



JENNIFER BRUNNER
OHIO SECRETARY OF STATE

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August 25, 2008

2006 Pre & Post Primary
2006 Pre & Post General
2006 Annual
2007 Post Primary
2007 Post General

Ohio Republican Party (ORP) State Candidate Fund
Sarah M. Brown, Treasurer
211 S. Fifth St.
Columbus, OH. 43215

Dear Ms. Brown:

Thank you for your recent amendments to the above-referenced reports. However, more information/corrections are needed to complete the examination.

Contributions/Transfers From Other Party Committees

Our letter dated June 27, 2008 listed the following:

Your reports lists the following items on the Statement of Other Income (Form 31-A-2)

| | | |
|---|-------------------|---------------------------|
| <i>Ohio Republican Party Federal Report</i> | <i>10/20/2006</i> | <i>\$450,000.00</i> |
| <i>Ohio Republican Party State Account</i> | <i>10/26/2006</i> | <i>\$20,000.00</i> |
| <i>Ohio Republican Party State Account</i> | <i>11/01/2007</i> | <i><u>\$25,000.00</u></i> |
| | | <i>\$495,000.00</i> |

Pursuant to R.C. 3517.13(T)(1), a state or county political party shall not disburse moneys from any account other than a state candidate fund to make contributions to a state candidate fund. The items above were listed in your reports as "refunds". However, the Ohio Republican Party State Candidate Fund does not report making any similar size expenditures to these committees. If the funds received were used to support or oppose candidates then they are contributions and should have been reported on the Statement of Contributions Received (Form 31-A). If that is the case, it will be necessary at this time to refund these contributions back to the party committee that made the expenditure. Although these refund checks will not be reported until the committee's next report, please provide a copy of each refund check

as written. Please clarify the nature of these refunds and correct the report as necessary.

Your response received July 30, 2008 did not include the requested refund checks. Instead your response stated that it was the party's view that these items were Other Income and not contributions. Therefore, they did not need to be refunded. This office believes for the following reasons that these items were contributions and should have been reported on the Statement of Contributions (Form 31-A):

- Pursuant to OAC 111-5-17, the term "Other Income" applies to items such as investment or interest income, refunds received by the reporting entity, or checks issued by the committee that are subsequently voided. The 3 items in question do not appear to fall into any of those categories.
- Your letter also describes these items as "*transfers into the Fund from our Federal Funds Account and the State Funds Account.*" Pursuant to R.C. 3517.01(B)(5), the term "contribution" includes a "transfer of funds".
- Finally, it is clear from the 2006 Pre & Post General reports filed by your committee that the \$495,000.00 in question was used to make expenditures for the purpose of influencing the results of an election. Pursuant to R.C. 3517.01(B)(5) and (6), this makes the full value of those funds "contributions."

R.C. 3517.13(T)(1)(a) specifically prohibits the a state political party from disbursing money from **any** account other than a state candidate fund to make contributions to a state candidate fund. Therefore, the full value of the contributions (\$495,000) must be refunded at this time. Although these refunds will not be reported until the next report, please provide a copy of the refund checks as soon as they are written.

Additionally, it will be necessary to amend the prior reports to properly show these funds as contributions on the Statement of Contributions (Form 31-A).

2006 Pre-General Report

Our letter dated June 27, 2008 mentioned:

Photocopies of canceled checks or paid receipts for all expenditures over \$25 were not attached to the report pursuant to R.C. 3517.10(D)(4). Please provide for the following:

All payroll related items over \$25

All bank service charges over \$25

Your response did not provide all of the requested items. Please provide at this time for the following payroll expenditures:

All paychecks listed within the report.

ADP charges dated 06/26/2006, 07/26/2006 and 08/11/2006.

2006 Post General Report

Our letter dated June 27, 2008 mentioned:

Photocopies of canceled checks or paid receipts for all expenditures over \$25 were not attached to the report pursuant to R.C. 3517.10(D)(4). Please provide for the following:

All payroll related items over \$25

Your response did not provide all of the requested items. Please provide at this time for the following payroll expenditures:

All paychecks listed within the report.

ADP charge dated 11/13/2006.

2006 Annual Report

Our letter dated June 27, 2008 mentioned:

Photocopies of canceled checks or paid receipts for all expenditures over \$25 were not attached to the report pursuant to R.C. 3517.10(D)(4). Please provide for the following:

All payroll related items over \$25

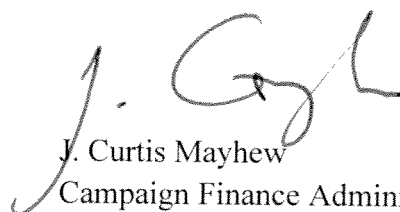
Your response did not provide all of the requested items. Please provide at this time for the following payroll expenditures:

All paychecks listed within the report.

Section 3517.106 (E)(1) of the Ohio Revised Code requires that the addenda to these reports be filed by electronic means of transmission. This applies only to the addition, deletion or modification of previously filed records. All documentation verifying expenditures, including copies of checks used to refund illegal contributions, should be filed in paper form.

Please file the requested corrections in an original addendum and a photocopy with this office **within 21 days of receipt** of this letter. Please be advised that if the requested information is not received within that time, a referral will be made to the Ohio Elections Commission. If you have any questions you may contact Kelly Joseph Neer at 614-728-8512.

Very truly yours,


J. Curtis Mayhew
Campaign Finance Administrator