

# “THEY’RE NOT BUSINESSPEOPLE ... THEY WON’T SPEND A DIME ON MANAGEMENT”

So says Republican campaign finance lawyer Cleta Mitchell of the NRCC. It’s her excuse for why the NRCC didn’t take very basic measures to ensure that Christopher Ward didn’t steal from the campaign committees he worked with.

Whatever the excuse, the NRCC is now complaining, again, that they’re victims and therefore it’s very mean that the FEC will fine them for overstating their cash on hand because they had a corrupt treasurer.

The FEC remains paralyzed for the moment, the result of a lingering confirmation fight between the White House and Senate Democrats. But after acknowledging that there was a \$740,000 difference between the fundraising numbers the committee reported and its actual cash on hand – a partial result of the alleged embezzlement by Christopher J. Ward – NRCC Chairman Tom Cole (R-Okla.) and a top outside lawyer are already angling for lenient treatment from the commission.

“Our working relationship with the FEC has been good,” Cole said last week. “We were the victims here.”

But the Politico article lays out all the things the NRCC did not do to prevent Ward from embezzling the money.

But a series of FEC guidelines issued last spring suggest the NRCC’s after-the-fact cooperation might not be enough. Under those guidelines, NRCC officials also must demonstrate that

they did what they could to prevent the acts of malfeasance they allege.

The FEC established these “safe harbor” policy guidelines in April 2007 amid a spate of embezzlement cases.

Commissioners wanted to help these victims of internal malfeasance avoid paying additional fines – provided that the victims took reasonable steps to protect themselves in the first place.

The safe harbor recommendations call for campaign committees to establish certain basic internal auditing controls to prevent misappropriations by an employee. These include: two signatures on any check in excess of \$1,000, a sign-off by two people on all wire transfers and separate individuals handling the intake of and accounting for campaign funds.

The guidelines also call on committees to act quickly in disclosing their internal fundraising information to the correct federal authorities.

The NRCC, of course, deliberately unified all its accounts into one (incidentally, so did the DCCC, also apparently in response to BCRA). And the NRCC also gave Ward the ability to sign off on any checks—including those over \$10,000.

Under Virginia Rep. Tom Davis and New York Rep. Thomas Reynolds, who chaired the committee from 1999 until the end of 2006, the NRCC waived rules requiring the executive committee – made up of elected leaders and rank-and-file Republican lawmakers – to sign off on expenditures exceeding \$10,000, merged the various department budgets into a single account and rolled back a prohibition on committee staff earning an income from outside companies.

But these poor victimized "won't spend a dime on management" Republicans want you to believe the \$1,000,000 that disappeared from their accounts (allegedly—and I say that to emphasize that we no more know what Ward did than what the NRCC allowed him to do) in spite of their diligent efforts to prevent it from disappearing.

Uh huh.