



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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MEMORANDUM

TO: Patricia C. Orrock
Chief Compliance Officer

Thomas E. Hintermister
Assistant Staff Director
Audit Division

FROM: Lisa J. Stevenson
Deputy General Counsel - Law

LJS

Lorenzo Holloway *LH*
Assistant General Counsel
Compliance Advice

Margaret J. Forman *mjf*
Attorney

SUBJECT: Draft Final Audit Report on Jill Stein for President (LRA 915)

I. INTRODUCTION

The Office of the General Counsel has reviewed the Draft Final Audit Report ("DFAR") on Jill Stein for President ("Committee"). The DFAR contains six findings: Net Outstanding Campaign Obligations (Finding 1); Misstatement of Financial Activity (Finding 2); Disclosure of Debts and Obligations (Finding 3); Reporting of Receipts (Finding 4); Reporting of Expenditures (Finding 5); and Itemization of Candidate Loans (Finding 6). We comment on the Committee Structure paragraph under the Part 1 Background section, and the Financial Activity and Overview of Financial Activity sections of the DFAR. We otherwise concur with the DFAR. If you have any questions, please contact Margaret J. Forman, the attorney assigned to this audit.

II. DFAR SHOULD EXPLAIN EFFECT OF THE COMMITTEE'S STRUCTURE ON THE FINDINGS, AND WHY CANDIDATE LOAN IS NOT EXCESSIVE

The DFAR includes a "Committee Structure" paragraph in the Background section. This paragraph states that Jill Stein for President was the only committee for the presidential candidate, and it disclosed both primary and general election receipts and disbursements. Nothing in this paragraph, or in the DFAR in general, however, explains how, and if, the structure of the Committee affects the audit findings.

This is a mandatory audit under the Presidential Primary Matching Payment Account Act, and as such, the audit must focus on the qualified campaign expenses of the candidate who received public funds. 26 U.S.C. § 9038(a). In this case, the candidate only received public funds for the primary elections. The audit report, therefore, should focus on that portion of the campaign that relates to the primary elections. We recommend that the Audit Division include an explanation in the DFAR of whether, and if so how, the Committee's structure of using one committee for the primary and general elections affects any of the findings, including a statement of the amount of any general election receipts or disbursements, if any, that are addressed in any of the findings.

We also recommend that the Audit Division revise the Financial Activity and Overview of Financial Activity sections of the DFAR. These sections indicate that the candidate made \$64,000 in loans to the Committee. Candidates who receive public funds for the primary elections have a \$50,000 personal expenditure limitation. 26 U.S.C. § 9035(a); 11 C.F.R. § 9035.2. The DFAR does not explain if the candidate exceeded her personal expenditure limitation.

According to the Audit Division, however, \$20,000 of the candidate's loans were not for the primary elections but rather for the general election. These facts are not explained in the audit report. We, therefore, recommend that the Audit Division include these facts in the DFAR to explain why the candidate loans do not exceed the \$50,000 limitation.