



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEDERAL ELECTION COMMISSION
SECRETARIAT

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SENSITIVE

MEMORANDUM

March 7, 2011

TO: The Commission

THROUGH: Alec Palmer *AP*
Acting Staff Director

FROM: Patricia Carmona *PC*
Chief Compliance Officer

Lynn M. Frase *LF*
Director, ADR Office

BY: Krista J. Roche *KJR*
Assistant Director, ADR Office

SUBJECT: ADR 563 Tennessee Republican Party Federal Election Account and Frank Colvett, Jr., Treasurer, Informational Memo on Assignment

The Audit Division (Audit) referred A07-05 for processing on February 22, 2010, and the ADR Office designated the referral ADR 563. We include a summary and discussion of the referral for your information. We anticipate initiating communication with Respondents in ADR 563 on March 10, 2011. Please contact Krista Roche if you have any questions or concerns before that date.

Summary of Case: Audit referred the Tennessee Republican Party Federal Election Account and Frank Colvett, Jr., Treasurer (Respondents or the Committee) for violations occurring in the 2005-2006 election cycle, specifically Findings 1 and 2 of the Final Audit Report of the Commission approved on January 20, 2011.

Finding 1 concludes that Respondents underreported receipts by \$2,227,811 and disbursements by \$1,440,129 for calendar year 2006 according to amended reports. It is also concluded that Respondents misstated receipts, disbursements, and cash on hand based on a reconciliation of amended reports to the Committee's bank records. For 2005, the Committee overstated beginning cash on hand by \$33,780, understated receipts by \$117,371, understated disbursements by

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\$77,948, and understated ending cash on hand by \$5,643. In 2006, receipts were understated by \$459,963, disbursements understated by \$159,582, and ending cash on hand was understated by \$294,475. The Committee amended its reports in response to the Interim Audit Report to materially correct the misstatements noted above.

Finding 2 concludes that Respondents accepted \$114,395 in contributions from unregistered political organizations that may not have been made with permissible funds. Respondents have refunded all but \$100 of the contributions in question.

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