

SANDLER REIFF

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August 2, 2021

Via E-Mail

Charles K Kitcher, Esq.
Acting Associate General Counsel
Federal Election Commission
1050 First Street, NE
Washington, DC 20463

Re: RR 21L-42

Dear Mr. Kitcher:

The undersigned serves as counsel to the Indiana Democratic Congressional Victory Committee (“IDCVC”) and Henry Fernandez, in his official capacity as Treasurer. I am writing in response to the Commission’s letter of July 1, 2021, in connection with the above-referenced referral.

For the reasons set forth below, the IDCVC respectfully requests that the Office of General Counsel recommend that no further action be taken in this matter or, in the alternative, that this matter be referred to the Alternative Dispute Resolution Division for further proceedings.

This matter relates to a referral from the Commission’s Reports Analysis Division and specifically relates to additional activity reported by the IDCVC during the process of preparing and filing comprehensive amendments to its disclosure reports covering its 2020 12-Day Pre-General Report and 2020 30-Day Post-General Report.

The additional activity disclosed by the IDCVC in its amended reports stem almost exclusively from an internal data transfer issue from its daily accounting software to software used to file disclosure reports with the Commission. The IDCVC utilizes QuickBooks to track its financial activities. Since QuickBooks does not support the filing of reports with the Commission, the IDCVC retains NGP VAN, a software company that provides filing software for FEC reports to prepare and submit reports to the Commission.

As a general matter, the disbursement data for the committee is imported from QuickBooks into NGP VAN on an automated basis. During the 2020 calendar year, the IDCVC opened new bank accounts to administer certain activities in connection with its general election activities. In order to properly import data into NGP VAN software from QuickBooks, each bank account that requires import must be marked for importation. The omitted report data appears to stem from the inadvertent failure to mark the new bank accounts for importation between QuickBooks and NGP VAN. Although the transactions were entered into the QuickBooks software, the IDCVC bookkeeper inadvertently failed to mark the new bank accounts for import into the NGP VAN filing software. This omission was discovered in January 2021 during the preparation of the 2020 Year-End Report.

Once this error was discovered, the IDCVC retained an outside compliance firm to conduct a comprehensive audit of its activities and file amended reports as necessary. This audit cost the IDCVC \$10,000 to conduct.

The outside compliance firm reviewed and compared all 2020 FEC reports with bank statements and other records. The IDCVC amended every 2020 report to correct the public record and its cash on hand. Additionally, the Committee made a transfer on April 14, 2021, in the amount of \$54,823.37, from its federal accounts to its nonfederal accounts to reflect an over transfer of funds due to the misclassification of expenses as allocable on Schedule H4 that should have been paid for exclusively with non-federal funds.

Going forward, the IDCVC is committed to using this outside consultant to file its disclosure reports and will no longer rely exclusively on in house staff to undertake its reporting functions. In addition, the IDCVC has created new accounting procedures to ensure that its disclosure reports include all transactions and accurately reflect its financial activities prior to submission to the Commission.

The IDCVC acknowledges that it omitted certain transactions from the new accounts from its reports. This error was caused by an inadvertent coding error as part of an automated import of data from its accounting software into its FEC filing software. Once this error was discovered, the IDCVC made immediate, voluntary amendments to its disclosure reports to correct these inadvertent omissions.

Based upon the above, the Commission should either determine to take no further action in this matter, or, in the alternative, refer this matter to its Alternative Dispute Resolution Division to work with the IDCVC to come up with comprehensive steps to ensure future compliance.

If you have any further questions, please contact me at (202) 479-1111.

Respectfully submitted,



Neil P. Reiff
Counsel for the Indiana Democratic
Congressional Victory Committee and
Henry Fernandez, in his official capacity as
Treasurer.