



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

June 30, 2005

MEMORANDUM

AUDIT REFERRAL # 05-04

To: Lawrence H. Norton
General Counsel

Through: James A. Pehrkon
Staff Director

Robert J. Costa
Deputy Staff Director

From: Joseph F. Stoltz
Assistant Staff Director
Audit Division

Martin L. Favin
Audit Manager

Philomena E. Brooks
Lead Auditor

Subject: Idaho Republican Party (A03-32)—Referral Matter

On June 15, 2005, the Commission approved the final audit report on the Idaho Republican Party (IRP). The report includes a matter that meets the criteria for referral to your office: Finding 2 — Disclosure of Occupation/Name of Employer (see attached). Please note that the date of the earliest violation was January 8, 2001. As discussed in the finding, an IRP representative stated that in April 2005, letters were sent to contributors requesting the missing information and amendments will be filed once they receive the information. The Audit staff feels that this matter would be appropriate for transmittal to the Office of Alternative Dispute Resolution.

All work papers and related documentation are available for review in the Audit Division. Should you have any questions regarding this matter, please contact Philomena Brooks or Martin Favin at 694-1200.

Attachment: Finding 2 — Disclosure of Occupation/Name of Employer

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Finding 2. Disclosure of Occupation/Name of Employer

Summary

A review of receipts indicated that the IRP did not disclose the occupation and/or name of employer for approximately 31% of contributions from individuals itemized on its disclosure reports and no “best efforts” to obtain, maintain and submit the information was documented. In response to the interim audit report, the IRP provided a copy of a letter mailed to each contributor requesting the required information.

Legal Standard

A. Required Information for Contributions from Individuals. For each itemized contribution from an individual, the committee must disclose the contributor’s occupation and the name of his or her employer. 2 U.S.C. §434(b)(3)(A) and 11 CFR §100.12.

B. Best Efforts Ensures Compliance. When the treasurer of a political committee shows that the committee used best efforts (see below) to obtain, maintain, and submit the information required by the Act, the committee’s reports and records will be considered in compliance with the Act. 2 U.S.C. §432(h)(2)(i).

C. Definition of Best Efforts. The treasurer and the committee will be considered to have used “best efforts” if the committee satisfied all of the following criteria:

- All written solicitations for contributions included:
 - A clear request for the contributor's full name, mailing address, occupation, and name of employer; and
 - The statement that such reporting is required by Federal law.
- Within 30 days after the receipt of the contribution, the treasurer made at least one effort to obtain the missing information, in either a written request or a documented oral request.
- The treasurer reported any contributor information that, although not initially provided by the contributor, was obtained in a follow-up communication or was contained in the committee’s records or in prior reports that the committee filed during the same two-year election cycle. 11 CFR §104.7(b).

Facts and Analysis

The Audit staff reviewed contributions from individuals itemized on Schedules A (Itemized Receipts) and determined that IRP did not adequately disclose the occupation and/or name of employer for approximately 31% of them. The word “information requested” was filled in for 90% of these entries, but the IRP was unable to demonstrate that it had made any follow-up requests for the missing information. Also, no samples of solicitation devices were maintained by IRP that would have allowed the Audit staff to verify what information had been requested initially.

An IRP representative stated that the software used by IRP automatically entered “information requested” in the occupation and/or name of employer field when left blank and that no further actions had been taken by IRP staff. He added that this problem has since been corrected, and written procedures are now in place, a copy of which was

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provided to the Audit staff. The Audit staff's review of these written procedures determined that, if followed, they would be adequate.

Interim Audit Report Recommendation and Committee Response

The Audit staff recommended that the IRP attempt to contact those individuals for whom the required information was missing, in accordance with 11 CFR §104.7; provide documentation of such effort, such as copies of letters to the contributors and/or phone logs of oral requests; and, file amended Schedules A to disclose any information obtained from those individuals.¹ In response to the interim audit report, an IRP representative stated that on April 15, 2005, letters were sent to contributors requesting the missing information and they will disclose the information as responses are received. Once the IRP discloses this information, they will have complied with the interim audit report recommendation.

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¹ Since the IRP filed disclosure reports electronically beginning in calendar year 2001, complete electronic amended reports were required.