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November 15, 2006

Via Fax 202-219-3923

Kate Belinski
Federal Election Commission
999 E Street NW
Washington D.C. 20463

Re: MUR5872

Dear Ms. Belinski:

It was a pleasure speaking to you yesterday regarding the Jennifer Hildebrand matter. For your records, please find the attached Statement of Designation of Counsel signed by my client indicating that I represent her in this matter.

Ms. Hildebrand is in receipt of the letter from the FEC dated November 6, 2006, which contained the Factual and Legal Analysis [REDACTED]. Ms. Hildebrand is interested in engaging in a pre-probable cause conciliation, [REDACTED]

My client and I have reviewed the commission's Factual and Legal Analysis which for the most part is accurate. However, please note that our records along with the Jane Hague campaign and the King County Prosecutor show the total unauthorized expenditures from the Jane Hague For Congress account total \$54,624.16 (not the \$56,209.82, that the FEC is alleging). I believe the auditor originally found \$56,409.82 as unauthorized disbursements, yet there were some adjustments for a legitimate expense to the Postmaster and a legitimate check to a vendor which was paid from the wrong campaign account. Nevertheless, the total unauthorized expenditures from the Jane Hague's congressional campaign by my client total approximately \$55,000. Additionally, the Factual and Legal Analysis does not state that Ms. Hildebrand personally self-reported her unauthorized disbursements to Ms. Hague on her own volition in January of 2005. Ms. Hildebrand, accompanied by her mother, went to Ms. Hague's personal residence and admitted her wrongdoing in a face-to-face meeting. It was after Ms.

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Hildebrand's confession, that the Hague campaign committee launched an internal investigation and audit to account for all of the unauthorized disbursements.

It is correct that Ms. Hildebrand did work for Jane Hague dating back to 1997. She did so as her personal assistant, fundraiser and a quasi campaign advisor. This employment continued through 2004 and Ms. Hildebrand was involved with the Jane Hague for Congress campaign. Her employment ceased in January of 2005 after she confessed her wrongdoing to Ms. Hague. Within 24 hours of her confession, Ms. Hildebrand delivered to Ms. Hague's house all of the financial records Ms. Hildebrand had in her possession. Jennifer agreed to cooperate and to reimburse Ms. Hague's two campaign committees the total amount of unauthorized payments and to pay for all reasonable and necessary costs surrounding the investigation/audit.

Therefore, Ms. Hague retained two Seattle based law firms, a certified public accountant/auditor, and a law firm in Washington, D.C. Ms. Hildebrand, accompanied by her two lawyers, had a face-to-face meeting with the attorneys and auditor on August 3, 2005. She cooperated fully with the questions posed by the attorneys and auditor and helped clarify some of their accounting questions. She admitted to every unauthorized expense and provided supporting documentation for legitimate expenditures that were incorrectly believed to be "unauthorized." By the fall of 2005, it was determined that the unauthorized expenditures for the Jane Hague For Congress campaign totalled \$54,624.16, and the Friends of Jane Hague (King County Counsel Campaign) totaled \$90,253.08. Thus, the total unauthorized expenses equaled \$144,877.24. In July and September of 2005, Ms. Hildebrand made three payments totaling \$190,606.36 which reflected reimbursement for the total amount of unauthorized expenditures from both campaign accounts and the attorney and auditor fees incurred through September of 2005.

Throughout the course of the audit and investigation, the case was turned over to the U.S. Attorney's office (in Seattle). In the fall of 2005, the U.S. Attorney's office declined to prosecute the matter but referred the case to the King County Prosecutor's office. King County filed charges of five counts of felony theft. Because Ms. Hildebrand cooperated fully in the investigation and had already reimbursed the two campaign committees and paid a substantial amount of attorneys' fees and costs, the King County Prosecutor's office entered into a plea agreement with Ms. Hildebrand reducing the charge to one felony count of theft (a Class B felony). She was sentenced to 160 hours of community service and was ordered to pay any additional restitution. The additional restitution was for attorneys' fees and costs that had been incurred by Jane Hague in continuing their investigation and filing amended State of Washington Public Disclosure Commission reports as well as amending the FEC reports.

Recently, Ms. Hildebrand and Ms. Hague entered into a restitution agreement in which Ms. Hildebrand will pay an additional \$30,000 for full and final restitution. In fact, the \$30,000 is currently in my trust account, and the funds were supposed to be tendered this week. However, this past weekend Ms. Hildebrand received the notice from the FEC regarding this matter and we have been informed that the Jane Hague Campaign Committee also received a notice from the FEC. Therefore, the final \$30,000 restitution payment has not been made. Ms. Hague's attorney, John Petrie, and I both spoke to the King

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County Prosecutor handling this matter and determined it would be wise to deal with the FEC issue prior to finalizing the restitution agreement. In all, my client has paid or will pay a total of \$75,729.12 in attorneys' and auditors' fees to the Haguc campaigns directly relating to her theft of the campaign funds. This in addition to the \$144,877.24 that Ms. Hildebrand paid in reimbursement for her unauthorized disbursements. This amount does not reflect the attorneys' fees that Ms. Hildebrand has paid to this firm in representing her through the investigation and criminal prosecution.

The FEC should be aware that Ms. Hildebrand has fully completed her court ordered community service – she served her 160 hours within 40 days. Secondly, prior to any criminal charges, Ms. Hildebrand underwent over a year and a half of private counseling. The Deputy King County Prosecutor who handled the Hildebrand criminal case, stated in open court that the reason the County agreed to a reduced charge and no jail time was for the fact that Ms. Hildebrand had been so cooperative throughout the investigation and had already paid the full restitution for the unauthorized expenditures and the majority of the attorney and auditor fees.

As a result of Ms. Hildebrand's felony conviction, she lost her two jobs. Prior to the conviction, she was a Governmental Affairs Director for the National Association of Office and Industrial Properties and was the Associated Executive Director for the Rental Housing Association of Puget Sound. Due to the media exposure and the political nature of Ms. Hildebrand's employment, both agencies requested her resignation.

As stated above, Ms. Hildebrand has fully cooperated with the Haguc campaign throughout the entire investigation and audit. She has taken full responsibility and has paid over \$220,000 in restitution. This has had a significant financial impact on Ms. Hildebrand and her family. Due to her felony conviction, it is difficult for her to find employment and Ms. Hildebrand has had to re-finance her family home (in which she shares with her husband and two children) two times in order to pay the restitution she owed. Ms. Hildebrand has very little equity left in her home and her employment opportunities are bleak. In fact, Ms. Hildebrand was [REDACTED]

[REDACTED] recently informed by the State Department of Early Learning that the State has denied her license based upon her felony conviction and she may lose her job if her administrative appeal is not granted. Therefore, Ms. Hildebrand may be unemployed. [REDACTED]

[REDACTED] If the intent is to penalize Ms. Hildebrand for her wrongdoing, the substantial restitution already paid by my client is sufficient enough to "penalize and/or punish." Based upon these facts, Ms. Hildebrand is requesting a waiver of any civil penalty.

As I indicated to you, my client has agreed to cooperate with any additional FEC investigations and she has agreed to the informal interview scheduled for Wednesday, November 29, 2006, at 10:00 a.m. PST.

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I look forward to working with you to resolve this matter.

Very truly yours,

HUGHES | ROBBINS, P.S.



Scott A. Hughes

SAH:jm

Enclosure

cc: Jennifer Hildebrand

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FEDERAL
COMMUNICATIONS
COMMISSION
OFFICE OF GENERAL
COUNSEL

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FEDERAL ELECTION COMMISSION
999 E Street, NW
Washington, DC 20463

Statement of Designation of Counsel
(Respondent/Witness)

MUR: 5872

Name of Counsel: Scott Hughes

Firm: Hughes Robbins

2000 112th ave NE Bellevue, WA 98004

Telephone: (425) 455-0390

Fax: (425) 637-1214

The above named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

11/13/06
Date

Jennifer Hildebrand
Signature

Name (Print): Jennifer Hildebrand

Address: [REDACTED]

Sammamish, WA 98075

Telephone: Home [REDACTED]

Business [REDACTED]

Information is being sought as part of an investigation being conducted by the Federal Election Commission and the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section prohibits making public any investigation conducted by the Federal Election Commission without the express written consent of the person under investigation.

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