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March 17, 2015

VIA ELECTRONIC FILING
Federal Election Commission
Attention: Laura Sinram
Campaign Finance Analyst
Reports Analysis Division
999 E Street, NW
Washington, DC 20463

Re: VOTE 2 REDUCE DEBT (V2RD) (C00563064)

Dear Ms. Sinram:

V2RD is in receipt of your Request for Additional Information ("RFAI") dated 2/10/2015, regarding the July Quarterly Report (4/1/2014 - 6/30/2014) filed 9/30/2014. This letter provides a comprehensive response to your inquiry concerning increase in receipts totaling \$195,857.44. Since the details provided here do not change the substance of the July Quarterly Report, no amended report has been filed.

As the details below explain, at the time of V2RD's failure to report the receipts, V2RD and the Treasurers (past and present) have taken precautions to prevent such errors, and seen that staff was trained regarding the best practices for recordkeeping and reporting. The failure to disclose receipts hinged on the unforeseen and unexpected departure of V2RD's Executive Director days before the July Quarterly Report was due. And since V2RD had been in existence for less than two months at that time, it did not have the benefit of historical audits and reconciliations to supplement its operational knowledge. Due to the circumstances surrounding the preparation of the July Quarterly Report, V2RD took all reasonable steps, beginning 7/16/2014, to promptly verify the integrity of its records, accounts, and its July Quarterly Report, and expeditiously filed an amended July Quarterly Report to correct the inaccuracies of the report originally filed.

On 9/30/2014, V2RD filed the amended July Quarterly Report disclosing the \$195,857.44 in additional receipts. Of the total additional receipts, one (1) single transactions comprised \$183,000. The remaining itemized receipts totaled \$12,250 and included transactions processed through merchant accounts that were not accessible to V2RD at the time of filing the original July Quarterly Report due departure of its Executive Director and vendors' policies and procedures concerning user-credentialing.

From 5/12/2014 - 12/31/2014, V2RD received \$2,975,774.28 in monetary and in-kind contributions from individuals. Since the filing of the July Quarterly Report and under the intended implementation of the committee management policies and systems ("CMPS"), as detailed below, V2RD has neither experienced similar events as those that necessitated the filing of an amended July Quarterly Report, nor has V2RD had to amended its Form 3X Report of Receipts and Disbursements for any reason to disclose previously undisclosed receipts.

The details surrounding the preparation of the July Quarterly Report originally filed are as follows:

V2RD registered with the Commission on 5/12/2014. From V2RD's inception, the Treasurer and V2RD have remained committed to the highest standards of disclosure and compliance. In so keeping, V2RD hired an Executive Director and other administrative personnel to not only support the committee's mission, but to implement and support the V2RD's CMPS. The purpose of the CMPS was to support the obligations of the committee and the Treasurer as set out by the Federal Election Campaign Act ("Act"). CMPS included internal controls to prevent misappropriations funds and associated misreporting, and to provide a recordkeeping method for the retention and maintenance of documentation for the timely and accurate reporting of receipts and disbursements.

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The written documents comprising the CMPS were shared with V2RD's Executive Director and its administrative personnel. Additionally, V2RD engaged legal counsel and facilitated access to its counsel by its Executive Director and administrative personnel for guidance related to the application of the Act and to the best practices for committee operations.

Particularly because V2RD is a independent expenditure only committee, it has been V2RD's practice to provide employees, vendors and consultants with information related to the compliance with the Act and Title 11 of the Code of Federal Regulations ("Commission Regulations"). Additionally, V2RD sought and received assurances from individuals affiliated with the committee, such its Executive Director, employees and consultants, that the individual had sufficient knowledge of the Act and Commission Regulations in order to provide V2RD with services in compliance with the federal law.

V2RD's second Executive Director was hired in the first week of May 2014. The Executive Director generally had 3-5 administrative personnel, consultants and vendors working in the committee's offices during May and June. V2RD and its Treasurer reasonably expected work done by Executive Director, administrative personnel, consultants and vendors would include the best practices set out by the CMPS, and would realistically result in adequate records for the timely and accurate reporting of receipts and disbursements under the Act.

Preparation of the July Quarterly Report began in June 2014 by an outside vendor. The Executive Director was in charge of facilitating the transmission of the committee records to the outside vendor. Days before the July Quarterly Report was due on 7/15/2014, and before the Executive Director supplied the outside vendor with all necessary records and/or information on the receipt and disbursement records, V2RD's Executive Director unexpectedly separated from V2RD. The traditionally two-weeks notice of separation from the Executive Director was not factually part of the circumstances.

Extensive efforts were made on the part of V2RD's Treasurer, remaining administrative personnel, legal counsel and outside vendor for the preparation of reports to obtain outstanding information for the July Quarterly Report, and diligent work continued up to the moment of filing.

The July Quarterly Report was filed based on the best information reasonably available to V2RD and the Treasurer at the time.

Nevertheless, in light of the circumstances, and consistent with the Commission's policy of Safe Harbor for Misreporting Due to Embezzlement, immediately after the July Quarterly Report was filed, on 7/16/2014, work began to review and evaluate the records and accounts for accuracy and integrity, and confirm no misappropriation had occurred during the period 5/12 - 7/15/2014.

During the course of that extensive review, the committee records were reassembled and verified and details regarding certain reported transactions were obtained. Additionally, user credentials for merchant accounts and vendor websites had to be renewed and recreated to access the backup data related to credit card contributions. As the inspection of the accounts and records continued it became clear that the review should and did proceed as expeditiously as possible so that an amended July Quarterly Report could be filed to correct inadequacies in the report originally filed.

The extensive review revealed additional receipts that had to be reported. As noted above, the vast majority of the total of undisclosed receipts was based on one (1) single transactions comprised \$183,000. On 9/30/2014, the July Quarterly Report was amended and it disclosed the additional receipts, provided missing itemization information for previously reported receipts, provided complete and adequate descriptions of new and previously reported disbursements, and memo entries for ultimate

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vendors as it related to reimbursements to individuals for expenditures.

Since July 2014, V2RD has taken steps to reduce the probability that such events surrounding the preparation of the original July Quarterly Report will happen again. These steps included resolving the weaknesses in its CMPS to ensure that its records reflect and contain the necessary information for reporting at all times; hiring new staff and training the staff on the CMPS. As promised, once the changes to its CMPS were made, V2RD has had no occasion to amend a report

for the purposes of disclosing previously undisclosed receipts; this fact is borne out by V2RD's report filing history.

It is our expectation that this statement provides you with all the necessary information in response to your inquiry. Since the substance of this response does not alter the content of the July Quarterly Report (filed 9/30/2014), the July Quarterly Report has not been amended as requested in your RFAI. However, should the Commission require an amendment to the report, please provide guidance as to the expected content of such an amendment. Please do not hesitate to contact me should have any questions or need additional information.

Sincerely,
Kenneth Davis, Jr.
Treasurer
Vote 2 Reduce Debt