



JILL STEIN FOR PRESIDENT
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DATE: December 7, 2018

TO: Federal Election Commission
1050 First St, NE
Washington, DC 20463

FROM: Jill Stein for President
Compliance Department
PO Box 260197
Madison, WI 53726

SUBJECT: Committee Response to Draft Final Audit Report (DFAR)

Mary Moss,

Enclosed is a copy of the Committee's response to the Draft Final Audit Report received November 19, 2018. Included with our response are additional records and supporting documentation relevant to responses. The files have been encrypted, as requested by Audit Division, using passwords that have been provided to Mary Moss. Should there be any difficulties accessing these records, please contact Matt Kozlowski, Director of Compliance, at Finance@Jill2016.com.

Sincerely,

Steven Welzer
Treasurer
Jill Stein for President



Finding 1. Net Outstanding Campaign Obligations

In reviewing the materials provided in the DFAR, the Committee finds that a surplus position still does not exist on the Committee's NOCO. In the response, Audit staff provides updated figures based on expenses reported on Schedule B of the Committee's reports. However, these figures appear to understate the activity due to some yet unidentified discrepancy of the costs. According to the Committee's records, the total of winding down costs should be as follows:

- Actual Winding Down Costs through 8/31/18: \$459,204.44
- Estimated Winding Down Costs 9/1/18 – 8/31/19: \$131,735.00

With these figures in the NOCO statement, the committee finds an overall deficit position of \$58,116.83.

Given this discrepancy, the Committee requests that its staff be permitted to work with Audit staff in a timely manner to identify the source of this discrepancy and be able to identify such places where winding down costs have not been properly demonstrated and/or reported on Schedule B. Given the necessity to conclude this audit within the deadline in September 2019 and the additional work required of Audit Division staff in order to complete the remaining work of the audit report, the Committee proposes the following terms:

- The Committee waives its rights to have audit business concluded by September 2019 and agrees to comply with any such determinations of repayment amount identified by December 31, 2019. Should the Committee be unable to provide the necessary documentation for costs identified above, the Committee agrees to make payment with 60 days of reaching such a decision or December 31, 2019, whichever comes first.
- The Committee agrees to make the initial pro rata repayment of \$40,372 using available funds as a demonstration of good faith and in an attempt to resolve these matters in a timely manner.

Finding 2. Matching Funds Received in Excess of Entitlement

In reviewing the materials provided in the DFAR, the Committee continues to disagree with the assessment that an overall surplus position exists as of the January 18, 2017 matching funds payment in the amount of \$134,900. While it is correct that the initial audited NOCO statement demonstrates a surplus position, this statement doesn't take into account the increased winding down costs that go beyond the initial projections. This is due to, in part, the confusion surrounding the ballot access costs and initial balances. At the time of preparation, the Committee identified an overall deficit position with a shorter timeline for projected winding down costs. In an attempt to avoid overstating winding down costs unnecessarily, the Committee opted to only project winding down costs through September 2017. It is important to note that this estimate of duration was not intended to be a final projection of the duration of the audit, given the timeline of previous audits resulting from the use of Primary Matching Funds. Had the Committee identified a surplus position at the time of submission, it would've increased this timeline to a later, and perhaps more accurate, end date of winding down costs in order to demonstrate the appropriate deficit totals that existed at the time.

Given these issues and this pattern of facts, the Committee requests that the repayment of Matching Funds costs be treated as a final accounting of costs and surplus rather than the initial determination of funds received in excess of entitlement.



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Finding 3. Misstatement of Financial Activity

Utilizing the schedules and details provided by the Audit Division, the Committee is in the process of making the necessary amendments to correct these misstatements of financial activity. The Committee has nearly completed these amendments and plans to submit the changes by December 15, 2018.

Finding 4. Disclosure of Debts and Obligations

Utilizing the schedules and details provided by the Audit Division, the Committee is in the process of making the necessary amendments to correct these disclosures of debts and obligations. The Committee has nearly completed these amendments and plans to submit the changes by December 15, 2018 and will provide additional amendments where necessary to demonstrate the payment of debts owed through the entirety of their ageing.