

DENISE MAJETTE FOR SENATE

September 8, 2006

Federal Election Commission
999 E Street, NW
Washington, DC 20463
ATTN: Zuzana Parrish
Audit Division

Re: Denise Majette for Senate, Inc (C00373290), Interim Audit Report

Dear Ms. Parrish:

I am writing in response to Denise Majette for Senate, Inc. (the "Committee") Interim Audit Report ("IAR"). The IAR cites four findings

Finding 1. – Misstatement of Financial Activity

Pursuant to Audit Staff recommendations in the IAR, the Committee has filed amended reports for calendar years 2003 and 2004. The amended reports completely reconcile the Committee's reported activity with its bank records throughout the entire period in question.

Finding 2. – Recordkeeping for Disbursements

Both from records housed in a storage facility in Stone Mountain, GA and from the Committee's various bank depositories, the Committee has located the supporting documentation required for all disbursements and has submitted requested copies of this documentation under a separate cover dated September 5, 2006.

Finding 3. – Disclosure of Form 3Z-1

Due to an administrative oversight in the version of campaign finance filing software used by the Committee, the original 2003 July Quarterly Report (filed 7/15/03), the first-ever report requiring Form 3Z-1, did not contain this form. Three days later, the Committee independently realized the oversight and immediately filed an amended July Quarterly (filed 7/18/03) that included Form 3Z-1.

Subsequently, compliance with several FEC requests for information necessitated the filing of five amended 2003 July Quarterly Reports over a 13-month period. Due to the same computer-driven oversight, the amendment filed on October 10, 2003 did not include a Form 3Z-1. However, upon receiving notice from the FEC of this oversight, the Committee filed an additional amended report (filed 12/22/03) that included the

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form. Similarly, the August 19, 2004 amendment of the 2003 July Quarterly Report also did not include the form, however, the Committee received no notice stating such in the numerous subsequent contacts prior to the commencement of the audit. In the amended 2003 July Quarterly Report filed September 8, 2006, as part of compliance with the findings of the IAR, the Committee has filed a proper and accurate Form 3Z-1.

As for the 2003 Year End Report, the original 2003 Year End Report (filed 1/28/04) was based on data which has since been amended pursuant to Finding 2 of the IAR. Along with the amended 2003 Year End Report (filed 9/8/06) a complete and accurate Form 3Z-1 was filed

Finding 4. - Cash Disbursements

As per request, the Committee furnished the FEC with double-sided copies of negotiated checks for the 17 transactions in question. In all of these instances, payment was made by check from the Committee to the payee in accordance with 2 U.S.C. §432(h).

In many cases, as noted in the IAR, the original payees acted as intermediaries, further disbursing funds individually. As would be required of secondary and tertiary disbursements made, for example, through a commercial credit card, the Committee made every best effort to obtain and report name, address, date, amount and purpose for every secondary and tertiary transaction

For every transaction, the Committee endeavored to obtain complete invoices and receipts from payees. However, during the fast-paced, statewide primary and primary runoff in 2004, full documentation was sometimes only obtained for the primary transaction, not any secondary or tertiary transactions that may have occurred. In these instances, the Committee's good faith efforts to completely document the flow of funds are seen in the presence of vendor cover sheets, receipts, service memorandums and other bank records, all of which have been transmitted to the FEC, as requested, at various points throughout this audit. These documents, specifically the service memorandums, make apparent that at no point was there a material misrepresentation of the flow of funding, nor was anything other than the enormous pressure Committee staff were operating under responsible for the now-realized potential omissions in obtaining certain documentation.

In closing, I hope you find the above information useful in your continued examination of the Committee's financial activity and I am pleased that we have been able to fully cooperate in with the FEC throughout this process. While I look forward to reaching a final disposition of this matter, I would like to underscore the fact that this candidate is no longer a federal officeholder or a candidate for federal office. In fact, it is the intention of this candidate and the Committee to file a termination report for DMFS upon the completion of this audit. The issues raised in the IAR and its subsequent drafts will certainly prove useful in filing final reports for the Committee and I hope you will take strong consideration of the candidate and Committee's current dormant status

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when determining how to proceed next.

Should you have any further questions, or to want discuss this matter further, please don't hesitate to contact me at 415-690-6636. I very much appreciate your assistance and look forward to the ultimate resolution of this matter

Sincerely,

Kendra Vara
Comptroller

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