



Utah Democratic Party

September 4, 2015

Federal Elections Commission
C/O Paula Nurthen – Audit Division
999 E Street NW
Washington, DC 20463

Re: Utah Interim Audit Report

Federal Elections Commission,

This letter is in response to the Interim Audit Report provided to the Utah State Democratic Committee on July 22, 2015. The USDC would like to respond to two of the issues outlined in the report at this time.

Misstatement of Financial Activity

The Audit staff asserts the USDC overstated its financial activity by \$(92,203), the overwhelming majority of which is related to \$(90,439) in H3 Transfers. For documentation, the Audit staff cites that \$(90,439) appears in reports filed with the commission, but the transfers are not found on the bank statements for the period.

As outlined in the February 20, 2015, letter to the Commission, the USDC contends detailed financial records were maintained that support the H3 transfers filed in the February 2011, April 2011, and July 2011 FEC Reports. The USDC acknowledges the H3 transfers do not appear on the bank statements; however, the USDC argues this is a result of the sweep function and the parent account holding both Federal and Non-Federal funds. Since a physical transfer of funds between the Federal and Non-Federal account would result in the money being “swept” back into the same account, the USDC was able to make the transfer as an accounting book entry. This accounting was reported to the FEC. As previously stated, the USDC has detailed accounting records of what was in those transfers and how the entry was made, and the supporting documentation, including the individual line items for how the H3 transfer was calculated, were supplied to the Commission in February 2015. We have included that letter and the documentation in the attachments.

The Utah State Democratic Committee has previously accepted the \$(2,170) over reporting as a result of the Fidelity Investment account, and the \$406 in the unexplained difference. The USDC requests this finding be adjusted to \$(1,764) in over reporting.

Receipt of Levin Fund Donations that Exceed the Limit

The Utah State Democratic Committee agrees with the Commission regarding the \$12,000 in excessive Levin donations. As proposed in the November 26, 2014, letter to the Commission, the USDC believes a

clerical error was made and other contributions were intended to be flagged as Levin eligible. The USDC proposed amending the appropriate reports to demonstrate sufficient Levin funds.

Per our previous conversations and the letter to the Commission on February 20, 2015, the USDC is waiting for clearance by the FEC's General Counsel to file these amendments. We will accept the Interim Audit Report's recommendations as agreeing to the November 26, 2014, proposed substitute Levin funds and will file the appropriate amendments within the next 30 days.

The USDC does not have any additional comments as to any of the other findings in the Interim Audit Report. However, the committee notes that it now has procedures in place to ensure that time sheets are maintained for employees who are paid in whole, or in part, with non-federal funds. If there are any questions, please feel free to contact me at lauren@utdem.org or (801) 809-0929.

Sincerely,

A handwritten signature in black ink that reads "Lauren". The signature is written in a cursive, flowing style.

Lauren Littlefield
Executive Director
Utah State Democratic Committee