

November 5, 2018

MEMORANDUM

TO: Patricia C. Orrock

Chief Compliance Officer

Thomas E. Hintermister Assistant Staff Director

Audit Division

FROM: Neven F. Stipanovic *NFS*

Acting Associate General Counsel

Policy Division

Lorenzo Holloway 2

Assistant General Counsel

Compliance Advice

Joshua Blume

Attorney

SUBJECT: Interim Audit Report on the Oklahoma Democratic Party (LRA 1075)

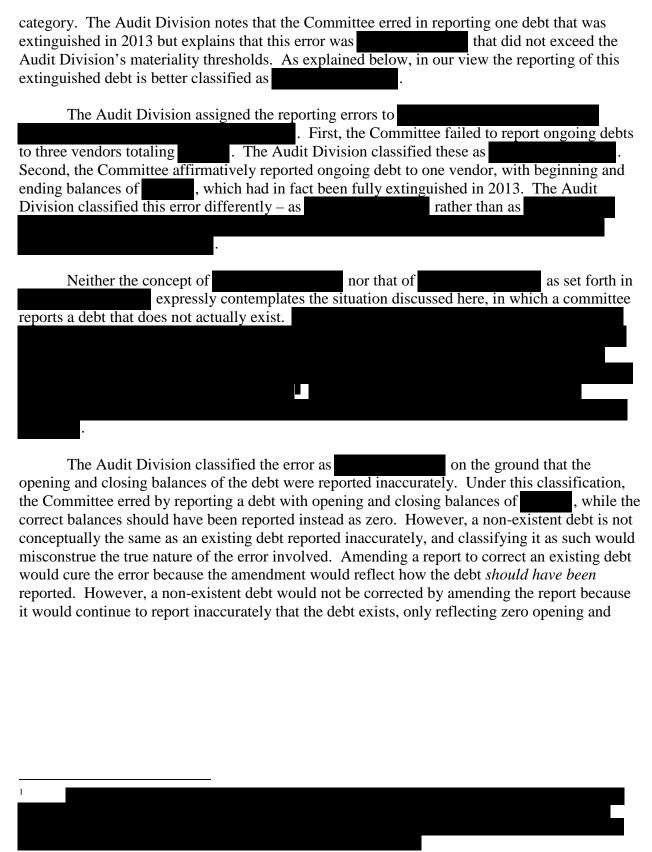
I. INTRODUCTION

The Office of the General Counsel has reviewed the Interim Audit Report ("IAR") on the Oklahoma Democratic Party ("the Committee"). The IAR contains three findings: Misstatement of Financial Activity (Finding 1); Misstatement of Levin Fund Activity (Finding 2); and Recordkeeping for Employees (Finding 3). We concur with the findings in the IAR. We recommend, however, that a debt reporting error discussed in the cover memorandum, classified as by the Audit Division, be classified as instead. If you have any questions, please contact Joshua Blume, the attorney assigned to this audit.

II. REPORTING OF DEBTS AND OBLIGATIONS (Cover Memorandum)

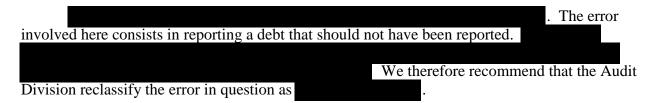
In its cover memorandum accompanying the transmission of the IAR to this office for review, the Audit Division notes that the IAR does not contain a finding regarding the Committee's reporting of debts and obligations despite the existence of reporting errors in this

Comments on the Interim Audit Report Oklahoma Democratic Party (LRA 1075) Page 2



Comments on the Interim Audit Report Oklahoma Democratic Party (LRA 1075) Page 3

closing balances.² Correcting a reported debt that does not exist is most accurately amended by altogether removing the debt from the report.³



Indeed, although the Audit Division has identified the erroneous report of the debt's opening and closing balances as the basis for _______, it could equally have identified any of the other types of _______ as the basis. A non-existent debt cannot be _______ for example. In our view, this fact further supports the classification of the error as one of _______ rather than ______.