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October 14, 2011

Via email to EMorrison@FEC.gov

Jeff S. Jordan, Supervisory Attorney
Attn: Erik Morrison
Office of the General Counsel
Federal Election Commission
999 E Street, NW
6th Floor
Washington, DC 20463

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FEDERAL ELECTION
COMMISSION

Re: Response to AR 11-04 regarding John Edwards for President

Dear Mr. Jordan:

This Audit Referral derives from the Final Audit Report regarding the John Edwards for President Committee 2008 Presidential primary campaign ("JEFP" or "Committee"), issued by the Federal Election Commission on July 29, 2011. As discussed below, the Committee believes that the Office of General Counsel should recommend that the Commission dismiss this matter.

Finding 3 in the Final Audit Report regarding JEFP states that audit staff identified loan repayments totaling \$4,344,469 that were not properly itemized. This finding relates to JEFP's April monthly report, filed on April 20, 2008.

As noted in the FAR, JEFP's April Monthly Report as filed on April 20, 2008 with the FEC correctly reported loan repayments on the summary pages and on Schedule C of that report. The detailed summary pages disclosing disbursements reflected the total amount that was repaid on Committee loans on line 27. In addition, the accompanying Schedule C and C-1 reported details regarding Committee loans, including the name and address of the lending bank, BB&T, as well as the amounts borrowed and dates that loans were incurred.

Clearly JEFP disclosed substantial amounts of information regarding its loans from BB&T on its April monthly report: 1) disbursements for loan repayments were reflected in Committee cash on hand figures; 2) the repayment amount (\$4,344,469) paid in that month was stated on line 27 of the detailed summary pages of that report; and 3) Schedule C included specific information regarding the name of the lending institution, loan amounts drawn and

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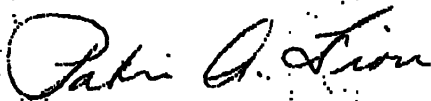
outstanding balances. However, due to a technical error, the Schedule B relating to the disbursements on line 27 of the summary pages of the April Monthly Report did not generate.

While there were itemization issues on the April Monthly Report, the Committee did properly disclose all loan repayments on Schedule B for the March Monthly Report.¹ Loan repayments were also properly stated both on the detailed summary pages at line 27b and on Schedule C for that report. This information, coupled with loan repayment figures and other loan information as reported on the Committee's April Monthly Report indicates that overall there was substantial disclosure regarding JEFP loans.

The Final Audit Report adopted by the Commission recognizes that JEFP provided such substantial disclosure regarding loan repayment amounts on its April Monthly Report. The Commission's Report states as to Finding 3 that "...JEFP reported the amounts on the Detail Summary Pages and itemized them on Schedule C (Loans) and Schedule C-1 (Loans and Lines of Credit from Lending Institutions)...." Moreover, as of April 20, 2008, the date the Committee filed its April Monthly Report, Senator John Edwards was no longer a candidate for public office.

Given all the information that was disclosed regarding Committee loans and repayments, this was a relatively insignificant error, which in all likelihood resulted from a software issue. Based on the fact that there was substantial disclosure regarding loan repayments by the Committee and the fact that JEFP was no longer the committee of a candidate actively seeking public office at the time the April Monthly report was filed, the Office of General Counsel should not recommend that the Commission pursue this matter.

Respectfully Submitted,



Patricia A. Fiori

¹ JEFP followed the same procedures when completing its March Monthly report for filing with the FEC. Basically, financial figures are entered on Schedule B and that information transmits to Line 27 of the Summary Pages. Upon filing the report, the software automatically generates a Schedule B. It is not clear whether Schedule B for the April Monthly Report was not generated or whether there was a software issue that resulted in the Schedule B failing to transmit to the FEC.

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