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October 3, 2005

Lynn M. Fraser
Assistant Director, ADR Office
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: ADR 251
Libertarian National Committee and David Mark Nelson, Treasurer

Dear Ms. Fraser:

On behalf of the Libertarian National Committee and treasurer, David Mark Nelson ("Respondents" or "Committee"), I write concerning the above referenced ADR. As you know, the Committee discovered the reporting omission at issue through its own review of its records and amended its own reports. Respondents have now fully professionalized their FEC filing system and instituted several new internal controls to ensure similar incidents will not occur in the future. Given the proactive nature of Respondent's reaction to this matter, and the costs associated with it, we feel that the matter has been satisfactorily resolved.

1. Software difficulties in conjunction with employee turnover and an inadvertent error necessitated the February 2003 amended report. Respondents discovered the error as the result of an internal review and proactively filed an amendment of its FEC filings. It was only because the Respondents proactively addressed the issue that it was brought to the attention of the Commission. After filing the amendment, and without instruction from the Commission, Respondents immediately addressed its personnel and technological problems. Those responsible for the initial filing errors were replaced with more accountable and well-trained staffers. Additionally, the committee updated its filing software with a version more compliant with FECfile, generally more manageable, and less prone to corruption than the version responsible for the previous error.¹
2. Respondents did not simply fix the previous problem. The Committee also sought to ensure that future errors do not occur and has taken steps to improve its filing system and internal controls. In March, Respondents contracted with two well-known political accounting consultants Koch & Hoos and Paula Edwards, C.P.A., M.S.T., to assist in the overhaul of their filing system. Having reviewed the Committee's filings over the past 16 months, Ms. Edwards and Koch & Hoos have suggested a number of internal controls the Committee is implementing in order to bolster the integrity of its records and eradicate the possibility of future filing errors.

¹ See, for example, a copy of our most recent report, filed on September 20, 2005.

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Compliance with FEC filing guidelines and rules has always been, and remains, of the utmost importance to the Committee. Personnel changes and technological and procedural improvements implemented since the filing omission have both remedied the instant error and ensured that similar problems will not arise in the future.

The Committee has been proactive and thorough but it has not come without a cost. Charges for services rendered to Respondents for review and updating of its filing systems and internal controls have cost over \$10,000 to date. Respondents respectfully request resolution of this issue with a formalized agreement to maintain the reporting and internal control improvements it has already undertaken.

Best Regards,

A handwritten signature in black ink, appearing to read "Craig Engle", with a long horizontal flourish extending to the right.

Craig Engle

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