

Response Identification Number: C00035691 Reference: July Monthly Report (6/1/08-6/30/08) We performed an internal audit and currently are in the process of an ongoing comprehensive review and reconciliation of matters concerning our PAC reporting. As a result of these activities we discovered that we had been understating cash balances in FEC reports for some time. Our July 2008 report to the FEC was compiled based on information newly observed during this review. For this reason the balances of the July report do not tie to June s report, which did not benefit from this new information (reference Item 2 of your letter of September 5, 2008).

Additionally, we observed that we similarly had not been reporting interest earnings accurately. We corrected this discrepancy in the July 2008 report. This correction caused the difference in line 6(c), 17, 19, and 20 Column B of the July report, as noted in Item 1 of your letter, again, because the July report benefited from information that was not incorporated in the June report.

Our ongoing review uncovered additional minimal adjustments that caused us to amend the July, August and September reports. These reports are now accurate and have been fully reconciled to the PAC s bank accounts and other records.

To prevent discrepancies like these from happening in the future we have significantly changed our PAC administrative processes to strengthen internal controls and accuracy. This includes improved environments for segregation of duties; accounting and bank reconciliation by personnel experienced and adept at those matters; and revamped policies and procedures. We are confident that these changes will yield efficient and accurate reporting going forward.
