts of expenditures requiring itemization. Committee officials could not explain the omission.

Subsequent to our fieldwork, the Committee filed an amendment properly itemizing the expenditures, however, the Detailed Summary Schedule submitted does not reflect the change in total itemized and unitemized expenditures.

Recommendation

It is the recommendation of the Audit staff that the Committee file an amendment disclosing the correct totals within 30 days of notification.

D. Allocation of Polling Expenses

Section 434(b)(9) of Title 2, United States Code, in part, requires a committee to report the identification of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year aggregating in excess of $100, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

Section 106.4(b) of Title 11, Code of Federal Regulations, in part, requires a committee to report the purchase of opinion poll results by a political committee not authorized by a candidate to make expenditures and the subsequent acceptance of the poll

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results by a candidate or his authorized committee as a contribution in-kind by the purchaser to the candidate or his authorized committee. The poll results are accepted by a candidate or his authorized committee if the candidate or his authorized committee: (1) requested the poll results before their receipt; (2) uses the poll results; or (3) does not notify the contributor that the results are refused.

The Committee reported an expenditure on September 6, 1978 in the amount of $12,000 stating the purpose as "polling". The supporting documentation related to this expenditure was six (6) invoices (numbered sequentially for each of the state's six (6) congressional districts), each dated July 26, 1978 in the amount of $2,000. The invoices contained the description "a study of voter attitudes toward candidates identified with the 1978 congressional race in the ....1st, 2nd, 3rd, etc....district."

A review of the principal campaign committee's reports of the six (6) candidates disclosed that one (1) of the candidates reported an in-kind contribution from the Connecticut Republicans of $2,000 on September 30, 1978 for "the study of voter attitudes toward candidates" designating the expenditure as for the general election.

At the time of the audit, the Committee bookkeeper could not remember if the poll results were made available to any or all of the candidates or whether the poll was taken with respect to the primary or general election.

Recommendation

The Audit staff recommends that the Committee provide an explanation for the circumstances relating to the opinion poll, i.e., which election the poll related to and which candidates, if any, the poll results were made available to, and when. The Audit staff further recommends that if the Committee determines that the poll results were made available to any candidate(s):

(1) with respect to the primary election, the Committee should report this as an in-kind contribution to the recipient candidate(s) or authorized committee(s) in a comprehensive amendment for 1978 in accordance with 11 CFR 106.4, or

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(2) with respect to the general election, the Committee should amend the reporting of the original polling expenditure in a comprehensive amendment for 1978 to disclose the amount, date, purpose of expenditure together with the name and address of, and office sought by, each candidate on whose behalf the expenditure was made as required by 2 U.S.C. 434(b)(9) and in accordance with 11 CFR 106.4.

The requested information and any resulting amendments should be submitted within 30 days of this notification.

E. Adjustments to Calendar Year-To-Date Receipt and Expenditure Totals

Section 434(b)(8) and (11) of Title 2, United States Code, and Section 104.2(b)(8) and (10) of Title 11, Code of Federal Regulations, in part, requires a committee to report the total sum of all receipts of and expenditures by such committee or candidate during the reporting period and the calendar year.

During our review of the Committee records, it was noted that the Committee reported four (4) interbank transfers resulting in an overstatement of reported total receipts and expenditures by $31,480.63 in 1976 and by $6,562.71 in 1978.

Recommendation

It is the recommendation of the Audit staff that the Committee file a comprehensive amendment correcting the receipt and expenditure totals for 1976 and 1978 within 30 days of notification.

F. Reporting the Total Amount of Proceeds from Fundraising Events

Section 434(b)(6) of Title 2, United States Code, in part, requires the total amount of proceeds from fundraising events to be reported with the Commission.

Our examination of the Committee's records revealed that the Committee had three (3) fundraising events for which the total proceeds of $174,019.20 during 1976 and $60,287.00 during 1977 were not reported.

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Subsequent to our fieldwork, the Committee submitted one (1) comprehensive amendment disclosing the total proceeds from these events. However, the amendment is not correct as filed.

Recommendation

It is the recommendation of the Audit staff that the Committee submit two (2) comprehensive amendments, one (1) for 1976 and one (1) for 1977, within 30 days of notification.

G. Failure to Disclose Depository

Section 433(b)(9) and (c) of Title 2, United States Code, in part, requires a committee to disclose on their statement of organization a listing of all banks or other repositories used and to report any changes in previously submitted information within a 10-day period following the change.

During the course of the audit it was determined that the Committee had one (1) bank depository that was not listed on their statement of organization or amendments thereto.

Recommendation

It is the recommendation of the Audit staff that the Committee file an amendment to their statement of organization within 30 days of notification.

H. Failure to Disclose Changes in the Offices of Chairman and Treasurer

Section 433(b)(5) and (c) of Title 2, United States Code, in part, requires a committee to disclose on their statement of organization the name, address, and position of principal officers and to report any changes in previously submitted information within a 10-day period following the change.

During the course of the audit, it was determined that the Committee failed to report a change in the offices of chairman and treasurer within a 10-day period following the change.

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Recommendation

It is the recommendation of the Audit staff that the Committee file an amendment to their statement of organization within 30 days of notification.

I. Other Matters

Presented below is a matter noted during the course of the audit for which the Audit staff feels no action is warranted.

The Committee failed to disclose two (2) accounts payable in the amount of $6,299.04 and $200.00 as debts during 1976 as required by 11 CFR 104.2(b)(11) and 104.8(b). However, these debts were repaid and the expenditures properly disclosed by the Committee.

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728 2250 — COPY —

HARTFORD NATIONAL BANK & TRUST

777 Main Street
Hartford, Ct 06115

COMMERCIAL PROMISSORY NOTE

Hartford (City), Connecticut, 1976 (Date)

FOR VALUE RECEIVED, the undersigned borrower(s) (herein called "Borrower") promise(s) to pay to the order of **HARTFORD NATIONAL BANK AND TRUST COMPANY** (herein called "Bank") at any office thereof,

Thirty Thousand and 00/100 Dollars ($ 30,000.00).

(check one box)

1. [x] discounted at the rate of 7.75 % per year, and payable on October 15, 1976
2. [ ] payable on _____, 19____, with accrued interest as set forth below.
3. [ ] payable on demand, with accrued interest as set forth below.
4. [ ] payable on demand, but if not sooner demanded, in the total number of _____ payments of principal and interest, each of which is to consist of principal in the amount of $_____, plus accrued interest on the unpaid balance. The first of said payments of principal and accrued interest is to be made on _____, 19____, and the remaining of said payments are payable on the corresponding date of each succeeding _____, except that a final payment of the entire unpaid balance plus interest thereon is to be paid on _____, 19____. Each payment shall be applied by the holder hereof first to the payment of the interest then due on the unpaid balance, and then to the unpaid balance.

Federal Cargo Travel

PAID
CHECK NO: 431
DATE: 10/12/76

The interest on the unpaid balance, if payable on demand or if otherwise not discounted, is to be computed as follows

(check one box)

5. [ ] At the fixed rate of _____% per year.
6. [ ] At a variable rate per year of the Bank's Base Rate (as it is established from time to time) plus _____%.
7. [ ] At a variable rate per year of the Bank's Base Rate (as it is established from time to time) times _____%.

8. **Additional Charges If Payment Is Not Made When Due:** If payment is not made when due (on demand, at maturity, or by acceleration as hereinafter provided), Borrower further promises to pay to Bank additional interest on the unpaid balance at the rate of 2% per year from the accelerated due date until the original maturity date and at the rate provided for above (discount, fixed or variable) plus 2% per year after maturity or demand, which amounts shall each become an additional part of the unpaid balance, together with, as an additional part of the unpaid balance, all costs, expenses and reasonable attorneys' fees incurred in collection of all or part of this note, foreclosure of any mortgage or security interest which may secure either the debt hereunder or any guaranty thereof, any act to protect or sustain the lien of any such mortgage or security agreement, any litigation of controversy arising from or connected with this note or any mortgage or security agreement which may secure this note, or any act to protect, enforce or release any of its rights or remedies with regard to any collateral which may now or in the future secure this note, or with regard to or against Borrower or any endorser, guarantor or surety of this note (said endorsers, guarantors and sureties of this note herein collectively called "Other Obligors"). The payment of any additional charges provided for in this paragraph shall not be construed as an extension of the date when payment is due (on demand, at maturity or by acceleration).

9. **Bank's Base Rate:** "Bank's Base Rate" is the interest rate generally charged by Bank to its most responsible and credit-worthy borrowers for short-term borrowings. If interest hereunder is computed in relation to the Bank's Base Rate, then as said Bank's Base Rate changes from time to time, the interest rate hereunder will change correspondingly at the time of each Bank's Base Rate change, without notice or demand of any kind. On the date of this note, Bank's Base Rate is _____%.

10. **Prepayment:** Borrower has the right to pay before due the unpaid balance of this note or any part thereof and, if interest has been prepaid, to obtain a refund of the unearned portion of the interest, prorated on a daily basis, except that the minimum interest shall be $25.00, whether earned or not.

11. **Events of Default:** Each of the following shall constitute an "Event of Default" hereunder: failure of Borrower to pay or perform any of Borrower's liabilities or obligations to Bank (whether under this note or otherwise) when due to be paid or performed, failure by Borrower to comply with the terms of, or the occurrence of default under, any mortgage or security agreement which may secure this note; any material loss, theft, substantial damage or destruction of or to any collateral which may secure this note, sale or other disposition of or encumbrance on or the making of any levy, seizure or attachment of any collateral which may secure this note, or death or incompetency of, dissolution of, termination of the existence of

12. **Acceleration:** At any time if this note is payable on demand (whether or not scheduled payments have been made), or, if not payable on demand, upon occurrence of any Event of Default hereunder or if Bank shall in good faith believe that the prospect of payment or performance is impaired, then Bank may declare the entire unpaid balance of this note to be immediately due and payable and may proceed against any collateral which may secure this note.

13. **Lien and Setoff:** Borrower and Other Obligors each give Bank a lien and right of setoff for all Borrower's and Other Obligors' liabilities arising hereunder upon and against Borrower's and Other Obligors' deposits, credits and property now or hereafter in the possession or control of Bank or in transit to it. Bank may, at any time, without notice and without first resorting to any collateral which may secure this note, apply all or any part of said deposits, credits and property to Borrower's or any of the Other Obligors' liabilities and obligations hereunder to Bank, though any of the aforesaid Borrower's and Other Obligors' liabilities and obligations hereunder be unmatured.

14. **Prejudgment Remedy Waiver:** Borrower and Other Obligors each hereby waive the right any of them may have to prior notice of and a hearing on the right of any holder of this note to a prejudgment remedy, which remedy enables said holder by way of attachment, foreign attachment, garnishment or replevin to deprive Borrower or any of the Other Obligors of, or affect the use, possession or enjoyment by Borrower or any of the Other Obligors of, any of their property at any time prior to judgment in any litigation instituted in connection with this note.

15. **Joint and Several Obligation:** This note shall be the joint and several obligation of Borrower and Other Obligors, and each provision of this note shall apply to each and all jointly and severally and to the property and liabilities of each and all, who hereby waive presentment for payment, protest and notice of dishonor, and who hereby agree to any extension or delay in the time for payment or enforcement, to renewal of this note and to any substitution or release of any collateral, all without notice and without any affect on their liabilities. Any delay on the part of the holder hereof in exercising any right hereunder or under any mortgage or security agreement which may secure this note shall not operate as a waiver. The rights and remedies of the holder hereof shall be cumulative and not in the alternative, and shall include all rights and remedies granted herein, in any document referred to herein, and under all applicable laws. The provisions of this note are binding on the heirs, executors, administrators, assigns and successors of each and every Borrower and Other Obligors and shall inure to the benefit of Bank.

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. E. Clayton Gengras
1093 Prospect Avenue
West Hartford, Connecticut 06105

Re: MUR 998(79)

Dear Mr. Gengras:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically it appears that in September of 1976 you violated 2 U.S.C. § 441a(a)(1)(c) by making a loan endorsement/contribution in excess of the $5,000 contribution limitation per calendar year. We have numbered this matter 998(79).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll-free line 800 424-9530.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

cc: Fenton P. Futtner, Treasurer
Connecticut Republican Federal
Campaign Committee

Frederick K. Biebel, State Chairman

FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dan W. Lufkin
Poverty Hollow Farms
Newton, Connecticut 06470

Re: MUR 998(79)

Dear Mr. Lufkin:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that in September of 1976, you violated 2 U.S.C. § 441a(a)(1)(c) by making a loan endorsement/contribution in excess of the $5,000 contribution limitation per calendar year. We have numbered this matter 998(79).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4529 or our toll-free line 800 424-9530.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

cc: Fenton P. Futtner, Treasurer
Connecticut Republican Federal
Campaign Committee

Frederick K. Biebel, State Chairman

FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERRIFIED MAIL
RETURN RECEIPT REQUESTED

Fenton P. Futtner, Treasurer
Connecticut Republican Federal Campaign Committee
1 High Street
Hartford, Connecticut 06103

Re: MUR 998(79)

Dear Mr. Futtner:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that your Committee may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically, it appears that on or about September 16, 1976, the Connecticut Republican Federal Campaign Committee violated 2 U.S.C. § 441a(f) by accepting a loan endorsement/contribution from Mr. E. Clayton Gengras and Mr. Dan W. Lufkin in excess of the $5,000 contribution limitation set forth in 2 U.S.C. § 441a(a)(1)(c). We have numbered this matter MUR 998(79).

Under the Act, you have an opportunity to demonstrate that no action should be taken against your committee. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll free line 800 424-9530.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

cc: Frederick K. Biebel, State Chairman
Connecticut Republican Federal
Campaign Committee

MUR 998

A-490

FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 28, 1979

MEMORANDUM

TO: Bob Costa

THROUGH: Orlando B. Potter
Staff Director

FROM: William C. Oldaker
General Counsel

RE: Interim Audit Report
Connecticut Republican Federal Campaign Committee

The Office of General Counsel has reviewed the interim audit report on the above-captioned committee and except for recommendation B, we have no objections to the report.

We believe that consistent with the treatment of similar excessive loan endorsements, the matter noted under Part B should be investigated in the MUR track.

This Office is now in the process of initiating a MUR pertaining to the excessive loan endorsements noted.

A. 490

FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 10, 1979

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR

FROM: BOB COSTA

SUBJECT: INTERIM AUDIT REPORT - CONNECTICUT REPUBLICAN FEDERAL CAMPAIGN COMMITTEE

Attached please find a copy of the interim audit report of the Connecticut Republican Federal Campaign Committee for your review and legal analysis.

Attachment as stated

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

INTERIM REPORT OF THE AUDIT DIVISION ON THE CONNECTICUT REPUBLICAN FEDERAL CAMPAIGN COMMITTEE

I. Background

A. Overview

This interim report is based on an audit of the Connecticut Republican Federal 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(a)(8) of Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Connecticut Republican Federal Campaign Committee registered with the Federal Election Commission on January 22, 1976. The Committee maintains its headquarters in Hartford, Connecticut.

The audit covered the period January 1, 1976 through October 23, 1978, the final coverage date of the most recent report filed at the time of the audit. The Committee reported a beginning cash balance at January 1, 1976 of $ -0-, total receipts for the period of $460,452.23, total expenditures for the period of $456,682.22, and a closing cash balance on October 23, 1978 of $3,770.01.

This interim report is based on documents and working papers supporting 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 Commissioners and appropriate staff for review.

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B. Key Personnel

The principal officers of the Committee during the period covered by the audit were Mr. Joseph B. Burns, Chairman, from the Committee's inception through December 31, 1976, Mr. Frederick K. Biebel, Chairman, from January 1, 1977 through October 23, 1978, Mr. Kendrick F. Bellows, Jr., Treasurer, from the Committee's inception through May 3, 1978, 1/ and Mr. Donald J. Schmidt, Treasurer, from May 3, 1978 through October 23, 1978.

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. Interim Audit Report Findings and Recommendations

A. Allocation of Expenditures Between Federal and Non-Federal Accounts

Section 434(b)(2) of Title 2, United States Code, requires that a committee shall disclose the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions.

Section 104.3(a) of Title 11, Code of Federal Regulations, requires that each in-kind contribution shall be valued at the usual and normal charge on the date received and reported if in excess of $100 on the appropriate schedules as a receipt and as an expenditure, identified as to its nature and listed as an "in-kind contribution".

1/ The Committee did not disclose an apparent change in the office of treasurer. This matter is addressed in Finding H.

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Section 106.1(e) of Title 11, Code of Federal Regulations, states that Party committees and other political committees which have established Federal campaign committees pursuant to 11 CFR 102.6 shall allocate administrative expenses on a reasonable basis between their Federal and non-Federal accounts in proportion to the amount of funds expended on Federal and non-Federal elections, or on another reasonable basis. 2/

For the period covered by the audit, the Connecticut Republican State Central Committee maintained separate accounts for Federal and non-Federal activity disclosing only the Federal account's activity in its reports to the Commission. During the entrance conference, Committee officials stated that they were unfamiliar with the requirements of 11 CFR 106.1(e) and did not allocate administrative expenses between their Federal and non-Federal accounts. Our review of the Committee's (the Federal account's) expenditure records revealed that the Federal account did make expenditures that were administrative in nature but that no formal method was used to determine the type or amount of the expenditures to be paid from the Federal account. As a result, our preliminary review indicated that the Federal account may have paid less than its proportionate share of administrative expenses.

Recommendation

The Audit staff recommends that the Committee develop a basis for allocating the administrative costs according to the method prescribed in 11 CFR 106.1(e) or some other reasonable method and submit such basis with supporting documentation to the Audit staff for review within 30 days of receipt of this report.

Further, the Audit staff recommends that within 30 days of receipt of this report, the Committee file an amended report disclosing an in-kind contribution from the non-Federal account for the excess paid by the non-Federal over its proportionate share resulting from the application of the above method, if any. However, if that portion of the non-Federal account's contributions or expenditures used to influence Federal elections when combined with the above in-kind contribution exceeds $1,000 in a calendar year, the non-Federal account would be required to register and report under Sections 433 and 434 of Title 2 of the United States Code.

2/ April 13, 1977, the date the notice of promulgation of the Commission's Regulations was published in the Federal Register, is the effective date of 11 CFR 106.1(e).

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As an alternative to registering and reporting, the non-Federal account could seek refunds for the excess over $1,000 (and provide evidence of such to the Audit staff), thereby precluding the applicability of 2 U.S.C. 433 and 434.

B. Excessive Loan Endorsements

Section 441a(a)(1)(C) of Title 2, United States Code, and Section 110.1(c) of Title 11, Code of Federal Regulations, in part, provides that no person shall make contributions to a political committee in any calendar year which, in the aggregate, exceed $5,000.

Section 110.9(a) of Title 11, Code of Federal Regulations, in part, provides that no political committee shall accept any contribution in violation of the provisions of Section 110.1(c) of Title 11, Code of Federal Regulations.

Section 431(e) of Title 2, United States Code, and Section 100.4(a)(1) and (b)(13) of Title 11, Code of Federal Regulations, in part, defines "contribution" as a loan of money made for the purpose of influencing the election of any person to Federal office. In addition, a "loan" is defined as a contribution to the extent that the obligation remains outstanding and includes an endorsement where the risk of non-payment rests with the endorser in that proportion to the unpaid balance that each endorser bears to the total number of endorsers.

As a result of our review of the Committee records, it was determined that for a loan received by the Committee, two (2) endorsers exceeded their $5,000 contribution limitations. One of the endorsers of the loan, which was outstanding for 26 days, exceeded his limitation by $11,906.36. The other endorser exceeded his limitation by $12,006.36 during the period outstanding.

The Committee Treasurer informed us that during the period of time the loan was outstanding, although aware of the $5,000 individual contribution limitation, Committee officials did not realize that an endorsement of a loan was, by definition, a contribution. The Treasurer also stated that since the Committee had never considered defaulting on a loan, the logic of endorsements as contributions had never occurred to Committee officials.

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Recommendation

Based on the above facts and the brevity of time, the Audit staff recommends that no action be taken by the Commission in this matter.

C. Unitemized Expenditures

Section 434(b)(9) of Title 2, United States Code, in part, requires a committee to report the identification of each person to whom expenditures have been made by such committee within the calendar year aggregating in excess of $100.

Our review of the Committee's expenditure records revealed that the Committee did not itemize 28 expenditures aggregating in excess of $100 and totaling $1,199.42. This represents 16.97% of the total items and .60% of the total dollar amounts of expenditures requiring itemization. Committee officials could not explain the omission.

Subsequent to our fieldwork, the Committee filed an amendment properly itemizing the expenditures, however, the Detailed Summary Schedule submitted does not reflect the change in total itemized and unitemized expenditures.

Recommendation

It is the recommendation of the Audit staff that the Committee file an amendment disclosing the correct totals within 30 days of notification.

D. Allocation of Polling Expenses

Section 434(b)(9) of Title 2, United States Code, in part, requires a committee to report the identification of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year aggregating in excess of $100, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

Section 106.4(b) of Title 11, Code of Federal Regulations, in part, requires a committee to report the purchase of opinion poll results by a political committee not authorized by a candidate to make expenditures and the subsequent acceptance of the poll

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results by a candidate or his authorized committee as a contribution in-kind by the purchaser to the candidate or his authorized committee. The poll results are accepted by a candidate or his authorized committee if the candidate or his authorized committee: (1) requested the poll results before their receipt; (2) uses the poll results; or (3) does not notify the contributor that the results are refused.

The Committee reported an expenditure on September 6, 1978 in the amount of $12,000 stating the purpose as "polling". The supporting documentation related to this expenditure was six (6) invoices (numbered sequentially for each of the state's six (6) congressional districts), each dated July 26, 1978 in the amount of $2,000. The invoices contained the description "a study of voter attitudes toward candidates identified with the 1978 congressional race in the ....1st, 2nd, 3rd, etc....district."

A review of the principal campaign committee's reports of the six (6) candidates disclosed that one (1) of the candidates reported an in-kind contribution from the Connecticut Republicans of $2,000 on September 30, 1978 for "the study of voter attitudes toward candidates" designating the expenditure as for the general election.

At the time of the audit, the Committee bookkeeper could not remember if the poll results were made available to any or all of the candidates or whether the poll was taken with respect to the primary or general election.

Recommendation

The Audit staff recommends that the Committee provide an explanation for the circumstances relating to the opinion poll, i.e., which election the poll related to and which candidates, if any, the poll results were made available to, and when. The Audit staff further recommends that if the Committee determines that the poll results were made available to any candidate(s):

(1) with respect to the primary election, the Committee should report this as an in-kind contribution to the recipient candidate(s) or authorized committee(s) in a comprehensive amendment for 1978 in accordance with 11 CFR 106.4, or

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(2) with respect to the general election, the Committee should amend the reporting of the original polling expenditure in a comprehensive amendment for 1978 to disclose the amount, date, purpose of expenditure together with the name and address of, and office sought by, each candidate on whose behalf the expenditure was made as required by 2 U.S.C. 434(b)(9) and in accordance with 11 CFR 106.4.

The requested information and any resulting amendments should be submitted within 30 days of this notification.

E. Adjustments to Calendar Year-To-Date Receipt and Expenditure Totals

Section 434(b)(8) and (11) of Title 2, United States Code, and Section 104.2(b)(8) and (10) of Title 11, Code of Federal Regulations, in part, requires a committee to report the total sum of all receipts of and expenditures by such committee or candidate during the reporting period and the calendar year.

During our review of the Committee records, it was noted that the Committee reported four (4) interbank transfers resulting in an overstatement of reported total receipts and expenditures by $31,480.63 in 1976 and by $6,562.71 in 1978.

Recommendation

It is the recommendation of the Audit staff that the Committee file a comprehensive amendment correcting the receipt and expenditure totals for 1976 and 1978 within 30 days of notification.

F. Reporting the Total Amount of Proceeds from Fundraising Events

Section 434(b)(6) of Title 2, United States Code, in part, requires the total amount of proceeds from fundraising events to be reported with the Commission.

Our examination of the Committee's records revealed that the Committee had three (3) fundraising events for which the total proceeds of $174,019.20 during 1976 and $60,287.00 during 1977 were not reported.

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Subsequent to our fieldwork, the Committee submitted one (1) comprehensive amendment disclosing the total proceeds from these events. However, the amendment is not correct as filed.

Recommendation

It is the recommendation of the Audit staff that the Committee submit two (2) comprehensive amendments, one (1) for 1976 and one (1) for 1977, within 30 days of notification.

G. Failure to Disclose Depository

Section 433(b)(9) and (c) of Title 2, United States Code, in part, requires a committee to disclose on their statement of organization a listing of all banks or other repositories used and to report any changes in previously submitted information within a 10-day period following the change.

During the course of the audit it was determined that the Committee had one (1) bank depository that was not listed on their statement of organization or amendments thereto.

Recommendation

It is the recommendation of the Audit staff that the Committee file an amendment to their statement of organization within 30 days of notification.

H. Failure to Disclose Changes in the Offices of Chairman and Treasurer

Section 433(b)(5) and (c) of Title 2, United States Code, in part, requires a committee to disclose on their statement of organization the name, address, and position of principal officers and to report any changes in previously submitted information within a 10-day period following the change.

During the course of the audit, it was determined that the Committee failed to report a change in the offices of chairman and treasurer within a 10-day period following the change.

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Recommendation

It is the recommendation of the Audit staff that the Committee file an amendment to their statement of organization within 30 days of notification.

I. Other Matters

Presented below is a matter noted during the course of the audit for which the Audit staff feels no action is warranted.

The Committee failed to disclose two (2) accounts payable in the amount of $6,299.04 and $200.00 as debts during 1976 as required by 11 CFR 104.2(b)(11) and 104.8(b). However, these debts were repaid and the expenditures properly disclosed by the Committee.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 998

Date Filmed 1/25/80 Camera No. --- 2

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