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November 12, 2004

Lynn M Fraser, Assistant Director
Federal Election Commission
Alternative Dispute Resolution Office
999 E Street N W
Washington, DC 20463

Dear Assistant Director Fraser,

I am writing at the request of Victory 2004/California Republican Party in the matter of ADR 187 (RR 04L-07).

Aristotle was one of the Party's vendors during the time in question. We would like to try and shed some light on the circumstances surrounding the Party's 2003 February Monthly Filing

On February 19, 2003, the California Republican Party first contacted us with a problem concerning its Contribution and Disbursement load program. This load program was created to import Contribution data from another vendor that worked with the Party at the time. The load program was verified to meet very stringent requirements needed by the Party to ensure compliance with the Federal Election Commission. It had been in operation for some time prior to the issues discussed here and had accurately reflected all transactions

During a period of staff turnover at the Party, the vendor opted to change the layouts for data supplied to the party. As a result, the raw data supplied to the load program no longer met the specifications for the process. The vendor, who is no longer working for the Party, eventually informed the Party and Aristotle of the changes, and the load programs were modified to meet the new requirements. The Party also modified its procedures to address the changing formats from the vendor. Unfortunately, there was an interim period where not all data was loaded into the Party database. Thus the February 2003 report was not complete with regard to disbursements.

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The California Republican Party met its filing deadlines, but did not include all data at the time, for the reasons explained above. The Party has moved aggressively with the assistance of a new CPA and Aristotle to sort out the issue created by the previous vendor. This process has taken some time and has resulted in a series of amendments that have been filed over the past year. The result of this total restructuring of the Party's procedures is that the financial statements have been reconciled and steps have been taken to prevent the problem in the future.

In addition, the Party has moved aggressively by hiring a professional accounting staff to ensure the Party is following the best filing procedures. It has also adopted new protocols for entering and storing data to avoid such situations in the future. The Party also now has its data stored by Aristotle to make it easier to identify and resolve problems.

In summary, the Party has diligently undertaken the necessary steps to comply with what Aristotle believes are best practices for filings going forward. The software and systems that are in place are the same used by a majority of state parties and the Party is properly trained in its operation.

If you have any questions please feel free to contact me directly. We are willing to provide any documentation or help necessary. I look forward to working with you to resolve these issues as quickly as possible.

Sincerely,


Charles W. Harris, Jr.

Aristotle

Director of Technical Sales

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