

# FAX

**TO:** Pat Sheppard, Auditor  
**FAX NUMBER:** 202 219-3483  
**FROM:** Tawanda Coleman  
**FAX NUMBER:** 504 309-0782  
**DATE:** February 17, 2009  
**RE:** Audit Responses

To: Federal Election Commission

From: Tawanda Coleman 

Re: IGate

Date: February 13, 2009

I, nor the candidate, were unaware of the former Treasurer, Jack Swetland's actions in transferring money from The Jefferson Committee to IGate, Inc. This was a completely unnecessary and erroneous action on his part in as much as moments later, he corrected his error by moving money from the ANJ, LLC account back to The Jefferson Committee account. He has not explained to me what he meant in his letter of September 25, 2007, when inquiry was made of him, that "this was done merely as an accommodation to me (Jack Swetland) to expedite my performing these banking activities."

But, in trying to figure it out, I can only surmise that the banking institution which was directly across the street from Mr. Swetland's office and Dryades Bank, that held the ANJ account, was several blocks away. Apparently, it was more "convenient" for Mr. Swetland, upon receiving instruction to send money from ANJ to IGate, to walk across the street to the depository bank of The Jefferson Committee and wire funds. The funds from the Jefferson Committee account for IGate then immediately deposited an ANJ, LLC check, that check was unknown to The Jefferson Committee, into the Jefferson Committee account.

Neither The Jefferson Committee nor ANJ, LLC derived any benefit from Mr. Swetland's actions here in as much as there was sufficient funds in the ANJ account at the time that this erroneous transfer to IGate was made, as demonstrated by the immediate correction Mr. Swetland made of depositing ANJ funds into The Jefferson Committee account.

I knew nothing of this decision by Mr. Swetland until the committee hired its own independent accountants who went through committee records, check by check, and made the discovery of this erroneous and unauthorized transaction.

To: Federal Election Commission

From: Betty Jefferson 

Re: Jeffco Services

Date: February 13, 2009

During the years 2006 and 2007, I made personal loans of \$320,000.00 to my brother, William Jefferson from funds derived from my company, Jeffco Services LLC, of which I am the sole owner.

Of that amount, \$150,500.00 was extended to him during 2006 and \$169,500.00 during the year 2007. The latter amount of \$169,500.00 cannot possibly be construed as a loan extended in connection with my brother's candidacy for Congress. Since his campaign has ended, in the prior year, these funds were loaned to him strictly to support his personal and family obligations.

Additionally, these funds were extended after the period under audit and cannot reasonably be considered a prohibited contribution for the 2005-2006 audit period.

With respect to the \$150,500.00, it was my intention to provide these funds to the candidate for whatever use he desired to make of them, including using them in his campaign, were that his decision.

Both candidate and I have treated these loans as his personal obligation to me and he has made payments to me on the same.

To the extent that these payments constitute payments to The Jefferson Committee, it would appear that they should be reported for the 2007-2008 campaign cycle, which also is outside of the period covered by this audit.

In addition, I enclose some copies of cancelled checks showing some of the payments he has made on the loans.

To: Federal Election Commission

From: Betty Jefferson 

Re: Jeffco Services

Date: February 13, 2009

My company, Jeffco Services, LLC is not taxed as a corporation. It was established as a corporation approximately 1991, but was converted to a LLC approximately 2002 as the records of the Secretary of State of Louisiana will show.

# The Jefferson Committee

1723 Valmont Street  
New Orleans, LA 70115

504 309-0782 fax  
[wjicommitee@aol.com](mailto:wjicommitee@aol.com)

## SAMPLE LETTER

February 17, 2009

XXXXXX  
XXXXXX  
XXXXXX

Dear XXXXXXX:

We are deeply grateful for the support you gave to Congressman Jefferson's re-election effort. The Federal Election Commission has asked us to obtain a statement starting that your company is a LLC or a partnership and not prohibited from making a federal campaign contribution.

We have enclosed a copy of the IRS form 8832, Entity Classification Election, along with instructions, for your convenience. In the alternative, you can sign the statement below and return this letter using the enclosed stamped, self-addressed envelope.

Thank you for your time and if you have any questions, please feel free to contact me at the above email address.

Sincerely,

Tawanda Coleman, Treasurer

\_\_\_\_\_, is a limited liability corporation that files with Internal Revenue Service an is allowed to make contributions.

\_\_\_\_\_  
Signature

**FAX**

**TO: PAT SHEPPARD, AUDITOR**

**FAX NUMBER : 202 219-3483**

**FROM: ANGELA COLEMAN** 

**FAX NUMBER: 504 309-0782**

**DATE: FEBRUARY 22, 2009**

**REGARDING: CORPORATIONS AND LLCS**

**TOTAL NUMBER OF PAGES INCLUDING COVER: 1**

**PHONE NUMBER FOR FOLLOW-UP: 504 975-1723**

**MS. SHEPPARD,**

**ATTACHED, PLEASE FIND THE LIST OF CORPORATIONS/LLC FOR THE ATTACHED LETTER.**

**ALSO, A LIST OF THE CORPORATIONS/LLC THAT DID NOT APPEAR ON THE DATABASE.**

Sample

### The Jefferson Committee

1723 Valmont Street  
New Orleans, LA 70115

504 309-0782 fax  
[wjjcommittee@aol.com](mailto:wjjcommittee@aol.com)

February 17, 2009

1st Step Consulting Agency, LLC  
C/O Ms. Carol Meadoux, Manager  
1925 Corporate Square, Suite D  
Slidell, LA 70458

Dear Ms. Meadoux:

We are deeply grateful for the support you gave to Congressman Jefferson's re-election effort. The Federal Election Commission has asked us to obtain a statement stating that your company is a limited liability corporation or a partnership and not prohibited from making a federal campaign contribution.

We have enclosed a copy of the IRS form 8832, Entity Classification Election, along with instructions, for your convenience. In the alternative, you can sign the statement below and return this letter using the enclosed stamped, self-addressed envelope.

Thank you for your time and if you have any questions, please feel free to contact me at the above email address or fax.

Sincerely,

Tawanda Coleman, Treasurer

\_\_\_\_\_, is a limited liability corporation or partnership that files with Internal Revenue Service and is allowed to make contributions.

\_\_\_\_\_  
Signature

**FAX**

**TO: PAT SHEPPARD, AUDITOR**

**FAX NUMBER : 202 219-3483**

**FROM: ANGELA COLEMAN**

*AC*

**FAX NUMBER: 504 309-0782**

**DATE: FEBRUARY 22, 2009**

**REGARDING: ~~REDACTED~~ *Best Effort***

**TOTAL NUMBER OF PAGES INCLUDING COVER: 1**

**PHONE NUMBER FOR FOLLOW-UP: 504 975-1723**

**MS. SHEPPARD,**

**PLEASE BE ADVISED THAT THE BEST EFFORT LETTERS WERE MAILED TO INDIVIDUAL CONTRIBUTORS ON SEPTEMBER 2007 AND APRIL 2008, IF A NEW FORWARDING ADDRESS WAS PROVIDED BY THE POSTAL SERVICE, RESPECTIVELY, TO OBTAIN OCCUPATION AND EMPLOYER INFORMATION.**

**UPON RECEIPT OF THIS INFORMATION, THE JEFFERSON COMMITTEE DATABASE WAS UPDATED ACCORDINGLY.**



**FAX**

**TO: PAT SHEPPARD, AUDITOR**

**FAX NUMBER : 202 219-3483**

**FROM: ANGELA COLEMAN** 

**FAX NUMBER: 504 309-0782**

**DATE: FEBRUARY 21, 2009**

**REGARDING: LIST OF INDIVIDUALS**

**TOTAL NUMBER OF PAGES INCLUDING COVER: 305**

**PHONE NUMBER FOR FOLLOW-UP: 504 975-1723**

**MS. SHEPPARD,**

**ATTACHED, PLEASE FIND A LIST OF THE INDIVIDUALS WHICH LETTERS WILL BE SENT OUT TODAY REQUESTING EMPLOYER AND OCCUPATION INFORMATION.**

**I WILL UPDATE THE DATABASE AS THAT INFORMATION IS RECEIVED AND INFORM YOU AS THE INFORMATION IS RECEIVED.**

**ANGELA**

*Sample*

**THE JEFFERSON COMMITTEE**

1723 Valmont Street  
New Orleans, LA 70115  
504 309-0782 fax  
wjjcommittee@aol.com

February 23, 2009

Loretta Brown  
4911 Haverwood Lane, Apt. 3112  
Dallas, TX 75287

Dear Ms. Brown:

To comply with federal law, we must use best efforts to obtain, maintain, and submit the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 per calendar year.

Please provide the Committee with your Occupation \_\_\_\_\_  
and your Employer \_\_\_\_\_.

Ms. Brown, for your convenience, enclosed please find a self-addressed, stamped, return envelope.

Thank you for your time, and if you have any questions, please do not hesitate to contact me.

Sincerely,

Tawanda Coleman, Treasurer  
The Jefferson Committee

**FAX**

**TO: PAT SHEPPARD, AUDITOR**

**FAX NUMBER : 202 219-3483**

**FROM: ANGELA COLEMAN**

**FAX NUMBER: 504 309-0782**

**DATE: FEBRUARY 23, 2009**

**REGARDING: UNTIMELY DEPOSITS**

**TOTAL NUMBER OF PAGES INCLUDING COVER: 3**

**PHONE NUMBER FOR FOLLOW-UP: 504 975-1723**

**MS. SHEPPARD,**

**ATTACHED, PLEASE FIND THE JEFFERSON COMMITTEE'S RESPONSE TO  
UNTIMELY DEPOSITS.**

*Please Note Column "G"*

### Response To Findings Regarding Untimely Deposits

With respect to untimely deposits, the methodology that has been used by the auditor is unreliable. We have included notes from the fundraiser for the Jefferson Committee that show when checks that he received were mailed to the treasurer of TJC.

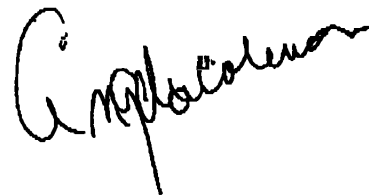
Of that 101 checks that were cited as being deposited untimely, the fundraiser's notes reveal that 36, two of these checks were mailed on 7/29 and deposited on 8/18. This apparently occurred because Mr. Swetland resigned as treasurer in August of 2005 and did not transmit these two checks to the succeeding treasurer until after the middle of August, 2005. Each one that we were able to find, was mailed at a time that rendered the deposit by the treasurer of TJC timely. These 36 checks we found transmittal notes from the fundraiser amounting to \$64,000.00.

It would be unfair to The Jefferson Committee, however, just to deduct this amount from the large total the auditor identified. The Jefferson Committee believes that all of its checks were timely deposited.

Further, in the case of labor union checks that have been identified by the auditor as untimely deposited, it was the practice of labor unions, in almost every instance to receive the checks first from their national PACS and then set a meeting with the candidate to deliver the union PAC check. The Jefferson Committee asserts that it is fair to believe that this method of getting the check to TJC delayed the deposit time well past the time the check was written.

These 36 checks were all that we could find, but they are representative enough to prove that the method used by the auditor can not be relied upon to brand TJC deposits as untimely.

The Jefferson Committee was borrowing money from the candidate and otherwise indebting itself to meet its campaign obligations. There was absolutely no incentive to not deposit any check as soon as the treasurer received it. This is especially true from August 2006 through the end of the campaign in December.

A handwritten signature in black ink, appearing to read "C. Swetland", is located in the lower right quadrant of the page.

The Jefferson Committee  
1723 Valmont Street  
New Orleans, LA 70115  
Email: wjjcommittee@aol.com

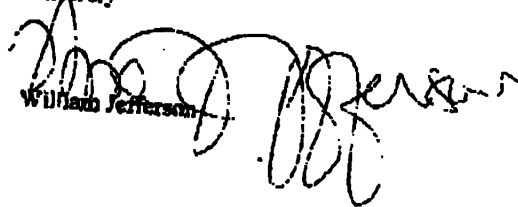
Ms. Pat Sheppard  
Federal Election Commission  
999 E Street N.W., Room 743  
Washington, DC 20463

RE: The Jefferson Committee

Dear Ms. Sheppard:

In response to our conversation of a few days ago, I offer additional information to support the recent submission of the Jefferson Committee in response to the Interim Audit Division's audit of The Jefferson Committee.

Sincerely

  
William Jefferson

**Additional Responses to Interim Report  
Of the Audit Division On  
The Jefferson Committee  
By William J. Jefferson**

The following is a summary of some of the corrections and responses already made with respect to the "Interim Report of the Audit Division on the Jefferson Committee" and additional responses to those previously made.

**Finding 1. Receipt of Impermissible candidate loans.**

Schedule C of The Jefferson Committee has been amended to show the source of the loans totaling \$283,000. While we maintain that loans made from Draydes and Liberty Banks were not made by TJC, but were made by the candidate, we have none-the-less listed them as the IAR recommends. The other loans cited by the IAR that were questioned as to source were made by Betty Jefferson to the candidate from her company and personal resources and are so listed on the report.

The \$169,000 that the IAR purports to attribute to having been received during the 2005-2006 election cycle was actually received in 2007. Earlier TJC provided documentation that during 2005-2006 Jeffco was taxed as a LLC instead of as a corporation.

**Finding 2. Receipt of Prohibited Contributions.**

The IAR questions contributions totaling \$15,000 from one Native American Tribe, Tunica-Biloxi Tribe of Louisiana. The tribe may own a corporation, but it, itself, is not a corporation, but a nationally recognized Native American Tribe, permitted to contribute under 2U.S.C., Sections 431(11) and 441(a)(1)(A). On the face of the checks from the Tribe, there is no reference to "INC.", so that the checks were taken in by the Jefferson Committee in good faith. Thus, the matter should be judged, not as a prohibited contribution, but rather whether it is an excessive contribution.

Under pertinent FEC rules, as we understand them, a candidate for congressional office in Louisiana is authorized to receive contributions, up to the allowable limit, for each of three elections – a primary, a primary run-off and general election. So construed, the Tunica Biloxi Tribe was authorized to contribute \$6,300 for the 2005-2006 cycle, resulting in an excess contribution of \$8,700. TJC has amended its reports to reflect these changes. Additionally, TJC, has attributed \$6,900 of the recurring \$8,700 excess to the 2007-2008 campaign cycle, and has amended its report that it now shows an excessive contribution in the amount of \$1,600. Thus, the remainder of \$1,600 TJC has carried as a debt on Schedule D to Tunica-Biloxi Tribe.

The IAR states that TJC also apparently received \$24,875 in prohibited contributions from LLC's and \$18,710 from twenty-four corporations. TJC has used its best efforts to get documentation from each LLC that contributed having written and called to each address and phone number it could identify. However, many have not responded, despite repeated efforts. TJC would urge the audit staff though, to rely on the records of the Louisiana Secretary of State as to whether those entities are LLC's or not, just as the audit staff is relying on the records of the Secretary of State to determine whether contributors are bona-fied corporations or not.

One of the principal reasons a LLC form of business organization is chosen is so that profits and losses can flow through to its owners for tax purposes, while its owners enjoy a measure of limited liability. There is no reason for the auditor to expect that these LLC owners had any motive to be taxed as corporations for the second principal reason to form a LLC, which is to avoid double taxation. TJC believes it is unreasonable and unfair for TJC to have to demonstrate the tax treatment of a LLC in each case, since it is counter intuitive for it to be otherwise.

Therefore, it is unreasonable and unfair to TJC, we believe, for the negative treatment by the IAR of any case where TJC cannot demonstrate from a LLC its choice of tax treatment where TJC has repeatedly applied its best efforts.

Beyond this, some of the corporations and LLCs are listed in duplicate, and therefore counted more than one time. As a consequence of combining these duplications, instead of 24 corporations there are only 21. This involves eliminating the two Jeffco Incs that are listed, as Jeffco is a LLC, a one of the Asbestos Abatement Services, Inc. And, instead of 21 LLCs, there are really only 14 that are actually questioned. This result is achieved by removing TDM Group, LLC, SMW, LLC and Scott and Sons Builders, and by removing four others- Cade, Collins & Gobert, LLC, PCCC, LLC, Ralph O'Brennan Restaurant Group, LLC, Richard C. Lambert, LLC, which are not in our database for the 2005-2006 cycle. This report should correct these errors.

With respect to each contribution from the corporations that TJC may have apparently received, each is reflected as a debt to the contributor on Schedule D of the report.

### **Finding 3. Receipt of Contributions in Excess of The Limit.**

The IAR concluded that \$15,000 of the total of \$17,530 in contributions that were apparently excessive had been satisfied by letters written by the treasurer to the contributors and other actions; the \$2,430 that remains, the IAR stated, could be corrected by listing them on Schedule D as a campaign debt. This has been done.

#### **Finding 4. Commingled Funds.**

The treasurer of TJC has explained, as fully as possible, the actions of the former treasurer of TJC that resulted in the cited apparent commingling. At no time was this transaction known to, authorized, or requested, to be taken by the candidate or any member of his family. No benefit inured to TJC, the candidate or his family from this transaction. For some reason, the former treasurer used campaign funds, that he wired to IGate, Inc., on behalf of ANJ and immediately, almost simultaneously, deposited a check into TJC from ANJ in the same amount. The sole excuse given by the former treasurer is that it was for "his convenience" meaning, we are guessing, that the ANJ account was in a bank blocks away from his office and TJC account was across the street from his office and that he decided not to walk to the depository bank of ANJ, but to do both transactions at the depository bank of TJC. This is regrettable and was discovered only as TJC reviewed bank records to response to this audit.

It is the feeling of the candidate, however, and TJC, that footnote number 9 on page 14, of the IAR is gratuitous and prejudicial, and tends to have the reader believe that the candidate and his family used campaign funds in a transaction that allegedly involves a crime. This is not true and TJC respectfully ask that this footnote reference be deleted, inasmuch as it should be clear to the auditor that what actually happened here was a total surprise to the candidate and TJC and of no financial benefit to either.

#### **Finding 7. Disbursements.**

The Jefferson Committee has combed its itemized disbursements and has used its very best efforts to disclose any names, addresses, dates missing or adequate purposes or missing memo entries associated with credit card transactions that appear on its report.

#### **Finding Number 9** **Untimely Deposits of Contributions**

With respect to untimely deposits, the methodology that has been used by the auditor is unreliable. We have included notes from the fundraiser for the Jefferson Committee, whose offices are in Washington, DC, that show when checks that he received were mailed to the treasurer of TJC.



Of that 101 checks that were cited as being deposited untimely, the fundraiser's notes reveal that 36\*, each one that we were able to find, was mailed at a time that rendered the deposit by the treasurer of TJC timely. These 36\*\* checks were all that we could find, but they are representative enough to prove that the method used by the auditor can not be relied upon to brand TJC deposits as untimely.

The Jefferson Committee was borrowing money from the candidate and otherwise incurring itself to meet its campaign obligations. There was absolutely no incentive to not deposit any check as soon as the treasurer received it. This is especially true from August 2006 through the end of the campaign in December 2006.

This was also true in the case of many other PAC checks that The Jefferson Committee received.

\*Two of these checks were mailed on 7/29 and deposited on 8/18. This apparently occurred because Mr. Swetland resigned as treasurer in August of 2005 and did not transmit these two checks to the succeeding treasurer until after the middle of August, 2005.

\*\*The 36 checks we found transmittal notes from the fundraiser amounted to \$64,000.00. It would be unfair to The Jefferson Committee, however, just to deduct this amount from the large total of \$315,500.00 that the auditor identified. (However, this number, \$315,500.00, itself appears to be erroneous since when adding up the list that was sent to us by the auditor, purportedly of untimely deposited checks, the total came to \$168,000.00 instead of \$315,500.00.) The Jefferson Committee believes that all of its checks were timely deposited. Further, in the case of labor union checks that have been identified by the auditor as untimely deposited, it was the practice of labor unions, in almost every instance to receive the checks first from their national PACS and then set a meeting with the candidate to deliver the union PAC check. The Jefferson Committee asserts that it is fair to believe that this method of getting the check to TJC delayed the deposit time well past the time the check was written.

### Washington DC Fundraiser

Randy Broz  
Political Development Group  
499 S. Capitol Street SW – Suite 114  
Washington, DC 20003-4001  
202 479-2527