

# SANDLER REIFF

SANDLER REIFF LAMB  
ROSENSTEIN & BIRKENSTOCK, P.C.

1090 Vermont Ave NW, Suite 750  
Washington, DC 20005  
www.sandlerreiff.com  
T: 202-479-1111  
F: 202-479-1115

July 26, 2022

Ms. Dayna C. Brown  
Assistant Staff Director  
Audit Division  
Federal Election Commission  
1050 First Street, N.E.  
Washington, D.C. 20463

Dear Ms. Brown:

This letter will serve as the response of the Sheila Jackson Lee for Congress ("SJLC") to the Interim Audit Report ("IAR") of the Federal Election Commission's Audit Division ("the Audit Division") for the period covering the SJLC's financial activities for 2019 and 2020.

The response to each of the Audit Division's three findings is as follows:

## Finding #1

The IAR's first finding involved the apparent misreporting of financial activity during the calendar years 2019 and 2020. Based upon schedules provided to the committee by the Audit Division, SJLC has filed comprehensive amendments to all reports during these calendar years in accordance with the documentation provided by the Audit Division.

It should be noted that two items identified as misreported on the documentation were memo entries. Therefore, SJLC's amendments slightly deviated from the documentation as these transactions should not have been included in the Audit Division's analysis. Notwithstanding, all opening and closing cash on hand numbers matched the Commission's analysis.

## Finding #2

The IAR's second finding involved the apparent receipt of contributions in excess of the limits. The contributions fell into two categories.

First, certain contributions, while within the aggregate limits for the 2020 election cycle, required certain documentation to be provided to the donors so that the committee could presumptively redesignate or reattribute their excessive contributions from the primary election contribution limit to the general election contribution limit or to a spouse, as applicable. The IAR

requested that SJLC either provide a copy of this documentation or send letters to the affected donors. In response to the IAR, SJLC, through counsel, has sent letters to all donors who could have received a presumptive redesignation or reattribution letter. A complete set of these letters is attached to this response as Exhibit A.

Second, certain contributions that exceeded the combined primary and general election limits and could not otherwise be presumptively reattributed to a spouse were required to be refunded to the donor or disgorged to the U.S. Treasury. In response to the IAR, SJLC has issued refunds to all such donors. A list of refunded checks are attached in Exhibit B.

### Finding #3

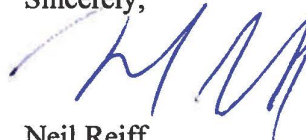
The third finding involves the apparent receipt of contributions from prohibited sources. These contributions can be separated into two categories.

First, the Audit Division identified contributions from five Limited Liability Companies ("LLC"). Under Commission regulations an LLC may contribute to a federal campaign if it has selected taxation as a partnership. A committee may not accept a contribution from an LLC if it is taxed as a corporation. Committees must obtain documentation from the LLC that it is taxed as a partnership. The Audit Division has requested that SJLC provide documentation that the LLC's in question were taxed as a partnership. In response to the Audit Division's request, SJLC has contacted the five LLC's and requested documentation as to their taxation status. To date, two of the five LLC's have responded affirmatively to the committee to provide the necessary documentation. This documentation is attached as Exhibit C. SJLC continues to seek documentation from the other three LLC's and will provide that information as soon as possible. If SJLC is unable to obtain this documentation in the near future, it will refund the donations or disgorge those funds to the U.S. Treasury.

Second, the Audit Division identified contributions that were received from corporations. In response to the IAR, SJLC has refunded all such contributions. A list of refunded checks are attached in Exhibit B.

If you require any further information, or have any other questions, please call me at (202) 479-1111.

Sincerely,



Neil Reiff  
Counsel to Sheila Jackson Lee for Congress