



**JILL STEIN FOR PRESIDENT
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DATE: September 26, 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 Preliminary Audit Report (PAR)

Mary Moss,

Enclosed is a copy of the Committee's response to the Preliminary Audit Report findings received July 11, 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.

The following contains the Committee's responses to Finding 1, Finding 2, Finding 3, and Finding 4.

Sincerely,

Steven Welzer
Treasurer
Jill Stein for President



Finding 1. Net Outstanding Campaign Obligations

NOCO Filing As of 8/6/2018

Attached is an updated copy of the Committee's Statement of Net Outstanding Campaign Obligations along with supporting documentation for winding down expenses. As provided in this updated statement, the Committee has updated the list of winding down expenses to include actual costs as of the date of the statement. While the Committee still has additional amendments to monthly FEC filings with Reports Analysis Division, this list of expenses outline actual costs and provides updated projected costs through the end of the audit process.

In this updated NOCO, the Committee finds that its initial estimates of Winding Down costs were understated for various portions of the audit process and has made adjustments accordingly. Additionally, the Committee has projected expenses related to the long-term storage and maintenance of physical and electronic records.

NOCO Filing As of 10/26/16

Attached is the copy of the Committee's Statement of Net Outstanding Campaign Obligations filed in connection with the Committee's 4th Submission for Matching Funds Payments. Within this filing, the largest category of obligations fall within the category of "Ballot Access Costs" totaling \$311,451.64. While the Audit Division has reviewed these records in detail, the Committee asserts must be treated as qualified campaign expenses by their nature and conditions.

Attached is a listing of expenses that the Committee asserts belong to the category of expenses that should be treated as Qualified Campaign Expenses despite their incurred dates falling after the Committee's DOI. These expenses total \$310,477.48. Primarily, these expenses are necessary costs incurred in the course of seeking to qualify for a position on the general election ballot of the corresponding states in which the expenses were incurred.

During the course of the Committee's operations, the organization operated in good faith using the guidance of the rules set out in 11 CFR 9034 and their related implications as described in AO 1995-45 (attached) as well as the definitions provided in 11 CFR 100.2(c)(4). In AO 1995-45, the Commission states that "it has long been the view of the Commission that, for non-major party candidates, the process by which they satisfy the requirements of State law governing qualification for a position on the general election ballot serve purposes similar to a primary election or other nominating process." Additionally, the opinion states that the basis for this determination is "supported by the Commission regulations defining the term 'election,' which state that, for non-major party and independent candidates, the day prescribed by applicable State law as the last day to qualify for a position on the general election ballot may be designated as the primary election for such candidate."

While these determinations are not made under identical circumstances, the Committee found at the time that the fact pattern involved in these determinations was sufficiently similar to the conditions placed upon this campaign and Green Party campaigns in general:

- 1) The candidate was seeking the nomination of the Green Party for the position of President of the United States;



- 2) The candidate was required to obtain ballot access in various states using a variety of mechanisms, sometimes as a Party ballot line and other times as an independent candidate;
- 3) The Green Party holds a nominating convention.

However, what appears to be at issue here is the determination for how expenses in connection with the Primary activity of seeking ballot access relates to the determination of the Committee's DOI. Given that 11 CFR 100.2(c)(4)(i) defines a Primary election as "the day prescribed by applicable State law as the last day to qualify for a position on the general election ballot may be designated as the primary election for such candidate," it was and remains the Committee's view that these expenses constituted Primary expenses that would be treated as Qualified Campaign Expenses. While the Committee understood that not all expenses for national campaign activities would be considered eligible during this period following the Presidential Nominating Convention held August 6, 2016, it understood that for only these specific expenses related to placing the name of the candidate on the ballot would qualify.

Given these conditions, the Committee requests that the Commission consider these expenses as Qualified Campaign Expenses in their entirety.

Finding 2. Matching Funds Received in Excess of Entitlement

As stated in the Committee's response to Finding 1, the Committee has provided an updated NOCO filing including updated Winding Down expenses. In addition to these expenses, the Committee also has submitted documents that establish earlier incurred dates to previously disallowed expenses and other expenses that the Committee finds to be Qualified Campaign Expenses.

Given these submissions, the Committee finds an outstanding total of (151,354.35) for Primary Matching Funds. Using Audit Division's totals for Accounts Payable, this total would be (22,082.44) instead of the full total of \$329,333 included with Audit Division's findings.

While the Committee acknowledges the differences in initial Winding Down costs projections and updated figures, the end effect of these costs demonstrate that the Committee currently has a negative NOCO balance whether additional ballot access costs are considered or not. Given these factors, the Committee suggests that this repayment should not be required or should be adjusted accordingly.

Per 11 CFR 9034.1(b), the Committee with its adjusted Winding Down Costs did indeed have additional net outstanding campaign obligations.

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 hopes to complete these amendments within the 60-day period.

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 hopes to complete these amendments within the 60-day period and will provide additional amendments where necessary to demonstrate the payment of debts owed through the entirety of their ageing.