

80-20 National Asian American PAC, Inc.
<http://www.80-20initiative.com>

Ms. Donna Rawls
Federal Election Commission
Office of the General Counsel
999 E. Street NW
Washington, D.C. 20463
Drawls@fec.gov

RECEIVED
FEDERAL ELECTION
COMMISSION
2014 JUN -4 PM 12:30
OFFICE OF GENERAL
COUNSEL

May 28, 2014

VIA E-MAIL AND MAIL

Re: RR 14L-07, 80-20 National Asian American PAC

Dear Ms. Rawls:

Thank you for allowing us the opportunity to provide a response to your letter that was e-mailed to us on May 7, 2014.¹

Regarding these specific activities, it is true we amended our reports to disclose additional receipts and disbursements. We want to emphasize that our amended reports are accurate. We did not intend to misrepresent our receipts and disbursements for the reporting periods. Our main problem was our inability to organize and process the information in a timely manner. We then corrected our filings in each instance.²

We will remedy this situation in four ways:

- 1) We will train our staff to draft and organize information for FEC reports in an accurate and timely manner;
- 2) We will provide closer supervision in the filing of these reports. As a part of this supervision, we will ensure whoever has the detailed working knowledge of filing FEC reports will timely communicate any issues that arise with filings with the Treasurer;
- 3) If our staff are unable to handle the workload owing to other pressing commitments, we will hire a consultant to prepare and file accurate and timely reports;
- 4) If there comes another time when we have a significant amount of information that we cannot process in a timely manner, even with the help of a consultant, we

¹ The letter was dated April 3, 2014, but unfortunately, the mailing address we had on file was out of date.

² In addition, we reviewed recent reports and found a similar issue. As Mr. Yu reported in his conversation with you on May 15, 2014, we discovered a similar issue in our April 15, 2014 report, which we amended to before Mr. Yu's conversation with you. We are not aware of any other report having this issue of entering very incomplete information and then amending for new information.

80-20 National Asian American PAC, Inc.
<http://www.80-20initiative.com>

will take the time to organize and file the reports with complete information, even if it means filing the report late, rather than continue in our occasional previous practice of uploading a report with incomplete information and then amending the report later.

Although we do not mean to excuse our failings, we think it might be helpful to provide some background about the nature of the organization, and the nature of the roles of Jing-Li Yu and Kathleen To in the organization.

80-20 National Asian American PAC ("80-20") is an organization with a small budget and staff. Its total income has always been under \$200,000 in a given year. It engages in grassroots activism, largely through communications with its e-mail list of supporters, and therefore engages an internet service provider with servers to send out these e-mails. Thus, it has fairly fixed expenses of around \$60-\$80,000 every year, and these expenses can increase during election years when it will also make small donations and incur advertisement expenses in support of certain politicians or parties. For the entirety of its existence, it has never had more than two full-time paid staff. From approximately July 2003 till the present day, it has had only one full-time paid staff or consultant. All the board members and officers of 80-20 have been unpaid volunteers.

Jing-Li Yu was the full-time staff of 80-20 from June 2002 through September 2006; afterwards, he transitioned as volunteer staff through December 2006. He then served as Treasurer from January 1, 2007 through December 31, 2010, and left the position owing to a term limit in 80-20's bylaws.³ Mr. Yu started preparing FEC reports in June 2002, when he first started serving as full-time staff. Because he was the only person in the organization with a detailed working knowledge of FEC filings during the majority of his time as full-time staff and Treasurer, he did most of the work in preparing and uploading the reports. He always has had full approval of each serving Treasurer to electronically sign the reports on their behalf.

Kathleen To is one of the founding donors and volunteers of 80-20. She served as Secretary of 80-20 PAC from January 1, 2003 through December 31, 2006. From January 1, 2007 through December 31, 2008, she was President of the organization. From January 1, 2009 through December 31, 2010, she was Immediate Past President. She has served as Treasurer since January 1, 2011. When she agreed to serve as Treasurer, Ms. To had already had a working relationship with Mr. Yu for more than eight years.

At the time when Mr. Yu reached the end of his term limit as Treasurer, the organization did not have a staff or another volunteer who had a working knowledge of FEC filings. Ms. To agreed to serve as Treasurer, upon the request of 80-20's founding President, S.B. Woo. Owing to Ms. To's long working relationship with Mr. Yu, and owing to his working knowledge of the

³ See 80-20 PAC, Bylaws, 3.3.1.2 Treasurer, "The Treasurer may serve two consecutive full terms of two years each." Available at: <http://www.80-20initiative.net/about/bylaws.asp>. Jing-Li Yu served two terms consecutively. He remains the custodian of records for the organization.

80-20 National Asian American PAC, Inc.
<http://www.80-20initiative.com>

FEC reports, for both her terms, she authorized Mr. Yu to continue to prepare FEC reports and authorized him to sign the reports on her behalf.


Mr. Yu thus continued to prepare and execute the FEC reports up until the present day. While Mr. Yu had a working knowledge of filing FEC reports, he has not had any professional expertise in accounting or in campaign finance law. As a result, he made two mistaken assumptions about filing FEC reports: 1) he thought that timely filing was more important than filing a report with complete information, as long as the incomplete information could be entered in an amended report shortly after the original report was filed; 2) if one did not have complete income or expenditure information at the time of the report, it was an acceptable practice to file an incomplete report by the deadline as long as one provided an amended report with the complete information shortly afterwards. In exercising his broad delegated authority to prepare and file FEC reports, Mr. Yu usually did not think it necessary to tell Ms. To when the reports were filed or what issues were encountered. In these particular instances, Mr. Yu failed to communicate these mistakes and amendments to Ms. To. As a result, Ms. To did not know about these mistakes or amendments until the issue was raised by the FEC, at which point Mr. Yu informed Ms. To.

In addition, the reports that had these timeliness issues occurred at a time of particular personal difficulties for Ms. To and Mr. Yu. In late 2011, Ms. To faced a medical situation in her family, which continues to the present day. As a result, Ms. To has spent significant time and energy in caring for her family. She continued to trust Mr. Yu to prepare and file the FEC reports on her behalf. In 2012, Mr. Yu's employer was facing widely publicized financial difficulties for several months, which eventually resulted in a mass layoff on May 15, 2012, in which Mr. Yu was included.

As a result, we acknowledge that we made mistakes in these filings. We have corrected all of these mistakes. We are also training Staff so that at least one person in the organization can spend significant time and maintain a detailed working knowledge of FEC filings within the organization.

Thank you for giving us the opportunity to state our views. We apologize for the mistakes we have made in the past, and as outlined above, are taking remedial steps to avoid repeating these mistakes in the future.

Sincerely,


Kathleen To,
Treasurer, 80-20 National Asian American PAC


Jing-Li Yu
Custodian of Records, 80-20 National Asian American PAC