

December 27, 2021

Federal Election Commission  
Office of Complaints Examination &  
Legal Administration  
Attn: Christal Dennis, Paralegal  
1050 First Street, NE  
Washington, DC 20463

RE: RR 21L-47

Dear Ms. Dennis:

The undersigned represents Jim Jordan for Congress as Counsel. Thomas Datwyler (“Mr. Datwyler”) serves as Treasurer for the Jim Jordan for Congress Committee (“the Committee”). The Committee is in receipt of your letters dated July 28, 2021 and December 23, 2021, regarding referral from the Reports Analysis Division (“RAD”) of questions related to amendments filed by the Committee earlier this year (collectively, “Notice of Referral”).

This is the Committee’s response to the Notice of Referral.

#### **FACTUAL BACKGROUND.**

During the 2019-20 election cycle, the Committee’s treasurer was James G. Kordik, and the FEC Compliance consultant was Connie Meadows. While Mr. Kordik and Connie Meadows are accountants, they are not experts on FEC compliance, accounting, or reporting. The Committee experienced a dramatic increase in fundraising success and receipts during the 2019-20 election cycle. At the same time, the FEC consultant (at some point during the last part of the cycle) simply failed to keep up with the volume of receipts and had failed to create a proper accounting system to manage and properly report receipts and disbursements. Whatever systems had existed previously simply disintegrated. A flurry of RFAI’s were sent to / received by the Committee regarding the reports filed by the Committee during the 2019-20 cycle, causing the treasurer at the time to start forwarding inquiries to the consultant.

In June of 2020, Mr. Datwyler was approached by the Committee and asked if he would please review the questions that had been asked by the FEC in the RFAI’s, and ascertain the situation regarding the Committee’s books, records, accounting and reporting. Mr. Datwyler started the review and immediately discerned that there was no accounting system that could begin to accommodate the vast increase in Committee activity, and that the errors and omissions were extensive. Mr. Datwyler, having been retained by the Committee in July of 2020 was formally designated as treasurer of the Committee on the Committee’s July 2020 report to the FEC.

It took Mr. Datwyler more than six (6) months to review and reconcile all reports, all receipts, and all disbursements, to create an accounting system that would enable the Committee to properly function, to identify the accurate information concerning receipts and disbursements

during each reporting period, and to correct the Committee's records and erroneous reports. Mr. Datwyler responded to the RFAI's and engaged regularly with the Committee's RAD analyst in regarding the problems and his efforts to correct them. Mr. Datwyler identified hundreds of errors in the accounting and reporting of Committee receipts and disbursements and, slowly and painstakingly, Mr. Datwyler has been able over time to prepare and file amendments and to address and answer all questions posed by RAD to the Committee. The Committee has filed multiple amendments to Committee reports that had been filed by the previous accountant and treasurer ("the Corrective Amendments").

The Committee now has a functioning accounting system, its reports are timely and accurate, the compliance systems for filing late contributions reports, obtaining and reporting best efforts information, sending and documenting redesignation and reattribution notices, and other important reporting and compliance requirements are in place, and continue to be in place for the 2021-2022 cycle.

### **Response to the Referral.**

Since Mr. Datwyler became involved with the Committee's financial management on July 1<sup>st</sup>, 2020, the Committee has filed the Corrective Amendments to rectify errors in the reports prepared and filed by his predecessors. The specific queries posed in the Notice of Referral have each been explained in various miscellaneous notices to the Commission, as well as in conversations with RAD, and were discussed at length during an educational session attended by Mr. Datwyler and the undersigned, as counsel to the Committee, on July 22, 2021.

In response to the Notice of Referral, the Committee additionally states as follows:

**1. 2020 April Quarterly Report – additional disbursements totaling \$335.502.36.**

On April 4, 2021, the Committee filed an FEC Form 99 that referenced the RFAI sent on the Amended 2020 April Quarterly Report, received January 31, 2021.

The Committee stated, in part:

"With regards to the amendments related to disbursements, all were originally reported. However, expenses during this period were originally incorrectly reported with a date that the expenses cleared the account, rather than the date they were processed or issued. Those expenses were reconciled and amended to reflect the correct amounts of the disbursements, rather than the errors that had been included in the original reports" (Image 202104049443063865).

*Additional Response to Notice of Referral:*

All disbursements were reported to the Commission. However, the disbursements were not reported in the correct reporting period because the dates entered into the database initially were incorrect. There is no actual increase in the amount of the disbursements.

**2. 2020 July Quarterly – additional receipts of \$558,726.12**

On April 4, 2021, the Committee filed an FEC Form 99 that referenced an RFAI sent on the Amended July Quarterly Report received January 31, 2021.

The FEC Form 99 stated, in part:

“The receipts were originally reported as \$3,493,674.72 for the period. The amendment filed for that reporting period reflects a revised amount of \$4,039,400.84. The amendment addressed an issue with the deposits in transit at the end of the preceding reporting period. Originally, the contributions were reported in the reporting period in which the contributions were entered into the reporting database, rather than the date on which the contribution was processed online, which was in a different reporting period. The dates of these contributions were corrected and changed to the processed date, rather than the deposit date, or the data entry date” (Image 202104049443063866).

*Additional Response to Notice of Referral:*

The contributions were not reported in the correct reporting period due to errors in the dates entered into the Committee’s database. Once the dates were corrected, the reporting period for the contributions at issue was changed and the Corrective Amendments were for the purpose of reporting the contributions in the proper reporting period.

**3. 2020 12-day Pre Primary - \$67,364.00 increase in receipts.**

On April 4, 2021, the Committee filed an FEC Form 99 that referenced the RFAI sent on the Amended 12-Day Pre-Primary Report, received January 31, 2021. The Committee stated, in part:

“The receipts were originally reported as \$48,846.96 for the period. The amendment filed for that reporting period reflects a revised amount of \$116,211.86. The amendment addressed an issue with the deposits in transit at the end of the preceding reporting period. Originally, the contributions were reported in the reporting period in which the contributions were entered into the reporting database, rather than the

date on which the contribution was processed online, which was in a different reporting period. The dates of these contributions were corrected and changed to the processed date, rather than the deposit date, or the data entry date" (Image 202104049443063867).

*Additional Response to Notice of Referral:*

Again, the issue with the referenced receipts has to do with the reporting period. Originally reported as the date of being entered into the Committee's database, the reporting date was changed to the date of receipt of the online contributions, which required reporting in the preceding period. The Corrective Amendments were filed to ensure reporting in the earlier reporting period as required by Commission regulations.

**4. 2019 Year End - \$144,562 [ ADRO ] – increase in receipts**

On April 4, 2021, the Committee filed an FEC Form 99 that referenced the RFAI sent on the Amended 2019 Year-End Report, received January 31, 2021. The Committee stated, in part:

"The receipts were originally reported as \$1,364,027.28 for the period. After becoming Treasurer of the Committee, I reconciled all the reports to the bank statements and other records of the Committee. The amendment filed for this reporting period reflects a revised amount of \$1,709,784.56.

The amendment addressed an issue with the deposits in transit at the end of the reporting periods. Originally, the contributions were reported in the reporting period in which the contributions were entered into the reporting database, rather than the date on which the contribution was processed online, which was in a different reporting period. The dates of these contributions were corrected and changed to the processed date, rather than the deposit date, or the data entry date. This process involved beginning with the last reports of the 2018 cycle and revising the dates of receipts for all subsequent reporting periods, and then amending each of the subsequent reports to accurately reflect the amounts of receipts for the reporting period in which the credit card contributions were processed by the credit card company" (Image 202104049443063807).

*Additional Response to Notice of Referral:*

NOTE: The Committee has no record of receiving any information about Alternative Dispute Resolution of this inquiry.

The issue giving rise to the Corrective Amendments was to report the contributions in the correct reporting period, as required by Commission regulations.

### **5. 2018 30-day post General - \$122,706 – increase in disbursements**

On April 4, 2021, the Committee filed an FEC Form 99 (Miscellaneous Electronic Submission) that referenced the RFAI sent on the Amended 2018 30-Day Post-General Report, received January 30, 2021. The Committee stated, in part:

“All disbursements were originally, [sic] reported. However, after becoming Treasurer, I reconciled all the reports to the bank statements and determined that, in many cases, the expenses that pertained to “digital consulting? [sic] and/or “credit card fees? [sic] were either duplicated or were over reported. Those expenses were reconciled and amended to reflect the correct amounts of the disbursements, rather than the errors that had been included in the original reports” (Image 202104049443063717).

*Additional Response to Notice of Referral:*

In conducting the reconciliation of reports to the Committee’s bank statements and invoices, it became apparent that there were duplicate entries and disbursements that had been overreported. There were no unreported disbursements, but the reconciliation revealed that many disbursements were duplicated or overreported initially. The Corrective Amendments resolved and corrected the overreporting and duplications.

### **Further Statement from the Committee**

1. The Committee took extraordinary steps to identify and rectify its accounting and reporting problems. The Committee retained legal counsel and a new accounting and FEC Compliance expert, Mr. Datwyler, and appointed him to serve as the Treasurer of the Committee. The Committee made particular efforts to establish proper accounting systems that had not existed previously, to reconcile all accounts to the reports that others had filed, and to correct all errors made by the previous financial and compliance team. That has been accomplished over a period of almost one year. The Committee should be commended, not penalized, for making the necessary changes and ensuring that accurate reports are filed with the Commission. The actions taken by the Committee to file the Corrective Amendments are exemplary.
2. Both Mr. Datwyler and the undersigned legal counsel participated in an educational training session with RAD’s education team on July 22, 2021. Subsequent to the training, additional amendments and information was filed with the Commission, and Mr. Datwyler’s communications with the RAD analyst have confirmed that the

Committee has no outstanding issues at this time related to the Corrective Amendments filed by the Committee.

3. During the educational session with RAD, the trainers assured both Mr. Datwyler and Ms. Mitchel that the Commission does not punish committees for finding and correcting errors in their previously filed reports. However, each of these inquiries in the Notice of Referral arise solely from the Committee's *sua sponte* efforts to ensure that the reports of the Committee were and are correct. The Committee should not be penalized for taking the steps necessary to comply with the Commission's rules and regulations, and for filing the Corrective Amendments, something RAD assured the Committee the Commission does not do.

In summary, the Committee has been focused on accuracy and compliance, and has spent considerable effort and resources to ensure that the Committee is in compliance with the Commission's rules and regulations.

The Committee respectfully requests the Commission accept the Corrective Amendments and to take no further action to penalize the Committee for its efforts to achieve compliance.

Please contact me as (202) 431-1950 if you have additional questions. Thank you.

Sincerely,

*/s/ Cleta Mitchell*

Cleta Mitchell, Esq.  
Counsel to Jim Jordan for Congress

ccv: Thomas C. Datwyler, Treasurer