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February 28, 2018

By email to CELA@fec.gov and first-class mail

Jeff S. Jordan
Assistant General Counsel
Complaints Examination & Legal Administration
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: **RR 18L-01**
For Our Future

Dear Mr. Jordan:

We are writing on behalf of Respondents For Our Future and its Treasurer, Sky Gallegos, in her official capacity (together "the Committee") to respond to your January 5 letter enclosing a referral from the Reports Analysis Division ("RAD") concerning various reporting matters arising from the 2016 general election ("Referral"). The Committee has undertaken a further internal review of all of the matters raised in the Referral, all of which were subjects of earlier correspondence between the Committee and RAD, and we address each in detail below.

The Committee acknowledges the reporting errors set forth in the Referral, which in all cases were inadvertent and unintentional, and which unfortunately occurred despite the Committee's compliance system and best efforts to report to the Federal Election Commission ("Commission") timely and accurately. The Committee here explains the nature and context of its reporting and the Committee's self-initiated substantial efforts, both before and after the November 8, 2016 election, to correct its reporting, long before receiving RAD's three RFAs on July 5, 2017 that led to the Referral. The Committee amended both its October Quarterly and Pre-General Reports on December 8, 2016, and it amended both of those reports further, as well as amended its Post-General Report, on January 27, April 13 and August 9, 2017; and on the same day as the last amendments the Committee submitted timely and detailed responses to the three RFAs. The Committee filed its amendments initially in order to correct the reporting errors on the original reports that it discerned in the course of its regular compliance efforts, and subsequently in order to refine the reports further as it performed post-election reconciliations and secured additional information from its vendors and employees.

As the Committee's many timely 48-hour reports and its periodic reports otherwise show, during the latter part of 2016 the Committee was daily undertaking ongoing substantial and logistically complex federal and nonfederal political activity in many states, and the amounts at issue here, while significant, comprised a relatively small portion of the Committee's overall financial transactions, which otherwise were reported in compliance with 52 U.S.C. § 30104. And, since the 2016 election the Committee has undertaken internal measures to ensure that it will timely and accurately comply with 52 U.S.C. § 30104 so that omissions like those that occurred in 2016 will not be repeated.

We now turn to each of the four segments of the Referral, and, as explained further at the conclusion of this response, we request that the Commission next determine to engage in conciliation with the Committee to resolve this matter.

October Quarterly Report: \$67,548.34 in Additional Debts

A. Salaries and Benefits

In April 2017, the Committee determined that, in addition to other debts it owed to For Our Future Action Fund ("FOFAF"), \$62,860.34 was owed for the value of salaries and benefits of two individuals provided by FOFAF to the Committee during the third quarter of 2016, which the Committee inadvertently had not determined was attributable to the Committee until preparation of the April 13 Amended October Quarterly Report. The Committee accordingly added this information to Schedule D of that amended report.

B. Image Plus

While preparing its response to the July 5, 2017 RFAI about this report, the Committee determined that it had mistakenly included two independent expenditures in the Pre-General Report that were disseminated during the October Quarterly reporting period. The Committee's original Pre-General Report (as well as its first three subsequent amendments to that report) disclosed the correct date of dissemination, September 30, although that date pertains to the October Quarterly reporting period. The Committee amended its reports to reflect that the dissemination occurred during the October Quarterly reporting period and the payment occurred in the Pre-General reporting period, causing the Committee to add \$4,688.00 of debt to Image Plus Graphics, the pertinent vendor, to the October Quarterly Report.

Post-General Report: \$3,375,551.35 Increase in Disbursements

In its August 9 Amended Post-General Report the Committee reported a \$3,375,551.35 increase in operating expenditures from the \$2,368,702.36 reported at Line 21(b) of the Original Post-General Report. Previously, the Committee substantially corrected this figure in its first amended report, filed on January 27 (reporting a figure 20.7% higher than as finally reported later, in August), and it further refined this figure in its April 13 Amended October Quarterly Report, reporting a figure just 2.1% different (higher) than as finally reported in August.

The increase in reported disbursements from the original report is attributable as follows:

- \$2,322,745.13 in nonfederal and administrative costs associated with six canvassing vendors;
- \$1,089,448.83 in administrative costs associated with two digital advertising firms; and
- -\$37,972.65 in miscellaneous items involving 13 payees.

The attached spreadsheet (2018.02.28 Post-General Schedule B Changes (Dec. 16-Aug. 17) provides detailed information, and we address each of these three main components below.

A. Canvassing Vendors: \$2,322,745.13

Most of the increase (\$2,322,745.13) was due to the reconciliation of administrative expenditures and independent expenditures (estimates vs. actuals) relating to Committee canvassing vendors. During 2016, the Committee contracted with multiple vendors to undertake canvassing in numerous states. Payments for canvassing to Paychex, For Our Future Action Fund (FOFAF), Fieldworks, LLC, Grassroots Campaigns, Inc. and GRSG Co. were allocated among independent expenditures, non-federal activity, and administrative costs not directly associated with voter contact (such as recruitment, hiring, training and transportation). The independent expenditures were calculated and reported on 24/48-hour reports (as estimates) and on Schedule E (as actuals); administrative and nonfederal costs were reported on Lines 21(b) and 29.

Calculating estimates and actuals for direct voter contact proved to be a complex and resource-intensive task. The Committee communicated with its state operations and field staff and, on a weekly Monday-Sunday cycle, consistently reported best-efforts estimates of independent expenditures on 24- and 48-hour reports, which generally were first reported on Wednesday during the 48-hour reporting periods (so, within 48 hours of Monday, the earliest dissemination day of the week). Then, on its periodic reports, following a reconciliation process, the Committee made best efforts to disclose actual figures. Reconciliation took into account the actual amount of Committee staff and vendor employee canvassing that took place, which typically differed from the estimate due to the various impacts of high turnover among the field organizers and canvassing staff, weather, transportation, changed political judgments, unforeseen problems, and other factors; and, this analysis relied on information and documents originating with both vendors and Committee staff in the various states.

The Committee calculated the value of canvassing independent expenditures by collecting estimated values to report on 48-hour reports and reconciling those values with actual costs for periodic reports. The Committee determined estimated costs for 48-hour reports by receiving estimates from the Committee's staff and vendors in states of the number of hours spent canvassing during the seven-day period. That number was then subjected to several variables: the rate each canvassing employee was paid, the script they used, and the literature they disseminated to voters.

In several states where the Committee conducted independent expenditure canvassing activities, the Committee used a variety of different literature pieces and canvassing scripts tailored to the locality and voters targeted. In some cases, the literature and scripts featured only candidates for President, in other instances Senate candidates were included, and in several states various non-federal candidates were included as well. Multiple scripts and literature pieces were used in several states and the Committee calculated its estimated canvassing costs by determining how much of the staff's time was used to expressly advocate for each candidate.

The Committee provided estimates for the 24 and 48-hour reporting period weekly for periods of seven days. For example, the 48-hour report filed by the Committee on Wednesday, October 12 contained estimated canvassing costs for the seven-day period from Monday, October 10 through Sunday, October 16. The amounts in 24- and 48-hour reports consisted of the estimated values of staff time conducting voter contact and did not include time doing other activities, such as

staff training, data entry, and preparing lists of voters to canvass. The value of staff time for those activities was later reported on periodic reports in Schedule B for "Salary and Benefits."

In summary, the Committee developed various procedures and systems to calculate estimates for, and to collect, monitor, and track actual canvassing costs of, each election, depending on:

- the geographic region canvassed,
- the canvassing vendor,
- the number of canvassers on the doors,
- the rate at which each canvasser or field organizer was compensated,
- the candidates listed on the literature,
- the candidates listed in the scripts,
- whether the candidates were non-federal or federal, and
- the number of hours each canvasser spent door-knocking.

Despite the Committee's best efforts, its reconciliation process was still underway and substantial actual disbursement figures were not available or incorporated in the Committee's reporting accounting when the original Post-General Report was due. As a result, the original report disclosed incomplete figures for Line 21(b) and many independent expenditures were reported as estimated memo items. The Committee did not report as actual figures any as to which it was not then confident (although some of the figures then reported with that understanding were later determined to require modification, as reflected in the subsequently amended reports).

Table 1 aggregates canvassing costs by vendor. Columns 4 through 7 itemize the portion of the overall increase in operating expenditures that is attributable to these canvass vendor administrative costs on each Post-General Report filed to date: the December 2016 original and the amendments filed on January 27, April 13, and August 9, 2017. Column 3 reflects the canvassing estimates that the Committee previously reported in 24/48-Hour reports and as memo entries on the Original Post-General Report. Column 3 shows that the Committee's independent expenditures to these same canvassing vendors were in fact reported on the original report.

TABLE 1

1	2	3	4	5	6	7
Dates	Canvassing Vendor	Dec. 2016 Report, Schedule E (Memo Entries, and previously reported on 48-Hour Reports)	Dec. 2016 Report, Schedule B, Line 21(b)	January 2017 Amend., Schedule B, Line 21(b)	April 2017 Amend., Schedule B, Line 21(b)	August 2017 Amend., Schedule B, Line 21(b)
10/21/16	Extra Extras	N/A	\$122,940	\$176,065	\$176,065	\$176,065
10/21/16, 10/31/16	Fieldworks LLC	\$145,659.90	N/A	\$614,266.81	\$613,878.63	\$616,604.43

10/28/16, 11/28/16	For Our Future Action Fund ("FOFAF")	\$386,187.51	N/A	\$872,358.06	\$872,153.4 0	\$733,780.18
10/20/16, 10/24/16, 10/21/16, 11/1/16	Grassroots Campaigns, Inc.	\$1,255,938.75	N/A	-240,807.58	-240,807.58	-240,807.58
10/27/16	GRSG	\$123,615.00	N/A	\$87,565	\$87,565	\$87,565
10/20/16- 11/25 (a range)	Paychex	\$366,090.00	N/A	\$1,058,680.75	\$1,058,680. 75	\$1,072,478. 10
Total		\$2,277,491.16	\$122,940	\$2,568,128.04	\$2,567,535. 20	\$2,445,685. 13

The attached spreadsheet (2018.02.28 Post-General Schedule B Changes (Dec. 16-Aug. 17) provides a more detailed comparison of the Post General Report and its amendments organized by vendor, date, amounts, and figures.

The Commission should consider three points in particular about the Committee's progression in reporting the canvass administrative costs as operating expenditures from the original through the amended reports.

First, the original Post-General Report reported the canvass vendors and their principal activities -- carrying out the Committee's independent expenditures -- in memo entries. Although canvassing estimates and actuals for these canvassing vendors could not be reconciled in time for accurate inclusion by the original reporting deadline, the original report otherwise clearly disclosed in memo entries the Committee's engagement of those vendors for the last few weeks before the election for the federal purpose of their engagement, namely, independent expenditures, which had been previously disclosed (as estimates) in 48- and 24-hour reports. That the Committee also paid them for a particular level of nonfederal activities and administrative costs should have been timely disclosed, of course, but the public record did reflect the federal and election-sensitive aspects of their services, so the public was on full notice of the dates, types of communication, vendors, and estimated amounts spent on the independent expenditures.

As Table 1, Column 3 shows, the Committee reported \$2,277,491.16 in "Estimated Costs for Canvassing Services" in the original Post General report for all six of the relevant canvassing vendors. These estimates were later reconciled with the canvassing actuals and added to Schedule E in the first, January 27 Amended Post-General Report. For example, there are memo entries for \$18,801.75 and \$14,588.25 to Fieldworks, LLC for "Estimated Cost for Canvassing Services from 10/24-10/30" in support of Hillary Clinton and in opposition to Donald Trump, respectively, on page 349 of the Original Post-General Report from December 2016. These specific entries correspond with the \$20,059.05 (Clinton) and \$15,583.95 (Trump) in "Actual Cost for Canvassing Services from 10/24-10/30" on pages 364 and 367 in Schedule E of the August Amended Post-General Report. These memo entries did not factor into the total figures on the summary page of the Original Post-General Report.

Second, canvassing vendors' activities were previously disclosed in the election-sensitive Pre-General Report and on 48- and 24-hour Reports. The attached spreadsheet (*Post General Schedule E Memos*) shows that each of the memo entries listed in the Original Post-General Report corresponded with a 48- or 24-hour report. And, all of these canvassing vendors appeared in the Pre-General Report as well.

Third, canvassing vendor costs were substantially reconciled by January 2017. After filing the original report, the Committee continued the reconciliation process in order to produce an accurate Line 21(b) figure. The first amended report, submitted on January 27, 2017, first disclosed that the actual figure was substantially higher, and that figure was refined in the two subsequent amendments. As Table 1 shows, by January 27 the canvassing vendor portion of the operating expenditures figure was virtually final: that amount, \$2,568,128.04, changed by just 4.7% (downward, to \$2,445,685.13) by the August amendment.

B. Digital Advertisements

The Original Post-General Report did not disclose disbursements in Schedule B to two digital advertising vendors: Rising Tide Interactive, an online advertising and digital targeting firm, and Waterfront Strategies, a digital content creation firm. During 2016, the Committee funded various digital advertisements, some of which contained express advocacy for or against a federal candidate, some of which did not qualify as independent expenditures, and some of which pertained to nonfederal elections. Waterfront Strategies helped create the content for these ads, and Rising Tide helped the Committee place the ads online to targeted audiences.

The explanation as to why the Committee omitted Schedule B entries for these digital vendors is similar to the issues involved with reconciling estimated and actual costs of the canvassing vendors above. The Committee had to work with Rising Tide and its digital staff in the various states to obtain estimated costs of the advertisements and then reconcile those estimates with the actual costs later, just like with canvassing costs of vendors. However, at least two unique characteristics of the digital advertisements disseminated by the Committee materially distinguish them from the canvassing activities.

First, the cost of any digital ad depends on its actual performance online. Whereas the unpredictability of a canvassing operation can contribute to time-consuming issues reconciling the estimates with the actuals (weather, high staff turnover rates, non-canvassable turf, etc.), the amount expended on any digital advertisement turns on the actual viewership of the advertisement itself, that is, the impressions (number of views), a user's interaction with the ad (in this case, how long a user watches the video or clicks on it), and on the unique cost of serving the ad to the audience targeted. Regarding the latter point, a company like Facebook operates an ad-buy auctioning system and may therefore charge an advertiser a different rate depending on the demand for targeting the audience the advertiser wishes to target and the content of the ads itself. In other words, final actuals were not determinable until the ad terminated online. Rising Tide had the discretion to increase the funding for certain digital ads that were performing online more effectively than other ads, making estimates more difficult to predict initially and the actuals more difficult to calculate as between the Pre-General reporting period and the Post-General reporting period. The Committee provided Rising Tide with up-front payments to fund all of the digital ads that the Committee ran, so reconciling the estimated cost of various digital ads with the actual costs for ads that were paid for in the Pre-General reporting period but that were disseminated during the Post-General period as well consumed additional time and resources.

Second, not all of the Committee's digital advertisements during the Post-General reporting period qualified as independent expenditures. Unlike canvassing services, the Committee's messages in online

public communications contained a wide variety of topics, issues, and messages, a large portion of which did not contain express advocacy for or against a federal candidate. Instead of transportation, weather, staff turnover, and other factors associated with knocking on doors, for digital ads other factors – such as the ad content (express advocacy or otherwise) and how well the ad performed – contributed to a separate labor-intensive reconciliation process.

These complexities of digital ad actualization ultimately led to the same consequence as the canvassing actuals: despite its best efforts, the Committee’s reconciliation process for digital ads was still underway at the time the Post-General Report was due and the final actual figures were not yet available, so many independent expenditures were instead reported as estimated memo items and the Committee refrained from reporting figures as to which they were not confident.

Table 2, columns D through G below itemize the portion of the overall increase in operating expenditures that is attributable to these digital advertising costs on each Post-General Report filed to date: the December 2016 original and the amendments filed in January, April, and August 2017. Column C reflects the digital advertisement estimates that the Committee previously reported in 24/48-hour reports and as memo entries on the Original Post-General Report. Column C shows that the Committee’s independent expenditures to these same digital vendors were in fact reported on the original report.

TABLE 2

A	B	C	D	E	F	G
Date	Digital Vendor	Dec. 2016 Report, Schedule E (Memo entries, and previously reported on 48-Hour Reports)	Dec. 2016 Report, Schedule B, Line 21(b)	January 2017 Amend., Schedule B, Line 21(b)	April 2017 Amend., Schedule B, Line 21(b)	August 2017 Amendment, Schedule B, Line 21(b)
	Rising Tide	\$261,000	N/A	\$2,009,878.54	\$912,751.67	\$912,751.67
	Waterfront	\$4,000	N/A	\$188,073.62	\$176,697.16	\$176,697.16
totals		\$265,000	N/A	\$2,197,952.16	\$1,089,448.83	\$1,089,448.83

The Commission should consider three points in particular about the Committee’s reporting of this digital advertising.

First, digital ad vendors were reported in the Original Post-General Report as memo entries. Although estimates and actuals for these digital firms were not able to be reconciled in time for accurate inclusion by the Original December Report's filing deadline, the original report otherwise clearly disclosed the Committee's engagement of these vendors for the last few weeks before the election for the federal purpose of their engagement—namely, independent expenditures—as memo entries. The public was on full notice of the dates, types of communication, vendors, and estimated amounts spent on the independent expenditures associated with Rising Tide and Waterfront Strategies.

As Table 2, Column C shows, the Committee reported \$265,000 in estimated digital costs for digital advertising buys (\$261,000 for Rising Tide) and production (\$4,000 for Waterfront) in the Original Post-General Report for both of the relevant canvassing vendors. These estimates were later reconciled with the digital advertising actuals and added to Schedule E in the First Amended Post-General Report. For example, the Committee reported on the originally-filed Post General Report two memo entries for \$23,100 each for "Estimated Cost for Digital Advertising Buy" supporting Hillary Clinton and Deborah Ross. These two memo entries were for one ad totaling \$46,200 that was divided between these two candidates with Rising Tide as the vendor. The Committee was later able to determine that the actual cost of the ad was \$20,541.85 and amended the Post-General Report in January 2017 to reflect the final cost of \$10,270.92 for Clinton and \$10,270.93 for Ross.

Second, digital firm disbursements were previously disclosed in the election-sensitive Pre-General Report and on 24- and 48-Hour Reports. The Committee's disbursements to these digital advertising vendors for independent expenditure activities were previously reported timely in 48- and 24-hour reports. The attached spreadsheet (*FOF Post General Digital ads on 24 and 48 Hour reports*) shows that each of the memo entries for these digital ad vendors listed in the Original Post-General Report corresponded with a 48- or 24-hour report.

Third, some of the 48- and 24-hour reports that correspond to some of the entries in Schedule B of the Post-General Report were filed in the Pre-General reporting period. For example, on October 16 the Committee reported a \$300,000 disbursement for the "Estimated Cost for a Digital Advertising Buy" disseminated on October 16, 2016, with a then-unknown (if ever) termination date. The Committee determined that this digital ad had only accumulated \$157,017.33 in costs during the final six days left during the Pre-General reporting period. The ad ultimately stayed online well through the Post-General reporting period and accumulated \$521,323.44 in total costs due to its over-performance (as compared to its estimated performance), \$364,306.11 of which was attributable to the Post-General reporting period. This type of analysis of the performance of this ad was not determined and reported until the April amendment.

The attached spreadsheet (*FOF Post General Digital Ads on 24 and 48 Hour reports*) shows that the digital ad buys placed with Rising Tide were disclosed in 48- and 24-hour reports (and in what exact amounts and when). It also shows the specific large ad buys disclosed in the Pre-General Report that were disseminated throughout the Post-General reporting period as well, complicating the reconciliation of actuals for the Post-General Report.

C. Miscellaneous Items

- **AFSCME Special Account**

The Committee did not determine until its April 2017 Amendment that the Original Post-General Report omitted in-kind contributions in Schedule B in the amounts of \$4,329.90 and \$128,314.24 for rent and staff salaries and benefits, respectively. The Committee reported these amounts as soon as it

determined they were omitted.

- **Asian Journal Publications**

This -\$2,000 entry was an expense that was prepaid during the Pre-General reporting period for an independent expenditure in the Post-General reporting period. This expenditure was originally reported on Schedule B of the Pre-General Report and was for a newspaper advertisement that was reported on Schedule E of the Original Post-General report. The Committee recognized that it was omitted from Schedule B of the Original Post-General Report but was added in the first, January 27 amendment.

- **Asian Pacific Americans for Progress PAC**

The Committee recognized that it inadvertently omitted an in-kind for staff salaries and benefits, which it added on its Post-General amendment filed in April 2017.

- **Caesars Party Rentals**

The Committee reported a \$520 expense on the Pre-General Report but received a voided check for \$520 during the Post-General reporting period that was added in the January 27 Amended Post-General Report.

- **Centaur North Strategies**

There were entries totaling -\$26,384.78 for pre-payments during the Pre-General period on 10/18, for an independent expenditure reported in Schedule E. These were omitted from Schedule B of the originally-filed Post-General Report but were added in the first, January 27 amendment. These expenses were included on Schedule E of the originally filed report.

- **Hilltop Public Solutions**

\$11,750 of Schedule B expenditures were changed to independent expenditures. The Committee subsequently realized that expenses listed on Schedule E under the vendor HSG Campaigns (with debt) was actually paid to Hilltop Solutions Group. The Committee removed the HSG Campaigns amounts and moved the Hilltop Solutions Group expenditures to Schedule E. The Committee noted this change on page 6 of the April amendment.

- **Las Vegas Chinese Daily News**

\$2,700 of pre-payments were made during the Pre-General reporting period (on 10/18) for four independent expenditure reported in Schedule E of the Post-General Report. These were omitted from Schedule B of the originally-filed Post-General Report but were added in the second, April 13 amendment. These expenses were included in Schedule E on the originally filed report.

- **Onyx Communications**

The Committee originally reported \$50,000 of "Voter Outreach calls - No Express Advocacy" but then determined before filing the January 27 Amended Report that only \$25,000 of calls were conducted.

- **Park Press**

The Committee made expenditures to Park Press of \$59,313.91 and \$22,022.08, which were not reflected accurately in Schedule E until the April Amendment. These amounts were reported in Schedule

B of the original report, while the amount \$56,289.96 (split between candidates Patrick Murphy and Clinton) appeared as an estimated expenditure to the wrong vendor, Mack Sumner, also on the original report. The amounts estimated in the 24-hour report totaling \$56,289.96 were attributed to the incorrect vendor and were only estimated amounts.

On the April amendment these expenditures of \$59,313.91 and \$22,022.08 were moved from Schedule B to Schedule E as independent expenditures to Park Press, with a corresponding reduction in operating expenditures.

- **The Contact Group, Inc.**

This disbursement was reported in the original Post-General Report as \$90,929.19 but decreased to \$56,093.90 in the January 27 Amended Report following reconciliation.

- **SEIU COPE**

The Committee did not determine until preparing the April 13 Amended Report that the original Post-General Report omitted an in-kind contribution valued at \$15,474.00 for staff salaries and benefits.

- **USPS**

\$2,551.75 of expenditures were removed from Schedule B on the first amended report after it was determined that the expense was already reported on Schedule E. This expense had previously been reported on a 24-hour report dated November 7, and appeared as a memo entry in Schedule E of the Original Post-General Report.

**October Quarterly Report, Schedule E:
Independent Expenditures Not Reflected on 48-Hour Reports**

The Committee's 48-hour reports did not correctly attribute the independent expenditures variously supporting and opposing ten U.S. Senate candidates in five elections that are listed on the Referral attachment, which reproduces entries from Schedule E of the April 13 Amended October Quarterly Report. In fact, however, the amounts of these expenditures *were* timely reported on 48-hour reports, but they were misidentified then as supporting presidential candidate Hillary Clinton (and, in one case, opposing Donald Trump) rather than as variously supporting and opposing these Senate candidates.

These misattributions were entirely inadvertent and unintentional. They occurred in the course of the Committee's extensive canvassing operations. As described above, accounting for these operations was a logistically complex task, and, despite the Committee's best efforts, in constructing its 48-hour reports the Committee relied on some incorrect contemporaneous information about the content of some of the voter-contact communications that were used in the canvass operations. However, the Committee promptly identified *all* of these original misattributions and corrected them in time to report them accurately on the Committee's original October Quarterly Report, Schedule E filed on October 15.

Moreover, the Committee's independent-expenditure compliance process otherwise succeeded with respect to the same ten Senate candidates: during the same calendar quarter, the Committee's other 48-hour reports compliantly disclosed substantial independent expenditures variously in support of and opposition to all of them.

Accordingly, in light of the Committee's other contemporaneous 48-hour reports of its independent expenditures in the five Senate races at issue, and the Committee's timely corrected Schedule E submitted

24 days before the November 8 general election, despite the original misattributions at issue the general public was fully informed about the nature and extent of the Committee's independent expenditures in these races well before the election.

**Pre-General Report, Schedule E:
Independent Expenditures Not Reflected on 48-Hour Reports**

The listed independent expenditures in the presidential election and three U.S. Senate races were not timely included on 48-hour reports. These omissions were inadvertent and unintentional. They were attributable to circumstances arising from the Committee's engagement with the three listed canvass vendors (Fieldworks LLC, Grassroots Campaigns, Inc. and GRSG Co.) for the first time in early October – namely, there were initial miscommunications between the Committee and those vendors about the timing and content of some of the first canvasses they operated on the Committee's behalf.

Nonetheless, the Committee promptly discovered the omissions from its 48-hour reports and included all of the corrected information in its original Pre-General Report, Schedule E filed on October 27, 12 days before the election. Meanwhile, as already described above, the Committee's involvement in all four of these elections was already a matter of substantial public record: the Committee's third-quarter 48-hour reports and its original October Quarterly Report reported substantial independent expenditures in those races, and, during the same 19-day period covered by the Pre-General Report, the Committee undertook and timely reported far more other independent expenditures on 48-hour reports concerning those races than were omitted. Accordingly, well before the November 8 general election the general public was fully informed about the nature and extent of the Committee's independent expenditures in these races.

Conclusion and Request for Conciliation


The facts underlying the Committee's reporting errors are readily determinable from those reports and the Committee's narrative submissions, including this letter. For that reason, and because these were not knowing and willful violations, the Referral does not warrant the Commission's undertaking of an investigation. We request instead that the Committee and the Commission enter into a conciliation process through a further referral of this matter to the Alternative Dispute Resolution Office or, in the alternative, through pre-probable cause conciliation at the Office of General Counsel. And, because this matter concerns conduct that did not comply with 52 U.S.C. § 30104(a) and no other provision of the Federal Election Campaign Act is implicated, we submit that, in either forum, the Commission's Administrative Fines Program, set forth at 11 C.F.R. Part 111, Subpart B, provides the appropriate framework for resolving the civil penalty portion of a conciliation agreement. See 11 C.F.R. § 111.31(a). The Committee also stands ready to discuss the non-monetary aspects of such an agreement.

Thank you for your consideration.

Yours truly,



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