



FEDERAL ELECTION COMMISSION  
 WASHINGTON, D.C. 20543

May 6, 1994

MEMORANDUM

TO: RON HARRIS  
 CHIEF, PRESS OFFICE

FROM: ROBERT J. COSTA *RC*  
 ASSISTANT STAFF DIRECTOR  
 AUDIT DIVISION

SUBJECT: PUBLIC ISSUANCE OF THE FINAL AUDIT REPORT  
 ON LENORA B. FULANI FOR PRESIDENT

Attached please find a copy of the final audit report package on Lenora B. Fulani for President which was approved by the Commission on April 21, 1994.

Informational copies of the report have been received by all parties involved and the report may be released to the public.

Attachment as stated

cc: Office of General Counsel  
 Office of Public Disclosure  
 Reports Analysis Division  
 FEC Library

REPORT OF THE AUDIT DIVISION  
ON

# Lenora B. Fulani for President

Approved April 21, 1994



FEDERAL ELECTION COMMISSION  
999 E STREET, N.W.  
WASHINGTON, D.C.



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REPORT OF THE AUDIT DIVISION  
ON

**Lenora B. Fulani for President**

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FINAL AUDIT REPORT  
ON  
LENORA B. FULANI FOR PRESIDENT  
EXECUTIVE SUMMARY

Lenora B. Fulani for President, the Committee, the principal campaign committee of Dr. Fulani, registered with the Federal Election Commission on March 11, 1991. According to candidate certifications, she sought the 1992 presidential nomination of a national party and four separate party committees in four states.

The audit was conducted pursuant to 26 U.S.C. §9038(a), which requires the Commission to audit committees that receive federal funds. The Committee received approximately \$2 million in federal matching funds.

The findings of the audit were presented to the Committee at an exit conference held at the conclusion of the audit fieldwork (March 31, 1993) and in the interim audit report approved by the Commission on September 30, 1993. The Committee was given an opportunity to respond to the findings both after the exit conference and after receipt of the interim audit report. The responses have been included in the findings set forth in this report.

In the final audit report, the Commission made an initial determination that the Committee pay the U.S. Treasury a total of \$1,394, which the Committee has already paid. The findings contained in the final report are summarized below.

Apparent Excessive Contributions Resulting from Staff Advances - 2 U.S.C. §441a-a, 11 CFR 116.5 b. Payments made by individuals from personal funds for campaign-related expenses are contributions subject to the \$1,000 limitation unless the payments are for the individual's own campaign travel and are exempted under 11 CFR 100.7 b 8 or reimbursed within specific time frames. The interim audit report concluded that 14 individuals had exceeded the \$1,000 limit by raising advances in the form of charges to their personal credit cards. The excessive amounts totaled \$86,562. In its response to the interim report the Committee explained that it relied on personal credit cards because it had difficulty obtaining credit. The Committee also claimed that the advances did not

violate the contribution limits because individuals were usually reimbursed within 60 days, the typical time frame for payments to vendors. However, the Committee's claims failed to refute the audit finding that the advances were excessive.

During fieldwork, the Audit staff requested missing credit card statements. This documentation, all of which was not received until after Commission approval of the interim report, resulted in a \$30,510 increase to the excessive amount. The final report, therefore, found that the excessive advances totaled \$107,072.

Reporting of Debts and Obligations - 2 U.S.C. §434 b(8), 11 CFR 104.11, 11 CFR 116.3. The Committee did not disclose \$98,209 in debts owed to a law firm. As recommended in the interim report, the Committee filed amended reports disclosing the debts. However, because the firm invoiced the Committee only twice during the course of the campaign, the interim report also recommended that the Committee demonstrate that the payment arrangement was in accordance with 11 CFR 116.3 a). Under that provision, an extension of credit results in a contribution from the creditor unless credit was extended in the ordinary course of business with terms similar to those extended to nonpolitical clients. In response, the Committee stated that the extension of credit met the standard in Section 116.3 and, furthermore, that the services could have been provided free of charge. However, the Committee failed to provide documentation to support its ordinary course claim. The final report concluded that the credit appeared to result in a contribution.

Disclosure of Occupation and Name of Employer - 2 U.S.C. §434(b)(3)(A), 2 U.S.C. §431-13(A), 2 U.S.C. §432(a). The Committee did not disclose the donor's occupation and employer for several itemized contributions. Although much of the missing information was in the Committee's records, the Treasurer stated that the information was obtained only after the disclosure reports had been filed. In response to the interim report, the Committee filed amended reports which materially corrected the omissions.

Apparent Non-Qualified Campaign Expenses: Non-Campaign Related Disbursements - 26 U.S.C. §9032-9, 11 CFR 9038.2 b) 2) (ii), 11 CFR 9033.11 a). The Committee purchased money orders totaling \$28,447 to be exchanged for cash from contributors who did not have checks to make contributions. Unlike cash, money orders can be matched with federal funds. The Committee, however, lost \$3,238 in money orders. The Commission made an initial determination that the lost money orders represented non-qualified campaign expenses and required a \$1,394 repayment to the U.S. Treasury. The payment was made by the Committee.



REPORT OF THE AUDIT DIVISION  
ON  
LENORA B. FULANI FOR PRESIDENT

I. Background

A. Audit Authority

This report is based on an audit of Lenora B. Fulani for President "the Committee". The audit is mandated by Section 9038(a) of Title 26 of the United States Code. That section states that "after each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under Section 9037." Also Section 9039(b) of the United States Code and Section 9038.1(a)(2) of the Commission's Regulations state that the Commission may conduct other examinations and audits from time to time as it deems necessary.

In addition to examining the receipt and use of Federal funds, the audit seeks to determine if the campaign has materially complied with the limitations, prohibitions and disclosure requirements of the Federal Election Campaign Act of 1971, as amended.

B. Audit Coverage

The audit covered the period from the Committee's inception, March 6, 1991, through October 31, 1992. During this period, the Committee reports reflect an opening cash balance of \$-0-, total receipts of \$4,087,033, total disbursements of \$4,088,046, and a closing cash balance of \$1,013<sup>1/2</sup>. In addition, a limited review of the Committee's transactions was conducted through December 31, 1992, for purposes of determining the Committee's remaining matching fund entitlement based on its financial position.

C. Campaign Organization

The Committee registered with the Federal Election Commission on March 11, 1991. The Treasurer of the Committee during the period covered by the audit was Francine Miller.

<sup>1/</sup> All figures in this report have been rounded to the nearest dollar.

During the period audited, the campaign established offices in 8 states in addition to its national headquarters located in New York, New York.

To handle its financial activity, the campaign used one bank account. From this account the campaign made approximately 10,000 disbursements. Approximately 100,000 contributions were received from 97,000 persons. These contributions totaled \$2,200,000.

In addition to contributions, the campaign received \$2,013,323 in matching funds from the United States Treasury. This amount represents 15% of the \$13,810,000 maximum entitlement that any candidate could receive. The candidate was determined eligible to receive matching funds on October 31, 1991. The campaign made a total of 14 matching funds requests totaling \$2,037,970. The Commission has certified 99% of the requested amount.

For matching fund purposes, the Commission determined that Dr. Fulani's candidacy ended August 20, 1991, the last day of the last national convention held by a major party (Republican), in accordance with 11 C.F.R. §§9033.5 c) and 9032.6(b).

Attachment 1 to this report is a copy of the Commission's most recent Report on Financial Activity for this campaign. The amounts shown are as reported to the Commission by the campaign.

#### D. Audit Scope and Procedures

In addition to a review of the qualified campaign expenses incurred by the campaign, (see Finding III.B.) the audit covered the following general categories:

1. The receipt of contributions or loans in excess of the statutory limitations (see Finding II.A.);
2. the receipt of contributions from prohibited sources, such as those from corporations or labor organizations;
3. proper disclosure of contributions from individuals, political committees and other entities, to include the itemization of contributions when required, as well as, the completeness and accuracy of the information disclosed (see Finding II.C.);
4. proper disclosure of disbursements including the itemization of disbursements when required, as well as, the completeness and accuracy of the information disclosed;
5. proper disclosure of campaign debts and obligations (see Finding II.B.);

6. the accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records;
7. adequate recordkeeping for campaign transactions;
8. accuracy of the Statement of Net Outstanding Campaign Obligations filed by the campaign to disclose its financial condition and establish continuing matching fund entitlement see Section III.C. ;
9. the campaign's compliance with spending limitations; and
10. other audit procedures that were deemed necessary in the situation.

In addition, on November 25, 1992 the Audit staff completed an inventory of the Committee's records and determined that they were materially complete and in an auditable condition.<sup>2/</sup>

Unless specifically discussed below, no material non-compliance was detected. It should be noted that the Commission may pursue further any of the matters discussed in this report in an enforcement action.

## II. Findings and Recommendations - Non-repayment Matters

### Introduction to Findings

In light of an October 23, 1993 decision by the Court of Appeals for the D.C. Circuit in FEC v. NRA Political Victory Fund et al., the Commission reconsidered the interim audit report and voted its approval on November 9, 1993. As a result of this action, the Committee was afforded an additional 30 days to supplement its earlier response received on November 5, 1993. On December 13, 1993, a supplemental response to the interim audit report was received which, along with the earlier response, was considered when this report was prepared.

<sup>2/</sup> It should be noted that the Audit staff requested from the Committee, in writing, missing credit card statements relative to individuals whose credit cards were available for use by the Committee. As a result of Commission-approved subpoenas issued to the credit card companies and additional documentation provided by the Committee, the missing statements were obtained and reviewed by the Audit staff. Please refer to Finding II.A. for details.

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A. Apparent Excessive Contributions Resulting from Staff Advances

Section 441a(a) (1)(A) of Title 2 of the United States Code states, in part, that no person shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

Section 116.5(b) of Title 11 of the Code of Federal Regulations states that the payment by an individual from his or her personal funds, including a personal credit card, for the costs incurred in providing goods or services to, or obtaining goods or services that are used by or on behalf of, a candidate or political committee is a contribution unless the payment is exempted from the definition of contribution under 11 C.F.R. §100.7(b)(8). If the payment is not exempted under 11 C.F.R. §100.7(b)(8), it shall be considered a contribution by the individual unless; the payment is for the individual's transportation expenses incurred while traveling on behalf of a candidate or political committee of a political party or for usual and normal subsistence expenses incurred by an individual, other than a volunteer, while traveling on behalf of a candidate or political committee of a political party; and, the individual is reimbursed within sixty days after the closing date of the billing statement on which the charges first appear if the payment was made using a personal credit card, or within thirty days after the date on which the expenses were incurred if a personal credit card was not used. For purposes of this section, the closing date shall be the date indicated on the billing statement which serves as the cutoff date for determining which charges are included on that billing statement. In addition, "subsistence expenses" include only expenditures for personal living expenses related to a particular individual traveling on committee business, such as food or lodging.

During our review of the Committee's expense reimbursements to campaign staff, we noted that from the Committee's inception through December 31, 1992, 14 individuals advanced funds on behalf of the Committee in excess of the \$1,000 limitation. In order to calculate the amount of a contribution resulting from an advance made by an individual on behalf of the Committee, payments made by the Committee were applied against those expenses that had been incurred the earliest. The expenses incurred were for travel and subsistence and campaign-related goods and services. It was also noted that a number of individuals paid the transportation, travel, and other campaign expenses incurred by other individuals, including the candidate's expenses, using their personal credit cards. Several of the credit card statements we reviewed also included charge-activity summaries under the names of other individuals indicating that additional cards were provided to and used by these other individuals for campaign-related transactions. The excessive amount, which is the sum total of the highest excessive balance



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for each individual, totaled \$86,562. The number of days outstanding before reimbursement of the excessive amounts ranged from 1 to 133 days. At the close of fieldwork no outstanding expense reimbursements were identified.

At the exit conference, the Audit staff provided the Committee with a listing of the relevant expenses and contributions associated with the 14 individuals. The Treasurer stated that the Committee was not aware of the requirements of 116.5. The Treasurer also commented that "the regulation and repayment periods are unfair to candidates who do not have access to credit as easily as a Governor or a U.S. Senator. Banks will grant credit to these people on the basis of name recognition or political position. Lesser known candidates and their committees are forced to rely on Committee volunteers and supporters to provide their good name. She added that there is no justification for being penalized for these reasons."

In addition, on March 18, 1993 the Audit staff requested, in writing, that the Treasurer obtain certain billing statements from individuals (8 of the 14 noted above plus 8 additional) whose credit cards were available for use by the Committee. These statements were requested to enable the Audit staff to complete the verification of qualified campaign expenses and the testing of excessive contributions resulting from advances made by Committee staff/individuals on behalf of the Committee.

The Committee was granted ten business days to respond to the request (April 7, 1993). On March 30, 1993 the Audit staff received a written response which stated that none of the missing statements would be provided since the statements were for the individuals' personal credit cards and therefore not in the Committee's possession. In addition to this response the Committee provided photocopies of documentation already reviewed by the Audit staff.

At the March 31, 1993 exit conference the Audit staff reiterated that the Committee still had until April 7, 1993 to provide the requested missing statements and that absent the production of these statements, a request would be made to the Office of General Counsel (OGC) for subpoenas to be issued to American Express, Chittenden Bank Visa, Chase Visa and Mastercard, Citibank Visa and Mastercard, Choice Visa and Chemical Bank Visa for the production of the credit card statements, charge slips and any other documentation related to the missing statements.

An additional written response from the Committee was received by the Audit staff on April 7, 1993. In this response, the Committee stated that the payments made by the Committee directly to credit card companies for individuals' expenses were for credit cards not under the Committee's control and that the missing statements covered the individuals' personal expenses

only. The response concluded that the Committee did not have the authority to request the missing credit card statements from individuals for expenses not related to the campaign and viewed this request as an infringement on these individuals' privacy.

On August 10, 1993, the Commission approved the OGC's recommendation to issue subpoenas to the credit card companies noted above for the production of the missing credit card statements, charge slips and other documentation relevant to 16 individuals whose credit cards were available for use by the Committee. At the Committee's request, staff from OGC and the Audit Division met with the Treasurer and Committee Counsel on August 12, 1993 to discuss the Audit staff's request for the missing credit card documentation. At this meeting Committee Counsel discussed the possibility of obtaining affidavits from these individuals which attested that no charges were posted to their credit card statements for expenses to or on behalf of the Committee during the time periods in question.

It was agreed that affidavits would be acceptable from 8 of the 16 individuals given the relatively low level of activity and absence of any unusual patterns or other indications suggesting a significant level of activity occurred during the periods for which statements were not available. Signed affidavits for 7 of these 8 individuals were received in September 1993.<sup>3/</sup>

In the interim audit report the Audit staff recommended that the Committee submit additional documentation to establish that the individuals noted did not exceed the contribution limits of 2 U.S.C. §441(a)(1)(A), and/or that the individuals were reimbursed in a timely manner (as defined under 116.5(b)(2)); or provide any other relevant comments or documentation. It was further recommended that the Committee provide the documentation and affidavit requested by the Audit staff and that once reviewed, revisions would be made, if warranted.

In the initial response to the interim audit report the Committee Treasurer points out that "Dr. Fulani's campaign for President in 1992 was a "grassroots, community-based operation" which raised over \$2 million from almost 100,000 individuals and that since the candidate was on the ballot in 39 states and the District of Columbia, the candidate and Committee staff volunteers travelled constantly. She explains that the Committee was denied

<sup>3/</sup> In lieu of an affidavit, documentation relative to the remaining individual was received in October 1993. With respect to the other 8 individuals for which statements were requested, all missing documentation was subsequently provided by either the credit card companies or the Committee. See Page 8, Paragraph 6 for the results of the Audit staff's analysis of this additional documentation.

a corporate American Express card and that it was "impossible" to make travel arrangements without credit. She adds that even Federal Express would not open an account for the Committee without a credit card for security since "...we were a political committee and thus presumably could not be trusted financially." As a result, the Committee relied upon individuals' credit to secure these essential services.

The Treasurer states that the Committee does not believe that the transactions in question violate 2 U.S.C. §441a because the credit card charges were paid in the normal course of business without any request from the Commission or from any other outside party, there was no intent on the part of these individuals for these charges to be contributions, and the individuals were told that the Committee was financially responsible for the charges. In addition, these charges were handled by the Committee as if they were routine vendor purchases and were usually paid back within 60 days when they were still open for payment, but not overdue.

The Treasurer argues that 11 C.F.R. §116.5 is unfair to the Committee because "...by solely exempting a person's own travel and subsistence expenses from the definition of contribution, the Commission is discriminatory towards smaller, grassroots campaigns involving candidates and their supporters who in large part neither have personal credit to use for their own travel and subsistence, much less connections to banking institutions that would enable the campaign to obtain 'commercial' credit lines." She adds that the Committee was forced to use these individuals' credit cards for campaign-related expenses which were not for their own travel and subsistence, but that in most cases these expenses were paid within 60 days and that if an individual advanced money towards the expenses it was done on their own initiative, not at the request of the Committee.

The Treasurer strongly urges the Commission not to take any enforcement action against the Committee relative to these transactions for two reasons. First, if the 60 days allowed for an individual's own travel was allowed for the types of transactions considered excessive contributions in the finding, "...there would be practically no 'excessive contributions.'" Secondly, she points out the "practical impossibility of operating without credit cards in our economy." The Treasurer adds that this regulation was not in existence when the candidate first qualified for matching funds in 1988 and that the Committee "...failed to notice the new regulation, and to realize its implications, for the practice of using personal credit cards for vendor transactions" when setting up its 1992 procedures. She further states that the Commission should find that no violation has occurred but if the Commission should find otherwise, "...this candidate will now be fully on notice of the Commission's interpretation of the law."

The Treasurer concludes that "[t]he Commission has properly interpreted the Federal Election Campaign Act to make it possible for independent candidates to qualify for matching funds. We respectfully request that the Commission now take into consideration the particular operations of smaller, grassroots campaigns, and not apply in a rigid way regulations that are biased against the good-faith operations of campaigns such as ours."

In the supplemental response to the interim audit report, the Committee's Counsel expands on the Treasurer's conclusion noted in the previous paragraph. He notes that "[t]he Commission has previously taken into account the differences between the actual operations of major party and independent minor party campaigns so as to devise enforcement policies that are fair and even-handed in practice, not just in theory." He refers to a series of advisory opinions (AO) which dealt with the eligibility of minor party candidates to receive matching funds whether or not they were participating in a nomination or ballot access process that even included primary election contests [AO 1975-44 (Socialist Workers); AO 1983-47 (Sonia Johnson); and, AO 1984-25 (Sonia Johnson)].

Committee Counsel concludes that if the Commission applies the underlying principles used in formulating these advisory opinions to this issue that the Commission should "...not interpret or enforce 11 C.F.R. 116.5 in a rigid manner that discriminates against smaller, grassroots campaigns which, in the arena of presidential politics, has historically included virtually every independent or minor party presidential campaign."

It is the opinion of the Audit staff that the Committee's arguments and other comments provided in response to the interim audit report do not warrant any change to the Audit staff's analysis as presented in the interim audit report.

However, the excessive amount \$86,560, which was developed based on records made available during fieldwork, requires revision. See discussion at pages 4 - 5.

#### Analysis of Documentation Received After Issuance of the Interim Audit Report

As noted above, the finding contained in the interim audit report addressed excessive contributions totaling \$86,560; the Committee's responses addressed the facts relative to the development of this figure.

Subsequent to the reissuance of the interim audit report, additional credit card documentation obtained from the credit card companies via the subpoena process and or provided by the Committee was received. These credit card statements were reviewed by the Audit staff and since certain expenses relative to

travel, subsistence and related expenses were incurred during the time periods for which these cards had been made available for the Committee's use, the Audit staff included them in the 11 CFR 116.5 analysis. Absent a demonstration to the contrary, these transactions were considered campaign-related.

It should be noted that the Committee has maintained from the onset that these charges are not related to the candidate's campaign for nomination. See pages 5-6. The Committee did not reimburse any of the individuals for any of the expenses enumerated, nor was there any indication in the records reviewed by the Audit staff that any individual requested reimbursement for any of these transactions.<sup>4/</sup>

Based on the inclusion of these apparent campaign-related charges, the revised sum total of the highest excessive balances relative to the 14 individuals is \$107,072, an increase of \$20,510 (\$107,072 - \$86,562) from the figure cited in the interim audit report.

B. Reporting of Debts and Obligations

Section 434(b)(8) of Title 2 of the United States Code requires that each report shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committee.

Section 104.11 of Title 11 of the Code of Federal Regulations states, in part, that debts and obligations owed by or to a political committee which remain outstanding shall be continuously reported until extinguished. If the exact amount of a debt or obligation is not known, the report shall state that the amount reported is an estimate.

Section 116.3(a) of Title 11 of the Code of Federal Regulations states that a commercial vendor that is not a corporation may extend credit to a candidate, a political committee or another person on behalf of a candidate or political

<sup>4/</sup> Included in the credit card documentation reviewed by the Audit staff were credit card slips imprinted with "Rainbow Lobby" under the basic and supplemental cardholders' name. The Rainbow Lobby was apparently formed by the New Alliance Party NAP in 1984. The NAP was the party which Dr. Fulani represented during the 1992 election.

A representative of American Express explained that the account in question is a company account not a corporate account and is therefore the sole responsibility of the basic cardholder, not the Rainbow Lobby. A cardholder can arrange for a company name to be imprinted on a credit card without the company being responsible for the account.

committee; and, an extension of credit will not be considered a contribution to the candidate or political committee provided that the credit is extended in the ordinary course of the commercial vendor's business and the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. Section 116.3 of Title 11 of the Code of Federal Regulations states that in determining whether credit was extended in the ordinary course of business, the Commission will consider: 1) whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit; 2) whether the commercial vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and 3) whether the extension of credit conformed to the usual and normal practice in the commercial vendor's trade or industry.

During our review of selected Committee disbursements, the Audit staff noted that the Committee did not disclose \$98,209 of debts attributable to the International Peoples' Law Institution (IPLI), a firm which provided legal services to the Committee. Of this amount, \$59,179 was not reported on the September 1992 Report, and \$39,030 was not reported on the October 1992 Report. The Audit staff noted that the IPLI invoiced the Committee only twice during the campaign, on 1/30/92 in the amount of \$109,060, covering 3/1/91 through 12/31/91 services, and on 9/1/92 in the amount of \$124,004, covering 1/1/92 through 8/20/92 services.

At the exit conference the Committee was provided with a schedule of debts and obligations that were not properly disclosed. The Audit staff explained that by not disclosing fully large amounts of debt a Committee's financial condition is misstated. The Treasurer stated that she understood and she explained that the Committee did not always maintain the debt records on a current basis during the campaign.

The Audit staff requested that the Committee provide an explanation as to why it took so long for the IPLI to invoice the Committee. The Treasurer referred to the agreement between the IPLI and the Committee which stipulated that the Committee pay the IPLI a minimum monthly retainer of \$3,000 commencing in March, 1991. The agreement further stated that the IPLI would postpone the receipt of any amount in excess of the \$3,000 monthly retainer until the Committee received its first matching fund payment. A modification to the retainer agreement was made on September 1, 1991 in which the monthly retainer was increased from \$3,000 to \$4,000. The Audit staff noted that the Committee made payments in accordance with the retainer agreement.

The Audit staff asked the Committee Treasurer for an explanation regarding the length of time between the two invoices discussed above. She responded that an oral agreement was made with the IPLI in which the IPLI agreed to accrue amounts due, net

of the monthly retainer, until the end of the campaign, at which time the Committee would pay the balance due. The Audit staff questioned whether this extension of credit by the IPLI is in the ordinary course of business, and whether the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. See 11 C.F.R. §§100.7 a)(4) and 116.3(a).5/

In the interim audit report the Audit staff recommended that the Committee amend its September 1992 and October 1992 Reports for the two IPLI balances not disclosed as required and that the Committee demonstrate that the payment arrangement with the IPLI was in accordance with 11 C.F.R. §116.3(a). It was further recommended that, in the future, the Committee institute stronger internal controls to comply with debt reporting regulations.

In response to the interim audit report the Committee amended its September 1992 and October 1992 Reports correctly disclosing the two IPLI debts.

In addition, the Committee provided a letter from its Counsel, an individual who was a partner in the IPLI during the time it performed legal work for the Committee. Counsel describes IPLI as a "law firm partnership" that "...was founded for the purpose of advancing democracy and social justice by providing legal representation." He states that the IPLI's "...established procedures for billing included sliding scale fees and flexible credit arrangements" and that "[t]he payment arrangements with the Committee were within a normal range for such arrangements and, in any event, not unusually favorable towards the Committee in comparison to other IPLI clients."

He adds that the extension of credit met the "usual and normal practice in the commercial vendor's trade or industry" requirement of 11 C.F.R. §116.3(c)(3), in two respects. First, it is common for law firms to accept payments from such clients based upon funding cycles or cash flow; in this case the receipt of federal matching funds and individual contributions from fundraising efforts. He states as an example that "...social service and other nonprofit organizations often are forced to build up substantial liabilities leading up to the date when a major grant or contract payment is received from a governmental or foundation source and "[l]aw firms, like other vendors are prepared to perform work during the 'lean' months without full payment for their services in anticipation of being paid in the future. Second, "...law firms are permitted to provide legal services to federal political committees for no charge at all, i.e. pro bono and that "...it was a 'usual and normal practice'

5/ The Audit staff verified with the State of New York, Department of State that the IPLI is not incorporated.

for the IPLI to take the risk that a client that agreed to pay a fee might be unable to pay the entire fee and the representation would end up being largely or entirely pro bono."

Given that the vast majority of the legal fees relate to the inclusion of the candidate in debates and ballot access work performed by IPLI, the assertion that these services could have been provided pro bono is incorrect. The Regulations, at 11 C.F.R. §§ 100.71b-13 and 14 exempt from the definition of contribution legal services which 1) are not attributable to activities which directly further the election of any designated candidate for Federal office, or 2) services which are solely to ensure compliance with the Act or 26 U.S.C. §§ 9001 et seq. and 9031 et seq.

Further, although the Committee in its response, as detailed above, asserts that the extension of credit was not a contribution and has included representations relative to IPLI's ordinary course of business, including terms offered to other IPLI clients, and statements regarding the usual and normal practices for law firms, no documentation has been provided to substantiate the claims made.

The Audit staff finds that based on the information provided, the payment arrangement between the Committee and the IPLI appears to constitute a contribution under 11 C.F.R. §116.3(a).

### C. Disclosure of Occupation and Name of Employer

Section 434(b)(3)(A) of Title 2 of the United States Code states, that each report shall disclose the identification of each person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution.

Section 431.13 A) of Title 2 of the United States Code defines the term "identification" as, in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer.

Section 432.10 of Title 2 of the United States Code states, that when the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of title 26.



The Audit staff reviewed a sample of contributions received from individuals to determine if the identification of each contributor was itemized as required. The sample results indicated that for 22.7% of such itemizations the contributor's occupation and name of employer was omitted. The Audit staff noted that for most of these errors the Committee had obtained the missing information; however, the Committee did not amend its reports.

At the exit conference the Treasurer stated that the information was obtained after the reports were filed. The Committee made telephone calls to obtain the information, as well as two separate mailings requesting the missing information. The Treasurer stated that amended reports would be filed. The Audit staff advised the Treasurer to file amended Schedules A-P for 1991 and 1992.

In the interim audit report the Audit staff recommended that the Committee file a comprehensive amendment disclosing the occupation and name of employer relative to each contributor requiring itemization. The Committee filed a comprehensive amendment which materially corrected the omissions noted above.

### III. Findings and Recommendations - Repayment Issues

#### A. Calculation of Repayment Ratio

Section 9038(b)(2)(A) of Title 26 of the United States Code states that if the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than to defray the qualified campaign expenses with respect to which payment was made, it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary an amount equal to such amount.

Section 9038.1(c)(1)(v) of Title 11 of the Code of Federal Regulations states, in part, that the Commission will issue an interim audit report to the candidate and his or her authorized committee which may contain Commission findings and recommendations regarding preliminary calculations with respect to future repayments to the United States Treasury.

Section 9038.2(a)(2) of Title 11 of the Code of Federal Regulations states that the Commission will notify the candidate of any repayment determinations made under this section as soon as possible but not later than three years after the end of the matching payment period. The Commission's issuance of an interim audit report to the candidate constitutes under 11 CFR 9038.1(c) will constitute notification for purposes of the three year period.

Section 9038.2(b)(2)(iii) of Title 11 of the Code of Federal Regulations states that the amount of any repayment sought under this section shall bear the same ratio to the total amount determined to have been used for non-qualified campaign expenses as the amount of matching funds certified to the candidate bears to the total deposits, as of the candidate's date of ineligibility.

Pursuant to 11 C.F.R. §§9033.5(c) and 9032.6(b), the Commission determined Dr. Falani's date of ineligibility to be August 20, 1992.

The formula and the appropriate calculation with respect to the Committee's receipt activity is as follows:

$$\frac{\text{Total Matching Funds Certified through the Date of Ineligibility - August 20, 1992}}{\text{Total Deposits through Date of Ineligibility}} = .430829$$

$$\frac{\$1,589,775}{\$3,690,030} = .430829$$

Thus, the repayment ratio for non-qualified campaign expenses is 43.0829%.

**B. Apparent Non-Qualified Campaign Expenses:  
Non-Campaign Related Disbursements**

Section 9032(9) of Title 26 of The United States Code defines the term "qualified campaign expense" as a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election, and neither the incurring nor payment of which constitutes a violation of any law of the United States or the State in which the expense is incurred or paid.

Section 9038.2(b)(2)(iii) of Title 11 of the Code of Federal Regulations states that the amount of any repayment sought under this section shall bear the same ratio to the total amount determined to have been used for non-qualified campaign expenses as the amount of matching funds certified to the candidate bears to the total deposits, as of the candidate's date of ineligibility. Total deposits is defined in accordance with 11 C.F.R. §9038.3(c)(2). For the purpose of seeking repayment for non-qualified campaign expenses from committees that have received matching fund payments after the candidate's date of ineligibility, the Commission will review committee expenditures to determine at what point committee accounts no longer contain matching funds. In doing this, the Commission will review committee expenditures from the date of the last matching fund payment to which the candidate was entitled, using the assumption that the last payment has been expended on a last-in, first-out basis.

Section 9038.11(a) of Title 11 of the Code of Federal Regulations states, in part, that each candidate shall have the burden of proving that disbursements made by the candidate or his authorized committee(s) are qualified campaign expenses. The candidate and his authorized committee(s) shall obtain and furnish the Commission on request any evidence regarding qualified campaign expenses made by the candidate and agents or persons authorized to make expenditures on behalf of the candidate or committee(s).

The Committee purchased money orders from the United States Postal Service and distributed them among Committee fundraisers. These fundraisers would solicit contributions by setting up booths on street corners and by canvassing door to door. Contributors were asked to write a check payable to Lenora Fulani for President. If the contributor did not have a check, the fundraiser would suggest that the contributor, using currency, purchase a money order. The fundraiser would explain that contributions made by money order may be matched by the Federal Election Commission, however, contributions of currency are not matchable.

The Committee purchased money orders totaling \$28,440, however, only \$25,205 were sold. The \$3,235 difference represents money orders that were lost by the Committee.

At the exit conference the Committee was provided with a schedule of the money orders in question, the cost of which, in the opinion of the Audit staff, is a non-qualified campaign expense. The Committee Treasurer made no comment.

In the interim audit report the Audit staff recommended that the Committee submit evidence which demonstrates that the value (\$3,235) of the money orders in question is a qualified campaign expense. Absent such a demonstration, the Audit staff would recommend a pro rata repayment of \$1,394 ( $\$3,235 \times .430829$ ) to the United States Treasury pursuant to 26 U.S.C. §9038(b)(2).

#### Recommendation #1

The Audit Division recommends that the Commission make an initial determination that the Committee repay the U.S. Treasury \$1,394 pursuant to 26 U.S.C. §9038(b)(2). The payment was made in response to the interim audit report.

3. Determination of Net Outstanding Campaign Obligations

Section 9034.5 a) of Title 11 of the Code of Federal Regulations requires that within 15 days of the candidate's date of ineligibility, the candidate shall submit a statement of net outstanding campaign obligations which contains, among other items, the total of all outstanding obligations for qualified campaign expenses and an estimate of necessary winding down costs.

Section 9034.1 b) of Title 11 of the Code of Federal Regulations states, in part, that if on the date of ineligibility a candidate has net outstanding campaign obligations as defined under 11 C.F.R. §9034.5, that candidate may continue to receive matching payments provided that on the date of payment there are remaining net outstanding campaign obligations.

The date of ineligibility for Lenora B. Fulani was August 20, 1992, the last day of the last national convention held by a major party (Republican). The Audit staff reviewed the Committee's financial activity through December 31, 1992, analyzed winding down costs, and prepared the following Statement of Net Outstanding Campaign Obligations ("NOCO") as of August 20, 1992:

0507612114

Lenora B. Fulani for President  
 Audit Determined NOCO as of 8/20 92 a/

Assets

Cash on Hand	\$ 50	
Cash in Bank	( 31,732 )	b/
Accounts Receivable	21,872	c/
Capital Assets	<u>3,199</u>	
Total Assets		\$ <u>6,611</u>

Obligations

Accounts Payable for Qualified Campaign Expenses	\$ (365,527)	a/
Winding Down Costs 8/21 92 - 12/31 93	<u>(209,912)</u>	a/
Total Obligations		\$ <u>(575,439)</u>

NOCO (Deficit) / Surplus \$ (582,050) d/

a/ All figures shown were determined as of 8/20/92 unless otherwise noted.

b/ The negative cash in bank balance is the result of outstanding checks at 8/20/92, all of which subsequently cleared the bank account or were reissued.

c/ Included in this figure are amounts taken from the Committee's disclosure reports which are subject to audit verification.

d/ This figure does not include \$20,510 in apparent campaign-related transactions (See Finding II.A.1). Adjustments will be made, if warranted, based upon any new information provided by the committee.

Shown below is an adjustment for private contributions and matching funds received during the period 8/31/92 through 12/31/92, the most current financial information available at the close of fieldwork.

WOCO Deficit as of 8/31/92	\$ 592,050
Matching Funds Received	423,848 6
Private Contributions	<u>122,199</u>
Remaining Entitlement as of December 31, 1992	<u>\$ 36,303</u>

As of December 31, 1992 the Committee had not received matching fund payments in excess of its entitlement.

IV. Recap of Amount Payable to the U.S. Treasury<sup>7/</sup>

Presented below is a recap of the amount recommended by the Audit Division as subject to the repayment provisions of 11 C.F.R. §9038.2 and 26 U.S.C. §9038 b :

Finding III.B. Non-Qualified Campaign Expenses	\$1,394
Non-Campaign Related Money Orders <sup>1</sup>	<u>1,394</u>
Amount Repaid to Date	<u>\$ -0-</u>
Amount Due to United States Treasury	<u>\$ -0-</u>

<sup>6/</sup> No additional matching funds were received after 12/31/92.

<sup>7/</sup> Additional audit fieldwork is anticipated and, if warranted, an addendum to this report will be issued.

Adjusted Receipts  
(Through December 31, 1993)

	Inland	Out-of-State	Foreign	Other	Contributions from the (private)	Candidate Name Service Requirements	(New Loans) Service Requirements	(Other Receipts)	Adjusted Total
<b>LIBERTARIANS</b>									
Barry Agnew	\$288,891	\$331,631	\$0	\$500	\$5,000	\$1,020	\$2,883	\$810,844	
Barry Brown	\$4,239,345	\$5,176,336	\$0	\$0	\$0	\$0	\$4,883	\$9,420,374	
Tom (Anton)	\$12,518,130	\$24,881,888	\$2,420	\$0	\$0	\$1	\$14,385	\$37,518,833	
Tom (Harden)	\$2,103,352	\$3,080,206	\$415,470	\$0	\$0	\$0	\$14,283	\$5,813,421	
Bob Kerey	\$2,108,284	\$3,813,332	\$348,757	\$0	\$0	(\$1,225)	\$5,831	\$8,488,078	
London LaRouche	\$0	\$1,803,015	\$0	\$0	\$0	\$0	\$21	\$1,803,036	
Paul Tsongas	\$1,030,388	\$5,058,820	\$3,566	\$0	\$48,000	(\$8,575)	\$0	\$8,134,999	
Doug Walker	\$,880,028	\$508,518	\$750	\$0	\$0	\$0	\$1,078	\$788,334	
<b>Total Democratic</b>	<b>\$24,857,216</b>	<b>\$44,883,347</b>	<b>\$772,072</b>	<b>\$500</b>	<b>\$50,000</b>	<b>(\$8,770)</b>	<b>\$43,385</b>	<b>\$70,188,720</b>	
<b>LIBERTARIANS</b>									
Patrick Buchanan	\$4,849,883	\$7,157,808	\$24,750	\$0	\$0	\$0	\$21,115	\$12,203,656	
George Bush	\$10,658,513	\$27,088,825	\$44,250	\$0	\$0	\$0	\$222,308	\$38,013,894	
David Duke	\$0	\$220,715	\$0	\$0	\$1,000	\$0	\$0	\$271,815	
<b>Total Republican</b>	<b>\$15,508,406</b>	<b>\$34,467,348</b>	<b>\$68,000</b>	<b>\$0</b>	<b>\$1,000</b>	<b>\$0</b>	<b>\$243,421</b>	<b>\$80,488,385</b>	
<b>OTHER PARTY</b>									
Andre Marroux	\$0	\$582,770	\$181	\$118	\$15,000	\$0	\$0	\$878,087	
Gene Fuld	\$1,835,524	\$2,201,577	\$0	\$325	(\$1,258)	\$1,700	\$0	\$4,137,388	
<b>Total Other Party</b>	<b>\$1,835,524</b>	<b>\$2,784,347</b>	<b>\$181</b>	<b>\$441</b>	<b>\$13,742</b>	<b>\$1,700</b>	<b>\$0</b>	<b>\$4,715,435</b>	
<b>Inland Total</b>	<b>\$47,211,218</b>	<b>\$81,885,042</b>	<b>\$841,253</b>	<b>\$841</b>	<b>\$64,742</b>	<b>(\$8,570)</b>	<b>\$288,778</b>	<b>\$125,371,520</b>	

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Adjusted Disbursements  
(Through December 31, 1993)

	(Operating Expenses (Funds) (Funds) (Funds) (Other) (Adjusted Total) (Expenses Subject to Limit) (Total Cash) (Debit (Credit) by Pre-emptive)							
<b>Disbursements</b>								
Larry Agren	\$608,718	\$0	\$0	\$95	\$608,813	\$613,830	\$2,432	\$5,170
Darryl Brown	\$6,306,451	\$2,278,818	\$272,823	\$108,584	\$8,966,680	\$8,888,482	\$188,198	\$0
John L. Brown	\$25,488,176	\$5,524,000	\$2,858,177	\$0	\$33,870,353	\$28,508,878	\$1,252,783	\$84,713
Tom Louden	\$4,003,101	\$1,144,078	\$188,833	\$0	\$5,335,742	\$3,128,315	\$2,215,818	\$153,714
Rob Kerry	\$5,181,458	\$1,076,978	\$178,811	\$23,404	\$6,461,751	\$6,050,481	\$98,882	\$0
Lynette L. Bourke	\$1,523,524	\$0	\$85,140	\$0	\$1,608,664	\$1,483,218	\$3,223	\$27,183
Paul George	\$6,776,010	\$754,878	\$188,780	\$0	\$7,719,778	\$7,001,568	\$298,181	\$187,472
Ernie Wilber	\$788,180	\$8,588	\$78	\$0	\$805,987	\$788,881	\$88,183	\$0
Total Disbursements	\$50,666,672	\$10,785,488	\$3,783,313	\$132,081	\$65,367,666	\$51,280,727	\$1,706,478	\$438,752
<b>Reimbursals</b>								
Frank & Ruth Brown	\$11,877,811	\$0	\$0	\$0	\$11,877,811	\$11,827,813	\$88,287	\$0
George Bush	\$27,427,061	\$5,528,322	\$4,881,473	\$70,318	\$37,818,188	\$27,427,068	\$488,118	\$18,814
David Laska	\$333,838	\$0	\$0	\$1,000	\$335,838	\$0	\$0	\$28,250
Total Reimbursals	\$39,638,710	\$5,528,322	\$4,881,473	\$71,318	\$49,897,814	\$39,054,881	\$714,403	\$48,884
<b>Other Items</b>								
Angie Wilson	\$415,576	\$160,719	\$0	\$0	\$575,795	\$0	\$0	\$0
Teresa Stefan	\$4,203,827	\$0	\$0	\$3,235	\$4,208,857	\$4,204,555	\$2,870	\$0
Total Other Party	\$4,619,399	\$160,719	\$0	\$3,235	\$4,782,852	\$4,204,555	\$2,870	\$0
Total Total	\$94,884,720	\$18,472,009	\$8,874,786	\$208,637	\$120,890,152	\$84,540,150	\$2,427,852	\$487,118

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FEDERAL ELECTION COMMISSION

March 15, 1994

MEMORANDUM

TO: Robert J. Costa  
Assistant Staff Director  
Audit Division

THROUGH: John C. Surina  
Staff Director

FROM: Lawrence M. Noble  
General Counsel

Kim Bright-Coleman  
Associate General Counsel

Lorenzo Holloway  
Assistant General Counsel

Rhonda J. Vosdingh  
Attorney

SUBJECT: Proposed Final Audit Report on Lenora B. Fulani  
for President (LRA #451/AR #94-2)

The Office of General Counsel has reviewed the proposed Final Audit Report on Lenora B. Fulani for President ("the Committee" submitted to this Office on January 14, 1994.<sup>1</sup> The following memorandum provides our comments on the proposed report. If you have any questions concerning our comments, please contact Rhonda Vosdingh, the attorney assigned to this audit.

The following are comments on Findings II.A. and II.B. We concur with the findings in the proposed Final Audit Report which are not discussed separately. We note that the Commission issued subpoenas to certain credit card companies to obtain information in connection with this audit. See 11 C.F.R. § 9038.1(b)(v). The

<sup>1</sup> Since the proposed Final Audit Report does not include any matters exempt from public disclosure under 11 C.F.R. § 2.4, we recommend that the Commission's discussion of this document be conducted in open session. Throughout our comments, "FECA" refers to the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-455.

Information obtained through the subpoena process has been incorporated into the Final Audit Report.

**I. APPARENT EXCESSIVE CONTRIBUTIONS RESULTING FROM STAFF  
ADVANCES (II.A.)**

The Office of General Counsel concurs with the Audit Division's finding that the Committee accepted excessive contributions totaling \$109,338 in the form of staff advances. These expenses included the individuals' own travel and subsistence, as well as other campaign-related goods and services and travel subsistence expenses of others, including the candidate. Supplemental credit cards were also provided to or used by other individuals for campaign-related transactions.<sup>2</sup> In cases where the cardholders were reimbursed, they were reimbursed within 1 to 262 days. Information obtained from credit card companies through the subpoena process was used to ascertain \$22,776 in excessive contributions.

Pursuant to 11 C.F.R. § 116.5, the use of personal credit cards to obtain goods or services on behalf of a political committee constitutes a contribution unless the payment is for one's own transportation or subsistence expenses and the cardholder is reimbursed within 60 days. The Committee has failed to satisfy the requirements of section 116.5 for three reasons. First, the credit cards were used to pay for other campaign expenses in addition to personal travel and subsistence. Second, the Committee did not always reimburse the cardholders within 60 days as required by the regulations. In fact, reimbursement took as long as 262 days in one case. Third, personal credit cards were used to pay for others' expenses.

We do not agree with the Committee's argument that the regulation is unfair to committees that cannot obtain bank credit cards. Section 116.5 was promulgated specifically to address the situation where campaign staff did not have access to committee

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<sup>2</sup> These cards belonged to 5 individuals. Charges related to the Fulani campaign were also made to a company account with American Express for the Rainbow Lobby. Nancy Ross is the basic cardholder for the Rainbow Lobby company account, with supplemental cards issued to 9 individuals. Although these charges were made to the Rainbow Lobby account, the Audit staff included them in its analysis of contributions from individuals because the Rainbow Lobby apparently was connected to the candidate and worked out of the same site as the Committee. It appears the Committee may have received contributions from Rainbow Lobby since those company credit cards may have been used for Committee expenses. See 11 C.F.R. § 100.7(a)(1). Therefore, we recommend that you revise the proposed Final Audit Report to include an explanation of the circumstances surrounding certain expenditures charged to credit accounts held by Rainbow Lobby.

credit cards. Explanation and Justification for 11 C.F.R. § 116.5, 55 Fed. Reg. 26,382 June 27, 1989) (The Commission noted in its underlying rationale that "campaign committees may not want to provide credit cards to their field workers."). Therefore, the Committee's inability to obtain credit cards is not germane.

The Committee's lack of awareness of the new section 116.5 is not relevant. Section 116.5 was promulgated in accordance with the Administrative Procedures Act. Therefore, ignorance of the regulations does not excuse the Committee's duty to comply with them. Furthermore, as a condition precedent to receiving matching funds, the candidate agreed to abide by the Commission's regulations. See 11 C.F.R. §§ 9003.1(b)(8), 9033.1(b)(10).

Finally, the facts surrounding the additional \$22,776 in charges suggest that some of these expenses were campaign-related. The audit staff believes that these charges were campaign-related because they were incurred during the time period the credit cards were used for campaign expenses and the charges at issue are of a similar nature to other expenses that the Committee conceded were campaign-related and for which the Committee reimbursed the individual cardholders or paid their credit card bills.<sup>3/</sup> We agree. However, we note that there are several charges that do not appear to be campaign-related because they are of a different nature than other admitted campaign-related expenses. These expenses include airfare and hotel expenses that appear to be independent of the campaign.<sup>4/</sup> Therefore, we recommend that you revise the proposed Final Audit Report to delete these charges from the analysis.

<sup>3/</sup> For example, on September 1, 1991, Marguerite Golden charged \$160.50 at "Target Stores CA" for "Gen'l Merch.," for which the Committee reimbursed her. A short time later, on November 4 and 17, 1991, she charged an additional \$183.71 at "Target Stores CA" for "Gen'l Merch." which was not reimbursed. Based on the similar descriptions and time period during which these charges were incurred, the November charges also appear to be related to the campaign.

<sup>4/</sup> The following 7 charges do not appear to be similar to other admitted campaign-related expenses: 1) airfare between New York and Mexico for D. Green on January 20, 1992 (\$495.00); 2) airfare between New York and Mexico for I. Vazquez on January 20, 1992 (\$495.00); 3) airfare between El Salvador and Mexico for O. Fernandez on January 22, 1992 (\$476.00); 4) airfare between New York and Managua for D. Green on July 14, 1992 (\$598.00); 5) airfare between New York and Managua for I.A. Vazquez on July 14, 1992 (\$598.00); 6) hotel in Managua for D. Green on July 18, 1992 (\$100.56); and 7) hotel in Managua for I.A. Vazquez on July 18, 1992 (\$220.00).

In addition, we note that you will revise the proposed report to delete the statement, "The Committee will have an opportunity to demonstrate that these transactions are not campaign-related after receipt of the report."<sup>5</sup> Because the staff advance issue does not involve a repayment that is owed to the United States Treasury, the Committee will not have an opportunity to demonstrate the nature of these additional charges in the repayment process. 11 C.F.R. § 9038.2 (c) 2 .

## II. CONTRIBUTION FROM LAW FIRM (II.B)

The Audit staff concludes that the retainer agreement entered into by the Committee and the International People's Law Institution (IPLI) resulted in IPLI making an impermissible contribution to the Committee under 11 C.F.R. § 116.3(a).<sup>6</sup> This Office concurs with the Audit Division's finding. A payment for legal services does not constitute a contribution when those services are paid for by the regular employer of the person rendering the service and they are "solely to ensure compliance" with federal election campaign laws. 11 C.F.R. § 100.7(b)(14). In determining whether to apply this exemption, the Commission will inquire as to whether the donated legal services "present the [c]ommittee with anything of value that may be utilized for the purpose of influencing any election to Federal office." Advisory Opinion 1980-04; see also 2 U.S.C. § 431(8)(A).

The terms of the agreement between the Committee and IPLI preclude the exemption from applying to the costs associated with many of the services rendered by IPLI because the agreement encompasses services beyond those which are solely to ensure compliance with the FECA. The terms of the agreement specify that IPLI will represent the Committee in forums other than the Federal Election Commission, such as "in communications and negotiations with private and public parties including but not limited to . . . the Federal Communications Commission, the Internal Revenue Service, state election officials, broadcast licensees, law enforcement officials, etc." Any representation in this capacity does not involve compliance with the FECA. Rather, those services appear to be geared toward compliance with other laws and influencing Fulani's nomination. See Advisory Opinion 1980-04.

<sup>5</sup> The Statement of Net Outstanding Campaign Obligations should also be revised to reflect the amount owed by the Committee for the additional charges that are campaign-related.

<sup>6</sup> Since the Final Audit Report is a part of the public record and it is not an enforcement proceeding, we recommend the Final Audit Report be revised to state this conclusion in terms of a finding (e.g., "The Audit staff finds that based on the information provided, the payment arrangement between the Committee and the IPLI appears to constitute a contribution under 11 C.F.R. § 116.3(a)."). See 11 C.F.R. § 9038.1(e)(2) .

Nonetheless, a portion of IPLI's legal services apparently related to ensuring the Committee's compliance with the federal election laws. To the extent that it can be shown that IPLI's representation extended to compliance matters, the costs associated with these services would qualify for the exemption. 11 C.F.R. § 100.7(b)(14). However, the Committee failed to demonstrate which portion of the expenditures were spent for legal services provided to ensure compliance with FECA; thus, the amount allocable to the exemption could not be determined.

With respect to the payment arrangement for legal services not related to compliance, this Office agrees with the Audit Division's finding that the agreement may result in a contribution. As an unincorporated commercial vendor, IPLI may extend credit to a committee without it being considered a contribution if: 1) the credit is extended in the ordinary course of the commercial vendor's business, and 2) the terms are substantially similar to the extensions of credit to nonpolitical debtors that are of similar risk and size. 11 C.F.R. § 116.3.

The Committee submitted a letter from Arthur Block, a former partner at IPLI during the period covered by the agreement, in which he contended that the payment arrangement between the Committee and IPLI was within the normal course of law firm business and was comparable to arrangements IPLI entered into with its other clients. Although Mr. Block's argument that the extension of credit was "in the ordinary course of the commercial vendor's business" is credible, neither he nor the Committee has demonstrated that the terms of the agreement were "substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation." See 11 C.F.R. § 116.3(a). Therefore, we believe the extension of credit for services not related to compliance with the FECA may have resulted in a contribution to the Committee.<sup>7/</sup>

<sup>7/</sup> The agreement between the Committee and IPLI provides that IPLI will "postpone receipt of such overage [i.e. the fees in excess of the monthly retainer], until the period of time when Fulani is receiving matching funds payments from the U.S. Treasury." It is our understanding that law firms generally are willing to wait until their clients receive specified moneys before billing clients for services rendered. For example, if a law firm accepts a contingency fee case, it does not recover its fees until (and unless) the client recovers. Therefore, the agreement's conditioning payment on the receipt of matching funds may not be a basis for finding that credit was extended to the Committee on different terms than to nonpolitical debtors.





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C.

May 4, 1994

Ms. Francine Miller, Treasurer  
Lenora B. Fulani for President  
c/o Arthur Block, Attorney at Law  
72 Spring Street, Suite 1201  
New York, NY 10012

Dear Ms. Miller:

Attached please find the Final Audit Report on Lenora B. Fulani for President. The Commission approved this report on April 21, 1994. As noted on page 3 of the report, the Commission may pursue any of the matters discussed in an enforcement action.

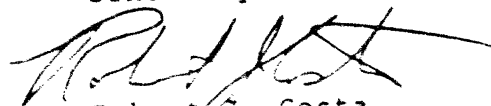
In accordance with 11 C.F.R. §9038.2(c)(1) and (d)(1), the Commission has made an initial determination that the Candidate repay the Secretary of the Treasury \$1,394. This payment was made in response to the interim audit report. However, the Commission's regulations at 11 C.F.R. §9038.2(c)(2) provide the Candidate with an opportunity to submit in writing, within 30 calendar days after service of the Commission's notice (June 6, 1994), legal and factual materials to demonstrate that no repayment, or a lesser repayment, is required. Further, 11 C.F.R. §9038.2(c)(3) permits a Candidate who has submitted written materials relative to this initial determination, to request an opportunity to make an oral presentation in open session based on the legal and factual materials submitted.

The Commission will consider any written legal and factual materials submitted by the Candidate within the 30 day period in making a final repayment determination. Such materials may be submitted by counsel if the Candidate so elects. If the Candidate decides to file a response to the initial repayment determination, please contact Kim L. Bright-Coleman of the Office of General Counsel at (202) 219-3690 or toll free at 800 424-9530. If the Candidate does not dispute this initial determination within the 30 day period provided, it will be considered final.

Letter to Ms. Francine Miller  
Page 2

Any questions you may have related to matters covered during the audit or in the report should be directed to Marty Favin of the Audit Division at (202) 219-3720 or toll free at (800) 424-9530.

Sincerely,



Robert C. Costa  
Assistant Staff Director  
Audit Division

Attachments:

- Final Audit Report on Lenora B. Fulani for President, approved by the Commission on 4/21/94.
- Legal Analysis of the Final Audit Report, dated 3/15/94.





## FEDERAL ELECTION COMMISSION

May 4, 1994

Ms. Lenora B. Fulani  
 Lenora B. Fulani for President  
 c/o Arthur Block, Attorney at Law  
 72 Spring Street, Suite 1201  
 New York, NY 10012

Dear Ms. Fulani:

Attached please find the Final Audit Report on Lenora B. Fulani for President. The Commission approved this report on April 21, 1994. As noted on page 3 of the report, the Commission may pursue any of the matters discussed in an enforcement action.

In accordance with 11 C.F.R. §9038.2(c)(1) and (d)(1), the Commission has made an initial determination that the Candidate repay the Secretary of the Treasury \$1,394. This payment was made in response to the interim audit report. However, the Commission's regulations at 11 C.F.R. §9038.2(c)(2) provide the Candidate with an opportunity to submit in writing, within 30 calendar days after service of the Commission's notice (June 6, 1994), legal and factual materials to demonstrate that no repayment, or a lesser repayment, is required. Further, 11 C.F.R. §9038.2(c)(3) permits a Candidate who has submitted written materials relative to this initial determination, to request an opportunity to make an oral presentation in open session based on the legal and factual materials submitted.

The Commission will consider any written legal and factual materials submitted by the Candidate within the 30 day period in making a final repayment determination. Such materials may be submitted by counsel if the Candidate so elects. If the Candidate decides to file a response to the initial repayment determination, please contact Kim L. Bright-Coleman of the Office of General Counsel at (202) 219-3690 or toll free at (800) 424-9530. If the Candidate does not dispute this initial determination within the 30 day period provided, it will be considered final.

Letter to Ms. Lenora B. Fulani  
Page 2

Any questions you may have related to matters covered during the audit or in the report should be directed to Marty Favin of the Audit Division at (202) 219-3720 or toll free at (800) 424-9530.

Sincerely,



Robert J. Costa  
Assistant Staff Director  
Audit Division

Attachments:

- Final Audit Report on Lenora B. Fulani for President, approved by the Commission on 4/21/94.
- Legal Analysis of the Final Audit Report, dated 3/15/94.

CHRONOLOGY - LENORA B. FULANI FOR PRESIDENT

Pre-audit Inventory Commenced	11 16/92
Audit Fieldwork	01 05/93 - 03 23 93
Interim Audit Report to the Committee	11 10/93
Response Received to Interim Audit Report	12 13 93
Final Audit Report Approved	04 21/94

030701919

Public  
Records

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARY

AUG 2 4 30 PM '95



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

August 2, 1995

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lawrence M. Noble *L.M.N.*  
General Counsel

Kim Bright-Coleman *KB-C*  
Associate General Counsel

Lorenzo Holloway *L.H.*  
Assistant General Counsel

**SUBJECT:** Lenora B. Fulani for President -- Letter  
from Counsel (LRA #451)

On August 2, 1995, the Office of General Counsel received the attached letter from Arthur R. Block, counsel to Lenora B. Fulani for President ("the Committee"). This letter is circulated on an informational basis.

Attachment as stated.

050701211

# ARTHUR BLOCK

ATTORNEY AT LAW

72 Spring Street, Suite 1201, New York, NY 10012 (212) 966-0404

August 2, 1995

**BY FACSIMILE AND FCM**

Hon. Danny L. McDonald, Chairman  
Hon. Lee Ann Elliott, Vice Chairman  
Hon. Joan D. Aikens  
Hon. John Warren McGarry  
Hon. Trevor Potter  
Hon. Scott E. Thomas  
Federal Election Commission  
999 B Street N.W.  
Washington, DC 20463

Re: Public Meeting Agenda, August 3, 1995  
Lenora B. Fulani for President  
Proposed Notice of Initial Repayment  
Determination (LRA #451)

Dear Chairman McDonald:

At its public meeting this Thursday, the Commission will consider whether or not to approve a proposed second initial repayment determination against the Lenora B. Fulani for President Committee ("Committee") as recommended by its Office of General Counsel in its Memorandum dated July 27, 1995. The staff report admits that in making its findings it has not taken into consideration over 100,000 pages of documents that it deems to be relevant to its inquiry. As well, it neglects even to inform the Commission about the submission to the staff of other materials which are highly probative, such as over 300 sworn answers to Commission interrogatories from the Committee's Treasurer and campaign manager. The Committee urges the Commission to reject the staff's recommendation and to direct the legal staff to prepare a complete report and recommendation based on an impartial analysis of all of the evidence in its possession.<sup>1</sup>

The staff report also must be revised to eliminate its fundamental analytical flaws and biases. The linchpin of the staff report is its "discovery" that Dr. Fulani's 1992 presidential campaign was conceived by, supported by and, in part, staffed and supplied by, a longstanding

<sup>1</sup> It is also requested that this letter be filed in the record for this matter and copies immediately be made available to the public along with the other documentation being made available regarding agenda items.

ATTACHMENT

of 6

Federal Election Commissioners  
August 2, 1995  
Page 2

political association of persons and entities, and that the most influential leader in this association is Dr. Fulani's former campaign manager, Dr. Fred Newman. Dr. Fulani has always been proud of this relationship. In her electoral campaigns she frequently talks about the integral relationship between democratizing American politics and democratizing the educational, cultural, psychotherapeutic and other institutions that she and this political association have been working to reform.

By the same token, it has long been the tactic of Dr. Fulani's political adversaries to attempt to demonize and criminalize these relationships. The Commission's staff has submitted for your adoption a report which admittedly fails to weigh or analyze over 100,000 pages of documentation and other evidence, but which shows that the FEC staff has devoted countless dollars of public resources to compiling a COINTELPRO-style dossier on this political association. The only basis for this prioritization of scarce agency resources is the staff's premise that a presidential candidacy supported by an association of activists who oppose the existing two-party political structure is inherently conspiratorial and fraudulent.

The staff exacerbated this bias by never stating what standard of burden of proof it was using to determine whether the evidence overcame the staff presumption of guilt regarding the Committee's expenditures. The entire investigation revolves around the staff's uncritical acceptance of uncorroborated allegations of one former Fulani supporter, Kelle Gasink. Since this is an audit inquiry, not a trial, it is the Commission staff that has determined what evidence needed to be gathered to prove or disprove the allegations, and the Committee (and vendors) have supplied all that was asked of them. Now the staff report alleges in conclusory fashion that it does not have sufficient evidence to dispel the accusations. If so, it is because the auditors did not ask for it. The staff report does not define the standard of proof which was not met, nor does it say what could have been done to meet it.

The staff report's analysis of the Committee's expenditures to the partnership Newman and Braun is a case in point. The Committee records show that it subleased temporary office space from the partnership, and that the partnership leased office equipment from a national equipment leasing company and then the Committee used the equipment and made the lease payments. The staff has seen the office sublease and the equipment lease. Kelle Gasink alleges that the office space was not used for campaign activities. But Dr. Fulani submitted to the staff on May 23, 1995 a sworn Declaration stating that she has personal knowledge of the campaign work that went on in that space<sup>1</sup>. Sworn statements by Dr. Newman (campaign manager and

<sup>1</sup> Dr. Fulani states in her written testimony (per. 103): "I visited this space a number of times while it was one of my campaign offices, and among other things, talked with telephone fundraisers about their work and made fundraising calls with them."



Federal Election Commissioners

August 2, 1995

Page 3

partner in Newman and Braun) and by Ms. Miller confirm this fact. Yet the staff still recommends that the Commission find that the payments under the office sublease and the equipment lease are non-qualified campaign expenditures. There is no articulation of a definite standard of proof and of how it has not been met.<sup>3</sup>

Similarly, the staff recommends that the payments for legal services to the International Peoples' Law Institution be declared nonqualified expenses. No mention is made of the fact that an agency attorney met with the undersigned for two and a half hours reviewing the work product corresponding point by point to the matters listed on the IPLI invoice relating to the undersigned's work; that the agency attorney declined the undersigned's offer to continue the meeting that afternoon or later that week; that the agency attorney did not follow up on an offer to have a reasonable sample of the materials copied and sent to him in Washington. No mention is made of the fact that although the IPLI's attorney offered for attorney Gary Sinawski to be available for a similar meeting to review point by point the work listed under his name on IPLI invoices, the agency attorney declined the offer. The staff has never defined the extraordinary burden of proof the staff is imposing to disprove Gasink's frivolous allegations that legal work was not performed. It gives no credible explanation of why it needs any more time to evaluate this straightforward factual issue.

As noted above, by the staff's own admission, its report is shockingly incomplete. In a plethora of subpoena enforcement proceedings litigated by the Commission in federal court against a dozen vendors and the Committee, the Commission vehemently argued that the documents demanded in the subpoenas were crucially needed to determine whether or not the allegations against the Committee were true. Then, the vendors and the Committee made available to the Commission all of the documents requested in those subpoenas. This staff report totally disregards the thousands of pages of documents that were provided in response to these subpoenas, and the additional thousands of pages of documentation that the vendors offered to provide to the Commission, but its investigators decided it was not necessary to inspect.

The staff's cut-off date of May 22, 1995, for the consideration of documentation is arbitrary and capricious. The Committee and vendors continued to conduct good faith negotiations with the staff after May 22, 1995, and to produce thousands of pages of documents plus other information. Never was it stated that documents received after May 22, 1995 would not even be considered in preparing an audit inquiry report and initial repayment determination to be submitted more than two months later.

<sup>3</sup> The staff leaves open the door to revising its findings in the future, claiming it is now overwhelmed by the documentation that it sought and received. But how much time does it take to look at two leases?



Federal Election Commissioners  
August 2, 1995  
Page 4

Another of the many crucial flaws in the analysis presented by the staff to the Commission is its reliance on drawing negative inferences from the responses of Newman and Miller to subpoenas even after receiving sworn answers to all of the staff's more than 300 interrogatories regarding the vendor transactions.<sup>4</sup> Impartial investigators would have been pleased that, upon reviewing concrete written questions posed to them, these two witnesses decided that they could answer the great majority of them. Instead, despite receiving the answers, the staff invokes the witnesses' initial invocation of the Fifth Amendment privilege to draw extreme (and uncorroborated) negative evidentiary inferences.

In short, either the vendors and the Committee were completely correct in asserting before the Commission and the federal courts that the enormously burdensome subpoenas pressed by the Commission were unnecessary, or else the staff is asking the Commission to take the weighty step of adopting an initial repayment determination against the Committee without an analysis of the crucial documentation and sworn written testimony obtained through the subpoena process.

The staff report's disregard for voluminous evidence and reliance upon a biased premise is crowned by illogic. The staff report (unlike Benjamin Wittes and his sources for the City Paper article that triggered this investigation) does not deny that the Committee ran a national presidential campaign. It cannot deny the work involved in getting an independent candidate on the ballot in 40 states, running a full-fledged primary campaign in New Hampshire, competing in and winning the preferential presidential primary of the ballot status Peace and Freedom Party in California, prosecuting numerous lawsuits challenging restrictions on ballot access, debates access, media access, etc., soliciting and obtaining contributions from over 100,000 individuals; making thousands of campaign appearances and distributing hundreds of thousands of pieces of campaign literature; among other activities. The staff does conclude, however, that the vendors who were Dr. Fulani's public relations operation, campaign manager, lawyers, graphics designer and ballot access contractors, to name a few, did not do this work. If the "paper organizations" that Gasink alleges delivered almost no goods or services to run this campaign -- then who did?<sup>5</sup>

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<sup>4</sup> The staff was informed in advance that they would be receiving sworn written answers to most of the written questions from Newman and Miller. The staff never imposed a cut-off date for receiving them in order for them to be considered.

<sup>5</sup> The staff says that Gasink admits that Castillo Communications did work for the campaign. The staff has been provided with volumes of documentation -- daily itineraries, press releases, press clips, etc. -- reflecting this work. But the staff still recommends that its billings be found to be nonqualified campaign expenses.



Federal Election Commissioners

August 2, 1995

Page 5

Finally, the Commission would be committing a gross denial of statutory due process rights of the Committee if it adopted the staff's recommendations. The Committee is entitled to a thirty day period to submit legal and factual documentation in opposition to an initial repayment determination. But this proposed determination is admittedly incomplete. The staff says that it will, at some unspecified time, review the thousands of pages of documents and other information that it has swept aside in its preparation of this report.

The purpose of the 30 day period is to give the Committee an opportunity to respond to the Commission's initial findings, not to give the staff another 30 days to add new findings that the Committee has no opportunity to critique. The "right" to respond to an admittedly incomplete staff report while the staff prepares a supplementary report is no due process at all. The Committee insists upon the right to be provided with a complete and *bona fide* initial repayment determination (if any is to be issued at all) and then have thirty days to submit legal and factual materials in response to such a final document, and to present oral argument on the full record to the Commission.

#### Conclusion

The staff complains that the vendors and Committee have given them too much evidence to be able to evaluate it and prepare for the Commission a completed inquiry report. But it also repeatedly finds that the Committee made nonqualified expenditures because of there being not enough evidence to dispel Kellie Gasink's allegations. Most striking, the staff never even attempted to gather any evidence to test the accuracy of Gasink's characterization of the political association that created and supported the Fulani campaign. It takes at face value one disgruntled ex-political activist's description of a political association that has involved thousands of persons in its activities to a greater or lesser extent over the past three decades.

Gasink's characterization of this association is the analytical linchpin of the entire report that is before the Commission. Yet not a single informed and nonadversarial person with knowledge of the association has been contacted in good faith to test the accusations that the association is based upon coercion, fraud, conspiracy, personal enrichment for a few, and criminality. Instead, the staff's approach has been to seize upon Gasink's allegations and to take them as far as possible as a basis for making adverse findings against the Committee. The staff's protestations about insufficient evidence are a hollow cry, since the staff only gives weight to evidence that supports Gasink's premises and ignores (or discounts with convoluted reasoning) evidence to the contrary.

By submitting a proposed initial repayment determination to the Commission based on this incomplete, biased, unfair and illogical report, and by seeking to deny the Committee any

ATTACHMENT \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

Federal Election Commissioners  
August 2, 1995  
Page 6

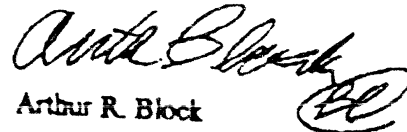
meaningful due process response to its ultimate recommendations, the staff has presented the most compelling evidence to date of the thoroughly politicized character of the Commission's treatment of the Fulani Committee.

### Requested Actions

The Committee requests that the Commission:

- (1) Reject the staff recommendations set forth in the Memorandum to the Commission dated July 27, 1995;
- (2) Decline to vote on the adoption of an initial repayment determination at its meeting of August 3, 1995, or, in the alternative, vote to reject the proposed initial repayment determination contained in the staff report;
- (3) Direct the General Counsel to prepare and submit an audit inquiry report that is based upon all of the evidence in the Commission's possession;
- (4) Direct the General Counsel to advise the Committee, with particularity, as to its position as to what evidence is required to sustain the Committee's alleged burden of proof to rebut the allegations set forth in the Factual and Legal Basis of Inquiry document; and
- (5) File this letter in the record of this proceeding, and include copies of this letter among the materials being released to the public regarding this proceeding and Thursday's agenda item.<sup>6</sup>

Very truly yours,

  
Arthur R. Block

ARB/bp

cc: Marjorie Emmons, Secretary  
Lawrence Noble, General Counsel  
Dr. Lenora B. Fulani  
Francine Miller, Esq.

2130.ummk1

<sup>6</sup> The Committee also requests that the Commission direct the General Counsel forthwith to furnish the Committee with a complete copy of the transcript of the deposition of Kellie Gasink.

ATTACHMENT \_\_\_\_\_  
Page \_\_\_\_\_ of \_\_\_\_\_



FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20461

DATE & TIME TRANSMITTED: MONDAY, AUGUST 28, 1995 11:00

BALLOT DEADLINE: THURSDAY, AUGUST 31, 1995 4:00

COMMISSIONER: AIKENS, ELLIOTT, McDONALD, MCGARRY, POTTER, THOMAS

SUBJECT: LENORA B. PULANI FOR PRESIDENT -  
REQUEST FOR EXTENSION OF TIME TO  
RESPOND TO INITIAL REPAYMENT  
DETERMINATION (LRA #451).  
MEMORANDUM TO THE COMMISSION  
FROM AUGUST 25, 1995.

- ( ) I approve the recommendation(s)
- ( ) I object to the recommendation(s)

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

A definite vote is required. All ballots must be signed and dated.  
Please return ONLY THE BALLOT to the Commission Secretary.  
Please return ballot no later than date and time shown above.

FROM THE OFFICE OF THE SECRETARY OF THE COMMISSION

05 1 27 1 3



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

AUG 25 1 51 PM '95

August 25, 1995

MEMORANDUM

TO: The Commission

THROUGH: John C. Surina  
Staff Director

FROM: Lawrence M. Noble  
General Counsel

BY: Kim Bright-Coleman *KBC*  
Associate General Counsel

Lorenzo Holloway *LH*  
Assistant General Counsel

Rhonda J. Vosdingh *RJ*  
Attorney

Peter G. Blumberg *PGB*  
Attorney

SUBJECT: Lenora B. Fulani for President - Request for Extension  
of Time to Respond to Initial Repayment Determination  
(LRA #451)

On August 3, 1995, the Commission made an initial determination that Lenora B. Fulani and Lenora B. Fulani for President ("the Committee") must repay \$612,557.32 to the United States Treasury based on the Commission's inquiry into the finances of the Committee under 26 U.S.C. § 9039(b). The Committee received the Notice of Initial Repayment Determination on August 9, 1995. Thus, the Committee's written response to the Commission's initial repayment determination is due on September 8, 1995. 11 C.F.R. § 9038.2(c)(2). In a letter dated August 22, 1995, the Committee requested a 30-day extension of time, until October 10, 1995, to respond to the initial repayment determination. Attachment.

The Office of General Counsel recommends that the Commission grant the requested extension of time. The Committee stated that

**Memorandum to the Commission  
Lenora B. Fulani for President -  
Request for Extension of Time to Respond to Initial Repayment  
Determination (LRA #451)  
Page 2**

it needs the extension of time for several reasons. Analysis of the pertinent documents will be a time-consuming task. For example, there are over 800 checks written to individuals that were found to be nonqualified and a 500-page deposition transcript. Furthermore, numerous businesses and individuals involved in transactions occurring several years ago will have to be located. It may be difficult to locate some of the individuals involved and to obtain prompt responses from individuals and businesses at this time.

In light of the volume of records that must be examined and the number of individuals who must be located, we believe that the Committee has shown that good cause exists for granting the request for an extension of time. 11 C.F.R. § 9038.4(c). Accordingly, the response would be due by close of business on October 10, 1995.

**RECOMMENDATIONS**

The Office of General Counsel recommends that the Commission:

1. Grant the request of Lenora B. Fulani for President for an additional 30 days until October 10, 1995 to respond to the Notice of Initial Repayment Determination; and
2. Approve the appropriate letter notifying the Committee of the Commission's decision.

**Attachment**

Letter from Arthur Block to Rhonda Vosdingh, August 22, 1995

**ARTHUR  
BLOCK**  
ATTORNEY AT LAW

77 Spring Street, Suite 1201, New York, NY 10012 (212) 966-0404

August 22, 1995

**BY FAX AND FCM**

Rhonda Vosdingh, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, DC 20463

AUG 22 3 35 PM '95

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Re: Lenora B. Fulani for President Committee (LRA #451)

Dear Ms. Vosdingh:

Pursuant to the Commission's procedures, the Lenora B. Fulani Committee requests an extension of time to submit factual and legal materials in response to the Commission's purported<sup>1</sup> Notice of Initial Repayment Determination adopted on August 3, 1995.

Good cause exists for this request. Indeed, this request was anticipated by your comments to the Commission in the public meeting of the Commission on August 3, 1995.

Grounds for an extension of time include, but are not limited to, the following:

1. The Commission's initial findings are allegedly based upon what the OGC has already described to the Commission as a massive record. The Commission staff has stated that it has not analyzed over 100,000 pages of the record itself.

2. The Commission's findings are diffuse and admittedly overinclusive. They are based on broad inferences and assumptions, rather than being tailored to specific facts of record. The Commission has disallowed every dollar paid to a number of vendors with only anecdotal analysis of particular transactions or none at all. It has disallowed 800 checks payable to individuals based on there allegedly being two signatures on the back of them, without any analysis of other information on the checks, in the Committee's files, or available through reasonable investigation, which shows that the negotiation of the checks was consistent with qualified campaign expenditures. The Commission has shifted to the Committee the work of a

<sup>1</sup> This request is made without prejudice to the Committee's position that the purported notice adopted on that date is not a legally valid initial repayment determination.

ATTACHMENT 1

Page 1 of 2

Rhonda Vosdingh, Esq.

August 22, 1995

Page 2

check by check analysis that should have been performed by the Commission staff. Preparing a response to such an unfocused initial repayment determination is an extremely burdensome and time-consuming undertaking. It should not be imposed on a campaign committee in any event in this manner, and if it is being imposed (under protest) the Committee should have ample time to prepare a response.

3. The Commission's findings cover transactions involving numerous businesses and hundreds of individuals. The transactions occurred three or more years ago. Preparation of a response involves contacting people who live in various parts of the country and whose addresses and phone numbers in some cases are not readily accessible.

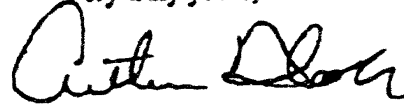
4. The timing of the notice and 30 day response period spans the last month of the summer vacation. This the most difficult time of year to reach people and to obtain prompt responses from businesses and organizations, and interferes with vacation plans of person who will be working on the response

5. The Committee did not receive a full transcript of a crucial, 500 page deposition of the OGC key witness, until August 16, 1995.

The Committee requests an extension of time of 30 days, which would make its response due on October 10, 1995 (the first business day following Saturday, October 6).

Also, the Committee requests an expeditious consideration and granting of this request, so that its benefits may be fully realized. I assume that you will be presenting this request to the Commissioners at the earliest possible opportunity. Thank you.

Very truly yours,



Arthur R. Block

AB/bp

cc: Dr. Lenora B. Fulani  
Francine Miller, Esq

2130vol.2

ATTACHMENT 1

Page 2 of 2



RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

AUG 21 12 23 PM '95

August 21, 1995

**MEMORANDUM**

TO: The Commission

FROM: Lawrence M. Noble  
General Counsel

By: Kim Bright-Coleman *KBC*  
Associate General Counsel

SUBJECT: Lenora B. Fulani for President -- Letter  
from Counsel and Transcript Request (LRA #451)

Attached for your information are two letters from Arthur R. Block, counsel to Lenora B. Fulani for President ("the Committee").

In response to Mr. Block's request, this Office provided him with a copy of the transcript of the deposition of Kellie Gasink, the former Committee volunteer who made the allegations against the Committee. The Notice of Initial Repayment Determination sent to the Committee included as an attachment only portions of the deposition transcript relevant to the Commission's determination. 11 C.F.R. § 9038.2(c)(1). The transcript sent to Mr. Block in response to his request was redacted to delete certain confidential information that did not constitute a basis of the Commission's initial repayment determination. Id.

These letters will be made part of the record of these proceedings. If the Committee disputes the initial repayment determination, its response is due by September 8, 1995.

Attachments as stated.

9507017103

**ARTHUR  
BLOCK**  
ATTORNEY AT LAW

72 Spring Street, Suite 1201, New York, NY 10012 (212) 477-0974

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

AUG 15 11 30 AM '95

August 9, 1995

**BY FAX AND CERTIFIED MAIL RRR**

Lawrence M. Noble  
General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, DC 20463

Re: Lenora B. Fulani for President Committee (LRA #451)

Dear Mr. Noble:

Today my clients, Dr. Lenora B. Fulani/Lenora B. Fulani for President, and Francine Miller, Esq., as Treasurer of Lenora B. Fulani for President, received letters dated August 8, 1995, signed by Associate General Counsel Kim Bright-Coleman, and each enclosing a document entitled "Notice of Initial Repayment Determination."

This is formal notice to the Commission that my clients do not consider the purported notice of initial repayment determination document and transmittal letter to be a legally effective initial repayment determination. In anticipation of the Commission's possible adoption of this purported notice, some of the grounds for this position have already been presented to the Commissioners in my letter dated August 2, 1995. My clients reserve the right to assert additional grounds for this position as and when they see fit.

Please be advised that my clients' participation in proceedings regarding the purported initial repayment determination adopted on August 3, 1995, is done under protest, without prejudice to their position rejecting the legal validity of the purported notice, and without waiving any and all of their rights to challenge the legality and constitutionality of the purported notice and of all of the actions of and proceedings before the Commission that are related to or arise out of the purported notice.

This position is incorporated by reference into all future communications by or on behalf of my clients regarding this matter, whether or not such communication expressly repeats this position and reservation of rights.

ATTACHMENT 1

Page 1

of 2



Lawrence M Noble  
August 9, 1995  
Page 2

If you have any questions about this notice feel free to contact me

Very truly yours,

Arthur R. Block

ARB/bp

cc Dr Lenora B. Fulani  
Francine Miller, Esq.

0500121003

**ARTHUR  
BLOCK**

ATTORNEY AT LAW

250 West Street, New York, NY 10011-3694

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

AUG 16 11 50 AM '95

August 11, 1995

**BY FAX AND CERTIFIED MAIL RRR**

Lawrence M. Noble  
General Counsel  
Federal Election Commission  
999 E Street N W  
Washington, DC 20463

AUG 16 11 51 AM '95

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Re: Lenora B. Fulani for President Committee (LRA #451)

Dear Mr. Noble

Your office's letter dated August 8, 1995, to the Lenora B. Fulani Committee ("Committee"), did not address my written demand to the Commission in my letter of August 2, 1995, that the Committee be provided with the complete transcript of the deposition of Kellie Gasink. On the day the Committee received the purported Notice of Initial Repayment Determination I followed up my letter with an oral demand to your associate, Ms. Vosdingh, who stated that the request was under consideration, and who would not state an outside date by which a decision would be made

There are few principles so fundamental to evidentiary proceedings in American jurisprudence that if one party submits into an evidentiary record excerpts from a deposition transcript, then any other interested party may submit other excerpts from the transcript that shed light on the subject matter or upon the witness' credibility. Your office has attempted to deny my client this fundamental fairness in compiling and arguing from an evidentiary record by denying my client even the opportunity to review the entire Gasink deposition. (Of course, my client also was given no notice of the deposition or an opportunity to question the witness.) This inexcusable practice is aggravated by the fact that Gasink's testimony and credibility is the heart of the Commission's findings against my client<sup>1</sup>

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<sup>1</sup> If you believe the Commission has the legal right to engage in this unfair and manipulative practice, I request that you promptly furnish me with the legal authorities that you contend support your position

ATTACHMENT 2

Page 1

of 2

Lawrence M. Noble  
August 11, 1995  
Page 2

In subpoena enforcement proceedings before the federal courts in New York, your office refused to identify the accuser whose allegations were the asserted grounds for the Commission's subpoenas. Your office ignored requests from the Committee to provide it with the exact allegations made by the accuser. Then, in your Office's transmittal of July 27, 1995, to the Commission, with a copy following to the Committee, you included only a small fraction of the Gasink transcript. The Commission has purported to start the clock running on a 30 day response period for the Committee, but has still failed to supply the deposition transcript. This is yet another means by which the Commission is undermining the Committee's due process rights.

The Committee demands that the entire transcript be sent to my office forthwith by overnight courier.

Very truly yours,



Arthur R. Block

ARB/bp

cc: Dr. Lenora B. Fulani  
Francine Miller, Esq.

Public Disclosure

(Cooper)  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

SEP 18 10 54 AM '95

September 18, 1995

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lawrence M. Noble  
General Counsel

**By:** Kim Bright-Coleman *KBC*  
Associate General Counsel

**SUBJECT:** Lenora B. Fulani for President (LRA #451) - Initial  
Submission in Response to Initial Repayment  
Determination

Attached for your information is a Declaration (Third) of Lenora B. Fulani, Ph.D. ("Declaration") and letter from counsel for the Lenora B. Fulani for President ("the Committee"). Counsel to the Committee notes that the Declaration is the Committee's "initial submission" in response to the Commission's initial repayment determination. The Committee has requested that the Commission give this initial submission its "earliest possible review." In accordance with Commission regulations, this submission will be considered during the final repayment determination stage. 11 C.F.R. § 9038.2(c)(2).

The Committee also requests an oral hearing before the Commission in open session pursuant to 11 C.F.R. § 9038.2(c)(3). We will evaluate the Committee's complete written response before making a recommendation on the request for an oral hearing.

Attachments as stated.

1/ The Committee must submit all factual and legal materials in response to the initial repayment determination by October 10, 1995.

# ARTHUR BLOCK

ATTORNEY AT LAW

72 Spring Street, Suite 1201, New York, NY 10012 (212) 966-3434

September 12, 1995

**BY HAND**

Lawrence M. Noble  
General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, DC 20463

SEP 12 10 03 AM '95

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Re: Lenora B. Fulani for President Committee (LRA #451)

Dear Mr. Noble:

I enclose the Declaration of Dr. Lenora B. Fulani, which is being submitted by Dr. Fulani and her Committee in the proceeding regarding the Commission's purported Notice of Initial Repayment Determination adopted on August 3, 1995.

The Committee has until October 10, 1995, to submit factual and legal materials in response to the purported Notice. The enclosed document is an initial submission. Dr. Fulani requests the earliest possible review of this statement by the Commissioners, without waiting for the future submissions by the Committee that will be made on or before October 10, 1995.

In accordance with the Committee's previous notifications to the Commission, the within material is being submitted under protest, and without prejudice to the Committee's position that the Commission has no authority or jurisdiction to conduct any proceedings or to take any action based upon the purported Notice adopted on August 3, 1995.

Please be advised that the Committee requests an oral hearing before the full Commission in open session. I assume that the scheduling of the hearing will be considered in or about the time the Committee makes its further submissions in this matter. At the time when scheduling is considered, I request that your office consult with me about possible dates.

Very truly yours,



Arthur R. Block

enc.

ARB/bp

cc: Lenora B. Fulani, Ph.D  
Francine Miller, Esq.

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
SEP 12 10 03 AM '95

In the Matter of )  
Lenora B. Fulani and )  
Lenora B. Fulani for President ) LRA #451  
Inquiry Pursuant to 26 U S C. sec. 9039 (b) )

DECLARATION (THIRD) OF LENORA B. FULANI, PH.D.

I, LENORA B. FULANI, PH.D., make the following declaration under penalty of perjury:

1. I am the candidate in this proceeding. I am also the chairperson of the New Alliance Party, which twice nominated me as its candidate for the Presidency. I submit this Declaration as part of my Committee's Response to the Commission's purported Notice of Initial Repayment Determination (hereinafter the Determination) adopted on August 3, 1995.

2. During the agency audit inquiry upon which the Determination is based, I submitted two declarations, one dated May 23, 1995, and the other dated July 14, 1995. However, the Office of General Counsel (OGC) memorandum and report recommending adoption of the Determination explicitly excluded from its consideration both of my declarations,<sup>1</sup> the exhibits annexed thereto, along with tens of thousands of documents produced for the OGC at its request by my Committee and by several vendors.

3. Simultaneously, the OGC has been threatening litigation to force my campaign manager and my Treasurer to appear for depositions, even though the purported

<sup>1</sup> The OGC specifically agreed to accept my first declaration on May 23, 1995 (facsimile copy) and on May 24, 1995 (hard copy with exhibits) even though the Commission's subpoena had originally given a due date of May 22, 1995. (See confirming letter of Lorenzo Holloway to Arthur Block dated May 22, 1995, stating that my declaration "will be reviewed.") My second declaration was submitted in accordance with an in-court stipulation executed by OGC and the Committee's counsel, providing for it to be submitted on July 14, 1995, which it was.



Determination has been adopted and the three year statute of limitations for issuing an initial repayment determination has expired. As well, the OGC specifically advised the Commissioners at the public meeting on August 3, 1995, that the record of materials obtained through discovery by the OGC is closed. My counsel informs me that the Commission has no jurisdiction to seek enforcement of deposition subpoenas at this time. Consequently, I am concerned that the OGC's reason for pursuing the subpoenas against Dr. Newman and Ms. Miller is to put them into a position that can be used to harm them. I have told them that I would like them not to go to a deposition unless and until there is a final ruling from the federal courts that there is a legal basis for the FEC to enforce these deposition subpoenas at this point in the process.

4. In the meantime, I do want to address some outstanding issues. I do so under protest. That is, I am submitting this declaration and additional response materials in the near future without prejudice to my strenuous demand that the Commission abandon this proceeding entirely because it has no authority to continue it.

5. The OGC recommended that \$1,116,431.88 of my Committee's expenses be declared non-qualified campaign expenses. This resulted in a finding that I must repay \$612,557.32 to the Treasury.

6. According to the OGC, this investigation derives from a complaint against me submitted by Kellie Gasink in January 1994 alleging that my 1992 presidential campaign was essentially a scheme directed by a so-called cult, led by my long-time friend, professional colleague, and political advisor, Dr. Fred Newman, which embezzled \$1 million from my campaign treasury.

7. The OGC, with little or no factual corroboration, adopts the Gasink characterization claiming thereby that approximately \$1 million of my campaign's expenses were illegitimate, i.e. every dollar that was used to purchase goods or services from any vendor with which I had a past political relationship; and every dollar paid to a campaign worker via a check that had two endorsements on the back of it.

8. I am the presidential candidate who qualified for matching funds; the chairwoman of the New Alliance Party, the major organization that nominated me for the presidency; and the individual who is principally, and personally, liable for making payment against any legally valid repayment finding. Nevertheless, without seeking any information from me, the OGC accepts a priori not merely the specific Gasink claims, but also Gasink's politically motivated characterizations.

9. Doing so, however, entails some extraordinary distortions and denials of readily provable hard facts by the OGC, and results in inferences that are preposterous. For example, the OGC asserts that the campaign work performed at market value by political associates of mine was not actually done. But my Committee has already shown and will show once again in our submissions to the Commission the detailed proof that it was done.

10. The OGC further asserts that many of the vendors were not sufficiently at "arms length" from the campaign committee to qualify their work as legitimate campaign expenditures. Indeed, since there is no FEC statutory definition of "arms length," this contention is neither factually nor legally supported. Rather it is inferred from the assumptions of Gasink's characterization.

11. But Gasink's assertion (adopted uncritically by the OGC) is that there was "no length" at all between the campaign and the relevant vendors. The thrust of her accusations is that the campaign and the vendors were one and the same (although at times she seems to fall back to a portrayal of these vendors as a significant and cancerous portion of my presidential campaign). In her account, I am not a leader of an independent political party. Instead, I appear to be an innocent dupe of Newman's.

12. But what of me, the nationally known advocate of independent politics, and the New Alliance Party, which I have chaired since 1988 and which has carried out substantial and significant independent electoral work all over America? The OGC, hard pressed to take precisely Gasink's posture, effectively denies the existence of me as a candidate and of NAP as a national political party. Early in this process, the OGC's Legal and Factual Basis of

Inquiry document went so far as to categorize NAP as a vendor (which it was not) and it stated that Newman -- rather than I -- was the leader of NAP. After being confronted in court proceedings with this blatant distortion, OGC now tries to solve this problem in its purported Initial Repayment Determination by leaving me and NAP out of its account of my campaign, thereby "supporting" by total factual distortion the construct it requires to claim "non-arms length."

13 The logic of the OGC's position that my campaign was a scheme to defraud, would appear to me to demand that I be characterized (or at least considered) as a co-conspirator. Unfortunately (for the Commission's lawyers) their single witness does not support this characterization. Ergo, negate me and the NAP.

14 In fact, the NAP and I both exist and play a role quite similar to the Democratic and Republican parties and their presidential nominees in determining who shall work on political campaigns. In effect, the NAP and me are the "arms length" that the OGC says doesn't exist. Hence, the OGC's interest in showing that we "don't exist."

15 Finally, the OGC asserts that each and every check which has a superficial resemblance to two checks Gasink claims were endorsed and cashed without her authorization is, thereby, suspect. But the OGC refused my committee's offer to provide an accounting of a practice which impacted on the Gasink checks. The check cashing practices of various social groupings can be understood only in the context of the mores of those social units. In families and other close social units, for example, check signing mores vary significantly from those in orthodox business groupings. While laws governing such actions must, of course, be followed, the ascription of intentionality (as made by both Gasink and the OGC) depends upon an understanding of the typical practices.

16 In this case a highly complex social and political environment (one that I, for example, have detailed knowledge of) is never studied. Instead, Gasink's politically motivated characterization is fully accepted. Hence, OGC attorney Rhonda Vosdingh virtually accepts the cult appellation used by Gasink, thereby effectively denying the democratic and fully

collectivistic political character of the socialist collective to which myself, Gasink, Pleasant, Miller, Newman and many others all belonged during the relevant period

17 Given that the practices of this extended political community are complex, a serious study of those practices -- rather than a leap to criminalization by the OGC -- is in order. I will offer a detailed and accurate description later on in this declaration of the broader political community and the core collectivity

18 Such outlandish inferences (absurdist in that they blatantly deny hard reality), not factual or legal evidence, are the essence of the OGC report. The remainder of this affidavit will describe in some detail, though under protest, the realities of my campaign and its practices. These realities (as opposed to the OGC's conspiratorial fantasies) will show that this audit inquiry proceeding, no less its unbelievable recommendation of repayment, is untenable. As such, I urge its immediate discontinuation not only on the legal grounds of the Commission's lack of jurisdiction and the expiration of the statute of limitations (which is reason enough), but also because of the unsoundness and inaccuracy of its factual and logical predicates.

### **THE NEW ALLIANCE PARTY, THE POLITICAL COMMUNITY AND THE CORE ASSOCIATION**

19. The organization principally responsible for giving Americans their first opportunity to vote in a presidential election in which a woman candidate was on the ballot in every state was the New Alliance Party. The organization principally responsible for giving Americans their first opportunity to vote in a presidential election in which an African American candidate was on the ballot in every state was the New Alliance Party. The candidate, in both cases, was me, and the year was 1988.

20. The New Alliance Party, which became America's fourth largest national political party after the 1988 elections, was originally founded in New York in 1979. Formed as a coalitional effort to introduce a mainstream third party alternative based in the Black and Latino communities, its first chair was a popular South Bronx elected official, City Councilman

Gilberto Gerena-Valentin, who served until 1982, when he was offered a post in the administration of newly elected Governor Mario Cuomo

21. In 1979, the NAP ran a Black State Senator from the Bronx, Joseph Galiber, for the municipal office of Borough President. Galiber came in second in that race, and established the NAP as a new and contending element in the complicated mix of New York politics. In the decade following that contest, the NAP fielded hundreds of local, statewide and congressional candidates in New York who polled percentages ranging from 1% to 42% of the vote

22. I became involved in the NAP in late 1981 and by 1982 was its candidate for Lt. Governor. In 1984, I was a campaign coordinator for the party's first presidential campaign, in which we placed our candidate on the ballot in 33 states. It was through this campaign that the party began to develop its national infrastructure. NAP chapters sprang up in 20 states and local candidates began to run for office on the party's line. I was elected chair of the New Alliance Party at its national convention in 1988, where I was also nominated as the party's presidential candidate. I served as chair, re-elected at meetings of its national committee, until after the 1992 presidential election.

23. For many years, including the year before I was elected chair, the New Alliance Party was my base of political operations. In 1985 in Chicago, I was elected to head its Women of Color Caucus. In 1986, I was its candidate for Governor of New York. Throughout these years there were, of course, different levels of involvement and commitment on the part of those who were supporters of the NAP. Some – in the millions – had simply voted for me or another NAP candidate. Some – in the millions – had signed a petition to put me or another NAP candidate on the ballot. Some had put up a poster in the lobby of their building, or come to a meeting about a campaign. Others contributed financially. Still others were regular volunteers for the party, giving anywhere from an hour to 40 hours a week to further the NAP's objectives of creating a pro-democracy third party in America.

24 Between 1992 and 1994, the New Alliance Party went through an extended merger process -- at both a national and state-by-state level -- with other independent activists, parties and groupings. In a few situations there have been legal reasons to maintain the New Alliance Party name, as in Delaware and South Carolina where NAP has ballot status. But for the most part what was the New Alliance Party is now subsumed into a larger, more ethnically and politically diverse organization, the Patriot Party.

25. Within the NAP, from its very beginnings, has been a core of hard-working, unselfish and principled activists who were part of an ideological network operating in the socialist and collectivist tradition, which has given birth to a variety of organizations, associations and businesses, the New Alliance Party being one. In addition to being a candidate, and the elected leader of the New Alliance Party which sponsored both my presidential campaigns, I am also one of the primary leaders of this core grouping.

26. Collectively, this core association is responsible for the creation and building of many recognized political, cultural, educational, legal and psychological organizations. Our work has been carried out in a network that has existed in a variety of forms since the late 1960's. For a time, this association was known as the International Workers Party (IWP).

27. The OGC never asked me how these political activists whom I associated with related to my campaign. The OGC never asked me about the general mores and practices of these political activists regarding uses of their labor and money to further common goals. Because the OGC has instead politicized its investigation by uncritically accepting a sectarian picture given to it by William Pleasant via Kellie Gasink -- two persons with a stated political and personal agenda to destroy the work of myself, Dr. Fred Newman and our associates -- it becomes necessary for me to provide the Commissioners with a truthful view of our broad political community, the autonomous organizations -- including the New Alliance Party-- that make it up, and how the core network of dedicated socialists operates within that total political community.

28. From the late '60s until the present time there is a continuous history of an expanding community of people who participate in various activities within a series of concentric circles. Inner city youths perform in talent shows sponsored by the All Stars Talent Show Network. Middle class professionals train in our innovative approach to clinical psychology and learning at the East Side Institute for Short-Term Psychotherapy, while thousands of people receive help with emotional problems in social therapy. Americans from all walks of life are contributors to my various political campaigns for public office. Theatre-goers from the New York metropolitan area fill the houses during a ten-month repertory season at the Castillo Theatre, now an internationally sought after crossroads for the avant garde and multiculturalism. Independent electoral activists have sought out coalitions with me, the New Alliance Party, the Patriot Party and the Committee for a Unified Independent Party. These are but a few of the activities and organizations which make up our total political community. They directly involve hundreds of thousands of people on a regular basis.

29. At the core of these concentric circles is an ideological collective made up of individuals who have committed themselves to creating, supporting and taking full responsibility for the success of the total community – a community whose goals are democracy, equal justice, radical humanism and human development in all areas of life – personal, emotional, political, cultural, etc. Joining this core collective requires an intense and serious commitment to these goals and to certain socialist principles of collectivism. Among these is the principle that all money in the possession of or accruing to those at the core belongs to the collective and is used at the discretion of the members of the collective to pursue shared political goals. This principle was codified in practice as early as 1968. It has been confirmed by unanimous vote at biannual meetings of the full collective.

30. The manner in which the core operates has changed over the years. It began in the late 1960's as a small education collective which ran an alternative school and lived communally. Then it evolved into a radically collectivistic circle of health and mental health activists who literally met daily to make decisions regarding all of their activities and to pool the

use of all of their resources. In the early 1970's the organization was transformed from a radical health collective with socialist and communitarian sensibilities to an expressly Marxist-Leninist political organization. It took the name International Workers Party. At that point, the organization adopted a highly centralized character with a small elected Central Committee that met as often as five times a week for several hours. The "pooling of resources" became more formalized. The strict centralized use of the money and labor of its members was a hallmark of the organization. While other parties on the American left subscribed to Marxism-Leninism in theory, this organization subscribed to it in practice, which was responded to by many persons on the left by their branding the organization a cult and Fred Newman, its primary organizer, as a cult leader. I admit to being utterly incredulous that the Office of General Counsel has adopted a 20-year old sectarian ultra-left polemic -- most recently espoused by ultra-left sectarians Kellie Gasink and William Pleasant -- as its formal position on me, Newman and our associates.

31. In the late 1970's and early 1980's, as the traditional U.S. left was in a state of disintegration, the core organization went through yet another restructuring -- this time to a radically decentralized body which did not coordinate work on a day to day basis but strategically guided and developed the emergent set of autonomous cultural, psychological, political, business, media, legal and journalistic enterprises. The Central Committee, which became a large body, no longer made operational decisions. Instead, it was recast as a deliberative forum which met infrequently. As the autonomous enterprises gathered greater mainstream standing in their respective areas, the core organization -- by design -- receded to a minimalist, non-hierarchical center of political and ideological dialogue. By the time of my 1992 presidential campaign, its operational and structural existence was virtually deconstructed. But the autonomous organizations it had helped to create flourished. And the basic principle of collective ownership of money, labor and resources among all of those in the core remained fully intact.

32. Among those who volunteered their time to build the New Alliance Party and run its candidates for office, were people who were simultaneously part of the socialist core



collective and as such had pledged their agreement to the shared money, property, labor principle to which we all subscribed. I related to these particular NAP activists in a different manner than the rest, for I knew I had the authority to call on them in ways specific to those principles. For example, if we were all at a NAP office getting out an important mailing, or preparing cover sheets for submitting petition signatures for an election campaign, I would encourage everyone involved in the operation to stay until the work was completed. But with those who were part of our core collective, I had a different posture. I merely informed them that I needed them to stay. They did. And they did so based on having agreed that as members of a collectivist core, that within the NAP we could call on one another to give all of our time to accomplish a task.

33. I regularly invoked this same principle with respect to money. NAP had a substantial base of support in the poor, inner city communities. For many years NAP had an office in the heart of Harlem and I would regularly be visited by community people in need of assistance, including financial. If possible, I would provide that assistance. On some occasions I would call on co-activists from our core collective to provide their resources. I related to their labor and money as if they were our labor and money.

34. I, of course, was often called upon to do the same. And I did so willingly. For me, my labor and money belonged to the collective. When collective members in the NAP needed to muster my resources for the use of the party, I gave accordingly. This practice, which existed side-by-side with multiple levels of activism in the NAP was standard for the collectivist core for as long as I can recall.

### THE 1992 CAMPAIGN

35. When key New Alliance Party leaders and I first decided to commence my 1992 presidential campaign, like any other presidential candidate beginning to plan a campaign, I began a process of assessing and amassing my resources. Obviously, the critical asset I had available to me was the New Alliance Party's national network, its track record and notoriety in

electoral politics, its extensive knowledge of election law and ballot access requirements and its capacity to raise money. There were no monied or partisan interests driving my campaign. I had no network of 400 large donors in 20 states who could each contribute \$250 apiece and qualify me for threshold off of a phone call from a well-placed finance chairman. I and my supporters within the New Alliance Party did, however, have the capacity to mount a grassroots door-to-door, street corner fundraising operation to qualify me for threshold and to fuel my campaign treasury. This grassroots fundraising operation ultimately garnered donations from 100,000 Americans at an average donation of \$24. Given that the primary matching funds program was installed specifically to shift funding sources for presidential campaigns away from large and corrupting contributions, it would seem that my campaign exemplifies the best use of the matching funds program by any candidate.

36. In addition to this fundraising capability, I also had relationships with a variety of business and service enterprises within the NAP network, owned and operated by persons who shared my political views and who had the capacity and the willingness to produce the kind of grassroots campaign I intended to run. These, of course, were the vendors I hired to carry out the key tasks of my candidacy.

### **THE CHARGES AGAINST THE COMMITTEE'S VENDORS**

37. At the public meeting of the Commissioners on August 3, 1995, under questioning by Commissioner Scott Thomas about the credibility of Gasink's testimony, General Counsel Lawrence Noble stated that since her allegations about the checks written to her were true, he believes the rest of her allegations to be true. As it turns out, however, the Gasink allegations about her own checks -- not to mention the checks to others -- are untrue. In light of the above, to bootstrap disgruntled former collective member Gasink's allegations about two checks totaling \$450 into a recommendation that \$1,116,431.88 of my expenses were illegitimate is utterly preposterous. When Commissioner Thomas pressed Noble further about the exact nature of the OGC's evidence that the vendors committed fraud and that the campaign

was actually a non-campaign designed to bilk matching funds for personal use, Noble shifted ground. He told the Commissioners that OGC's findings were not based on direct evidence, but rather were inferences derived from the vendors being "interconnected," and the transactions between my campaign and the vendors allegedly being not at "arms length."

38. Where did these terms come from? They are not defined in the Legal and Factual Basis for Inquiry document, in the OGC Memorandum of July 27, 1995, or in the purported Notice of Initial Repayment Determination. The OGC nowhere gives legal citations for the meaning and applicability of these terms to the primary matching funds statute, the FEC regulations, or any other legal authority.

39. OGC tries to create an impression of non-arms length contractual relationships between the campaign and several of its vendors by listing examples of individuals who supported me politically and helped with my campaign, and who also had a relationship to a vendor. But that does not make the transactions concluded between the management of my campaign and the principals of the vendor companies non-arms length. Hence, the OGC's use of the terms "interconnected" and "non-arms length" is divorced from federal election law. As used by OGC in this case, the content of the terms is overtly political. The alleged interconnectedness is based solely on shared political beliefs, affiliations and activities of the workers and volunteers for the vendors and the campaign.

40. The OGC has created a strictly ad hoc gloss on "arms length" to conform to the Gasink/Pleasant scenario that Dr. Newman "owned" the vendors, the vendors created my 1992 presidential campaign, and the vendors stole money from my campaign treasury. But the OGC's legal gloss on Gasink/Pleasant's sectarian political polemic is fundamentally flawed. It leaves me out. It leaves the New Alliance Party out. Activists in the New Alliance Party, then the fourth largest national political party in the nation, and I, its Chairperson and presidential candidate, created my 1992 campaign.

41. NAP is the "arm" that the OGC refuses to see. If the OGC were to recognize the existence of NAP, then it would have to admit that this entire repayment finding is

based upon the fact that I hired vendors that had owners and workers who were affiliated with NAP. This acknowledgment would have explosive implications. If this approach were generally applied, Democratic candidates could not safely hire vendors owned by persons affiliated with the Democratic Party, Republicans could not hire Republicans, etc. On the other hand, if this approach were acknowledged in my case but then applied only to NAP, the racism and unconstitutionality of that selective enforcement policy would be glaringly obvious

42 In reality, the OGC's claims of "non-arms length" transaction are a pseudo-legal construct based on Gasink's and others' characterization of my campaign as being run by a so-called cult. (When the OGC took Gasink's deposition in January 1995, a year after receiving her original accusations, Gasink used the term cult 20 times and the OGC's attorney, Rhonda Vosdinh, adopted the term.) But my campaign was not run by a cult, it was run by activists in the New Alliance Party, a national electoral organization whose presidential candidate (and chairwoman) has twice been certified by the FEC as eligible to receive matching funds, which now total \$3 million.

43. The OGC seems to be avoiding this fact -- along with me -- like the plague. It was not an incidental mistake that the NAP was incorrectly and inappropriately originally identified by the OGC as a vendor. It wasn't a vendor. It was a political party whose nomination I sought. It was not an incidental mistake that Dr. Fred Newman was identified by the OGC as the leader of the NAP.<sup>2</sup> He is not. I am. I was the NAP's candidate. I selected my campaign manager, publicist, attorneys, and other key vendors. I hired the staff. I am responsible for the totality of what took place in the campaign. Presumably, that is why I am being told to pay back \$612,557.32. I believe that the campaign, both in its selection of vendors and its payments to vendors, was fully in compliance with the law. If the FEC should determine that was not the case, then I am responsible for that non-compliance

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<sup>2</sup> See FEC's "Legal and Factual Basis for Inquiry," transmitted August 1995, at p. 4 -- "the NAP, which is led by Fred Newman."

44. The OGC has systematically attempted to either deny the actual existence of the New Alliance Party or to conflate it with the core association, in order to support its claim of non-arms length transactions between the campaign and the vendors. The allegation that the New Alliance Party doesn't exist is yet another sectarian attack popularized first by the white left and then echoed by some on the Black left Pleasant was among those He passed the charge on to his fiancée She passed it on to the OGC. And the OGC created its legal construct – the non-arms length relationship, which has no basis anywhere in the law – to continue its investigation.

45. In disallowing the total payments to the “politically associated vendors,” the OGC claims that these vendors did not actually perform the work for which they were paid, even though those payments and the expenses associated with them have been amply documented and were approved by the auditors and the OGC in the FEC's first audit. This proof of work performed will be further documented and reviewed, in even greater detail, as part of my Committee's response to the purported interim repayment determination. Nevertheless, in response to the ignorance of complainant Gasink and her colleague/fiancée Pleasant, I want personally to address the basic design of the campaign, insofar as it will shed further light on why I paid the vendors what I paid them, and how the actuality of the campaign demonstrates that the work for which they were paid was performed.

46. My 1988 campaign was designed to demonstrate the inequitable hardships faced by an independent presidential candidate, to make the structural monopolization of the electoral process by the Democratic and Republican parties more visible, and to project the New Alliance Party as a leader of the independent political movement. Specifically, I set out to gain access to the ballot in all 50 states and to qualify for matching funds, such that with these objective achievements in hand, I could use my presidential candidacy to publicize the ways in which the presidential process is unfair. This strategy succeeded. I had to go to court over a dozen times to secure access to the ballot in a variety of states I sued the League of Women Voters and the Internal Revenue Service for the League's exclusion of me from presidential debates. I began to carve out a public dialogue – minimal at first – within legal, media and

political circles as to the barriers to and need for independent political options. The New Alliance Party, which became the nation's fourth largest party, was identified as a pioneer organization carving out this new terrain.

47. By 1992, the national political landscape had begun to shift. In 1990 two independent governors had been elected – in Connecticut and in Alaska. The term limits movement, though largely unrecognized by the major media, was gaining ground and staging the first series of ballot initiatives. Everywhere it appeared on the ballot, term limits were being adopted overwhelmingly. I decided to enter the 1992 campaign in the Spring of 1991, with the expectation that the presidential contest could yield an even greater opportunity for focusing public attention on the lack of democracy and political options.

48. Consequently, my 1992 campaign was styled to use court and other legal actions to confront the recalcitrance of the bipartisan political establishment with respect to independents and to publicize these legal and political confrontations to the maximum extent possible. For example, my decision to enter the Democratic primary in New Hampshire, even though I was also running as an independent – a decision which the FEC found to be consistent with my eligibility for primary matching fund payments – was predicated on a belief that since the incumbent President was a Republican and the Democratic field was wide open, my candidacy and my issues could impact on the process there. Legal, media and grassroots organizing initiatives began immediately. Indeed, the State Democratic Party chair's decision to exclude me from the televised New Hampshire debates even though I had raised more money than all of the included candidates other than Senator Tom Harkin, allowed my attorneys to take legal action with the Democratic National Committee and in the courts and allowed my media team to garner New Hampshire and national publicity of this blatantly discriminatory and subjective decision.

49. This is but one example among hundreds of the extent to which the campaign relied upon its twin tactical pillars of pro-democracy litigation and efforts to gain media coverage for those challenges. That Castillo Communications was paid \$225,337 by the

campaign and the International Peoples' Law Institution was paid \$174,585 are not signs of overbilling or fraud, as Gasink and the OGC allege. It is a sign that the responsibility for the implementation of the core concepts of the campaign fell to those two vendors. Ilene Advertising, which handled the conceptualization, design and production of the campaign's materials had the responsibility of translating these core concepts into tools appropriate to a grassroots organization – leaflets, brochures, posters, buttons, ads, etc

50. I am, of course, aware that Gasink states in her deposition that the proof of embezzlement on the part of the vendors lies in the fact that she and others were allegedly assured that the campaign would spend substantial dollars on paid advertising to disseminate my message, but didn't. Gasink's statements, like all of her allegations, reflect her total lack of knowledge of how the New Alliance Party, electoral campaigns and campaign-related activities actually operate. Ilene Advertising conducted some work to appraise the costs of paid advertising and media buys into targeted markets. However, after investing some money and the time of a long-term media buying expert, it was determined by the campaign that we simply did not have the dollar resources needed to implement such a strategy. Much of the resources we did have were already committed to a high cost 40-jurisdiction ballot access drive, something Gasink in her ignorance belittles,<sup>3</sup> and to the cost of running a grassroots fundraising operation. We had to spend our "discretionary" dollars in a way which gave us the most "bang for the buck." The decision to go into New Hampshire was one attempt to get that. In my opinion, it worked. Using a public relations, as opposed to a paid advertising media strategy, New Hampshire established me as the insurgent candidate with money and a message. It set up an intense antagonism between my campaign and the Democratic Party candidates, which would later play out in my highly publicized challenge to Senator Paul Tsongas' fraudulent New York

<sup>3</sup> For example, Gasink nowhere mentions the substantial costs of my attempt to gain a ballot position in the nation's most populous state, California. I launched an all-out effort to win the nomination of the Peace and Freedom Party, which has ballot status there. As a result of these expenditures I won the party's preferential primary, and by a significant margin. Nevertheless, the party's leadership managed by a narrow margin to deny me the nomination.

nominating petitions and my highly publicized encounter with President Bill Clinton at Harlem Hospital. The IPLI and Castillo Communications worked these situations to the bone, in order to maximize the impact of my candidacy.

51 Of course, as all of this was playing out, a new and explosive factor appeared on the presidential scene, in the person of Ross Perot. This added another dimension to my candidacy, in that my and NAP's "voice in the wilderness" theme that Americans should have the right to independent options was suddenly corroborated by a white billionaire independent candidate for the presidency, who would go on to garner nearly 20% of the vote. Indeed, one of Perot's advisors contacted NAP's attorney and my deputy campaign manager for guidance on how to construct a 50-state ballot access drive. It was immediately clear to me that with Perot in the race, the chances of topping my quarter of a million vote total from 1988 evaporated. But, at the same time, the heightened legitimacy of independent politics made it even more possible to insert my message into the campaign and build bridges with the emergent Perot constituency, preparatory to a post-1992 coming together of diverse forces in the independent political movement. The campaign's spending fully reflects this tactical commitment, as will be seen in the documentation to be submitted with the balance of my Committee's response.

52 Gasink and Pleasant repudiated this development in the campaign. Gasink makes a point of explicitly objecting to my positioning with respect to Perot in her deposition. She certainly has the right to her opinion. But opinionated or not, she has no information or insight into the campaign, its tactical decisions or the spending dictated by these decisions. These are political differences that have no legal significance and surely cannot be the basis for disallowing my Committee's expenditures.

53 In a recent op-ed piece in the *New York Times* ("It's Time for a Third Party, But We Won't Get One," August 24, 1995), Theodore Lowi, a professor of government at Cornell, writes about the current public and private machinations surrounding a potential third party presidential candidate. In the article he cautions people such as Sen. Bill Bradley about the



actuality of running for president as an independent. Dr. Lowi writes: "It means raising millions of dollars but spending substantial portions of it on lawsuits to get on the ballots, and in the process to attack the constitutionality of the laws that were intended to protect the two-party system." Mr. Lowi's formula for a 1996 presidential run was my formula for my 1992 run. Obviously, I was not an elected official nor extremely credible in the eyes of the bipartisan political establishment. Nonetheless, I did design and execute my campaign as part of a larger political process that will, in my opinion, ultimately lead to a full-blown and nationally competitive third party

54. That I am a participant in that larger process is a further testament to the actuality of my 1992 campaign and the work performed by the vendors I hired. If my campaign had not taken place and impacted in the manner it has, I would not be a regular commentator on CNN about independent politics, nor in Dallas for the Perot convention. The New Alliance Party would not have been invited to participate in the founding of the Patriot Party. If the combined efforts of the IPLI, Cakim and individual attorneys I hired didn't get me on the ballot in 40 jurisdictions, then who did? If the partners and volunteers of Castillo Communications didn't handle the aggressive public relations campaign we mounted from the first to the last moment of the campaign, then who did? If the millions of pieces of literature distributed by my campaign weren't conceived, designed and produced by Pene Advertising, then who did conceive, design and produce them? Fred Newman was my campaign manager. I paid him for those services. I think he did a brilliant job in advising me on the strategy for the campaign. All one need do is look at how cutting edge an issue independent politics has become to see that the campaign's strategy was effective.

#### THE CHECKS

55. In addition to the vendors who ably produced most of the work for my 1992 campaign, I also had access to a national community of activists who I recruited to work for my campaign. Some were hired and placed on payroll. Some did irregular work for me and were paid to the extent possible, at the discretion of the campaign treasurer. Of these many

people who worked for and/or volunteered with my campaign, some were also part of the collectivist core. Among these persons were Kellie Gasink and William Pleasant. Francine Miller, the campaign's treasurer, was also a part, as were some members of her staff.

56. Let me begin by saying that the great majority of the checks that are disallowed by OGC do not even intersect any issues about relationships among core activists. They were

- a) straightforward campaign disbursements for payroll (on which all applicable federal, state, and local taxes were paid) of Committee employees,
- b) fully documented expense reimbursements for travel, printing and other costs associated with petitioning, fundraising and local organizing efforts, and
- c) purchases with cash of \$10 United States Postal Service money orders for use in assisting small contributors to document their donations for matching purposes.

57. The OGC seems to have disqualified these obviously qualified campaign expenses because Committee staff sometimes (though by no means in every case) assisted the payees in negotiating Committee checks. In many cases, the checks in question were a very small percentage of the total number of checks issued to the payee, and represented instances when the payee may have experienced difficulty in cashing the check themselves in a timely fashion: for instance, because they were newly arrived in town and had no bank account, because they required the cash on a weekend or evening for an imminent deployment to another location, because their campaign duties made it difficult for them to get to Amalgamated Bank (which has an extremely limited number of branch offices), because they could not afford to wait the time required for a check "to clear" their own bank accounts, because they were "on the road" and in need of cash to be wired to them by the Committee via Western Union or sent by an overnight courier. In short, the check-cashing practices are reflective of an attempt by the Committee to accommodate the hectic lives of campaigners and the often limited financial resources available to them personally.

58 With regard to advances for travel and other expenses, I am informed that the FEC regulations would arguably have permitted the Committee Treasurer in each of these instances, to write a check for these expenses payable to herself or her staff, cash it, and disburse the cash to the ultimate payees, documenting the transaction on Schedule G-P as an advance. Instead, the Treasurer considered it more rational to issue the check to the ultimate payee, cash it for the payee (with her or one of her assistants signing the payee's name to it if necessary), and document the transaction on Schedule B-P.

59 In each of the above cases, the bills, invoices, receipts and other collateral evidence in the Committee files which demonstrate the check transaction was for a qualified campaign expense, are exactly the same. But if the Treasurer had written the check to herself and cashed it herself, the OGC would have had no technical reason to disqualify these checks, because the checks would have been endorsed only once, and the payee and endorser would have been one and the same. The OGC might still have attempted to draw a negative inference about the ultimate disposition of the funds, but it would not have been able to make opportunistic use of an admittedly unorthodox, but innocent practice of the Committee.

60 My assistants are in the process of analyzing each and every check listed by OGC in its report to the Commission. This is an enormously burdensome undertaking, which will take some time to complete. The detailed results of this analysis will be submitted to the Commission with the balance of my Committee's response. It is not too early, however, to inform the Commission that the listing of checks the OGC has given to the Commission as the basis for disallowing \$227,691.16 in Committee expenses is grossly faulty in its methodology, misinformed (or disingenuous) with regard to the practices of various Committee payees regarding check cashing, and facially incorrect in many of its particulars.

61 The OGC's findings disallows 811 checks. These checks are made out to approximately 200 individual payees. The OGC's stated criterion for selecting each of these checks is that it allegedly is endorsed on the reverse side two times, once with the name of the payee and once with the name of a member of my campaign administrative staff. Many of the

checks on the OGC's list do not even meet the OGC's facial criteria for placing them on the list. Approximately 65 of them only have one name on the back, and it is a mystery how they could have been placed on the OGC's list to begin with. The face value of these checks is approximately \$16,000.

62. Then there are approximately 113 checks that have two notations on the reverse side, but not two endorsements. One notation is the name of the payee. The other is a notation "ok to cash," followed by the name or initials of the Treasurer or someone working with her. The OGC incorrectly characterized these checks as "double endorsed." "OK to cash" is not an endorsement, but an instruction to the bank teller at Amalgamated Bank. The notation "ok to cash" was placed on the check with the understanding that a representative of the payor had to do so to facilitate the cashing of the check at Amalgamated Bank when the payee had no personal account at that bank. The face value of these checks is approximately \$26,700.

63. Another major error in the OGC's analysis is to characterize as "expenditures" numerous checks that were not expenditures at all, but rather, asset exchanges. The Commission is fully familiar with the Committee's practice of using money orders in its grassroots fundraising efforts, to facilitate the making of donations by money order (which are matchable) rather than by cash (which is not). The Commission had approved that practice for another candidate previously, and specifically accepted our use of it in the Final Audit Report.

64. It is clearly indicated on the face of approximately 20 checks on the OGC's list that the purpose of the check was to purchase money orders for the Committee. The Committee's practice was to cash such checks at Amalgamated Bank, take the cash to a post office<sup>4</sup> to purchase the money orders, and place the Postal Service receipts on file with a cross reference to the check. All of this documentation has been provided to the Commission's auditors twice – once in the 1992-93 field audit, and again this past July.

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<sup>4</sup> This procedure saved the campaign money. Amalgamated Bank charged more for money orders than the U.S. Postal Service. But the Postal Service only accepted checks that were certified in payment for money orders. So the campaign cashed checks at the bank and took the cash to the post office to purchase the money orders.

65. Again, the exchange of cash in the bank for blank money orders in the Committee's possession is not an expenditure. Hence, these checks should not have even been considered for the OGC's list. Their face value is approximately \$18,543

66. Next, the Committee is analyzing checks which are for expenses and which do appear to have two endorsements on the reverse side. The OGC made the assumption that any such check must be disallowed. This is an unfair and unjustified inference. There is ample documentation in the Committee's files which the FEC auditors and attorneys have now reviewed twice, which demonstrate the purpose of these expenses and show them clearly to be qualified campaign expenses. This unfair inference is applied to approximately 225 checks with a face value of approximately \$66,500.

67. Then, as I also described above, there are many regular payroll checks on the OGC's list whose double endorsements simply involve a salaried campaign worker getting help cashing a regular payroll check. The FEC auditors have already been shown on two occasions payroll records (including payroll tax filings) and job descriptions for these employees. My Committee will, in addition, be submitting to the Commission sworn statements from a representative sample of these employees. There are approximately 228 checks of this kind on the list with a value of approximately \$49,000.

68. To summarize, even on a quick preliminary analysis it is easy to see that no fewer than 651 of the 811 checks are irrelevant to the OGC's professed concerns. As to these checks, an understanding of the core network and its collectivization principles is not particularly needed to see the error of the OGC's analysis. Common sense, basic documentation, and conventional understandings of banking practices and how people may help each other with check cashing are sufficient. These checks represent approximately \$176,743 of the disallowed check expenses totaling \$227,691 66.

69. Among the remaining checks are ones issued to irregularly paid workers of my campaign with regard to which an understanding of the ideologically-committed network

becomes relevant. I will start where the FEC claims this investigation started, with two checks issued to Kellie Gasink.

70. Originally, Gasink claimed that she was the payee of checks totaling \$500. This accusation was inaccurate. In fact, there were two checks totaling \$450.

71. Gasink further asserted that she did not authorize the placing of her endorsement on these two checks. In fact, Ms. Gasink did authorize the endorsement of her checks. She did so as a member of a political organization which has as a condition of membership the agreement that all money, property and labor time of the individual members belongs to the collective. At her deposition on January 30-31, 1995, Gasink acknowledged both her membership in this organization during the relevant time period and her awareness of this condition of membership. She testified that her voluntary agreement to become a member of the core group of activists included the understanding that "now anything that is mine is now ours because we are collective." (Gasink Deposition, p. 53, lines 9-11).

72. Given this long-term standard operating practice and Gasink's admissions, her claim that she didn't authorize her name to be endorsed on the check is disingenuous. She identifies the Treasurer, Francine Miller, and her staff as co-members of the core group of activists. This is accurate. And an important implication flows from that. Francine Miller or other staff members – in their capacity as members of the core organization – would have the authority to endorse her checks.

73. Miller's affidavit of May 6, 1994 states that her best recollection is that the money was given to Gasink. In fact, whether or not Gasink physically received the cash is immaterial. Gasink had already pledged her resources to our common goals. The authorized use of a core activist's cash is, in the context of our collective, equivalent to the personal receipt of it.

74. Gasink testifies at great length that she did lots of work for the campaign. Some of this work was compensated. It would be the expectation of a core activist that when he or she did work for the campaign other than as a regular salaried employee, if any of this work

could be compensated, then the resulting compensation might be used to advance the non-campaign work of the collective in ways that were consistent with the mores of the community.

75 My Treasurer, Francine Miller, performed or oversaw the financial transactions that were necessary to carry out the work of the campaign. She was instructed by me to do this in full compliance with FEC regulations, and I believe she did so to the best of her ability

76 Ms. Miller, of course, had an additional relationship to these activists aside from her position in the campaign -- at that time she was one of the mutually committed core activists. Based on that relationship, once the activist's labor on the campaign was translated into payments, she would have the person's continuing authorization either to see that the money was delivered to them personally or to see that it was used to advance the goals of the community.

77 The large number of checks the OGC has disallowed actually demonstrates the lack of credibility to Gasink's charges. Gasink claims to have personal knowledge of merely 2 out of 811 checks now identified by the OGC as illegitimate. If there was merit to OGC's analysis, then one would expect that after a year of investigating the OGC would have come up with many sworn statements from other payees confirming OGC's inferences and Gasink's allegations. Incredibly, out of these 809 checks the OGC has failed to elicit a single sworn statement by any payee other than Kellie Gasink saying that the proceeds of a check were not used in accordance with his or her authorizations or expectations.

78 The record of OGC's investigative work product is now closed, as stated by OGC to the Commissioners on August 3, 1995. The only fair and reasonable inference that can be drawn from these statistics is that the negotiation of the 811 checks was done by the payees or with their authorization. Indeed, even if one assumed for the sake of argument that the endorsements on the two Gasink checks were not authorized, there still would be no basis for the OGC to make the gigantic inference from those two checks that another 809 checks were not issued to pay for qualified campaign expenses.

79. Gasink identified five other people who allegedly did not endorse one or more checks and also did not receive the proceeds of their checks.

a) William Pleasant: He is Gasink's collaborator in prosecuting this complaint and is identified by Gasink as her fiancee. He is named by Gasink in her deposition as a source of information behind her key allegations no fewer than 77 times. Pleasant has not provided an affidavit or been deposed

b) Valeh Abassi: She is Pleasant's wife. She has not provided an affidavit or been deposed.

c) Doris Kelly: She swore to an affidavit stating that she signed the endorsement on her checks and she received the funds.

d) Willie Harris: He has not provided an affidavit or been deposed.

e) B. J. (Lee) Cohen: She has not provided an affidavit or been deposed. The OGC produced an unsworn statement which it characterized as unsolicited, but was addressed to a particular staff person at the FEC.

80. The OGC has to acknowledge moreover, that Wilton Duckworth submitted an affidavit in MUR 3938 in which he confirmed practices I have described above regarding financial relationships involving core activists in the political community. He said he did substantial work for my campaign, and that he recalls he received some payment for it. He says that whether or not he endorsed his check and whether or not he received cash in hand for the check, if Francine Miller or one of her assistants signed his name and cashed the check that would have been completely consistent with their shared ideological and collectivist commitment.

81. The OGC claims it also made some attempts to reach other persons who were payees on checks it considered questionable. The OGC report is not sworn to by the investigators who allegedly made the call; there is no way of knowing whether the OGC has omitted from its cursory description information further confirming the Committee's position; there are no sworn statements from any of the people the OGC says it spoke with; these people



are not identified so the Committee is denied the opportunity to confirm with the persons whether the OGC's account of the conversations is accurate.

82 In short, the OGC had a year to find an alleged victim of this alleged check embezzlement scheme other than the complainant, Gasink, and it failed. In truth, among those in the core collective, there could exist no embezzlement scheme, because any money belonging to or accruing to the members already (and voluntarily) belongs to the collective.

### CONCLUSION

83. The OGC would have arrived at a much more accurate picture of my campaign with much less expenditure of effort by the agency and by my assistants, if the OGC had simply agreed to sit down with my counsel and a representative of the Committee to learn through an interview process about check cashing practices and about the work done by my vendors. During the regular audit process, my counsel and Treasurer traveled to Washington, D.C., for just such a meeting, for a candid discussion of how individuals' credit cards were used to pay Committee expenses. That meeting resulted in a better understanding for the audit staff of my campaign's practices, and a resolution of a number of issues regarding production of documents and subpoenas to individual credit card holders.

84. My counsel informs me that in the present audit inquiry the OGC rebuffed his attempts to organize a context for such a discussion. Instead, the OGC from the outset asked the Commission to approve a Legal and Factual Basis for Inquiry document that accused my Treasurer and Campaign Manager of engaging in a criminal embezzlement conspiracy, demanded that they appear to give sworn testimony, acted incredulous that there could be some basis for them to distrust the motivation and impartiality of the OGC in proceeding in this fashion, and rejected any suggestion for conveying information other than through the most onerous and intrusive mechanisms.

85. Perhaps it is the case that the OGC, motivated by a desire to assure compliance with the regulations, has overreacted to the charges against me. Perhaps it is

because I come from an unorthodox socialist and collectivist political orientation and am an independent that makes me and the New Alliance Party hard to categorize. Even if this is the case, the FEC has the legal obligation to discover the actuality of my campaign, not to criminalize it on the basis of politically motivated and ludicrous allegations by a sole and non-credible complainant. This latest declaration, together with the total presentation soon to be submitted is a continuation of my attempts to illuminate what my 1992 campaign for President was really all about.

86. I appeal to each and every Commissioner to de-politicize this proceeding. I call upon you to insist that every federal official and civil servant involved in this matter carries out his or her duties in a manner that is fair, factual, impartial, objective and based upon sound legal standards and principles which are of general applicability and not formulated simply to prosecute me and my Committee. Anything less will not only violate my rights, but will further undermine the public's trust in the professionalism and impartiality of the federal agency responsible for regulating participation in the electoral process.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Executed September 12, 1995.

  
LENORA B. FULANI, PH.D.

1917

Fulani



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

October 17, 1995

**MEMORANDUM**

**TO:** Ieta L. Holley  
Library Director

**FROM:** Kim Bright-Coleman *KBC*  
Associate General Counsel

Lorenzo Holloway *L.H.*  
Assistant General Counsel

**SUBJECT:** Public Issuance of Notice of Initial Repayment Determination for Lenora B. Fulani for President

Attached please find a copy of the Notice of Initial Repayment Determination for Lenora B. Fulani for President, which was approved by the Commission on August 3, 1995.

Informational copies of the Notice have been received by all parties involved and the report may be released to the public.

Attachment as stated

cc Audit Division  
Office of Public Disclosure  
Reports Analysis Division  
Press Office

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
Lenora B. Fulani and  
Lenora B. Fulani for President  
Inquiry Pursuant to 26 U.S.C. § 9039(b)

NOTICE OF INITIAL REPAYMENT DETERMINATION

I. INTRODUCTION

On July 26, 1994, the Commission opened an inquiry under 26 U.S.C. § 9039(b) and 11 C.F.R. § 9039.3 in order to determine whether Lenora B. Fulani and Lenora B. Fulani for President ("the Committee") owe an additional repayment to the United States Treasury. Based upon this inquiry, on August 3, 1995, the Commission made an initial determination that Lenora B. Fulani and the Committee must repay \$381,171.96 to the United States Treasury for non-qualified campaign expenses paid to several of the Committee's vendors. 26 U.S.C. § 9038(b)(2). The Commission also made an initial determination that Lenora B. Fulani and the Committee must repay \$98,095.95 to the United States Treasury for non-qualified campaign expenses resulting from disbursements that cannot be traced to the individual payees. Id. In addition, the Commission made an initial determination that Lenora B. Fulani and the Committee must repay \$133,289.41 for receiving funds in excess of the candidate's entitlement. 26 U.S.C. § 9038.2(b).

Therefore, Lenora B. Fulani and Lenora B. Fulani for President must repay a total of \$612,557.32 to the United States Treasury.

This report constitutes notice of the Commission's initial repayment determinations and it provides the legal and factual bases for the Commission's determinations. 26 U.S.C. § 9038(c). If the Committee disputes the initial repayment determinations, the Committee may submit legal and factual materials, within 30 calendar days after service of this notice, demonstrating that it owes no repayment or a lesser repayment to the United States Treasury. 11 C.F.R. § 9038.2(c)(2) and (3).

## II. PROCEDURAL BACKGROUND

In 1992, Lenora B. Fulani sought the presidential nomination of the Democratic Party, the New Alliance Party ("NAP"), and several other third parties. Lenora B. Fulani for President registered with the Commission on March 11, 1991 as the principal campaign committee of Lenora B. Fulani. The candidate agreed to the conditions set forth in 26 U.S.C. § 9033(a) and 11 C.F.R. § 9033.1(b), and the Commission determined her eligible to receive matching funds on October 31, 1991. Attachment 3. The Committee received \$2,013,323 in public funds under the Presidential Primary Matching Payment Account Act, 26 U.S.C. §§ 9031-9042, for the purpose of seeking the nomination. Between March 6, 1991 and October 31, 1992, the Committee expended \$4,088,046. Attachment 2 at 5. The Commission determined that the candidate's date of ineligibility was August 20, 1992.

The Commission conducted an audit and examination of the Committee's receipts, disbursements, and qualified campaign expenses under 26 U.S.C. § 9038(a). The Commission approved the Interim Audit Report on September 30, 1993, and the Committee responded to it on December 13, 1993. On April 21, 1994, the Commission approved the Final Audit Report. The Final Audit Report found that the Committee paid \$3,235 for money orders that it lost. The Committee's repayment ratio, as calculated under 11 C.F.R. § 9038.2(b)(2)(iii), is 43.0829%. Therefore, on April 21, 1994, the Commission made an initial determination that the Committee must repay \$1,394 ( $\$3,235 \times 43.0829\%$ ) to the United States Treasury for non-qualified campaign expenses that were disbursed for the lost money orders.<sup>1/</sup> Attachment 2. The Committee did not dispute the initial repayment determination, and it made its repayment on January 3, 1994.<sup>2/</sup>

During the audit, the Committee presented documentation which, on its face, appeared to satisfy the documentation requirements under 11 C.F.R. § 9033.11(b). However, subsequent to the Commission's audit fieldwork, information was received that raised questions about the legitimacy of payments to certain

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<sup>1/</sup> The Commission declined the Committee's April 20, 1994 Request to "postpone a decision on the Final Audit Report until the Committee has had an opportunity to provide the Audit Division with evidence responding to certain entirely new findings which were not contained in the Interim Audit Report." Attachment 14.

<sup>2/</sup> The Committee's first check, dated November 4, 1993, was returned by the bank because the Committee had insufficient funds in its account. However, the Committee submitted a replacement check on January 3, 1994.

vendors. These questions were not addressed in the Final Audit Report and, therefore, were not used as a basis for the initial repayment determination of \$1,394. Consequently, on July 28, 1994, the Commission decided to hold the final repayment determination in abeyance pending further inquiry pursuant to 11 C.F.R. § 9039. On August 25, 1994, the Commission notified the Committee of the Legal and Factual Basis for the Commission's decision to open the inquiry. See Attachment 1.<sup>3/</sup>

Pursuant to 11 C.F.R. §§ 9039.3(b)(2)(v) and (vi), the Commission issued a subpoena to the Committee to produce documents and to answer written questions that would address the allegations made against the Committee. The information was due on May 22, 1995. The Committee failed to submit the documentation on that date.<sup>4/</sup> In addition, the Commission issued a subpoena to the Committee's treasurer, Francine Miller, for testimony by

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3/ On August 25, 1994, the Committee filed a petition seeking judicial review of the Commission's decision to conduct an inquiry under 11 C.F.R. § 9039 and the Commission's decision to hold the final repayment determination in abeyance. Fulani v. FEC, D.D.C. No. 94-1593. On February 9, 1995, the court granted the Commission's Motion to Dismiss the Committee's complaint on the ground that there was no final agency action. Id.

4/ The Committee filed a Motion to Quash the subpoena issued to it, which the Commission denied. Attachment 48. On May 23, 1995, the Committee submitted an affidavit and several documents in response to the subpoena. Attachment 49. However, this submission failed to fully comply with the subpoena. The Commission filed a petition to enforce the subpoena on June 13, 1995. Attachment 52. On June 22, 1995, the Committee notified the Commission that it intended to fully comply with the subpoena and answer the written questions. See Attachment 53. On July 10-14, 1995, the Commission conducted an on-site inspection of the Committee's records. The information obtained during that inspection will be considered in making a final repayment determination and analyzed in a statement of reasons. See 11 C.F.R. § 9038.2(c)(4).



deposition and the campaign manager, Fred Newman, for documents and testimony by deposition. 11 C.F.R. § 9039.3(b)(2)(vii). The depositions were scheduled for May 25, 1995 and May 26, 1995, respectively. However, the Committee's treasurer and campaign manager refused to appear for the depositions, as ordered in the subpoenas. Both invoked the Fifth Amendment of the United States Constitution privilege against self-incrimination, as well as other grounds, as the basis for refusing to appear for the depositions.<sup>5/</sup>

The Commission also sought information from the vendors, former campaign workers, individuals to whom the Committee reported disbursing funds, and the Committee's campaign depository. 11 C.F.R. § 9039.3(b)(2)(iv). Subpoenas were issued to 16 vendors, as well as other individuals, and the Committee's campaign depository. The Committee's campaign depository, Amalgamated Bank of New York, complied with the subpoena as did several of the vendors. Some of vendors have provided only very limited material in response to the subpoenas. However, on May 31, 1995, the court issued an order requiring the vendors to comply in full with Commission's subpoena.<sup>6/</sup> FEC v. Automated

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<sup>5/</sup> A blanket assertion of the privilege against self-incrimination is not proper. See, e.g., Moll v. U.S. Life Title Ins. Co. of New York, 113 F.R.D. 625 (S.D.N.Y. 1987). The Office of General Counsel therefore made a proposal to Miller and Newman whereby they would swear under oath in an affidavit invoking the privilege with respect to specific written questions. Initially Newman and Miller agreed to sign the affidavits. However, they refused to sign the affidavits after reviewing the questions.

<sup>6/</sup> The vendors filed an appeal to stay the district court's order. However, on June 13, 1995, the Second Circuit Court of Appeals denied the vendors' request to stay the order.

Business Services et al., No. M8-85, 1995 WL 324766 (S.D.N.Y.  
May 31, 1995)

### III. SUMMARY OF ALLEGATIONS

In general, it is alleged that Fred Newman used a network of vendors and other entities he controlled to funnel Committee funds to himself. Newman was Lenora Fulani's campaign manager for the 1992 presidential election. In addition to managing her campaign, he allegedly has controlled a number of organizations through an umbrella organization named the International Workers Party ("IWP"). Attachment 13 at 14. It appears that these entities are interconnected with common staff and involved personnel. There reportedly is a select group of members called the "Central Committee." Id.<sup>7/</sup> In the context of this investigation, Kellie Gasink stated that Newman meets with members of the Central Committee to discuss the "political direction for the next two years" and to provide in-depth financial reports at the biennial national meetings of the IWP. Attachment 13 at 5, 11. Gasink stated that this information is then passed to the general membership by members of the Central Committee. Id. at 14-15.

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<sup>7/</sup> Among others, Kellie Gasink, a former Committee volunteer, identified the following individuals as current or former members of the Central Committee: Doug Balder, Christopher Barclay, David Belmont, Arthur Block, Betty Braun, Madelyne Chapman, Hazel Daren, Gail Elberg, John Fraire, Alvaader Frazier, Mary Fridley, Bob Friedman, Dan Friedman, Lenora Fulani, Emily Gay, Bonnie Gilden, Phyllis Goldberg, Debra Green, Michael Hardy, Lois Holzman, Shelly Karliner, Mike Klein, Harry Kresky, Gabrielle Kurlander, Robert Levy, Reinaldo Lugo, Susan Massad, Francine Miller, David Nackman, Eddy Patuto, Judy Penzer, Mark Picard, William Pleasant, Hugh Polk, Mary Rivera, Freda Rosen, Nancy Ross, Jacqueline Salit, Gary Sinawski, Cathy Stewart, Diane Stiles, Gloria Strickland, Barbara Taylor, Gen Torres and Linda Young. Attachment 58.

The IWP apparently founded the NAP in 1979.<sup>8/</sup> Id. at 21; cf. Attachment 4 at 3. During the course of this investigation, Gasink alleged that Newman "control[s] every aspect of what that party did," including manipulating the finances between his organizations. Id. at 22; see also Attachment 4 at 3. It is alleged that certain vendors controlled by Newman overcharged the Committee for work they performed or were paid even though they did not actually provide any goods or services to the Committee.

Nearly one quarter of the Committee's total primary expenses were paid to organizations that share offices, phones and leadership with the NAP. However, it is alleged that most of these organizations exist only on paper as bank accounts. Although the Committee paid these businesses nearly \$1 million, they allegedly delivered almost no goods or services to the Committee. According to the allegations, the expenses billed to the Committee were either inflated or were fabricated.

It is also alleged that Newman took money from the Committee through the use of fake salaries and reimbursements from individuals. It is alleged that some of the Committee's employees that were reported as receiving reimbursements from the Committee did not actually receive the payments.

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<sup>8/</sup> The IWP purportedly was disbanded in 1979, the year the New Alliance Party was formed. Attachments 4 at 3; 13 at 18. However, it is alleged that the IWP did not disband; rather it went "underground." Attachments 4 at 3; 13 at 19. Gasink claims that the IWP has approximately 300 members nationwide, most of whom are in New York City. She further alleges that members of the IWP nominally own and operate a number of "businesses" in New York City. She also alleges that other IWP members are assigned to work at these entities, sometimes for pay and other times as volunteers. Attachment 4 at 3-4.

#### IV. USE OF PUBLIC FUNDS - DISBURSEMENTS TO VENDORS

##### A. Legal Framework

A qualified campaign expense is a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value that is incurred by or on behalf of the candidate or his or her authorized committees from the time he or she becomes a candidate until his or her date of ineligibility; that is made in connection with his or her campaign for the nomination; and does not violate the law. 11 C.F.R. § 9032.9(a). All contributions and all matching payments received by a candidate may be used only to defray qualified campaign expenses or to repay loans or otherwise restore funds which were used to defray qualified campaign expenses. 11 C.F.R. § 9034.4(a)(1). If any amount of the federal matching funds paid to a candidate was used for any purpose other than to defray qualified campaign expenses, the committee is required to repay a pro rata portion to the United States Treasury. 26 U.S.C. § 9038(b)(2); 11 C.F.R. § 9038.2(b)(2)(iii).

As a condition precedent to receiving public funds, the candidate agreed to "furnish to the Commission all documentation relating to disbursements and receipts including any books, records . . . and other information the Commission may request." 11 C.F.R. § 9033.1(b)(5); Attachment 3. The Commission's regulations provide that the candidate has the burden of proving that disbursements made by the candidate or his or her authorized committee(s) are qualified campaign expenses. 11 C.F.R. § 9033.11(a). To satisfy his or her burden of proving disbursements are qualified campaign expenses, the candidate is required to submit certain documentation for each disbursement. 11 C.F.R. §§ 9033.11(b)(1) and (b)(2). If a committee submits the documentation accounting for its use of public funds, the Commission may not reject the candidate's proof, absent an adequate reason. See Robertson v. FEC, 45 F.3d 486, 493 (D.C. Cir. 1995) ("While recipients of matching funds bear the burden of accounting for, allocation and documentation of campaign expenses, the agency cannot reject uncontroverted documentation relevant to state expenditure limits.").

In addition to the documentation required under 11 C.F.R. § 9033.11(b), a committee may be required to submit any evidence or other information the Commission may request regarding qualified campaign expenses. 11 C.F.R. §§ 9033.1(b)(3), 9033.11(a). The Commission's regulations contemplate that committees that receive federal matching funds will provide truthful and accurate documentation to demonstrate their expenses are qualified campaign expenditures. Cf., U.S. v. Durenberger,

48 F.3d 1239, 1244 (D.C. Cir. 1995) (Senate rules requiring vouchers to be submitted with requests for travel reimbursement "contemplate that persons traveling on Senatē business will support their requests for reimbursement with truthful vouchers and accurate supporting receipts."). When questions arise concerning the legitimacy of expenditures, the Commission may request more than the minimum documentation required under 11 C.F.R. § 9033.11(b) to verify that the expenditures are qualified campaign expenses. See 11 C.F.R. § 9039.3(a)(2); cf. U.S. v. Durenberger, 48 F.3d 1239. The fact that a committee has submitted information as part of the audit under 26 U.S.C. § 9038(a) does not preclude the Commission from requesting additional information regarding qualified campaign expenses. FEC v. Automated Business Services et al., No. M8-85, 1995 WL 324766, at 8 n.4 (S.D.N.Y. May 31, 1995) (an entity investigated cannot give only the information that it may choose to offer; "[u]sually it is the information which is not offered, that forms the basis for scrutiny when illegal practices are in question") (quoting NLRB v. United Aircraft Corp., 200 F. Supp. 48 (D. Conn. 1961), aff'd, 300 F.2d 442 (2d Cir. 1962)). If a committee refuses to provide any evidence the Commission may request regarding qualified campaign expenses, then the committee will not be deemed to have met its burden in demonstrating that the expenditures are qualified campaign expenses. 11 C.F.R. § 9033.11(a). Therefore, the Commission may seek a pro rata repayment for expenses that were not adequately documented. 11 C.F.R. §§ 9038.2(b)(3), 9039.3(a)(2).

Not only does a committee have the burden of demonstrating expenditures are qualified campaign expenses, but the refusal to comply with subpoenas may be used against it in the administrative process. The trier of fact may draw a negative or adverse inference from the invocation of the Fifth Amendment privilege against self-incrimination. See, e.g., Baxter v. Palmigiano, 425 U.S. 308, 318-19 (1975) ("Failure to contest an assertion . . . is considered evidence of acquiescence" . . . if it would have been natural under the circumstances to object to the assertion in question.") (citations omitted).<sup>9/</sup> This is particularly true in the context of an administrative subpoena. In International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) v. NLRB, 459 F.2d 1329 (D.C. Cir. 1972), the court concluded that

the adverse inference rule plays a vital role in protecting the integrity of the administrative process in cases where a subpoena is ignored. . . . The adverse inference rule allows a tribunal to attach weight to a party's intransigence without resorting to the awkward enforcing process. It permits vindication of the tribunal's authority to situations where vindication might, as a practical matter, be impossible otherwise. . . . [T]he tribunal simply utilizes the commonsense inference that if the evidence would do the suppressing party any good, he would readily produce it.

UAW, 459 F.2d at 1338-39.

<sup>9/</sup> An adverse inference may be drawn even from a non-party's assertion of the privilege. See FDIC v. Fidelity & Deposit Co. of Maryland, 45 F.3d 969, 977 (5th Cir. 1995); United States v. District Council of New York City & Vicinity, 832 F. Supp. 644, 551 (S.D.N.Y. 1993) (citing Brink's Inc. v. City of New York, 717 F.2d 700 (2d Cir. 1983)).

The invocation of the Fifth Amendment privilege against self-incrimination is evidence that the allegations of fraud are true. See Baxter, 425 U.S. at 319. Indeed, a party's silence is "evidence of the most persuasive character" that the allegations are true. United States ex rel Bilokumsky v. Tod, 263 U.S. 149, 153-54 (1923), quoted in Baxter, 425 U.S. at 319. And the adverse inference is even more compelling when the privilege is claimed in response to subpoenas for information. UAW, 459 F.2d 1329.

[T]he willingness of a party to defy a subpoena in order to suppress the evidence strengthens the force of the pre-existing inference. . . . If a party insists on withholding evidence even in the face of a subpoena requiring its production, it can hardly be doubted he has some good reason for his insistence on suppression. Human experience indicates that the most likely reason for this insistence is that the evidence will be unfavorable to the cause of the suppressing party.

Id. at 1338.

Thus, when there are allegations of fraud regarding a committee's disbursements, the Commission may request additional information from the committee. If the Committee fails to provide documentary evidence to rebut the allegations, then the committee will be deemed not to have met its burden of demonstrating that the disbursements are qualified campaign expenses. If committee staff refuse, based on the Fifth Amendment privilege against self-incrimination, to provide testimonial evidence to refute the allegations, the Commission may infer that the allegations are true. Based on this inference, the Commission may make an initial determination that the disbursements are non-qualified campaign expenses and seek a pro rata repayment.



**B. Discussion**

The Commission has made an initial determination that the Committee must repay \$381,171.96 to the United States Treasury for the failure to adequately demonstrate the disbursements made to certain vendors are qualified campaign expenses. The Commission received information alleging that the Committee was involved in a plan to overpay certain vendors or to pay these vendors for goods and services that were not actually provided. In addition, the Commission has information showing that the Committee was connected to the vendors in question, and therefore, could have been in a position to overpay the vendors for goods and services. For example, the Committee paid many of the vendors on a retainer basis. The Committee paid monthly retainers to Fred Newman Productions for consulting services, Automated Business Services for payroll services, Ilene Advertising for advertising and public relations services, International Peoples' Law Institution for legal services, and Castillo Communications for public relations services. Based on a review of the documents submitted by these vendors, it appears that the Committee's disbursements constitute a large percentage of the vendors' income, and that they did not have significant numbers of clients other than the Committee. Furthermore, in most cases, after the Committee began paying retainers, it appears the Committee no longer received itemized bills for the services. In addition to the monthly retainers, the Committee often paid the vendors additional retainers or back-retainers, usually without explanations. Finally, even though the Committee kept the vendors on retainer from September

1991 through August 1992, the retainer amounts do not correspond to any primaries or distinct campaign events. Rather, the retainers apparently provided a steady source of income from the Committee's bank account to all the Newman-related companies.

The Committee has the burden of demonstrating that the disbursements are qualified campaign expenses. 11 C.F.R. § 9033.11(a). However, the minimum documentation that was submitted in response to the audit, such as invoices from the vendors stating the purpose of the disbursements, is not sufficient to refute the allegations of fraud. 11 C.F.R. § 9033.11(a)(1); cf., U.S. v. Durenberger, 48 F.3d at 1244. For example, an invoice from the vendor stating the purpose of an expenditure does not address the question of whether the amount paid by the Committee was equal to the value of the goods or services that were provided. Therefore, pursuant to 11 C.F.R. § 9039.3(a)(2), the Commission requested additional documentation from the Committee and testimonial evidence from its treasurer and campaign manager to address the allegations of fraud.

Although the Committee agreed to provide information when requested by the Commission as quid pro quo for receiving public funds, the Committee failed to submit the documentation when it was due under order of subpoena on May 22, 1995. See 11 C.F.R. § 9033.1(b)(5); see also 11 C.F.R. §§ 9039.3(b)(2)(v) and (vi). Therefore, the Committee failed to meet its burden in demonstrating that the expenditures are qualified campaign

expenses. 11 C.F.R. § 9033.11(a).<sup>10/</sup> In addition, since the Committee's treasurer and campaign manager have refused to give testimonial evidence by invoking the privilege against self-incrimination, the Commission has inferred that the allegations against the Committee of overpayments to certain vendors are true. Baxter, 425 U.S. at 318-19. Therefore, the Commission has made an initial determination that the Committee must make a pro rata repayment of \$381,171.96 to the United States for nonqualified campaign expenses representing the total disbursements to the vendors in question. 26 U.S.C. § 9038(b)(2).

1. Connection of Vendors to the Committee

The following organizations, which received disbursements from the Committee, also are allegedly controlled by Newman: Automated Business Services ("ABS"), Cakim Management, Castillo Communications, Castillo Cultural Center, Castillo International, Fred Newman Productions, Ilene Advertising, International Peoples' Law Institution ("IPLI"), Musicruise, the National Alliance, New Alliance Productions, Newman & Braun, and Rainbow Lobby.<sup>11/</sup> Collectively, these 13 organizations were paid \$923,830.70 by the

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<sup>10/</sup> The Committee made documents available for an on-site inspection on July 10-14, 1995. The information obtained during that inspection will be considered in making a final repayment determination and analyzed in a statement of reasons. See 11 C.F.R. § 9038.2(c)(4).

<sup>11/</sup> Other alleged Newman-controlled entities include the Barbara Taylor School, the East Side Center, the East Side Institute, and the Community Literacy Research Project. Attachment 13 at 1-3, 69. While Newman is not the listed director of all these entities, he allegedly controls their bank accounts and directs their functions.

Committee, or 22% of the Committee's total disbursements.<sup>12/</sup> Fred Newman is a partner in Newman & Braun and is identified as president of Castillo International on its bank records. He is also a partner in Fred Newman Productions (as indicated on its tax returns for 1991 through 1994), and is identified as a "senior editor" on July 1994 editions of the National Alliance. Furthermore, he is executive director of, and writes and directs the plays shown at, the Castillo Cultural Center, according to Gasink.

Several of the alleged Newman-controlled vendors have dissolved since being paid by the Committee, including two that dissolved after receiving, but before complying with, the Commission's subpoenas to produce documents. Eleven of the 13 entities are or were located at just two addresses. At the time they received payments from the Committee, five vendors were located at 500 Greenwich Street, New York (Cakim Management, Castillo Communications, Castillo Cultural Center, Castillo International, the National Alliance); and six vendors, in addition to the Committee itself, were located at 250 West 57th Street, New York (Automated Business Services, Fred Newman Productions, Ilene Advertising, IPLI, Musicruise, New Alliance Productions).

Committee staff are also connected to the alleged Newman-controlled vendors whose transactions with the Committee

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<sup>12/</sup> Six of the entities that received funds from the Committee had no listing in the 1992-93 NYNEX Manhattan White Pages (ABS, Cakim Management, IPLI, Fred Newman Productions, and Newman & Braun). Attachment 4 at 6.

were a subject in this inquiry. For example, Francine Miller is the Committee's treasurer. Records submitted by Rainbow Lobby also identify her as a secretary and director of Rainbow Lobby in 1991.

Cathy Salit was also listed as the "president" and a "principal owner" of the Committee's bank account. She was listed as "president and director" of Cakim Management; she was also identified as a partner in ABS and a shareholder in Fred Newman Productions, as well as a director and secretary of Fred Newman Productions on its certificate of dissolutions, dated December 29, 1994. She was also identified as the treasurer of Castillo International and the secretary of New Alliance Productions on documents received from that vendor's bank. Finally, according to Gasink, Cathy Salit also worked at the Castillo Cultural Center during the campaign.

The Committee's only known campaign depository, Amalgamated Bank of New York, was opened on March 6, 1991 and was closed on November 30, 1993.<sup>13/</sup> Francine Miller was listed with Cathy Salit as principal owners of the Committee's bank account. They both had signature authority, as did Deborah Hoffman. According to the Committee's bank records, Deborah Hoffman was the Committee's secretary.

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<sup>13/</sup> Candidates are required to deposit all matching funds they receive into a checking account maintained by the candidate's principal campaign committee in the depository designated by the candidate. 11 C.F.R. § 9037.3. Such an account must be maintained at a State bank, federally chartered depository institution or other depository institution, the deposits of which are insured by the Federal Deposit Insurance Corporation. Id.

Jacqueline Salit was assistant to and spokesperson for Fulani, was Deputy Campaign Manager and is the executive editor of the National Alliance. Attachment 5. Moreover, documents received from the vendors' bank identify her as secretary and vice president of Castillo International and president of New Alliance Productions. Gasink identified her as a member of the IWP Central Committee.

Jini Berman, according to Gasink, was an IWP "security officer" who also worked out of the national campaign office. Attachment 13 at 24. She was paid a total of \$21,445.95 by the Committee, primarily for "payroll" and various reimbursements. Castillo Communications' records show that she was a partner in 1991. Rainbow Lobby lists her as treasurer and director in its 1991 tax return. She is also connected with Newman & Braun, who listed her under "Liabilities, Loans" on its "Trial Balance" for October 31, 1993.<sup>14/</sup> She was listed as a "principal owner" and secretary/treasurer on the bank records of Castillo Cultural Center and as the treasurer and a "principal owner" on New Alliance Productions' bank account.

According to Gasink, Cathy Stewart was in charge of the national campaign office at West 72nd Street, New York and was a

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<sup>14/</sup> Some of the documents submitted by some of the Committee's vendors were titled "Trial Balance". These documents lists the vendor's assets, liabilities, and other financial information and appears to be done on a monthly basis. See, e.g., Attachment 24. A trial balance is "a listing of debit and credit balances of all ledger accounts . . . generally taken at the end of an accounting period to check as to whether all entries have been made in both debit and credit accounts." Black's Law Dictionary 782 (Abridged 5th ed. 1983).

member of the IWP central committee. Cathy Stewart's name appears as a second signature on the backs of several committee checks written to other individuals.

It was alleged that the Committee's national telemarketing effort, which occurred at the national office, was under the charge of Shelly Karliner, and that Robert Levy was a consultant for the telemarketing. Attachment 13 at 29, 31-33. Robert Levy was employed by Fred Newman Productions, according to the Committee's disclosure reports. He is also connected to Ilene Advertising.<sup>15/</sup> His name is also associated with Rainbow Lobby on a Rainbow Lobby "Trial Balance."

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<sup>15/</sup> One of the Committee's vendors, Enterprise Press, sent an invoice to Ilene Advertising, to the attention of Bob Levy.

## 2. Automated Business Services

Automated Business Services ("ABS") received 33 payments from the Committee from March 28, 1991 to September 22, 1992, totaling \$54,400. The purposes of these disbursements were reported as payments for accounting and payroll services, and retainers. ABS counsel stated that ABS is a partnership that provides "computer-based general ledger and payroll related services to small businesses," including the Committee. Attachment 6 at 3.<sup>16/</sup> It appears that ABS has ties to other apparent Newman-related organizations. ABS's 1992 federal tax return identified the partners as Edward Costa, whose profit sharing was 85%, and Cathy Salit, whose profit sharing was 15%. Attachment 21 at 4, 6.<sup>17/</sup>

Gasink alleged that ABS did not do any work for the campaign. She also stated that ABS provided payroll services to Newman organizations but had no personal knowledge of whether ABS provided any services to the Committee. Attachment 13 at 91-93. During the audit, the Committee presented a letter agreement between the Committee and ABS, dated August 20, 1991, confirming that ABS would provide payroll services to the Committee for \$3,750 per month. Attachment 22. However, there is no documentation proving that the services were actually provided to

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<sup>16/</sup> The Commission's subpoena to ABS was initially returned to the Commission by the United States Postal Service as undeliverable. After several other vendors received Commission subpoenas, ABS counsel, Harry Kresky, contacted the Office of General Counsel to inquire whether a subpoena should have been served on ABS as well.

<sup>17/</sup> ABS's tax returns for 1993 reported Costa's profit sharing to be 100% and Salit's to be 0%. Costa was also paid \$800 by the Committee for "inputting services" and "travel/subst reimb. - NH."



the Committee or, if they were, that the amount paid was reasonable.<sup>18/</sup>

### 3. Cakim Management

The Committee made one disbursement to Cakim Management for \$15,000 on October 19, 1992. The purpose indicated was "ballot access/Midwest." The Committee apparently requested Cakim Management to perform ballot access work because the "National Voter Outreach" was behind in all the petitioning drives. Attachment 7. This request was followed by a letter agreement on July 23, 1992 memorializing Cakim Management's agreement to "develop an emergency plan for the region," arrange travel and lodging, and manage the effort in return for the Committee's payment of a \$2,100 fee, plus expenses. This agreement was subsequently amended to add another state to the effort and to increase the charge by \$700. On August 20, 1992, Cakim Management submitted an invoice to the Committee for \$2,800; a second invoice for an additional \$12,322 followed on September 15, 1992. The total due at that time was \$15,122.

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<sup>18/</sup> In the alternative, ABS may have made a contribution to the Committee if the Committee did not pay the full amount it owed to this vendor. See 11 C.F.R. § 9032.9(a). Although the agreement specifies that the Committee would pay ABS \$3,750 per month, ABS was paid an average of \$3,500 per month beginning in August 1991 when the agreement was signed through September 1992. Over the entire time it received payments from the Committee, March 28, 1991 to September 22, 1992, the average monthly payment was \$2,842.10.

In the context of this investigation, Gasink alleged that Cakim Management did not actually exist and that it never provided any goods or services to the Committee. Attachment 13 at 33a, 40; see also Attachment 4 at 5. Information obtained to date casts doubt on the existence of Cakim Management. According to the Committee's reports and letterhead from "Cakim Management," it was located at 500 Greenwich Street. However, the receptionist at that address, the Castillo Cultural Center, stated that she had never heard of Cakim Management. Attachments 4 at 6 and 13 at 40.

Nevertheless, Cakim Management submitted documents in response to the Commission subpoena that indicate it was incorporated on August 22, 1991 and that it was dissolved on or about December 30, 1994. There is no indication in its certificate of incorporation that the purposes of the corporation included ballot access work. See Attachment 20. Assuming it did exist, its dissolution occurred several months after Cakim Management received the Commission subpoena, but prior to its partial compliance with the subpoena. No documents were submitted that proved work was actually done by Cakim Management on behalf of the Committee.

Furthermore, documentation obtained by the Commission indicates there is a direct connection between the Committee and Cakim Management. For example, records submitted by this vendor indicate that the president and director was Cathy Salit, who was also listed as the Committee's "president" on its bank account.

Attachments 18 at 1; 19 at 1, 3.<sup>19/</sup> In addition, the correspondence on behalf of the Committee and Cakim Management was conducted by David Belmont and Gabrielle Kurlander, respectively. David Belmont is connected also to Fred Newman Productions (partner), Castillo International (appears on "Trial Balance" under "Long-term Liability, Note Payable"), IPLI (appears on "Trial Balance" under "Liabilities, Loans, Lns Pay"), and Castillo Communications (notarized its amended business certificate). Gabrielle Kurlander was also identified as senior editor on a July 1994 edition of the National Alliance. Kim Svoboda signed the designation of counsel form on behalf of Cakim Management; she was also on the staff of the National Alliance in July 1994. Although the Committee reported the purpose of the \$15,000 disbursement to Cakim Management to be ballot access, ballot access was not one of the functions Cakim Management was incorporated to conduct.

#### 4. Castillo Communications

The Committee made 54 payments to Castillo Communications from April 4, 1991 to August 20, 1992, totaling \$225,337. The purposes the Committee listed for these payments included public relations expenses, retainer, back retainer, and hotline expenses. Gasink testified that Castillo Communications actually did work for the Committee. See, e.g., Attachment 13 at 65. However, the Committee has not provided information to demonstrate that the

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<sup>19/</sup> The Committee paid Cathy Salit a total of \$33,115.08 from March 21, 1991 to August 28, 1992, primarily for "payroll." Other disbursements were made to her for "reimb. travel expenses" (\$300), "campaign coordinator expenses" (\$800), "reimb. misc. expenses" (\$800), "reimb. camp. coord. expenses" (\$800), "reimb. travel/misc. expenses" (\$800), "campaign coordinator expenses" (4800), and "reimb. campaign expenses" (\$395.50).

amount the Committee paid was appropriate for the work done.

Gasink also alleged that the amount billed by Castillo Communications for the services was inflated, given that Castillo Communications had no salaries and no overhead expenses. Its circumstances -- for example, sharing Castillo Cultural Center's location and the lack of paid employees -- meant that Castillo Communications incurred few expenses in performing work for the Committee. In particular, Gasink noted that the phone bill and fax were billed separately to the Committee. Moreover, partners and former partners in Castillo Communications were paid a total of \$28,223.39 by the Committee.<sup>20/</sup> The reported purposes of the disbursements to partners in Castillo Communications included reimbursements for, among others, phone bills, travel, office supplies, clerical services, payroll, and reception services.<sup>21/</sup>

The evidence shows that the Committee made disbursements to Castillo Communications and individuals who were partners and former partners in Castillo Communications. However, the

<sup>20/</sup> There have been a number of partners in Castillo Communications, but it appears that the only ones who had a percentage of profit sharing in 1991 and 1992 were Madelyn Chapman (60%) and Jeannine Hahn (40%). The Committee's contributor disclosure reports identify Chapman as a publicist at Castillo Communications; Hahn is identified as an unemployed bookkeeper.

<sup>21/</sup> Other individuals who are connected to Castillo Communications and other alleged Newman-controlled organizations include: Doug Balder (Castillo Cultural Center, IWP central committee), David Belmont (the Committee, Cakim Management, Castillo International, Fred Newman Productions, IPLI, IWP central committee), Jini Berman (the Committee, Newman & Braun, Rainbow Lobby, IWP), Madelyn Chapman (Castillo Cultural Center, IWP central committee), Melissa Fisher (the Committee, the National Alliance), Margo Fletcher Grant (the National Alliance), Jeannine Hahn (the Committee), Tara Lewis (the Committee), Elaine Mannheimer (Castillo Cultural Center, Castillo International, Fred Newman Productions, Musicruise), and Annie Roboff (the Committee).

Committee's descriptions of the purposes of these disbursements are not detailed enough to determine that the payments to Castillo Communications and the individuals were not for the same purposes.

#### 5. Castillo Cultural Center

The Castillo Cultural Center apparently is the main occupant of 500 Greenwich Street and includes a wide variety of activities. It received 29 payments from the Committee from April 19, 1991 to September 14, 1992, totaling \$14,102. The reported purpose for the disbursements was "fundraising." According to counsel for Castillo Cultural Center, the Committee paid the Castillo Cultural Center for production of materials, for theater tickets, and for the use of facilities in conjunction with fundraising events. Attachment 6 at 3.<sup>22/</sup>

It appears that Castillo Cultural Center has ties to other apparent Newman-related organizations. It shares an address with five other organizations to which the Committee disbursed a total of \$329,589.90.<sup>23/</sup> Furthermore, the executive director of the Castillo Cultural Center was the Committee's campaign manager, Fred Newman. Id. at 36.<sup>24/</sup>

<sup>22/</sup> Gasink alleged that the Castillo Cultural Center did not do any work for the campaign. However, she also stated that several Committee fundraisers were held at the Castillo Cultural Center. Attachment 13 at 45, 47, 50.

<sup>23/</sup> This total includes the following vendors: Cakim Management (\$15,000), Castillo Communications (\$225,117), Castillo Cultural Center (\$14,000), Castillo International (\$410.40), and the National Alliance (\$75,062.50).

<sup>24/</sup> Other individuals who have ties to Castillo Cultural Center, as well as to other apparent Newman-related organizations include Doug Balder (Castillo Communications, IWP central committee), Arthur Block (IPLI, Ilene Advertising, Rainbow Lobby, IWP central committee), Madelyn Chapman (Castillo Communications, IWP central

Castillo Cultural Center's "trial balances" and "income statements" do not reflect income consistent with the Committee's payments. For example, in August 1991, the Committee made two disbursements to the Castillo Cultural Center for theater rental, totaling \$775; the income statement for the period ending August 31, 1991, however, indicates Castillo Cultural Center received \$405 for theater rental in that period. Similarly, in October 1991, the Committee made three payments for rental (\$675, \$100, \$675); Castillo Cultural Center's "trial balance," though, shows theater rental income of \$100 for the same period. For 1992, none of Castillo Cultural Center's "trial balances" for January, February, and September show theater rental, although the Committee had made three disbursements to Castillo Cultural Center totaling \$2,075 in January, one payment of \$675 in February, and two payments totaling \$1,350 in September. This information lends credence to the allegation that the finances may have been manipulated. Although the vendor's income statements do not reflect the receipt of payments from the Committee, canceled Committee checks show that the checks were presented for payment and public funds were spent. See 11 C.F.R. § 9033.11(b)(1).

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(Footnote 24 continued from previous page)  
committee), Gail Elberg (IWP central committee), Emily Gay (the Committee, the National Alliance, IWP central committee), Nancy Green (the National Alliance, IWP central committee), Lois Holzman (the Committee, IPLI, the National Alliance, IWP central committee), Elaine Mannheimer (Castillo Communications, Castillo International, Fred Newman Productions, Musicruise), Judy Penzer (IWP central committee), Hugh Polk (Fred Newman Productions, Newman & Braun, IWP central committee), Cathy Salit (the Committee, ABS, Cakim Management, Fred Newman Productions), and Diane Stiles (the Committee, the National Alliance, IWP central committee).

However, since there is a discrepancy in the amount of the funds that were disbursed to Castillo Cultural Center for "fundraising," public funds may have been used to defray expenses that were not related to "fundraising."

#### 6. Castillo International

The Committee reported four disbursements to Castillo International from March 10, 1992 to September 4, 1992, totaling \$410.40, for the purchase of books. It was alleged that the books and tapes published by Castillo International were not campaign-related. Attachment 13 at 64. Also, Castillo International's "trial balance" sheets directly connect Castillo International to other individuals and organizations allegedly controlled by Newman. There are notes payable to Belmont (the individual who corresponded with Cakim Management on behalf of the Committee), E. Mannheimer (the contact person for the Committee's Musicruise fundraisers), F N Productions (Fred Newman Productions),<sup>25/</sup> N. Ross (president of Rainbow Lobby), and H. Kresky (counsel to the vendors and a former partner in IPLI). See, e.g., Attachment 24 at 1, 5.<sup>26/</sup>

In addition, the amount invoiced by Castillo International and the amount paid by the Committee are not consistent. Documentation submitted by Castillo International in partial

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<sup>25/</sup> Fred Newman Productions is also listed on the "Trial Balance" for June 30, 1991 under "Properties."

<sup>26/</sup> Portions of these documents were redacted by the vendor on the ground that it "would disclose the name of a person or entity with whom the vendor did business." Attachment 6 at 2.

compliance with the Commission subpoena issued to it included nine invoices from Castillo International to the Committee during the period from January 16, 1992 to October 1992, totaling \$1,393.84, Attachment 25,<sup>27/</sup> as compared to the Committee's four payments totaling \$410.40.<sup>28</sup> Again, there is a discrepancy in the amount of public funds that were used for the purpose reported by the Committee.

#### 7. Fred Newman Productions

Fred Newman Productions ("FNP") received 15 payments totaling \$68,925 during the 1992 primary election. The Committee reported that FNP provided consulting services to the Committee. FNP was paid a monthly retainer of approximately \$6,000 from September 1991 through August 1992. Gasink alleged that FNP overbilled the Committee or billed the Committee for work that was never done.

In its federal tax returns, FNP describes itself as a management and entertainment production company. See, e.g., Attachment 30 at 2, 5.<sup>29/</sup> The available documentation suggests that FNP was a Newman-related organization since it shared officers or

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<sup>27/</sup> Portions of this document were redacted by the vendor on the ground that it "would disclose the name of a person or entity with whom the vendor did business." Attachment 6 at 2.

<sup>28/</sup> The difference between the amount charged and the amount paid may be an in-kind contribution to the Committee from Castillo International. See 11 C.F.R. § 100.7(a)(1)(iii). The Committee did not report any outstanding debt to Castillo International, nor is there any explanation regarding the disposition of this debt.

<sup>29/</sup> On its "trial balances," FNP lists as its chief asset an item identified as "Let's Get Busy." See, e.g., Attachment 31 at 1. According to Gasink, "Let's Get Busy" was a film produced by FNP and was unrelated to the campaign, although it was produced around the time of the campaign. Attachment 13 at 82-85.



stockholders (Fred Newman, Cathy Salit<sup>30/</sup>) and addresses with other apparent Newman-related organizations. See, e.g., Attachment 27. The shareholders identified in FNP's 1992 tax returns include, among others, Fred Newman (70.88%), Cathy Salit (20%), and Susan Massad (2.4%). On its "Trial Balance" for December 1991, the names listed under "Capital/Owner's Equity" include David Belmont and Harry Kresky, as well as most of the shareholders identified in its 1992 tax return. Attachment 28 at 1-2.<sup>31/</sup>

Other individuals with some connection to FNP and other apparent Newman-related organizations include the following: David Belmont (the Committee, Castillo Communications, Castillo International, IPLI, IWP central committee); Robert Friedman (the Committee, IWP central committee); Robert Levy (Ilene Advertising, Rainbow Lobby); Elaine Mannheimer (Musicruise, Castillo Communications, Castillo Cultural Center, Castillo International, IWP central committee); Susan Massad and Mary Rivera (IWP central committee members); and Barbara Taylor (Rainbow Lobby). Hugh Polk, a partner in FNP, allegedly provided the money to purchase Castillo Cultural Center and shares some connection to Newman & Braun and/or Bette Braun, who gives her address on Newman & Braun's 1992 and 1993 tax returns as "c/o Polk . . . ." Harry Kresky, a former partner in IPLI and counsel to most of the vendors investigated, appears on a FNP "Trial Balance" under "Capital, Owner's Equity." He was also connected to Castillo

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<sup>30/</sup> As explained above, Cathy Salit also has connections to the Committee, ABS, Cakim Management, and Castillo Cultural Center.

<sup>31/</sup> The Committee disbursed a total of \$83,828.99 to these various shareholders and owners.

International and the IWP Central Committee.

Furthermore, on its "Trial Balance" for June 30, 1991 and December 31, 1991, FNP lists Castillo International under "Properties" and "Assets, Loans Receivable," respectively. FNP also was a co-producer with Musicruise of several Committee fundraisers. Attachment 15. FNP claims that it is a management and entertainment company. The Committee paid FNP \$68,925 for consulting services. However, the Committee has not explained the nature of the consulting services that were provided by a management and entertainment company whose major stockholder was the Committee's campaign manager.

### 8. Ilene Advertising

Ilene Advertising ("Ilene") received 61 payments from the Committee totaling \$150,412.23 during the 1992 presidential campaign of Lenora B. Fulani. Based on the available documentation, it appears that Ilene probably provided various services to the Committee, including: production services of fliers and newspaper advertisements; coordination of the placement of newspaper advertisements; and coordination of production of campaign buttons, business cards, pamphlets, and other items that were actually produced by subcontractors.

However, it appears that Ilene has ties to apparent Newman-related organizations. Ilene was incorporated in February 1992.<sup>32/</sup> Attachment 23 at 5. The founder of the company is Ilene Hinden, Attachment 34, who, according to Gasink, was a member of the IWP. Attachment 13 at 65i. She is also listed on a July 1994 masthead of the National Alliance under "Design and Production." Robert Levy, an individual to whom the Committee reported disbursing \$230.00 and who allegedly was a member of the IWP central committee, was also connected to Ilene Advertising. Enterprise Press, a Committee vendor, sent an invoice to Ilene Advertising, to the attention of Bob Levy. He is also connected to Fred Newman Productions and Rainbow Lobby.

At various times, Ilene has listed its address in documents filed with federal tax authorities and state corporate authorities as either 500 Greenwich Street or 250 W. 57th Street, both in New

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<sup>32/</sup> Its incorporation papers were filed by Arthur Block, who is the Committee's designated attorney in the Section 9039 Inquiry.

York City. Attachments 34, 43. Both of these addresses are locations where apparent Newman-related organizations have used space. Ilene's federal tax returns for 1992-93 were prepared by Sam J. Nole, C.P.A., who also prepared tax returns for many of the other apparent Newman-related organizations. See Attachment 43.

The Committee began using Ilene for advertising and public relations services in March 1991, paying Ilene by the project. In November 1991, Ilene began receiving monthly retainer payments of \$2,500. The retainer amount was increased to \$4,000 in January 1992 and to \$5,000 in February 1992. Ilene continued to be paid a monthly retainer of \$5,000 through August 1992. Ilene was also paid a retainer of \$12,000 on January 15, 1992, which apparently was a "back-retainer" payment. Ilene was also paid an "additional retainer" in most months during the campaign. The additional retainers were paid at a rate of \$50/hour worked above the amount of hours required to be worked pursuant to the original retainer. Attachment 44. However, it is unclear what the retainer agreement contemplated in terms of the amount of hours to be worked prior to additional retainer payments being made.

Ilene was also paid for items such as buttons and palm cards, which appear to have been produced by subcontractors to Ilene. In most cases, the underlying contracts with the subcontractors, which were submitted by Ilene in partial response to the

Commission subpoena, indicate that the buttons or palm cards were produced, and that Ilene submitted the bills to the Committee. See, e.g., Attachment 36.

Ilene did not produce a price list of its charges for such services as flier production. Gasink stated that Ilene provides similar services to outside customers, and that the Committee was not Ilene's only customer. Attachment 13 at 65b. Gasink stated that she had inquired of Ilene's prices for a flier unrelated to Committee work and that Ilene's prices seemed reasonable. Id. at 65j. She also indicated that these same prices were available to the Committee. Id. at 65f. However, Gasink also stated that she believed that the overall Committee payments to Ilene seemed excessive considering the amount of work done by Ilene. Id. at 34b.

There is some information indicating that Ilene played a role in producing fliers, buttons, and other items on behalf of the Committee. For example, Ilene submitted some invoices for work performed for the Committee. These invoices were compared to the Committee's disbursement tape, which lists 61 checks totaling \$150,412.23 to Ilene. The invoices submitted by Ilene were compared to the Committee's checks. Thirty-four of the checks, totaling \$73,343.28 (or 49% of the dollar value of checks paid), were matched to the invoices. The remaining 51% were not

supported by invoices provided by Ilene.<sup>33/</sup> In addition, on some of the documentation provided by Ilene, there are handwritten notes apparently written by Committee staff persons demonstrating an interest in the price of certain projects. See, e.g., Attachment 45. Ilene also submitted cost estimates to the Committee on occasion. See, e.g., Attachment 43. Ilene did not state whether it had other customers or what it charged any other customers.

Because Ilene was paid on a retainer basis, it is unknown what the charge was for individual projects. Based on the amounts paid for "additional retainer," Ilene was paid approximately \$50/hour for its services to the Committee, but it is unknown whether this is Ilene's usual charge for its work.

Most of the fliers that Ilene produced for the Committee advertised miscellaneous meetings held at auditoriums in New York City. The fliers state that they were paid for on behalf of the Committee, but they do not expressly mention the 1992 presidential election or any specific primary. See, e.g., Attachment 47. Most of the fliers appear to advertise events for Fulani's local constituency. For example, one of the posters paid for by the Committee concerns the resignation of the local police commissioner and asks, inter alia, "How do we let Mayor Dinkins know our opinions?" Id. at 3. The Commission could not identify the amount paid for the fliers that appear not to have any relationship to the 1992 presidential election because the retainer billings precluded tracking costs of particular projects.

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<sup>33/</sup> It should be noted that, according to the Audit staff, in several instances, the invoice dates were later dates than the check dates for services provided.

The Committee has not explained the basis for changing its payment practice with Ilene to go on a retainer. There is no evidence that the volume of business Ilene had from other customers would require the Committee to pay a retainer to ensure Ilene's availability to the Committee.

#### 9. International Peoples' Law Institution

The International Peoples' Law Institution ("IPLI") received 33 payments totaling \$174,585.03 between March 28, 1991 and October 7, 1992. In addition, it received two more payments after October 7, 1992, bringing the total amount paid by the Committee to \$234,589.48.<sup>34/</sup> The reported purposes of these disbursements were: legal services/ballot access, legal services, retainers, "legal services - CPD case," back retainers, debates case costs. The partners in IPLI were Alvaader Frazier, Arthur Block, Harry Kresky, Gary Sinawski, and Michael Hardy. IPLI's tax return for 1992 reports Block's share of the partnership (percentage of profit sharing, loss sharing, and ownership of capital) to be 33.34%.<sup>35/</sup> Attachment 16 at 8. Sinawski's share in 1992 was 33.33%, *id.* at 10, and Kresky's share was 33.33%. *Id.* at 14. Several of the partners in IPLI also received payments from the Committee, as individuals, totaling \$38,206.68, during the same time frame, for apparently the same purposes.

<sup>34/</sup> Payments totaling \$40,004.45 were made after the LIFO date and would not be subject to a repayment under 11 C.F.R. § 9038.2(b)(2).

<sup>35/</sup> IPLI did not produce documents indicating partnership shares in 1991.

It appears that IPLI and its partners have ties to other apparent Newman-related organizations. According to Committee disclosure reports, IPLI shared an address with the Committee and other apparent Newman-related entities, 250 West 57th Street #317, New York, New York.<sup>36</sup> IPLI submitted only two bills to the Committee covering services purportedly performed over the course of a year and a half. Moreover, during the same time period for which IPLI billed the Committee for work performed by two of its partners, Arthur Block and Gary Sinawski, the Committee also paid "Arthur R. Block, Esq." and "Gary Sinawski, Esq." for various legal services and associated costs. At the time they received payments from the Committee, Block and Sinawski were located at the same address as IPLI.<sup>37/</sup> The Committee also made a payment to the "Law Office" of a third IPLI partner, Harry Kresky, the purpose of which was not reported.<sup>38/</sup> The Committee's counsel, Arthur Block, has provided services, such as filing incorporation and dissolution documents on behalf of Castillo Cultural Center,

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36/ This is the same address provided on IPLI's 1991 federal income tax return. IPLI's 1992 and 1993 income tax returns report IPLI's address as 72 Spring Street, 12th floor, New York, New York. Arthur Block's current address is 72 Spring Street, Suite 1201, New York, New York.

37/ Sinawski's address remains 250 West 57th Street, New York. IPLI reported various addresses for its partners on its federal income tax returns which differed from those provided on the Committee's disclosure reports.

38/ At the time he received payment from the Committee, March 4, 1992, Kresky's address, as provided on the Committee's disclosure reports, was 2032 Fifth Avenue, New York, New York. His current address is 250 West 57th Street, New York, New York. A different address is provided on IPLI's 1992 federal income tax return. See Attachment 16 at 14.



Ilene Advertising, and Rainbow Lobby. Harry Kresky, who is counsel to most of the vendors at issue, has also been connected to Castillo International and Fred Newman Productions, as noted above. Gary Sinawski was a director of Rainbow Lobby in 1991 and 1992. Block, Kresky, and Sinawski have been identified by Gasink as members of the IWP Central Committee. Attachment 58.

The Committee paid a total of \$272,796.16 to IPLI and individual attorneys for reported legal services, portions of which overlap in time and description. Furthermore, IPLI is connected to other apparent Newman-related organizations through location and shared personnel. Therefore, two bills totaling \$234,589 over an 18-month period do not sufficiently demonstrate that the payments were made for qualified campaign expenses.

#### 10. Musicruise

The Committee made nine payments totaling \$1,057 to Musicruise from June 20, 1991 to August 10, 1991 for fundraising expenses.<sup>39/</sup> It appears that Musicruise has ties to other apparent Newman-related organizations. During that time period, the Committee advertised several Musicruise events, co-produced by New Audience Productions and Fred Newman Productions. See Attachment 15.<sup>40/</sup> The Committee's fliers advertising these fundraising events

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<sup>39/</sup> Although the Commission issued a subpoena to this vendor, it has been returned several times as undeliverable.

<sup>40/</sup> The posters at Attachment 15 were provided to the Audit staff during the audit. Dun & Bradstreet reports that New Audience Productions is a corporation located at 155 West 72nd Street, New York whose business is "concert promotion." There is no indication that New Audience Productions is connected to the alleged Newman-controlled entities.

listed Nancy Henschel and Elaine Mannheimer as the contact persons. Id. Gasink testified that Henschel was a member of the IWP. Attachment 13 at 7. Also according to Gasink, Mannheimer was involved with the Castillo Cultural Center, id. at 67-68, and at the Committee's national office. Id. at 77. She also had connections to Castillo Communications, Castillo International, and Fred Newman Productions.

Musicruise's relationship to other Newman organizations indicates that the Committee's payments to Musicruise may have not been for qualified campaign expenses since the same parties were on both sides of a transaction.<sup>41</sup> In addition, there is no evidence to demonstrate that the amount paid was equal to the value of the services provided by Musicruise.

<sup>41</sup> Gasink initially stated that Musicruise did not provide any goods or services to the Committee. However, she subsequently stated that these fundraising events actually occurred. Attachment 13 at 69. Furthermore, there are apparent contemporaneous posters advertising Musicruise events to raise funds for the Committee. See Attachment 15.

### 11. The National Alliance

The Committee made 17 disbursements to the National Alliance, from January 13, 1992 to September 8, 1992, totaling \$75,062.50. The Committee noted the purpose to be newspaper purchases. The National Alliance was the name of a weekly newspaper that apparently covered, among other stories, Lenora Fulani and the Castillo Cultural Center.<sup>42/</sup> Attachment 13 at 53, 55-56. Gasink alleged that while the National Alliance was given away free to the public, the Committee's payments to the National Alliance equaled the cost to produce the paper for two years. Id. at 60-61, 63.

Counsel to the National Alliance admitted that it was not a "financial or legal entity" in 1992. Attachment 6 at 4. Moreover, an invoice to the Committee for "National Alliance Newspapers" contains a note that "Checks [should be made] payable to: New Alliance Productions." Attachment 35. The Committee, however, made its checks payable to the National Alliance. They

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<sup>42/</sup> More recent editions indicate that the National Alliance is also connected to other alleged Newman organizations. Although the Commission was unable to obtain 1992 editions of the newspaper, the recent editions suggest many connections to the Committee. For example, a July 1994 edition identifies the distributor as Castillo International. Fred Newman also has a direct connection as senior editor of the paper in July 1994. Other individuals listed on the masthead and identified as alleged members of the IWP central committee and/or with other apparent Newman-related organizations include Jessie Fields, Melissa Fisher, Mary Fridley, Dan Friedman, Emily Gay, Phyllis Goldberg, Margo Fletcher Grant, Nancy Green, Roger Grunwald, Ilene Hinden, Lois Holzman, Michael Klein, Gabrielle Kurlander, Jessica Massad, David Nackman, Jeff Roby, Freda Rosen, Jacqueline Salit, Diane Stiles, Kim Svoboda, and Linda Young. Dan Friedman and Phyllis Goldberg also are listed on the National Alliance's 1993 United States Corporation Tax Return, apparently as owners of 50% or more of the corporation's voting stock. Attachment 59.

were endorsed/deposited into accounts for New Alliance Productions. See, e.g., Attachment 38. It thus appears that the "National Alliance" was the name of a newspaper that was published by some other entity, such as New Alliance Productions.

In response to the Commission subpoena requesting material pertaining to its business with the Committee, the National Alliance failed to provide any records from 1992, the time period during which it received over \$75,000 from the Committee. They failed to do so, according to its attorney, Harry Kresky, because the National Alliance was not a "financial or legal entity" during that time. Attachment 6 at 4. In addition, the Committee has not submitted any information to refute the allegation that the National Alliance was overpaid.

#### 12. New Alliance Productions

New Alliance Productions received 39 payments from the Committee totaling \$71,921.08 from March 22, 1991 to September 16, 1992, for various goods and services, including: rent; production expenses; "use of phones, supplies, copying;" advertising; shipping; and theater rental. It appears that New Alliance Productions has ties to other apparent Newman-related organizations.<sup>43/</sup> New Alliance Productions shared the same address as eight other apparent Newman-related organizations, including Musicruise. The Committee subleased 25% of the space at 250 West 57th Street, Suite 316-317 from New Alliance Productions for

<sup>43/</sup> According to the New York Department of State, New Alliance Productions was formerly named New Alliance Publications; New Alliance Publications was also known as Musicruise '85. The Committee paid a total of \$1,057 to Musicruise, which also appears to be a Newman-related business, as described above.

\$2,750 per month. Attachment 33. The term of the sublease was originally March 1, 1991 to February 28, 1992. It was subsequently modified on September 1, 1991 to encompass 50% of the space and to expire on January 31, 1992. The monthly rent was also increased \$6,000.

According to Dun & Bradstreet, the chief executive officer of New Alliance Productions is Jacqueline Salit. The Committee identified her as the Executive Editor of the New Alliance Productions on its disclosure reports. Jacqueline Salit is also the editor of the National Alliance and a spokesperson for the Committee.

A sublease provided by the Committee during the audit indicated that the secretary of New Alliance Productions was Mark Picard. Id. at 3.<sup>44/</sup> Picard was also on the Committee's payroll, for which he received \$1,502.21. He received an additional \$1,893.16 for other purposes, including reimbursements for lodging, copier toner, supplies, "NY petitioning exp.," "NY ballot access," "advtg/NY petit drive," and clerical services. He is also alleged to be a member of the IWP central committee.

Gasink alleged that New Alliance Productions did not do any work for the Committee. At least six other apparent Newman-related vendors were also located at 250 West 57th Street during the period of the Committee's sublease of this space. If the Committee paid a disproportionate share of the rent, such payments constitute a non-qualified campaign expense.

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<sup>44/</sup> The Committee's disclosure reports for contributors identified his occupation as "legal assistant" and his employer as "DC-37."

13. Newman & Braun

Gasink alleged that the work that purportedly was done at Newman & Braun's offices on behalf of the Committee or candidate was actually for Fulani's previous gubernatorial campaign. See Attachment 13 at 94-96. Newman & Braun received nine payments from the Committee from April 4, 1991 to September 20, 1991, totaling \$5,117.95. The stated purposes for the payments were phone bank rent, computer expenses, copier usage, and security. Although Newman & Braun's business is to "provide[] therapeutic, supervisory and consulting services," it "leased office space, telephones and computers to the Committee." Attachment 6 at 4. It appears that the provision of such goods and services to the Committee was not in the vendor's ordinary course of business.

Furthermore, it appears that Newman & Braun has ties to other apparent Newman-related organizations. The campaign manager, Fred Newman, was a partner in Newman & Braun. In its 1991 federal income tax return, Newman's reported percentages of profit sharing and loss sharing are each 62%. Attachment 17 at 6. As campaign manager, Newman must have had some control over the Committee's finances and the ways the Committee spent its money. See 11 C.F.R. § 9032.9(b)(2). As a partner in Newman & Braun, he benefited by the Committee's payments to Newman & Braun. Because he was on both sides of the transaction, the Committee must demonstrate that the disbursements made to Newman & Braun were for the purpose of Fulani seeking the nomination, rather than merely to benefit Newman, and that the amounts disbursed were reasonable for the purposes. Neither the Committee nor the vendor provided

any documentation to demonstrate that the amount the Committee paid Newman & Braun for office space, telephones and computers was reasonable.

#### 14. Rainbow Lobby

The Committee disbursed four checks totaling \$8,410.00 to Rainbow Lobby for dinner tickets and a telemarketing list. It appears that Rainbow Lobby has ties to other apparent Newman-related organizations. A number of individuals associated with Rainbow Lobby are or were also associated with the Committee. For example, Francine Miller, the Committee's treasurer, was also listed as a secretary/director of Rainbow Lobby in 1991. Attachment 26 at 8. Bette Braun, a partner in Newman & Braun, and Gary Sinawski, counsel to MP Greenwich and former partner in IPLI, were directors of Rainbow Lobby in 1991 and 1992. Attachments 26 at 8-9 and 27 at 8. They were both alleged to be members of the IWP central committee, as well.

Jini Berman was treasurer, director of Rainbow Lobby in 1991. She was also a partner in Castillo Communications in 1991, and her name appears on a Newman & Braun "Trial Balance" under "Liabilities, Loans." She received a number of payments from the Committee, totaling \$21,445.95, and her name is signed on the backs of several Committee checks payable to other individuals. Rainbow Lobby was dissolved in February 1993; its certificate of dissolution was filed by Arthur Block, who is counsel to the Committee and was formerly a partner in IPLI. See Attachment 58

at 15.45/

The following individuals were also connected to other apparent Newman-controlled organizations, as well as to Rainbow Lobby: Jessie Fields (the National Alliance, the Committee); John Fraire-Guerro (IWP central committee); Bonnie Gilden (IWP central committee); Deborah Green (IWP central committee); Robert Levy (Fred Newman Productions, Ilene Advertising, the Committee); Reinaldo Lugo (IWP central committee); Edward Patuto (IWP central committee); Gen Torres (IWP central committee); and Barbara Taylor (Fred Newman Productions, IWP central committee).

Nancy Ross was the president of Rainbow Lobby. Attachment 26. She was also the basic cardholder on a Rainbow Lobby company account with American Express. Attachment 29 at 1. A number of supplemental cardholders apparently used their Rainbow Lobby credit cards to advance funds on behalf of the Committee and

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45/ However, records submitted by Rainbow Lobby's bank indicate that its bank account was not closed until much later (July 29, 1994) and only after allegations concerning the Committee's transactions with certain vendors surfaced.



were reimbursed by the Committee for those expenditures. See Attachment 2 at 8-13. Nancy Ross also has connections to Castillo International, as noted above. Neither the Committee nor the vendor provided any documentation to demonstrate that the amount the Committee paid Rainbow Lobby for dinner tickets and a telemarketing list was reasonable.

### C. Conclusion

As the previous discussion indicates, there are allegations and evidence that Committee disbursements to vendors totaling \$888,740.72 were not for qualified campaign expenditures. The Committee, however, did not submit timely documentation as of May 22, 1995 to demonstrate that these disbursements to the vendors in question did not represent overpayments.<sup>46/</sup> This, taken with the refusal of the Committee's treasurer and campaign manager to testify about the allegations of fraud, permits the Commission to infer that the allegations are true. Therefore, the Commission has made an initial determination that Lenora B. Fulani and the Fulani for President Committee must make a pro rata repayment of \$381,171.96 ( $\$884,740.72 \times 43.0829\%$ ) to the United States Treasury for the disbursements made to the vendors in question.

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<sup>46/</sup> Documentation provided during the on-site inspection of Committee records July 10-14, 1995 will be analyzed in determining the Committee's final repayment obligation.

## V. USE OF FUNDS FOR CASH DISBURSEMENTS

### A. Legal Framework

Disbursements in excess of \$200 must be documented with:

(1) a receipted bill from the payee that states the purpose of the disbursement; (2) a canceled check negotiated by the payee supported with either a bill, invoice, voucher, or contemporaneous memorandum stating the purpose of the payment; (3) a canceled check negotiated by the payee that states the purpose of the disbursement; or (4) a canceled check and collateral evidence to document the qualified campaign expense. 11 C.F.R.

§ 9033.11(b)(1)(i)-(iv). The collateral evidence may include:

(1) evidence demonstrating the expenditure is part of an identifiable program or project which is otherwise sufficiently documented, such as a disbursement that is one of a number of documented disbursements relating to a campaign mailing or to the operation of a campaign office; or (2) evidence that the disbursement is covered by a pre-established written campaign policy. 11 C.F.R. § 9033.11(b)(1)(iv)(A)-(B).

For all other disbursements (i.e., those under \$200), the candidate must document the disbursements by presenting a canceled check negotiated by the payee that states the identification of the payee and the amount, date, and purpose of the disbursement.

11 C.F.R. § 9033.11(b)(2)(ii). A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person per purchase or transaction.

2 U.S.C. § 432(h)(2); 11 C.F.R. § 102.11; see Financial Control and Compliance Manual for Presidential Primary Candidates

Receiving Public Financing, § IV.D.12.b.1 (1992) (permitting publicly-financed committees to use a petty cash fund). For disbursements from the petty cash fund, the candidate must present a record disclosing the identification of the payee and the amount, date and purpose of the disbursement. 11 C.F.R.

§ 9033.11(b)(2)(i). The committee treasurer must maintain a written journal of all disbursements from the petty cash fund.

11 C.F.R. § 102.11. The written journal shall include the name and address of every person to whom any disbursement is made, as well as the date, amount, and purpose of such disbursements.

11 C.F.R. § 102.11.

#### **B. Background and Allegations**

The Committee paid 769 individuals a total of \$1,429,377.56. The individuals were paid by check for the following reported purposes: payroll, salary, clerical services, reimbursements, fundraising, petitioning services, organizing services, and expenses. In cases where checks had been used to pay individuals for services, the Committee submitted forms during audit fieldwork which stated that the payee had performed a certain amount of work. See, e.g., Attachment 8. For reimbursement payments, the Committee submitted the individual's receipts to the Audit Division. See, e.g., Attachment 9. The Audit Division initially accepted these expenditures as documented since the canceled checks, receipts and explanatory bills combined to meet the documentation burden under 11 C.F.R. § 9033.11.

Kellie Gasink alleged that Committee disclosure reports incorrectly reported that certain individuals had received

payments from the Committee. Specifically, it was alleged that six people were reported by the Committee as receiving payments, but that these persons were never paid.<sup>47/</sup> The Committee reported the purpose for the disbursements to Gasink as "clerical services rendered." The purpose of disbursements to six of the seven persons named by Gasink in her complaint as not receiving checks, was also reported as "clerical services rendered."

The Committee reported two payments to Gasink.<sup>48/</sup> Each check payable to Gasink was in the amount of \$225 and issued from the Committee's account at Amalgamated Bank of New York. Gasink was shown copies of the fronts and backs of the two Committee checks payable to her (checks #2439 and #5444). Attachments 10, 11. She testified that she had never seen checks #2439 and #5444, nor had she endorsed them, cashed them, or received cash in lieu of the checks. Attachment 13 at 99, 103. She testified that her name was signed on the back of the checks, but that it was not her signature. Id. at 99, 103. She noted that below her signature on the back of the check appears another person's signature. Id. at 99. Gasink further testified that she did not authorize anyone

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<sup>47/</sup> The following persons allegedly did not receive payments reportedly made to them, and the respective amounts of money involved: Kellie Gasink, \$500; William Pleasant, \$450; Willie Harris, \$450; Valeh Abbasi, \$450; Doris Kelly, \$1,275; B.J. Lee, \$1,015; Wilton Duckworth, \$1,000.

<sup>48/</sup> Gasink alleged that the Committee reported \$500 in payments to her. In fact, the Committee reported payments of, and issued checks totaling, \$450 to Gasink.

to cash checks on her behalf. Id. at 99-100.<sup>49/</sup>

The Commission received an unsolicited letter from Bette-Jean Cohen, who was alleged to have been among those who did not receive a reported Committee payment.<sup>50/</sup> See Attachment 12. The Committee reported payments to "B.J. Lee" totaling \$1,000. Cohen stated that she was never paid by the Committee with either check or cash. Cohen also stated that Harry Kresky, a Committee representative, had visited her to ask her to affirm that she received payments or to state that the Committee could keep any money owed her. She stated that she refused to agree to Kresky's requests. Attachment 13 at 27a-g.

Francine Miller, the Committee treasurer, admitted that she and her staff members cashed people's paychecks or reimbursement checks. Miller stated that she (or an assistant) would write the name of the payee on the back of the checks and then sign her own (or the assistant's) name underneath the name of the payee. Miller stated that she engaged in this practice since the subject payees did not have bank accounts of their own or could not get to the issuing bank (Amalgamated Bank of New York) in order to cash the checks themselves. Miller also stated that the individuals preferred to be paid in cash, but because of the documentation requirement of the Commission, she felt she had to create a record

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<sup>49/</sup> Gasink could not identify the handwriting on check #2439, but she stated that the signature on the back of check #5444 below her purported signature belonged to Jini Berman. Id. at 99, 103. According to Gasink, Jini Berman was an assistant to the Committee Treasurer, Francine Miller. Id. at 90.

<sup>50/</sup> Gasink listed Cohen in her complaint as B.J. Lee. Cohen changed her name following her marriage in the interim period. Attachment 12.

of the payment in the form of a check. Miller explained that she had authority to cash the checks on behalf of these payees because she shared a common ideology with the individuals. Finally, she explained that the subject payees received the money as a cash payment after she cashed the checks.

The Committee also submitted the affidavits of Doris Kelly and Wilton Duckworth. Kelly stated in her affidavit that she was paid \$1,475 by the Committee for clerical services. She stated that she was paid with five separate checks (attached to the affidavit), and that she herself endorsed each check and deposited the money in her own bank account.

Duckworth affirmed that he worked for the Committee and was compensated for his services. Duckworth stated that he was paid less than \$1,000 by the Committee; he did not state whether he was paid in cash or by check. Duckworth added that a Committee check (#4137) payable to him in the amount of \$575, and annexed to his affidavit, did not contain his signature on the endorsement line. He stated, however, that if someone such as Miller or her assistant signed on his behalf that would be consistent with their shared ideological commitment.

The Commission attempted to contact, by telephone, the individuals to whom the Committee reported funds for "clerical services."<sup>51/</sup> The Commission contacted five individuals. Of these five people, two confirmed that they received a check from the Committee and cashed it. One person could not state that he

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<sup>51/</sup> Due to the intervening time since the Committee filed its disclosure reports, the Commission was able to reach only five people from the Committee's disbursement list.

received any checks, but did recall getting paid in cash by the Committee. Another could not remember whether she was paid by cash or check but stated that she was paid by the Committee. The fifth person stated that she was associated with the Committee, but was never paid in cash or by check.

C. Discussion

Expenditures incurred by a candidate to pay for clerical services provided to the Committee would ordinarily be "made in connection with seeking the nomination." 11 C.F.R. § 9032.9(a)(2). However, in cases where the Committee Treasurer admits to endorsing and cashing the checks on behalf of individual payees, there is no documentation that the checks ever reached the payees. Thus, the money can be traced only to the Committee treasurer or her assistants who signed the endorsements for the checks and cashed the checks. See Robertson v. FEC, 45 F.3d 486, 492 (D.C. Cir. 1995) (upholding the Commission's final determination that untraceable funds allegedly transferred between federal and state accounts are non-qualified campaign expenses).<sup>52/</sup>

<sup>52/</sup> The Committee stated that the reason it wrote checks to individuals, rather than paying these people with cash, was to satisfy the Commission's documentation requirements. The Committee's approach circumvented the purpose of the documentation requirements since the funds could not be traced to the payees through the checks. If the payee does not endorse the check, a canceled check bearing the forged endorsement of the payee does not demonstrate the expense was incurred. Cf. Explanation and Justification for 11 C.F.R. § 9033.11(b)(1), 44 Fed. Reg. 20337 (April 4, 1979) (If a campaign advances funds to a committee staffer who uses the money to purchase goods or services on behalf of the committee, the canceled check is not sufficient because the expenditure is not yet incurred). The Commission requires that payments over \$200 be made by check so that it can be assured that the payee received the money. The canceled check then serves to demonstrate the expenditure was actually incurred. Explanation and Justification for 11 C.F.R. § 9033.11(b)(1), 44 Fed. Reg.

Because they did not receive the payments, the true purpose of the Committee's disbursements to Kellie Gasink (totaling \$450) and B.J. Lee (totaling \$1,000) is undocumented and unknown. See 11 C.F.R. § 9033.11. Similarly, the check written to Wilton Duckworth which contained a forged endorsement did not satisfy the Commission's documentation requirements.

The Commission reviewed the Committee's canceled checks and found that 567 checks, totaling \$227,691.16, contain two endorsements on the back. Attachment 60. It appears that in each case the second endorser, i.e., Miller or her staff, received the funds when the checks were presented for payment. Since the second endorser received the money, the public funds represented by these checks also cannot be traced to ensure that they were actually used for the reported purpose of the disbursements. See Robertson, 45 F.3d at 492. For example, check number 1767 is made

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(Footnote 52 continued from previous page)  
20337 (April 4, 1979).



payable to Julie Kinnett for \$284.57. Attachment 37. The Committee reported the purpose of this disbursement to be "payroll."

The Committee's check disbursements were the equivalent of cash disbursements, which cannot be traced, and, therefore, did not satisfy the documentation requirement of 11 C.F.R. § 9033.11. Thus, the Commission has made an initial determination that the Committee must repay \$98,095.95 ( $\$227,691.16 \times 43.0829\%$ ) for disbursements resulting from Committee checks payable to individuals where there is no documentation to demonstrate that the original payees received the payments.

#### VI. RECEIPT OF FUNDS IN EXCESS OF ENTITLEMENT

During the candidate's period of eligibility, the candidate is entitled to receive public funds to the extent that he or she receives matchable contributions. 11 C.F.R. § 9034.1(a). After the candidate's date of ineligibility, the candidate is entitled to receive additional matching payments for matchable contributions received and deposited on or before December 31 of the Presidential election year, provided that on the date of payment the candidate has net outstanding campaign obligations for qualified campaign expenses and necessary winding down costs. 11 C.F.R. §§ 9034.1(b) and 9034.5(a)(1). Any portion of the payments made to a candidate from the matching payment account in excess of the aggregate amount of payments to which the candidate was entitled must be repaid to the United States Treasury. 26 U.S.C. § 9038(b)(1). The Commission may seek a repayment of public funds received in excess of the candidate's entitlement to

the extent that payments made after the candidate's date of ineligibility are greater than the candidate's remaining debts. 11 C.F.R. § 9038.2(b)(1)(i).

As of the candidate's date of ineligibility, August 20, 1992, the Committee's Statement of Net Outstanding Campaign Obligations ("NOCO Statement") reflected a deficit of \$582,050. Attachment 2 at 21. The NOCO Statement listed accounts payable of \$365,527 and winding down costs of \$209,912. Id. Because the Committee had a NOCO deficit, it continued to receive matching funds for matchable contributions received and deposited on or before December 31, 1992. See 11 C.F.R. § 9034.1(b). During the period from August 20, 1992 through December 31, 1992, the Committee received \$423,548 in matching funds, in addition to \$122,199 in private contributions.<sup>53/</sup>

However, the Committee's accounts payable portion of its NOCO Statement included approximately \$125,920.27 owed to the vendors cited in this inquiry. Additionally, approximately \$2,550 in winding down expenses claimed by the Committee were paid to some of these vendors.<sup>54/</sup> The amount incurred for non-qualified campaign expenses, i.e., the amount paid to apparent Newman-related vendors and certain individuals, is subtracted from the NOCO Statement.

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<sup>53/</sup> The Committee's remaining entitlement was therefore \$36,303 [(\$423,548 + 122,199) - \$582,050].

<sup>54/</sup> The vendors that received payments for winding down expenses were Automated Business Services, Castillo Cultural Center, and "Castillo." (It is not stated whether "Castillo" refers to Castillo Communications, Castillo International, or some other entity.)

See 11 C.F.R. § 9034.5(a)(1). These adjustments decrease the amount of the Committee's entitlement to matching funds after the candidate's date of ineligibility. Such a decrease in the Committee's net outstanding campaign obligations results in the Committee having received \$133,289.41 in excess of its entitlement. Attachment 61; see 11 C.F.R. § 9038.2(b)(1)(i). Therefore, the Commission has made an initial determination that the Committee must repay \$133,289.41 to the United States Treasury for receiving funds in excess of its entitlement.

#### VII. SUMMARY OF INITIAL REPAYMENT DETERMINATION

The Commission has made an initial determination that, pursuant to 11 C.F.R. § 9038.2(b)(2), Lenora B. Fulani and Lenora B. Fulani for President must repay \$479,267.91 to the United States Treasury for non-qualified campaign expenses paid to interconnected vendors, individual attorneys associated with IPLI, as well as disbursements to individuals. The Commission also made an initial determination that Lenora B. Fulani and the Committee must repay \$133,289.41 for receiving funds in excess of the candidate's entitlement. 11 C.F.R. § 9038.2(b)(1). Therefore, Lenora B. Fulani and Lenora B. Fulani for President must repay a total of \$612,557.32.

#### Attachments

1. Legal and Factual Basis for Inquiry Pursuant to 26 U.S.C. § 9039(b) of Lenora B. Fulani for President
2. Final Audit Report (approved April 21, 1994)
3. Letter from Lenora B. Fulani (October 9, 1991)
4. Benjamin Wittes, Lenora and the Money-Go-Round, Washington CityPaper, July 8-14, 1994, at 19-27
5. The National Alliance, designation of counsel form
6. Letter from Harry Kresky (January 25, 1995)
7. Letter from David Belmont (July 21, 1992)

8. Committee's Forms Stating Payee Did Work
9. Committee's Forms for Reimbursing Individuals
10. Check #2439
11. Check #5444
12. Letter from Bette-Jean Cohen (September 22, 1994)
13. Excerpts from Deposition of Kellie Gasink (January 30-31, 1995)
14. Letter from Arthur Block (April 20, 1994)
15. Musicruise posters
16. IPLI 1992 U.S. Partnership Return of Income
17. Newman & Braun 1991 U.S. Partnership Return of Income
18. Certificate of Dissolution, Cakim Management, Inc.
19. Signature cards and certifications for account no. 31031541 (Lenora B. Fulani for President), Amalgamated Bank of New York
20. Certificate of Incorporation of Cakim Management, Inc.
21. Automated Business Services 1992 U.S. Partnership Return of Income
22. Letter from Francine Miller (August 20, 1991)
23. Certificate of Incorporation of Ilene Advertising, Inc.
24. Assorted "Trial Balances," "Balance Sheets" for Castillo International, Inc.
25. Invoices from Castillo International, Inc. to Lenora Fulani for President
26. Rainbow Lobby, Inc. 1991 Return of Organization Exempt from Income Tax
27. Rainbow Lobby, Inc. 1992 Return of Organization Exempt from Income Tax
28. Certificate of Dissolution of Rainbow Lobby, Inc.
29. Letter from Mildred Harper (October 1, 1993)
30. Fred Newman Productions 1992 United States Income Tax Return for an S Corporation
31. "Trial Balance" of Fred Newman Productions
32. Memorandum to the File from Fran (February 10, 1993)
33. New Alliance Productions, Inc./Lenora B. Fulani for President Sublease Agreement
34. Business Certificate of Ilene Advertising
35. Invoice #1035 from the National Alliance, July 1992
36. Invoices from Enterprise Press and Joy Products to Ilene Advertising
37. Check #1767 and 2932
38. Checks (#2836, 3168, 3201, 3628, 3761, 3950, 4121, 4369, 4555, 4707, 5046, 5243, 6167, 6422, 6593) payable to the National Alliance
39. Check #3792
40. Check #6242
41. Check #7975
42. Letter to CityPaper from Jacqueline Salit
43. Ilene Advertising, Inc. 1993 U.S. Corporation Income Tax Return (1st page only)
44. Invoice #1321 from Ilene Advertising to Fulani for President '92, June 17, 1992
45. Note to Ilene, June 22, 1992
46. Memorandum and attached job request, October 19, 1992
47. Posters advertising appearances by Lenora B. Fulani

48. Motion to Quash Commission Subpoena issued to Lenora B. Fulani for President Committee (April 4, 1995)
49. Letter from Arthur Block, attaching Affidavit of Lenora B. Fulani (May 23, 1995)
50. Letter from Peter G. Blumberg (June 9, 1995)
51. Letter from Arthur Block (June 12, 1995)
52. Commission's Petition to Enforce Subpoena Issued to Lenora B. Fulani for President (filed June 13, 1995)
53. Letter from Arthur Block (June 23, 1995)
54. Letter from Arthur Block (May 24, 1995)
55. Letter from Harry Kresky (May 24, 1995)
56. Motion to Quash Commission Subpoena issued to Fred Newman (May 4, 1995)
57. Letter from Peter G. Blumberg (June 15, 1995)
58. Response of Kelly Gasink to Commission Subpoena for Documents
59. National Alliance, Inc. 1993 U.S. Corporation Income Tax Return
60. Schedule of checks containing multiple or questionable endorsements
61. Memorandum from Audit Division -- Statement of Net Outstanding Campaign Obligations (July 26, 1995)

FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463

LEGAL AND FACTUAL BASIS  
FOR INQUIRY PURSUANT TO 26 U.S.C. § 9039(b)  
OF LENORA B. FULANI FOR PRESIDENT COMMITTEE

I. INTRODUCTION

In 1992, Lenora B. Fulani sought the nomination of the Democratic Party, as well as the New Alliance Party ("NAP") and several third parties. The Lenora B. Fulani for President Committee ("the Committee") received \$2,013,323 in public funds under the Presidential Primary Matching Payment Account Act ("Matching Payment Act") for the purpose of seeking the nomination. Pursuant to 26 U.S.C. § 9038(a), the Commission conducted an audit and examination of the Committee's receipts, disbursements, and qualified campaign expenses.

The Commission approved the Interim Audit Report on the Committee on September 30, 1993. On April 21, 1994, the Commission approved the Final Audit Report and made an initial determination that the Committee must repay \$1,394 to the United States Treasury for non-qualified campaign expenses associated with lost money orders.<sup>1/</sup> Attachment 1(a). On July 26, 1994, the Commission authorized the Office of General Counsel to conduct an

<sup>1/</sup> On April 20, 1994, counsel to the Committee requested the Commission "postpone a decision on the Final Report until the Committee has had an opportunity to provide the Audit Division with evidence responding to certain entirely new findings which were not contained in the Interim Audit Report." However, the Commission declined to postpone its decision on the Final Audit Report.

inquiry into the Committee pursuant to 26 U.S.C. § 9039(b) and 11 C.F.R. § 9039.3. The Commission's decision to open an inquiry of the Committee is based on information obtained under 11 C.F.R. § 9039.2, received by the Commission from outside sources and ascertained by the Commission in carrying out its supervisory responsibilities. 11 C.F.R. § 9039.3(a)(1). On July 26, 1994, the Commission decided to hold the final repayment determination in abeyance pending further inquiry by the Office of General Counsel pursuant to 11 C.F.R. § 9039.

The purpose of the inquiry under 11 C.F.R. § 9039.3 is not to determine whether violations of federal election laws have occurred. Instead, the object of this inquiry is to determine whether the Committee owes an additional repayment to the United States Treasury based on spending federal matching funds on non-qualified campaign expenses and receiving funds in excess of entitlement. 11 C.F.R. § 9039.3(a).

## II. USE OF FUNDS FOR NON-QUALIFIED CAMPAIGN EXPENSES

Under the Matching Payment Act, 26 U.S.C. §§ 9031 - 9042, eligible candidates who are seeking the nomination for election to be President of the United States may receive federal matching funds for contributions of up to \$250. 26 U.S.C. § 9034(a). In order to be eligible to receive matching funds, a candidate must agree to furnish to the Commission any evidence it may request of qualified campaign expenses; records, books, and other information; and to submit to an audit and examination by the

Commission under section 9038 and to pay any amounts required to be paid. 26 U.S.C. § 9033(a), 11 C.F.R. § 9033.1(b). The candidate must also agree that he or she has the burden of proving that disbursements are qualified campaign expenses. 11 C.F.R. § 9033.1(b)(1).

All contributions and all matching payments received by a candidate may be used only to defray qualified campaign expenses or to repay loans or otherwise restore funds which were used to defray qualified campaign expenses. 11 C.F.R. § 9034.4(a)(1). A qualified campaign expense is a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value that is incurred by or on behalf of the candidate or his or her authorized committees from the time he or she becomes a candidate until his or her date of ineligibility; that is made in connection with his or her campaign for the nomination; and does not violate the law. 11 C.F.R. § 9032.9(a). If any amount of the federal matching funds paid to a candidate was used for any purpose other than qualified campaign expenses, the committee is required to repay a pro rata portion to the United States Treasury. 26 U.S.C. § 9038(b)(2), 11 C.F.R. § 9038.2(b)(2)(iii).

It appears that certain vendors to the Committee may have overcharged the Committee for work they performed or were paid even though they did not actually provide any goods or services to the Committee. In general, it is alleged that the candidate's campaign manager, Fred Newman, used a network of vendors and other entities he controlled, as well as individuals, to funnel



Committee funds, including federal matching funds, to himself.<sup>2/</sup>  
This scheme allegedly was carried out with several types of  
Committee expenditures, including payments to organizations  
controlled by Newman and payments to individuals.

Nearly one-quarter of the Committee's total primary budget  
allegedly was paid to organizations that share offices, phones,  
and leadership with the NAP, which is led by Fred Newman.  
However, it is alleged that most of these organizations exist only  
on paper as bank accounts. Although these businesses were paid  
nearly \$1 million by the Committee, they allegedly delivered  
almost no goods or services to the campaign. In many cases, it is  
alleged, the expenses that were billed to the Committee by these  
organizations were double billed or were fabricated. For example,  
Castillo Communications, which handled all the media relations and  
media advertising for the campaign, reportedly received \$226,087,  
from the Committee. It is alleged that this charge was  
artificially inflated, as the vendor had virtually no salaries or  
overhead expenses. In addition, it is alleged that although  
approximately \$25,000 was spent by Castillo Communications for  
print and radio ads for the campaign, the Committee also bought  
them separately.

Newman allegedly took money from the Committee also through  
the use of bogus salaries and reimbursements. For example, the  
actual salaries paid to campaign workers appears to have ranged

<sup>2/</sup> It is alleged that the Committee expenditure reports  
submitted to the Commission were fabricated for the purpose of  
disguising Newman's embezzlement scheme.

between \$100 and \$300 per week; however, it is alleged that some campaign workers are listed on Committee reports as having received \$500 a week. Moreover, Committee volunteers were reported as having received money and reimbursements they now claim they did not actually receive.

To the extent payments were made to entities that did not provide goods or services related to Dr. Fulani's campaign for nomination, these expenses constitute non-qualified campaign expenses. 11 C.F.R. § 9032.9(a)(2). Similarly, if payments were made in excess of the value of goods and services provided, they are also non-qualified campaign expenses to the extent that the payments exceeded the value of the goods or services. Id. Salaries and reimbursements for receipts that were not campaign related are also non-qualified campaign expenses. Id. The Commission may seek a pro rata repayment for these non-qualified campaign expenses. 11 C.F.R. § 9038.2(b).

### III. RECEIPT OF FUNDS IN EXCESS OF ENTITLEMENT

During the candidate's period of eligibility, the candidate is entitled to receive public funds to the extent that he or she receives matchable contributions. 11 C.F.R. § 9034.1(a). After the candidate's date of ineligibility, the candidate is entitled to receive additional matching payments for matchable contributions received and deposited on or before December 31 of the Presidential election year, provided that on the date of payment the candidate has net outstanding campaign obligations for

qualified campaign expenses and necessary winding down costs.<sup>3/</sup>  
11 C.F.R. §§ 9034.1(b) and 9034.5(a)(1). Any portion of the  
payments made to a candidate from the matching payment account in  
excess of the aggregate amount of payments to which the candidate  
was entitled must be repaid to the United States Treasury.  
26 U.S.C. § 9038(b)(1). The Commission may seek a repayment of  
public funds received in excess of the candidate's entitlement to  
the extent that payments made after the candidate's date of  
ineligibility are greater than the candidate's remaining debts.  
11 C.F.R. § 9038.2(b)(1)(i).

The Final Audit Report found that as of the candidate's date  
of ineligibility, August 20, 1992, the Committee's Statement of  
Net Outstanding Campaign Obligations ("NOCO Statement") reflected  
a deficit of \$582,050. Attachment 1(a), p. 21. The NOCO  
Statement listed accounts payable of \$365,527 and winding down  
costs of \$209,912. Id. Because the Committee had a NOCO deficit,  
it continued to receive matching funds for matchable contributions  
received and deposited on or before December 31, 1992. 11 C.F.R.  
§ 9034.1(b). During the period from August 20, 1992 through  
December 31, 1992, the Committee received \$423,548 in matching  
funds, in addition to \$122,199 in private contributions.<sup>4/</sup>

However, the Committee's accounts payable portion of its NOCO  
Statement included approximately \$125,920.27 owed to the vendors

<sup>3/</sup> Winding down costs include office space rental, staff  
salaries and office supplies. 11 C.F.R. § 9034.4(a)(3)(i). These  
costs are considered qualified campaign expenses. Id.

<sup>4/</sup> The Committee's remaining entitlement was therefore \$36,303  
[(\$423,548 + \$122,199) - \$582,050].

cited in this inquiry. Additionally, approximately \$2,550 in winding down expenses claimed by the Committee were paid to some of these vendors. If any of these debts were incurred for non-qualified expenses, then these debts would be subtracted from the NOCO Statement. See 11 C.F.R. § 9034.5(a)(1). Similarly, if any of the winding-down expenses are determined not to relate to winding-down the campaign, then those costs would be subtracted from the NOCO Statement. See 11 C.F.R. § 9034.4(a)(3). These potential adjustments could decrease the amount of the Committee's entitlement to matching funds after the date of ineligibility. Such a decrease in the Committee's legitimate net outstanding campaign obligations may result in the Committee owing a repayment of funds received in excess of its entitlement. 11 C.F.R. § 9038.2(b)(1)(i).

**IV. DECISION TO CONDUCT INQUIRY PURSUANT TO 26 U.S.C. § 9039(b)**

For the foregoing reasons, the Commission has decided to open an inquiry pursuant to 26 U.S.C. § 9039(b) and 11 C.F.R. § 9039.3 in order to determine whether the Lenora B. Fulani for President Committee owes an additional repayment to the United States Treasury based on its spending federal matching funds on non-qualified campaign expenses and receiving funds in excess of its entitlement.

Attachment

1(a) Final Audit Report, approved April 21, 1994.

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REPORT OF THE AUDIT DIVISION  
ON

**Lenora B. Fulani for President**

Approved April 21, 1994



FEDERAL ELECTION COMMISSION  
999 E STREET, N.W.  
WASHINGTON, D.C.

ATTACHMENT 2  
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FINAL AUDIT REPORT  
ON  
LENORA B. FULANI FOR PRESIDENT

EXECUTIVE SUMMARY

Lenora B. Fulani for President (the Committee), the principal campaign committee of Dr. Fulani, registered with the Federal Election Commission on March 11, 1991. According to candidate certifications, she sought the 1992 presidential nomination of a national party and four separate party committees in four states.

The audit was conducted pursuant to 26 U.S.C. §9038(a), which requires the Commission to audit committees that receive federal funds. The Committee received approximately \$2 million in federal matching funds.

The findings of the audit were presented to the Committee at an exit conference held at the conclusion of the audit fieldwork (March 31, 1993) and in the interim audit report approved by the Commission on September 30, 1993. The Committee was given an opportunity to respond to the findings both after the exit conference and after receipt of the interim audit report. The responses have been included in the findings set forth in this report.

In the final audit report, the Commission made an initial determination that the Committee pay the U.S. Treasury a total of \$1,394, which the Committee has already paid. The findings contained in the final report are summarized below.

Apparent Excessive Contributions Resulting from Staff Advances - 2 U.S.C. §441a(a), 11 CFR 116.5(b). Payments made by individuals from personal funds for campaign-related expenses are contributions subject to the \$1,000 limitation unless the payments are for the individual's own campaign travel and are exempted under 11 CFR 100.7(b)(8) or reimbursed within specific time frames. The interim audit report concluded that 14 individuals had exceeded the \$1,000 limit by making advances in the form of charges to their personal credit cards. The excessive amounts totaled \$86,562. In its response to the interim report the Committee explained that it relied on personal credit cards because it had difficulty obtaining credit. The Committee also claimed that the advances did not

violate the contribution limits because individuals were usually reimbursed within 60 days, the typical time frame for payments to vendors. However, the Committee's claims failed to refute the audit finding that the advances were excessive.

During fieldwork, the Audit staff requested missing credit card statements. This documentation, all of which was not received until after Commission approval of the interim report, resulted in a \$20,510 increase to the excessive amount. The final report, therefore, found that the excessive advances totaled \$107,072.

Reporting of Debts and Obligations - 2 U.S.C. §434(b)(8), 11 CFR 104.11, 11 CFR 116.3. The Committee did not disclose \$98,209 in debts owed to a law firm. As recommended in the interim report, the Committee filed amended reports disclosing the debts. However, because the firm invoiced the Committee only twice during the course of the campaign, the interim report also recommended that the Committee demonstrate that the payment arrangement was in accordance with 11 CFR 116.3(a). Under that provision, an extension of credit results in a contribution from the creditor unless credit was extended in the ordinary course of business with terms similar to those extended to nonpolitical clients. In response, the Committee stated that the extension of credit met the standard in Section 116.3 and, furthermore, that the services could have been provided free of charge. However, the Committee failed to provide documentation to support its ordinary course claim. The final report concluded that the credit appeared to result in a contribution.

Disclosure of Occupation and Name of Employer - 2 U.S.C. §434(b)(3)(A), 2 U.S.C. §431(13)(A), 2 U.S.C. §432(i). The Committee did not disclose the donor's occupation and employer for several itemized contributions. Although much of the missing information was in the Committee's records, the Treasurer stated that the information was obtained only after the disclosure reports had been filed. In response to the interim report, the Committee filed amended reports which materially corrected the omissions.

Apparent Non-Qualified Campaign Expenses: Non-Campaign Related Disbursements - 26 U.S.C. §9032(9), 11 CFR 9038.2(b)(2)(iii), 11 CFR 9033.11(a). The Committee purchased money orders totaling \$28,440 to be exchanged for cash from contributors who did not have checks to make contributions. Unlike cash, money orders can be matched with federal funds. The Committee, however, lost \$3,235 in money orders. The Commission made an initial determination that the lost money orders represented non-qualified campaign expenses and required a \$1,394 repayment to the U.S. Treasury. The payment was made by the Committee.





REPORT OF THE AUDIT DIVISION  
ON  
LENORA B. FULANI FOR PRESIDENT

I. Background

A. Audit Authority

This report is based on an audit of Lenora B. Fulani for President ("the Committee"). The audit is mandated by Section 9038(a) of Title 26 of the United States Code. That section states that "after each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under Section 9037." Also Section 9039(b) of the United States Code and Section 9038.1(a)(2) of the Commission's Regulations state that the Commission may conduct other examinations and audits from time to time as it deems necessary.

In addition to examining the receipt and use of Federal funds, the audit seeks to determine if the campaign has materially complied with the limitations, prohibitions and disclosure requirements of the Federal Election Campaign Act of 1971, as amended.

B. Audit Coverage

The audit covered the period from the Committee's inception, March 6, 1991, through October 31, 1992. During this period, the Committee reports reflect an opening cash balance of \$-0-, total receipts of \$4,087,033, total disbursements of \$4,088,046, and a closing cash balance of (\$1,013).<sup>1/</sup> In addition, a limited review of the Committee's transactions was conducted through December 31, 1992, for purposes of determining the Committee's remaining matching fund entitlement based on its financial position.

C. Campaign Organization

The Committee registered with the Federal Election Commission on March 11, 1991. The Treasurer of the Committee during the period covered by the audit was Francine Miller.

<sup>1/</sup> All figures in this report have been rounded to the nearest dollar.

During the period audited, the campaign established offices in 8 states in addition to its national headquarters located in New York, New York.

To handle its financial activity, the campaign used one bank account. From this account the campaign made approximately 10,000 disbursements. Approximately 107,000 contributions were received from 97,000 persons. These contributions totaled \$2,200,000.

In addition to contributions, the campaign received \$2,013,323 in matching funds from the United States Treasury. This amount represents 15% of the \$13,810,000 maximum entitlement that any candidate could receive. The candidate was determined eligible to receive matching funds on October 31, 1991. The campaign made a total of 14 matching funds requests totaling \$2,037,970. The Commission has certified 99% of the requested amount.

For matching fund purposes, the Commission determined that Dr. Fulani's candidacy ended August 20, 1992, the last day of the last national convention held by a major party (Republican), in accordance with 11 C.F.R. §§9033.5(c) and 9032.6(b).

Attachment 1 to this report is a copy of the Commission's most recent Report on Financial Activity for this campaign. The amounts shown are as reported to the Commission by the campaign.

#### D. Audit Scope and Procedures

In addition to a review of the qualified campaign expenses incurred by the campaign, (see Finding III.B.) the audit covered the following general categories:

1. The receipt of contributions or loans in excess of the statutory limitations (see Finding II.A.);
2. the receipt of contributions from prohibited sources, such as those from corporations or labor organizations;
3. proper disclosure of contributions from individuals, political committees and other entities, to include the itemization of contributions when required, as well as, the completeness and accuracy of the information disclosed (see Finding II.C.);
4. proper disclosure of disbursements including the itemization of disbursements when required, as well as, the completeness and accuracy of the information disclosed;
5. proper disclosure of campaign debts and obligations (see Finding II.B.);

6. the accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records;
7. adequate recordkeeping for campaign transactions;
8. accuracy of the Statement of Net Outstanding Campaign Obligations filed by the campaign to disclose its financial condition and establish continuing matching fund entitlement (see Section III.C.);
9. the campaign's compliance with spending limitations; and
10. other audit procedures that were deemed necessary in the situation.

In addition, on November 25, 1992 the Audit staff completed an inventory of the Committee's records and determined that they were materially complete and in an auditable condition.<sup>2/</sup>

Unless specifically discussed below, no material non-compliance was detected. It should be noted that the Commission may pursue further any of the matters discussed in this report in an enforcement action.

## II. Findings and Recommendations - Non-repayment Matters

### Introduction to Findings

In light of an October 22, 1993 decision by the Court of Appeals for the D.C. Circuit in FEC v. NRA Political Victory Fund et al., the Commission reconsidered the interim audit report and voted its approval on November 9, 1993. As a result of this action, the Committee was afforded an additional 30 days to supplement its earlier response received on November 5, 1993. On December 13, 1993, a supplemental response to the interim audit report was received which, along with the earlier response, was considered when this report was prepared.

<sup>2/</sup> It should be noted that the Audit staff requested from the Committee, in writing, missing credit card statements relative to individuals whose credit cards were available for use by the Committee. As a result of Commission-approved subpoenas issued to the credit card companies and additional documentation provided by the Committee, the missing statements were obtained and reviewed by the Audit staff. Please refer to Finding II.A. for details.

A. Apparent Excessive Contributions Resulting from Staff Advances

Section 441a(a)(1)(A) of Title 2 of the United States Code states, in part, that no person shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

Section 116.5(b) of Title 11 of the Code of Federal Regulations states that the payment by an individual from his or her personal funds, including a personal credit card, for the costs incurred in providing goods or services to, or obtaining goods or services that are used by or on behalf of, a candidate or political committee is a contribution unless the payment is exempted from the definition of contribution under 11 C.F.R. §100.7(b)(8). If the payment is not exempted under 11 C.F.R. §100.7(b)(8), it shall be considered a contribution by the individual unless; the payment is for the individual's transportation expenses incurred while traveling on behalf of a candidate or political committee of a political party or for usual and normal subsistence expenses incurred by an individual, other than a volunteer, while traveling on behalf of a candidate or political committee of a political party; and, the individual is reimbursed within sixty days after the closing date of the billing statement on which the charges first appear if the payment was made using a personal credit card, or within thirty days after the date on which the expenses were incurred if a personal credit card was not used. For purposes of this section, the closing date shall be the date indicated on the billing statement which serves as the cutoff date for determining which charges are included on that billing statement. In addition, "subsistence expenses" include only expenditures for personal living expenses related to a particular individual traveling on committee business, such as food or lodging.

During our review of the Committee's expense reimbursements to campaign staff, we noted that from the Committee's inception through December 31, 1992, 14 individuals advanced funds on behalf of the Committee in excess of the \$1,000 limitation. In order to calculate the amount of a contribution resulting from an advance made by an individual on behalf of the Committee, payments made by the Committee were applied against those expenses that had been incurred the earliest. The expenses incurred were for travel and subsistence and campaign-related goods and services. It was also noted that a number of individuals paid the transportation, travel, and other campaign expenses incurred by other individuals, including the candidate's expenses, using their personal credit cards. Several of the credit card statements we reviewed also included charge-activity summaries under the names of other individuals indicating that additional cards were provided to and used by these other individuals for campaign-related transactions. The excessive amount, which is the sum total of the highest excessive balance

for each individual, totaled \$86,562. The number of days outstanding before reimbursement of the excessive amounts ranged from 1 to 133 days. At the close of fieldwork, no outstanding expense reimbursements were identified.

At the exit conference, the Audit staff provided the Committee with a listing of the relevant expenses and contributions associated with the 14 individuals. The Treasurer stated that the Committee was not aware of the requirements of 116.5. The Treasurer also commented that "the regulation and repayment periods are unfair to candidates who do not have access to credit as easily as a Governor or a U.S. Senator. Banks will grant credit to these people on the basis of name recognition or political position. Lesser known candidates and their committees are forced to rely on Committee volunteers and supporters to provide their good name. She added that there is no justification for being penalized for these reasons."

In addition, on March 18, 1993 the Audit staff requested, in writing, that the Treasurer obtain certain billing statements from individuals (8 of the 14 noted above plus 8 additional) whose credit cards were available for use by the Committee. These statements were requested to enable the Audit staff to complete the verification of qualified campaign expenses and the testing of excessive contributions resulting from advances made by Committee staff/individuals on behalf of the Committee.

The Committee was granted ten business days to respond to the request (April 7, 1993). On March 30, 1993 the Audit staff received a written response which stated that none of the missing statements would be provided since the statements were for the individuals' personal credit cards and therefore not in the Committee's possession. In addition to this response the Committee provided photocopies of documentation already reviewed by the Audit staff.

At the March 31, 1993 exit conference the Audit staff reiterated that the Committee still had until April 7, 1993 to provide the requested missing statements and that absent the production of these statements, a request would be made to the Office of General Counsel (OGC) for subpoenas to be issued to American Express, Chittenden Bank Visa, Chase: Visa and Mastercard, Citibank: Visa and Mastercard, Choice Visa and Chemical Bank Visa for the production of the credit card statements, charge slips and any other documentation related to the missing statements.

An additional written response from the Committee was received by the Audit staff on April 7, 1993. In this response, the Committee stated that the payments made by the Committee directly to credit card companies for individuals' expenses were for credit cards not under the Committee's control and that the missing statements covered the individuals' personal expenses

only. The response concluded that the Committee did not have the authority to request the missing credit card statements from individuals for expenses not related to the campaign and viewed this request as an infringement on these individuals' privacy.

On August 10, 1993, the Commission approved the OGC's recommendation to issue subpoenas to the credit card companies noted above for the production of the missing credit card statements, charge slips and other documentation relevant to 16 individuals whose credit cards were available for use by the Committee. At the Committee's request, staff from OGC and the Audit Division met with the Treasurer and Committee Counsel on August 12, 1993 to discuss the Audit staff's request for the missing credit card documentation. At this meeting Committee Counsel discussed the possibility of obtaining affidavits from these individuals which attested that no charges were posted to their credit card statements for expenses to or on behalf of the Committee during the time periods in question.

It was agreed that affidavits would be acceptable from 8 of the 16 individuals given the relatively low level of activity and absence of any unusual patterns or other indications suggesting a significant level of activity occurred during the periods for which statements were not available. Signed affidavits for 7 of these 8 individuals were received in September 1993.<sup>3/</sup>

In the interim audit report the Audit staff recommended that the Committee submit additional documentation to establish that the individuals noted did not exceed the contribution limits of 2 U.S.C. §441(a)(1)(A), and/or that the individuals were reimbursed in a timely manner [as defined under 116.5(b)(2)]; or provide any other relevant comments or documentation. It was further recommended that the Committee provide the documentation and affidavit requested by the Audit staff and that once reviewed, revisions would be made, if warranted.

In the initial response to the interim audit report the Committee Treasurer points out that "Dr. Fulani's campaign for President in 1992 was a "grassroots, community-based operation" which raised over \$2 million from almost 100,000 individuals and that since the candidate was on the ballot in 39 states and the District of Columbia, the candidate and Committee staff/volunteers travelled constantly. She explains that the Committee was denied

<sup>3/</sup> In lieu of an affidavit, documentation relative to the remaining individual was received in October 1993. With respect to the other 8 individuals for which statements were requested, all missing documentation was subsequently provided by either the credit card companies or the Committee. See Page 8, Paragraph 6 for the results of the Audit staff's analysis of this additional documentation.

a corporate American Express card and that it was "impossible" to make travel arrangements without credit. She adds that even Federal Express would not open an account for the Committee without a credit card for security since "...we were a political committee and thus presumably could not be trusted financially." As a result, the Committee relied upon individuals' credit to secure these essential services.

The Treasurer states that the Committee does not believe that the transactions in question violate 2 U.S.C. §441a because the credit card charges were paid in the normal course of business without any request from the Commission or from any other outside party, there was no intent on the part of these individuals for these charges to be contributions, and the individuals were told that the Committee was financially responsible for the charges. In addition, these charges were handled by the Committee as if they were routine vendor purchases and were usually paid back within 60 days when they were still open for payment, but not overdue.

The Treasurer argues that 11 C.F.R. §116.5 is unfair to the Committee because "...by solely exempting a person's own travel and subsistence expenses from the definition of contribution, the Commission is discriminatory towards smaller, grassroots campaigns involving candidates and their supporters who in large part neither have personal credit to use for their own travel and subsistence, much less connections to banking institutions that would enable the campaign to obtain 'commercial' credit lines." She adds that the Committee was forced to use these individuals' credit cards for campaign-related expenses which were not for their own travel and subsistence, but that in most cases these expenses were paid within 60 days and that if an individual advanced money towards the expenses it was done on their own initiative, not at the request of the Committee.

The Treasurer strongly urges the Commission not to take any enforcement action against the Committee relative to these transactions for two reasons. First, if the 60 days allowed for an individual's own travel was allowed for the types of transactions considered excessive contributions in the finding, "...there would be practically no 'excessive contributions.'" Secondly, she points out the "practical impossibility of operating without credit cards in our economy." The Treasurer adds that this regulation was not in existence when the candidate first qualified for matching funds in 1988 and that the Committee "...failed to notice the new regulation, and to realize its implications, for the practice of using personal credit cards for vendor transactions" when setting up its 1992 procedures. She further states that the Commission should find that no violation has occurred but if the Commission should find otherwise, "...this candidate will now be fully on notice of the Commission's interpretation of the law."

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The Treasurer concludes that "[t]he Commission has properly interpreted the Federal Election Campaign Act to make it possible for independent candidates to qualify for matching funds. We respectfully request that the Commission now take into consideration the particular operations of smaller, grassroots campaigns, and not apply in a rigid way regulations that are biased against the good-faith operations of campaigns such as ours."

In the supplemental response to the interim audit report, the Committee's Counsel expands on the Treasurer's conclusion noted in the previous paragraph. He notes that "[t]he Commission has previously taken into account the differences between the actual operations of major party and independent/minor party campaigns so as to devise enforcement policies that are fair and even-handed in practice, not just in theory." He refers to a series of advisory opinions (AO) which dealt with the eligibility of minor party candidates to receive matching funds whether or not they were participating in a nomination or ballot access process that even included primary election contests [AO 1975-44 (Socialist Workers); AO 1983-47 (Sonia Johnson); and, AO 1984-25 (Sonia Johnson)].

Committee Counsel concludes that if the Commission applies the underlying principles used in formulating these advisory opinions to this issue that the Commission should "...not interpret or enforce 11 C.F.R. 116.5 in a rigid manner that discriminates against smaller, grassroots campaigns which, in the arena of presidential politics, has historically included virtually every independent or minor party presidential campaign."

It is the opinion of the Audit staff that the Committee's arguments and other comments provided in response to the interim audit report do not warrant any change to the Audit staff's analysis as presented in the interim audit report.

However, the excessive amount (\$86,562), which was developed based on records made available during fieldwork, requires revision. See discussion at pages 4 - 5.

Analysis of Documentation Received After Issuance of the Interim Audit Report

As noted above, the finding contained in the interim audit report addressed excessive contributions totaling \$86,562; the Committee's responses addressed the facts relative to the development of this figure.

Subsequent to the reissuance of the interim audit report, additional credit card documentation obtained from the credit card companies via the subpoena process and/or provided by the Committee was received. These credit card statements were reviewed by the Audit staff and since certain expenses relative to



travel, subsistence and related expenses were incurred during the time periods for which these cards had been made available for the Committee's use, the Audit staff included them in the 11 CFR 116.5 analysis. Absent a demonstration to the contrary, these transactions were considered campaign-related.

It should be noted that the Committee has maintained from the onset that these charges are not related to the candidate's campaign for nomination (See pages 5-6). The Committee did not reimburse any of the individuals for any of the expenses enumerated, nor was there any indication in the records reviewed by the Audit staff that any individual requested reimbursement for any of these transactions.<sup>4/</sup>

Based on the inclusion of these apparent campaign-related charges, the revised sum total of the highest excessive balances relative to the 14 individuals is \$107,072, an increase of \$20,510 (\$107,072 - \$86,562) from the figure cited in the interim audit report.

#### B. Reporting of Debts and Obligations

Section 434(b)(8) of Title 2 of the United States Code requires that each report shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committee.

Section 104.11 of Title 11 of the Code of Federal Regulations states, in part, that debts and obligations owed by or to a political committee which remain outstanding shall be continuously reported until extinguished. If the exact amount of a debt or obligation is not known, the report shall state that the amount reported is an estimate.

Section 116.3(a) of Title 11 of the Code of Federal Regulations states that a commercial vendor that is not a corporation may extend credit to a candidate, a political committee or another person on behalf of a candidate or political

<sup>4/</sup> Included in the credit card documentation reviewed by the Audit staff were credit card slips imprinted with "Rainbow Lobby" under the basic and supplemental cardholders' name. The Rainbow Lobby was apparently formed by the New Alliance Party (NAP) in 1984. The NAP was the party which Dr. Fulani represented during the 1992 election.

A representative of American Express explained that the account in question is a company account not a corporate account and is therefore the sole responsibility of the basic cardholder, not the Rainbow Lobby. A cardholder can arrange for a company name to be imprinted on a credit card without the company being responsible for the account.

committee; and, an extension of credit will not be considered a contribution to the candidate or political committee provided that the credit is extended in the ordinary course of the commercial vendor's business and the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. Section 116.3(c) of Title 11 of the Code of Federal Regulations states that in determining whether credit was extended in the ordinary course of business, the Commission will consider: (1) whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit; (2) whether the commercial vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and (3) whether the extension of credit conformed to the usual and normal practice in the commercial vendor's trade or industry.

During our review of selected Committee disbursements, the Audit staff noted that the Committee did not disclose \$98,209 of debts attributable to the International Peoples' Law Institution (IPLI), a firm which provided legal services to the Committee. Of this amount, \$59,179 was not reported on the September 1992 Report, and \$39,030 was not reported on the October 1992 Report. The Audit staff noted that the IPLI invoiced the Committee only twice during the campaign, on 1/30/92 in the amount of \$109,060, covering 3/1/91 through 12/31/91 services, and on 9/1/92 in the amount of \$124,004, covering 1/1/92 through 8/20/92 services.

At the exit conference the Committee was provided with a schedule of debts and obligations that were not properly disclosed. The Audit staff explained that by not disclosing fully large amounts of debt a Committee's financial condition is misstated. The Treasurer stated that she understood and she explained that the Committee did not always maintain the debt records on a current basis during the campaign.

The Audit staff requested that the Committee provide an explanation as to why it took so long for the IPLI to invoice the Committee. The Treasurer referred to the agreement between the IPLI and the Committee which stipulated that the Committee pay the IPLI a minimum monthly retainer of \$3,000 commencing in March, 1991. The agreement further stated that the IPLI would postpone the receipt of any amount in excess of the \$3,000 monthly retainer until the Committee received its first matching fund payment. A modification to the retainer agreement was made on September 1, 1991 in which the monthly retainer was increased from \$3,000 to \$4,000. The Audit staff noted that the Committee made payments in accordance with the retainer agreement.

The Audit staff asked the Committee Treasurer for an explanation regarding the length of time between the two invoices discussed above. She responded that an oral agreement was made with the IPLI in which the IPLI agreed to accrue amounts due, net

of the monthly retainer, until the end of the campaign, at which time the Committee would pay the balance due. The Audit staff questioned whether this extension of credit by the IPLI is in the ordinary course of business, and whether the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. See 11 C.F.R. §§100.7(a)(4) and 116.3(a).<sup>5/</sup>

In the interim audit report the Audit staff recommended that the Committee amend its September 1992 and October 1992 Reports for the two IPLI balances not disclosed as required and that the Committee demonstrate that the payment arrangement with the IPLI was in accordance with 11 C.F.R. §116.3(a). It was further recommended that, in the future, the Committee institute stronger internal controls to comply with debt reporting regulations.

In response to the interim audit report the Committee amended its September 1992 and October 1992 Reports correctly disclosing the two IPLI debts.

In addition, the Committee provided a letter from its Counsel, an individual who was a partner in the IPLI during the time it performed legal work for the Committee. Counsel describes IPLI as a "law firm partnership" that "...was founded for the purpose of advancing democracy and social justice by providing legal representation." He states that the IPLI's "...established procedures for billing included sliding scale fees and flexible credit arrangements" and that "[t]he payment arrangements with the Committee were within a normal range for such arrangements and, in any event, not unusually favorable towards the Committee in comparison to other IPLI clients."

He adds that the extension of credit met the "usual and normal practice in the commercial vendor's trade or industry" requirement of 11 C.F.R. §116.3(c)(3), in two respects. First, it is common for law firms to accept payments from such clients based upon funding cycles or cash flow; in this case the receipt of federal matching funds and individual contributions from fundraising efforts. He states as an example that "...social service and other nonprofit organizations often are forced to build up substantial liabilities leading up to the date when a major grant or contract payment is received from a governmental or foundation source and "[l]aw firms, like other vendors are prepared to perform work during the 'lean' months without full payment for their services in anticipation of being paid in the future. Second, "...law firms are permitted to provide legal services to federal political committees for no charge at all, i.e. pro bono and that "...it was a 'usual and normal practice'

<sup>5/</sup> The Audit staff verified with the State of New York, Department of State that the IPLI is not incorporated.

for the IPLI to take the risk that a client that agreed to pay a fee might be unable to pay the entire fee and the representation would end up being largely (or entirely) pro bono."

Given that the vast majority of the legal fees relate to the inclusion of the candidate in debates and ballot access work performed by IPLI, the assertion that these services could have been provided pro bono is incorrect. The Regulations, at 11 C.F.R. §§ 100.7(b)(13) and (14) exempt from the definition of contribution legal services which (1) are not attributable to activities which directly further the election of any designated candidate for Federal office, or (2) services which are solely to ensure compliance with the Act or 26 U.S.C. §§ 9001 et seq. and 9031 et seq.

Further, although the Committee in its response, as detailed above, asserts that the extension of credit was not a contribution and has included representations relative to IPLI's ordinary course of business, including terms offered to other IPLI clients, and statements regarding the usual and normal practices for law firms, no documentation has been provided to substantiate the claims made.

The Audit staff finds that based on the information provided, the payment arrangement between the Committee and the IPLI appears to constitute a contribution under 11 C.F.R. §116.3(a).

C. Disclosure of Occupation and Name of Employer

Section 434(b)(3)(A) of Title 2 of the United States Code states, that each report shall disclose the identification of each person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution.

Section 431(13)(A) of Title 2 of the United States Code defines the term "identification" as, in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer.

Section 432(i) of Title 2 of the United States Code states, that when the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of title 26.

The Audit staff reviewed a sample of contributions received from individuals to determine if the identification of each contributor was itemized as required. The sample results indicated that for 22.7% of such itemizations the contributor's occupation and name of employer was omitted. The Audit staff noted that for most of these errors the Committee had obtained the missing information; however, the Committee did not amend its reports.

At the exit conference the Treasurer stated that the information was obtained after the reports were filed. The Committee made telephone calls to obtain the information, as well as two separate mailings requesting the missing information. The Treasurer stated that amended reports would be filed. The Audit staff advised the Treasurer to file amended Schedules A-P for 1991 and 1992.

In the interim audit report the Audit staff recommended that the Committee file a comprehensive amendment disclosing the occupation and name of employer relative to each contributor requiring itemization. The Committee filed a comprehensive amendment which materially corrected the omissions noted above.

### III. Findings and Recommendations - Repayment Issues

#### A. Calculation of Repayment Ratio

Section 9038(b)(2)(A) of Title 26 of the United States Code states that if the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than to defray the qualified campaign expenses with respect to which payment was made, it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary an amount equal to such amount.

Section 9038.1(c)(1)(v) of Title 11 of the Code of Federal Regulations states, in part, that the Commission will issue an interim audit report to the candidate and his or her authorized committee which may contain Commission findings and recommendations regarding preliminary calculations with respect to future repayments to the United States Treasury.

Section 9038.2(a)(2) of Title 11 of the Code of Federal Regulations states that the Commission will notify the candidate of any repayment determinations made under this section as soon as possible but not later than three years after the end of the matching payment period. The Commission's issuance of an interim audit report to the candidate constitutes under 11 CFR 9038.1(c) will constitute notification for purposes of the three year period.

Section 9038.2(b)(2)(iii) of Title 11 of the Code of Federal Regulations states that the amount of any repayment sought under this section shall bear the same ratio to the total amount determined to have been used for non-qualified campaign expenses as the amount of matching funds certified to the candidate bears to the total deposits, as of the candidate's date of ineligibility.

Pursuant to 11 C.F.R. §§9033.5(c) and 9032.6(b), the Commission determined Dr. Fulani's date of ineligibility to be August 20, 1992.

The formula and the appropriate calculation with respect to the Committee's receipt activity is as follows:

$$\frac{\text{Total Matching Funds Certified through the Date of Ineligibility - August 20, 1992}}{\text{Total Deposits through Date of Ineligibility}} = .430829$$

$$\frac{\$1,589,775}{\$3,690,030} = .430829$$

Thus, the repayment ratio for non-qualified campaign expenses is 43.0829%.

B. Apparent Non-Qualified Campaign Expenses:  
Non-Campaign Related Disbursements

Section 9032(9) of Title 26 of The United States Code defines the term "qualified campaign expense" as a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election, and neither the incurring nor payment of which constitutes a violation of any law of the United States or the State in which the expense is incurred or paid.

Section 9038.2(b)(2)(iii) of Title 11 of the Code of Federal Regulations states that the amount of any repayment sought under this section shall bear the same ratio to the total amount determined to have been used for non-qualified campaign expenses as the amount of matching funds certified to the candidate bears to the total deposits, as of the candidate's date of ineligibility. Total deposits is defined in accordance with 11 C.F.R. §9038.3(c)(2). For the purpose of seeking repayment for non-qualified campaign expenses from committees that have received matching fund payments after the candidate's date of ineligibility, the Commission will review committee expenditures to determine at what point committee accounts no longer contain matching funds. In doing this, the Commission will review committee expenditures from the date of the last matching fund payment to which the candidate was entitled, using the assumption that the last payment has been expended on a last-in, first-out basis.

Section 9033.11(a) of Title 11 of the Code of Federal Regulations states, in part, that each candidate shall have the burden of proving that disbursements made by the candidate or his authorized committee(s) are qualified campaign expenses. The candidate and his authorized committee(s) shall obtain and furnish the Commission on request any evidence regarding qualified campaign expenses made by the candidate and agents or persons authorized to make expenditures on behalf of the candidate or committee(s).

The Committee purchased money orders from the United States Postal Service and distributed them among Committee fundraisers. These fundraisers would solicit contributions by setting up booths on street corners and by canvassing door to door. Contributors were asked to write a check payable to Lenora Fulani for President. If the contributor did not have a check, the fundraiser would suggest that the contributor, using currency, purchase a money order. The fundraiser would explain that contributions made by money order may be matched by the Federal Election Commission, however, contributions of currency are not matchable.

The Committee purchased money orders totaling \$28,440, however, only \$25,205 were sold. The \$3,235 difference represents money orders that were lost by the Committee.

At the exit conference the Committee was provided with a schedule of the money orders in question, the cost of which, in the opinion of the Audit staff, is a non-qualified campaign expense. The Committee Treasurer made no comment.

In the interim audit report the Audit staff recommended that the Committee submit evidence which demonstrates that the value (\$3,235) of the money orders in question is a qualified campaign expense. Absent such a demonstration, the Audit staff would recommend a pro rata repayment of \$1,394 ( $\$3,235 \times .430829$ ) to the United States Treasury pursuant to 26 U.S.C. §9038(b)(2).

#### Recommendation #1

The Audit Division recommends that the Commission make an initial determination that the Committee repay the U.S. Treasury \$1,394 pursuant to 26 U.S.C. §9038(b)(2). The payment was made in response to the interim audit report.

C. Determination of Net Outstanding Campaign Obligations

Section 9034.5(a) of Title 11 of the Code of Federal Regulations requires that within 15 days of the candidate's date of ineligibility, the candidate shall submit a statement of net outstanding campaign obligations which contains, among other items, the total of all outstanding obligations for qualified campaign expenses and an estimate of necessary winding down costs.

Section 9034.1(b) of Title 11 of the Code of Federal Regulations states, in part, that if on the date of ineligibility a candidate has net outstanding campaign obligations as defined under 11 C.F.R. §9034.5, that candidate may continue to receive matching payments provided that on the date of payment there are remaining net outstanding campaign obligations.

The date of ineligibility for Lenora B. Fulani was August 20, 1992, the last day of the last national convention held by a major party (Republican). The Audit staff reviewed the Committee's financial activity through December 31, 1992, analyzed winding down costs, and prepared the following Statement of Net Outstanding Campaign Obligations ("NOCO") as of August 20, 1992:

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Lenora B. Fulani for President  
Audit Determined NOCO as of 8/20/92 a/

Assets

Cash on Hand	\$ 50	
Cash in Bank	( 31,732)	<u>b/</u>
Accounts Receivable	21,872	<u>c/</u>
Capital Assets	<u>3,199</u>	
 Total Assets		 \$( 6,611)

Obligations

Accounts Payable for Qualified Campaign Expenses	\$(365,527)	<u>a/</u>
Winding Down Costs 8/21/92 - 12/31/93	<u>(209,912)</u>	<u>a/</u>
 Total Obligations		 \$(575,439)

NOCO (Deficit)/Surplus

\$(582,050) d/

a/ All figures shown were determined as of 8/20/92 unless otherwise noted.

b/ The negative cash in bank balance is the result of outstanding checks at 8/20/92, all of which subsequently cleared the bank account or were reissued.

c/ Included in this figure are amounts taken from the Committee's disclosure reports which are subject to audit verification.

d/ This figure does not include \$20,510 in apparent campaign-related transactions (See Finding II.A.). Adjustments will be made, if warranted, based upon any new information provided by the committee.

Shown below is an adjustment for private contributions and matching funds received during the period 8/21/92 through 12/31/92, the most current financial information available at the close of fieldwork.

NOCO Deficit as of 8/20/92  
 Matching Funds Received  
 Private Contributions

\$(582,050)  
 423,548 6/  
122,199

Remaining Entitlement as of  
 December 31, 1992

\$( 36,303)

As of December 31, 1992 the Committee had not received matching fund payments in excess of its entitlement.

IV. Recap of Amount Payable to the U.S. Treasury<sup>7/</sup>

Presented below is a recap of the amount recommended by the Audit Division as subject to the repayment provisions of 11 C.F.R. §9038.2 and 26 U.S.C. §9038(b):

Finding III.B. Non-Qualified Campaign Expenses	\$1,394
Non-Campaign Related (Money Orders)	
	<u>1,394</u>
Amount Repaid to Date	
Amount Due to United States Treasury	<u>\$ -0-</u>

6/ No additional matching funds were received after 12/31/92.

7/ Additional audit fieldwork is anticipated and, if warranted, an addendum to this report will be issued.

(Through December 31, 1993)

Unrestricted	Individual Meetings Funds	Individual Contributions (minus Refunds)	RA's and Other (minus Credits)	Contributions from the Candidates	Candidate Leave Allowance Payments	Other Loans	Other	Adjusted Total
1993 Agency	\$200,000	\$331,031	\$0	\$500	\$5,000	\$1,070	\$2,000	\$610,844
1993 Bureau	\$4,230,345	\$5,178,330	\$0	\$0	\$0	\$0	\$4,000	\$9,420,374
1993 Clinton	\$12,518,130	\$24,000,000	\$2,420	\$0	\$0	\$1	\$14,300	\$37,518,833
1993 Hayden	\$2,103,352	\$3,000,700	\$415,570	\$0	\$0	\$0	\$14,200	\$5,513,421
1993 Henry	\$2,100,704	\$3,013,332	\$340,767	\$0	\$0	(\$1,228)	\$5,000	\$6,460,079
1993 Lathrop	\$0	\$1,000,015	\$0	\$0	\$0	\$0	\$21	\$1,000,036
1993 Longman	\$3,030,300	\$5,050,820	\$3,500	\$0	\$45,000	(\$9,575)	\$0	\$9,124,000
1993 Miller	\$700,070	\$500,510	\$750	\$0	\$0	\$0	\$1,000	\$700,334
<b>Total Democrats</b>	<b>\$24,057,216</b>	<b>\$44,063,247</b>	<b>\$772,072</b>	<b>\$500</b>	<b>\$50,000</b>	<b>(\$8,770)</b>	<b>\$43,300</b>	<b>\$70,100,720</b>
<b>Republicans</b>	<b>\$4,000,000</b>	<b>\$7,157,000</b>	<b>\$24,750</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,110</b>	<b>\$12,203,860</b>
George Bush	\$10,050,513	\$27,000,025	\$44,250	\$0	\$0	\$0	\$222,300	\$28,013,004
1993 Dole	\$0	\$220,715	\$0	\$0	\$1,000	\$0	\$0	\$221,815
<b>Total Republicans</b>	<b>\$10,050,513</b>	<b>\$27,220,740</b>	<b>\$44,250</b>	<b>\$0</b>	<b>\$1,000</b>	<b>\$0</b>	<b>\$222,300</b>	<b>\$28,234,819</b>
<b>Other Debt</b>	<b>\$0</b>	<b>\$507,770</b>	<b>\$101</b>	<b>\$110</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$679,887</b>
1993 Federal	\$1,025,524	\$2,201,517	\$0	\$325	(\$1,200)	\$1,200	\$0	\$4,137,300
<b>Total Other Party</b>	<b>\$1,025,524</b>	<b>\$2,709,287</b>	<b>\$101</b>	<b>\$441</b>	<b>\$13,742</b>	<b>\$1,200</b>	<b>\$0</b>	<b>\$4,715,435</b>
<b>Total Total</b>	<b>\$47,241,230</b>	<b>\$91,005,042</b>	<b>\$841,253</b>	<b>\$841</b>	<b>\$64,742</b>	<b>(\$8,570)</b>	<b>\$200,770</b>	<b>\$128,371,620</b>

Adjusted Disbursements  
(Through December 31, 1993)

Operating Expenditures Labor Charges	Exempt Fundraising Labor Charges	Exempt Legal/Accounting Labor Charges	Other Disburse	Adjusted Total Disbursements	Expenditures Subject to Limit	Unset Cash On Hand	Debt Owed By the Company
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Operating Expenditures Labor Charges	Exempt Fundraising Labor Charges	Exempt Legal/Accounting Labor Charges	Other Disburse	Adjusted Total Disbursements	Expenditures Subject to Limit	Unset Cash On Hand	Debt Owed By the Company
2000 718	00	00	005	2000 013	2013 030	02 432	05 170
Jerry Agren							
00 300 453	02 270 030	0272 023	0100 504	00 000 000	00 000 002	0100 110	00
Jerry Brown							
023 000 170	05 524 000	02 000 177	00	033 000 303	020 000 070	01 202 703	004 713
000 Clinton							
04 003 103	01 144 000	0100 033	00	05 340 742	03 120 310	0210 010	0103 714
Tom Hendon							
05 101 450	01 070 070	0170 011	023 404	00 401 701	00 000 401	00 002	00
Paul Kerrey							
01 523 524	00	005 140	00	01 000 004	01 402 310	02 223	027 103
1 Gordon Lathrop							
00 770 010	0754 070	0100 700	00	07 710 770	07 001 000	020 101	0107 472
Paul Lemmon							
0700 300	00 500	030	00	0000 007	0700 001	00 103	00
Living Walker							
050 000 022	010 705 440	03 703 313	0132 003	005 307 000	051 200 727	01 700 470	0430 252
Total Disbursements							

Pratt Partnership	011 027 011	00	00	011 027 011	011 027 013	0000 207	00
George Bush	027 427 061	05 670 322	04 001 473	070 310	037 010 100	027 427 000	040 110
Donald Rabe	0303 030	00	00	01 000	0304 030	00	000 200
Total Repayments	030 400 700	05 520 322	04 001 473	071 310	040 007 014	030 004 000	0710 403
0000 004							

Other Funds	0410 070	0100 210	00	00	00	00	00
Audio Museum							
04 203 022	00	00	00	03 235	04 200 007	04 204 555	02 070
0000 004							

Total Other Party	04 010 100	0100 210	00	03 235	04 702 002	04 204 555	02 070
Total Total	004 004 720	010 472 000	00 074 700	0200 037	0170 040 102	004 040 150	02 423 052
0407 110							

Received in 12005  
3/16/94



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C.

March 15, 1994

**MEMORANDUM**

TO: Robert J. Costa  
Assistant Staff Director  
Audit Division

THROUGH: John C. Surina  
Staff Director

FROM: Lawrence M. Noble  
General Counsel

Kim Bright-Coleman  
Associate General Counsel

Lorenzo Holloway  
Assistant General Counsel

Rhonda J. Vosdingh  
Attorney

SUBJECT: Proposed Final Audit Report on Lenora B. Fulani  
for President (LRA #451/AR #94-2)

The Office of General Counsel has reviewed the proposed Final Audit Report on Lenora B. Fulani for President ("the Committee") submitted to this Office on January 14, 1994.<sup>1/</sup> The following memorandum provides our comments on the proposed report. If you have any questions concerning our comments, please contact Rhonda Vosdingh, the attorney assigned to this audit.

The following are comments on Findings II.A. and II.B. We concur with the findings in the proposed Final Audit Report which are not discussed separately. We note that the Commission issued subpoenas to certain credit card companies to obtain information in connection with this audit. See 11 C.F.R. § 9038.1(b)(v). The

<sup>1/</sup> Since the proposed Final Audit Report does not include any matters exempt from public disclosure under 11 C.F.R. § 2.4, we recommend that the Commission's discussion of this document be conducted in open session. Throughout our comments, "FECA" refers to the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-455.

information obtained through the subpoena process has been incorporated into the Final Audit Report.

I. APPARENT EXCESSIVE CONTRIBUTIONS RESULTING FROM STAFF  
ADVANCES (II.A.)

The Office of General Counsel concurs with the Audit Division's finding that the Committee accepted excessive contributions totaling \$109,338 in the form of staff advances. These expenses included the individuals' own travel and subsistence, as well as other campaign-related goods and services and travel/subsistence expenses of others, including the candidate. Supplemental credit cards were also provided to or used by other individuals for campaign-related transactions.<sup>2/</sup> In cases where the cardholders were reimbursed, they were reimbursed within 1 to 262 days. Information obtained from credit card companies through the subpoena process was used to ascertain \$22,776 in excessive contributions.

Pursuant to 11 C.F.R. § 116.5, the use of personal credit cards to obtain goods or services on behalf of a political committee constitutes a contribution unless the payment is for one's own transportation or subsistence expenses and the cardholder is reimbursed within 60 days. The Committee has failed to satisfy the requirements of section 116.5 for three reasons. First, the credit cards were used to pay for other campaign expenses in addition to personal travel and subsistence. Second, the Committee did not always reimburse the cardholders within 60 days as required by the regulations. In fact, reimbursement took as long as 262 days in one case. Third, personal credit cards were used to pay for others' expenses.

We do not agree with the Committee's argument that the regulation is unfair to committees that cannot obtain bank credit cards. Section 116.5 was promulgated specifically to address the situation where campaign staff did not have access to committee

<sup>2/</sup> These cards belonged to 5 individuals. Charges related to the Fulani campaign were also made to a company account with American Express for the Rainbow Lobby. Nancy Ross is the basic cardholder for the Rainbow Lobby company account, with supplemental cards issued to 9 individuals. Although these charges were made to the Rainbow Lobby account, the Audit staff included them in its analysis of contributions from individuals because the Rainbow Lobby apparently was connected to the candidate and worked out of the same site as the Committee. It appears the Committee may have received contributions from Rainbow Lobby since those company credit cards may have been used for Committee expenses. See 11 C.F.R. § 100.7(a)(1). Therefore, we recommend that you revise the proposed Final Audit Report to include an explanation of the circumstances surrounding certain expenditures charged to credit accounts held by Rainbow Lobby.

credit cards. Explanation and Justification for 11 C.F.R. § 116.5, 55 Fed. Reg. 26,382 (June 27, 1989) (The Commission noted in its underlying rationale that "campaign committees may not want to provide credit cards to their field workers."). Therefore, the Committee's inability to obtain credit cards is not germane.

The Committee's lack of awareness of the new section 116.5 is not relevant. Section 116.5 was promulgated in accordance with the Administrative Procedures Act. Therefore, ignorance of the regulations does not excuse the Committee's duty to comply with them. Furthermore, as a condition precedent to receiving matching funds, the candidate agreed to abide by the Commission's regulations. See 11 C.F.R. §§ 9003.1(b)(8), 9033.1(b)(10).

Finally, the facts surrounding the additional \$22,776 in charges suggest that some of these expenses were campaign-related. The audit staff believes that these charges were campaign-related because they were incurred during the time period the credit cards were used for campaign expenses and the charges at issue are of a similar nature to other expenses that the Committee conceded were campaign-related and for which the Committee reimbursed the individual cardholders or paid their credit card bills.<sup>3/</sup> We agree. However, we note that there are several charges that do not appear to be campaign-related because they are of a different nature than other admitted campaign-related expenses. These expenses include airfare and hotel expenses that appear to be independent of the campaign.<sup>4/</sup> Therefore, we recommend that you revise the proposed Final Audit Report to delete these charges from the analysis.

<sup>3/</sup> For example, on September 1, 1991, Marguerite Golden charged \$160.50 at "Target Stores CA" for "Gen'l Merch.," for which the Committee reimbursed her. A short time later, on November 4 and 17, 1991, she charged an additional \$183.71 at "Target Stores CA" for "Gen'l Merch." which was not reimbursed. Based on the similar descriptions and time period during which these charges were incurred, the November charges also appear to be related to the campaign.

<sup>4/</sup> The following 7 charges do not appear to be similar to other admitted campaign-related expenses: 1) airfare between New York and Mexico for D. Green on January 20, 1992 (\$495.00); 2) airfare between New York and Mexico for I. Vazquez on January 20, 1992 (\$495.00); 3) airfare between El Salvador and Mexico for O. Fernandez on January 22, 1992 (\$476.00); 4) airfare between New York and Managua for D. Green on July 14, 1992 (\$598.00); 5) airfare between New York and Managua for I.A. Vazquez on July 14, 1992 (\$598.00); 6) hotel in Managua for D. Green on July 18, 1992 (\$100.56); and 7) hotel in Managua for I.A. Vazquez on July 18, 1992 (\$220.00).

In addition, we note that you will revise the proposed report to delete the statement, "The Committee will have an opportunity to demonstrate that these transactions are not campaign-related after receipt of the report."<sup>5/</sup> Because the staff advance issue does not involve a repayment that is owed to the United States Treasury, the Committee will not have an opportunity to demonstrate the nature of these additional charges in the repayment process. 11 C.F.R. § 9038.2(c)(2).

## II. CONTRIBUTION FROM LAW FIRM (II.B)

The Audit staff concludes that the retainer agreement entered into by the Committee and the International People's Law Institution (IPLI) resulted in IPLI making an impermissible contribution to the Committee under 11 C.F.R. § 116.3(a).<sup>6/</sup> This Office concurs with the Audit Division's finding. A payment for legal services does not constitute a contribution when those services are paid for by the regular employer of the person rendering the service and they are "solely to ensure compliance" with federal election campaign laws. 11 C.F.R. § 100.7(b)(14). In determining whether to apply this exemption, the Commission will inquire as to whether the donated legal services "present the [c]ommittee with anything of value that may be utilized for the purpose of influencing any election to Federal office." Advisory Opinion 1980-04; see also 2 U.S.C. § 431(8)(A).

The terms of the agreement between the Committee and IPLI preclude the exemption from applying to the costs associated with many of the services rendered by IPLI because the agreement encompasses services beyond those which are solely to ensure compliance with the FECA. The terms of the agreement specify that IPLI will represent the Committee in forums other than the Federal Election Commission, such as "in communications and negotiations with private and public parties including but not limited to . . . the Federal Communications Commission, the Internal Revenue Service, state election officials, broadcast licensees, law enforcement officials, etc." Any representation in this capacity does not involve compliance with the FECA. Rather, those services appear to be geared toward compliance with other laws and influencing Fulani's nomination. See Advisory Opinion 1980-04.

<sup>5/</sup> The Statement of Net Outstanding Campaign Obligations should also be revised to reflect the amount owed by the Committee for the additional charges that are campaign-related.

<sup>6/</sup> Since the Final Audit Report is a part of the public record and it is not an enforcement proceeding, we recommend the Final Audit Report be revised to state this conclusion in terms of a finding (e.g., "The Audit staff finds that based on the information provided, the payment arrangement between the Committee and the IPLI appears to constitute a contribution under 11 C.F.R. § 116.3(a)."). See 11 C.F.R. § 9038.1(e)(2).



Nonetheless, a portion of IPLI's legal services apparently related to ensuring the Committee's compliance with the federal election laws. To the extent that it can be shown that IPLI's representation extended to compliance matters, the costs associated with these services would qualify for the exemption. 11 C.F.R. § 100.7(b)(14). However, the Committee failed to demonstrate which portion of the expenditures were spent for legal services provided to ensure compliance with FECA; thus, the amount allocable to the exemption could not be determined.

With respect to the payment arrangement for legal services not related to compliance, this Office agrees with the Audit Division's finding that the agreement may result in a contribution. As an unincorporated commercial vendor, IPLI may extend credit to a committee without it being considered a contribution if: 1) the credit is extended in the ordinary course of the commercial vendor's business, and 2) the terms are substantially similar to the extensions of credit to nonpolitical debtors that are of similar risk and size. 11 C.F.R. § 116.3.

The Committee submitted a letter from Arthur Block, a former partner at IPLI during the period covered by the agreement, in which he contended that the payment arrangement between the Committee and IPLI was within the normal course of law firm business and was comparable to arrangements IPLI entered into with its other clients. Although Mr. Block's argument that the extension of credit was "in the ordinary course of the commercial vendor's business" is credible, neither he nor the Committee has demonstrated that the terms of the agreement were "substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation." See 11 C.F.R. § 116.3(a). Therefore, we believe the extension of credit for services not related to compliance with the FECA may have resulted in a contribution to the Committee.<sup>7/</sup>

<sup>7/</sup> The agreement between the Committee and IPLI provides that IPLI will "postpone receipt of such overage [i.e. the fees in excess of the monthly retainer], until the period of time when Fulani is receiving matching funds payments from the U.S. Treasury." It is our understanding that law firms generally are willing to wait until their clients receive specified moneys before billing clients for services rendered. For example, if a law firm accepts a contingency fee case, it does not recover its fees until (and unless) the client recovers. Therefore, the agreement's conditioning payment on the receipt of matching funds may not be a basis for finding that credit was extended to the Committee on different terms than to nonpolitical debtors.

0 5 7 0 1 2 1



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20541

May 4, 1994

Ms. Francine Miller, Treasurer  
Lenora B. Fulani for President  
c/o Arthur Block, Attorney at Law  
72 Spring Street, Suite 1201  
New York, NY 10012

Dear Ms. Miller:

Attached please find the Final Audit Report on Lenora B. Fulani for President. The Commission approved this report on April 21, 1994. As noted on page 3 of the report, the Commission may pursue any of the matters discussed in an enforcement action.

In accordance with 11 C.F.R. §9038.2(c)(1) and (d)(1), the Commission has made an initial determination that the Candidate repay the Secretary of the Treasury \$1,394. This payment was made in response to the interim audit report. However, the Commission's regulations at 11 C.F.R. §9038.2(c)(2) provide the Candidate with an opportunity to submit in writing, within 30 calendar days after service of the Commission's notice (June 6, 1994), legal and factual materials to demonstrate that no repayment, or a lesser repayment, is required. Further, 11 C.F.R. §9038.2(c)(3) permits a Candidate who has submitted written materials relative to this initial determination, to request an opportunity to make an oral presentation in open session based on the legal and factual materials submitted.

The Commission will consider any written legal and factual materials submitted by the Candidate within the 30 day period in making a final repayment determination. Such materials may be submitted by counsel if the Candidate so elects. If the Candidate decides to file a response to the initial repayment determination, please contact Kim L. Bright-Coleman of the Office of General Counsel at (202) 219-3690 or toll free at (800) 424-9530. If the Candidate does not dispute this initial determination within the 30 day period provided, it will be considered final.

Letter to Ms. Francine Miller  
Page 2

Any questions you may have related to matters covered during the audit or in the report should be directed to Marty Favin of the Audit Division at (202) 219-3720 or toll free at (800) 424-9530.

Sincerely,



Robert J. Costa  
Assistant Staff Director  
Audit Division

Attachments:

- Final Audit Report on Lenora B. Fulani for President, approved by the Commission on 4/21/94.
- Legal Analysis of the Final Audit Report, dated 3/15/94.



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20461

May 4, 1994

Ms. Lenora B. Fulani  
Lenora B. Fulani for President  
c/o Arthur Block, Attorney at Law  
72 Spring Street, Suite 1201  
New York, NY 10012

Dear Ms. Fulani:

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ATTACHMENT 2  
Page 33 of 35

Letter to Ms. Lenora B. Fulani  
Page 2

Any questions you may have related to matters covered during the audit or in the report should be directed to Marty Favin of the Audit Division at (202) 219-3720 or toll free at (800) 424-9530.

Sincerely,



Robert J. Costa  
Assistant Staff Director  
Audit Division

Attachments:

- Final Audit Report on Lenora B. Fulani for President, approved by the Commission on 4/21/94.
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CHRONOLOGY - LENORA B. FULANI FOR PRESIDENT

Pre-audit Inventory Commenced	11/16/92
Audit Fieldwork	01/05/93 - 03/23/93
Interim Audit Report to the Committee	11/10/93
Response Received to Interim Audit Report	12/13/93
Final Audit Report Approved	04/21/94

# LENORA B. FULANI FOR PRESIDENT

250 West 57th Street • Suite 317 • New York, NY 10019 • (212) 362-1818 • (212) 362-8117

October 9, 1991

Mr. John McGarry  
Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Dear Mr. McGarry:

As a candidate seeking to become eligible to receive Presidential primary funds, I certify and agree to the following provisions:

- I. I am seeking the nomination of the New Alliance Party (national), the Peace & Freedom Party (California), the Illinois Solidarity Party (Illinois), the Liberty Union Party of Vermont, and the United Citizens Party (South Carolina), for election to the Office of President. I and/or my authorized committees have received matchable contributions which in the aggregate exceed \$5,000 from residents of each of at least twenty States which with respect to any one person do not exceed \$250.00.
- II. I and/or my authorized committees have not incurred and will not incur qualified campaign expenses in excess of the expenditure limitations prescribed by 26 U.S.C. §9035 and 11 C.F.R. Part 9035.
- III. I acknowledge that I have the burden of proving that disbursements made by me, and any of my authorized committees or agents are qualified campaign expenses as defined at 11 C.F.R. 9032.9.
- IV. I and my authorized committees will comply with the documentation requirements set forth in 11 C.F.R. §9033.11.
- V. Upon the request of the Commission, I will supply an explanation of the connection between any disbursement made by me or my authorized committees and the campaign as prescribed by 11 C.F.R. §9033.1(b)(3).

ATTACHMENT

3  
Page 1 of 3



- VI. In accordance with 11 C.F.R. §9033.1(b)(4), I and my authorized committees agree to keep and furnish to the Commission all documentation for matching fund submissions, any books, records (including bank records for all accounts) and supporting documentation and other information that the Commission may request.
- VII. As provided at 11 C.F.R. §9033.1(b)(5), I and my authorized committee(s) agree to keep and furnish to the Commission all documentation relating to disbursements and receipts including any books, records (including bank records for all accounts), and documentation required by this section including those required to be maintained under 11 C.F.R. 9033.11; and other information that the Commission may request. The records provided for the post-primary audit shall also include production of magnetic media containing all information required to be maintained on my authorized committees' receipts and disbursements, if my authorized committees maintain its records on computer. Upon request of the Commission, documentation explaining the computer software capabilities shall also be provided. The production of all computerized information shall be in conformance with 11 C.F.R. §9033.12
- VIII. I and my authorized committees will obtain and furnish to the Commission upon request all documentation relating to funds received and disbursements made on my behalf by other political committees and organizations associated with me.
- IX. In accordance with 26 U.S.C. §9038 and 11 C.F.R. §9033.1(b)(7), I and my authorized committees shall permit an audit and examination pursuant to 11 C.F.R. Part 9038 of all receipts and disbursements, including those made by me, all authorized committees and any agent or person authorized to make expenditures on my behalf or on behalf of my authorized committees. I and my authorized committees shall facilitate the audit by making available in one central location, office space, records and such personnel as are necessary to conduct the audit and examination, and shall pay any

amounts required to be repaid under 11 C.F.R. Parts 9038 and 9039.

- X. Pursuant to 11 C.F.R. §90331(b)(8), the person listed below is entitled to receive matching fund payments on my behalf which will be deposited into the listed depository which I have designated as the campaign depository. Any change in the information required by this paragraph shall not be effective until submitted to the Commission in a letter signed by me or the Treasurer of my authorized principal campaign committee.

Name of Person: Francine Miller  
Mailing Address: Lenora B. Fulani for President  
250 West 57th Street, Suite 317  
New York, NY 10019  
Designated Depository: Amalganated Bank of New York  
Address: 1710 Broadway  
New York, NY 10019

- XI. Pursuant to 11 C.F.R. §9033.1(b)(9), (10), and (11), I and my authorized committees will: (A) prepare matching fund submissions in accordance with the Federal Election Commission's Guideline for Presentation in Good Order, including the provision of any magnetic media pertaining to the matching fund submissions and which conforms to the requirements specified at 11 C.F.R. §9033.12; (B) comply with the applicable requirements of 2 U.S.C. §431 et seq.; and the Commission's regulations at 11 C.F.R. parts 100-115, and 9031-9039; (C) pay civil penalties included in a conciliation agreement imposed under 2 U.S.C. §437g against myself, any of my authorized committees or any agent thereof.

Sincerely,



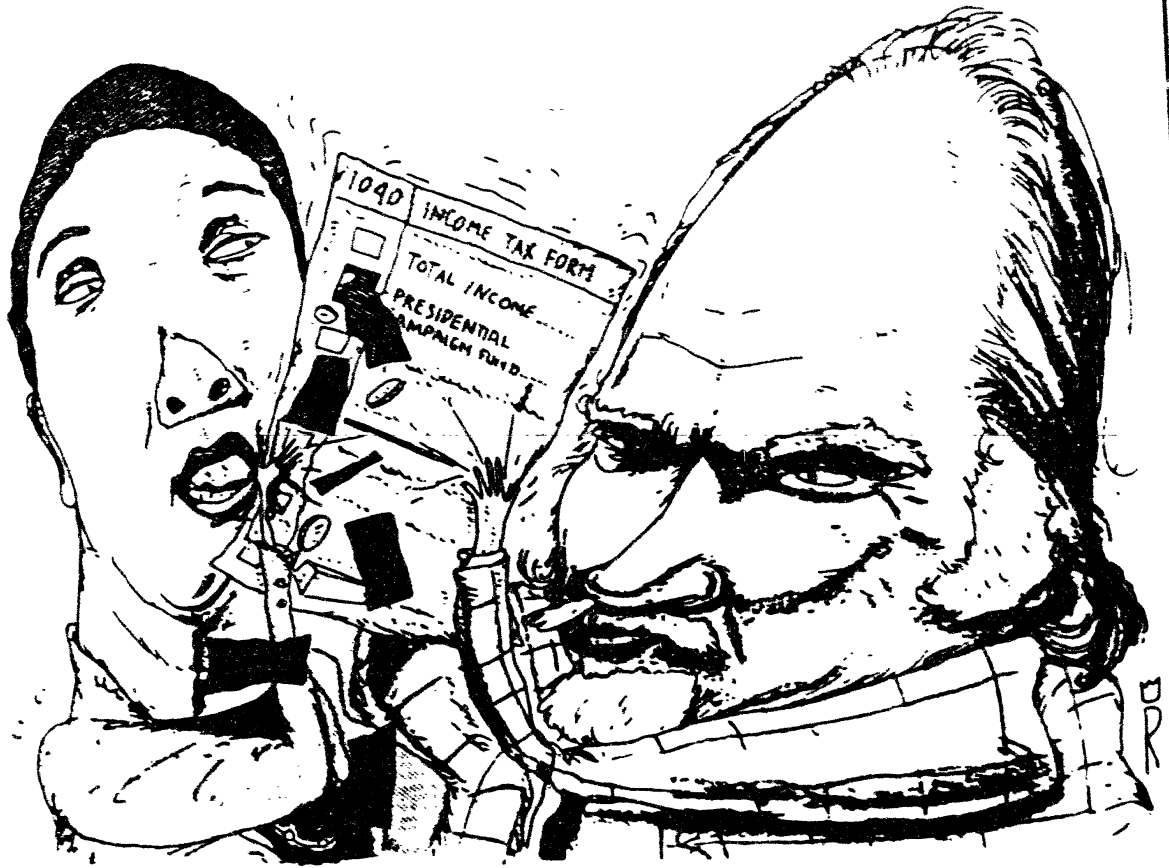
Lenora B. Fulani

LBF/sbs

W A S H I N G T O N

# City Paper

WASHINGTON'S FREE WEEKLY VOL. 14 NO. 27 JULY 8-14 1994



## *Lenora & the Money-Go-Round*

Or How the 1992 Presidential Campaign of Lenora Fulani and Her *Éminence Grise*, Dr. Fred Newman, Reaped \$2 Million in Federal Election Commission Matching Funds

BY BENJAMIN WITTES [19]

# Lenora & the Money-Go-Round

In 1992, the presidential campaign of Lenora Fulani received \$2 million from the Federal Election

IN A FIELD OF PRESIDENTIAL HOPEFULS that included such loose cannons as Pat Buchanan, Jerry Brown, and Ross Perot, none of 1992's candidates fired first and asked questions later more often than Dr. Lenora Fulani of the leftist New Alliance Party (NAP). In the heat of the New York primary campaign, though she was not on the New York ballot, she heckled front-runner Bill Clinton as he gave a health care speech at New York's Harlem Hospital, standing on her chair and leading a handful of her supporters in the chant "Democracy now!" The NAPers were protesting the exclusion of long shot Democratic candidate Larry Agran from an upcoming debate. Fulani, a short black woman who holds a doctorate in developmental psychology from the City University of New York and talks like a relic from a late-'60s time capsule, shouted at Clinton until he cut his speech short and left the room.

"You just met black people on Super Tuesday when you need- ed them," the *New York Times* quoted her accusing Clinton.

A month earlier, Fulani nearly heckled Paul Tsongas off the New York ballot. The self-described crusader for more democratic ballot access forced a line-by-line review of the 13,952 signatures on Tsongas' ballot petitions to make sure each was within the letter of New York's arcane ballot-access laws. Only a technical error in Fulani's challenge allowed a judge to substitute it and save Tsongas' place on the ballot. Fulani's challenge drew the attention of the national press, publicizing a woman most voters had never heard of.

Fulani also sued to have the League of Women Voters' tax exemption revoked after the league excluded her from one of its presidential primary debates. She filed three other suits to protest the exclusion of third-party candidates from debates. On the day New York police tried to block her entrance to a Clinton vs. Brown debate, a riot erupted in which three police officers were injured.

But there was more to Fulani's 1992 campaign for the Democratic nomination for president, and her subsequent third-party candidacy, than agit-prop and litigation. There was the back-room guidance of NAP *damocles* guru Dr. Fred Newman; a peculiar fusion of psychotherapy and politics; a sub rosa political core made up of the underground remnants of a self-declared Marxist-Leninist revolutionary organization; and a 25-year history of political opportunism that once made Newman a political bedfellow of Lyndon LaRouche.

And there was money from the U.S. Treasury: Fulani paid for 48 percent of her \$4.2-million primary campaign with matching funds from the Federal Election Commission (FEC), garnering almost as much from the feds as Democratic hopefuls Tom Harkin and Bob Kerrey. In fact, by December 1991, Fulani's campaign committee had qualified for more in FEC matching funds than the Bush campaign, according to FEC records.

Federal funding of a marginal political campaign like Fulani's, especially to the tune of \$2 million, is enough to give you pause before checking the FEC presidential contribution box on your 1040. Fulani didn't win a single Democratic delegate, attracting only 402 votes in the New Hampshire pri-

mary out of 167,900 cast, and she dropped out of the Democratic race prior to the April 7 New York primary in order to stage a third-party effort under the New Alliance Party banner.

What's more, an examination of 2,219 pages of the NAP's public filings with the FEC shows that at least \$901,495 of the campaign's \$4,161,164 total primary budget went to organizations that share offices, phones, and leadership with the NAP. The NAP presidential campaign made di-

rect payments to law firms, lawyers, PR firms, a newspaper, and an accounting and payroll firm that NAP spokeswoman Jacqueline Salit acknowledges are "connected to [the NAP's] broad political movement."

Salit categorically denies any wrongdoing on the part of the NAP, but some ex-members of the party disagree. They accuse the campaign of shoving federal matching money to these affiliated for-profit organizations. Former members also allege that the Fulani campaign made out checks to them—checks that they never saw or endorsed—that were subsequently cashed at a New York bank. And an audit by the FEC alleges other NAP campaign irregularities.

Former NAP members, including Marisa Ortiz, Dawn Friend, B.J. Lee, Elizabeth Galschert, Robert Cohen, and William Pincus, also accuse the NAP of exploiting its members and the matching-fund systems.

But the most damning critique of the 1992 Fulani for President campaign is offered by former NAPer Kellie Gasiak, a New York law student who worked on that campaign as a fund-raiser. In her sworn complaint filed with the FEC, Gasiak describes the expenditure reports the campaign filed with the FEC as "fabricated and false. By which I mean intentionally false. The documents do not appear to contain any mistakes, but instead are a rather well-crafted fabrication," she writes.

Whether or not the charges of wrongdoing leveled by Gasiak and the others are true, the ultimate scandal of the Fulani for President campaign is that it demonstrates the ease with which political animals such as the NAP can gather massive amounts of FEC matching funds, and how little accountability the feds have built into the system.

ONE OF THE MOST ENDURING left sectarian phenomena to arise out of the ashes of '60s radicalism, the NAP is led by New York psychological therapist Dr. Fred Newman. Newman and his crew have sailed their peculiar brand of far-left politics on a 25-year odyssey through several political oceans. In 1968, they formed an organization called "IF... THEN,"



Commission's  
matching funds  
program. How did  
her fringe  
candidacy qualify  
for so much  
money, and where  
was it spent?

By Benjamin Wittes

# Lenora & the Money-Go-Round

which according to Boston-based researcher Clay Berlet "pried itself on an anarchistic and counterfactual approach to organizing and consciousness-raising." A few years later, the Newmassians started the Center for Change (CFC) and later the International Workers Party (IWP), which was officially disbanded in the late '70s. Its members of the NAP insist that the Marxist-Leninist IWP still exists and continues to operate as the NAP's secret arm, and that NAP members who show promise are tapped to run this cadre organization. The IWP declared itself a Marxist-Leninist "vanguard party of the working class" in its Aug. 26, 1974, open letter to LaRouche's International Caucus of Labor Committees. At least five of its members confirmed the continued existence of the IWP while two others refused to answer questions about the IWP (although one referred to it by name several times).

"There are two overarching control mechanisms inside the core of NAP," wrote Berlet in the September/October 1987 issue of the leftist journal *Radical America*. "A secret cadre organization that enforces a distorted form of democratic centralism, and a manipulative type of psychological therapy in which all members of the core NAP hierarchy must participate. At the top of the NAP hierarchy are Dr. Fred Newman, chief theoretician, campaign manager for Dr. Lenora Fulani, playwright, scholar, activist, and the person who invented the sort of therapy practiced by those who have come to be known as the 'Newmassians.'" For his criticism, Berlet has been vilified by the NAP as an FBI informant and an agent of the Democratic Party.

A Korean War veteran with a doctorate in the philosophy of science from Stanford University and no formal training in psychology, Newman practices what he calls "social therapy" in New York, where an advanced training is required for psychological counselors. ("There is no state of New York," Newman told Fulani, in reference to how someone with a few credentials as he could be allowed to practice.) Newman's psychopolitical gospel links revolution in society to the health of the individual, giving the IWP an Orwellian theme. The IWP provides its members not only a political agenda but a life agenda concerning a frightening amount of power in the hands of a few. Newman has described his relationship to his process as that of a "benevolent despot," according to Bruce Shapiro's May 4, 1992, article in the *Nation*, and he serves both as chief therapist and as party leader.

"I know when I joined NAP that it was not black-and-white, and I knew when I left it was not black-and-white," wrote 1984 NAP presidential candidate Dennis Serrano, who broke with the party in the wake of that election. "It took longer to understand that NAP was not even a progressive organization as it also pretends."

The NAP enjoys particularly friendly relations with other progressive organiza-



Former FEC attorney Kenneth Gross explains the implications of FEC enforcement procedures.

tions, in part because of its members' aversiveness posturing on the left. In 1967, NAP members flooded the New York chapter of the leftist Jewish organization *Nirv Jewish Agenda* (NJA). According to the *Nation* article, "The NAPers actively tried to recruit NJA members for social therapy at the party, even advising them on dues.... They urged the organization to associate itself with the Fulani campaign, something longtime NJA members were not about to do. Meeting after meeting, the numbers of NAP members grew, and more and more time was taken up debating the corporate-Zionist proposals of the NAP members...rather than attending to the immediate business at hand. Finally, NJA leaders concluded that the NAP was trying to either destroy the chapter or take over, and subsequently, publicly, voted to expel twenty party members after a hearing."

NAP members have also sought to pull other leftist organizations under their influence, including the California Peace and Freedom Party, ACT UP, the AB-African Unity Party, the American Public Health Association, and New Hampshire Citizens Action.

"The entire left hates their guts," says

former NAP member Ann Decker, who still defends the NAP.

The political opportunism of the NAP expressed itself in the 1985 founding of the D.C.-based lobbying organization the Rainbow Lobby, an organization whose name is a nod to the Rev. Jesse Jackson's Rainbow Coalition—even though the two groups were not connected. After helping press on Jackson during the 1988 campaign, the NAP suddenly turned against him. Fulani now calls Jackson a "traitor."

While scouring other leftist organizations, the NAP maintains a close relationship with the Rev. AJ Sharpton and an on-again off-again friendship with the Nation of Islam and Party, all of whom appear practically everywhere the party claims to stand for. In the early '70s, Newman even led his followers into an official alliance with LaRouche's National Caucus of Labor Committees. (LaRouche, incidentally, received \$100,000 in federal matching funds for his 1992 presidential bid, though he campaigned from federal prison.) In the late '80s, the NAP defended its members' past involvement with LaRouche in a letter signed by "The Committee to Set the Record Straight." The committee stressed that LaRouche was a legiti-

mately leftist at the time of the collaboration and honored of the Newmassians bring "a man who the first on the left to explicitly identify LaRouche as a socialist."

Yet the IWP was little more than an oddity within New York City's already-odd politics until the 1979 founding of the NAP and Newman's first foray into electoral politics. In the subsequent 15 years, the party has run candidates in dozens of congressional, mayoral, and gubernatorial elections. In New York, Fulani has run for lieutenant governor (1987), mayor of New York City (1985), and governor (1988). In addition, the NAP has waged three national presidential campaigns, first placing Dennis Serrano on the ballot in 13 states in 1984, and then Fulani on the ballot in all 50 states and the District of Columbia in its 1988 third-party campaign. The 1988 campaign received \$938,796 in federal matching funds, and, of course, the 1992 Fulani campaign walked the FEC line for twice that amount.


The FEC presidential campaign finance system is a gold mine for candidates. For every dollar a primary candidate raises, the government forks over another Federal matching funds are granted only to candidates seeking the presidential nomination of parties that held primary elections, and to qualify for the funds, a candidate must first raise \$5,000-plus in each of 20 states, an amount of no more than \$250 from any individual contributor. Lastly, a candidate must average at least 10 percent of the vote per state over the course of two consecutive primaries.

While the mainstream Democrats covered as few as 20 to 30 high-population states, Fulani and her campaign, single-handedly cadre of teleworkers and canvassers went to New Hampshire to pound the pavement. She offered little in the way of substantive political proposals, preferring to spend her time hawking about the exclusion of fringe candidates like herself from the debates and blaming the Democrats as they slowly made their way up to New Hampshire. But she got a fund-raising jump on the Democratic field.

Fund-raising is something in which the NAP excels. Once inside the "bandwagon" in the IWP calls its various political arms, IWP members are required to pay cash dues, the amount of which varies, according to its members. Robert Cohen reports paying \$70 in dues in secret biweekly cell meetings. Dennis Fulani, despite being unemployed, paid \$20 every two weeks. Former five-year IWP member Marvin Orr estimates that the farthest over between 10 and 15 percent of her total income in dues during her tenure in the party, and the dues that others paid three times that percentage. Another source could only estimate that the past "two-and-a-half" of her salary Cohen also claims that the IWP leadership orders members who receive an income check to sign them over to the party. Moreover, Newman's social therapy is mandatory for IWP members. Cohen claims he paid an average of \$200 per month in therapy fees for eight months.

In addition to supporting the party's work with dues, many IWP members are employed by or volunteer at organizations aligned with the NAP. Orr worked as an unpaid volunteer for the neo-fascist *Vision Communications PR firm*. Cohen worked as an unpaid head-keeper for the neo-fascist *Rainbow Lobby*. Dennis Fulani was assigned

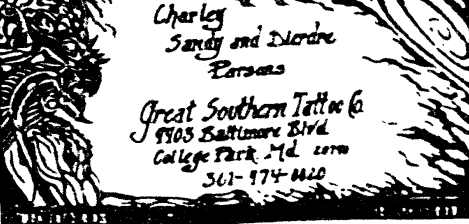
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to the Canine Cultural Center, as was William Duchowick, who would not confirm that he had ever been an IWP member. Individuals who worked for the 1992 Fulani campaign on a salary basis, according to FEC records, were generally paid between \$100 and \$300 per week.

Even those on-party members who defied the party often that Newman extracted incredibly long hours from his followers. Says Duchowick, who admits that aspects of the party were "crazy" but dismisses accusations of harassment or systematic campaign violations. "We're talking about people who held eight-hour-a-day jobs and then worked until 1 or 2 in the morning on a volunteer basis."

To other on-members, however, the long-stayed or unstayd hours that IWP members log is simple exploitation. Cohen estimates that he worked over 50 hours per week for the party on top of his regular job. His supervisor, he claims, was tyrant. "[The IWP] demanded that members give every hour that they had. The way they spoke about it was that your time wasn't your own. The more a year came—the tendency's addictive state."

When the '92 presidential campaign rolled around, the IWP also appeared to an devotees for matchable contributions. In addition to numerous regular dues and therapy fees, says Gansel, "We were all told that we had to give the maximum amount matchable by the government." She adds, "I had to give \$250 to the campaign in '92, because that was going to be matchable." Former IWP members Phelan and Ovesh concur with Gansel, saying that IWP members were told to give the maximum matching amount. Cohen does not remember whether he was ordered to contribute, only that he did. FEC records reveal that the campaign raised money from campaign workers, the job matched their contributions, and the campaign paid those workers.

In the absence of an exhaustive list of

NAP activists and employees of Newman's organizations, it is impossible to determine how many NAP members gave money to the campaign and how many were paid for their services in part with matching funds. But FEC filings show that of 71 campaign workers related by the campaign between its inception and February 1992, 53 gave extensive large amounts to be listed—over \$200. The number of NAP accounts contributing to the campaign, and also being paid out of its treasury, however, was greater than 53, because at least some individuals give matchable contributions to the campaign at the same time they were ordered by supervisors doing business with the campaign.

Other presidential campaigns routinely employ people who also donate to their own candidates, and these dollars are not as readily matched by the feds. But the aggressive way the NAP reaped funds from the FEC seems unusual.

Still, there is nothing illegal about related party members giving to the campaign, says Kenneth Gross, a Washington lawyer and former head of FEC enforcement. "If they're real campaign workers and they're really interested, and they really paid money to the money, then it's not necessarily a problem."

Roughly 1,700 contributors gave at least \$200 each to the Fulani campaign, according to the campaign's FEC filings, but exact donations of less than \$200 are not reported (but are matchable); the total number of contributors to the campaign is unknown. To raise \$2 million in matchable contributions, the Fulani campaign had to have persuaded at least 8,000 individuals—and actually persuaded many more—to donate money.

After scolding Democrats in New Hampshire and raising money as a Democrat, Fulani suddenly withdrew from the New York Democratic primary. NAP spokeswoman Madeline Chapman of

**Whether or not  
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for the Washington Post this explanation for Fulani's exit. "It was clear that [Fulani] was not welcomed by the Democratic Party."

NAP critics offer a simpler explanation, saying that Fulani abandoned the New York Democratic contest because under FEC rules, her poor showing in New Hampshire would have required her to win 20 percent of the New York vote to remain eligible for the lucrative matching funds. By ditching

the Democratic race when she did, and running only in the presidential primaries of several third parties in which she could normally win 20 percent of the vote, Fulani can avoid to collect matching funds.

Fulani and her advisors thought out the strategy in advance. She had informed FEC Chairman John McGarry in an Oct. 9 letter that an address to running as a candidate and a NAPER, she was also a candidate for the presidential nomination in the California Peace and Freedom Party primary (which she won), the Illinois Solidarity Party primary, the Vermont Liberty Party primary, and the South Carolina United States Party primary. (The NAP could conduct no primary.) By informing the FEC of her intent to seek the nominations of these parties and by not placing herself on a second Democratic Party primary ballot, Fulani remained eligible for matching funds until the primary season ended in August. And her head-raising efforts continued apace.

Thanks to the generous matching-fund system, Fulani's machine kept rolling even after the primary season ended. Matching funds support only primary campaigns, but the FEC recognizes that campaign expenses don't stop the day of the last primary. (The FEC does, however, fund the general campaigns of the two major party candidates with \$35 million each.) Candidates are allowed to continue raising matchable contributions months after the primaries, with eligibility for matching funds determined by the FEC on the final day of a campaign's eligibility by calculating the net outstanding debt of the campaign. As long as the candidate is collecting donations that qualify for matching funds and spending that money to repay the net outstanding debt, the FEC will continue to match those contributions. The Bush and Clinton primary campaigns, for example, received matching funds as late as March 1993. Likewise, Fulani continued to receive primary matching funds even as she pursued her general election campaign.

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ATTACHMENT

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# Lenora & the Money-Go-Round

In 1988, Peltus spent \$465,943 on the general campaign (none of which was federal money) and another \$175,000 on national television and radio talk shows, bagging a respectable 217,219 votes in the November election. The Libertarian Party, which had been actively running presidential campaigns since 1976, collected 432,179 votes for its candidate, Ron Paul.

But in 1992, Peltus spent 94 percent of her campaign budget on her primary campaign and only a meager \$188,226 on the general campaign, appearing on the general election ballot in 39 states and the District of Columbia as the New Alliance Party standard-bearer. She collected a pathetic 71,768 votes in the election, fewer even than her right-wing fringe opponent, America First Party candidate Bo Gritz.

The NAP outperformed its poor showing in the general election to the point of candidacy, saying it made the process more. Moreover, Peltus spokeswoman Sals explains that early publicity acquired during the primaries, not a good general election showing, had been Peltus' main purpose all along.

"We made a political decision going into the 1992 campaign that it was [not] going to be an effort to repeat and raise the accomplishments of 1988 via a-via ballot access, via a-via size of the vote count, etc.," Sals says. "[In 1992] we were attempting to see some of the achievements that had occurred in 1988... to more directly focus the 1992 campaign into a direct challenge to the undemocratic nature of the political process." According to Sals, Peltus "broadened" the campaign spending to give maximum media coverage in New Hampshire.

As a third-party strategy, Peltus' is controversial. "It's very, very strange—beyond peculiar—bordering on insane to spend more on the primary than you would on the general," said Perry Willis, campaign manager for Andre Marrou's 1992 Libertarian Party campaign. The shape of the Libertarian's presidential bid, measured in terms of ballot presence, is similar to the NAP's. "If you're trying to build a name base in the election, the general election is when you do that, and that's where you should spend most of your money," Willis says.

Critics of the NAP and IWP, however, view the Peltus campaign's spending pat-

tern as anything but insane. According to the critics, the campaign spent the lion's share of its money in the primaries because the facts substantiate those campaigns.

"I lived here in New York throughout the whole presidential period. I never saw one poster for Lenora Peltus. I listen to the black radio stations. I never heard any media for her," says Frazee, who dropped out of the IWP before the campaign started in high gear. "I live in East Stry, which is the largest black neighborhood in New York City... You would think this would be a big base they'd be trying to court. Nothing."

"[Newman's] promise to us at the beginning [of the campaign] was that even though he might not put [Peltus] on the ballot in all 50 states, he was going to spend a lot of money on media," former IWP member Gansik adds. "And there was [almost] no media. When in the '88 campaign, more than twice that was spent on media, and she was on the ballot in all 50 states, and we had half the money! So I'm sitting here going, 'Where is all that money going? Where is it being spent?'"

This is the \$2-million question.

To start, at least \$92,495 of the primary campaign's money was paid directly to organizations sharing office space and phone lines with the New Alliance Party and each other, according to FEC filings.

NAP spokeswoman Sals acknowledges that the businesses and organizations paid by the campaign are not simply "any old organizations out in the world." She said that "these are organizations and enterprises and businesses that carry out various commercial functions, that were developed by and are connected to a broad political movement of which we are a part."

The NAP-affiliated organizations billed the Peltus campaign not just for legal fees and PR, but for rent, for party newspapers, for tickets to fundraisers, and for leaders. According to FEC filings by the NAP, the Peltus campaign paid the following NAP-affiliated organizations for these listed services:

- Canallo Communications received \$226,067 in PR fees and expenses.
- The Incontinent People's Law Institute (IPLI) received \$294,435 in legal fees and expenses.
- Data Advertising received \$151,516 in advertising fees and expenses.
- New Alliance Productions received \$76,421 in advertising and office rent.
- The National Alliance received \$75,063 for newspapers.
- Fred Newman Productions received \$68,925 in revenues for Newman's services as campaign manager.
- Automated Business Services received

\$54,800 in accounting and payroll fees.

- CAKIM Inc received \$15,122 in ballot access expenses.
- The New Alliance Party received a check for \$15,000.
- The Canallo Cultural Center received \$13,352 in rent, material production, and other odds and ends.

**While scorning other leftist organizations, the NAP maintains a close relationship with the Rev. Al Sharpton and an on-again off-again flirtation with the Nation of Islam and Ross Perot, all of whom oppose practically everything the party claims to stand for. In the early '70s, Dr. Fred Newman even led his followers into an official alliance with Lyndon LaRouche's National Caucus of Labor Committees.**

- The Rainbow Lobby received \$2,476 for telemarketing lists and fund-raising dinner tickets.
  - Newman & Braun (Fred Newman's therapy practice) received \$5,118 in computer expenses.
  - Manicure received \$1,657 in fund-raising expenses.
  - The MP Greenwich Corp. received \$275 for van parking.
  - Canallo International received \$842 for books.
- It's only reasonable that conditions should work with attorneys, PR people, and ac-

countants they know and trust. Contracting out to a familiar network of businessmen is a common for candidates, as Newman pointed out to the Nation. Jackson's Rainbow Coalition, he said, "has a whole network of stars looking business... I don't see how it is avoidable."

But former IWP member Kathie Gansik alleges in her sworn complaint to the FEC that some of the unreticent NAP businessmen did not provide the services for which they were contracted. (The FEC contends that it received a complaint from Gansik, but will provide no other information. Gansik released a copy of the complaint to the Washington City Paper, New York City's money public Sharon Brumstein confirms that she returned Gansik's statement.)

"Most of these organizations exist only on paper to bank accounts and legal fees," writes Gansik in her complaint. "[T]hey delivered almost no goods and services to the campaign."

"The amount of money that went into these organizations that was actually spent on the campaign was microscopic," William Fleissner told the New York Daily News last November. Fleissner, who was senior editor of the party's National Alliance newspaper until shortly after the 1992 campaign, also doubts the existence of some of the organizations listed in the FEC filings. He alleges that CAKIM and the IPLI "didn't exist—never did exist" and that "New Alliance Productions [was] just a paper organization."

Former NAP attorney Galschert supports Fleissner's claim, saying that the IPLI existed mostly on paper. Curiously working at Greenwich, Galschert left the IWP as the 1992 campaign was getting off the ground.

"It never really existed distinct from the lawyers," Galschert says. "There were a couple of lawyers who had ongoing practices, and [the party] just gave them a name to make money."

Galschert claims that the IWP contracted a plan at the end of '89 to convert her Manhattan law practice into a legal clinic that would financially benefit the party. It would be staffed by volunteer attorneys and do low-cost legal work for poor clients. In addition to the clinic, Galschert would also run a more lucrative private practice on the side.

"Whatever profits were made by these two enterprises would be given over to the [IWP]," she says. "They were primarily interested in my practice making more money, so that I could give it over to the party." Galschert claims that when she refused to set up such a firm, party members accused her of being "tyrannically opposed to making more money."

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# Lenora & the Money-Go-Round

Sale says Newman does not recall trying to convince Gilchrist to start a party-linked law firm. She charges that Gilchrist was disbarred in Mississippi and had been involved in a "long-term personal and political relationship with Bill Plummer," adding that Gilchrist's story was "not uncharacteristic of the vicious ultra-leftism of the Plummer crowd."

Gilchrist says she resigned from the bar when she left Mississippi, and quit practicing law in December 1992. She acknowledges that a bar complaint against her was pending at the time of her resignation. The state bar withdrew her account.

With only one exception, the companies that collected the \$301,495 in matching funds showed the Manhattan addresses of 250 West 57th St. and 500 Greenwich St., according to FBC filings. The exception was Newman & Brown, which did business at 175 West 72nd St.

Considering the nature of the business these organizations conducted, it is odd that six of the businesses: Automated Business Services, CAKIM, the IPLI, Fred Newman Productions, and Newman & Brown, had no listing in the 1992-93 NYNEX Manhattan White Pages.

Automated Business Services was ostensibly a payroll and accounting company. The IPLI, according to Gary Szwedko, one of its partners, "was a law partnership set up to pool a number of public-interest oriented attorneys to do conventional legal work on a pro bono or near pro bono basis." That the IPLI billed the Palms campaign \$794,435 for its services doesn't sound very pro bono. Besides, isn't it peculiar that a public-interest law firm (or a therapy practice, for that matter) would not be listed in the phone book?

"The allegations that these are paper organizations is just ridiculous," the NAP's Sale says. "Newman and Brown do therapy. That's what they do." When asked why so many of the organizations with whom the campaign did business had no phone numbers, Sale explains and laughs. "I gather because they figured to get a listing in the phone book," she finally blurts. "I don't know what to tell you about that."

Along with Gansik and Ortiz, Gilchrist describes Newman's power within the various

NAP-affiliated organizations as nearly absolute.

"Various social therapy clinics were opened and closed," says Gilchrist. "Businesses were opened and closed. Money and people were moved around. [Newman] basically did what he wanted to do, and there was a very concerted effort to make sure that nobody objected."

Gansik worked on a 1984-89 fund-raising campaign for the NAP-affiliated East Side Institute for Short-Term Psychotherapy, where Newman is the director of training. She believed that the fund-raising campaign was marketed for a training program at the East Side Institute, and was shocked when the money was placed in a Castillo Cultural Center account.

"All of this money was transferred from the East Side Institute account to the Castillo account," Gansik said. "Right after the beginning of the [fund-raising] campaign, Newman said basically, 'You're not to plan on using this money. This money is mine.'"

"The allegation that money raised for the East Side Institute was transferred somewhere else—that's just false," counters the NAP's Sale.

Ortiz, who worked at the Vasco Communications public relations firm, also questions the way the movement handled its money.

"I remember one [Vasco] meeting where we questioned whether the amounts of work done for a particular entity was [appropriate] given the amount of money... we received," Ortiz says. "And the responses ranged from humorous remarks about donating those funds to serve Puerto Rico to adamant straight-out orders from Fred Newman along the lines of, 'Get it straight, you work for Puerto Rico.'"

"I believe those stories—without a doubt," says former IWP member Friend. "Marina might be better as a lot of ways, but I don't believe she's lying. Kellie and I have our differences, but I don't believe she's lying either."

Calling herself "just a foot soldier," Friend adds that Gansik "was a bookkeeper for that entity for a while... Because they were close to where the money was being transferred, so they could see it more."

When asked whether Newman controlled the money at even those organizations with which he had no on-paper ties, Friend responds: "Oh, without a doubt! Because his name isn't on paper as the proprietor... doesn't mean he wasn't involved. The fact of the matter was that we all took our marching orders from him. He was our Lenin."

Ortiz says, "We were following orders—not that that's an excuse, but we believed

that we were building a genuine movement that would empower people in this country."

How does Newman keep his people believing this myth? Through "social therapy," say ex-members of the group. They say Newman's therapy is simply a mind-control technique adapted from the orthodox Marxist notion that human pathology results not from individual actions but from society's structures and abuses.

"They really bring that [social therapy] in as alternative therapy. It's much more than

*Fund-raising is something at which the NAP excels. Once inside the "tendency," as the IWP calls its various political arms, IWP members are required to pay cash dues, the amount of which varies, according to ex-members. Robert Cohen reports paying \$70 in dues at secret biweekly cell meetings.*

that," explained Ortiz. "It's an instrument for them to draw people closer in... and then join the International Workers Party, where they then perform slave labor."

Ortiz and others say they were drawn into the IWP through social therapy and volunteer work for the National Alliance newspaper and the NAP. In Ortiz's case, after six months of therapy and volunteer work, she was invited to a secret meeting where she was asked to join the IWP.

Social therapy demands absolute allegiance from its patients. Writes Shapiro in the Nation: "Replacing 'bourgeois' relationships with new revolutionary patterns of consciousness meant that virtually every aspect of conscious life—sexual orientation and partners, domestic arrangements, employment

—could be challenged at the whim of the therapist, with accommodation a condition of remaining in therapy."

If anything else, the Newman-related organizations are flexible, opening and closing and reuniting themselves.

In 1990, Vasco Communications was formed. "I was set down as a five-man steering with Fred [Newman]," said former Vasco PR person Ortiz, "and told, 'We are moving, we are dissolving Vasco Communications. PR work will be carried out of Castillo.'"

Robert Cohen says Newman dismantled a social therapy clinic in Harlem when a lawyer close to the clinic would not be able to process Medicaid forms.

Until late 1992, the organization's Rainbow Lobby was spending \$1.5 million per year on lobbying Congress on an foreign policy issue such as Zaire and snatching then-Kap Marvyn Dymally (D-Calif.) (see "Under the Other Rainbow," 8/17/93). According to Gilchrist with Cohen, the Rainbow Lobby paid at least \$139,000 for billed services to NAP-affiliated organizations in 1989. The group now does business as the private consulting company of Nam & Green.

Although former NAPers allege that some of the business based in the 1992 FBC filings were suddenly scrapped after the campaign, the NAP's Sale acknowledges only the demise of the International People's Law Institute. She claims that CAKIM, Newman & Brown, Automated Business Services, and Fred Newman Productions still exist. Sale confesses that (212) 941-5800 is the correct number for CAKIM, but when I called that number three times on different days, I got the Castillo Cultural Center. "When I asked for CAKIM, none of the people who answered the phone had never heard of the organization. CAKIM should probably instruct the people who answer its phone that it exists."

The IPLI law firm collected nearly \$200,000 from the Palms campaign. But in addition to that payment, two of the now-defunct owners' attorneys, Szwedko and Arthur Block (both NAP members, according to Szwedko), billed the campaign \$13,100 and \$21,346 respectively.

Gansik alleges in her FEC complaint that the IPLI "did no work for the campaign, that B. A. and Szwedko's individual tags properly reflect the campaign's actual expenses as the partners."

Former NAP lawyer Gilchrist, who worked on better access and other legal problems for the Palms campaign in 1988, concurs with Gansik.

"It seems very plausible that that kind of money was spent on legal fees for the campaign by the IPLI combined with what was



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billed by Sarwala and Block individually," says Gilchrist, who has worked for the NAP in 1991.

Gilchrist argues that Pulino's ballot access legal bills in the 1992 primaries should have been minimal. Pulino appeared on only one Democratic primary ballot—New Hampshire—as an easy ballot that 37 candidates appeared on. Pulino studiously avoided ballots that might be difficult to get onto—the New York Democratic ballot, for example—and devoted the rest of her primary campaign to third-party ballots, which are easy to get on.

"My experience is that it might be extremely difficult and expensive to campaign for the accommodations of ballot-access third parties, but that it costs less to nothing to get on the primary ballot," says Perry White, the Liberman campaign manager.

"The ballot access issues are for the general campaign—literally for getting on state ballots," Gilchrist says. And, of course, the Pulino campaign couldn't spend its matching funds to get on the general election ballot. "I have no earthly idea what else they could have spent ballot access money on," she adds.

But Sarwala, in his denial of Gansh's charges that the IPLI did not work for the campaign, makes specific reference to ballot access.

"I can state generally that the IPLI did an enormous amount of work on behalf of the campaign on issues of ballot access," said Sarwala, when asked how the campaign could have racked up such high legal bills. "I worked on that straight through the campaign."

Calling Gansh's and Pleasant's charges "involuntary," Arthur Block refused to discuss them, clearing later in a written statement to have appropriate answers for all charges to the campaign (according to the FEC, there are two answers). He provided 15 pages of facts describing the campaign's lawsuits and congressional testimony. "Dr

Pulino's legal successes in the area of procedural election access, media access, ballot access, and other electoral democracy issues, are well known," Block wrote.

According to NAP filings with the FEC, the Pulino campaign disbursed approximately \$60,000 in consultants for "clinical services," "processing services," and "data entry services." But several of the consultants on that list claim they never received any payment for their work for the campaign. Gansh and Pleasant are both listed as FEC filers as having received \$450, and both claim they never saw a dime, and Gansh provides the names of two others listed as Pulino contractors in the filing who told her that they never paid either. In addition, the now-deceased Steven Rose is listed as FEC filer as having received money despite his condition as a late-stage AIDS patient at the time of the campaign. Another purported contractor whose name appears in the FEC filing also denies receiving any payment from the campaign. She asked for answers.

Gansh alleges in her complaint that campaign officials endorsed their checks and cashed them at the campaign's bank, Amalgamated Bank in Manhattan. Pleasant defended Gansh's charge in an interview, although he has filed no complaint to that effect.

B] Lee, a NAP activist who resigned her membership in 1992 but still calls herself sympathetic to the party and still helps with the campaign in the NAP office, is listed as FEC filer as having received \$1,000 in four payments. Like the others, she denies having been paid. If any checks were struck to her name, she says they were cashed without her knowledge.

"It would be interesting to see the signatures on the back," she said when asked that her name was on the report. "I knew they did this with other people," she said. "I didn't know they did that with me. It was a

**"The allegation that these are paper organizations is just ridiculous," the NAP spokeswoman Jacqueline Salit says. "[Neuman and Braun] do therapy. That's what they do." When asked why so many of the organizations with whom the campaign did business had no phone numbers, Salit sputters and laughs. "I gather because they forgot to get a listing in the phone book," she finally blurts, "I don't know what to tell you about that."**

common practice."

NAP spokeswoman Salit refused to comment on the charge that checks were signed and cashed by third parties, saying that the

NAP's attorneys had told her not to talk about it because "Gansh and Pleasant... have been pushing their allegations to various law enforcement agencies."

Salit did allow that many who worked on the Pulino campaign were poor people with no access to bank accounts. "And in some cases, it was always better for people to receive their payments in cash," Salit says "in an extreme case. I know that arrangements were made to cash people's checks for them at the bank and to give them cash."

Assuming that Gansh, Pleasant, Lee, and others are telling the truth about not receiving the checks that were struck in their names, and assuming that the checks struck in their names did not represent work for which they expected to be paid, the Pulino for President campaign could be accused of manufacturing "wildcat" debt.

"A campaign can only receive matching funds up to the point of its outstanding campaign obligations," says former FEC attorney Green. "Increasing the campaign's debt affects the amount of matching money the campaign is entitled to if that debt were manufactured, that would be defrauding the public."

Gansh and Ortiz also allege that the Pulino for President campaign violated campaign laws by using matching funds to cover the rent of two New Alliance Party offices. The FEC prohibits campaigns from spending matching funds on behalf of other organizations. According to FEC filings, the campaign paid roughly \$40,000 in rent for a Harlem office at the 1 West 125th St. Corp. Another \$16,191 was paid in rent for a South Bronx office in Louis Harvey (whose business address is also listed in the FEC filings as One West 125th Street). Gansh and Ortiz alleged in interviews that another office was used by the campaign, but by the New Alliance Party itself.

Salit concedes that "those offices had been used by the campaign prior to the ad-

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Washington City Paper JULY 4, p. 25

# Lenora & the Money-Go-Round

rest of the campaign" and that "the campaign took them over... and paid the rest." She insists, however, that the business conducted in three offices while the campaign was paying the rest was strictly campaign business.

The campaign also paid out approximately \$300,000 in reimbursements and allowances, which Genak alleges in her complaint were improper. One-fifth of the money listed as reimbursements was paid as \$125 "event subs/funds" allowances, which certain employees received every week. Former IWP member Ortiz finds it suspicious that thousands of dollars were paid as reimbursements to New York-area campaign workers for copying and office supplies, even though NAP maintained open accounts at Staples and Kinko's.

Genak says in her complaint that she and other campaign workers were encouraged to

submit receipts for goods and services to the campaign, even if they didn't reflect campaign expenses. "I was told, 'Just any receipts that you can find, anywhere. Just keep them. Collect them and turn them over to the campaign,'" she says.

Genak also alleges in her FEC complaint that the campaign wrote reimbursement checks for these receipts but never distributed them, and instead cashed them at Amalgamated Bank, Ortiz, who had left the party by the time the 1997 election cycle began, could not verify Genak's account. She did, however, express her skepticism at the amount of money the campaign claims to have paid in reimbursements. "I know for a fact that you'd never get reimbursed for anything," she said.

Sale denies these charges, too. Fred Newman himself did very well off the campaign. He was paid \$48,505 during the primaries as a consultant, which a companion with his history of paying himself well through the NAP's various enterprises and his social therapy practice. For a social therapist, Newman lives quite well. Last fall, he and longtime NAP member Susan Messeri purchased a large Greenwich Village townhouse at 40 Bank St., according to New York City Department of Finance records. The purchase price was \$728,000.

"A system who leads in the financial records will [include] that an investigation into the way they handled the money is certainly appropriate," says NAP critic Chip Berlin.

Although the FEC conducts routine audits of all presidential campaigns receiving federal money, these audits are designed mainly to verify that matching funds aren't used for the general election. Investigating possible improprieties among the campaign's contributors is not part of the FEC's standard auditing procedure. As long as the NAP checks out receipts for its reimbursement checks and services for the money it paid out to its for-profit concerns, it can satisfy the auditors.

"It is possible that commission auditors could conduct such an audit and such conduct would not be detectable by current audit staff," says former FEC attorney Gross. "If it was payment for advisory fees, for example, I don't think the FEC would ask to see the developer without other evidence that it was a bogus transaction."

An FEC audit of the Pulaski campaign's finances released April 20 did allege minor violations of FEC rules. FEC auditors concluded the campaign's system of reimbursing workers for expenses as contributions by

these workers, and that these contributions were in excess of the \$1,000 maximum donation allowed under the law. The FEC also found that the IPLJ's billing practices amounted to an unreported contribution to the campaign. The IPLJ admitted to auditors that the Pulaski campaign paid the IPLJ as contributions and matching funds rolled in, not as specific responses to its invoices. Soft points out, the FEC's finding indicates the NAP correct. The crucial claim is the IPLJ was drawing money from the campaign for work not done, whereas the FEC views the IPLJ's work as unreported contributions.

Federal law requires campaigns to disclose the name, address, occupation, and employer of all reported contributors, and the auditors concluded that Pulaski's FEC filing covered the occupations and employers for 23 percent of reported contributors. In an interim audit report released in November 1993, the FEC asked the campaign to return \$1,394 of the matching funds. The campaign complied, although the FEC says that the check bounced. A second check cleared, and FEC officials expect no further action in light of the audit.

Genak's complaint apparently precipitated an inquiry by the Manhattan District Attorney's Office. At least three former IWP

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members than the representatives from the D.A.'s office overruled them about the allegations.

Newman told the *New York Daily News* in November that his sources were disgruntled former associates conspiring to attack the party. She describes them as informants trying to re-establish their credentials as the "trudones" left by defaming the NAP. Another NAP insider calls them bourgeois. But Pleasant and Gansik didn't exactly bare out. Both say they were expelled from the IWP following the presidential election when they raised questions about the party finances.

And Newman curiously treats them more like credible threats than bourgeois, marginal informants, or disgruntled former employees. The cover Nov. 23 issue of the party's newspaper, *National Alliance*, is devoted to attacking Pleasant under the banner headline "Without Pleasant's Latest Whimsy, Communism's Standing Corpses." The magazine professes to a series of angry letters Pleasant wrote to Newman and Pallas expressing that the *National Alliance* was publishing them to denigrate the "new concept of revolution" that Newman espoused from the "beneficial, respectful, and opportunistic communism" of Pleasant. Pleasant proudly acknowledges himself as a Marxist-Leninist, but unlike Newman, he has never marked himself as anything else.

Although Martin Cruz left the IWP voluntarily, she is troubled by the party's conception of her as a complainer. "I lived with these people, I slept with these people," she says. "I did therapy with these people, I did culture with these people." And yet, she claims, Newman tried to break up her relationship with the man to whom she is now married, saying in therapy sessions that they should both sleep with other people. Newman deserved Vision Communications, in which Cruz had eight years of volunteer labor. And, when Cruz's daughter began rebelling against the authority of the party and didn't respond to social therapy, he urged Cruz to get her in foster care. "I'm disgruntled," Cruz says with a sigh. "But I have good reason to be so."

Rather than raising its marching funds, Congress wants to expand the program and fund congressional contests. The campaign finance reform bill currently being advanced by Democrats on Capitol Hill would curtail public financing to House and Senate campaigns in which spending limits are not observed.

Sen. March McConnell (R-Ky.), an ardent foe of all forms of public campaign financing, says the Pallas campaign is but a preview of what \$35 federally subsidized cam-

**Other presidential campaigns routinely employ people who also donate to their own candidates, and those dollars are just as routinely matched by the feds. But the aggressive way the NAP reaped funds from the FEC irritates scrutiny.**

promotional campaign would be like. "I think we would have accidents like this quite frequently, because it would be impossible to craft a bill that would deny funds to third-party or fringe efforts such as the New Alliance Party," says McConnell. The senator doubts that a beefed-up FEC,

with a large enforcement staff to police campaign finance violations, is the answer. Such federal micromanaging of campaigns, he says, would "create a Gattaca over at the FEC."

"A much better route would be to get taxpayer funding out of political campaigns altogether and let them be funded with voluntary and fully disclosed contributions," says McConnell, adding that he stands to hold hearings on Pallas' use of federal matching funds.

McConnell's abolitionist sentiments ignore the fact that the expense of presidential campaign has frozen out of the presidential campaign every dark horse who doesn't pack a Pallas-size bank account. Pallas' \$2-million payout just may be the price the country must endure to prevent the candidate pool from shrinking to mainstream Democrats and Republicans and obscure billionaires.

Even if McConnell fails to investigate the Pallas campaign the political system, it looks like he'll get a second chance after 1996. Perennial candidate Pallas has re-emerged viable, running for governor in New York, and appearing on CNN and the *MacNeil/Lehrer NewsHour* as declared Louis Farrakhan and Khalid Abdul Muhammad. All signs point to a 1996 Pallas presidential campaign and yet another leap upon the FEC's matching funds.



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ATTACHMENT 4  
Page 9 of 9

DESIGNATION OF COUNSEL

The National Alliance hereby appoints Harry Kresky, Esq. as counsel to represent it in all matters pertaining to a subpoena issued by the Federal Election Commission on or about August 26, 1994.

Dated: New York, NY  
September 2, 1994

*Jacqueline S. Salit*  
Jacqueline S. Salit  
Executive Editor

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**HARRY KRESKY**

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January 25, 1995

BY FEDERAL EXPRESS

Lorenzo Holloway, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: Lenora B. Fulani for President Committee  
Audit Inquiry pursuant to 26 U.S.C. § 9039 (b)  
(LRA # 451) and subpoenas issued pursuant thereto

Dear Mr. Holloway:

As per my letter to you of January 20, 1995 you will be receiving tomorrow by Federal Express five boxes containing the documents described below for Automated Business Services, Cakim Management, Castillo Cultural Center, Castillo Communications, Castillo International, Fred Newman Productions, Ilene Advertising, International Peoples Law Institution, National Alliance, Newman & Braun and Rainbow Lobby.

With regard to your letter of January 25, 1995, received by fax today, my clients' position is as follows. The documents are being provided in a good faith effort to allay the Commission's concerns regarding their activities and relationship to the Lenora B. Fulani for President Committee (the "Committee"). They, in turn, are relying on the Commission's good faith and discretion, as well as the applicable statutes and regulations, regarding to whom and under what circumstances the documents and their content will be disclosed. I have advised them, as well, of our ongoing dialogue, reflected in my letter of January 20, 1995, to the effect that if the documents being provided are satisfactory, enforcement proceedings will not go forward or, if already commenced, will be withdrawn. Viewed in this light, I can only assume that the language in the second to last paragraph of your letter of January 25, 1995 is not inconsistent with our discussions. Finally, as I have made clear throughout, the documents are being provided without prejudice to my clients' position, made clear in previous letters and motions before the Commission, that both your investigation and the subpoenas exceed the bounds of what is permitted under the Commission's enabling legislation and under the U.S. Constitution.

ATTACHMENT 6

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Lorenzo Holloway, Esq.  
January 25, 1995  
page 2

The following documents are being provided;<sup>1</sup>

1. Copies of 1991, 1992 and 1993 federal tax returns or equivalent filings unless the vendor was not in existence or conducted no business during one or more of these years.

2. Copies of documents in their possession pertaining to goods sold and services rendered to the Committee other than documents containing confidential information such as information about political issues, campaign tactics, contributors and information identifying persons or entities who have a reasonable expectation of privacy. If a document combines confidential and nonconfidential information, the document has been redacted to delete the confidential information.<sup>2</sup>

3. Copies of documents evidencing the legal status of the vendor such as articles of incorporation.

4. Copies of periodic financial statements for the years 1991, 1992 and 1993 (unless the vendor was not in existence or conducted no business during one or more of these years) redacted, when necessary, in accordance with 2 above.

The pages of the copies of the documents have been numbered 1 through 3534. They can be divided as follows:

- Ilene Advertising documents falling under category 2 above: pp. 6 through 590 and 907 through 1034.

- Castillo Communication documents falling under category 2 above: pp. 2377 through 3517.

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<sup>1</sup>My clients have assured me that they have provided all of the documents in their possession. Cakim did not maintain periodic financial statements as the volume of transactions did not justify the time and expense of doing so. In addition, as I am sure you can understand, there may be some gaps, e.g. a missing tax return or periodic financial statement. There do not appear to be many such gaps. On the other hand, not all the vendors retained documents falling under category 2. Copies of those which exist have been provided.

<sup>2</sup>The redactions are coded 1, 2 or 3 or are uncoded. The uncoded redactions and those coded 1 cover information which would disclose the name of a person or entity with whom the vendor did business. The redactions coded 2 cover identifying information other than a name. Those coded 3 cover information about political issues and campaign tactics.

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HARRY KRESKY

Lorenzo Holloway, Esq.  
January 25, 1995  
page 3

- Castillo International documents falling under category 2 above: pp. 1035 through 1045.

- Various vendors' documents falling under category 1 above: pp. 591 through 606; 788 through 817; and 2017 through 2343.

- Various vendors' documents falling under category 3 above: pp. 1 through 5; 2344 through 2376; and 3518 through 3534.

- Various vendors' documents falling under category 4 above: pp. 607 through 787; 818 through 906; and 1046 through 2016.

Further, as we discussed, the following is a brief description of each vendor's overall business activities and of the goods and/or services provided to the Committee:

Automated Business Services - This business, a partnership, provides computer-based general ledger and payroll related services to small businesses. It provided payroll services to the Committee.

Cakim Management - This corporation provides services including consulting on the management of theatrical and motion picture productions, and in the political arena, the management of fundraising and ballot access operations. After the Committee's major ballot access service contractor failed to adequately perform, Cakim was hired to plan and manage emergency ballot access drives in eight states.

Castillo Communications - This partnership operates a public relations agency which books speaking engagements and handles media for a number of clients active in the political and cultural arenas. Castillo Communications entered into an agreement with the Committee on February 15, 1991 providing that Castillo Comm. would perform services which included developing, organizing and implementing media publicity, researching and writing press releases and media alerts, developing photo opportunities and interviews, and furnishing on-site liaisons to the media, as needed.

Castillo Cultural Center - The Center is a tax-exempt, multi-cultural arts center. Monies received from the Committee were primarily for the production of materials for use by the Committee and for the purchase of theater tickets and the use of facilities in conjunction with fundraising events.

Castillo International - This publishing and distribution company formed in 1990 and incorporated in 1991. The company sells books and videos to book distributors nationwide. Castillo International provided no services to the Committee. All monies

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HARRY KRESKY

Lorenzo Holloway, Esq.  
January 25, 1995  
page 4

received from the Committee were in payment for books sold to the Committee.

Fred Newman Productions - This corporation managed creative artists primarily in the music and film industries, participated in film production and distribution ventures, and performed management consulting. The Committee hired Fred Newman as campaign manager, and the corporation was paid for his services.

Ilene Advertising - Ilene Advertising ("IA") was founded in 1984 and began doing business in New York in 1986 where it was incorporated as Ilene Advertising, Inc. in 1992. IA provides various services including design, advertising and media consultations, and the design and production of advertising, flyers, posters, and books. IA provided various services to the Committee, including the design and production of various types of advertising such as flyers and brochures; research, writing, design and production of a campaign book widely distributed by the Committee; and the negotiation and coordination of media planning and buying.

International Peoples Law Institution - This partnership provided legal services on a fee for services, contingency and pro bono basis to a variety of clients. The legal services it performed for the Committee included consultation and representation in ballot access and other campaign related matters, as well as litigation in state and federal courts throughout the United States to challenge restrictive ballot access laws and to attempt to win the right for Lenora B. Fulani to participate in candidate debates.

National Alliance - This weekly newspaper (incorporated in 1993) ceased publishing in 1994. It did not exist as a financial or legal entity before 1993.<sup>3</sup> It carried advertisements for the Committee and sold newspapers to it.

Newman & Braun - This partnership provides therapeutic, supervisory and consulting services. It rendered no services to the Committee. The partnership leased office space, telephones and computers to the Committee for a period of time.

Rainbow Lobby - The Lobby, a § 501(c) (4) organization, was founded in 1985 and dissolved in 1993. It became a nationwide membership organization of over 200,000 citizens. It was a non-partisan, grassroots citizens lobby that supported legislation

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<sup>3</sup>Although the certificate of incorporation was filed on December 17, 1992, the corporation was not fully set up and conducted no business until 1993.



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HARRY KRESKY

Lorenzo Holloway, Esq.  
January 25, 1995  
page 5

promoting democracy and human rights internationally. The Lobby published a quarterly newsletter, initiated and lobbied for legislation, and organized forums, conferences and Congressional tours. The monies received from the Committee were for the purchase of tickets to a dinner honoring the Congressional Black Caucus and for the purchase of mailing lists.

I trust that this information and the documents provided will satisfy any legitimate concern of the Commission regarding my clients.

Sincerely yours,



Harry Kresky

# LENORA B. FULANI FOR PRESIDENT

200 WEST 72ND STREET • SUITE 30 • N. Y. 10023 • 212-799-2100

July 21, 1992

Gabrielle Kurlander  
Cakim Management, Inc.  
500 Greenwich St.  
New York, NY 10013

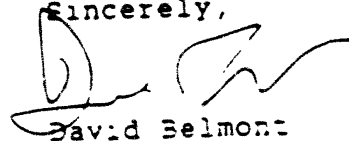
Dear Gabrielle:

As we discussed on the phone earlier today, the Fulani campaign has been informed by National Voter Outreach that they are severely behind schedule in all of the petitioning drives they've been contracted for, but most importantly at this time, in Montana (filing deadline July 29) and Kansas (filing deadline August 3). They are reporting to us that they can probably complete the Montana drive without additional forces, but may request that we send petitioners and/or managers to aid with the Kansas effort. As you know, our ballot access picture is very tight. Having to move forces into Kansas will probably impact on a drive currently under way in Ohio, and a drive we're planning to start in Kentucky right after we complete Illinois.

I'm writing to ask you to look into the possibility of getting involved in our ballot access management in the midwest. Obviously, if NVO is unable to get on track in Nebraska, Wyoming and Idaho (the other states they are contracted to complete); we could be seriously in danger of not getting on the ballot in those states, as well as states that we pull out of to bolster our efforts there.

Please contact me as soon as possible so we can discuss the details.

Sincerely,



David Belmont

ATTACHMENT 7

Page 1 of 1

INDEPENDENT CONTRACTOR PAY RECORD

Name: DORYL PROLLA

Address: 3225 BARNHOLME AVE  
NEW YORK NY 10039

SS#: [REDACTED]

DATE	SERVICE	CH.#	AMOUNT	
			PRIM.	GEN.
3-26-02	CLERICAL - PROCESSING PETITIONS		125-	

NOTES

LENORA B. FULANI FOR PRESIDENT  
REQUEST FOR REIMBURSEMENT

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B

Date submitted: \_\_\_\_\_ Amount \$ \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

State where expense incurred: \_\_\_\_\_

Purpose (give brief description): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Receipts must be attached for reimbursement)

-----  
for office use only --

ck# \_\_\_\_\_

Date: \_\_\_\_\_

LENORA B. FULANI FOR PRESIDENT  
250 WEST 57TH STREET, SUITE 317  
NEW YORK, NY 10019

2439

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1-37/2M

PAY TO THE ORDER OF

Kellie Basco

\$ 275.00

Two hundred twenty five and 00/100

DOLLARS



AMALGAMATED BANK OF NEW YORK  
175 Broadway, New York, N.Y. 10019

02 00529253

*Janine L.*

FOR

#002439# 1:0260033791: 310315410#

#0000022500#

DEPOSITION  
EXHIBIT  
FAC L  
11/31/95

ENGLISH FILE

Kellie Basco

*Janine L.*

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OR IN THESE SPACES IN REVISION USE

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NEW YORK NY

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NORA B. FULANI FOR PRESIDENT  
250 WEST 57TH STREET, SUITE 317  
NEW YORK, NY 10019

AMALGAMATED BANK OF NEW YORK  
1710 BROADWAY  
NEW YORK, NY 10019

0544

1-877-280  
EMPLOYEE NO. 508  
CHECK NO. 005444

TWO HUNDRED TWENTY FIVE DOLLARS AND 00/CENTS

DATE: 1/15/95  
AMOUNT: 225.00

KELLIE GASINK

*Kellie Gasink*  
AUTHORIZED SIGNATURE

⑈005444⑈ ⑈026003379⑈ 3103154⑈ ⑈0000022500⑈

DEPOSITION  
EXHIBIT  
FEC 7  
1/31/95

*Kellie Gasink*  
*President*  
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ATTACHMENTS 11  
PAGE 01

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
ADMINISTRATIVE

Bette-Jean M. Cohen  
3150 Rochambeau Avenue #D41  
Bronx, NY 10467  
D.O. B.: March 4, 1953

SEP 26 9 46 AM '94

September 20, 1994

SEP 26 10 07 AM '94  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK

FEC  
Office of General Counsel  
999 E Street N.W.  
Washington, DC 20463

Attn: Alva Smith

Dear Ms. Smith:

I am writing to share information with you which is relevant to a complaint filed with your office by Ms. Kelly Gasink against the New Alliance Party. I was named in Ms. Gasink's complaint (under the name of B.J. Lee which was my name at that time, before I got married) as one of a number of people who had allegedly received payments by the New Alliance Party for work done on their political campaign during 1990-91, I believe..

I would like to state clearly that I have never been paid by cheque(s) by the New Alliance Party in the name of B.J. Lee, or for that matter, in the name of Bette-Jean Lee. In the complaint I understand it disclosed payments by cheques in an amount totalling over \$1,000.00. I was also not owed any monies by the New Alliance Party for any services rendered or debt incurred.

After the complaint was filed by Ms. Gasink I was contacted by attorney Harry Kresky regarding the cheques. Mr. Kresky met with me in person, showed me three original cheques from the New Alliance Party which were made payable to "B.J. Lee". All three cheques were signed on the back with "B.J. Lee". Two were then endorsed by a second person, one being endorsed by Jini Berman and the second being endorsed by Francine Miller. The third was not double endorsed. I did not sign any of those three cheques. I never received or saw those cheques until shown them by Mr. Kresky. I did not nor do I now sign my name "B.J. Lee" as those are only my initials, not my legal full name.

I was a volunteer with the New Alliance Party at that time and had been since about 1983-84. I worked on Dr. Fulani's campaigns. In 1992 or 1993 I was paid by cheques by the New Alliance Party for work on the campaigns, but in the name of Bette-Jean Cohen. I know both Jini Berman and Francine Miller. I did not at the time give them the authority or permission to cash cheques in my name nor do I now condone them doing that. I did not receive the monies from those cheques. I was not owed monies for any work done or for any expenses or debts incurred for the New Alliance Party or Dr. Fulani at that time.

I hope this will be helpful in your investigation into this matter. If you need further information or have any further questions, please feel free to call me at \_\_\_\_\_, Monday to Friday, 8:30 a.m. to 4:30 p.m.

Respectfully,

*Bette-Jean Cohen*

Bette-Jean M. Cohen

ATTACHMENT

Page

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of

bjc

1           A       I don't remember how long. It was during  
2 1988. Probably for about eight months before the  
3 election in November of '88. Also, I had been, while  
4 I was working on that campaign, asked to go to the  
5 national convention of the New Alliance Party which  
6 happened in New York, I think in August of '88, but  
7 it was when she was formally nominated as the New  
8 Alliance Party's candidate for president in '88. It  
9 was some point in the summer, maybe it was earlier in  
10 the summer than I'm remembering it, so I had went  
11 there and I had seen New York, I had seen some of the  
12 different affiliated organizations that they --  
13 people who I was working with at the campaign used to  
14 say we're affiliated with this campaign, so anyway, I  
15 saw that and that was a lot what I based my decision  
16 to move to New York upon, you know, the work that I  
17 had seen in progress while I was there for a  
18 convention.

19           Q       What was the work that you had seen in  
20 progress?

21           A       I actually went to the Fulani national  
22 headquarters, so I saw the campaign office and they

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1 told me that they had all these plans to create this  
2 national third party, and I went to the therapy  
3 center and the theater, there was a cultural center  
4 they were just opening on 500 Greenwich Street at  
5 that time.

6 Q The theater was?

7 A Both the theater and the therapy center and  
8 the East Side Institute, they're all one floor. The  
9 Therapy Center and the Institute are one side of it  
10 and the theater is on another side of it. It's like  
11 this huge space and there's sort of an art gallery  
12 with a c's in the lobby that separates the two. So  
13 anyway, I saw that and I met a lot of the people who  
14 were working in this organization and, I don't know,  
15 I liked their plans.

16 Q And their plans that you liked were?

17 A In particular to start this new third  
18 party.

19 Q Okay. And what was the address of the  
20 theater and the art gallery and --

21 A That was 500 Greenwich Street, but at that  
22 particular time they were just opening it.

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1 Q Okay. Do you know who owns that building?

2 A I believe it's in the name of the CLRP, the  
3 Community Research Literacy Project, Community  
4 Literacy Research Project, which is not talked about  
5 too much, but is the not-for-profit organization  
6 that, I don't know, was part of this interconnected  
7 rainbow of organizations.

8 Q You said that it was during that first  
9 campaign that you worked that you learned the  
10 fundraising techniques?

11 A Yes.

12 Q What were those techniques?

13 A Well, how to memorize a street rap, the  
14 street rap meaning the rap that you would use if  
15 you're sitting at a table on the street trying to get  
16 passer-bys to stop; how to get, in fact, get people  
17 to stop and be interested, you know, how to raise  
18 money from people; how to disregard the people who  
19 don't want to contribute and move on to the next  
20 one. You know, that whole process which is -- and  
21 then I also learned the canvass, which is a whole  
22 different type of process, but how to memorize a

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1 committee member and they discussed strategy of the  
2 party, they discussed the books, some finances to the  
3 party, to a greater extent than the rest of the  
4 regular members of the IWP knew about these things.

5 Q Can you tell me a little -- well, tell me  
6 about the organization of the IWP and the central  
7 committee and how that relates to the campaign  
8 committees.

9 A Okay, the IWP, the organization of it is  
10 sort of hard to see because it's an underground  
11 organization, and so the way you learn about the  
12 organization is first, two people, always two people,  
13 they're on the central committee and always high up,  
14 will ask you to join, this is your first experience  
15 with the party is two people ask you to join.

16 If you agree to, then they put you through  
17 an initiation process which within a few hours after  
18 you saying that you will, you're asked to go to the  
19 apartment, in my case, of Jini Berman who was the  
20 security officer, head security officer for the IWP,  
21 and her job was to initiate you into this  
22 organization, to debrief you of sorts.

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1 This is what she said, this is what she  
2 said to me, she said this is what my job is and this  
3 is what I'm doing. So then she questioned me, she  
4 asked me -- well, actually -- anyway, she would ask  
5 me a series of questions, she asked me how much money  
6 did my family have, how much money did I have.

7 Q Your parents, she wanted to know how much  
8 money they had?

9 A Uh-huh. And then she said that, well, now  
10 anything that is mine is now ours because we are  
11 collective.

12 Q "Ours" being?

13 A Being Newman's, no, being the  
14 organization's, but basically being at the --  
15 anything that you have is something that is subject  
16 to the will of Newman, who is the chairperson.  
17 You're also told at some point that the chairperson  
18 of the organization is Newman. That's about all  
19 you're told as to who are the officers and what they  
20 do, and all that. That was all I was told.

21 I met Jini and I was told Newman was the  
22 chairperson, the chairman. And that if I had a

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1 dollar in my pocket, it was subject to the will of  
2 Newman, it might be his, it might be mine if he  
3 wanted me to have it, but it might be his. This is  
4 sort of generally what you're told. I was told that  
5 I wasn't supposed to mention the name of this  
6 organization to anybody, that it was strictly  
7 secured. I don't know, I don't remember everything,  
8 but sort of this general briefing.

9 I was told that for one year I was going to  
10 be in a training program and at the end of it I would  
11 become a full member, so I wasn't yet a full member  
12 of this organization, I was in what they called the  
13 leadership training program, and that consisted of --  
14 oh, I was also assigned to -- I was told that a cell  
15 leader would be in contact with me. I wasn't told  
16 the name of the person. I was told the cell leader  
17 would be in contact with me. If somebody called and  
18 left a message that I was to call immediately that I  
19 should call them because it could be my cell leader.  
20 you know, so I was to return all phone calls. But  
21 other than that, I didn't know what was going on.

22 So I was told I was in this leadership

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1 training program and the cell leader called me and  
2 told me to come to a -- first, I was told I had to  
3 meet with this person. She called me on the phone,  
4 and said, hi, I'm so-and-so. I knew her, she was  
5 someone whom I'd been working with.

6 Q Who was it?

7 A I don't remember. I don't remember  
8 because -- my first cell leader was Nancy Henschel.

9 Q Henschel?

10 A Henschel. And she also worked at the East  
11 Side Center. I found out later that generally the  
12 cell leaders in the cells that people were in  
13 corresponded with their "political location," so if  
14 you were working for the center, all the IWP members  
15 who were working for the center, you'd all be in this  
16 similar cell, you know.

17 As much as possible, people were in cells  
18 according to their project because it was easier that  
19 way because the projects tended to have similar  
20 schedules, so your schedules would coincide better,  
21 but the cells only had five people, so obviously  
22 there would be two cells or three cells or four cells

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1 for the East Side Center, but in my cell, there were  
2 four members and Nancy H. was the cell leader.

3           Anyway, she called me, said we have to  
4 meet, I met her, it was just me, it was just her, we  
5 were at a restaurant. I think she even came up to me  
6 personally and said to meet me at such-and-such a  
7 restaurant at 8:00 p.m. I don't think she wrote it  
8 down. We never wrote any of these things down.

9           So anyway, I met her, she told me I was  
10 part of the cell, she told me we would meet every two  
11 weeks. So anyway, I started meeting and then you  
12 would get these little slips of paper that would say,  
13 passed out at the cell meeting that said they were  
14 from the secretariat, you weren't told who the  
15 secretariat was. Anyway, so these little notes would  
16 say things like your biweekly contribution is \$160 to  
17 be -- and you would be told that your -- this was  
18 told to me by my cell leader, but anyway, you have to  
19 turn this in in cash in an envelope.

20           So after that point, whatever little  
21 instructions I got every two weeks from my cell  
22 leader, I would have to do, whether it was turn over

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1 something in cash, whether it was change my political.  
2 job, or whatever instructions that you received --  
3 most of which, I have to say, were financial -- you  
4 did. So anyway, there was that.

5 The leadership training program was just  
6 the fact that they would keep us in these classes  
7 where you would study these books, mostly you were  
8 studying Marxism and Leninism and these other  
9 political works that they thought were important to  
10 have us read, we would read. So anyway, for a year  
11 they did that and then I graduated.

12 But the -- as to the organization's  
13 structure, the only way you really -- you learn  
14 pretty quickly who is in the IWP like, you know,  
15 everybody who's in it, even though it's underground,  
16 even though you only meet with your cell because  
17 there's several little things they do. One is, as  
18 soon as you enter, every little cell gets transmitted  
19 a note saying that you entered. So like when I first  
20 entered, before I even went to my first cell meeting,  
21 everybody had already gotten a note that said Kellie  
22 Gasink is in, so everybody would come up to me and

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1 say congratulations. . Now you weren't supposed to  
2 respond to this and you were told not to, but  
3 basically anybody who came up and said such a thing  
4 were identifying themselves.

5 The other thing that you would frequently  
6 have like once a month, Fred would call us all  
7 together at Castillo Cultural Center. You got a  
8 sense of -- you knew everybody, I mean, you had to  
9 know everybody.

10 Anyway, but the structure of it was really  
11 hard to get because at first, you never even heard  
12 anything about the central committee. And when you  
13 went to these big meetings where pretty much all the  
14 IWP members in New York City were there, Newman would  
15 lead the meeting, but other than Newman, there wasn't  
16 like other people who played prominent roles, other  
17 than Fulani who was considered a spokesperson in the  
18 sense that she was at least in charge of the New  
19 Alliance Party. She was the most public of anybody  
20 in the IWP, but that wasn't considered an IWP  
21 location that was -- she was an IWP member, but the  
22 fact that she was a public spokesperson for --

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1 wasn't -- didn't really have much to do with her  
2 relationship in the IWP.

3 Q I'm sorry, I'm confused. She was a  
4 spokesperson for?

5 A For the New Alliance Party. And it was  
6 through her being, you know, outspoken and public and  
7 in the press that people were supposed to become  
8 "attracted" to the movement in general. So she was  
9 supposed to be sort of a magnet to bring people to  
10 the cult, to bring people to the IWP, so that people  
11 would come around who Newman could ask to join the  
12 IWP.

13 Although, he didn't have this goal to  
14 increase the membership very much, but, in any event,  
15 even though she was like a public magnet in that way,  
16 she wasn't -- that didn't mean that she was like  
17 second in command or, I mean, theoretically, if her  
18 public location meant anything, she would have been  
19 the one in charge of the IWP because nobody heard of  
20 Newman, everyone has heard of her or at least a lot  
21 of people had. But in reality, that isn't the way it  
22 worked. Newman was in charge and she wasn't even

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1 second in command.

2 Q Who was?

3 A Fulani.

4 Q Who was second in command?

5 A At the time I joined, I was told that Hazel  
6 Daren was, and Hazel was Fred's wife, or one of his  
7 wives. I don't even think he's officially married to  
8 her, to be honest with you. In fact, I'm fairly  
9 certain he isn't. But in any case, at the time I  
10 joined she was his only wife that I knew of. I was  
11 always told that Hazel was Fred's wife. But anyway,  
12 so Hazel, I was told, was second in command. That  
13 actually ultimately changed and he took on a new  
14 bride since I was there, since I came in, and now  
15 it's sort of assumed that she's second in command.

16 Q Who's that?

17 A That's Gabrielle Kurlander. She's  
18 actually, I guess, is or was listed as the executive  
19 director of the CLRP. I don't know if that's still  
20 her -- on the books, what her title is or whatever,  
21 if that is, that's only one of many titles that she  
22 has. But when I left, it was considered Gabrielle.

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1           But as to the structure of it, what I was  
2 going to say was, is that Fred usually leads these  
3 meetings, okay, there wasn't -- not a lot of people  
4 played prominent roles within them other than  
5 Newman. Occasionally, Fulani would -- he would ask  
6 Fulani to do something with him, or Hazel would, but  
7 the -- once every two years there would be a meeting  
8 where everybody nationally who was in the IWP would  
9 come together. They're called plenums.

10           Q     They were?

11           A     They were called plenums. These meetings  
12 they were also secret. The public couldn't know  
13 about it. But in a hotel we would meet for these  
14 plenums once every two years. It was called -- it  
15 was usually under the hotel registration, they were  
16 putting it in as a CLRP conference, but I don't know.  
17 they just had one in January and I don't know what  
18 name they had it on, I don't even know what hotel  
19 they had it on. I got a report back about what  
20 happened at this plenum, but I don't know where it  
21 was, because the IWP member who reported it didn't  
22 want to convey that information to me.

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1           But anyway, at that meeting, we found out  
2 that -- it was the first time I went to one of the  
3 plenums, was when I found out there was a central  
4 committee and that the central committee would meet  
5 separately right after the plenum or right before it  
6 or both and go over with Fred certain things about  
7 the political direction for the next two years of  
8 this organization, and frequently he would give  
9 financial reports to the central committee that were  
10 more in depth than what he gave to the general  
11 membership. So in any event, you also -- I also  
12 learned who was on the central committee.

13           Q     Were you on the central committee?

14           A     I was not.

15           Q     How did you learn what he told the central  
16 committee versus what he told the broader membership?

17           A     William Pleasant would give me reports on  
18 this central committee and what was said there, but  
19 also as to the general, like organization  
20 functioning, that wasn't considered secret  
21 information. After the central committee met, after  
22 they were completely done with their work, they were

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1 then instructed to tell all of the rest of the IWP  
2 members what had transpired.

3 So it was supposed to be secret, but only  
4 up until the meeting actually occurred; as soon as it  
5 happened and it was done and it was over with, they  
6 were supposed to -- William would tell me what the  
7 central committee did, but everybody was eventually  
8 informed because it was the job of central committee  
9 members to tell all the rest of the IWP members what  
10 had happened. In any event, both through other  
11 central committee members and through William, I  
12 would find out various things about what the central  
13 committee did and said.

14 Q When was the first plenum that you went to.  
15 that was the national meeting?

16 A Yes. The first one I went to was in  
17 January of '91 because when I came in in January --  
18 well, right after I moved here in '89, I had just  
19 missed the plenum because they had it in January of  
20 '89 and they hadn't officially asked me to join, so  
21 I wasn't able to go to that one. And so, anyway, I  
22 had become a member after a year, back in 1990, but I

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1 didn't go to my first national meeting until '91.  
2 Then I was expelled and not allowed to attend the one  
3 in '93.

4 Q How many people were at the one in '91?

5 A Well, the room was full and it was huge. I  
6 don't know, it looked like about 300 people,  
7 guessing, that wasn't the exact number, but looked to  
8 be about 300 people. There was only like -- nobody  
9 was supposed to be excused, anybody who still  
10 considered themselves or still was an official IWP  
11 member was supposed to be there unless they were  
12 deathly ill. So the meeting that I saw and the  
13 people who were there should have been everybody.

14 Q How many people were at the smaller monthly  
15 meetings with Newman?

16 A In New York City, about 100, I would say.

17 Q Was that the same situation? No one was  
18 excused?

19 A That was a little less informal, actually,  
20 because somebody could, you know, be slightly ill or,  
21 you know, I mean, people would not come. They would  
22 have to inform their leadership, I mean, it wasn't

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1 like -- but it wasn't the situation that nobody ever  
2 didn't come to those. Members in good standing  
3 occasionally did not attend those meetings for  
4 various reasons. Also, though, the meetings in  
5 New York, Fred would try to meet with all the IWP  
6 members in New York, but he didn't always do it all  
7 together, so sometimes he would just meet with the  
8 Castillo project and the East Side project and he  
9 would meet with the New Alliance project separately.  
10 so I didn't always see even all the full New York  
11 membership. When I left, I thought the New York  
12 membership was actually closer to 200 or 150.

13 Q You said he met with the New Alliance  
14 Project sometime separately from the Castillo  
15 project?

16 A Right.

17 Q The New Alliance project is the New  
18 Alliance Party?

19 A Yes.

20 Q So that wasn't directly connected to the  
21 Castillo project?

22 A Right, no, it wasn't. It was a separate

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1 organization, and whatever, doing separate work. And  
2 when Newman would meet with the IWP members, he  
3 would, you know, he would occasionally meet with them  
4 according to project as well. Even though all the  
5 IWP members were working on the same thing, in one  
6 sense, we were all part of one organization because  
7 it was an underground organization that was  
8 controlling all of these things. He could have met  
9 with all of us together all of the time but he would  
10 meet with us separately because he wanted to sharpen  
11 the work that these particular IWP members were doing  
12 within their own project. So I don't know if I made  
13 anything clearer by saying that.

14 Q Well, I'll just keep asking questions and  
15 hopefully I'll get it all together. What do you mean  
16 by "it was an underground organization"?

17 A It was never spoken about publicly. In  
18 fact, once or twice it was mentioned in the  
19 newspapers and Newman would specifically say that it  
20 didn't exist. He would say that, yeah, it did exist,  
21 but it was disbanded in 1979, which was the year that  
22 the New Alliance was formed.

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1                   What actually happened was not that it was  
2 disbanded, it went underground and, of course,  
3 everybody would talk about that and whatever, but the  
4 public position, that which was told to the press and  
5 to the whatever, is that it was disbanded in 1979  
6 because before that it had been a public organization  
7 just like the New Alliance Party, but then Newman  
8 decided the public is not ready for this or maybe he  
9 decided it would serve his cult purposes better and  
10 have this underground thing, who knows all of his  
11 motivations were, but he took it underground. Also  
12 there is a court record where the person actually  
13 admits that the IWP exists and is underground. It  
14 was because they did a lawsuit in Mississippi.

15           Q       Who did a lawsuit?

16           A       The -- well, I don't remember if it was  
17 Newman or Emily Carter, she was running a campaign  
18 there and I think that was also in 1989 or 1988, and  
19 anyway, the newspaper had slandered her, they called  
20 her a Laroucheite, and there was this lawsuit. I  
21 think it was like a slander lawsuit against, or libel  
22 lawsuit, against the newspaper, and the -- one of the

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1 members, Liz Gilchrist was asked if she was a member  
2 of an underground organization and/or if she was a  
3 member of this IWP, and she said -- she was an  
4 attorney, she's now not practicing law, she's here in  
5 D.C. -- but anyway, she said yes, I am. So anyway,  
6 she said in this court record --

7 Q That she was a member of the IWP?

8 A That she was a member, and that it was  
9 underground. And that was due to a lawsuit that  
10 Newman insisted upon bringing, so in a sense he  
11 created the situation where one of his own members  
12 said that it was an underground organization, but he  
13 wanted to sue this newspaper. But that's the only  
14 place where it was ever publicly mentioned, admitted,  
15 or whatever, that it exists.

16 Q Did you attend those proceedings?

17 A No.

18 Q Did you read the transcript?

19 A William was there. William Pleasant was  
20 the one who told me about it, but he was actually  
21 there, you know, throughout the whole proceeding. He  
22 had been involved in that campaign and whatever, so

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1 that's why he was the one that pointed out to me th...  
2 it exists in this public record.

3 Q So how does the IWP, then, relate to the  
4 New Alliance Party?

5 A Well, the main way that it relates, did  
6 relate when the New Alliance Party existed, was that  
7 IWP members were the ones who founded the party in  
8 1979. IWP members would be assigned to lead the New  
9 Alliance Party.

10 In theory, it was set up in such a way if  
11 there were overwhelming numbers of people in the  
12 public who liked the New Alliance Party and it became  
13 actually a big, public party and it had its own  
14 elections to vote in, its own membership, and its own  
15 leadership and whatever, it would be okay, Newman  
16 would just continue to have IWP members work for the  
17 project and, presumably, do so well enough to be  
18 voted in, or whatever, as its leadership.

19 But it wasn't -- Newman didn't think of the  
20 relationship as a coercive one, particularly with the  
21 New Alliance Party because it was supposed to be a  
22 mass organization, but it never got to the point

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1 where there was any overwhelming numbers of people in  
2 the public who wanted input into this party, so they  
3 didn't have to bother to have elections.

4 I mean, Newman just put in IWP members and  
5 gave them titles, like you're the chairperson, like.  
6 Fulani, you're the chairperson, you're the national  
7 this and that, or you're the New York chairperson,  
8 and whatever, and people just filled those roles and  
9 they never ever did have elections of any of their  
10 members.

11 But Newman did control every aspect of what  
12 that party did, meaning that if he wanted to juggle  
13 the finances between his organizations, between one  
14 and the other, you know, he would just do that. If  
15 he wanted the New Alliance Party to finance something  
16 that another organization was doing, he would do  
17 that, or if he wanted another organization to finance  
18 what the New Alliance Party was doing, he would do  
19 that.

20 For instance, he had a press firm, I mean,  
21 a public relations firm, Vision Communication, and  
22 they used to take on different organizations. They

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1 would do public relations work for them, but Vision  
2 Communications was controlled by Newman and so was  
3 the New Alliance Party, so he would have it set up  
4 where Vision Communications would have the job of  
5 doing the public relations work for the New Alliance  
6 Party, but they wouldn't charge the New Alliance  
7 Party hardly anything and they would charge the  
8 Castillo Cultural Center, which is another one of  
9 Newman's organizations that had a lot of money, it  
10 would be charged a lot. So that Vision  
11 Communications would get the amount of money that  
12 Newman wanted it to get, so that all these  
13 organizations would get the public relations work  
14 done by Vision Communications. So he would just set  
15 things up to his convenience, financially speaking,  
16 between the New Alliance Party and any of his other  
17 projects.

18 Q Did you learn about all of this in the  
19 history of the organization and Newman's philosophy  
20 as part of your training to become a member of the  
21 IWP?

22 A Well, that was something that was

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1 Q Uh-huh.

2 A Although, organizationally, it made sense  
3 to have Jini Berman and Fran Miller doing that, you  
4 know, in charge of stuff that if Fred wanted money  
5 and it was being illegally obtained, I could see him  
6 asking Fran and Jini to do that because Jini was a  
7 security officer and because Fran was in charge of  
8 the campaign finances and knew everything, was the  
9 only one really who seemed to know everything about  
10 where the campaign money was going.

11 But when I found out that Rachel was the  
12 treasurer for the last few months after the campaign,  
13 I didn't know if she had known about or had been  
14 involved with any of the stuff that -- particularly  
15 the illegal stuff about the campaign finances. She  
16 hadn't previously been in a position in the  
17 organization where I would think that they would have  
18 her doing illegal stuff, although there are certain  
19 people who they regularly had do illegal stuff.

20 Q Who were they?

21 A Fran and Jini were two of them, but there  
22 was a group of people. I'm only mentioning this

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1 because it's -- there's a correlation between the  
2 people who he had do this illegal stuff like stealing  
3 money, which I didn't really find out a lot of the  
4 details of until after I left, but there was also a  
5 group of people who he had earlier on, mostly in 1988  
6 and 1989 before I joined, that he had do this gun  
7 training.

8 They would -- he would regularly take a  
9 certain number of people outside of the city and they  
10 would practice shooting and there were a number of  
11 guns. They had maybe eight guns, from what I heard,  
12 I never saw any of these guns. But they took people,  
13 Fran was one of them, Marina's husband, Phil Pinero  
14 was another, Jini was another. They took certain  
15 people, you know, up and they would do this, they  
16 would be engaged in this.

17 After 1989, I never heard anything more  
18 about them doing -- they stopped doing gun training,  
19 so presumably those people who had learned to shoot,  
20 knew how to shoot, and he just stopped doing any  
21 training. I understood that they still had these  
22 guns and then William said that, in fact, they did.

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1 Jini kept them in her apartment up through '91, at  
2 least. But, in any event, Jini was a security  
3 officer.

4 Q What did that mean?

5 A Well, that meant -- it meant to me,  
6 initially, was what I said before, that she was the  
7 one that initiated people who came in, but also  
8 another thing I found out real soon that it meant,  
9 Jini had, in the national campaign office is where  
10 she worked, she had this great big safe in which she  
11 kept cash, in a little locked-in office, that was her  
12 private office, it was always locked, plus, she had  
13 this safe in there. And Jini would be keeping IWP  
14 money, which always came in in cash, unless we were  
15 so instructed not to bring it in in cash.

16 People who gave their biweekly  
17 contributions in cash, which could amount to 50  
18 percent of their income depending on how much they  
19 were making and whatever Fred demanded of them, so  
20 all this cash that was coming in, Jini was the one  
21 who was keeping it. So she was, you know, she was  
22 like the head security officer, that's what that

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1 meant. I was told, and I can't confirm because I'm  
2 not in the organization and so forth, that Candice  
3 Sherman is now doing that job. I do know that Jini  
4 Berman, she's still in the IWP but she no longer  
5 wanted to be head of security. After I left, I know  
6 she asked to be removed from that.

7 Q Who told you all that?

8 A Well, the -- Bob's wife, B.J. Lee, is still  
9 associating with current IWP members. She has  
10 contact with them, even though she's not currently an  
11 IWP member, she used to be, we all used to be, but  
12 she still talks with people who are in and they tell  
13 her stuff that they know, because they trust her,  
14 they're friends with her, they've been friends with  
15 her and so whatever, so they tell her various  
16 things. So most of what I know about current stuff  
17 is coming, one way or the other, through B.J.

18 Q Do you have frequent meetings with her?

19 A Yeah, I frequently see her. She'll come  
20 over and visit Bob, you know. I don't know, we talk  
21 with her frequently; we see her maybe once every two  
22 weeks.

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1 deal with it. It was only told from what she was  
 2 saying. But then she said that she thought that they  
 3 were checks. She said I think there's a discrepancy  
 4 to your name and I think they were checks and that  
 5 they must have been cashed by somebody else and then  
 6 they were, whatever, that they were cashed.

7 And I said you mean that Fred is so stupid  
 8 that he would like have these checks written out and  
 9 forged and cashed. You really have to be kidding

10 [REDACTED]  
 11 [REDACTED]  
 12 [REDACTED]  
 13 [REDACTED]  
 14 [REDACTED]  
 15 [REDACTED]

16 And then, well, I asked him several times  
 17 what do you know about these checks because it  
 18 turned out that there were checks, you know, and then  
 19 I later found out that they went and showed B.J.  
 20 three checks that were discussed to her

21 Q Who showed B.J. three checks?  
 22 A Harry Fresky who is one of their

1 attorneys. And when they to sign something saying  
 2 that she received the money out on the checks were  
 3 the checks signed and the name of that was Fran's  
 4 name. And when she saw one of them had Jim's name  
 5 and she thought that was a forgery of  
 6 her signature.

7 She said that she had forgotten of her  
 8 signature. She said that when she saw the signature  
 9 she said that she thought that was a signature also  
 10 because she had seen one of them had Jim's name so it  
 11 looked like that had changed the of the checks, Jim  
 12 had changed one of the checks and somebody had just  
 13 gone to him because see Amalgamated has these  
 14 little employee IDs where there's no picture on  
 15 them. You just go to him the little card and you can  
 16 read it.

17 So the signature on the check matched the  
 18 name in the card but the card was forged by  
 19 the same person. Neither of them were B.C. S  
 20 signatures both of them were B.C. See the B.C.  
 21 didn't sign that card which apparently the campaign  
 22 had a bunch of blank ones. Fran Miller had a bunch of

1 blank employee cards that Amalgamated gave her. So  
 2 she would essentially write in the name of the  
 3 employee and then I would have somebody write in the  
 4 name of the employee and sign the same signature on  
 5 the back of the check and then send somebody in as  
 6 that person to cash it.

7  
 8 Q Anyway Bill said to me when I asked  
 9 it because I would like to about these checks I said  
 10 how did you know that there were checks in the  
 11 Well anyway initially he's like I don't want to  
 12 talk about it. I just don't want to talk about it.  
 13 It's not involved in this organization. It's just  
 14 deep water, and I don't want to talk about it.

15  
 16 Q So it was after I asked him several, like  
 17 on in the evening on several evenings because I  
 18 had seen him and Marina several times. And one time  
 19 he was with I think he was working Marina or  
 20 visiting alcohol or some information of both, and he  
 21 just said well I don't want to say anything  
 22 particularly but I know you know that I don't you  
 23 know would hand people checks with signatures, would  
 24 walk over into the bank and cash them. And I said

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and so you see one of these people who she would give  
checks and have cashed. And, well, sort of, but, you  
know I didn't know anything about that. I was just  
given a check with a signature with a card and  
told to go cash it and then I brought it back to  
him.

And, from his point of view you know he  
didn't want to get involved and certainly they could  
have from that point done something they could  
have given the cash to the person who it was listed  
for and had them sign something saying that they  
received their payment.

But, in any event, none of that actually  
happened because the people who were listed in this  
may never ever received the money. So as soon as I  
found out that there were these checks going around  
that had been issued I called a few people who were  
in that list just to ask them if they had been paid  
before I wrote the letter [REDACTED]

[REDACTED] that I also sent to the  
FBI that the people who I listed there was -- are  
people who told me they never received the money.

When did you first look at those?

In January or shortly after January of '33.

Also going back to some of the stuff you  
mentioned, the Cohen or Gutterman Cohen is  
the current member of the IWP?

No.

And she lives with Doris Kelly and her

right name is an unusual situation

There was a point in time in which it would have been

acceptable. When I was in it would have been

totally unacceptable. I'm not sure why they're

allowing it. They've been discussing Doris saying

that she should resign because she's oppositional.

Because she's living with this non-IWP member

without being considered a prostitute. They don't

think that's a threat to the organization. If

she had left in the past and Doris were still

associated with her it would be different. When

she left she just said, you know, she was still

prostitute she was tired and couldn't do this work

anywhere. She hasn't done too much to make that think

that she's opposed to the organization, so they're

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1 allowed the situation to remain as it is, but they  
2 have been pressuring Coria.

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1 she said I need help, they said well, you know,  
 2 because you're politically sensitive, you should  
 3 write this for me anyway. And she said that that she  
 4 couldn't write that.  
 5 Q Do you know I think that she's willing  
 6 to be not willing to let her own interests  
 7 become involved in this? She's not in a package  
 8 agreement that that she will let me think that  
 9 she's willing to cover for me for me for me for  
 10 anything like that.

11 Q For me being Newman?  
 12 A Yeah.  
 13 Q When did she leave the DWFP?  
 14 A I don't know I think around June of '62.  
 15 Q Were you there during the conversations she  
 16 had with these lawyers when they asked her to sign  
 17 the affidavit?

18 A No.  
 19 Q In writing any of the conversations that she  
 20 had with these people?  
 21 A I was there during some of those  
 22 conversations because her and Sylvia both came over to

1 would canvass in areas like in Westchester that were  
2 fairly accessible to the Bronx, that were quick in my  
3 car to get to, places that I could get to fairly  
4 quickly after I was done working.

5 Q And you said that you had two conversations  
6 with Cathy?

7 A The first one was the one where she fired  
8 me, and I don't remember when that was, but --  
9 because I ended up then getting switched back to  
10 telemarketing, but then the second one was when I was  
11 again, I think, asking her where the money was going  
12 and then I said -- she said that, well, maybe I  
13 needed to see a financial report, then told me I  
14 couldn't see a financial report.

15 Q So when you were working on the  
16 telemarketing, you still had contact with her, with  
17 Cathy?

18 A Uh-huh. She worked -- yeah, I had contact  
19 with her throughout because she was in charge of the  
20 national campaign office.

21 Q Tell me about the telemarketing that you  
22 did.

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1           A     Well, Shelley and myself and Bob Levy were  
2 in charge of this national telemarketing operation,  
3 most of which was happening in the national office in  
4 Manhattan on 72nd Street, there were smaller phoning  
5 operations that were happening in other states. The  
6 three of us would -- Bob and Shelley and I, would  
7 make sure that there was a good telemarketing rap  
8 that was current, that told people what was happening  
9 with the campaign, and ask them for contributions and  
10 then we would, usually Shelley and Bob, would take  
11 turns doing the briefings for the telemarketers  
12 before they would start phoning.

13                     For about 20 minutes people would talk  
14 about -- we would have a political discussion before  
15 people started phoning as a way to moralize them,  
16 make sure they knew what was happening with the  
17 campaign, and make sure they were comfortable with  
18 the rap, or go over particular issues that people  
19 were having. Sometimes a particular question would  
20 come up over and over again that callers, frequently  
21 callers would ask the same question, so sometimes we  
22 would spend the briefings going over what's the best

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1 way to respond to that question. Anyway, then the  
2 phoning would start.

3 So -- and I would also prepare the weekly  
4 reports of the telemarketing operation, how much  
5 money each caller had raised in pledges, how many  
6 hours they had worked, and how much money per hour  
7 were they raising in pledges, a bunch of different  
8 stats. And I would also make up a report of which  
9 check, how many checks had come in for each caller  
10 that week and how much money came in for that caller,  
11 and, you know, to keep statistics of how much money  
12 in relation to pledge was the person getting in,  
13 because if they were getting a lot of pledges, but  
14 they were only getting a small percentage that would  
15 actually come in the mail, then they weren't doing  
16 it, they were getting too soft of pledges, whatever.

17 I prepared that weekly report that was a  
18 statistical report and I also did that for the  
19 national, so each week I would get the information  
20 from the different operations and the other states  
21 and include that in the national report.

22 Q And who did you give that report to?

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1 A Shelley and Cathy Stewart.

2 Q Shelley?

3 A Shelley Karliner, who is in charge of that  
4 national telemarketing operation, and Cathy Stewart.  
5 I think I always sent a copy to Fred and Gabrielle as  
6 well. Any weekly report that an organizer does,  
7 usually a copy is sent to Fred and Gabrielle. That  
8 was customary.

9 Q Did you keep any copies of those reports?

10 A No, I didn't. I thought that I did or at  
11 least had one copy or whatever, but I couldn't find  
12 it in -- any copies of them, because every week the  
13 telemarketing report would get, you know, put in a  
14 folder and kept in the national office and when I  
15 left there, all the files were there. And so I  
16 thought maybe I had done up one or two of the reports  
17 on my computer at home, but I hadn't, or at least if  
18 I did, I had erased it because there weren't any  
19 sample telemarketing reports on my computer.

20 Q Who was your direct supervisor?

21 A Shelley.

22 Q She was. Who did she report to?

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1 A Cathy Stewart.

2 Q And did Cathy report directly to Fred  
3 Newman?

4 A Cathy Stewart would usually report to Cathy  
5 Salit who would talk with Fred Newman or she would  
6 report to him or whatever.

7 Q Did anyone report to Lenora Fulani during  
8 this time?

9 A No.

10 Q Did you supervise anybody when you were  
11 telemarketing?

12 A Yes, I shared that responsibility with  
13 Shelley and Bob, but they would frequently have me  
14 train the telemarketers. I was sort of in charge of  
15 all the new volunteers, so I would frequently have to  
16 train them or set them up to do different types of  
17 volunteer work, and they would also leave me in  
18 charge of the telemarketing operation if neither one  
19 of them were there, neither Shelley nor Bob.

20 Bob Levy wasn't officially in charge of the  
21 telemarketing operation, but he's one of -- I don't  
22 know how to put this, but he's extremely skilled in

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1 this, so he was sort of brought on as a consultant.  
2 Everything he said went, so frequently him and  
3 Shelley would determine policy by having discussions  
4 and he would tell her what the operation needed, but  
5 I don't think he was considered really directing the  
6 telemarketing operation. Shelley was and I was  
7 assisting her.

8 Q Were either Shelley or Bob paid for their  
9 services?

10 A No. Actually, I think Bob was paid in some  
11 way by Newman. I don't know if he was -- what  
12 payroll he was on, so to speak, whether he was paid  
13 in cash under the table, whether he was paid  
14 officially by the campaign, whether he was paid  
15 officially through Fred Newman Consultants or one  
16 of -- because he creates a different organizational  
17 names and I don't know if he had one of his other  
18 organizations paying Bob, but I think --

19 Q If Fred Newman had one of his --

20 A Right, but I'm sure that Bob Levy was paid  
21 by one of the Newman organizations because he didn't  
22 have an outside job. Shelley had an outside job and

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1 know, there were -- but I just wanted to see if there  
2 was anything suspicious generally, and there was.  
3 There's stuff that was suspicious sort of  
4 immediately.

5 Q Like what?

6 A Well, like a payment, the payment to Cakim,  
7 I mean, Cakim doesn't exist. It looks as if it's an  
8 organization, as a Newman organization at 500  
9 Greenwich Street, the same address, and it was sort  
10 of this name that seems to be a putting together of  
11 Cathy and Kim who are both -- Cathy Salit and Kim  
12 Svoboda, two people that work with Fred every day.  
13 It seemed to be a putting together of their names but  
14 it seemed like this fabricated organization. It  
15 certainly never gave anything to the campaign.

16 I immediately wanted to know why the  
17 campaign had paid this organization, Cakim. And then  
18 because I had never heard of it, when you call the  
19 500 Greenwich Street, the Castillo Cultural Center,  
20 they've never heard of Cakim either, the only person  
21 who's heard of it is Cathy Salit, because obviously,  
22 if they had just created it, she would be the only

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1 person who knew about it. But, in any event, I mea  
2 I don't know why it's listed, but I do know it looks  
3 very suspicious to me.

4           There was a lot of money paid to Castillo  
5 Communications which is the public relations firm  
6 that did the public relations work for the campaign.  
7 And I just noticed that with Castillo Communications  
8 what they were doing for the campaign was, they were  
9 sending out press releases to all the press when they  
10 were calling and needing things, and they were making  
11 a book of any media coverage of the campaign, like  
12 they would layout the article and they would put it  
13 in the book. I mean, they were doing a separate pa.  
14 of -- Castillo Communications was also setting up  
15 many of Fulani's travel.

16           But looking at it, I just noticed that  
17 Castillo Communications only has three people working  
18 there and they basically have this fax machine, one  
19 fax machine where they fax out all this stuff to the  
20 press, that he also -- that he billed out -- that  
21 Castillo Communications billed an awful lot to the  
22 campaign, but then they also had the campaign paying

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1 issues. Madeline would answer phone calls and talk  
2 to reporters, and then I would compile the book of  
3 any media coverage. But anyway, so I was just trying  
4 to see, again, how much was paid to what Newman  
5 organizations and what kind of services they  
6 provided. So anyway, I was looking at Castillo.

7 Also, there was money that was spent to --  
8 for Ilene Advertising, and Ilene Advertising is also  
9 in that same -- in the Castillo Cultural Center, that  
10 she has some separate machines she uses to do  
11 brochures and other types of design work.

12 Q Who is she?

13 A Ilene Hinden, who's in charge of Ilene  
14 Advertising. She sort of is Ilene Advertising. She  
15 has, sometimes, other people doing volunteer work  
16 with her, but she really is the main person who does  
17 everything there.

18 Q Was she paid for the work she did?

19 A Yes.

20 Q Did you see checks written to her?

21 A Well, I didn't see any checks written to  
22 her. The -- I mean the campaign lists a lot of money

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1 being spent, going to Ilene Advertising. Now, I  
2 didn't see any checks going to her, but I don't think  
3 that the work that was done on the brochure which was  
4 done for the campaign. I certainly don't think it was  
5 worth the amount that was paid to Ilene Advertising.  
6 but --

7 Q Why don't you think that it was?

8 A Because there wasn't much done and because  
9 also there was -- I don't have a list in front of  
10 me. I wrote it in my letter -- but there was a  
11 number of organizations that he was saying was doing  
12 the public relations work, Castillo Communications,  
13 Ilene Advertising, and there was another one, I  
14 think, that he was saying did the same work. And the  
15 only thing is is the amount paid might have been  
16 appropriate to any one of them, but to list it as if  
17 they were all doing that amount of work -- I mean,  
18 what was done for the campaign simply didn't have  
19 that kind of market value. And also I had  
20 specifically heard as to Ilene Advertising that it  
21 was a custom, a practice -- this is just what I was  
22 told -- but that it is a practice for him to pay her.

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1 overpay her, and that she gives the money back to the  
2 CLRRP.

3 Q For "him," being Fred Newman, to overpay  
4 Ilene?

5 A Right, or have one of his organizations to  
6 overpay her for services, and then she gives the  
7 money to CLRRP.

8 Q Where did you hear that?

9 A William was one of the persons who told me  
10 that.

11 Q How did he know?

12 A He found that out through his central  
13 committee meetings. And I think he'd also spoke to  
14 her about that, but, you know, he seemed to believe  
15 that that had been done more than one time. But the  
16 CLRRP only gets money from the Friends of the CLRRP and  
17 it doesn't list in the public records who the Friends  
18 of the CLRRP is.

19 Q The friends?

20 A Yeah. It's just this thing called the  
21 Friends of the CLRRP, and Ilene Hinden is one of the  
22 friends. The other money that comes in to the CLRRP

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1 really point out that these funds will go from one  
2 organization to the other, if that's what -- it seems  
3 to me anyway -- that's what Fred wants to do.

4 I was in a meeting about that issue, about  
5 the canvass, in which Fred told us, we were the  
6 people who were doing the East Side Institute  
7 canvass, he told us you guys should not make any  
8 plans for that money because that money is mine.  
9 This is shortly after I joined, it was like right  
10 after I joined the organization.

11 Q So that was in '89?

12 A It was 1989. And that was toward the  
13 beginning of the canvass, in the beginning of 1989.

14 Q How many people were on that canvass?

15 A I think there about 10 of us that canvassed  
16 regularly, I mean consistently, that had to bring in  
17 400 a week. But at the time, it was too unfathomable  
18 to believe that he would just say this money is mine.

19 Q Were those his words?

20 A Those were his words, and I thought that he  
21 just meant it is for me to determine how this should  
22 be spent, and I already at the time was sort of under

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1 the influence of, you know, my being enamored with  
2 the whole thing. I assumed that whatever his  
3 judgment was as to the best way to spend the money  
4 was that was -- that he had good judgment, but when  
5 he said the money is mine, that's what I took it for,  
6 I don't know how I take it now but --

7 Q You wouldn't necessarily take it that way?

8 A I wouldn't necessarily take it that way  
9 now. When he says the money is mine, he could very  
10 well just mean that, in his very selfish of ways,  
11 that this money is his, I don't know. I just know  
12 that the money went into Castillo. I do know at a  
13 later point Emily was concerned -- she was the  
14 director but he was the executive director of  
15 Castillo Cultural Center. And another point, around  
16 the same time or like in 1990, money disappeared from  
17 the Castillo account, about \$50,000 disappeared from  
18 the Castillo account because they had just written a  
19 payroll check so everybody's payroll check bounced.  
20 And they had to -- they rewrote checks and everybody  
21 was subsequently paid.

22 But I think that they -- what Emily said

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1 was, when I wrote the check, the money was there,  
2 \$50,000 just disappeared. That's how she put it and  
3 she was irked. I don't think it disappeared. I  
4 don't think she thought it disappeared, I think she  
5 meant that either Fred or Cathy Salit had made a  
6 withdrawal. It wasn't like a bank robbery had  
7 occurred but the other person who had access to that  
8 account was Newman and Cathy Salit.

9 In any event, I don't know if it was  
10 returned or if they just got more money but they  
11 subsequently paid people.

12 Q Did you say that was 15 or 50?

13 A 50.

14 Q 5-0?

15 A 5-0. So anyway, I guess when, you know,  
16 Fred is having one of his organizations pay another  
17 one of his organizations, I'm somewhat suspicious of  
18 it. Not that it couldn't be an arm's-length  
19 transaction, not that you couldn't have a situation  
20 where there was a payment that equaled the services  
21 given from one of his organizations to the other.  
22 But let's just say I'm suspicious because he would

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1 frequently make these arrangements with people and  
2 people are very willing to make whatever arrangements  
3 with him he demands, so, you know, I mean, even with  
4 the International Peoples' Law Institution, I noticed  
5 that the attorneys were paid, and also the IPLI was  
6 paid directly. And --

7 Q You noticed that by looking at the FEC  
8 reports?

9 A By looking at the FEC reports.

10 Q Did you see any indication of that anywhere  
11 else, or hear any indication of that?

12 A No, no, no one ever discussed this with  
13 me. B.J. did a little. I'll mention that in a  
14 minute. She said something about the attorneys'  
15 payments, but what I initially thought when I looked  
16 at it, the attorneys are IWP members.

17 Q Did you know them? Did you see them at the  
18 IWP meetings?

19 A Oh, yeah, I mean I've known them for  
20 years. Two of them gave me recommendations to go to  
21 law school, so --

22 Q Which, who?

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Whereupon.

KELLIE GASINK

was called as a witness and, having first been duly sworn, was examined and testified as follows:

EXAMINATION (Continued)

BY MS. VOSDINGH:

Q Are you ready?

A Yeah.

Q Ms. Gasink, I remind you that you're still under oath today.

A Yes.

Q Is there any reason you can't continue today?

A No.

Q Or any reason you can't give full and accurate testimony today?

A No.

Q I want to focus on some organizations the committee apparently did business with during the 1992 primary campaign. The first one is the one you mentioned yesterday, is Cakim?

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1           A     Yes, I think it's pronounced Cakim. It was  
2 never ever mentioned while I was working with the  
3 organization. I never heard of it.

4           Q     When did you first hear of it?

5           A     When I looked at the FEC records that  
6 listed it as receiving a disbursement.

7           Q     What else did you know about them?

8           A     Well, when I initially saw it I didn't know  
9 anything about it. I sought to discover stuff about  
10 that organization after I saw it there. But the  
11 address listed, 500 Greenwich Street, was the same as  
12 the other Newman entities, the Castillo Cultural  
13 Center and the East Side Center, and you know, I  
14 checked the phone book to see if there was a listing  
15 for Cakim at that address or anywhere and there was  
16 not.

17                     I called there and asked the receptionist  
18 if there was -- you know, that I wanted to speak with  
19 somebody from this organization and the receptionist  
20 had not heard of it. Just looking at the name, I  
21 thought it sounded like a combination of putting  
22 Cathy and Kim together and since Cathy Salit and Kim

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1 Svoboda work very closely with Newman, that was one  
2 thing I thought was a possibility as far as how the  
3 name was come up with, but I actually don't know.

4 Q Did you talk with anybody about this  
5 organization?

6 A Well, I talked with other people, former  
7 IWP members, about that organization, if they knew  
8 anything about it and such, but I did not speak to  
9 anyone who is currently in the IWP about that  
10 organization. Because at the same time I had  
11 discovered it, Benjamin Wittes from the newspaper  
12 City Paper had also asked about it and he was trying  
13 to find out something about it, so I just sort of let  
14 him.

15 Q He had asked you about it?

16 A He had asked me about it and so I let him  
17 see if he could find out anything further about it  
18 and apparently he did ask, he asked Jackie, I believe  
19 Jackie Salit about that organization, but I did not.

20 Q But you said that you did talk to some  
21 other former members of the IWP about it?

22 A Yes, I had talked to William Pleasant about

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1 it, Marina Ortiz, Phil Pinero, probably other IWP  
2 former members that I had been speaking with as  
3 well. None of them knew anything about it. None of  
4 them had ever heard of it either.

5 Q None of them had heard of it at all?

6 A No.

7 Q Had any of them seen it written anyplace?

8 A No.

9 Q Who were other former members of the IWP  
10 that you spoke with?

11 A The ones I just mentioned. I also spoke to  
12 Bob Cohen about it. I spoke to B.J. Lee about it. I  
13 spoke to Doris Kelly about it. She's actually a  
14 current member as well. She had not heard of it. I  
15 don't recall speaking to anybody else about it.

16 Q When you spoke with Doris Kelly about it,  
17 what was her reaction?

18 A It was I don't know anything about it, it's  
19 clear that there is some problems with the FEC  
20 records. I don't know Fred's motivations or anything  
21 like that, but I don't think that you should be  
22 attacking Fred. You know, Kellie, we have a

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1 disagreement about this issue. That was basically  
2 what she said.

3 Q She believed that by asking about this name  
4 that you were attacking Fred?

5 A Yes.

6 Q Did you ever see any invoices from Cakim or  
7 bills from them?

8 A No.

9 Q Any checks written to them?

10 A No.

11 Q And you'd never heard the name mentioned  
12 during the time you worked or were involved with the  
13 IWP?

14 A Right.

15 Q After you spoke to Doris Kelly about it,  
16 did she later say anything to you about it?

17 A No.

18 Q After you first --

19 A She never brought the subject up again.

20 Q Did you ever?

21 A No. We had brought up the subject

22 generally about the fact that the FEC records had

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1 been falsified, but her response was similar to her  
2 first response, which is I don't want to talk to you  
3 about this issue, Kellie, because you know we  
4 disagree about this and I don't think you should be  
5 attacking Fred.

6 Q And when did those conversations with Doris  
7 Kelly and the others you mentioned take place?

8 A Well, they happened over the last two  
9 years -- or yeah, in '93 and in '94 and, you know,  
10 various points throughout the year, those last two  
11 years we've discussed it with Doris, though I haven't  
12 discussed it very often and we've had very short  
13 conversations because she has not wanted to discuss  
14 it.

15 Q Would you remind me again when you first  
16 saw the FEC reports?

17 A The beginning of '93. I don't remember the  
18 exact month in '93 that I actually saw them because  
19 they were when that reporter from Primetime had sent  
20 them to me. But I had heard about them first in  
21 January of '93 because that was when Marina came to  
22 me or called me and said she had already seen some of

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1 not really discussed, but they have addresses there  
2 and names there. Like Cakim, I didn't know anything  
3 about it. It supposedly has an address there. So  
4 anyway, there might be other organizational names out  
5 of that Castillo area but I don't know of them.

6 Q A few sentences back you said something  
7 about the tendency?

8 A Yeah.

9 Q What does that mean?

10 A That's what Fred used to always call the --  
11 all of the political organizations under his control.

12 Q The Castillo Cultural Center, what kind of  
13 business were they in?

14 A They were in the business of producing  
15 theater.

16 Q And did they provide any services to the  
17 Lenora Fulani committee?

18 A They had at least two and maybe more than  
19 two fundraisers that -- in which there was plays and  
20 we sold tickets to the plays and there was a certain  
21 amount of that that went to the campaign. It was  
22 sort of a fundraiser for the campaign and there was

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1 some arrangement whereby some of the money went to  
2 the theater and some of the money went to the  
3 campaign.

4 Q Did you sell the tickets as part of your  
5 fundraising?

6 A Yes, I sold lots of those tickets.

7 Q How many?

8 A Well, each time we did it, and I only  
9 remember two occasions that, you know, I sold out the  
10 theater, we had to have at least a hundred seats  
11 filled that night and all the tickets were sold. I  
12 didn't do it alone. There were a few of us, at least  
13 two of us who worked on both of those plays, but I  
14 don't remember, there might have been three.

15 Q Who else worked on those plays with you?

16 A One of the persons who did that was Gail  
17 Elberg.

18 Q Was there another person who did it?

19 A Not that I remember.

20 Q Who did you sell the tickets to?

21 A Well, we sell tickets to anybody who was  
22 interested in buying a ticket and seeing this play

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1 and also to support this campaign, but we would also  
2 sell them a lot to other IWP members because  
3 frequently they were told that they had to go. And I  
4 just had the job of selling them the ticket because  
5 Fred had already ordered them to go, so they already  
6 knew that they had to do this.

7 Q How much were the tickets?

8 A As I recall, they were 25 apiece.

9 Q And when did those events take place?

10 A I believe both of them and if there was  
11 three all three of them in 1992, but I don't remember  
12 when at all.

13 Q Did they occur close together or were they  
14 spread apart?

15 A Fairly close together and I think in the  
16 middle of '92 not right before the election, but kind  
17 of somewhat close to the election.

18 Q In the summer or the fall then?

19 A Yeah.

20 Q Who put on the plays?

21 A Well, the theater put on the play and they  
22 were usually -- they were, in fact, both of them as I

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1 recall were plays that were written and directed by  
2 Fred and they had actors and actresses that were IWP  
3 members and who worked down at the Castillo Cultural  
4 Center.

5 Q Were there any who weren't, any actors or  
6 actresses who were not IWP members?

7 A I don't recall any that were not but  
8 Castillo will frequently have non-IWP members as  
9 actors and actresses, either because they're  
10 supportive actors and actresses that hang around the  
11 theater that are not yet invited to join the  
12 underground organization or that they do a sort of an  
13 audition, and they sometimes just hire actors and  
14 actresses that are not IWP members. But it was rare,  
15 so I don't recall if in these two they used any  
16 non-IWP actors and actresses but I don't really think  
17 that they did because, as I said, it was rare for  
18 them to do that.

19 Q You said that there were some non-IWP  
20 members who would go to some of these productions?

21 A Yeah.

22 Q Were they advertised, the productions?

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1 A Yes, yes.

2 Q Where were they advertised?

3 A The Castillo Cultural Center did all the  
4 advertising and they had -- the Castillo Cultural  
5 Center also does its own canvass and had a lot of  
6 community support from its own work that it had been  
7 doing since 1989, so a lot of people in the community  
8 know about the Castillo Cultural Center and they  
9 would just come in and go to the plays. They had a  
10 mailing list which consisted of everyone who had ever  
11 contributed to the center, and since they did a  
12 canvass they had a lot of people who contributed to  
13 the center. So I think that probably as advertising  
14 they did -- they probably sent a mailing to their  
15 contributor list and they always put an ad in the  
16 National Alliance newspaper, and they might -- I  
17 don't think that they did any advertising in any  
18 other newspapers for these particular plays, but they  
19 have in the past also bought advertisements in other  
20 papers.

21 Q Were the two productions that were used as  
22 Fulani fundraisers advertised?

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1           A       I don't believe that they were advertised  
2 in other newspapers. They were definitely advertised  
3 in the Alliance.

4           Q       Were there any posters?

5           A       Yes, and there probably were several  
6 posters put up in the community about the play done  
7 by the Castillo Cultural Center. The campaign didn't  
8 do anything in regards to that because when we would  
9 do it we were only doing the fundraiser for one night  
10 of this play, and let's say -- I don't remember the  
11 names of the plays but there were -- that play had  
12 maybe was going to run 14 times. We were only buying  
13 one night in a sense, only one night of it was a  
14 Fulani fundraiser, so they were going out and  
15 advertising for the play generally. They put up  
16 several flyers or they had been doing that for the  
17 whole run of the play.

18          Q       Did the Fulani committee advertise this  
19 fundraiser?

20          A       No. We would just go around to people who  
21 were involved with the campaign, people who were in  
22 and out of our offices, we would just ask them to buy

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1 the tickets.

2 Q You mentioned that Castillo Cultural Center  
3 had their own canvass?

4 A Yes.

5 Q That they went out and asked for  
6 contributions?

7 A Yes.

8 Q Did you ever work for them in that  
9 capacity?

10 A No, I never canvassed for the Castillo  
11 Cultural Center.

12 Q Did you do anything for the Castillo  
13 Cultural Center?

14 A Well, when I was working for Fred's office  
15 for a short time, as I recall, around December of '90  
16 I was working for Castillo Communications. He had me  
17 doing media work and at that time I was down at the  
18 Castillo Cultural Center.

19 Q Did you see invoices to the committee from  
20 Castillo Cultural Center?

21 A No. Well, at that time the Fulani  
22 presidential campaign wasn't going on.

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1 the only time I ever saw it was when they were  
2 selling tapes and so it was when they sold the tapes  
3 it was under the rubric of Castillo International  
4 tapes.

5 Q What kind of tapes?

6 A Cassette tapes. They produced two cassette  
7 tapes.

8 Q Was it music or books on tape or what was  
9 on the tapes?

10 A Music. And they had worked with a person  
11 by the name of Tony Rose who was into music  
12 production and he had produced these tapes with  
13 them. Then there was also these videos which were  
14 videos of the Fulani show, videos of an interview  
15 with Farrakhan and Fulani, videos that were mostly  
16 political in nature. And those videos might have  
17 been sold under the rubric of Castillo International  
18 Videos, I'm not sure, but those names only came up  
19 when they were selling these items that had been  
20 produced down at the Castillo Cultural Center.

21 Q Where did they sell them?

22 A They advertised them in the Alliance, in

1 this four-page paper. They usually have one story,  
2 maybe two, and they have all their ads which are for  
3 the plays the Castillo Cultural Center is producing,  
4 all the videos that they have, and all the tapes.  
5 And so every week people could, if they read the  
6 Alliance, whatever, they could use it and order one  
7 of these videos or cassette tapes.

8 Q Did you ever buy any of them?

9 A No. I obtained some of them, I was given  
10 some of them when I was down at the Castillo Cultural  
11 Center, so I have some of them.

12 Q Who gave them to you?

13 A I don't remember. I seem to remember  
14 Rachel Massad having given me some of them. But I  
15 have one of their tapes, one of the cassette tapes  
16 that has music on it, and I don't think -- actually I  
17 don't have any of the videotapes.

18 Q How much did --

19 A I have the books they produced. There are  
20 also books that were written by Fred Newman.

21 Q When he wasn't writing the plays and doing  
22 the campaign?

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1 services provided to the campaign were, you know,  
2 anywhere equaling that. I think that the services  
3 that were provided could have been gotten somewhere  
4 else for much less.

5 Q And what makes you think that?

6 A Well, mostly the services provided were,  
7 the space was used by the Fulani campaign on one  
8 occasion, the theater space, to put on a play.

9 Q Was that different from the two fundraising  
10 plays you talked about earlier?

11 A I'm sorry. Yeah. There was another event  
12 where they -- the space was used and there was a  
13 party and then we asked people to contribute while  
14 they were at that party, so it was just the space  
15 that was used, not the plays. There were two plays  
16 that were produced in conjunction with the Castillo  
17 in which the campaign got some amount and the theater  
18 got some amount.

19 Q The ones you talked about?

20 A Yeah. The National Alliance was put out  
21 every week and continued to be put out during the  
22 campaign. It was not connected with the campaign.

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

402-336-6040

410-684-2550



1 That was the National Alliance was putting out its  
2 own paper or whatever there was. I know that the  
3 campaign paid the National Alliance a lot of money  
4 and the -- we never received the Alliance at the  
5 campaign; we never used it for the campaign.

6 Q Were there committee ads in it?

7 A I don't know if there were any explicit  
8 committee ads in the National Alliance. The articles  
9 would be written or the article, if they just had one  
10 article, the story would frequently be about Fulani.  
11 That was the purpose of the newspaper from the  
12 beginning, was that it was supposed to be about our  
13 work, so it was -- there was always stories about  
14 Fulani. That was true before and after the  
15 presidential campaign.

16 I don't remember seeing any explicit ads  
17 for the campaign in the National Alliance but on one  
18 occasion -- we never used the National Alliance  
19 newspapers during the campaign because the campaign  
20 was considered by Fred and by everybody -- because  
21 this is what we were told -- politically different  
22 than the campaign.

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Nationwide Coverage

410-684-2550

1           The campaign was liberal, but the National  
2 Alliance was more radical than the campaign. It  
3 would say things that were more controversial than  
4 Fulani was supposed to be saying as a candidate. So  
5 we were explicitly told not to give the contributors  
6 to the campaign the National Alliance unless there  
7 was some reason to believe that they were more of  
8 that political persuasion, that they were more left  
9 than the campaign.

10           Q     Who told you this?

11           A     Fred said this, Cathy Stewart said this,  
12 Cathy Salit said this. It was of general agreement  
13 by people and it was said by numerous people in  
14 charge of the campaign.

15           Q     In what context would they tell you that?

16           A     Well, it was part of the training that was  
17 done for the canvass. We would do trainings for the  
18 canvass in the sense of teaching people how to  
19 canvass, and people would have to practice the rap  
20 and so forth. And frequently someone would ask,  
21 should we bring the National Alliance along, and you  
22 know, if that question was asked, whoever was leading

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-473-3700

410-336-6646

410-684-2550

1 that briefing or whatever would say no, you know,  
2 this is not campaign literature; it's different than  
3 the campaign.

4 So we didn't use the National Alliance on  
5 the campaign. The only time it was used, explicitly  
6 used, in those two years during the campaign was for  
7 one issue of the Alliance, one week, one issue during  
8 the New Hampshire primary. Instead of putting out  
9 the Alliance they put out a newspaper very similar to  
10 the Alliance. I mean it said the National Alliance  
11 on it, but it was just a campaign piece. It was like  
12 one big campaign advertisement.

13 Q That was during the New Hampshire?

14 A That was during the New Hampshire  
15 Democratic primary. That one we were given all the  
16 issues of it. They produced the same amount as  
17 normally produced of the Alliance. Instead of  
18 distributing it across New York City, as was normally  
19 done, we took the Alliance to New Hampshire and  
20 distributed it along with the work that we were doing  
21 in New Hampshire.

22 Q How many copies did you distribute in New

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage  
800-333-6616

410-684-2550

1 Hampshire?

2           A     I don't remember exactly how many copies.  
3 I don't know how many copies are made of the  
4 Alliance. I know it was the same amount -- it was  
5 mentioned that it was the same amount. I don't  
6 remember. I think 50,000. I could be wrong about  
7 how many they produced of the Alliance weekly. I  
8 mean at that time. The Alliance doesn't even exist  
9 anymore. That was another thing that they actually  
10 ended, too, after the campaign.

11           Q     But when it was in existence it was  
12 published weekly?

13           A     Yes.

14           Q     When did it start?

15           A     The Alliance has been around for years,  
16 probably since 1975. They changed the name of it a  
17 few times. When it first started it was the New York  
18 Alliance. They changed it to the National Alliance.  
19 That also happened a long time ago, sometime in the  
20 '80s.

21           Q     Were there any other names for it?

22           A     No.

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

100-47-3700

800-336-6646

410-684-2550

1 Q Was it incorporated ever?

2 A No.

3 Q No. And how was it distributed around New  
4 York City?

5 A Normally, are you talking about?

6 Q Uh-huh.

7 A Well, there was -- I think that what had  
8 been happening in 1992 was someone that worked at the  
9 Castillo Cultural Center would just take it around  
10 and set it in check cashing places and in community  
11 stores and public places where people were likely to  
12 go, mostly in Manhattan and in some of the other  
13 boroughs in New York City.

14 Q Did you ever help out with the  
15 distribution?

16 A No.

17 Q Did you know people who did the  
18 distribution?

19 A Yes.

20 Q Who were they?

21 A One of the persons who used to do the  
22 distribution was Don Friend and another person who

13  
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Nationwide Coverage

212-247-3700

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410-634-2550

1 used to do it -- there was another non-IWP member who  
2 Castillo also had doing the distribution for quite  
3 some time and I don't remember his name. I mean I  
4 know him, if I heard his name or whatever I would  
5 remember it, but I can't think of it now and haven't  
6 heard or seen of him for several years now. So, but  
7 for 1991 I think that he was doing it, but I don't  
8 remember his name.

9 Q So they would put copies of it in various  
10 public places?

11 A Right. And -- well, what we were talking  
12 about before, you asked me a few question about the  
13 National Alliance, was what services generally did  
14 the Newman affiliated organizations provide to the  
15 campaign. And so I was saying that one of the things  
16 was the National Alliance and that the one issue that  
17 we specifically distributed all of the Alliances.  
18 The amount paid to the National Alliance for all of  
19 this service of the Alliance was equal to how much it  
20 cost to produce the whole Alliance for those two  
21 years.

22 Q How do you know that?

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Nationwide Coverage

410-654-2550

1           A     Because the people at Castillo who are  
2 involved in the production of it and know the cost of  
3 the production of it told me that.

4           Q     Who were they?

5           A     Well, both Phil Pinero and William Pleasant  
6 actually.

7           Q     How were they involved in the production of  
8 it?

9           A     They had worked at the Castillo Cultural  
10 Center and, as I said before, William Pleasant was  
11 the executive director of Stono down at the Castillo  
12 Cultural Center for many years. I think both of them  
13 worked for the Castillo Cultural Center for about  
14 eight years. So they were involved with the  
15 production of the National Alliance. William was a  
16 senior editor of the National Alliance and Phil  
17 Pinero was involved in the production aspects, not  
18 the writing aspects, and Dan Friedman the -- what I  
19 should say, was before they stopped it was the  
20 executive director of the National Alliance, and  
21 William Pleasant spoke to Dan Friedman.

22                     Phil Pinero and Bill, I guess, also had

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

400-336-6646

410-684-2550

1 their own knowledge from their own work there of  
2 this. But, in any case, they had figured out how  
3 much it cost or it was common knowledge how much it  
4 cost to produce the Alliance, because they need to  
5 know how much does it cost to produce this thing  
6 every week.

7 Q Why did they need to know?

8 A Well, the paper itself needed to know  
9 because they always wanted to see if it was a  
10 profitable enterprise or if it was one that was just  
11 political in nature, if it wasn't meant to make a  
12 profit, just to educate people, they needed to know  
13 how much it was costing them to do that. Anyway, it  
14 had already been figured out by one of these three  
15 people, or all three of them, they had already  
16 figured out the cost of producing it.

17 Q When did they figure that out?

18 A They had been constantly figuring that out  
19 and rechecking their figures if any cost of  
20 production changed throughout '91 and '92, through  
21 the same years that the campaign was paying the  
22 National Alliance for whatever -- whether they were

13

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

410-684-2550

202 411 3700

410-376-6646



1 paying them for the coverage of the campaign or were  
2 paying them for ads in the National Alliance or  
3 paying for them for the one issue that was used by  
4 the campaign, whatever they were paying for, the  
5 amount paid was equal to the total cost of producing  
6 the thing for those two years. That may be  
7 reasonable to some but, you know, it's strange to me.

8 Q And why is that strange?

9 A Well, it wasn't what was -- I mean just  
10 from the vantage point of the campaign, it wouldn't  
11 have made sense for the campaign to have -- wouldn't  
12 have been profitable or useful for the campaign to  
13 have done that unless Fred wanted to shift the  
14 production costs of the Alliance to the campaign. It  
15 just would not have made a whole lot of sense to have  
16 done that.

17 Q Even if all the articles were about Lenora  
18 Fulani and the campaign?

19 A Yeah, well, even if all of the articles  
20 were about Fulani and the campaign, it would have  
21 made a whole lot more sense to have bought  
22 advertising elsewhere, especially since there, you

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Nationwide Coverage

202-475-7700

410-336-4416

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1 were talking about.

2 A Because in the letter I didn't write down  
3 every organization that was a Newman-controlled  
4 organization. I just wrote down each one that was  
5 listed in the FEC records that I was aware of, and I  
6 don't think I missed any, but I don't remember.  
7 Because I know Castillo was paid under the names of  
8 several different organizations, but I don't know if  
9 Castillo International was one of the names that  
10 received a disbursement.

11 Q Did you ever see any invoices from Castillo  
12 International?

13 A No.

14 Q Any checks written to Castillo  
15 International?

16 A No.

17 Q And the kinds of services or goods that  
18 they provided were the tapes or the records?

19 A They didn't provide any of those things,  
20 those weren't campaign-related, we never saw  
21 anything. The only thing that Castillo was involved  
22 with, setting aside Ilene Advertising and setting

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Nationwide Coverage  
RM 124-6614

410-684-2550

1 aside Castillo Communications, which did the public  
2 relations work, the Castillo only did the two plays  
3 which we did in conjunction with them, and they did,  
4 they used -- we used their space to do another  
5 fundraiser. It was just a party that we invited  
6 people to come to and then they made contributions to  
7 the campaign. Other than that, I mean that was, as  
8 far as I know, the only relationship between Castillo  
9 and the campaign.

10 Q Tell me about Castillo Communications  
11 then.

12 A That's the public relations firm and they  
13 actually did do public relations work for the  
14 campaign.

15 Q What kind of public relations work did they  
16 do?

17 A They sent out -- they faxed the press  
18 releases, everything that Fulani was doing or the  
19 campaign was doing, to all the New York City press.  
20 They spoke to the reporters, they would frequently  
21 call and they would speak to the reporters and they  
22 would keep a book of all the press that was about the

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Nationwide Coverage

202 371 1700

601.226.6616

410.681.2550

1 but the decision was already made when I was  
2 instructed to do whatever. Then I would tell Fran,  
3 well, Ilene told me she wants this check and then  
4 Fran would send me the check interoffice mail and I  
5 would give Ilene the check or whatever else she  
6 needed. But I remember being told both of those  
7 things by her.

8 Q By?

9 A Ilene. Either that she was on contract,  
10 and at other times that the flyer had to be paid for.

11 Q So you sometimes actually gave her the  
12 check from the committee?

13 A Uh-huh.

14 Q And sometimes she told you she didn't need  
15 a check?

16 A Right.

17 Q And who's Ilene?

18 A Ilene Hinden is in charge of Ilene  
19 Advertising.

20 Q Did she do any other work for the  
21 committee?

22 A Nothing that wasn't from the -- in

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1 connection with Ilene Advertising. I mean, Ilene  
2 Advertising could do design flyers, could design  
3 brochures. She did a lot of different things that  
4 were in that kind of work, but she didn't do anything  
5 else in particular for the campaign.

6 Q Did she have any other clients or  
7 customers?

8 A Yes.

9 Q Who?

10 A Well, as far as I know, I mean, Ilene kind  
11 of ran her business separately.

12 Q What do you mean she ran it separately?

13 A From Newman, that she didn't do just work  
14 that Newman asked her to do for Newman organizations,  
15 she also had her own clients, people nonaffiliated  
16 with Newman in any way. I mean anybody could call  
17 Ilene Advertising and if they wanted a flier could  
18 get one from her.

19 Q Did you see other clients or customers come  
20 in?

21 A Yeah, yeah, I did.

22 Q Very often?

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Nationwide Coverage

110-681-1550

1 A No, not very often, but definitely on more  
2 than one time I'd seen it. I always had the  
3 understanding that even if she didn't do a lot of  
4 business with other people, that she did some  
5 business with other people. You know, anybody could  
6 call her in the phone book or whatever and she would  
7 do work for them.

8 Q And where was she located?

9 A She initially was -- you know, she moved.  
10 She's been down at Castillo Cultural Center for a  
11 long time. In their same space she has her machines.

12 Q Does anybody work with her?

13 A Well, she always did have people working  
14 with her, but I don't know who she has working with  
15 her currently or anything like that, but for the  
16 longest time she worked with Ann Decker, but then Ann  
17 Decker stopped working for the IWP and no longer  
18 works for Ilene.

19 Q When did she leave, Ann Decker?

20 A Ann Decker also left in 1992.

21 Q Were either Ilene or Ann Decker paid by the  
22 committee directly?

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1           A       I don't think so, neither of them, no. Ann  
2 Decker definitely wasn't and Ilene, I believe, was  
3 never paid. It was always Ilene Advertising that was  
4 paid. But, you know, come to think of it, I think  
5 Ilene's business was always sort of in the middle  
6 between being a private business and being a Newman  
7 business, because she had separate clients and  
8 charged them a reasonable rate or whatever the going  
9 rate was, and she would do work.

10                   But also, like when Ann Decker was working  
11 with her, I don't think she paid Ann Decker. I think  
12 Newman assigned her as a political location to work  
13 with Ilene, and I even think that during that time  
14 Ann Decker had a job from 9:00 to 5:00 and would work  
15 for Ilene for mostly like 6:00 to 11:00 p.m. and did  
16 so, like, on a volunteer basis. So it was sort of a  
17 business but it was run by Newman labor as well.

18                   And so the arrangement was strange in that,  
19 I mean, Ilene's position, it was sort of strange in  
20 that sense. And also I think that or I was told on  
21 more than one occasion that Ilene would get paid or  
22 overpaid by stuff for Newman work and that she would.

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

REGISTRATION

MEMBERSHIP

DISCOUNTS

1 if she -- if the business was making enough money and  
2 she was making enough money, as far as Newman was  
3 concerned she was making at least 250 a week to live,  
4 then he would have her give back the extra money that  
5 she was making in the form of contributions to the  
6 CLR.P.

7 Q So some of the payments she received came  
8 from outside clients or customers?

9 A Right.

10 Q Some came from the committee for work she  
11 did for the committee?

12 A Right.

13 Q And some came from the IWP?

14 A Right.

15 Q Okay. And you said that with respect to  
16 the work that she did for people outside of the IWP,  
17 her other clients or customers, did you ever see any  
18 price lists?

19 A No.

20 Q Any bills that she sent out?

21 A No, when you -- and I don't know -- well,  
22 she might have had them but when I called her she

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Nationwide Coverage



1 would never show me a price list. She would just say  
2 this is what I charge for flyers. I sort of got the  
3 impression she charges the same amount whether it's a  
4 Newman organization or a private client, and she  
5 would just say my rate for flyers is this.

6 And because I called her in regards to  
7 campaign work and I also called her when I wanted to  
8 do -- I wanted her to do a flyer for me that wasn't  
9 for a Newman-related activity, and she told me -- I  
10 think she told me the same amount, you know, as -- so  
11 I didn't get the impression that she charged  
12 something different whether it was the campaign,  
13 whether it was another Newman organization or whether  
14 it was someone calling on the street asking for that  
15 item. But I never saw any written price list. She  
16 would just say over the phone my price for this is.

17 Q Did you ever see any job orders that she  
18 had received?

19 A Not in writing. I went in there several  
20 times when she was working, her and Ann Decker were  
21 working on stuff, and she would say, oh, I'm working,  
22 you know, I'm just working on a project for a

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Nationwide Coverage

410-684-2550

1 client. And I would say one of our works and she  
2 would say, oh, no, no, it's just something you don't  
3 know. I'm just working on a project for someone else  
4 kind of thing.

5 Q Sure. You said earlier that you had heard  
6 several times that she was overpaid?

7 A Yes.

8 Q Who did you hear that from?

9 A Well, Ann Decker for one, who worked with  
10 her.

11 Q When did Ann Decker tell you that?

12 A Well, Ann Decker didn't tell it to me  
13 directly. Ann told that in -- because I only spoke  
14 to Ann Decker one time for about two seconds. But  
15 she knew Marina Ortiz and William better than me and  
16 had apparently had much lengthier conversations with  
17 them and they met and talked several times and,  
18 anyway, that's what she apparently told them.

19 Q What time period was that?

20 A That was in 1993 because when I wanted -- I  
21 checked to see if she was listed as having been paid  
22 by the campaign and she wasn't listed.

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Nationwide Coverage

1 Q Why did you check to see if she was?

2 A Because I knew she was a former member so I  
3 wanted to see if she was listed so I could see  
4 whatever, if she was listed and not paid or anything  
5 like that, but she wasn't listed. But she had left  
6 the IWP early on in the campaign so, and we asked,  
7 but one of her friends had been listed.

8 Q Who is that?

9 A Who was a non-IWP member. You asked me  
10 that yesterday and I couldn't remember the name of  
11 that person. But Ann called that person just to find  
12 out if they had been paid and that person said yes,  
13 I've been paid, why are you asking.

14 So, and William and Marina at that time had  
15 longer conversations with her but I had never really  
16 spent any time with her or hung out with her or  
17 anything, so I didn't have any contact with her other  
18 than speaking to her on the phone very briefly.

19 Q So Ann had said that Ilene Advertising had  
20 been overpaid by the committee?

21 A Yeah.

22 Q Did Ilene ever say that?

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

600.330.0000

310.64.1550

1 A Not to me. I never spoke to Ilene because  
2 Ilene is a current member.

3 Q She's currently a member?

4 A Or, I mean, I don't know if she's left  
5 recently. She was currently a member when I left and  
6 I never was told that she was not a current member.

7 Q How much was she overpaid?

8 A I don't know specifically.

9 Q Do you have any idea?

10 A Well, no, and what I was told was not even  
11 specific to the campaign, because what Ann said was  
12 that it was a normal practice for Fred and Ilene to  
13 make arrangements whereby she would make  
14 contributions to the CLRP as a friend of the CLRP.  
15 And then I looked at the CLRP's records because it's  
16 a non-for-profit organization, and they have public  
17 records, so I looked at those.

18 Most of the income for the CLRP is from the  
19 friends of the CLRP and it doesn't list who the  
20 friends of the CLRP is. And also the income for the  
21 CLRP triples during any campaign. During the '92  
22 campaign, the income into the CLRP tripled; during

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Nationwide Coverage

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1 1988 the income doubled; during the '90 gubernatorial  
2 campaign the income tripled of CLRP.

3 So the income during nonelection years was,  
4 for the CLRP, was much less but the income during the  
5 election years was way up, but it doesn't say where  
6 the contributions are coming from to the CLRP.

7 Q Ann said she had what kind of arrangement  
8 with Fred?

9 A It was just normal or it happened on more  
10 than one occasion that Ilene would give money to the  
11 CLRP as a friend of the CLRP.

12 Q And she believed that the money that was  
13 being given to the CLRP was excess payment that Ilene  
14 had received?

15 A Yes, or that in a sense it was money that  
16 the Ilene Advertising had received that Newman didn't  
17 think that Ilene needed to keep for whatever reason.

18 Q When you called Ilene to get price  
19 quotes --

20 A Yes.

21 Q -- were they reasonable?

22 A Un-huh.

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ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-222-2222

202-222-2222

202-222-2222

1 Q Yes?

2 A Yes.

3 Q Did you have her make the flyer for you  
4 personally that you had asked her about?

5 A No, I decided not to do it.

6 Q Not to do it at all?

7 A Not to do it at all.

8 Q What was the flyer you had asked about?

9 A My own personal one you mean?

10 Q Yes.

11 A Oh, I was considering running for office  
12 myself and I had asked her for price quotes on a  
13 number of things because I wanted to see what they  
14 would cost to do.

15 Q Was that while you were still a member of  
16 the IWP?

17 A Uh-huh.

18 Q What office was that?

19 A City council. But I decided not to do it.  
20 Actually it had nothing to do with the financial  
21 things that I found out from Ilene. I just at the  
22 time decided not to do it.

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1 Q What kind of business did you say Castillo  
2 Communications was in?

3 A Public relations.

4 Q And they had previously been known as  
5 Vision Communications?

6 A Right.

7 Q And when did the name change?

8 A In 1989.

9 Q Was there some sort of announcement?

10 A No. I mean, Castillo Center opened right  
11 around January 1 of 1989 which is also when I moved  
12 there, which is kind of why I remember it because  
13 there was the opening right around the same time I  
14 moved there. But, in any event, shortly after that,  
15 Visions was moving down to the Castillo Cultural  
16 Center, and then it became known as Castillo  
17 Communications. It wasn't anything said. I mean  
18 just now that Castillo printed up letterhead with  
19 Castillo Communications on it, and they were now  
20 called Castillo Communications. There wasn't a lot  
21 more to it.

22 Q Was it the same people involved?

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Nationwide Coverage

202-475-7700

800-376-6646

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1 A Yes.

2 Q And who were they?

3 A Well, those did subsequently change, but at  
4 that time, it was Annie Roboff and she was the person  
5 in charge of the whole thing. And also at that time,  
6 Marina Ortiz was working for Visions and she moved  
7 down to Castillo Cultural Center. There was quite a  
8 few people, it wasn't just a two-person operation.  
9 When it had been Visions, there was a lot of people  
10 working there, and that was during the '88 campaign.  
11 But during the '92 campaign, and sort of after 1989  
12 in general, Castillo was really run by three people:  
13 Madeline Chapman, who I told you about yesterday; Jan  
14 Wooten, and me for a period of time. And then there  
15 were other people who did that same thing I think  
16 Elaine Mannheimer, actually -- I couldn't remember  
17 yesterday -- but I believe that she was one of the  
18 persons who was the third person for a time.

19 Q At?

20 A At Castillo Communications. But they  
21 didn't pay those people, Castillo Communications  
22 didn't pay any of them. My understanding, and I'm

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1 fairly certain this is the situation, but only  
2 because there was no reason for me to not think it  
3 was, and this was sort of what I was told and all  
4 this. But Elaine, while she was working there had a  
5 full-time job and wasn't paid by them. While I was  
6 working there, I had a full-time job and wasn't paid  
7 by them. And Madeline was always paid, but she was  
8 paid by the Castillo Cultural Center and she worked  
9 for Castillo on the canvass. She had to raise \$300  
10 and then she was paid 300 a week. And if she didn't  
11 make her quota, she wouldn't get paid or didn't get  
12 paid as much; they worked that part out with her. I  
13 always saw her every day going out to do the Castillo  
14 canvass.

15 Q She told you that's why she was doing it?

16 A Right. And she told me she had a quota,  
17 and she would always be stressed out about her quota  
18 and all that. I mean, she wasn't doing the canvass  
19 for Castillo Communications which is a public  
20 relations firm; she was doing canvassing for the  
21 Castillo Cultural Center in general and would sort of  
22 say, oh, it does all these things, we have a theater,

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1 campaign and I was fundraising on behalf of the Barb  
2 Taylor School.

3 Q The what?

4 A The Barbara Taylor School; it's a Newman  
5 controlled school.

6 Q What summer was this?

7 A This was the summer of '89, I do believe.  
8 It was either the summer of '89 or the summer of 90  
9 but it was before the presidential campaign, I think  
10 it was the summer of '89. And Fulani went on one of  
11 those cruises during the '91 campaign, '92 campaign,  
12 and I believe she went on one of the cruises during  
13 1991. But in any event, I'm not sure if music cruise  
14 or whatever is listed, but that's the only activity  
15 that I ever knew that was done under the name of New  
16 Alliance Productions. As far as I knew, New Alliance  
17 Productions didn't do anything else.

18 They stopped doing those cruises, though, I  
19 believe at the beginning of '92, so they only  
20 happened -- those cruises only happened in '91. They  
21 lost the advertiser or something, Budweiser pulled  
22 out, and they couldn't get another advertiser and I

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1 believe they stopped doing those cruises.

2 Q So they stopped in '91?

3 A Right.

4 Q But they had done them in '90?

5 A They had done them in '89, '90, '91. They  
6 had done them prior to me moving to New York, as far  
7 as I understood, as well. So I don't know how many  
8 years in total they did these cruises.

9 So anyway, there was -- Fulani might have  
10 purchased tickets to go on this music cruise, her and  
11 a number of representatives or whatever with her,  
12 might have because there was a small amount, I  
13 believe, that was, I don't know if it was paid to  
14 Alliance Productions or paid to music cruise but it  
15 might have actually been for going on that boat.

16 Q Who organized those events?

17 A Circle Line Cruises did. It was their, I  
18 guess -- my understanding of how it worked, it was  
19 their boat, their cruise and they organized the bands  
20 that would play on it. And the only thing that New  
21 Alliance Productions would do is sell the tickets but  
22 that we would get an enormous productions.

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1 Q New Alliance Productions?

2 A New Alliance Productions would get an  
3 enormous profit from the selling of those tickets.

4 Q How much were the tickets?

5 A I think they were \$25 apiece.

6 Q And Circle Line owned the actual boat?

7 A Yes.

8 Q Who from the committee organized the events  
9 on the boat that Lenora Fulani attended?

10 A There really wasn't any organization done  
11 and Cathy might have made some arrangement.

12 Q Cathy?

13 A Salit -- might have made some arrangement  
14 and Fulani was asked to go on a particular cruise but  
15 there wasn't any thing specifically organized in  
16 regards to it, meaning --

17 Q You mentioned that you had gone on a number  
18 of them to do fundraising?

19 A Right.

20 Q On behalf of -- I'm sorry, I don't remember  
21 who you said.

22 A The Barbara Taylor school.

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1 Q Who asked you to go on those?

2 A Well, Christina Lacerva and Barbara Taylor  
3 and a woman by the name of Eunice Stronger asked Jill  
4 Patala and myself to do that, to fund-raise at this  
5 period every cruise for the Barbara Taylor School.

6 Q That was weekly?

7 A Yes.

8 Q Where was the New Alliance Productions'  
9 offices? What was their address?

10 A Well, they were -- they didn't really  
11 exist. They didn't really have an office, so to  
12 speak of, they just sort of had various people who  
13 were doing New Alliance Productions work, but as far  
14 as I know, that they were at 57th Street, at the West  
15 57th Street office, that I was saying yesterday I  
16 thought it was 250 West 57 Street, but I'm not sure.

17 The people who organized the selling of  
18 these tickets under the name of New Alliance  
19 Productions, they worked at that 57th Street office,  
20 but I'm not sure but I think at some point they might  
21 have started saying that New Alliance Productions was  
22 down at the Castillo Cultural Center; because there

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1 is no office, there's not like someplace that people  
2 in the public call up and go to, it's just a matter  
3 of who the person selling the tickets, where they  
4 work. And I believe that they started doing it down  
5 at Castillo Cultural Center, but they also stopped  
6 doing it entirely at the end of 1991.

7 Q Was there some sort of announcement that  
8 they had lost their advertiser and they would no  
9 longer hold any events?

10 A A general advertisement? No. Bob Levy  
11 said that though, because Bob Levy was in charge of  
12 making the arrangement with the advertiser. And I  
13 also worked with him on his telemarketing operation,  
14 and this was going on during the same period while I  
15 was working with him and Shelley on the national  
16 telemarketing operation. And he mentioned, the day  
17 that the advertising fell through, he told Shelley  
18 and I that there wasn't going to be any more music  
19 cruises. I believe the person who always was in  
20 charge of the selling of the tickets was Mark Picard.

21 Q Mark Picard?

22 A Yes.

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1 Q Is he currently a member of the IWP?

2 A As far as I know, yes.

3 Q And he was at that time then?

4 A Yes.

5 MS. VOSDINGH: I'd like to put an exhibit  
6 on the record. Will you please mark this as FEC  
7 Exhibit 2, and I'm handing a copy of this to  
8 Ms. Gasink.

(FEC Exhibit 2 identified.)

9  
10 BY MS. VOSDINGH:

11 Q Have you ever seen this before?

12 A Well, when I first -- when you first showed  
13 it to me, I thought that I never had seen it before,  
14 but now that I look at it again, I might have seen it  
15 one time during -- at some point during the  
16 campaign. But I didn't remember it because it was,  
17 like, not mentioned again and wasn't something that  
18 was made a big deal of or talked about very much or  
19 anything, so I might have forgotten about it.

20 I have to read it and I'm not sure -- is  
21 this -- I think I did see this, not the back part of  
22 it, the first sheet. I had totally forgotten about

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105

1 that. And partly it was a fabrication too; even when  
2 I saw it at the time it was ...how do I put this? It  
3 was hype.

4 Q What do you mean?

5 A Well, I mean they say that your check made  
6 out for \$35 is worth \$70 to the campaign. I mean  
7 that's not true. I don't even know how much the  
8 campaign was getting on every ticket sell, but I  
9 don't believe that the campaign was getting all of  
10 the money from every ticket.

11 Q Who do you think was getting the money?

12 A Well, I believe that New Alliance  
13 Productions was keeping most of the money and that  
14 Fulani was only getting a part of the money on the  
15 tickets sold for these cruises that were -- that  
16 these particular cruises that were supposedly  
17 fundraisers for the campaign.

18 Q Why do you believe Fulani was only getting  
19 a part of the money?

20 A Well, that's just the understanding that I  
21 had from what I was told from Bob Levy and from the  
22 others. And I'm not sure, they say "for only \$10

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1 more than the cost of a regular music cruise ticket.  
2 you can have an evening of fun and music and your \$35  
3 check made out to Lenora B. Fulani is worth 70 to the  
4 campaign."

5 I just seem to remember, from what I was  
6 told, that although it was true that the \$35 checks  
7 were matched, that the campaign wasn't getting the  
8 entire amount on all of the tickets sold even for  
9 these particular cruises.

10 Q And Bob Levy --

11 A Was the one saying that. Now, I never saw  
12 any of the financial transactions involved. We never  
13 asked anybody to buy these tickets, meaning that  
14 Elaine Mannheimer and Nancy Henschel asked people to  
15 buy these tickets and some people did. Most people  
16 who did buy them bought them, not because they were  
17 in particular trying to raise money to support the  
18 fundraiser for the campaign, but because they wanted  
19 to buy a music cruise ticket anyway, so they just  
20 bought it. And the campaign only sold a few  
21 additional tickets because the most of the campaign  
22 workers didn't have time to sell these music cruise

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1 tickets so they weren't making any effort to sell  
2 them.

3 Q Were you ever asked to sell them?

4 A No, no, I wasn't.

5 Q Did you ever hear of anybody else being  
6 asked to sell them?

7 A No. I believe that at one time that this  
8 was shown, and I seem to recall us being told, you  
9 know, again that the campaign was getting some money  
10 from these music cruises, that the people on the  
11 campaign didn't have time to sell the tickets, so --  
12 but you know, I seem to also recall being told at the  
13 time that Nancy Henschel and Elaine Mannheimer were  
14 selling tickets; that if anyone in particular wanted  
15 to buy them, that they should call Nancy or Elaine.  
16 But the campaign did not specially sell these  
17 tickets.

18 Q Where did Nancy Henschel and Elaine  
19 Mannheimer work?

20 A Well, Elaine Mannheimer was working in the  
21 main -- in the national office with me at 72nd Street  
22 for part of the time, and she was working down at the

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1 Castillo Cultural Center for part of the time. Nam;

2 Henschel, I don't remember her ever being around.

3 She had been working down at the East Side Center of

4 the Cultural Center, down there at 500 Greenwich for

5 some time, and then she was sick a lot of the time

6 and at home. She has, I believe, diabetes, she's

7 always needed insulin and she was very sick for, I

8 believe, most of 1992. So I don't even know where

9 this phone number, 799-2100 --

10 Q You don't recognize it?

11 A I don't recognize that number.

12 Q Did you ever go on any of these cruises?

13 A No, nor did anyone on the campaign I know

14 ever go. I only heard -- while we were working on

15 the telemarketing office, I seem to remember somebody

16 saying that Fulani went on one of the cruises. She

17 herself appeared. And she went on one of these ones

18 and, I don't know which one it was. It might have

19 been Angela Bofill but it was on one of them, she

20 went and made a special fundraising pitch herself.

21 She just went there and she asked people to make

22 additional contributions to the campaign.

1                   But other than that, it wasn't something  
2 that was talked about, very much in relation to  
3 everything else that was talked about. It wasn't  
4 talked about very much. And none of the campaign  
5 workers had any time to specially sell these  
6 tickets. The cruises were all filled, but then every  
7 one of these cruises was always filled. It didn't  
8 matter what it was for in a sense. Those cruises  
9 were always filled.

10           Q       How did you know?

11           A       Everyone in the public knew about them, and  
12 they knew to call. New Alliance Productions had a  
13 phone number in the phone book. People in the public  
14 knew that there were music cruises and they would  
15 call up, they didn't always have to do any special  
16 effort to sell the tickets, because people would even  
17 come to the ticket booth at where the cruise left and  
18 would buy the tickets right before it left. I mean  
19 there was always a line and there was always people  
20 to go on those cruises, that nobody had to make  
21 special effort to sell tickets.

22           Q       Were the ticket booths manned by people

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1 associated with New Alliance Productions?

2 A Yes.

3 Q So all of the music cruises that were done  
4 the entire time were New Alliance Productions?

5 A Actually, I take that back. Yeah, they  
6 were always New Alliance Productions. But the people  
7 at the booth where the boat was, I don't know, those  
8 might have been -- I don't remember who was at the  
9 booth. Those could have been people Newman assigned  
10 to do that, they could have been people who worked  
11 independently for the docking company. I don't  
12 remember. I always had my ticket in advance. I just  
13 don't remember who worked those booths.

14 Q Which ones did you go to?

15 A Well, the -- I didn't go to any in '91 or  
16 '92. '92 they didn't have any. '91 I didn't go  
17 because I was too busy. The ones I went to were, all  
18 of the cruises that one summer was '89 or '90. And  
19 then the other summer, I went to one of them just to  
20 hang out and go on the cruise and have fun, but I  
21 don't remember the names of the bands playing. I  
22 didn't go for the band. The boats are really nice

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1 without the band. You just go on the top deck and,  
2 you know, it was a nice cruise...

3 So anyway, I don't remember who was playing  
4 but I went on several of the music cruises.

5 Q Have you ever heard of New Audiences  
6 Productions?

7 A I've heard the name but I don't know what  
8 they do. And I don't know if they do anything  
9 different from -- you know, if it's -- I don't know.  
10 It's just another name I think that Newman created  
11 that -- I don't know if they do something that's  
12 different from New Alliance Productions or if they  
13 did similar work to New Alliance Productions because  
14 there wasn't somebody specially in the IWP who I was  
15 told works for New Audiences Productions, but I  
16 remember somehow hearing that name come up.

17 Q Often?

18 A No, not often. Just like once or twice I  
19 remember. I don't even remember why but it was  
20 something I was aware that such an organization had  
21 been -- existed, but I wasn't aware why it existed.  
22 I was just aware that it was another organization

81 13 105

1 might have been the one I bought a ticket for and I  
2 unable to go, because I don't remember seeing a  
3 performance by any of those bands.

4 Q Would you have kept the ticket?

5 A No, I would have hopefully had the money  
6 order receipt, but then I gave my \$200 money order  
7 receipt and two \$25 money receipts to the Manhattan  
8 district attorney. As I was saying, I thought that  
9 both of those 25s were for the tickets to the play,  
10 those two plays that were done as fundraisers for  
11 Fulani. But one or the other might have been for the  
12 Musicruise -- for a Musicruise ticket as well, they  
13 were the same price. And I'm not sure and I don't  
14 know the dates that were on those money orders, so  
15 that would have to be checked.

16 Q Are you sure you went to two of the plays?

17 A Yeah.

18 Q Have you ever heard of something called  
19 "Let's Get Busy"?

20 A Yes.

21 Q What's that?

22 A That was a film produced by Newman that was

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1 played once, I believe, here in D.C. It showed only  
2 one time, but I never saw the whole movie.

3 Q Did you see part of it?

4 A Well, they had a very small snippet of it  
5 that they showed. That was -- I don't remember where  
6 they showed it, but it was just a very small piece of  
7 it, maybe five minutes and they -- I seem to remember  
8 them showing it to all the IWP members.

9 Q In New York?

10 A In New York. And then saying that the film  
11 itself showed one time somewhere else, I believe here  
12 in D.C.

13 Q What was it about?

14 A It was about or had in it a rap singer and  
15 the small snippet that they showed was sort of almost  
16 like you could make it into a music video except that  
17 I don't believe that they did turn it into a music  
18 video. And, other than that, I don't know what it  
19 was about. William Pleasant knows who it was about,  
20 he went out -- they also asked him to do a  
21 documentary about the filming of "Let's Get Busy."  
22 And he went out and with, you know, his own cameras



1 and stuff filming them, meaning the actors and the  
2 director filming the thing.

3 Q When was that?

4 A That was in 1991 -- well, I'm sorry, it  
5 could have been 1992, it was '91 or '92. It was the  
6 same time that the campaign was going on, although  
7 there wasn't, as far as I knew, any connection  
8 between that and the campaign, although my  
9 understanding was that was something that had to do  
10 with Fred Newman Productions, that that was something  
11 that Fred Newman Productions was doing or paid the  
12 money for.

13 Q That was your understanding from what?

14 A From what was said. When they showed it to  
15 this small snippet of it to the IWP members, I  
16 believe that they said that this was something that  
17 Fred Newman Productions was doing. I also met one  
18 time the producer and I can't even remember -- not  
19 the producer, rather the director, and I can't even  
20 remember now his name. He's directed other stuff,  
21 I've seen other stuff of his, other films that he's  
22 done. But that there was, that particular film,

84 103 105

1 "Let's Get Busy," was incredibly misdirected which  
2 is why it was never distributed and shown to  
3 audiences.

4 Q And it was not connected with the campaign?

5 A No, as far as I knew. There was never any  
6 mention that it was connected to the campaign.

7 Q Was it connected to the New Alliance Party?

8 A Only in that Fred Newman was involved in it  
9 and doing it and paying the money for it and he was  
10 connected with the New Alliance Party, but --

11 Q But the subject matter didn't concern the  
12 campaign or the New Alliance Party?

13 A No, not as far as I knew.

14 Q Have you heard of something called  
15 "Debbie's House Party"?

16 A No, there's -- there was a lot of house  
17 parties, meaning that if they're referring to that,  
18 individual people would have fundraisers at their  
19 house and they would just invite their friends over  
20 and then they would ask them to contribute to the  
21 campaign, and, in those situations, usually they  
22 would show a video.

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8 13 / 55

1 about, there wasn't because they were actually done  
2 in the house and --

3 Q Was there food served?

4 A Yeah, but the person putting on the party,  
5 in a sense, would do that and then the idea was to  
6 see if any of their friends would contribute money,  
7 but they weren't usually -- not a lot of money was  
8 spent to put them on.

9 Q Have you ever heard of M.P. Greenwich?

10 A N.P. Greenwich?

11 Q M.P. Greenwich.

12 A M.P. Greenwich, no.

13 Q Did the New Alliance Party ever receive any  
14 money from the committee?

15 A Not that I knew about or saw directly when  
16 I was working on the campaign, but the campaign was  
17 paying the rent on the New Alliance Party offices.

18 Q Where were those?

19 A There was, at the time, a Harlem office on  
20 125th Street and there was a Bronx office and in both  
21 of those they were still considered the NAP offices,  
22 but, as far as I know, after the campaign started,

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1 the campaign paid the rent on them.

2 Q Was any campaign work done out of those  
3 offices?

4 A Well, some was because there wasn't very  
5 much organized campaign work happening out of either  
6 of those two offices, but occasionally campaign work  
7 would be done from there. I remember being in the  
8 Bronx office one time and calling people about buying  
9 tickets to those plays, you know, so, and I believe  
10 that at one point some phone calling was being done  
11 for the campaign from the Harlem office, but it  
12 wasn't -- both of those things would have been very  
13 short in duration. Most of the campaign work was  
14 done at the national headquarters office on 72nd  
15 Street, and then the business stuff and financial  
16 stuff was happening at their office on 57th Street.

17 Q Who owned that?

18 A You mean the 57th Street office?

19 Q Yes.

20 A I don't know if it was, you know, I mean,  
21 it was an office that was paid rent on, it wasn't one  
22 that was owned and they don't have it anymore, but it

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1 was shared by so many different people. The main  
2 people who were there were the attorneys, like 57th  
3 Street, the Art Block and Gary Sinawski had their  
4 own, had their legal practices there, they saw  
5 clients, and then they had the campaign workers such  
6 as Fran Miller was there. And then there were other  
7 people that kind of moved in and out of 57th Street,  
8 this New Alliance Productions was there, some people  
9 doing work for New Alliance Productions were there  
10 and then they moved in, and there was -- Sharpton had  
11 been there for a little while during this '91/92  
12 period and he moved.

13 Q How long was he there?

14 A I don't even know how long he was there.  
15 It seems like he was there for most six months.

16 Q Did he pay rent?

17 A I don't know. I mean, I believe people  
18 discussed the issue of whether he paid rent, but I  
19 don't remember, I think I remember hearing  
20 contradictory things, one time hearing that he did  
21 and another time hearing that it was subsidized by  
22 Fred kind of thing, you know, but I don't really know

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1 and I never saw any books or records in regards to  
2 that either.

3 Q Did you say New Alliance Productions was  
4 there?

5 A Yeah, at one point, I seem to remember that  
6 it was 57th Street in which Mark Picard was doing  
7 work and this was, would have been, well, maybe 1990,  
8 '91, I don't know if it was the same point at which  
9 the campaign was going on, but at some point Mark  
10 Picard was there, and if you needed New Alliance --  
11 if you needed Musicruise tickets, you would have to  
12 call him there. That was the case for some of the  
13 time anyway.

14 Q Do you know what his position was?

15 A Mark?

16 Q Yes.

17 A No, I mean, he did what Fred told him to  
18 do, and he was asked to do different things at  
19 different times, and so it wasn't any particular job  
20 he did or any particular title that he had that ever  
21 stuck out in my mind.

22 Q Is he still a member of the IWP?

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1 them and didn't cash them, so they must have been  
2 cashed by somebody else. I wanted to find out what  
3 it was that was allowing Fran Miller or Jini Berman  
4 that was allowing them to cash checks with forgeries  
5 on them, so the bank manager had told me that there  
6 was that, you know, she was concerned because she  
7 said that there are a lot of the Newman organizations  
8 have their accounts at Amalgamated Bank.

9 Q How did she know they were all Newman  
10 organizations?

11 A Because, for the most part, Fran Miller and  
12 Jini Berman were working on all of those accounts,  
13 she saw them, or they would come in, or they were  
14 the -- that was her main reason for knowing that they  
15 were all connected because they were almost always, I  
16 don't know, anyway, they were the persons who was  
17 working with those finances and that account was  
18 always Fran Miller and Jini Berman.

19 Q Who did you speak to at the bank?

20 A The manager there. I can't remember her  
21 name. I had it and then I forgot it again. I'll  
22 probably remember her name in a second.

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1 A Yes.

2 Q So from New York, you called all over?

3 A Yes.

4 Q Okay. Have you ever heard of Enterprise  
5 Press?

6 A No.

7 Q Have you ever heard of Automated Business  
8 Services?

9 A Yes.

10 Q What do you know about them?

11 A That, not very much, but that there's -- I  
12 believe that they do payroll.

13 Q Payroll for?

14 A Well, that they are a payroll service,  
15 meaning that they can do payroll for any of the  
16 Newman organizations. I don't know that they did or  
17 for which organizations they did the payroll for, but  
18 my understanding is that that's something that they  
19 do, payroll. That and I really had only heard of it  
20 like once or twice, maybe or out after and then after  
21 the campaign, but William told me the -- who was in  
22 charge of it, and now I can't remember his name,

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570-136-6416

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1 either.

2 And by the way, the manager of the bank,  
3 her last name is Brady, it's Ms. Brady.

4 Q Brady?

5 A Right, I don't remember if it's Lillian  
6 Brady, but that's what I seem to be thinking of.

7 Q But you're sure it was Brady?

8 A Yes. Anyway, the man that's in charge of  
9 it, meaning the Automated Business Services, he's  
10 someone I know I've met on a number of occasions and  
11 he was around, apparently, when Newman just started  
12 doing this work, just started putting together his  
13 cult and just started the Centers for Change and all  
14 these other little organizations that he started with  
15 before he had the New Alliance Party, and the IWP,  
16 and the Castillo Cultural Center, and so forth.

17 So he has been somebody who knew what was  
18 going on in the organization from 20 to 25 years ago,  
19 but he wasn't currently active in the IWP, but he  
20 still did things for Fred, and he was still someone  
21 whom I would see.

22 And from what Bill said, and I don't know

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1 if they discussed this more in central committee  
2 meetings, but he seemed to have an understanding of  
3 what was going on and he just said that he was  
4 somebody whom Fred trusted and that he probably did  
5 payroll, you know, that that was something that  
6 Automated Business Services did was payroll.

7 Q What does that mean, "they did payroll"?

8 A Well, I mean, I don't think -- I don't know  
9 that they figured out what, if someone was being  
10 paid, how much taxes were taken out for various  
11 things, and I don't know if they actually produced  
12 the payroll checks, but they would do the payroll  
13 accounting information, or whatever.

14 Q So you don't know if they cut the checks?

15 A No, I don't know.

16 Q Did you ever see any checks?

17 A I didn't even know that this campaign, that  
18 Automated Business Services was working for the  
19 campaign.

20 Q Until?

21 A Until, well, I saw that the disbursements  
22 listed on the FEC records and I asked if Bill knew

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1 sense of when I wrote this because the first sentence  
 2 I say the new national Fulani headquarters is 200  
 3 West 72nd Street. That doesn't mean I wrote this  
 4 just after the office was opened, I could have  
 5 written it several months after the office was open,  
 6 but probably I didn't. I probably wrote it near when  
 7 the office was first opened.

8 Q On page 2 of Exhibit 3, you write midway  
 9 down the page "Sandy will be joining them in July."

10 A Right, which seems to indicate that this  
 11 was written in June of '91.

12 Q And, at that time, the national office had  
 13 been opened?

14 A Had been opened and probably fairly  
 15 recently opened.

16 Q Okay.

17 A But it also indicates, it seems to me, that  
 18 there was some Fulani '92 work going on prior to the  
 19 national office opening, which means at the time we  
 20 were still working in the Newman & Braun offices.

21 Q I'm sorry, so at this time in about June of  
 22 '91 you were still working in the Newman & Braun

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11/1/91

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1 offices?

2           A     Up until the time that we moved into the  
3 national headquarters, but I think that we actually  
4 moved into the headquarters sometime in May of '91  
5 and I wrote this memo in June of '91 and told  
6 everybody, because I was sending this out nationally,  
7 the new address was whatever, whatever, but I think  
8 that that move had already happened in May.

9           Q     Is there something in this memo that makes  
10 you think that it was May?

11           A     Nothing explicitly. I just seem to  
12 remember that -- that, well, this memo was talking  
13 about stuff that had happened in May and June, you  
14 know, like Doug Miranda raising money in May. I  
15 hadn't yet sent out a memo to a lot of these people  
16 nationally, and I just seem to think that it didn't  
17 happen right after the national office was open.

18           Q     So if the national office was opened in  
19 May, was the Newman & Braun office closed in May?

20           A     No, we moved out of there and they didn't  
21 close that office. They continued on as Newman &  
22 Braun and they didn't close that office immediately.

45 13  
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1 I don't remember when they actually did close it, but  
2 they didn't close it immediately.

3 Q But as soon as the national office opened  
4 all the committee work was moved over to the national  
5 office and --

6 A Right.

7 Q And no more was done in the Newman & Braun  
8 offices?

9 A Right, but looking at page 5 --

10 Q Of Exhibit 3?

11 A Yeah. See, at the bottom of it, this is  
12 the street rap we were using. I'm saying "make  
13 checks payable to Lenora B. Fulani for President,"  
14 but in the body of the rap, meaning the first  
15 sentence, second paragraph, "this is a fundraising  
16 drive for Lenora Fulani's Youth and Democracy  
17 campaign." I'm referring to the '90 gubernatorial  
18 campaign and asking people to help contribute money  
19 to pay off the debt, although I'm asking them to make  
20 checks payable to Lenora B. Fulani for President  
21 now. So I don't know exactly why I was doing that or  
22 why I was told to do that, but that probably was

13  
90 105

1 somewhat confusing to people on the street, but, in  
2 any case --

3 Q Was this occurring in June of '91, the  
4 street rap on page 5?

5 A Well, that is another, I couldn't figure  
6 out from it when exactly it was, and the one before  
7 it is also asking people to contribute for the debt  
8 and for Fulani's '90 gubernatorial campaign and that  
9 was in March of '91, so that's what I mean by I'm not  
10 sure up until what point we were still doing the debt  
11 fundraising and at what point we started doing Fulani  
12 for President fundraising.

13 And it seemed to me that we were putting  
14 them together and this rap is proof because we're  
15 asking people to support the debt for the '90  
16 campaign by making checks payable to Lenora B. Fulani  
17 for President. So there was somewhat of a confusion  
18 emerging or something of whether the work that was  
19 being done at Newman & Braun was for the '90 campaign  
20 or for the '92 campaign.

21 Q Was any of the work out of the national  
22 headquarters done on behalf of the '90 gubernatorial

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1 Q So she was the campaign coordinator the  
2 entire time?

3 A Yes.

4 Q Did you ever see any of the committee's  
5 books?

6 A No.

7 MS. VOSDINGH: I'd like to put an exhibit  
8 on the record.

9 Will you please mark this as FEC Exhibit 6.  
10 (FEC Exhibit 6 identified.)

11 BY MS. VOSDINGH:

12 Q Would you please describe this for the  
13 record.

14 A It's a check made out to me by Lenora B.  
15 Fulani for President campaign.

16 Q Have you ever seen this before?

17 A No.

18 Q This is a copy of the front and back of  
19 check number 2439. Is this your name on the top, I'm  
20 sorry, on the copy of the back side of the check?

21 A Is that my signature?

22 Q Is it your signature?

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1 A No.

2 Q And whose name is under your name on the  
3 back of the check?

4 A That's what I was trying to figure out.  
5 I'm not sure, I was trying to see if it was Lois  
6 Traunstein, but I'm not familiar with that signature.

7 Q Does the writing on the endorsement line  
8 that has your name written, does that writing look  
9 familiar to you?

10 A Well, it looks similar to my signature, but  
11 it doesn't look to me like my signature, but it looks  
12 close in a way, but no, I can't tell by looking at it  
13 who wrote that.

14 Q But you didn't write it?

15 A No.

16 Q Okay. Did you ever give anybody authority  
17 to cash checks for you?

18 A No.

19 Q Even outside the campaign?

20 A Even outside the campaign, no.

21 Q Did you ever give them permission to cash  
22 checks for you, anyone?

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1 A No.

2 Q Did you ever tell anybody it was okay for  
3 them to cash a check for you?

4 A No.

5 Q Jini Berman?

6 A No, I mean, I never had any need to since  
7 there never was any checks written out to me, as far  
8 as I knew, there never were any checks written out to  
9 me, so other than the checks I was getting from  
10 Catholic Home Bureau which had nothing to do with  
11 Newman, I never, but no, I never gave anybody any  
12 authority to cash checks for me. When I was working  
13 for the East Side for Newman before I was -- I was  
14 paid in cash, so even then, I didn't have any checks  
15 written out to me, but anyway --

16 Q How regularly were you paid by the Catholic  
17 Home Bureau?

18 A Every two weeks.

19 Q And where did you deposit the checks or  
20 cash the checks?

21 A I cashed the checks right next to my job.  
22 I didn't have a bank account and I cashed it at the

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1 check cashing place right next to my job.

2 Q Which was?

3 A I don't know what the name was of it, or if  
4 it even had a name because it was one of those places  
5 where it just says "checks cashed." There's umpteen  
6 of them in New York and it just has one of the big  
7 signs right next to my job, was right next to my job.

8 Q You didn't have a bank account at the time?

9 A No.

10 Q Do you now?

11 A Yes.

12 Q Where is that?

13 A Municipal Credit Union.

14 Q Did you receive \$225 cash from Jini Berman?

15 A No.

16 Q Ever?

17 A No, never.

18 Q From Francine Miller?

19 A No.

20 Q From anyone associated with the campaign?

21 A No.

22 Q What was the time you were working at the

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1 East Side Institute?

2 A I worked at the East Side Institute in 1989  
3 and for most of 1990.

4 Q And you were paid in cash for your work  
5 there?

6 A Right.

7 Q Who gave you that cash?

8 A Reinaldo Lugo would give me an envelope.

9 Q Did anyone else?

10 A No, he was the financial officer of the  
11 East Side the entire time I was working there and so  
12 he always gave out the money.

13 MS. VOSDINGH: I'd like to put another  
14 exhibit on the record. Will you please mark this as  
15 FEC Exhibit 7.

16 (FEC Exhibit 7 identified.)

17 BY MS. VOSDINGH:

18 Q Exhibit 7 is a copy of check number 05444  
19 drawn on the Lenora Fulani for President account at  
20 Amalgamated Bank of New York. Who's the check made  
21 out to?

22 A It's made out to Kellie Gasink.

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1 Q Have you ever seen this check before?  
2 A No.  
3 Q There's a copy of the back of the check on  
4 the same page?  
5 A Uh-huh, it's not my signature, it's cashed  
6 by Jini Berman.  
7 Q Is that her signature under your name?  
8 A Yes, I recognize that signature.  
9 Q Do you recognize the writing of "Kellie  
10 Gasink"?  
11 A Other than -- no, other than it not being  
12 my own.  
13 Q That's not your writing?  
14 A Right, that's not my writing.  
15 Q This check is dated November 15, 1991. Did  
16 you receive \$225 cash?  
17 A No.  
18 Q Ever?  
19 A No.  
20 Q Did you receive any cash about this time,  
21 in November of '91?  
22 A No, uh-huh.

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1 Q Okay.

2 A It also looks, on both of them, like  
3 somebody was trying to forge my signature meaning  
4 they were making a semi-attempt to make it look like  
5 my writing; there are certain things that they do  
6 different, in both of them that they do different  
7 than how I sign, but it kind of looks like they were  
8 trying to make it look like my writing.

9 Q The writing looks similar to your writing?

10 A Yeah, yeah.

11 Q But it's not yours?

12 A Right.

13 Q For Exhibit 6 and Exhibit 7, the checks are  
14 different.

15 A Right.

16 Q Have you -- did you ever see checks that  
17 looked like either one of these?

18 A No.

19 Q The checks that you took to Kinko's, for  
20 example, for the committee, did they look like either  
21 one of these?

22 A As a matter of fact, I was going to say

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1 this one looks vaguely familiar to me, this looks  
2 totally unfamiliar to me, I've never seen this  
3 letterhead or whatever, and this darker color and all  
4 these little things, but this looks like I might  
5 have, like I cashed checks before, brought checks to  
6 Kinko's.

7 Q Exhibit 6 looks like checks you brought to  
8 Kinko's?

9 A Yes.

10 Q And Exhibit 7 doesn't look familiar?

11 A Right.

12 Q What about the checks you took to Ilene  
13 Advertising?

14 A Again, I believe, but I don't have a strong  
15 recollection of it, but that they looked like this.

16 Q For the record, you're pointing to FEC  
17 Exhibit 6, and they look like Exhibit 6?

18 A Uh-huh.

19 Q They didn't look like Exhibit 7?

20 A Right, they didn't.

21 MS. VOSDINGH: Let's take a quick, just  
22 two-minute break.

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APR 21 12 33 PM '94

April 20, 1994

FOR IMMEDIATE ATTENTION  
AGENDA ITEM: APRIL 21, 1994

BY FACSIMILE AND FEDERAL EXPRESS

✓ The Commissioners  
Trevor Potter, Chairman  
Danny L. McDonald, Vice Chairman  
Joan D. Aikens  
Lee Ann Elliott  
John Warren McGarry  
Scott E. Thomas  
Federal Election Commission  
999 E. Street, NW  
Washington, DC 20463

Re: Lenora B. Fulani for President

Dear Commissioners:

I write on behalf of my client, the 1992 campaign committee of Lenora B. Fulani for President (the "Committee").

The Commission's Audit Division has placed on your calendar for tomorrow, the proposed Final Audit Report for the Committee (the "Final Report"). The Committee believes that the submission of the Final Report for approval by the Commissioners at this time is premature, and will impair the accuracy of the Commissioners' findings.

The Committee respectfully requests that you postpone a decision on the Final Report until the Committee has had an opportunity to provide the Audit Division with evidence responding to certain entirely new findings which were not contained in the Interim Audit Report (the "Interim Report"). Then, the Audit Staff and the Office of General Counsel ("OGC") would have the opportunity to revise their proposed Final Audit Report for your review.

The Committee appreciates the interest of the Commissioners in bringing closure to the audit process. However, in this case the new findings contained in the Final Report,

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which were not presented to the Committee for comment in the Interim Report, are so material and prejudicial to the Committee that it should be given a first opportunity to persuade the Audit Staff that its new findings should be revised.

The prejudice to the Committee cannot be cured merely by filing a public response to the Final Report after you adopt it. The materials that the Committee would present to the Audit Staff contain confidential information on third parties -- personal credit card billing records and receipts, and legal retainer agreements. These cannot be placed in the public record.

Section IIA of the Report is entitled "Apparent Excessive Contributions Resulting from Staff Advances." The first problematic area of the Final Report is a subsection which is appropriately titled, "Analysis of Documentation Received After Issuance of the Interim Audit Report." (emphasis supplied, see Section IIA, at pp. 8-9. For ease of reference, a copy of these two pages is enclosed.) This subsection adds \$20,510 to the Committee's alleged excessive contributions.

The entire Section IIA concerns the Audit Staff's finding of excessive contributions based on 11 CFR §116.5(b). Section 116.5, enacted in 1990, provides that the use of personal credit cards to obtain campaign-related goods and services is deemed a contribution unless the payment is for one's own travel and/or subsistence expenses and the credit card holder is reimbursed within 60 days. The issues raised by the Audit Staff in the first part of Section IIA of the Final Report were presented to the Committee in the Interim Report, and the Committee responded accordingly, as is noted in the Final Report.

The relevant subsection gives the Audit Staff's analysis of credit card documentation obtained from the Committee and through the subpoena process after the interim audit report was issued. The Audit staff, in reviewing the transactions reflected on these credit card statements, made the assumption that these credit cards had been "made available for the Committee's use." (p.9) Therefore, the staff determined that "absent a demonstration to the contrary, these transactions were considered campaign-related." (p.9) Any transaction that looked as if it could be campaign-related was assumed to be campaign-related.



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The Committee was not, however, given an opportunity to demonstrate that the transactions in question were not campaign-related. Francine Miller, treasurer of the Committee, received a copy of the schedule detailing these particular transactions on Tuesday, April 19, 1994. Based on the inclusion of these charges, the amount of excessive contributions was increased by \$20,510.

The credit card statements in question belong to nine individuals. The Committee believes that if it is given sufficient time to review the new findings and confer with the individuals, it will be able to provide the Audit Staff with evidence, much of it of a confidential nature, which will rebut the assumptions made by the Audit Staff about many, if not all, of these newly identified alleged excessive contributions. This will make the report you finally approve significantly more accurate, and will prevent unfair prejudice to the Committee.<sup>1</sup>

The other problematic area of the proposed Final Report is Section IIB, "Reporting of Debts and Obligation," pp. 9-12, a matter also discussed in the OGC Memorandum at pp. 4-5. Our understanding of the Audit Staff and OGC analysis is that if the Committee provided further documentation that the willingness of the IPLI to postpone payment of part of its legal fee until the Committee received matching funds payments was "substantially similar to extensions of credit to nonpolitical debtors that are

---

<sup>1</sup> It is noteworthy that the Audit Staff itself anticipated that the Committee would have such an opportunity to rebut the new findings. Apparently the draft Final Report sent to OGC stated, "The Committee will have an opportunity to demonstrate that these transactions are not campaign-related after receipt of the report." The OGC memorandum (at p. 4) in response, advised the Audit Staff to delete that sentence because no such opportunity was provided with respect to nonrepayment items. The Committee believes that it would have been appropriate after receiving the OGC's response for the Audit Staff to have reopened the process to allow the Committee to demonstrate that there in fact were not another \$20,510 in excessive contributions.

Furthermore, the phrase "absent a demonstration to the contrary" (Final Report, p. 9) will give the public the false perception that the Committee had been given an opportunity to demonstrate otherwise, but had failed to do so.

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of similar risk and size of obligation," then that would resolve the question of alleged excessive contributions.

The Audit Staff never indicated that this point needed to be demonstrated by documentation other than a confirming statement by a partner in the law firm describing its practices, which was provided. The Committee could not be expected to assume that it had to ask a law firm to disclose confidential information regarding its other clients to a federal agency during a routine audit. The Committee should be afforded an opportunity to work out an arrangement among the Audit Staff, the Committee, and the law firm, to provide appropriate documentation that will be part of the Commission's confidential audit file.

Accordingly, the Committee should have an opportunity to demonstrate to the Audit Staff before the submission of a proposed Final Report that the newly identified \$20,520 did not involve campaign related expenses, and that the payment arrangements with the IPLI were customary for that firm.

Filing public comments with the Commission after the adoption of the Final Report is not a suitable remedy. In addition to the confidentiality problems described above, any rebuttal the Committee may make cannot carry the weight and authoritativeness of the Final Report itself. Obviously, the public and the press will rely upon the Commission's Final Report as the official statement of the United States Government as to the performance of my client in complying with federal election law, notwithstanding any disclaimer that the Final Report does not itself make conclusive determinations of legal violations.

In discussions with Commission Audit Staff and Counsel, and in written objections (that are quoted from in the Final Report, pp. 7-8), the Committee has argued that the Audit Staff's interpretation of 11 C.F.R. § 116.5 with respect to credit card use discriminates against grass roots, independent campaigns like Dr. Fulani's, in favor of major party campaigns. Not only is the Committee unable to obtain the credit or credit cards necessary to do business with such crucial vendors as airline companies and Federal Express, but also the Committee's staff and volunteers by and large do not have the financial resources to enable them to hold personal credit cards that they can use to purchase their

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own plane tickets, hotel rooms, etc., subject to reimbursement by the Committee.

That is why a small number of individual supporters of Dr. Fulani who had personal credit were willing to have charges for plane tickets, etc. for other individuals charged on their credit cards. These charges were ordinarily paid by the Committee to the credit card company (or reimbursed to the card holder) in the normal course of business within 60 days, i.e. within the safe harbor period the Commission has created for staff advances by individuals for their own travel and subsistence expenses.

The failure of the Audit Staff to give the Committee an opportunity to dispute the particulars of the Audit Staff's "assumption" that an additional \$20,510 in credit card charges was incurred for campaign expenses, aggravates the prejudice already caused by the Audit Staff's application of an unfair (and, we believe, unconstitutional) interpretation of the credit card regulation in the first instance. The Committee should have an opportunity not only to go on record challenging the Audit Staff's methodology, but also to present factual proofs rebutting the particular "assumptions."

In conclusion, the Committee requests a period of 30 days to present evidence to the Audit Staff rebutting its assumptions regarding the approximately 200 transactions identified in the materials sent by the Audit Staff to the Committee Treasurer, Francine Miller, on April 19, 1994, and to respond to the new findings regarding alleged contribution from the IPLI.

The Committee further requests that this letter be made part of the public record of the Commission's public meeting scheduled for tomorrow, April 21, 1994, and that this request be favorably acted upon at that meeting. If the Commission denies this request and adopts the proposed Final Report, then the

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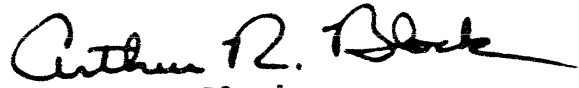
<sup>2</sup> The OGC fails to appreciate this point when it states that "the Committee's inability to obtain credit cards is not germane." OGC Memorandum, p. 3. Unlike campaigns in which most staff members and activists are middle class individuals who have personal credit cards, the backbone of Dr. Fulani's grass roots campaign was individuals who in many instances did not have their own personal credit cards.

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Committee requests that this letter be appended to the Final Report and automatically be given to any person who requests a copy of the Final Report. The Committee reserves its right to submit additional comments on the Final Report for the public record in the future.

Thank you for your consideration of this matter.

Respectfully submitted,

  
Arthur R. Block

enc.

cc: Robert J. Costa (attn: Marty Favin)  
Lawrence M. Noble, Esq. (attn: Rhonda J. Vosdingh, Esq.)  
Francine Miller, Esq.  
Lenora B. Fulani, Ph.D.  
(Copies sent by facsimile and first class mail)

The Treasurer concludes that "[t]he Commission has properly interpreted the Federal Election Campaign Act to make it possible for independent candidates to qualify for matching fund. We respectfully request that the Commission now take into consideration the particular operations of smaller, grassroots campaigns, and not apply in a rigid way regulations that are biased against the good-faith operations of campaigns such as ours."

In the supplemental response to the interim audit report, the Committee's Counsel expands on the Treasurer's conclusion noted in the previous paragraph. He notes that "[t]he Commission has previously taken into account the differences between the actual operations of major party and independent/minor party campaigns so as to devise enforcement policies that are fair and even-handed in practice, not just in theory." He refers to a series of advisory opinions (AO) which dealt with the eligibility of minor party candidates to receive matching funds whether or not they were participating in a nomination or ballot access process that even included primary election contests [AO 1975-44 (Socialist Workers); AO 1983-47 (Sonia Johnson); and, AO 1984-25 (Sonia Johnson)].

Committee Counsel concludes that if the Commission applies the underlying principles used in formulating these advisory opinions to this issue that the Commission should "...not interpret or enforce 11 C.F.R. 116.5 in a rigid manner that discriminates against smaller, grassroots campaigns which, in the arena of presidential politics, has historically included virtually every independent or minor party presidential campaign."

It is the opinion of the Audit staff that the Committee's arguments and other comments provided in response to the interim audit report do not warrant any change to the Audit staff's analysis as presented in the interim audit report.

However, the excessive amount (\$86,562), which was developed based on records made available during fieldwork, requires revision. See discussion at pages 4 - 5.

#### Analysis of Documentation Received After Issuance of the Interim Audit Report

As noted above, the finding contained in the interim audit report addressed excessive contributions totaling \$86,562; the Committee's responses addressed the facts relative to the development of this figure.

Subsequent to the reissuance of the interim audit report, additional credit card documentation obtained from the credit card companies via the subpoena process and/or provided by the Committee was received. These credit card statements were reviewed by the Audit staff and since certain expenses relative to

travel, subsistence and related expenses were incurred during the time periods for which these cards had been made available for the Committee's use, the Audit staff included them in the 11 CFR 116.5 analysis. Absent a demonstration to the contrary, these transactions were considered campaign-related.

It should be noted that the Committee has maintained from the onset that these charges are not related to the candidate's campaign for nomination (See pages 5-6). The Committee did not reimburse any of the individuals for any of the expenses enumerated, nor was there any indication in the records reviewed by the Audit staff that any individual requested reimbursement for any of these transactions.<sup>4/</sup>

Based on the inclusion of these apparent campaign-related charges, the revised sum total of the highest excessive balances relative to the 14 individuals is \$107,072, an increase of \$20,510 (\$107,072 - \$86,562) from the figure cited in the interim audit report.

### B. Reporting of Debts and Obligations

Section 434(b)(8) of Title 2 of the United States Code requires that each report shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committee.

Section 104.11 of Title 11 of the Code of Federal Regulations states, in part, that debts and obligations owed by or to a political committee which remain outstanding shall be continuously reported until extinguished. If the exact amount of a debt or obligation is not known, the report shall state that the amount reported is an estimate.

Section 116.3(a) of Title 11 of the Code of Federal Regulations states that a commercial vendor that is not a corporation may extend credit to a candidate, a political committee or another person on behalf of a candidate or political

<sup>4/</sup> Included in the credit card documentation reviewed by the Audit staff were credit card slips imprinted with "Rainbow Lobby" under the basic and supplemental cardholders' name. The Rainbow Lobby was apparently formed by the New Alliance Party (NAP) in 1984. The NAP was the party which Dr. Fulani represented during the 1992 election.

A representative of American Express explained that the account in question is a company account not a corporate account and is therefore the sole responsibility of the basic cardholder, not the Rainbow Lobby. A cardholder can arrange for a company name to be imprinted on a credit card without the company being responsible for the account.

WE'RE RAISING A MILLION DOLLARS AND HAVING FUN DOING IT!!

This summer, when you purchase a benefit ticket from the Lenora B. Fulani for President campaign to any Budweiser Musicruise boatripe, you have a great opportunity--sail around Manhattan on the Circle Line, listen to some very hot music, cool off with the river breeze, while your tax dollars go to work for the Lenora B. Fulani for President campaign!!

Pier 81 (41st St. & 12th Ave.)--where the Budweiser Musicruise begins--has been transformed into a "Party-on-the-Pier," complete with a human light show, clowns, jugglers, mimes, cotton candy, hot dogs, beer, wine, soda...You can shop at the Musicruise Crafts Corner or sit at the Pier 81 Cafe, have a nice cool drink, and listen to live music under the harbor lights until the boat sails...The party continues on board the Budweiser Musicruise with sailings twice nightly...The Sunset Cruise boards at 7:30 PM and the Moonlight Cruise boards at 10:00 PM, for an evening of in-the-round performance by top names in reggae, rock, jazz, fusion and pop

Here's this summer's exciting line-up:

- June 28 TOOTS AND THE MAYTALS---One of the most powerful and earthy of Jamaica's roots bands.
- July 5 JON LUCIEN--His lyrics and melodies have made him "The Architect of Aural Seduction."
- July 12 STRUNZ AND FARAH--Their guitar mix of Latin, Carribbean and Middle Eastern sounds is topping world music charts.
- July 19 GIL SCOTT-HERON & THE AMNESIA EXPRESS--Gil tells the truth with passion, funk and rhythm, and is credited as one of the originators of rap and techno-pop.
- July 26 SPECIAL EFX--One of world music's hottest bands, fusing African and European pop.
- Aug. 2 MICHAEL DOUCET & BEAUSOLEIL--The best the bayou has to offer, this is the Cajun band known for their music from The Big Easy.
- Aug. 9 RUTH BROWN--The original queen of rhythm and blues, in a "not to be missed" performance that will rock the boat all night.
- Aug. 16 ANGELA BOFILL--Long established as one of the top vocalists in both pop and jazz.
- Aug. 23 NEW YORK VOICES--These 5 young singers are in the forefront of new music, singing jazz classics to the newest jazz innovations.

Don't wait!! These exciting benefits aboard the Budweiser Musicruises are part of a plan to raise \$1,000,000 by December 31, 1991, so that in January, 1992 we will get a matching check for \$1,000,000 from the federal government. Help reach that goal!! We're asking you to come to at least one boatripe this summer, (AND BRING A FRIEND OR TWO!)

For only \$10.00 more than the cost of a regular Musicruise ticket, you can have an evening of fun and music, and your \$35.00 check made out to "Lenora B. Fulani for President" for your ticket is worth \$70.00 to the campaign.

Call Nancy Henschel or Elaine Mannheimer at 212-799-2100 to buy your tickets now! And don't forget to say which show you want--the 8:00 PM Sunset Cruise or the 10:30 PM Moonlight Cruise. See you on board!

\*\*The Budweiser Musicruise is produced by New Audiences Productions, Inc. & Fred Newman Productions, Inc.

# TAXPAYER'S COPY

OMB No. 1545-0049

Form **1065**  
Department of the Treasury  
Internal Revenue Service

## U.S. Partnership Return of Income

For calendar year 1992, or tax year beginning ..... 1992, and ending ..... 19  
▶ See separate instructions.

**1992**

A Principal business activity <b>CONSULTING</b>	Use the IRS label. Otherwise, please print or type.	Name of partnership <b>INTERNATIONAL PEOPLE'S LAW INSTITUTION</b>	D Employer identification number <b>13-3661421</b>
B Principal product or service <b>LEGAL SERVICE</b>		Number, street, and room or suite no. (if a P.O. box, see page 9 of the instructions) <b>72 SPRING STREET 12TH FLOOR</b>	E Date business started <b>03-15-90</b>
C Business code number <b>7286</b>		City or town, state, and ZIP code <b>NEW YORK, NY 10013</b>	F Total assets (see separate instructions) <b>\$ 11836</b>

G Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change in address (4)  Amended return  
 H Check accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ▶ **5**  
 I Number of partners in this partnership

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	208496		1c	208496
	b Less returns and allowances	1b			2	21873
	2 Cost of goods sold (Schedule A, line 6)				3	186623
	3 Gross profit. Subtract line 2 from line 1c				4	
	4 Ordinary income (loss) from other partnerships and fiduciaries (attach schedule)				5	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))				6	
	6 Net gain (loss) from Form 4797, Part II, line 20				7	7343
	7 Other income (loss) (see instructions) (attach schedule) <b>STATEMENT 1</b>				8	193966
8 Total income (loss). Combine lines 3 through 7						
Deductions (see instructions for limitations)	9a Salaries and wages (other than to partners)	9a			9c	
	b Less jobs credit	9b			10	
	10 Guaranteed payments to partners				11	
	11 Repairs				12	
	12 Bad debts				13	116500
	13 Rent				14	
	14 Taxes				15	
	15 Interest				16a	
	16a Depreciation (see instructions)	16a			16c	
	b Less depreciation reported on Schedule A and elsewhere on return	16b			17	
	17 Depletion (Do not deduct oil and gas depletion.)				18	
	18 Retirement plans, etc.				19	
	19 Employee benefit programs				20	79230
	20 Other deductions (attach schedule) <b>STATEMENT 2</b>				21	145730
21 Total deductions. Add the amounts shown in the far right column for lines 9c through 20				22	<1764>	
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8						

Please Sign Here Under penalties of perjury I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than general partner) is based on all information of which preparer has any knowledge.

# TAXPAYER'S COPY

Paid Preparer's Use Only	Preparer's signature <b>SAM J NOLE CPA</b>	Date <b>2/25/93</b>	Check if self-employed <input checked="" type="checkbox"/>	Preparer's social security no. <b>[REDACTED]</b>
	Firm's name (or yours if self-employed) and address <b>SAM J NOLE CPA 330 PARK AVENUE, SUITE 1251 NEW YORK NY</b>	EI No. ▶ <b>13-3621972</b>	ZIP code ▶ <b>10169</b>	

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Cat. No. 113902

Form 1065 (1992)

000793

ATTACHMENT

Page 1 of 15



**Schedule A** Cost of Goods Sold

- 1 Inventory at beginning of year
- 2 Purchases less cost of items withdrawn for personal use
- 3 Cost of labor
- 4 Additional section 263A costs (see instructions) (attach schedule)
- 5 Other costs (attach schedule) STATEMENT 3
- 6 Total. Add lines 1 through 5
- 7 Inventory at end of year
- 8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.

1	
2	
3	
4	
5	21873
6	21873
7	
8	21873

- 9a Check all methods used for valuing closing inventory:
  - (i)  Cost
  - (ii)  Lower of cost or market as described in Regulations section 1.471-4
  - (iii)  Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
  - (iv)  Other (specify method used and attach explanation) ▶
- b Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked attach Form 970)  Yes  No
- c Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership?  Yes  No
- d Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No  
If "Yes," attach explanation.

**Schedule B** Other Information

- 1 Is this partnership a limited partnership?
- 2 Are any partners in this partnership also partnerships?
- 3 Is this partnership a partner in another partnership?
- 4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below.
- 5 Does this partnership meet ALL THREE of the following requirements?
  - a The partnership's total receipts for the tax year were less than \$250,000;
  - b The partnership's total assets at the end of the tax year were less than \$250,000; AND
  - c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.
 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1.
- 6 Does this partnership have any foreign partners?
- 7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?
- 8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?
- 9 At any time during calendar year 1992, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for form TD F 9022.1.) If "Yes," enter the name of the foreign country. ▶
- 10 Was the partnership the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the partnership or any partner has any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926.
- 11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections on page 5 of the instructions.
- 12 Was this partnership in operation at the end of 1992?
- 13 How many months in 1992 was this partnership actively operated? ▶ 12 MONTHS

Yes	No
	X
	X
	X
	Y
X	
	X
	X
	X
	X
	Y
X	

Designation of Tax Matters Partner (See instructions.)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ GARY SINAWSKI Identifying number of TMP ▶ [REDACTED]

Address of designated TMP ▶ 525 WEST END AVENUE  
NEW YORK NY 10024

**Schedule K Partners' Shares of Income, Credits, Deductions, Etc.**

		(a) Distributive share items		(b) Total amount			
		1	2	1764			
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 22)						
	2 Net income (loss) from rental real estate activities (attach Form 8825)						
	3a Gross income from other rental activities	3a					
	b Expenses from other rental activities (attach schedule)	3b					
	c Net income (loss) from other rental activities Subtract line 3b from line 3a	3c					
	4 Portfolio income (loss) (see instructions) a Interest income	4a					
	b Dividend income	4b					
c Royalty income	4c						
d Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d						
e Net long-term capital gain (loss) (attach Schedule D (Form 1065))	4e						
f Other portfolio income (loss) (attach schedule)	4f						
5 Guaranteed payments to partners	5						
6 Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)	6						
7 Other income (loss) (attach schedule)	7						
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8					
	9 Section 179 expense deduction (attach Form 4562)	9					
	10 Deductions related to portfolio income (see instructions) (itemize)	10					
	11 Other deductions (attach schedule)	11					
Investment Interest	12a Interest expense on investment debts	12a					
	b (1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 10 above	12b(1) 12b(2)					
Credits	13a Credit for income tax withheld	13a					
	b Low-income housing credit (see instructions): (1) From partnerships to which section 42(i)(5) applies for property placed in service before 1990 (2) Other than on line 13b(1) for property placed in service before 1990 (3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989 (4) Other than on line 13b(3) for property placed in service after 1989	13b(1) 13b(2) 13b(3) 13b(4)					
	c Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	13c					
	d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)	13d					
	e Credits related to other rental activities (see instructions)	13e					
	14 Other credits (see instructions)	14					
	Self-Employment	15a Net earnings (loss) from self-employment	15a				
b Gross farming or fishing income		15b					
c Gross nonfarm income		15c					
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a					
	b Adjusted gain or loss	16b					
	c Depletion (other than oil and gas)	16c					
	d (1) Gross income from oil, gas, and geothermal properties (2) Deductions allocable to oil, gas, and geothermal properties	16d(1) 16d(2)					
	e Other adjustments and tax preference items (attach schedule)	16e					
Foreign Taxes	17a Type of income ▶ Foreign country or U.S. possession ▶	17a					
	c Total gross income from sources outside the United States (attach schedule)	17c					
	d Total applicable deductions and losses (attach schedule)	17d					
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e					
	f Reduction in taxes available for credit (attach schedule)	17f					
	g Other foreign tax information (attach schedule)	17g					
	18a Total expenditures to which a section 59(e) election may apply	18a					
Other	b Type of expenditures ▶	18b					
	19 Tax-exempt interest income	19					
	20 Other tax-exempt income	20					
	21 Nondeductible expenses	21					
	22 Other items and amounts required to be reported separately to partners (see instructions) (attach schedule)	22					
Analysis	23a Income (loss) Combine lines 1 through 7 in column (b). From the result, subtract the sum of lines 8 through 12a, 17e, and 18a	23a	1764				
	b Analysis by type of partner:	(a) Corporate	(b) Individual		(c) Partnership	(d) Exempt organization	(e) Nominee/Other
	(1) General partners		i Active	ii Passive			
	(2) Limited partners		1764				

AAA-793

ATTACHMENT

Form 1065 (1992)

Caution: If Question 5 of Schedule B is answered "Yes," the partnership is not required to complete Schedules L, M-1, and M-2.

**Schedule L Balance Sheets**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		26		9036
2a Trade notes and accounts receivable	1300		2650	
b Less allowance for bad debts		1300		2650
3 Inventories				
4 US government obligations				
5 Tax-exempt securities				150
6 Other current assets (attach schedule)				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)		1326		11836
14 Total assets				
<b>Liabilities and Capital</b>				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				7940
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)		1326		3896
21 Partners' capital accounts		1326		11836
22 Total liabilities and capital				

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (see instructions)**

1 Net income (loss) per books	<2235>	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 12a, 17e, and 18a, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 12a, 17e, and 18a (itemize):		a Depreciation \$	
a Depreciation \$			
b Travel and entertainment \$ 471		8 Total of lines 6 and 7	
5 Total of lines 1 through 4	471	9 Income (loss) (Schedule K, line 23a). Subtract line 8 from line 5	<1764>
	<1764>		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	1326	6 Distributions: a Cash	1295
2 Capital contributed during year	6100	b Property	
3 Net income (loss) per books	<2235>	7 Other decreases (itemize):	
4 Other increases (itemize):			
		8 Total of lines 6 and 7	1295
5 Total of lines 1 through 4	5191	9 Balance at end of year. Subtract line 8 from line 5	3896

000796

ATTACHMENT 4 15

INTERNATIONAL PEOPLE'S LAW INSTITUTION  
 FORM 1065 1992  
 EINO 12-3561821  
 FILE 0PROVQUATTROUPLAW92

STATEMENT 1

INCOME LINE 7  
OTHER INCOME  
 CONSULTATIONS  
 OTHER INCOME  
 TOTAL OTHER INCOME

561.44  
 6,781.95  
 7,343.39

STATEMENT 2

DEDUCTIONS LINE 20  
OTHER DEDUCTIONS  
 BANK CHARGES  
 OFFICE SUPPLIES  
 TRAVEL & ENTERTAINMENT (80% LIMITATION)  
 OUTSIDE SERVICES  
 POSTAGE  
 DUES / SUBSCRIPTIONS  
 MESSENGER  
 FEDERAL EXPRESS  
 MEMBERSHIP  
 ACCOUNTING FEES  
 LEGAL CONSULTATION FEES  
 PRINTING  
 OFFICE EXPENSES  
 COMPUTER EXPENSES  
 ADVERTISING  
 PUBLIC RELATIONS  
 TELEPHONE  
 STORAGE RENTAL  
 AUTO EXPENSES  
 TOTAL OTHER DEDUCTIONS

179.29  
 3,429.20  
 1,885.08  
 2,966.00  
 356.88  
 1,326.44  
 65.00  
 425.50  
 474.00  
 1,675.00  
 27,000.00  
 30.00  
 11,255.00  
 3,410.51  
 610.00  
 13,000.00  
 10,802.36  
 122.89  
 819.20  
 79,230.95

STATEMENT 3

COST OF GOODS SOLD LINE 5  
OTHER COSTS  
 COURT/FILING FEES  
 LEGAL CONSULTATION FEES  
 TRANSCRIBING FEES  
 TRAVEL  
 MESSENGER SERVICES  
 OTHER CLIENTS EXPENSES  
 PRINTING  
 RESEARCH  
 TOTAL OTHER COST

1,733.75  
 750.00  
 625.50  
 3,877.72  
 1,070.80  
 538.80  
 11,145.64  
 2,132.14  
 21,872.75

000797

**SCHEDULE K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, Etc.**

▶ See separate instructions.

For calendar year 1992 or 1st year beginning

1992 and ending

19

OMB No 1545-0045

**1992**

Partner's identifying number ▶ <span style="background-color: black; color: black;">XXXXXXXXXX</span> Partner's name, address, and ZIP code <b>ALVA DER FRAZIER</b> <b>526 W. 111TH STREET # 5A</b> <b>NEW YORK, NY 10025</b>	Partnership's identifying number ▶ <b>13-356182</b> Partnership's name, address, and ZIP code <b>INTERNATIONAL PEDILE'S LAW INSTITUTION</b> <b>72 SPRING STREET 12TH FLOOR</b> <b>NEW YORK, NY 10013</b>
A Is this partner a general partner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B Partner's share of liabilities (see instructions): Nonrecourse \$ Qualified nonrecourse financing \$ Other \$ C What type of entity is this partner? ▶ <b>INDIVIDUAL</b> D Is this partner a <input checked="" type="checkbox"/> domestic or a <input type="checkbox"/> foreign partner? E IRS Center where partnership files return <b>HOLTSVILLE NY 10500</b>	F Enter partner's percentage of: Profit sharing <b>00 %</b> Loss sharing <b>00 %</b> Ownership of capital <b>00 %</b> G (1) Tax shelter registration number ▶ (2) Type of tax shelter ▶ H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) I Check applicable boxes. (1) <input checked="" type="checkbox"/> Final K-1 (2) <input type="checkbox"/> Amended K-1

J Analysis of partner's capital account:				
(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065 Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
<b>&lt;88&gt;</b>	<b>1620</b>	<b>237</b>	<b>1295</b>	<b>0</b>

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on	
<b>Income (Loss)</b>	1	Ordinary income (loss) from trade or business activities	<b>&lt;237&gt;</b>	(See Partner's instructions for Schedule K-1 (Form 1065))	
	2	Net income (loss) from rental real estate activities			
	3	Net income (loss) from other rental activities			
	4	Portfolio income (loss):			
	a	Interest		Sch. B, Part I, line 1	
	b	Dividends		Sch. B, Part II, line 1	
	c	Royalties		Sch. E, Part I, line 4	
	d	Net short-term capital gain (loss)		Sch. D, line 5, col. (f) or (g)	
	e	Net long-term capital gain (loss)		Sch. D, line 13, col. (f) or (g)	
	f	Other portfolio income (loss) (attach schedule)		(Enter on applicable line of your return)	
	5	Guaranteed payments to partner		(See Partner's instructions for Schedule K-1 (Form 1065))	
	6	Net gain (loss) under section 1231 (other than due to casualty or theft)			
	7	Other income (loss) (attach schedule)			
	<b>Deductions</b>	8	Section 179 expense deduction		(See Partner's instructions for Schedule K-1 (Form 1065))
10		Deductions related to portfolio income (attach schedule)			
11		Other deductions (attach schedule)			
<b>Investment Interest</b>	12a	Interest expense on investment debts		Form 4952, line 1	
	b	(1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 10 above		(See Partner's instructions for Schedule K-1 (Form 1065))	
<b>Credits</b>	13a	Credit for income tax withheld		(See Partner's instructions for Schedule K-1 (Form 1065))	
	b	Low-income housing credit: (1) From section 42(f)(5) partnerships for property placed in service before 1990 (2) Other than on line 13b(1) for property placed in service before 1990 (3) From section 42(f)(5) partnerships for property placed in service after 1989 (4) Other than on line 13b(3) for property placed in service after 1989			Form 8586, line 5
	b(1)				
	b(2)				
	b(3)				
	c	Qualified rehabilitation expenditures related to rental real estate activities (see instructions)			
	d	Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)			
	e	Credits related to other rental activities (see instructions)			
	14	Other credits (see instructions)			

**ATTACHMENT 15**  
**Page 6 of 15**

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on
Self-employment	15a	Net earnings (loss) from self-employment	15a	Sch. SE, Section A or (See Partner's instructions for Schedule K-1 (Form 1065).)
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	See Partner's instructions for Schedule K-1 (Form 1065) and instructions for Form 6251.)
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d	(1) Gross income from oil, gas, and geothermal properties	d(1)	
	e	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
		Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17a	Type of income ▶		Form 1116 Check box
	b	Name of foreign country or U.S. possession ▶		
	c	Total gross income from sources outside the United States (attach schedule)	17c	Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	17d	
	e	Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	17f	Form 1116, Part III
	g	Other foreign tax information (attach schedule)	17g	See instructions for Form 1116
Other	18a	Total expenditures to which a section 59(e) election may apply	18a	See Partner's instructions for Schedule K-1 (Form 1065).
	b	Type of expenditures ▶		
	19	Tax-exempt interest income	19	Form 1040, line E3
	20	Other tax-exempt income	20	(See Partner's instructions for Schedule K-1 (Form 1065).)
	21	Nondeductible expenses	21	
	22	Recapture of low-income housing credit:		
	a From section 420(f) partnerships	22a		
	b Other than on line 22a	22b		
Supplemental Information		23 Supplemental information required to be reported separately to each partner (attach additional schedules if more space needed):		
		<p>MEALS &amp; ENTERTAINMENT \$ 63<sup>00</sup></p>		

ATTACHMENT 16  
 Page 7 of 5

**SCHEDULE K-1**  
**(Form 1065)**  
Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, Etc.**  
▶ See separate instructions.  
For calendar year 1992 or tax year beginning 1992, and ending 1992

OMB No 1545-0045  
**1992**

Partner's identifying number ▶ **13-356182** Partnership's identifying number ▶ **13-356182**

Partner's name, address, and ZIP code **PARTNER # 2**  
**ARTHUR BLOCK**  
**125 WEST 106TH STREET**  
**NEW YORK, NY 10025**

Partnership's name, address, and ZIP code  
**INTERNATIONAL PEOPLE'S LAW INSTITUTION**  
**72 SPRING STREET 12TH FLOOR**  
**NEW YORK, NY 10013**

**A** Is this partner a general partner?  Yes  No

**B** Partner's share of liabilities (see instructions)

Nonrecourse \$

Qualified nonrecourse financing \$

Other \$

**C** What type of entity is this partner? ▶ **INDIVIDUAL**

**D** Is this partner a  domestic or a  foreign partner?

**E** IRS Center where partnership files return: **HOLTSVILLE NY 00504**

**F** Enter partner's percentage of

Profit sharing	(i) Before change or liquidation	(ii) End of year
Loss sharing	33.34 %	33.34 %
Ownership of capital	33.34 %	33.34 %

**G** (1) Tax shelter registration number ▶

(2) Type of tax shelter ▶

**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2)

Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

**J** Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4 and 7, Form 1065, Schedule M-2	(d) Withdrawals and contributions	(e) Capital account at end of year (combine columns (a) through (d))
<b>&lt;86&gt;</b>	<b>6100</b>	<b>&lt;509&gt;</b>	<b>( 726 )</b>	<b>4779</b>

(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
<b>Income (Loss)</b>	<b>&lt;509&gt;</b>		
1 Ordinary income (loss) from trade or business activities	1	} (See Partner's instructions for Schedule K-1 Form 1065)	
2 Net income (loss) from rental real estate activities	2		
3 Net income (loss) from other rental activities	3		
4 Portfolio income (loss):			
a Interest	4a		Sch. B, Part I, line 1
b Dividends	4b		Sch. B, Part II, line
c Royalties	4c		Sch. E, Part I, line 4
d Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f) or (g)	
e Net long-term capital gain (loss)	4e	Sch. D, line 13, col. (f) or (g)	
f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of yr. return)	
5 Guaranteed payments to partner	5	} (See Partner's instructions for Schedule K-1 Form 1065)	
6 Net gain (loss) under section 1231 (other than due to casualty or theft)	6		
7 Other income (loss) (attach schedule)	7	(Enter on applicable line of yr. return)	
<b>Deduction:</b>		Sch. A, line 13 or 14	
8 Charitable contributions (see instructions) (attach schedule)	8	} (See Partner's instructions for Schedule K-1 Form 1065)	
9 Section 179 expense deduction	9		
10 Deductions related to portfolio income (attach schedule)	10		
11 Other deductions (attach schedule)	11		
<b>Investment Interest:</b>		Form 4952, line 1	
12a Interest expense on investment debts	12a	} (See Partner's instructions for Schedule K-1 Form 1065)	
b (1) Investment income included on lines 4a through 4f above	b(1)		
(2) Investment expenses included on line 10 above	b(2)		
<b>Credits:</b>		(See Partner's instructions for Schedule K-1 Form 1065)	
13a Credit for income tax withheld	13a	} Form 8586, line 5	
b Low-income housing credit			
(1) From section 42(b)(5) partnerships for property placed in service before 1990	b(1)		
(2) Other than on line 13b(1) for property placed in service before 1990	b(2)		
(3) From section 42(c)(5) partnerships for property placed in service after 1989	b(3)		
(4) Other than on line 13b(3) for property placed in service after 1989	b(4)		
c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	13c		
d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)	13d		
e Credits related to other rental activities (see instructions)	13e		
14 Other credits (see instructions)	14		

**ATTACHMENT 16**  
Page **8** of **1**  
(See Partner's instructions for Schedule K-1 Form 1065)

000800

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Self-employment	15a	Net earnings (loss) from self-employment	15a	Sch. SE, Section A or E (See Partner's instructions for Schedule K-1 (Form 1065))
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	(See Partner's instructions for Schedule K-1 (Form 1065) and instructions for Form 6251.)
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d	(1) Gross income from oil, gas, and geothermal properties	d(1)	
		(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
	e	Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17a	Type of income ▶		Form 1116, Check boxes
	b	Name of foreign country or U.S. possession ▶		Form 1116, Part I
	c	Total gross income from sources outside the United States (attach schedule)	17c	
	d	Total applicable deductions and losses (attach schedule)	17d	Form 1116, Part II
	e	Total foreign taxes (check one). <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part III
	f	Reduction in taxes available for credit (attach schedule)	17f	See instructions for Form 1116
	g	Other foreign tax information (attach schedule)	17g	
Other	18a	Total expenditures to which a section 59(e) election may apply	18a	See Partner's instructions for Schedule K-1 (Form 1065).
	b	Type of expenditures ▶		Form 1040, line 8b
	19	Tax-exempt interest income	19	(See Partner's instructions for Schedule K-1 (Form 1065))
	20	Other tax-exempt income	20	
	21	Nondeductible expenses	21	
	22	Recapture of low-income housing credit		Form 8611, line 8
a	From section 42(j)(5) partnerships	22a		
b	Other than on line 22a	22b		

Supplemental Information

23 Supplemental information required to be reported separately to each partner (attach additional schedules if more space needed):

MEALS & ENTERTAINMENT \$ 136.00

ATTACHMENT 15  
Page 1 of 15



**SCHEDULE K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, Etc.**

See separate instructions.

For calendar year 1992 or 1993 year beginning

1992, and ending

OMB No 1545-0

**1992**

Partner's identifying number **13-3561871**  
 Partnership's identifying number **13-3561871**  
 Partner's name, address, and ZIP code **PARTNER # 3**  
 Partnership's name, address, and ZIP code **INTERNATIONAL PEDILE'S LAW INSTITUTION**

**GARY SINAWSKI**  
**525 WEST END AVENUE**  
**NEW YORK, NY 10024**

**72 SPRING STREET 12TH FLOOR**  
**NEW YORK, NY 10013**

- A Is this partner a general partner?  Yes  No
- B Partner's share of liabilities (see instructions):  
 Nonrecourse \$  
 Qualified nonrecourse financing \$  
 Other \$
- C What type of entity is this partner? **INDIVIDUAL**
- D Is this partner a  domestic or a  foreign partner?
- E IRS Center where partnership filed return: **HOLTSVILLE NY 06584**
- F Enter partner's percentage of:  
 Profit sharing **33 33 %**  
 Loss sharing **33 33 %**  
 Ownership of capital **33 33 %**
- G(1) Tax shelter registration number  
 (2) Type of tax shelter
- H Check here if this partnership is a publicly traded partnership as defined in section 602(k)(2)
- I Check applicable boxes (1)  Final K-1 (2)  Amended

J Analysis of partner's capital account:				
(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
<b>1675</b>		<b>&lt;509&gt;</b>	<b>( 726 )</b>	<b>440</b>

	(a) Distributive share item	(b) Amount		(c) 1040 filers enter the amount in column (b)
		1	2	
Income (Loss)	1 Ordinary income (loss) from trade or business activities	<b>&lt;509&gt;</b>		(See Partner's instructions to Schedule K-1 Form 1065) Sch. B, Part I, line 1 Sch. B, Part II, line Sch. E, Part I, line Sch. D, line 5, col. (f) or Sch. D, line 13, col. (f) c (Enter on appropriate line of your 1040)
	2 Net income (loss) from rental real estate activities			
	3 Net income (loss) from other rental activities			
	4 Portfolio income (loss):			
	a Interest			
	b Dividends			
	c Royalties			
Deductions	d Net short-term capital gain (loss)			(See Partner's instructions to Schedule K-1 Form 1065) (Enter on appropriate line of your 1040)
	e Net long-term capital gain (loss)			
	f Other portfolio income (loss) (attach schedule)			
	g Guaranteed payments to partner			
	6 Net gain (loss) under section 1231 (other than due to casualty or theft)			
	7 Other income (loss) (attach schedule)			
	8 Charitable contributions (see instructions) (attach schedule)			
9 Section 179 expense deduction				
10 Deductions related to portfolio income (attach schedule)				
Investment Interest	11 Other deductions (attach schedule)			Form 4952, line 1 (See Partner's instructions to Schedule K-1 Form 1065)
	12a Interest expense on investment debts			
Credits	b (1) Investment income included on lines 4a through 4f above			(See Partner's instructions to Schedule K-1 Form 1065)
	(2) Investment expenses included on line 10 above			
	13a Credit for income tax withheld			
	b Low-income housing credit:			
	(1) From section 42(j)(5) partnerships for property placed in service before 1990			
	(2) Other than on line 13b(1) for property placed in service before 1990			
	(3) From section 42(j)(5) partnerships for property placed in service after 1989			
	(4) Other than on line 13b(3) for property placed in service after 1989			
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)			
	d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)			
e Credits related to other rental activities (see instructions)				
14 Other credits (see instructions)				

**ATTACHMENT 16**  
**Page 10 of 15**

**000802**

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) or
Self-employment	15a	Net earnings (loss) from self-employment	15a	Sch. SE, Section A or (See Partner's instructions for Schedule K-1 (Form 1065))
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	(See Partner's Instructions for Schedule K-1 (Form 1065) and instructions for Form 6251.)
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d	(1) Gross income from oil, gas, and geothermal properties	d(1)	
	e	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
		Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17a	Type of income ▶		Form 1116 Check box
	b	Name of foreign country or U.S. possession ▶		Form 1116, Part I
	c	Total gross income from sources outside the United States (attach schedule)	17c	
	d	Total applicable deductions and losses (attach schedule)	17d	Form 1116, Part II
	e	Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part III
	f	Reduction in taxes available for credit (attach schedule)	17f	See Instructions for Form 1116
	g	Other foreign tax information (attach schedule)	17g	
Other	18a	Total expenditures to which a section 59(e) election may apply	18a	See Partner's Instructions for Schedule K-1 (Form 1065).
	b	Type of expenditures ▶		
	19	Tax-exempt interest income	19	Form 1040, line 8b
	20	Other tax-exempt income	20	(See Partner's instructions for Schedule K-1 (Form 1065))
	21	Nondeductible expenses	21	
	22	Recapture of low-income housing credit: a From section 420(f) partnerships b Other than on line 22a	22a 22b	Form 8511, line 8

Supplemental Information

23 Supplemental information required to be reported separately to each partner (attach additional schedules if more space needed):

MEALS & ENTERTAINMENT \$136.00

ATTACHMENT 16  
Page 11 of 15

**SCHEDULE K-1**  
**(Form 1065)**

**Partner's Share of Income, Credits, Deductions, Etc.**

OMB No 1545-005

**1992**

Department of the Treasury  
Internal Revenue Service

For calendar year 1992 or tax year beginning

▶ See separate instructions.

1992, and ending

19

Partner's identifying number ▶ [REDACTED]		Partnership's identifying number ▶ 13-356182		
Partner's name, address, and ZIP code PARTNER # 4 MICHAEL HARDY 73 E. 4TH STREET, # 4C NEW YORK, NY 10003		Partnership's name, address, and ZIP code INTERNATIONAL PEOPLE'S LAW INSTITUTION 72 SPRING STREET 12TH FLOOR NEW YORK, NY 10013		
A	Is this partner a general partner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	F	Enter partner's percentage of Profit sharing <input type="text" value="00"/> % <input type="text" value="00"/> %	
B	Partner's share of liabilities (see instructions): Nonrecourse \$ Qualified nonrecourse financing \$ Other \$		Loss sharing <input type="text" value="00"/> % <input type="text" value="00"/> % Ownership of capital <input type="text" value="00"/> % <input type="text" value="00"/> %	
C	What type of entity is this partner? ▶ INDIVIDUAL	G(1)	Tax shelter registration number ▶	
D	Is this partner a <input checked="" type="checkbox"/> domestic or a <input type="checkbox"/> foreign partner?	G(2)	Type of tax shelter ▶	
E	IRS Center where partnership filed return: HOUSTONVILLE NY 00501	H	Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2)	
J	Analysis of partner's capital account:		I	Check applicable boxes: (1) <input checked="" type="checkbox"/> Final K-1 (2) <input type="checkbox"/> Amended K-1

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
86	86			0

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on
Income (LC-9)	1 Ordinary income (loss) from trade or business activities	1	(See Partner's instructions for Schedule K-1 (Form 1065)) Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return)
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	
	b Dividends	4b	
	c Royalties	4c	
d Net short-term capital gain (loss)	4d		
e Net long-term capital gain (loss)	4e		
f Other portfolio income (loss) (attach schedule)	4f		
g Guaranteed payments to partner	5		
h Net gain (loss) under section 1231 (other than due to casualty or theft)	6		
i Other income (loss) (attach schedule)	7		
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8	Sch. A, line 13 or 14
	9 Section 179 expense deduction	9	(See Partner's instructions for Schedule K-1 (Form 1065))
	10 Deductions related to portfolio income (attach schedule)	10	
11 Other deductions (attach schedule)	11		
Investment Interest	12a Interest expense on investment debts	12a	Form 4952, line 1
	b (1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 10 above	b(1) b(2)	(See Partner's instructions for Schedule K-1 (Form 1065))
Credits	13a Credit for income tax withheld	13a	(See Partner's instructions for Schedule K-1 (Form 1065))
	b Low-income housing credit:		
	(1) From section 42(i)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 13b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(i)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 13b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	13c	
d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)	13d		
e Credits related to other rental activities (see instructions)	13e		
14 Other credits (see instructions)	14		

**ATTACHMENT 16**  
**Page 12 of 15**

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Self-employment	15a Net earnings (loss) from self-employment	15a	Sch. SE, Section A or E (See Partner's instructions for Schedule K-1 (Form 1065))
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	(See Partner's instructions for Schedule K-1 (Form 1065) and instructions for Form 6251.)
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17a Type of income ▶		Form 1116 Check boxes
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (attach schedule)	17c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	17d	
	e Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	17f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	17g	See instructions for Form 1116
	Other	18a Total expenditures to which a section 59(e) election may apply	18a
b Type of expenditures ▶			
19 Tax-exempt interest income		19	Form 1040, line 8b
20 Other tax-exempt income		20	(See Partner's instructions for Schedule K-1 (Form 1065).)
21 Nondeductible expenses		21	
22 Recapture of low-income housing credit:			Form 8511, line 8
a From section 42(j)(5) partnerships		22a	
b Other than on line 22a	22b		

Supplemental Information

23 Supplemental information required to be reported separately to each partner (attach additional schedules if more space needed):

MEALS & ENTERTAINMENT \$ 0.00

ATTACHMENT 15  
 PAGE 13 OF 15

**SCHEDULE K-1**  
**(Form 1065)**

**Partner's Share of Income, Credits, Deductions, Etc.**

OMB No 1545-0099

**1992**

Department of the Treasury  
Internal Revenue Service

For calendar year 1992 or tax year beginning in 1992, and ending . . . . . 19

▶ See separate instructions.

Partner's identifying number ▶ [REDACTED]  
Partner's name, address, and ZIP code **PARTNER'S**  
**HARRY KRESKY**  
**207 W. 106TH STREET #7B**  
**NEW YORK, NY 10025**

Partnership's identifying number ▶ **13-3561821**  
Partnership's name, address, and ZIP code  
**INTERNATIONAL PEDILE'S LAW INSTITUTION**  
**72 SPRING STREET 12TH FLOOR**  
**NEW YORK, NY 10013**

**A** Is this partner a general partner?  Yes  No

**B** Partner's share of liabilities (see instructions)  
Nonrecourse \$  
Qualified nonrecourse financing \$  
Other \$

**C** What type of entity is this partner? ▶ **INDIVIDUAL**

**D** Is this partner a  domestic or a  foreign partner?

**E** IRS Center where partnership filed return: **HOLTSVILLE NY 60501**

**F** Enter partner's percentage of:  
Profit sharing **33.33 % 33.33 %**  
Loss sharing **33.33 % 33.33 %**  
Ownership of capital **33.33 % 33.33 %**

**G(1)** Tax shelter registration number ▶  
**(2)** Type of tax shelter ▶

**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2)

**I** Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

**J Analysis of partner's capital account:**

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
<b>&lt;89&gt;</b>		<b>&lt;509&gt;</b>	<b>( 725 )</b>	<b>&lt;1323&gt;</b>

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
<b>Income (Loss)</b>	1 Ordinary income (loss) from trade or business activities	<b>&lt;509&gt;</b>	} (See Partner's instructions for Schedule K-1 Form 1065.)
	2 Net income (loss) from rental real estate activities		
	3 Net income (loss) from other rental activities		
	4 Portfolio income (loss):		} Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of yr. return.)
	a Interest:		
	b Dividends		
	c Royalties		
	d Net short-term capital gain (loss)		
	e Net long-term capital gain (loss)		
	f Other portfolio income (loss) (attach schedule)		
	5 Guaranteed payments to partner		} (See Partner's instructions for Schedule K-1 Form 1065.)
6 Net gain (loss) under section 1231 (other than due to casualty or theft)			
7 Other income (loss) (attach schedule)		(Enter on applicable line of yr. return.)	
<b>Deductions</b>	8 Charitable contributions (see instructions) (attach schedule)		Sch. A, line 13 or 14
	9 Section 179 expense deduction		} (See Partner's instructions for Schedule K-1 Form 1065.)
	10 Deductions related to portfolio income (attach schedule)		
	11 Other deductions (attach schedule)		
<b>Investment Interest</b>	12a Interest expense on investment debts		Form 4952, line 1
	b (1) Investment income included on lines 4a through 4f above		} (See Partner's instructions for Schedule K-1 Form 1065.)
	(2) Investment expenses included on line 10 above		
<b>Credits</b>	13a Credit for income tax withheld		} (See Partner's instructions for Schedule K-1 Form 1065.)
	b Low-income housing credit		
	(1) From section 42(h)(5) partnerships for property placed in service before 1990		
	(2) Other than on line 13b(1), for property placed in service before 1990		
	(3) From section 42(h)(5) partnerships for property placed in service after 1989		} Form 8586, line 5
	(4) Other than on line 13b(3) for property placed in service after 1989		
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)		
	d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)		
e Credits related to other rental activities (see instructions)			
14 Other credits (see instructions)			

**ATTACHMENT 16**  
**Page 14 of 15**

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Self-emp. payment	15a Net earnings (loss) from self-employment	15a	Sch. SE, Section A c. E (See Partner's Instructions for Schedule K-1 Form 1065)
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	(See Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.)
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
e Other adjustments and tax preference items (attach schedule)	16e		
Foreign Taxes	17a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (attach schedule)	17c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	17d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	17f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	17g	See Instructions for Form 1116
Other	18a Total expenditures to which a section 59(e) election may apply	18a	See Partner's Instructions for Schedule K-1 (Form 1065).
	b Type of expenditures ▶		
	19 Tax-exempt interest income	19	Form 1040, line 8b
	20 Other tax-exempt income	20	(See Partner's Instructions for Schedule K-1 Form 1065)
	21 Nondeductible expenses	21	
	22 Recapture of low-income housing credit:		Form 8611, line 8
a From section 42(b)(5) partnerships	22a		
b Other than on line 22a	22		

Supplemental Information

23 Supplemental information required to be reported separately to each partner (attach additional schedules if more space needed):

MEALS & ENTERTAINMENT - 136.00

ATTACHMENT 15  
Page 15 of 15

**U.S. Partnership Return of Income**

OMB No. 1545-0099

For calendar year 1991 or tax year beginning 1991, and ending 1991.  
See separate instructions.

**1991**

A Principal business activity <b>PSYCHOTHERAPY</b>	Use the IRS label. Other-wise, please print or type.	Name of partnership <b>ERDRICK NELSON &amp; LITTLE PARTN</b>	D Employer identification number <b>5-2159064</b>
B Principal product or service <b>PSYCHOTHERAPY</b>		Number, street and room or suite no. (if a P.O. box, see page 9 of the instructions)	E Date business started <b>01-01-83</b>
C Business code number <b>8048</b>		City or town, state and ZIP code <b>NEW YORK NY 10022</b>	F If on RRA 86 Sec. 1361, check this box. <b>772</b>

G Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change in address (4)  Amended return  
H Check accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) \_\_\_\_\_  
I Number of partners in this partnership **2**

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a	20942	-	1c	20942	-
	1b			2	0	
	2			3	20942	-
	3			4		
	4			5		
	5			6		
	6			7	10643	-
	7			8	231585	
Deductions (see instructions for limitations)	9a	16575	-	9c	16575	-
	9b			10		
	10			11	45005	-
	11			12		
	12			13	6165	-
	13			14		
	14			15	1513	-
	15			16a		
	16a			16b		
	16b			17		
	17			18		
	18			19		
	19			20	73572	-
	20			21	142828	
21			22	88757		

22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8. **88757**

Please Sign Here  
Signature of general partner: \_\_\_\_\_ Date: \_\_\_\_\_

Paid Preparer's Use Only  
Preparer's signature: **Sam J Nole CPA** Date: **4/3/92**  
Firm's name for yours if self-employed and address: **SAM J NOLE CPA 330 PARK AVENUE SUITE 1221 NEW YORK NY**  
Check if self-employed:  E.I. No.: **13-362116**  
ZIP code: **10164**

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ATTACHMENT **17**  
Page **1** of **9**

**Schedule A Cost of Goods Sold**

- 1 Inventory at beginning of year
- 2 Purchases less cost of items withdrawn for personal use
- 3 Cost of labor
- 4 Additional section 263A costs (see instructions) (attach schedule)
- 5 Other costs (attach schedule)
- 6 Total. Add lines 1 through 5
- 7 Inventory at end of year
- 8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2

1		
2		
3		
4		
5		
6		
7		
8		

9a Check all methods used for valuing closing inventory:

- (i)  Cost
- (ii)  Lower of cost or market as described in Regulations section 1.471-4
- (iii)  Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
- (iv)  Other (specify method used and attach explanation) ▶

- b Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)
- c Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership?  Yes  No
- d Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No  
If "Yes," attach explanation.

**Schedule B Other Information**

- 1 Is this partnership a limited partnership? Yes No
- 2 Are any partners in this partnership also partnerships? Y
- 3 Is this partnership a partner in another partnership? X
- 4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below Y
- 5 Does this partnership meet all the requirements shown in the instructions for Question 5? Y
- 6 Does this partnership have any foreign partners? Y
- 7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)? Y
- 8 Has this partnership filed, or is it required to file, Form 8284, Application for Registration of a Tax Shelter? Y
- 9 At any time during the tax year, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for form TD F 90-22.1.) If "Yes," enter the name of the foreign country. Y
- 10 Was the partnership the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the partnership or any partner has any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926 Y
- 11 Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections on page 5 of the instructions Y

**Designation of Tax Matters Partner (See instructions.)**

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ FRED NEWMAN

Identifying number of TMP ▶

Address of designated TMP ▶ 175 W 72ND STREET  
NEW YORK NY 10023

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ATTACHMENT



**Schedule K Partners' Shares of Income, Credits, Deductions, Etc.**

		(a) Distributive share items	(b) Total amount					
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1	88757				
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2					
	3a	Gross income from other rental activities	3a					
		Less expenses (attach schedule)	3b					
		Net income (loss) from other rental activities	3c					
	4	Portfolio income (loss) (see instructions)	4a	49				
	a	Interest income	4b					
		Dividend income	4c					
		Royalty income	4d					
		Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4e					
		Net long-term capital gain (loss) (attach Schedule D (Form 1065))	4f					
		Other portfolio income (loss) (attach schedule)	5					
	5	Guaranteed payments to partners	6					
	6	Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)	7					
7	Other income (loss) (attach schedule)	8						
Deductions	8	Charitable contributions (see instructions) (attach list)	9					
	9	Section 179 expense deduction (attach Form 4562)	10					
	10	Deductions related to portfolio income (see instructions) (itemize)	11					
	11	Other deductions (attach schedule)	12a					
Investment Interest	12a	Interest expense on investment debts	12b(1)	49				
	b	(1) Investment income included on lines 4a through 4f above	12b(2)					
		(2) Investment expenses included on line 10 above	13a					
Credits	13a	Credit for income tax withheld	13b(1)					
	b	Low-income housing credit (see instructions):	13b(2)					
		(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	13b(3)					
		(2) Other than on line 13b(1) for property placed in service before 1990	13b(4)					
		(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	13c					
	(4) Other than on line 13b(3) for property placed in service after 1989	13d						
	c	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	13e					
	d	Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)	14					
	e	Credits related to other rental activities (see instructions)	15a					
	14	Other credits (see instructions)	15b					
Self-Employment	15a	Net earnings (loss) from self-employment	15c					
	b	Gross farming or fishing income	16a					
	c	Gross nonfarm income	16b					
Adjustments and Tax Preference Items	16a	Accelerated depreciation of real property placed in service before 1987	16c					
	b	Accelerated depreciation of leased personal property placed in service before 1987	16d					
	c	Depreciation adjustment on property placed in service after 1986	16e(1)					
	d	Depletion (other than oil and gas)	16e(2)					
	e	(1) Gross income from oil, gas, and geothermal properties	16f					
		(2) Deductions allocable to oil, gas, and geothermal properties	17a					
	f	Other adjustments and tax preference items (attach schedule)	17b					
Foreign Taxes	17a	Type of income ▶..... b Foreign country or U.S. possession ▶.....	17c					
	c	Total gross income from sources outside the U.S. (attach schedule)	17d					
	d	Total applicable deductions and losses (attach schedule)	17e					
	e	Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17f					
	f	Reduction in taxes available for credit (attach schedule)	17g					
	g	Other foreign tax information (attach schedule)	18a					
	18a	Total expenditures to which a section 59(e) election may apply	19					
Other	b	Type of expenditures ▶.....	20a	88806				
	19	Other items and amounts required to be reported separately to partners (see instructions) (attach schedule)						
Analysis	20a	Income (loss). Combine lines 1 through 7 in column (b). From the result, subtract the sum of lines 8 through 12a, 17e, and 18a						
	b	Analysis by type of partner:	(a) Corporate	(b) Individual		(c) Partnership	(d) Exempt organization	(e) Nominee/Other
				Active	Passive			
			(1) General partners	88806				
(2) Limited partners								

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ATTACHMENT 2

Caution: Read the instructions for Question 5 of Schedule B on page 14 of the instructions before completing Schedules L, M-1, and M-2

**Schedule L** Balance Sheets

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		4194		772
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets		64	764	
b Less accumulated depreciation		764	764	
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)		15833		
14 Total assets		20027		772
<b>Liabilities and Capital</b>				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)		12934		24233
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		7093		(23451)
22 Total liabilities and capital		20027		772

**Schedule M-1** Reconciliation of Income per Books With Income per Return

1 Net income per books	88077	5 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12a, 17e, and 18a (itemize):		6 Deductions included on Schedule K, lines 1 through 12a, 17e, and 18a, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$	729	7 Total of lines 5 and 6	
4 Total of lines 1 through 3	88806	8 Income (loss) (Schedule K, line 20a), Line 4 less line 7	88806

**Schedule M-2** Analysis of Partners' Capital Accounts

1 Balance at beginning of year	7093	6 Distributions: a Cash	118621
2 Capital contributed during year		b Property	
3 Net income per books	88077	7 Other decreases (itemize):	
4 Other increases (itemize):			
5 Total of lines 1 through 4	95170	8 Total of lines 6 and 7	118621
		9 Balance at end of year Line 5 less line 8	(23451)

NEWMAN & BRAUN  
FORM 1065 1991  
E.I.NO:13-3159064

STATEMENT 1

DEDUCTIONS LINE 20  
OTHER DEDUCTIONS

BANK CHARGES	239.75
UTILITIES	1,542.26
INSURANCE	6,283.76
LEGAL & ACCOUNTING	643.20
OFFICE CLEANING	3,215.78
OFFICE EXPENSES	7,254.20
OFFICE SUPPLIES	6,277.09
OUTSIDE PROFESSIONAL SERVICE	14,550.00
POSTAGE & SHIPPING	1,468.75
STORAGE RENTAL	177.00
TELEPHONE & MESSENGER SERVICE	7,700.00
TRAVEL	8,508.00
ENTERTAINMENT(AFTER DISALLOWANCE)	2,917.00
MEMBERSHIP & LICENSE	2,270.00
PRINTING	3,229.24
EQUIPMENT RENTAL	1,358.57
AUTO EXPENSES	5,937.39
TOTAL	73,571.99

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ATTACHMENT 7  
Page 5 of 9

**SCHEDULE K-1**  
**(Form 1065)**

**Partner's Share of Income, Credits, Deductions, Etc.**

JMB No 1545-0099

▶ See separate instructions.

**1991**

Department of the Treasury  
Internal Revenue Service

For calendar year 1991 or 1991-1992 beginning

1991, and ending

19

Partner's identifying number ▶ [REDACTED] Partnership's identifying number ▶ 15-3154064

Partner's name, address, and ZIP code: FRED NEWMAN, 115 W 72ND STREET, NEW YORK NY 10023

Partnership's name, address, and ZIP code: FREDRICK NEWMAN & BETTE BRAUN, 115 WEST 72ND STREET, NEW YORK NY 10023

A Is this partner a general partner?  Yes  No

B Partner's share of liabilities (see instructions):  
 Nonrecourse \$  
 Qualified nonrecourse financing \$  
 Other \$ 15018

C What type of entity is this partner? ▶ INDIVIDUAL

D Is this partner a  domestic or a  foreign partner?

E IRS Center where partnership filed return: HOUSTONVILLE NY 00001

F Enter partner's percentage of:  
 Profit sharing (1) Before change or termination 62.00% (2) End of 62.00%  
 Loss sharing 62.00% 62.00%  
 Ownership of capital % %

G (1) Tax shelter registration number ▶  
 (2) Type of tax shelter ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2)   
 Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

J Analysis of partner's capital account

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4 and 7 Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
< 2520		54608	73545	< 21457

(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
1 Ordinary income (loss) from trade or business activities	54608	} (See Partner's instructions for Schedule K-1 Form 1065)	
2 Net income (loss) from rental real estate activities			
3 Net income (loss) from other rental activities			
4 Portfolio income (loss):			
4a Interest	30		Sch. B, Part I, line 1
4b Dividends			Sch. B, Part II, line 5
4c Royalties			Sch. E, Part I, line 4
4d Net short-term capital gain (loss)		Sch. D, line 4, col. (f) or (g)	
4e Net long-term capital gain (loss)		Sch. D, line 11, col. (f) or (g)	
4f Other portfolio income (loss) (attach schedule)		(Enter on applicable line of your return)	
5 Guaranteed payments to partner		} (See Partner's instructions for Schedule K-1 Form 1065)	
6 Net gain (loss) under section 1231 (other than due to casualty or theft)			
7 Other income (loss) (attach schedule)			(Enter on applicable line of your return)
8 Charitable contributions (see instructions) (attach schedule)		Sch. A, line 13 or 14	
9 Section 179 expense deduction		} (See Partner's instructions for Schedule K-1 Form 1065)	
10 Deductions related to portfolio income (attach schedule)			
11 Other deductions (attach schedule)			
12a Interest expense on investment debts		Form 4952, line 1	
b (1) Investment income included on lines 4a through 4f above	30	} (See Partner's instructions for Schedule K-1 Form 1065)	
b (2) Investment expenses included on line 10 above			
13a Credit for income tax withheld		} (See Partner's instructions for Schedule K-1 Form 1065)	
b Low-income housing credit:			
(1) From section 42(i)(5) partnerships for property placed in service before 1990			
(2) Other than on line 13b(1) for property placed in service before 1990			
(3) From section 42(i)(5) partnerships for property placed in service after 1989		} Form 8586, line 5	
(4) Other than on line 13b(3) for property placed in service after 1989			
c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)		} (See Partner's instructions for Schedule K-1 Form 1065)	
d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)			
e Credits related to other rental activities (see instructions)			
14 Other credits (see instructions)			

ATTACHMENT 17  
 Page 10 of 9  
 (See Partner's instructions for Schedule K-1 Form 1065)

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	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b)
Self-employment	15a Net earnings (loss) from self-employment	15a 54608	Sch. SE, Section A (See Partner's instructions for Schedule K-1 (Form 1065))
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a Accelerated depreciation of real property placed in service before 1987	16a	(See Partner's instructions for Schedule K-1 (Form 1065) and instructions for Form 6251)
	b Accelerated depreciation of leased personal property placed in service before 1987	16b	
	c Depreciation adjustment on property placed in service after 1986	16c	
	d Depletion (other than oil and gas)	16d	
	e (1) Gross income from oil, gas, and geothermal properties	e(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	e(2)	
	f Other adjustments and tax preference items (attach schedule)	16f	
Foreign Taxes	17a Type of income ▶	17a	Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶	17b	
	c Total gross income from sources outside the U.S. (attach schedule)	17c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	17d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part II Form 1116, Part III See instructions for Form 1116
	f Reduction in taxes available for credit (attach schedule)	17f	
	g Other foreign tax information (attach schedule)	17g	
Other	18a Total expenditures to which a section 59(e) election may apply	18a	See Partner's instructions for Schedule K-1 (Form 1065).
	b Type of expenditures ▶	18b	
	19 Recapture of low-income housing credit:		Form 8811, line 8
a From section 42(i)(5) partnerships	19a		
b Other than on line 19a.	19b		

20 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

NYS ADDITION 31501 (NYC UNINCORPORATED BUSINESS TAX)

ATTACHMENT 17  
Page 7 of 9

**SCHEDULE K-1**  
**(Form 1065)**

**Partner's Share of Income, Credits, Deductions, Etc.**

OMB No 1545-0099

Department of the Treasury  
Internal Revenue Service

For calendar year 1991 or last year beginning

1991, and ending

19

**1991**

See separate instructions.

Partner's identifying number **[REDACTED]** Partnership's identifying number **13-3159064**

Partner's name, address, and ZIP code **PAULNER & 2  
BLITTE BRAUN  
C/O POLI  
224 WEST END AVENUE  
NEW YORK NY 10025**

Partnership's name, address, and ZIP code **FREDERICK NEUMANN BLITTE BRAUN  
175 WEST 79TH STREET  
NEW YORK NY 10025**

**A** Is this partner a general partner?  Yes  No

**B** Partner's share of liabilities (see instructions):  
 Nonrecourse \$  
 Qualified nonrecourse financing \$  
 Other \$ **9205**

**C** What type of entity is this partner? **INDIVIDUAL**

**D** Is this partner a  domestic or a  foreign partner?

**E** IRS Center where partnership filed return: **MULTISTATE NY 6001**

**F** Enter partner's percentage of:  
 Profit sharing **35.00%** (i) Before change or termination (ii) End of year  
 Loss sharing **35.00%** **38.00%**  
 Ownership of capital **44%**

**G(1)** Tax shelter registration number **[REDACTED]**  
**(2)** Type of tax shelter **[REDACTED]**

**H** Check here if this partnership is a publicly traded partnership as defined in section 469(b)(2)

**I** Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

**J Analysis of partner's capital account:**

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7 Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
<b>9613</b>		<b>53469</b>	<b>45076</b>	<b>1994</b>

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
<b>Income (Loss)</b>	1 Ordinary income (loss) from trade or business activities	<b>33469</b>	(See Partner's instructions for Schedule K-1 Form 1065) Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 4, col. (f) or (g) Sch. D, line 11, col. (f) or (g) (Enter on applicable line of your return)
	2 Net income (loss) from rental real estate activities		
	3 Net income (loss) from other rental activities		
	4 Portfolio income (loss):		
	a Interest	<b>19</b>	
	b Dividends		
	c Royalties		
d Net short-term capital gain (loss)		Sch. D, line 4, col. (f) or (g)	
e Net long-term capital gain (loss)		Sch. D, line 11, col. (f) or (g)	
f Other portfolio income (loss) (attach schedule)		(Enter on applicable line of your return)	
5 Guaranteed payments to partner		(See Partner's instructions for Schedule K-1 Form 1065) (Enter on applicable line of your return)	
6 Net gain (loss) under section 1231 (other than due to casualty or theft)			
7 Other income (loss) (attach schedule)		(Enter on applicable line of your return)	
<b>Deductions</b>	8 Charitable contributions (see instructions) (attach schedule)		Sch. A, line 13 or 14
	9 Section 179 expense deduction		(See Partner's instructions for Schedule K-1 Form 1065)
	10 Deductions related to portfolio income (attach schedule)		
	11 Other deductions (attach schedule)		
<b>Investment Interest</b>	12a Interest expense on investment debts		Form 4952, line 1
	b (1) Investment income included on lines 4a through 4f above	<b>19</b>	(See Partner's instructions for Schedule K-1 Form 1065)
	(2) Investment expenses included on line 10 above		
<b>Credits</b>	13a Credit for income tax withheld		(See Partner's instructions for Schedule K-1 Form 1065)
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(b)(5) partnerships for property placed in service before 1990		
	(2) Other than on line 13b(1) for property placed in service before 1990		
	(3) From section 42(b)(5) partnerships for property placed in service after 1989		
	(4) Other than on line 13b(3) for property placed in service after 1989		
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)		(See Partner's instructions for Schedule K-1 Form 1065)
	d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)		
e Credits related to other rental activities (see instructions)			
14 Other credits (see instructions)			

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**Page 8 of 9**

**002044**

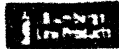
	(a) Distributive share item	(b) Amount	(c) 1040 filers enter amount in column (b)
Self-employment	15a Net earnings (loss) from self-employment	15a 33469	Sch SE, Section A or B (See Partner's instructions for Schedule K-1 (Form 1065))
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a Accelerated depreciation of real property placed in service before 1987	16a	(See Partner's instructions for Schedule K-1 (Form 1065) and instructions for Form 6251)
	b Accelerated depreciation of leased personal property placed in service before 1987	16b	
	c Depreciation adjustment on property placed in service after 1986	16c	
	d Depletion (other than oil and gas)	16d	
	e (1) Gross income from oil, gas, and geothermal properties	e(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	e(2)	
	f Other adjustments and tax preference items (attach schedule)	16f	
Foreign Taxes	17a Type of income ▶	17a	Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶	17b	
	c Total gross income from sources outside the U.S. (attach schedule)	17c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	17d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part II Form 1116, Part III See instructions for Form 1116
	f Reduction in taxes available for credit (attach schedule)	17f	
	g Other foreign tax information (attach schedule)	17g	
Other	18a Total expenditures to which a section 59(e) election may apply	18a	See Partner's instructions for Schedule K-1 (Form 1065).
	b Type of expenditures ▶	18b	
	19 Recapture of low-income housing credit:		Form 9611, line 8
a From section 42(g)(5) partnerships	19a		
b Other than on line 19a	19b		

Supplemental Information

20 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

NYS ADDITION \$ 920 (NYC UNINCORPORATED BUSINESS TAX)

ATTACHMENT 17  
Page 4 of 9



# Certificate of Dissolution of

*under Section 1003 of the Business Corporation Law*

IT IS HEREBY CERTIFIED THAT:

(1) The name of the corporation is CAKIM MANAGEMENT INC.

(2) The certificate of incorporation was filed by the department of state on the 22ND day of AUGUST 19 91.

(3) The name, title and address of each of its officers and directors are:

<u>Name</u>	<u>Title</u>	<u>Street and Number</u>
CATHY SALIT	<sup>1</sup> PRESIDENT AND DIRECTOR	500 GREENWICH STREET NEW YORK, NY 10013

## TAXPAYER'S COPY

(4) The corporation elects to dissolve.

- (5) • The dissolution was authorized at a meeting of shareholders by vote of the holders of two-thirds of all the outstanding shares entitled to vote.
- The dissolution was authorized by unanimous written consent of the holders of all the outstanding shares entitled to vote thereon.
- The dissolution was authorized pursuant to and in the manner required by the provisions of the certificate of incorporation authorizing dissolution, which provisions are as follows:

ATTACHMENT   A    
Page   1   of   2



IN WITNESS WHEREOF, this certificate has been subscribed this 30 day of DECEMBER 19 94  
by the undersigned who affirm(s) that the statements made herein are true under the penalties of perjury.

<u>Type name</u>	<u>Capacity in which signed</u>	<u>Signature</u>
CATHY SALIT	PRESIDENT AND DIRECTOR	

\* Attach consent of State Tax Commission. BCL §1004.

## Certificate of Dissolution of

CAKIM MANAGEMENT INC.

under Section 1003 of the Business Corporation Law

**Filed By:** CATHY SALIT IN CARE OF  
SAM J. NOLE, CPA

**Address:** 230 PARK AVENUE  
NEW YORK, NEW YORK 10169

002376

ATTACHMENT 18  
Page 2 of 2

AMALGAMATED BANK OF NEW YORK  
 CORPORATION  UNINCORPORATED ASSOCIATION

Lenora B. Fulani for President

ACCOUNT NUMBER  
 91031541

Closed Nov 30 1993

CERTIFICATION: UNDER PENALTIES OF PERJURY, I/WE CERTIFY (1) THAT THE NUMBER SHOWN ON THIS FORM IS THE PAYEE'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND (2) THAT THE PAYEE IS NOT SUBJECT TO BACKUP WITHHOLDING EITHER BECAUSE THE PAYEE HAS NOT BEEN NOTIFIED THAT IT IS SUBJECT TO BACKUP WITHHOLDING AS A RESULT OF A FAILURE TO REPORT ALL INTEREST OR DIVIDENDS, OR THE INTERNAL REVENUE SERVICE HAS NOTIFIED THE PAYEE THAT IT IS NO LONGER SUBJECT TO BACKUP WITHHOLDING. INSTRUCTION TO CUSTOMER: STRIKE OUT LANGUAGE IN (2) IF PAYEE IS SUBJECT TO BACKUP WITHHOLDING.

PRESIDENT	Cathy Salit	CLOSED DATE	11/30/93	MAY BE SIGNED BY ANY OF THE FOLLOWING
VICE-PRESIDENT				
TREASURER	Francine Hill	CLOSED DATE	2/23/94	
SECRETARY	Debra Hoffman			
BUSINESS ADDRESS	250 W. 57th St, Suite 317	TELEPHONE	(202) 956-5550	
CITY	New York	STATE & ZIP CODE	NY 10019	TAX ID. NO.
TYPE OF BUSINESS	Political committee	THIS ACCOUNT OPENED BY		DATE OPENED
BANK REFERENCE NAME	ABNY	ADDRESS	1710 B Way	
CITY	New York NY	STATE & ZIP CODE	10019	ACCOUNT NO.
				31022983

PRINCIPAL OWNERS:

NAME	Francine Miller	HOME TELEPHONE	212 580 9031
ADDRESS	203 W. 90 St.		
CITY	New York	STATE	NY
ZIP CODE	10024		
DOC. REC. NO.	043 68 5630		
NAME	Cathy Salit	HOME TELEPHONE	212 662 1532
ADDRESS			
CITY	New York	STATE	NY
ZIP CODE	10025		
DOC. REC. NO.	128-40-3341		

THIS ACCOUNT IS OPENED SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:  
 IN RECEIVING ITEMS FOR DEPOSIT OR COLLECTION, THIS BANK ACTS ONLY AS DEPOSITOR'S COLLECTING AGENT AND ASSUMES NO RESPONSIBILITY BEYOND THE EXERCISE OF DUE CARE. ALL ITEMS ARE CREDITED SUBJECT TO FINAL PAYMENT IN CASH OR SOLVENT CREDITS. THIS BANK WILL NOT BE LIABLE FOR DEFAULT OR NEGLIGENCE OF ITS DULY SELECTED CORRESPONDENTS NOR FOR LOSSES IN TRANSIT, AND EACH CORRESPONDENT SO SELECTED SHALL NOT BE LIABLE EXCEPT FOR ITS OWN NEGLIGENCE. THIS BANK OR ITS CORRESPONDENTS MAY SEND ITEMS, DIRECTLY OR INDIRECTLY, TO ANY BANK INCLUDING THE PAYOR, AND ACCEPT ITS DRAFT OR CREDIT AS CONDITIONAL PAYMENT IN LIEU OF CASH; IT MAY CHARGE BACK ANY ITEM AT ANY TIME BEFORE FINAL PAYMENT, WHETHER RETURNED OR NOT, ALSO ANY ITEM DRAWN ON THIS BANK NOT GOOD AT CLOSE OF BUSINESS ON DAY DEPOSITED. THE BANK SHALL NOT BE LIABLE TO THE DEPOSITOR IN THE EVENT THAT IT RETURNS FOR ANY REASON WHATSOEVER ANY ITEM DRAWN ON IT BY THE DEPOSITOR IF THE SAME OCCURS THROUGH INADVERTENCE OR ACCIDENT. REASONABLE CHARGES MAY BE MADE BY THE BANK WITHOUT NOTICE WHENEVER IN ITS JUDGMENT SUCH CHARGES ARE REQUIRED TO HANDLE THE ACCOUNT WITHOUT SUSTAINING A LOSS OR WHENEVER A CHECK OF THE DEPOSITOR IS RETURNED UNPAID FOR ANY REASON.

I, Deborah Hoffman

hereby certify that

I am the Secretary

(Official Title)

and the official

custodian of the records of Lenora B. Fulani for President

an unincorporated Association doing business in New York

including the Constitution, Charter or By-Laws and the minutes of the meetings of the Members and the

thereof, and do further certify that the following is a true copy of certain resolutions duly adopted by the Members and the of said Association, at meetings

thereof duly called and held on the 3rd day of March, 191

**Resolved.** that the officers and agents of this Association be and they hereby are, and each of them is, authorized to deposit any of the funds of this Association from time to time with THE AMALGAMATED BANK OF NEW YORK which is hereby designated as a depository of this Association, and until further order of the Members and the to withdraw the same from time to time upon checks or drafts or other instruments or orders for the payment of money, drawn against the account or in the name or in behalf of this Association, and made or signed by any of the following:

(State Number to Sign)

Cathy Salit

Deborah Hoffman

Francine Miller

and be it

**Further Resolved.** that THE AMALGAMATED BANK OF NEW YORK be and it hereby is authorized and requested to accept, honor, cash and pay without limit as to amount, without further inquiry and until written notice of the revocation of the authority hereby granted is actually received by said bank, all checks, drafts and other instruments and orders for the payment of money when drawn, made, signed or endorsed as by the foregoing resolution provided, whether the same be drawn against an account standing in the name of this Association, or in the name of any such officer or agent of this Association as such, including all such instruments payable or endorsed to the order of this Association and/or payable or endorsed to the personal order of the officer or officers or agent or agents signing on behalf of this Association or any other officer or officers or agent or agents of this Association, or otherwise, whether tendered in payment of the individual obligation or deposited to the personal account of any such officer or officers or agent or agents, or otherwise,

and be it

**Further Resolved.** that all the foregoing authorities shall be and continue in full force and effect until revoked or modified by written notice actually received by said THE AMALGAMATED BANK OF NEW YORK setting forth resolutions to that effect stated to have been adopted by the Members and the of this Association, signed by the officer of this Association who is the official custodian of its records, including the Constitution, Charter or By-Laws and the minutes of meetings, and containing a certification by the President of this Association that such officer is such official custodian, and bearing this Association's seal, if any, and said THE AMALGAMATED BANK OF NEW YORK is hereby authorized and directed to at all times rely upon the last notice received by it of any resolution as to the foregoing authorities and as to the persons who from time to time are its officers, and their signatures, when such notice is signed by persons purporting to be such official custodian and President;

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Page 2 of 3

(OVER)

I further certify that none of the foregoing resolutions has been modified or repealed, but that each thereof is in full force and effect.

I further certify that the foregoing resolutions are fully in accord with and pursuant to the constitution, charter or by-laws of said Association.

I further certify that the following are the genuine signatures of the persons now holding office in said Association as indicated opposite their respective titles.

NAME	TITLE	SPECIMEN SIGNATURE
Cathy Salit	President	x <i>Cathy Salit</i>
Francine Miller	Treasurer	<i>Francine Miller</i>
Deborah Hoffman	Secretary	<i>Deborah Hoffman</i>

Association this 3rd day of March I have hereunto subscribed my name and affixed the seal of said Association 1991

[Seal]

*Deborah Hoffman*  
Secretary

I, President of Lenora B. Fulani for President do hereby certify that on the 3rd day of March, 1991 who signed and attested the foregoing, was and now is the duly qualified and acting President of said Association and that he was and is duly authorized by the Constitution, Charter or By-Laws to certify to the minutes and proceedings of the Members and the of said Association, and to affix the seal of said Association to such certificate.

x *Cathy Salit*  
President

APPROVED

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TO BE SIGNED BY  
THE RETIRING OFFICERS

CERTIFICATE OF INCORPORATION  
OF  
CAKIM MANAGEMENT INC.

Filed by:

Shukat Hafer & Weber, Esqs.  
111 West 57th Street  
Suite 1120  
New York, New York 10019

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ATTACHMENT 20  
Page 1 of 5

## CERTIFICATE OF INCORPORATION

### CAKIM MANAGEMENT INC.

Under Section 402 of the Business Corporation Law.

The undersigned, for the purpose of forming a corporation pursuant to Section 402 of the Business Corporation Law of the State of New York, does hereby certify and set forth:

FIRST: The name of the corporation is CAKIM MANAGEMENT INC.

SECOND: The purposes for which the corporation is formed are:

To engage in any lawful act or activity for which corporation may be organized under the business corporation law, provided that the corporation is not formed to engage in any act or activity which requires the act or approval of any state official, department, board, agency or other body without such approval or consent first being obtained.

To manufacture, produce, acquire, purchase, own, maintain, import, export, sell, lease, license, distribute, exhibit, and generally deal in motion pictures of every kind, nature and description, of any size and dimension, colored or otherwise, with or without sound synchronization, talking sequences or musical accompaniment; to purchase, acquire, sell, lease, distribute and generally deal in plays, scenarios, works of literature, dramas, dramatic composition, musical compositions, operas, operettas, and to apply for, obtain, purchase or otherwise dispose of any and all copyrights, whether secured under the copyright law of the United States or of any foreign country; to produce, edit, purchase, sell, lease, license and otherwise deal in motion picture plays, with or without sound synchronization, talking sequences or musical accompaniment, dramas, musical compositions, operas, operettas, stories, scientific, travel and educational subjects, and all other subjects generally adaptable to production in motion picture forms and for that purpose, to engage and employ the services of actors, actresses, singers, musicians, directors, playwrights, scenario writers, cameramen, electricians, stage staff, wardrobe staff, scenic artists, and all other persons, who may be necessary and proper for the production of such motion pictures.

To produce, reproduce, exploit, exhibit, present, perform and broadcast television commercials, theatrical plays, dramas, operas,

musical compositions or scores, ballets, musical comedies, books and all dramatic, musical and motion picture productions and publications of every kind, both copyrighted and uncopyrighted, for public or private performance in any state, or possession of the United States of America or any foreign state, country, or territory throughout the world, or stage, by radio, mechanical recording, television and all scientific processes of a like or similar nature now in being or which shall hereafter be discovered or invented, either with or without sound effects or talking sequences or sound effects throughout such production, and to lease, license, grant rights, powers and privileges therein to other persons, firms or corporations throughout the world; to manufacture, produce, adapt, prepare, buy, sell, distribute, license and otherwise deal in any materials, articles, devices, processes or things required in connection therewith or incidental thereto, and to employ actors, artists, dancers, singers, performers, artisans, mechanics and other persons in connection therewith.

To engage generally in any and all branches of the theatrical business, including, but not limited to radio, television, stage and motion pictures; to own, lease or otherwise acquire and to manage, operate and control theatres and other places of amusement and entertainment; to own, lease or otherwise acquire and to manage, operate and control radio broadcasting and telecasting systems or stations and any other means of communication, whether now known or hereafter discovered or invented; to carry on a general theatrical and amusement business and every branch thereof or every business connected therewith, and to carry on any other business of a similar or related nature or capable of being conveniently carried on in connection with the foregoing enumerated purposes, or calculated directly or indirectly to enhance the value of the property or rights of the corporation.

To acquire by purchase, subscription, underwriting or otherwise, and to own, hold for investment, or otherwise, and to use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every sort and description and wheresoever situated, including shares of stock, bonds, debentures, notes, scrip, securities, evidences of indebtedness, contracts or obligations of any corporation or association, whether domestic or foreign, or of any firm or individual or of the United States or any state, territory or dependency of the United States or any foreign country, or any municipality or local authority within or without the United States, and also to issue in exchange therefor, stocks, bonds or other securities or evidences of indebtedness of this corporation and, while the owner or holder of any such property, to receive, collect and dispose of the interest, dividends and income on or from such property and to possess and exercise in respect thereto all of the rights, powers and privileges of ownership, including all voting powers thereon.

To construct, build, purchase, lease or otherwise acquire, equip, hold, own, improve, develop, manage, maintain, control, operate, lease, mortgage, create liens upon, sell, convey or otherwise dispose of and turn to account, any and all plants, machinery, works, implements and things or property, real and personal, of every kind and description, incidental to, connected with, or suitable, necessary or convenient for any of the purposes enumerated herein, including all or any part or parts of the properties, assets, business and goodwill of any persons, firms, associations or corporations.

The powers, rights and privileges provided in this certificate are not to be deemed to be in limitation of similar, other or additional powers, rights and privileges granted or permitted to a corporation by the Business Corporation Law, it being intended that this corporation shall have all rights, powers and privileges granted or permitted to a corporation by such statute.

THIRD: The office of the corporation is to be located in the County of New York, State of New York.

FOURTH: The aggregate number of shares which the corporation shall have the authority to issue is Two Hundred (200), all of which shall be without par value.

FIFTH: The Secretary of State is designated as the agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served on him is:

Shukat Hafer & Weber, Esqs.  
111 West 57th Street  
Suite 1120  
New York, New York 10019

SIXTH: The personal liability of directors to the corporation or its shareholders for damages for any breach of duty in such capacity is hereby eliminated except that such personal liability shall not be eliminated if a judgment or other final adjudication adverse to such director establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which

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he was not legally entitled or that his acts violated Section 719 of the Business Corporation Law.

IN WITNESS WHEREOF, this certificate has been subscribed to this 22nd day of August, 1991 by the undersigned who affirms that the statements made herein are true under the penalties of perjury.



GERALD WEINBERG  
90 State Street  
Albany, New York

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Form **1065**  
Department of the Treasury  
Internal Revenue Service

# U.S. Partnership Return of Income

OMB No. 1545-0045  
**1992**

Original business activity  
Principal product or service  
Business code number

**AUTOMATED BUSINESS SERVICES  
C/O E COSTA 200 W 72 ST #36  
NY, NY 10023**

D Employer identification number  
**13-3506325**  
E Date business started  
F Total assets (see Specific Instructions)  
**\$ 690**

A Principal business activity  
B Principal product or service  
G Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change in address (4)  Amended return  
H Check accounting method: (1)  Cash (2)  Accrual (3)  Other (Specify) **2**  
I Number of partners in this partnership **2**  
Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a	Gross receipts or sales	1a	92,256	1c	92,256
	b	Minus returns and allowances	1b		2	
	2	Cost of goods sold (Schedule A, line B)	2		3	92,256
	3	Gross profit. Subtract line 2 from line 1c	3		4	
	4	Ordinary income (loss) from other partnerships and fiduciaries (attach schedule)	4		5	
	5	Net farm profit (loss) (attach Schedule F Form 1040B)	5		6	
	6	Net gain (loss) from Form 4797, Part II, line 20	6		7	
	7	Other income (loss) (see instructions) (attach schedule)	7		8	92,256
8	Total income (loss). Combine lines 3 through 7	8		9	92,256	
Deductions <small>See instructions for limitations.</small>	9a	Salaries and wages (other than to partners)	9a		9c	
	b	Minus jobs credit	9b		10	26,891
	10	Guaranteed payments to partners	10		11	
	11	Repairs	11		12	
	12	Bad debts	12		13	4,795
	13	Rent	13		14	830
	14	Taxes	14		15	
	15	Interest	15		16a	
	16a	Depreciation (see instructions)	16a		16b	
	b	Minus depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17	Depletion (Do not deduct oil and gas depletion)	17		18	
	18	Retirement plans, etc.	18		19	
	19	Employee benefit programs	19		20	60,556
	20	Other deductions (attach schedule)	20		21	93,072
21	Total deductions. Add the amounts shown in the far right column for lines 9c through 20	21		22	(816)	
22	Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8	22				

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of general partner  
Date

Paid Preparer's Use Only

Preparer's signature  
Firm's name and address  
**ARTHUR D. LEVY & CO., CPA'S  
276 FIFTH AVENUE  
NEW YORK, NY**

Check if self-employed  
Preparer's name  
**COPY**  
1065

For Paperwork Reduction Act Notice, see page 1 of separate instructions.  
82106A 1/28/93

Cat. No. 113982 Form 1065 (1192)

ATTACHMENT **2**  
Page **1** of **10**

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**Schedule A Cost of Goods Sold**

- 1 Inventory at beginning of year
- 2 Purchases less cost of items withdrawn for personal use
- 3 Cost of labor
- 4 Additional section 263A costs (see instructions) (attach schedule)
- 5 Other costs (attach schedule)
- 6 Total. Add lines 1 through 5
- 7 Inventory at end of year
- 8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2

1	
2	
3	
4	
5	
6	
7	
8	

9a Check all methods used for valuing closing inventory:

- (i)  Cost
- (ii)  Lower of cost or market as described in Regulations section 1.471-4
- (iii)  Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
- (iv)  Other (specify method used and attach explanation) \_\_\_\_\_

b Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)  Yes  No

c Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership?  Yes  No

d Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No  
If "Yes," attach explanation.

**Schedule B Other Information**

- 1 Is this partnership a limited partnership?
- 2 Are any partners in this partnership also partnerships?
- 3 Is this partnership a partner in another partnership?
- 4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below
- 5 Does this partnership meet all ALL THREE of the following requirements?
  - a The partnership's total receipts for the tax year were less than \$250,000;
  - b The partnership's total assets at the end of the tax year were less than \$250,000; AND
  - c Schedules K-1 are filed with return and furnished to the partners on or before the due date (including extensions) for the partnership return.
 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065, or Item J on Schedule K-1

	Yes	No
1		<input checked="" type="checkbox"/>
2		<input checked="" type="checkbox"/>
3		<input checked="" type="checkbox"/>
4		<input checked="" type="checkbox"/>
5		<input checked="" type="checkbox"/>
6		<input checked="" type="checkbox"/>
7		<input checked="" type="checkbox"/>
8		<input checked="" type="checkbox"/>
9		<input checked="" type="checkbox"/>
10		<input checked="" type="checkbox"/>
11		<input checked="" type="checkbox"/>
12	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
13		<input checked="" type="checkbox"/>

6 Does this partnership have any foreign partners?

7 Is this partnership a publicly traded partnership as defined in section 469b(k)(2)?

8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?

9 At any time during the calendar year 1992, did the partnership have an interest in, or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country.

10 Was the partnership the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the partnership or any partner has any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926

11 Was there a distribution of property or a transfer (e.g. by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections on page 5 of the instructions

12 Was this partnership in operation at the end of 1992?

13 How many months in 1992 was this partnership actively operated?  1  2  3  4  5  6  7  8  9  10  11  12

Designation of Tax Matters Partner (See instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP **EDWARD COSTA** Identifying number of TMP

Address of designated TMP **211 W 56TH ST**

**NY NY 10019**

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Page 2 of 10

**Schedule K Partners Shares of Income, Credits, Deductions, Etc.**

		(a) Distributive share items	(b) Total amount				
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1	(816)			
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2				
	3a	Gross income from other rental activities	3a				
	b	Minus expenses (attach schedule)	3b				
	c	Net income (loss) from other rental activities	3c				
	4	Portfolio income (loss) (see instructions)	4a				
	a	Interest income	4a				
	b	Dividend income	4b				
	c	Royalty income	4c				
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d				
	e	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	4e				
f	Other portfolio income (loss) (attach schedule)	4f					
5	Guaranteed payments to partners	5	26,891				
6	Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)	6					
7	Other income (loss) (attach schedule)	7					
Deductions	8	Charitable contributions (see instructions) (attach schedule)	8				
	9	Section 179 expense deduction (attach Form 4562)	9				
Investment Interest	10	Deductions related to portfolio income (see instructions) (itemize)	10				
	11	Other deductions (attach schedule)	11				
Credits	12a	Interest expense on investment debts	12a				
	b	(1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 10 above	12b(1) 12b(2)				
Credits	13a	Credit for income tax withheld	13a				
	b	Low-income housing credit (see instructions):					
	(1)	From partnerships to which section 42(j)(5) applies for property placed in service before 1990	13b(1)				
	(2)	Other than on line 13b(1) for property placed in service before 1990	13b(2)				
	(3)	From partnerships to which section 42(j)(5) applies for property placed in service after 1989	13b(3)				
	(4)	Other than on line 13b(3) for property placed in service after 1989	13b(4)				
	c	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3460)	13c				
d	Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)	13d					
e	Credits related to other rental activities (see instructions)	13e					
14	Jobs credit <span style="float:right">Other</span>	14					
Adjustments & Self-Employment Tax Preference Items	15a	Net earnings (loss) from self-employment	15a	26,075			
	b	Gross farming or fishing income	15b				
	c	Gross nonfarm income	15c				
Foreign Taxes	16a	Depreciation adjustment on property placed in service after 1986	16a				
	b	Adjustment gain or loss	16b				
	c	Depletion (other than oil and gas)	16c				
	d	(1) Gross income from oil, gas, and geothermal properties (2) Deductions allocable to oil, gas, and geothermal properties	16d(1) 16d(2)				
	e	Other adjustments and tax preference items (attach schedule)	16e				
Foreign Taxes	17a	Type of income <span style="float:right">Foreign country or U.S. possession</span>	17a				
	b	Total gross income from sources outside the U.S. (attach schedule)	17b				
	c	Total applicable deductions and losses (attach schedule)	17c				
	d	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17d				
	e	Reduction in taxes available for credit (attach schedule)	17e				
	f	Other foreign tax information (attach schedule)	17f				
	g	Other foreign tax information (attach schedule)	17g				
Other	18a	Total expenditures to which a section 591(e) election may apply	18a				
	b	Type of expenditures	18b				
	19	Tax-exempt interest income	19				
	20	Other tax-exempt income	20				
Analysis	21	Noneductible expenses	21	1,324			
	22	Other items and amounts required to be reported separately to partners (see instructions) (attach schedule)	22				
	23a	Income (loss). Combine lines 1 through 7 in column (a). From the result, subtract the sum of lines 8 through 12a, 17e, and 18a	23a	26,075			
Analysis	b	Analysis by type of partner	(i) Individual		(ii) Partnership	(iii) Exempt organization	(iv) Nonexempt/Other
			(a) Corporate	(i) Active			
		(1) General partners	26,075				
		(2) Limited partners					

**SCHEDULE K-1**  
**(Form 1065)**

**PARTNER-**  
**Partner's Share of Income, Credits, Deductions, Etc.**

1, 0125-90065

OMB No. 1545-0047

**1992**

Department of the Treasury  
Internal Revenue Service

For calendar year 1992 or tax year  
beginning and ending

Partner's identifying number ▶

Partnership's identifying number ▶ **13-3506325**

Partner's name, address and ZIP code

Partnership's name, address and ZIP code

**EDWARD COSTA**  
**211 W 56TH ST**  
**NY NY 10019**

**AUTOMATED BUSINESS SERVICES**  
**C/O E COSTA 200 W 72 ST #36**  
**NY, NY 10023**

**A** Is this partner a general partner?  Yes  No

**B** Partner's share of liabilities (see instructions):  
 Recourse \$ \_\_\_\_\_  
 Qualified nonrecourse financing \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_

**C** What type of entity is this partner? **INDIVIDUAL**

**D** Is this partner a  domestic or a  foreign partner?

**E** IRS Center where partnership filed return:  
**HOLTSVILLE, NY**

**F** Enter partner's percentage of:  
 Profit sharing \$ **85,000.00**  
 Loss sharing \$ **85,000.00**  
 Ownership of capital \$ \_\_\_\_\_

**G(1)** Tax shelter registration number ▶  
**(2)** Type ▶

**H** Check here if this partnership is a publicly traded partnership as defined in section 1452(c)(2)

**I** Check applicable boxes: (1)  Final E-1 (2)  Amended E-1

**J Analysis of partner's capital account**

(a) Capital account at beginning of year <b>(4,412)</b>	(b) Capital contributed during year <b>(1,819)</b>	(c) Partner's share of lines 3 d and 7, Form 1065, Schedules M-1	(d) Withdrawals and distributions	(e) Capital account at end of year (combine col. (a) through (d)) <b>(6,231)</b>
--	---	--	-----------------------------------	---

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) or
Income (Loss)	1 Ordinary income (loss) from trade or business activities	<b>1</b> <b>(694)</b>	} (See Partner's instructions for Schedule E-1 Form 1065.)
	2 Net income (loss) from rental real estate activities	<b>2</b>	
	3 Net income (loss) from other rental activities	<b>3</b>	
	4 Portfolio income (loss):		} Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) Enter an applicable line of your return.
	a Interest	<b>4a</b>	
	b Dividends	<b>4b</b>	
	c Royalties	<b>4c</b>	
	d Net short-term capital gain (loss)	<b>4d</b>	
	e Net long-term capital gain (loss)	<b>4e</b>	
	f Other portfolio income (loss) (attach schedule)	<b>4f</b>	} (See Partner's instructions for Schedule E-1 Form 1065.)
	5 Guaranteed payments to partner	<b>5</b> <b>26,891</b>	
6 Net gain (loss) under section 1231 (other than due to casualty or theft)	<b>6</b>	} (Enter an applicable line of your return.)	
7 Other income (loss) (attach schedule)	<b>7</b>		
8 Charitable contributions (see instructions) (attach schedule)	<b>8</b>	Sch. A, line 13 or 14	
9 Section 179 expense deduction	<b>9</b>	} (See Partner's instructions for Schedule E-1 Form 1065.)	
10 Deductions related to portfolio income (attach schedule)	<b>10</b>		
11 Other deductions (attach schedule) <input type="checkbox"/> Includes Keogh/IRA/SEP. See Page 2.	<b>11</b>		
Invest Interest	12a Interest expense on investment debts	<b>12a</b>	Form 4952, line 1
	b (1) Investment income included on lines 4a through 4f above	<b>b(1)</b>	} (See Partner's instructions for Schedule E-1 Form 1065.)
	(2) Investment expenses included on line 10 above	<b>b(2)</b>	
Credits	13a Credit for income tax withheld	<b>13a</b>	} (See Partner's instructions for Schedule E-1 Form 1065.)
	b Low-income housing credit:		
	(1) From section 42(i)(5) partnerships for property placed in service before 1990	<b>b(1)</b>	} Form 8586, line 5
	(2) Other than on line 13b(1) for property placed in service before 1990	<b>b(2)</b>	
	(3) From section 42(i)(5) partnerships for property placed in service after 1989	<b>b(3)</b>	
	(4) Other than on line 13b(3) for property placed in service after 1989	<b>b(4)</b>	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	<b>13c</b>	} (See Partner's instructions for Schedule E-1 Form 1065.)
d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)	<b>13d</b>		
e Credits related to other rental activities (see instructions)	<b>13e</b>		
14 Other credits (see instructions)	<b>14</b>		
Self employ	15a Net earnings (loss) from self-employment	<b>15a</b> <b>26,197</b>	Sch. SE, Section A or B
	b Gross farming or fishing income	<b>15b</b>	} (See Partner's instructions for Schedule E-1 Form 1065.)
	c Gross nonfarm income	<b>15c</b>	

For Paperwork Reduction Act Notice, see Instructions for Form 1065. Cat. No. 112844

Schedule K-1 (Form 1065) 1992

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on	
Adjustments Tax Preference Items	16 a Depreciation adjustment on property placed in service after 1986	16a	(See Partner's instructions for Schedule K-1 (Form 1065) and instructions for Form 6251.)	
	b Adjusted gain or loss	16b		
	c Depletion (other than oil and gas)	16c		
	d (1) Gross income from oil, gas, and geothermal properties	d(1)		
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)		
e Other adjustments and tax preference items (attach schedule)	16e			
Foreign Taxes	17 a Type of income ▶ B Base of foreign country		Form 1116, Check boxes	
	c Total gross income from sources outside the U.S. (attach schedule)	17c	Form 1116, Part I	
	d Total applicable deductions and losses (attach schedule)	17d	Form 1116, Part I	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e	Form 1116, Part II	
	f Reduction in taxes available for credit (attach schedule)	17f	Form 1116, Part III	
	g Other foreign tax information (attach schedule)	17g	See instructions for Form 1116	
Other	18 a Total expenditures to which a section 59(e) election may apply	18a	See Partner's instructions for Schedule K-1 (Form 1065)	
	b Type of expenditures ▶			
	19 Tax-exempt interest income	19	Form 1040, line 8b	
	20 Other tax-exempt income	20		
	21 Nondeductible expenses	21	1,125	See Partner's instructions for Schedule K-1 (Form 1065). Form 8611, line 8
	22 Recapture of low-income housing credit			
a From section 42(j)(5) partnerships	22a			
b Other than on line 22a	22b			

IRA	KEOGH	SEP
-----	-------	-----

ADDITIONAL INFORMATION HOSPITALIZATION INCLUDED IN GUARANTEED PAYMENTS

Blank area for additional information and hospitalization details.

APPROVED 2  
Page 5

**SCHEDULE K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, Etc.**

**PARTNER- 2, 0125-90065**

OMB No. 1545-0047

**1992**

For calendar year 1992 or tax year  
beginning and ending

Partner's identifying number ▶

Partnership's identifying number ▶ **13-3506325**

Partner's name, address and ZIP code

Partnership's name, address and ZIP code

**CATHY SALIT**  
**785 WEST END 11C**  
**NY NY 10025**

**AUTOMATED BUSINESS SERVICES**  
**C/O E COSTA 200 W 72 ST #36**  
**NY, NY 10023**

**A** Is this partner a general partner?  Yes  No

**B** Partner's share of liabilities (see instructions)

Mortgages \$ \_\_\_\_\_

Qualified nonrecourse financing \$ \_\_\_\_\_

Other \$ \_\_\_\_\_

**C** What type of entity is this partner? **INDIVIDUAL**

**D** Is this partner a  domestic or a  foreign partner?

**E** IRS Center where partnership filed return  
**HOLTSVILLE, NY**

**F** Enter partner's percentage of:

Profit sharing \$ **15,000.00**%

Loss sharing \$ **15,000.00**%

Ownership of capital \$ \_\_\_\_\_%

**G(1)** Tax-exempt organization number ▶ \_\_\_\_\_

**(2)** Type ▶ \_\_\_\_\_

**H** Check box if this partnership is a publicly traded partnership as defined in section 1490(j)(2)

**I** Check applicable boxes: (1)  Final E-1 (2)  Amended E-1

**J Analysis of partner's capital account**

	(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 1, 4 and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine col. (a) through (d))	
	<b>7,242</b>		<b>(321)</b>		<b>6,921</b>	
	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) or		
Income Loss	1 Ordinary income (loss) from trade or business activities	1	<b>(122)</b>	} (See Partner's instructions for Schedule E-1 Form 1065.)		
	2 Net income (loss) from rental real estate activities	2				
	3 Net income (loss) from other rental activities	3				
	4 Portfolio income (loss):					
	a Interest	4a				Sch. B, Part I, line 1
	b Dividends	4b				Sch. B, Part II, line 5
	c Revenues	4c				Sch. E, Part I, line 4
d Net short-term capital gain (loss)	4d		Sch. D, line 5, col. (f) or (g)			
e Net long-term capital gain (loss)	4e		Sch. D, line 13, col. (f) or (g)			
f Other portfolio income (loss) (attach schedule)	4f		Enter on applicable line of your return.			
5 Guaranteed payments to partner	5			} (See Partner's instructions for Schedule E-1 Form 1065.)		
6 Net gain (loss) under section 1231 (other than due to casualty or theft)	6					
7 Other income (loss) (attach schedule)	7			Enter on applicable line of your return.		
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8		} (See Partner's instructions for Schedule E-1 Form 1065.)		
	9 Section 179 expense deduction	9				
	10 Deductions related to portfolio income (attach schedule)	10				
11 Other deductions (attach schedule) <input type="checkbox"/> Includes Keogh/IRA/Sep. See Page 2.	11					
Invest interest	12a Interest expense on investment debts	12a		} Form 4952, line 1		
	b (1) Investment income included on lines 4a through 4f above	b(1)		} (See Partner's instructions for Schedule E-1 Form 1065.)		
	(2) Investment expenses included on line 10 above	b(2)				
Credits	13a Credit for income tax withheld	13a		} (See Partner's instructions for Schedule E-1 Form 1065.)		
	b Low-income housing credit:			} Form 8586, line 5		
	(1) from section 42(i)(5) partnerships for property placed in service before 1990	b(1)				
	(2) Other than on line 13b(1) for property placed in service before 1990	b(2)				
	(3) from section 42(i)(5) partnerships for property placed in service after 1989	b(3)				
	(4) Other than on line 13b(3) for property placed in service after 1989	b(4)				
c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	13c			} (See Partner's instructions for Schedule E-1 Form 1065.)		
d Credits (other than credits shown on lines 13b and 13c) related to rental real estate activities (see instructions)	13d					
e Credits related to other rental activities (see instructions)	13e					
14 Other credits (see instructions)	14					
Self employ	15a Net earnings (loss) from self-employment	15a	<b>(122)</b>	} Sch. SE, Section A or B		
	b Gross farming or fishing income	15b		} (See Partner's instructions for Schedule E-1 Form 1065.)		
	c Gross nonfarm income	15c				

For Paperwork Reduction Act Notice, see instructions for Form 1065.

Gen. Inv. 113548

Schedule K-1 (Form 1065) 1992





Form 1065 (4-7-77)

Caution: If Question 5 of Schedule B is answered "Yes," the partnership is not required to complete Schedules L, M-1, and M-2.

**Schedule L Balance Sheets**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		2,830		530
2a Trade notes and accounts receivable				
b Minus allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets				
b Minus accumulated depreciation				
10a Depletable assets				
b Minus accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Minus accumulated amortization				160
13 Other assets (attach schedule)				690
14 Total assets		2,830		690
<b>Liabilities and Capital</b>				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		2,830		690
22 Total liabilities and capital		2,830		690

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (see instructions)**

1 Net income (loss) per books	(2,140)	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)	26,891	7 Deductions included on Schedule K, lines 1 through 12a, 17e, and 18a, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 12a, 17e, and 18a (itemize):		a Depreciation \$	
a Depreciation \$			
b Travel and entertainment \$ 1,324		8 Total of lines 6 and 7	
	1,324	9 Income (loss) (Schedule K, line 23a). Subtract line 8 from line 5	26,075
5 Total of lines 1 through 4	26,075		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	2,830	6 Distributions: a Cash	
2 Capital contributed during year		b Property	
3 Net income (loss) per books	(2,140)	7 Other decreases (itemize):	
4 Other increases (itemize):			
		8 Total of lines 6 and 7	
5 Total of lines 1 through 4	690	9 Bal. at end of year. Subt. line 8 from line 5	690

ATTACHED 20 021000 12/10/77

002034

Page 8 of 10

FORM 1065  
 AUTOMATED BUSINESS SERVICES  
 FED. ID. NO. 13-3506325

SCHEDULE OF TAXES - PAGE 1, LINE 14

TAXES - OTHER	830
	-----
TOTAL .....	830

SCHEDULE OF OTHER DEDUCTIONS - PAGE 1, LINE 20

TRAVEL AND ENTERTAINMENT	3,450
ACCOUNTING	669
ADVERTISING	879
AUTOMOBILE EXPENSES	3,030
BANK CHARGES	408
DATA PROCESSING SERVICE	1,693
ENTERTAINMENT	5,298
INSURANCE	195
MISCELLANEOUS	326
OFFICE SUPPLIES	8,046
OFFICE EXPENSE	809
OUTSIDE SERVICE	34,277
POSTAGE	225
PRINTING	270
SHIPPING EXPENSE	42
TELEPHONE	939
	-----
TOTAL .....	60,556

CONTINUED ON PAGE 2

002035

ATTACHED 21  
 Page 9 of 10

FORM 1065  
AUTOMATED BUSINESS SERVICES  
FED. ID. NO. 13-3506325

SCHEDULE L - BALANCE SHEET

	BEGINNING	ENDING
	-----	-----
OTHER ASSETS - LINE 13		
DEPOSITS		160
TOTAL .....		160

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20  
10      10

# LENORA B. FULANI FOR PRESIDENT

114

270 West 57th Street • Suite 317 • New York, NY 10019 • (212) 382-1818 • (212) 362-8157

(4)

August 20, 1991

Edward J. Costa  
Automated Business Services  
250 W. 57th St.  
New York, NY 10019

Dear Ed:

This letter is to confirm our agreement with respect to Automated Business Services' (ABS) retainer agreement with the campaign. ABS will render payroll services, including preparation of state and federal tax returns, payroll processing and check delivery. ABS will also assist in the preparation of FEC Form 39, for monthly filing to the Federal Election Commission, including 60 hours per week of data entry of receipt and expenditure information, and will be available for consultation regarding bank reconciliations and the preparation of worksheets. In return, Fulani for President will pay ABS \$3,750.00 per month. This arrangement will continue through August 30, 1992.

Please sign and return one copy of this letter to confirm your agreement with the above. Thanks much, Ed. If you have any questions, please call me.

Sincerely,



Francine Miller



Edward J. Costa  
AUTOMATED BUSINESS SERVICES

ATTACHMENT

22

Page

1

of

1

CERTIFICATE OF INCORPORATION

OF

ILENE ADVERTISING INC.

---

Under Section 402 of the Business Corporation Law

The undersigned, being a natural person of at least 18 years of age and acting as the incorporator of the corporation hereby being formed under the Business Corporation Law, certifies that:

FIRST: The name of the corporation is ILENE ADVERTISING INC.

SECOND: The corporation is formed for the following purpose or purposes:

To design, create, prepare, make, edit, sell, license the use of, market, syndicate, furnish, grant options in respect of, negotiate for, copyright, and generally deal in and with, as principal, agent, factor, representative, broker or otherwise, advertising matter, news, articles, features, stories, columns, pages, fashion designs, drawings, cartoons, sketches, paintings, and other items of interest to the public generally for publication, reproduction, and distribution in newspapers, magazines, brochures, pamphlets, posters, or any other form of media, including broadcasting and transmission by radio and television and to do everything necessary, useful, and convenient in furtherance thereof.

To purchase, lease, or otherwise acquire, and to own and hold, and to sell, exchange, distribute, lease, mortgage, or otherwise dispose of, and in any manner to deal in newspapers, magazines, books, periodicals, publications, circulars, and all kinds of printed, lithographed, and engraved matter and materials, and radio and television facilities, properties, and plants.

To maintain and conduct a service or services, or bureau or bureaus, for the collection, transmission, distribution, licensing, sale, and disposal of news, items of general interest, advertising, radio-broadcasted, televised, and printed matter of any kind and nature; to act as a news and advertising representative or agent for newspapers and other publications, and for persons, firms, and corporations in all fields, and to solicit, contract for and buy,

license, sell, lease, or otherwise acquire or dispose of or deal in advertising and news space and all other forms of media, and to make contracts and conduct operations of every kind or nature with reference thereto.

To carry on the business of public relations, publicity, and advertising counsel and, to the extent permitted by law, to promote, foster, and encourage, by the preparation and distribution of signs, displays, directories, radio broadcasts, telecasts, cablecasts, videotapes, motion and still pictures, literature, newspapers, pamphlets, magazines, periodicals, tokens and otherwise, the business, welfare, well-being, and advancement of corporations, partnerships, associations, and individuals, and other clients; to create and maintain agencies for concerted action upon all matters affecting the welfare and betterment of corporations, partnerships, associations, and individuals, and other clients; and to mold public opinion, and to promote, foster, and encourage the interests of corporations, partnerships, associations, and individuals, and other clients among civilized peoples everywhere; and to compile, distribute, and disseminate information in furtherance thereof.

To carry on the business of printing, graphic design, inter-active communications, video editing, audio presentations, computer/desktop publishing, instructional, training and consulting services, and the use of new technologies that relate to the permissible activities of the corporation as such technologies come into existence.

To obtain, engage, employ, supervise, advertise, publish, furnish, provide, book, license the use of, negotiate, enter into, execute, and acquire, hold, assign, and transfer contracts, options, and rights for and in respect of, and otherwise generally promote, direct, and deal in and with, as principal and agent, the services, talents, performances, renditions, works, compositions, recordings, transcriptions, broadcasts, telecasts, and other professional output of any and all kinds of lecturers, television and radio experts and writers, educators, singers, musicians, actors, actresses, dancers, performers, entertainers, composers, lyricists, arrangers, dramatists, playwrights, artists, scenarists, authors, coaches, commentators, directors, producers, managers, technicians, and other personnel necessary or useful in all branches of television, radio, and related fields, education, self-improvement, opera, music, drama, ballet, the theatre, motion pictures, radio, television, and any fields of entertainment.

To acquire and hold, sell, assign, and transfer copyrights, rights of presentation, licenses, and privileges, lectures, publications, motion pictures, videotapes, recordings, broadcasts, telecasts, books, stories, scenarios, articles,

plays, and operas, and rights of any other sort used or useful in connection with the business or objects of the corporation.

To manage or administer as agent and/or expediter the whole or any part of the business or property of any corporation, firm, or person carrying on any authorized business, and to sell or dispose of, receive and make disbursements for, or arrange for the management or administration of, by any agent, the whole or any part of the corporation's business or property.

To engage in any lawful act or activity for which corporations may be organized under the Business Corporation Law, provided that the corporation is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency, or other body without such consent or approval first being obtained.

THIRD: The office of the corporation is to be located in the County of New York, State of New York.

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is two hundred, all of which are without par value, and all of which are of the same class.

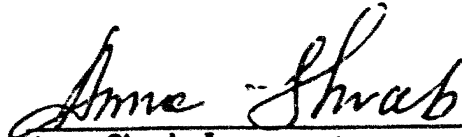
FIFTH: The Secretary of State is designated as the agent of the corporation upon whom process against the corporation may be served. The post office address within the State of New York to which the Secretary of State shall mail a copy of any process against the corporation served upon him is: c/o Ilene Hinden, 500 Greenwich Street, 2nd Floor, New York, New York 10013.

SIXTH: The duration of the corporation is to be perpetual.

SEVENTH: The corporation shall, to the fullest extent permitted by Article 7 of the Business Corporation Law, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said Article from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said Article, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which any person may be entitled under any By-Law, resolution of shareholders, resolution of directors, agreement, or otherwise, as permitted by said Article, as to action in any capacity in which he served at the request of the corporation.

**EIGHTH:** The personal liability of the directors of the corporation is eliminated to the fullest extent permitted by the provisions of paragraph (b) of Section 402 of the Business Corporation Law, as the same may be amended and supplemented.

Signed on February 6, 1992.

  
\_\_\_\_\_  
Anna Shvab, Incorporator  
15 Columbus Circle  
New York, New York 10023-7773

STATE OF NEW YORK        )  
                                  ) SS.:  
COUNTY OF NEW YORK    )

On the date hereinafter set forth, before me came Anna Shvab, to me known to be the individual who is described in, and who signed the foregoing certificate of incorporation, and she acknowledged to me that she signed the same.

Signed on February 6, 1992.

  
\_\_\_\_\_  
Notary Public

ANN PATALANO  
Notary Public, State of New York  
No. 41-3080108  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires May 31, 1993



N. Y. S. DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS AND STATE RECORDS

162 WASHINGTON AVENUE  
ALBANY, NY 12231

FILING RECEIPT

CORPORATION NAME: ILENE ADVERTISING INC.

DOCUMENT TYPE: INCORPORATION (DOM. BUSINESS)

COUNTY: NEWY

SERVICE COMPANY: PRENTICE-HALL CORPORATION SYSTEM, INC.

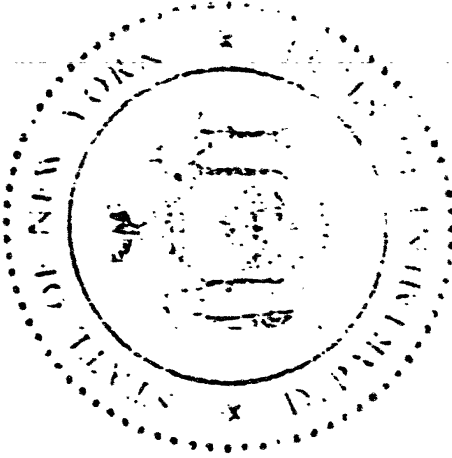
FILED: 02/07/1992 DURATION: PERPETUAL CASH #: 920207000189 FILM #: 920207000164

ADDRESS FOR PROCESS

C/O ILENE HINDEN  
500 GREENWICH ST./ 2RD FLOOR  
NEW YORK, NY 10013

REGISTERED AGENT

STOCK: 200 NFV



FILER

ARTHUR BLOCK, ESQ.  
250 WEST 57TH STREET / SUITE 317  
NEW YORK, NY 10019

FEES

FILING 125.00  
TAX 10.00  
CERT 0.00  
COPIES 10.00  
HANDLING 25.00

PAYMENTS

CASH 0.00  
CHECK 0.00  
BILLED 170.00  
REFUND 0.00



170.00

000005

TRIAL DATE: 01/25/93  
 TRYS DATE: 09/30/92

CASTILLO INTERNATIONAL, INC.  
 TRIAL BALANCE FOR PERIOD ENDING 09/30/92  
 ACCOUNTS 1000-00-000 THRU 9540-00-000

PAGE: 1  
 TIME: 11:18 PM

ACCOUNT TR	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY		ENDING BALANCE
			DEBIT	CREDIT	
<b>CURRENT ASSETS</b>					
1000-00-000	CASH- MAIN ACCOUNT	379.22		90.60	288.62
1010-00-000	CASH-PROJECT ACCOUNT	.00	.00		.00
1100-00-000	PAYROLL EXCHANGE	.00	.00		.00
1110-00-000	REGULAR EXCHANGE	.00	.00		.00
1200-00-000	ACCOUNTS RECEIVABLE	15,582.15	1,609.57		18,191.72
1300-00-000	INVENTORY-ON HAND	14,482.19		1,653.62	12,828.57
1400-00-001	INVENTORY-ON CONSIGNMENT	5,285.22	.00		5,285.22
1400-00-000	NOTES RECEIVABLE	1,280.00	.00		1,280.00
	<b>CURRENT ASSETS:</b>	<b>38,008.78</b>	<b>1,609.57</b>	<b>1,744.22</b>	<b>37,874.13</b>
<b>CURRENT LIABILITIES</b>					
1100-00-000	ACCOUNTS PAYABLE	2,315.69CR		.00	2,315.69CR
1200-00-000	FUN/FICA/FICA TAXES PAYABLE	8.00		1,069.68	1,061.68CR
1210-00-000	NYS/NYC TAXES PAYABLE	.00		234.30	234.30CR
1220-00-000	FUTA TAXES PAYABLE	8.00CR		32.53	40.53CR
1230-00-000	SBIF PAYABLE	1.20CR		4.80	6.00CR
1230-00-000	SALES TAX PAYABLE	478.91CR	134.36		344.55CR
1400-00-000	ROYALTIES PAYABLE	.00		.00	.00
1450-00-000	INCOME TAXES PAYABLE	729.00CR		.00	729.00CR
1400-00-000	PURCHASE CLEARING	1,596.03		.00	1,596.03
1400-00-000	CUSTOMER DEPOSITS	906.51		.00	906.51
	<b>CURRENT LIABILITIES:</b>	<b>1,022.26CR</b>	<b>134.36</b>	<b>1,341.31</b>	<b>2,229.21CR</b>
<b>LONG-TERM LIABILITY</b>					
1300-00-000	DEFERRED INCOME	4,522.46CR		.00	4,522.46CR
1700-00-000	NOTES PAYABLE-  ①	3,993.58CR		.00	3,993.58CR
1705-00-000	NOTES PAYABLE- 	6,500.00CR		.00	6,500.00CR
1710-00-000	NOTE PAYABLE-BELMONT	3,000.00CR		.00	3,000.00CR
	<b>LONG-TERM LIABILITY:</b>	<b>18,016.04CR</b>		<b>.00</b>	<b>18,016.04CR</b>
<b>EQUITY</b>					
1100-00-000	COMMON STOCK	52,500.00CR		.00	52,500.00CR
1200-00-000	RETAINED EARNINGS - PRIOR	32,410.08		.00	32,410.08
	<b>EQUITY:</b>	<b>20,089.92CR</b>		<b>.00</b>	<b>20,089.92CR</b>
<b>REVENUE</b>					
1000-00-000	SALES REVENUE-BOOKS	.00		.00	.00
1100-01-000	SALES REVENUE-BOOKS: DIS	5,528.62CR		782.24	6,030.86CR
1000-02-000	SALES REVENUE-BOOKS: DIS	14,524.29CR		39.30	14,563.59CR
1000-03-000	SALES REVENUE-BOOKS: CAM	4,073.97CR		961.63	5,035.60CR
1000-04-000	SALES REVENUE-BOOKS: TELE	4,809.25CR		1,466.85	6,276.10CR
1000-05-000	SALES REVENUE-BOOKS: RET	7,344.89CR		846.43	8,191.32CR
1000-06-000	SALES REVENUE-BOOKS: MUSIC	.00		.00	.00

000675

REPLACEMENT  
 24  
 1 of 12

RUN DATE: 01/25/93  
 SYS DATE: 09/30/92

CASTLE INTERNATIONAL, INC.  
 TRIAL BALANCE FOR PERIOD ENDING 09/30/92  
 ACCOUNTS 1000-00-000 THRU 9900-00-000

PAGE: 2  
 TIME: 11:18 PM

ACCOUNT	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY DEBIT	CURRENT ACTIVITY CREDIT	ENDING BALANCE
<b>REVENUE</b>					
0001-00-000	SALES REVENUE-MUSIC	400.00CR		.00	400.00CR
0001-01-000	SALES REVENUE-MUSIC: BKS	141.57CR		104.40	245.97CR
0001-02-000	SALES REVENUE-MUSIC: BIS	139.20CR		.00	139.20CR
0001-03-000	SALES REVENUE-MUSIC: CAM	.00		.00	.00
0001-04-000	SALES REVENUE-MUSIC: TELE	14.97CR		.00	14.97CR
0001-05-000	SALES REVENUE-MUSIC: RET	140.22CR		12.90	153.12CR
0001-06-000	SALES REVENUE-MUSIC: MUSIC	.00		.00	.00
0002-00-000	SALES REVENUE-VIDEO	.00		.00	.00
0002-01-000	SALES REVENUE-VIDEO: BKS	475.02CR		119.76	594.78CR
0002-02-000	SALES REVENUE-VIDEO: BIS	810.55CR		.00	810.55CR
0002-03-000	SALES REVENUE-VIDEO: CAM	379.15CR		108.06	487.21CR
0002-04-000	SALES REVENUE-VIDEO: TELE	2,060.20CR		969.71	3,029.91CR
0002-05-000	SALES REVENUE-VIDEO: RET	833.90CR		24.95	860.85CR
0002-06-000	SALES REVENUE-VIDEO: MUSIC	.00		.00	.00
0010-00-000	SALES RETURNS-BOOKS	.00		.00	.00
0010-01-000	SALES RETURNS-BOOKS: BKS	907.12	146.91	.00	1,054.03
0010-02-000	SALES RETURNS-BOOKS: BIS	439.42		.00	439.42
0010-03-000	SALES RETURNS-BOOKS: CAM	.00		.00	.00
0010-04-000	SALES RETURNS-BOOKS: TELE	196.00		.00	196.00
0010-05-000	SALES RETURNS-BOOKS: RET	413.50		.00	413.50
0010-06-000	SALES RETURNS-BOOKS: MUSIC	.00		.00	.00
0011-00-000	SALES RETURNS-MUSIC	.00		.00	.00
0011-01-000	SALES RETURNS-MUSIC: BKS	42.90		.00	42.90
0011-02-000	SALES RETURNS-MUSIC: BIS	.00		.00	.00
0011-03-000	SALES RETURNS-MUSIC: CAM	.00		.00	.00
0011-04-000	SALES RETURNS-MUSIC: TELE	.00		.00	.00
0011-05-000	SALES RETURNS-MUSIC: RET	.00		.00	.00
0011-06-000	SALES RETURNS-MUSIC: MUSIC	.00		.00	.00
0012-00-000	SALES RETURNS-VIDEO	.00		.00	.00
0012-01-000	SALES RETURNS-VIDEO: BKS	.00		.00	.00
0012-02-000	SALES RETURNS-VIDEO: BIS	.00		.00	.00
0012-03-000	SALES RETURNS-VIDEO: CAM	.00		.00	.00
0012-04-000	SALES RETURNS-VIDEO: TELE	19.05		.00	19.05
0012-05-000	SALES RETURNS-VIDEO: RET	.00		.00	.00
0012-06-000	SALES RETURNS-VIDEO: MUSIC	.00		.00	.00
0020-00-000	SALES DISCOUNTS	.00		.00	.00
0100-00-000	SHIPPING REVENUE	2,028.51CR		536.41	2,564.92CR
0110-00-000	DISTRIBUTION REVENUE	.00		.00	.00
0120-00-000	FINANCE CHARGE REVENUE	.04CR		.00	.04CR
0130-00-000	OTHER REVENUE	594.00CR		.00	594.00CR
	<b>REVENUE:</b>	<b>42,082.36CR</b>	<b>146.91</b>	<b>5,892.64</b>	<b>47,828.09CR</b>

**COST OF SALES**

0500-00-000	COST OF GOODS SOLD-BOOKS	14,725.82	1,332.44		16,058.26
0510-00-000	COST OF GOODS SOLD-TAPES	160.80	44.91		205.71
00-00-000	COST OF GOODS SOLD-VIDEO	1,058.05	276.27		1,334.32

ATTACHMENT 24

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FORM DATE: 01/25/92  
 SYS DATE: 09/30/92

CASTILLO INTERNATIONAL, INC.  
 TRIAL BALANCE FOR PERIOD ENDING 09/30/92  
 ACCOUNTS 1000-00-000 THRU 9540-00-000

PAGE: 3  
 TIME: 11:18 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY DEBIT	CREDIT	ENDING BALANCE
	COST OF SALES:	15,944.67	1,533.62		17,598.29
GENERAL & ADMINISTRATIVE EXPEN					
5000-00-000	RENT	5,000.00	.00		5,000.00
5010-00-000	STORAGE	1,357.00	.00		1,357.00
5020-00-000	OFFICE SUPPLIES/EXPENSE	641.70	.00		641.70
5025-00-000	BANK CHARGES	414.61	65.14		479.73
5030-00-000	TELEPHONE	.00	.00		.00
5040-00-000	INTEREST EXP.	.00	.00		.00
5050-00-000	TRAVEL/ENTERTAINMENT	.00	.00		.00
5060-00-000	RESEARCH	16.00	.00		16.00
5070-00-000	CONTRIBUTIONS	150.00	60.00		210.00
5080-00-000	LEGAL/ACCOUNTING	1,250.00	.00		1,250.00
5090-00-000	CONSULTATIONS	300.00	.00		300.00
	GENERAL & ADMINISTRATIVE EXPEN:	9,129.31	125.14		9,254.45
OPERATING EXPENSES					
5000-00-000	PAYROLL	520.00	3,917.41		4,437.41
5010-00-000	PAYROLL TAXES	155.94	331.02		486.96
5100-00-000	ADVERTISING	.00	.00		.00
5100-01-000	ADVERTISING: BKS	.00	.00		.00
5100-02-000	ADVERTISING: DIS	46.24	.00		46.24
5100-03-000	ADVERTISING: CAM	.00	.00		.00
5100-04-000	ADVERTISING: TELE	.00	.00		.00
5100-05-000	ADVERTISING: RET	2,132.00	.00		2,132.00
5100-06-000	ADVERTISING: MUSIC	26.86	.00		26.86
5110-00-000	PROMOTION/PUBLICITY	104.00	.00		104.00
5110-01-000	PROMOTION/PUBLICITY: BKS	675.63	.00		675.63
5110-02-000	PROMOTION/PUBLICITY: DIS	178.40	.00		178.40
5110-03-000	PROMOTION/PUBLICITY: CAM	189.91	95.98		285.89
5110-04-000	PROMOTION/PUBLICITY: TELE	90.00	.00		90.00
5110-05-000	PROMOTION/PUBLICITY: RET	316.25	30.00		346.25
5110-06-000	PROMOTION/PUBLICITY: MUSIC	.00	.00		.00
5120-00-000	TRAVEL/ENTERTAINMENT	22.98	.00		22.98
5130-00-000	INDEP CONTR.<600	.00	.00		.00
5140-00-000	SHIPPING	36.00	.00		36.00
5140-01-000	SHIPPING: BKS	1,857.42	90.00		1,947.42
5140-02-000	SHIPPING: DIS	1,648.90	.00		1,648.90
5140-03-000	SHIPPING: CAM	.00	.00		.00
5140-04-000	SHIPPING: TELE	529.22	74.21		603.43
5140-05-000	SHIPPING: RET	182.31	.00		182.31
5140-06-000	SHIPPING: MUSIC	34.64	.00		34.64
5150-00-000	TELEPHONE	.00	.00		.00
5150-01-000	TELEPHONE: BKS	.00	.00		.00
5150-02-000	TELEPHONE: DIS	.00	.00		.00
5150-03-000	TELEPHONE: CAM	.00	.00		.00
5150-04-000	TELEPHONE: TELE	108.20	.00		108.20
5150-05-000	TELEPHONE: RET	183.73	.00		183.73
5150-06-000	TELEPHONE: MUSIC	.00	.00		.00
5160-00-000	CREDIT CARD SERVICE CHARGE	46.60	35.52		82.12

000677

UN DATE: 01/25/93  
 SYS DATE: 09/30/92

CASTILLO INTERNATIONAL, INC.  
 TRIAL BALANCE FOR PERIOD ENDING 09/30/92  
 ACCOUNTS 1000-00-000 THRU 9540-00-000

PAGE: 4  
 TIME: 11:18 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY		ENDING BALANCE
			DEBIT	CREDIT	
<b>OPERATING EXPENSES</b>					
170-00-000	OTHER SELLING EXPENSES	232.16	.00		232.16
170-01-000	OTHER SELLING EXPENSES: BKS	1,344.94	.00		1,344.94
170-02-000	OTHER SELLING EXPENSES: DIS	.00	.00		.00
170-03-000	OTHER SELLING EXPENSES: CAR	325.92	38.94		364.86
170-04-000	OTHER SELLING EXPENSES: TELE	.00	168.77		168.77
170-05-000	OTHER SELLING EXPENSES: RET	1,272.02	.00		1,272.02
170-06-000	OTHER SELLING EXPENSES: MUSIC	.00	.00		.00
171-00-000	COMMISSIONS	.00	.00		.00
171-01-000	COMMISSIONS: BKS	.00	.00		.00
171-02-000	COMMISSIONS: DIS	.00	.00		.00
171-03-000	COMMISSIONS: CAR	689.67	.00		689.67
171-04-000	COMMISSIONS: TELE	.00	.00		.00
171-05-000	COMMISSIONS: RET	.00	.00		.00
171-06-000	COMMISSIONS: MUSIC	.00	.00		.00
180-00-000	AUTO EXPENSE	118.97	.00		118.97
180-01-000	AUTO EXPENSE: BKS	4,098.29	526.72		4,625.01
180-02-000	AUTO EXPENSE: DIS	.00	.00		.00
180-03-000	AUTO EXPENSE: CAR	.00	.00		.00
180-04-000	AUTO EXPENSE: TELE	.00	.00		.00
180-05-000	AUTO EXPENSE: RET	.00	.00		.00
180-06-000	AUTO EXPENSE: MUSIC	.00	.00		.00
	<b>OPERATING EXPENSES:</b>	<b>17,167.20</b>	<b>5,308.57</b>		<b>22,475.77</b>
<b>OTHER INCOME &amp; EXPENSE</b>					
500-00-000	BAD DEBT EXPENSE	75.41		.00	75.41
510-00-000	ROYALTIES	82.71		.00	82.71
520-00-000	INVENTORY ADJUSTMENTS	73.50		.00	73.50
530-00-000	PROVISION FOR INCOME TAXES	729.00		.00	729.00
540-00-000	MISCELLANEOUS CHARGES	.00		.00	.00
	<b>OTHER INCOME &amp; EXPENSE:</b>	<b>960.62</b>		<b>.00</b>	<b>960.62</b>
	<b>REPORT TOTAL:</b>	<b>.00</b>	<b>8,978.17</b>	<b>8,978.17</b>	<b>.00</b>

000678

CASTILLO INTERNATIONAL, INC.  
BALANCE SHEET  
JUNE 30, 1993

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$1,214.65
FWH/FICA/FICA TAXES PAYABLE	1,159.61
NYS/NYC TAXES PAYABLE	737.13
FUTA TAXES PAYABLE	237.08
SDIF PAYABLE	54.60
SALES TAX PAYABLE	431.71
INCOME TAXES PAYABLE	729.00
PURCHASE CLEARING	(2,749.59)
CUSTOMER DEPOSITS	(52.93)
CUSTOMER TEMP ACCOUNT	(134.59)

TOTAL CURRENT LIABILITIES

1,626.67

LONG-TERM LIABILITIES

DEFERRED INCOME	3,022.46
NOTES PAYABLE- E. MANNHEIMER	2,547.98
NOTES PAYABLE- FN PRODUCTIONS	5,220.00
NOTES PAYABLE- D. BELMONT	3,000.00
NOTES PAYABLE- N. ROSS	300.00
NOTES PAYABLE- H. KRESKY	7,000.00

TOTAL LONG-TERM LIABILITIES

21,090.44

TOTAL LIABILITIES

22,717.11

STOCKHOLDER'S EQUITY

COMMON STOCK	102,300.00
RETAINED EARNINGS - PRIOR	(48,363.29)
RETAINED EARNINGS-CURRENT YEAR	2,340.27

TOTAL STOCKHOLDER'S EQUITY

56,276.98

TOTAL LIABILITIES AND EQUITY

\$78,994.09

000716

24  
5-17

	DEBIT	CREDIT	CREDIT
<b>CURRENT ASSETS</b>			
100-00-000	CASH - MAIN ACCOUNT	30,971.01	
100-00-000	CASH - TIME DEPOSIT	100	
100-00-000	PAYROLL EXCHANGE		3,911.10
100-00-000	REGULAR EXCHANGE	100	
100-00-000	ACCOUNTS RECEIVABLE	1,270.23	
100-00-000	INVENTORY - ON HAND	5,044.79	
100-00-000	INVENTORY - ON CONSIGNMENT	5,115.93	
100-00-000	NOTES RECEIVABLE	100	
100-00-000	INVENTORY DEPOSITS	100	
	<b>CURRENT ASSETS:</b>	<b>30,971.01</b>	<b>579.10</b>
<b>CURRENT LIABILITIES</b>			
100-00-000	ACCOUNTS PAYABLE		13,293.88
100-00-000	FNH/FICA/FICA TAXES PAYABLE		959.96
100-00-000	NYS/NYC TAXES PAYABLE		240.00
100-00-000	FUTA TAXES PAYABLE		110.24
100-00-000	SPIF PAYABLE		21.00
100-00-000	SALES TAX PAYABLE		218.32
100-00-000	INCOME TAXES PAYABLE		729.00
100-00-000	PURCHASE CREDIT	24,214.06	
100-00-000	CUSTOMER DEPOSITS		100
	<b>CURRENT LIABILITIES:</b>	<b>24,214.06</b>	<b>15,572.40</b>
<b>LONG-TERM LIABILITIES</b>			
100-00-000	DEFERRED INCOME		3,022.46
100-00-000	NOTES PAYABLE - E. MANNHEIMER		3,554.40
100-00-000	NOTES PAYABLE - FN PRODUCTIONS		5,220.00
100-00-000	NOTES PAYABLE - D. BELMONT		3,000.00
100-00-000	NOTES PAYABLE - G. ROSS		300.00
	<b>LONG-TERM LIABILITIES:</b>		<b>15,096.86</b>
<b>STOCKHOLDER'S EQUITY</b>			
100-00-000	COMMON STOCK		72,300.00
100-00-000	RETAINED EARNINGS - PRIOR	48,363.29	
	<b>STOCKHOLDER'S EQUITY:</b>	<b>48,363.29</b>	<b>72,300.00</b>
<b>REVENUE</b>			
100-00-000	SALES REVENUE - BOOKS		100
100-00-000	SALES REVENUE - BOOKS: 215		100
100-00-000	SALES REVENUE - BOOKS: 015		100
100-00-000	SALES REVENUE - BOOKS: 010		100
100-00-000	SALES REVENUE - BOOKS: 011		100
100-00-000	SALES REVENUE - BOOKS: 012		100
100-00-000	SALES REVENUE - BOOKS: 013		100
100-00-000	SALES REVENUE - BOOKS: 014		100
100-00-000	SALES REVENUE - BOOKS: 016		100
100-00-000	SALES REVENUE - BOOKS: 017		100

000734

COUNT	DESCRIPTION	AMOUNT
001-01-000	SALES REVENUE-MUSIC	100
001-02-000	SALES REVENUE-MUSIC: BKS	100
001-03-000	SALES REVENUE-MUSIC: TAPES	100
001-04-000	SALES REVENUE-MUSIC: LP	100
001-05-000	SALES REVENUE-MUSIC: EP	100
001-06-000	SALES REVENUE-MUSIC: MUSIC	100
002-00-000	SALES REVENUE-VIDEO	100
002-01-000	SALES REVENUE-VIDEO: BKS	100
002-02-000	SALES REVENUE-VIDEO: LP	100
002-03-000	SALES REVENUE-VIDEO: CAR	100
002-04-000	SALES REVENUE-VIDEO: TELE	100
002-05-000	SALES REVENUE-VIDEO: RET	100
002-06-000	SALES REVENUE-VIDEO: MUSIC	100
003-00-000	SALES REVENUE-NEWSLETTER	100
003-01-000	SALES REVENUE-SUBS: TELE	100
010-00-000	SALES RETURNS-BOOKS	100
010-01-000	SALES RETURNS-BOOKS: BKS	100
010-02-000	SALES RETURNS-BOOKS: TAPES	100
010-03-000	SALES RETURNS-BOOKS: CAR	100
010-04-000	SALES RETURNS-BOOKS: TELE	100
010-05-000	SALES RETURNS-BOOKS: RET	100
010-06-000	SALES RETURNS-BOOKS: MUSIC	100
011-00-000	SALES RETURNS-MUSIC	100
011-01-000	SALES RETURNS-MUSIC: BKS	100
011-02-000	SALES RETURNS-MUSIC: TAPES	100
011-03-000	SALES RETURNS-MUSIC: LP	100
011-04-000	SALES RETURNS-MUSIC: EP	100
011-05-000	SALES RETURNS-MUSIC: MUSIC	100
012-00-000	SALES RETURNS-VIDEO	100
012-01-000	SALES RETURNS-VIDEO: BKS	100
012-02-000	SALES RETURNS-VIDEO: CAR	100
012-03-000	SALES RETURNS-VIDEO: TELE	100
012-04-000	SALES RETURNS-VIDEO: RET	100
012-05-000	SALES RETURNS-VIDEO: MUSIC	100
013-00-000	SALES RETURNS-NEWSLETTER	100
013-01-000	SALES RETURNS-NEWSLETTER: TELE	100
014-00-000	SALES DISCOUNTS	100
014-01-000	SHIPPING REVENUE	100
014-02-000	FINANCE CHARGE REVENUE	100
014-03-000	OTHER REVENUE	100
TOTALS		100

DESCRIPTION	AMOUNT	
001-00-000	SALES RETURNS-BOOKS	100
001-01-000	SALES RETURNS-BOOKS: BKS	100
001-02-000	SALES RETURNS-BOOKS: TAPES	100
001-03-000	SALES RETURNS-BOOKS: CAR	100
001-04-000	SALES RETURNS-BOOKS: TELE	100
001-05-000	SALES RETURNS-BOOKS: RET	100
001-06-000	SALES RETURNS-BOOKS: MUSIC	100

000735





100-100-0000  
 100-100-0000  
 100-100-0000  
 100-100-0000  
 100-100-0000

OPERATING EXPENSES  
 100-100-0000 COMMISSIONS: INS 100  
 100-100-0000 COMMISSIONS: COM 100  
 100-100-0000 COMMISSIONS: FEE 100  
 100-100-0000 COMMISSIONS: SEC 100  
 100-100-0000 ADDITIONAL: FEE 100  
 -----  
 OPERATING EXPENSES: 500

OTHER INCOME & EXPENSES  
 100-100-0000 BAD DEBT EXPENSE 100  
 100-100-0000 ROYALTIES 100  
 100-100-0000 INVENTORY ADJUSTMENTS 100  
 100-100-0000 PROVISION FOR INCOME TAXES 100  
 100-100-0000 MISCELLANEOUS: OTHER 100  
 -----  
 OTHER INCOME & EXPENSES: 500  
 -----  
 PROFIT TOTAL: 100,548.56 100,548.56  
 =====

RUN DATE: 06/06/93  
 PYS DATE: 05/31/93

CASTILLO INTERNATIONAL, INC.  
 TRIAL BALANCE FOR PERIOD ENDING 05/31/93

PAGE: 1  
 TIME: 07:07 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY		ENDING BALANCE
			DEBIT	CREDIT	
<b>CURRENT ASSETS</b>					
000-00-000	CASH- MAIN ACCOUNT	21,863.36		104.03	21,759.33
010-00-000	CASH-PROJECT ACCOUNT	.00	.00		.00
030-00-000	PAYROLL EXCHANGE	204.64CR	.00		204.64CR
010-00-000	REGULAR EXCHANGE	.00	.00		.00
0200-00-000	ACCOUNTS RECEIVABLE	24,419.36		947.51	23,471.85
0300-00-000	INVENTORY-ON HAND	37,198.60		1,975.86	35,222.74
0300-00-001	INVENTORY-ON CONSIGNMENT	5,769.48	702.38		6,471.86
0300-00-002	INVENTORY - ON HAND (DAMAGED)	.00	2,535.72		2,535.72
0400-00-000	NOTES RECEIVABLE	250.00	.00		250.00
0500-00-000	INVENTORY DEPOSITS	.00	.00		.00
	<b>CURRENT ASSETS:</b>	<b>89,296.16</b>	<b>3,238.10</b>	<b>3,027.40</b>	<b>89,506.86</b>

<b>CURRENT LIABILITIES</b>					
0100-00-000	ACCOUNTS PAYABLE	3,586.26CR		5,438.73	9,024.99CR
2500-00-000	FWM/FICA/FICA TAXES PAYABLE	1,022.18CR		876.34	1,898.52CR
0210-00-000	NYS/NYC TAXES PAYABLE	250.59CR		199.15	449.74CR
2220-00-000	FUTA TAXES PAYABLE	211.00CR		8.91	219.91CR
0230-00-000	SDIF PAYABLE	43.20CR		4.80	48.00CR
2300-00-000	SALES TAX PAYABLE	567.92CR		158.39	726.31CR
0450-00-000	INCOME TAXES PAYABLE	729.00CR		.00	729.00CR
0500-00-000	PURCHASE CLEARING	1,830.18	1,514.41		3,344.59
0600-00-000	CUSTOMER DEPOSITS	54.62CR		.00	54.62CR
0670-00-000	CUSTOMER TEMP ACCOUNT	.00		.00	.00
	<b>CURRENT LIABILITIES:</b>	<b>4,634.59CR</b>	<b>1,514.41</b>	<b>6,686.32</b>	<b>9,806.50CR</b>

<b>LONG-TERM LIABILITIES</b>					
2800-00-000	DEFERRED INCOME	3,022.46CR		.00	3,022.46CR
2900-00-000	NOTES PAYABLE-	2,977.16CR	143.06		2,834.10CR
2905-00-000	NOTES PAYABLE-	5,220.00CR		.00	5,220.00CR
2910-00-000	NOTES PAYABLE-	3,000.00CR		.00	3,000.00CR
2915-00-000	NOTES PAYABLE-	300.00CR		.00	300.00CR
2920-00-000	NOTES PAYABLE-	7,000.00CR		.00	7,000.00CR
	<b>LONG-TERM LIABILITIES:</b>	<b>21,519.62CR</b>	<b>143.06</b>	<b>.00</b>	<b>21,376.56CR</b>

<b>STOCKHOLDER'S EQUITY</b>					
3100-00-000	COMMON STOCK	102,300.00CR		.00	102,300.00CR
0200-00-000	RETAINED EARNINGS - PRIOR	48,363.29		.00	48,363.29
	<b>STOCKHOLDER'S EQUITY:</b>	<b>53,936.71CR</b>		<b>.00</b>	<b>53,936.71CR</b>

<b>REVENUE</b>					
00-00-000	SALES REVENUE-BOOKS	7.86CR		.00	7.86CR
4000-01-000	SALES REVENUE-BOOKS: BKS	15,987.77CR		4,753.05	20,740.82CR
4000-02-000	SALES REVENUE-BOOKS: DIS	7,949.38CR		1,656.04	9,605.42CR
4000-03-000	SALES REVENUE-BOOKS: CAM	713.50CR		436.40	1,149.90CR

000758

RUN DATE: 06/06/93  
 SYS DATE: 05/31/93

CASTILLO INTERNATIONAL, INC.  
 TRIAL BALANCE FOR PERIOD ENDING 05/31/93

PAGE: 2  
 TIME: 07:07 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY DEBIT	CREDIT	ENDING BALANCE
<b>REVENUE</b>					
000-04-000	SALES REVENUE-BOOKS: TELE	10,883.92CR		2,568.51	13,452.43CR
000-05-000	SALES REVENUE-BOOKS: RET	7,109.29CR		340.17	7,449.41CR
000-06-000	SALES REVENUE-BOOKS: MUSIC	.00		.00	.00
001-00-000	SALES REVENUE-MUSIC	.00		.00	.00
001-01-000	SALES REVENUE-MUSIC: BKS	1,000CR		.00	1,000CR
001-02-000	SALES REVENUE-MUSIC: DIS	2,980CR		2.97	5,950CR
001-03-000	SALES REVENUE-MUSIC: CAM	.00		.00	.00
001-04-000	SALES REVENUE-MUSIC: TELE	11,900CR		.00	11,900CR
001-05-000	SALES REVENUE-MUSIC: RET	46,700CR		.00	46,700CR
001-06-000	SALES REVENUE-MUSIC: MUSIC	.00		.00	.00
002-00-000	SALES REVENUE-VIDEO	.00		.00	.00
002-01-000	SALES REVENUE-VIDEO: BKS	288,510CR		39.92	328,430CR
002-02-000	SALES REVENUE-VIDEO: DIS	54,890CR		.00	54,890CR
002-03-000	SALES REVENUE-VIDEO: CAM	50,320CR		36.01	86,330CR
002-04-000	SALES REVENUE-VIDEO: TELE	6,074,020CR		1,351.44	7,425,460CR
002-05-000	SALES REVENUE-VIDEO: RET	1,281,590CR		143.60	1,425,190CR
002-06-000	SALES REVENUE-VIDEO: MUSIC	.00		.00	.00
003-00-000	SALES REVENUE-NEWSLETTER	.00		.00	.00
003-04-000	SALES REVENUE-SUBS: TELE	14,423,000CR		420.00	14,843,000CR
010-00-000	SALES RETURNS-BOOKS	.00		.00	.00
010-01-000	SALES RETURNS-BOOKS: BKS	2,813.78	1,060.07		3,873.85
010-02-000	SALES RETURNS-BOOKS: DIS	268.46	882.43		1,150.89
010-03-000	SALES RETURNS-BOOKS: CAM	.00		.00	.00
010-04-000	SALES RETURNS-BOOKS: TELE	548.26	412.77		1,061.03
010-05-000	SALES RETURNS-BOOKS: RET	252.31		.00	252.31
010-06-000	SALES RETURNS-BOOKS: MUSIC	.00		.00	.00
011-00-000	SALES RETURNS-MUSIC	.00		.00	.00
011-01-000	SALES RETURNS-MUSIC: BKS	.00		.00	.00
011-02-000	SALES RETURNS-MUSIC: DIS	.00		.00	.00
011-03-000	SALES RETURNS-MUSIC: CAM	.00		.00	.00
011-04-000	SALES RETURNS-MUSIC: TELE	.00		.00	.00
011-05-000	SALES RETURNS-MUSIC: RET	.00		.00	.00
011-06-000	SALES RETURNS-MUSIC: MUSIC	.00		.00	.00
012-00-000	SALES RETURNS-VIDEO	.00		.00	.00
012-01-000	SALES RETURNS-VIDEO: BKS	.00	14.97		14.97
012-02-000	SALES RETURNS-VIDEO: DIS	448.92		.00	448.92
012-03-000	SALES RETURNS-VIDEO: CAM	.00		.00	.00
012-04-000	SALES RETURNS-VIDEO: TELE	402.25	120.00		522.25
012-05-000	SALES RETURNS-VIDEO: RET	168.89		.00	168.89
012-06-000	SALES RETURNS-VIDEO: MUSIC	.00		.00	.00
013-00-000	SALES RETURNS-NEWSLETTER	.00		.00	.00
013-04-000	SALES RETURNS-NEWSLETTER: TELE	.00		.00	.00
020-00-000	SALES DISCOUNTS	152.64		.00	152.64
100-00-000	SHIPPING REVENUE	4,709,160CR		954.53	5,663,690CR
120-00-000	FINANCE CHARGE REVENUE	.00		.00	.00
130-00-000	OTHER REVENUE	52,000CR		.00	52,000CR
	<b>REVENUE:</b>	<b>64,492,280CR</b>	<b>2,490.24</b>	<b>12,702.59</b>	<b>74,704,630CR</b>

**COST OF SALES**

500-00-000	COST OF GOODS SOLD-BOOKS	15,000.71	3,391.87		18,392.58
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18,392.58  
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RUN DATE: 06/06/93  
 SYS DATE: 05/31/93

CASTILLO INTERNATIONAL, INC.  
 TRIAL BALANCE FOR PERIOD ENDING 05/31/93

PAGE: 3  
 TIME: 07:07 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY DEBIT	CREDIT	ENDING BALANCE
<b>COST OF SALES</b>					
4510-00-000	COST OF GOODS SOLD-TAPES	16.80	1.32		18.12
4520-00-000	COST OF GOODS SOLD-VIDEO	1,472.96	284.96		1,757.92
4530-00-000	COST OF GOODS SOLD-NEWSLETTER	709.12	434.39		1,143.51
	<b>COST OF SALES:</b>	<b>17,199.59</b>	<b>4,112.54</b>		<b>21,312.13</b>
<b>OPERATING EXPENSES</b>					
5000-00-000	RENT	.00	.00		.00
5010-00-000	STORAGE	1,503.60	458.60		1,962.20
5020-00-000	OFFICE SUPPLIES/EXPENSE	714.66	29.49		744.15
5025-00-000	BANK CHARGES	314.18	62.17		376.35
5030-00-000	TELEPHONE	.00	.00		.00
5040-00-000	INTEREST EXP.	.00	.00		.00
5050-00-000	TRAVEL/ENTERTAINMENT	.00	.00		.00
5060-00-000	RESEARCH	300.00	419.00		719.00
5070-00-000	CONTRIBUTIONS	50.00	.00		50.00
5080-00-000	LEGAL/ACCOUNTING	1,200.00	150.00		1,350.00
5090-00-000	CONSULTATIONS	375.00	.00		375.00
5095-00-000	PUBLIC RELATIONS	706.76	.00		706.76
6000-00-000	PAYROLL	15,200.42	3,210.16		18,410.58
6010-00-000	PAYROLL TAXES	1,164.23	254.49		1,418.72
6020-00-000	ADVERTISING	119.25	.00		119.25
6030-00-000	ADVERTISING: BKS	.00	.00		.00
6100-02-000	ADVERTISING: DIS	.00	.00		.00
6100-03-000	ADVERTISING: CAM	.00	.00		.00
6100-04-000	ADVERTISING: TELE	.00	.00		.00
6100-05-000	ADVERTISING: RET	.00	.00		.00
6100-06-000	ADVERTISING: MUSIC	.00	.00		.00
6110-00-000	PROMOTION/PUBLICITY	22.50	.00		22.50
6110-01-000	PROMOTION/PUBLICITY: BKS	240.31	220.00		20.31
6110-02-000	PROMOTION/PUBLICITY: DIS	.00	.00		.00
6110-03-000	PROMOTION/PUBLICITY: CAM	30.00	7.23		22.77
6110-04-000	PROMOTION/PUBLICITY: TELE	.00	64.00		64.00
6110-05-000	PROMOTION/PUBLICITY: RET	736.88	259.30		477.58
6110-06-000	PROMOTION/PUBLICITY: MUSIC	.00	.00		.00
6120-00-000	TRAVEL/ENTERTAINMENT	495.23	.00		495.23
6140-00-000	SHIPPING	.00	.00		.00
6140-01-000	SHIPPING: BKS	2,402.15	326.66		2,728.81
6140-02-000	SHIPPING: DIS	707.33	14.00		721.33
6140-04-000	SHIPPING: TELE	906.84	1,265.85		2,172.69
6140-05-000	SHIPPING: RET	233.21	.00		233.21
6140-06-000	SHIPPING: MUSIC	.00	.00		.00
6150-00-000	TELEPHONE	.00	.00		.00
6150-01-000	TELEPHONE: BKS	89.00	.00		89.00
6150-02-000	TELEPHONE: DIS	.00	.00		.00
6150-03-000	TELEPHONE: CAM	.00	.00		.00
6150-04-000	TELEPHONE: TELE	.00	.00		.00
6150-05-000	TELEPHONE: RET	78.73	26.16		104.89
6160-00-000	CREDIT CARD SERVICE CHARGE	465.99	215.99		681.98
6170-01-000	OTHER SELLING EXPENSES: BKS	119.85	176.00		295.85
6170-02-000	OTHER SELLING EXPENSES: DIS	50.00	60.00		110.00

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RUN DATE: 05/06/93  
 SYS DATE: 05/31/93

CASTILLO INTERNATIONAL, INC.  
 TRIAL BALANCE FOR PERIOD ENDING 05/31/93

PAGE: 4  
 TIME: 07:07 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY		ENDING BALANCE
			DEBIT	CREDIT	
<b>OPERATING EXPENSES</b>					
6170-03-000	OTHER SELLING EXPENSES: CAM	30.00	.00		30.00
6170-04-000	OTHER SELLING EXPENSES: TELE	60.00	551.90		611.90
6170-05-000	OTHER SELLING EXPENSES: RET	1,736.65	62.35		1,799.00
6170-06-000	OTHER SELLING EXPENSES: MUSIC	.00	.00		.00
6171-01-000	COMMISSIONS: BKS	.00	.00		.00
6171-02-000	COMMISSIONS: DIS	.00	.00		.00
6171-03-000	COMMISSIONS: CAM	.00	.00		.00
6171-04-000	COMMISSIONS: TELE	67.29	.00		67.29
6171-05-000	COMMISSIONS: RET	.00	.00		.00
6172-00-000	SUBSCRIPTION PROMO EXP.	.00	.00		.00
6172-04-000	SUBSCRIPTION PROMO EXP.:TELE	40.00	.00		40.00
6172-05-000	SUBSCRIPTION PROMO EXP.:RET	5,055.94	.00		5,055.94
6180-01-000	AUTO EXPENSE: BKS	981.87	.00		981.87
	<b>OPERATING EXPENSES:</b>	<b>36,197.87</b>	<b>7,833.35</b>		<b>44,031.22</b>
<b>OTHER INCOME &amp; EXPENSES</b>					
9500-00-000	BAD DEBT EXPENSE	836.12		.00	836.12
3510-00-000	ROYALTIES	333.01		.00	333.01
9520-00-000	INVENTORY ADJUSTMENTS	8.55CR	3,084.61		3,076.06
9530-00-000	PROVISION FOR INCOME TAXES	729.00		.00	729.00
7-000	MISCELLANEOUS CHARGES	.00		.00	.00
	<b>OTHER INCOME &amp; EXPENSES:</b>	<b>1,889.58</b>	<b>3,084.61</b>	<b>.00</b>	<b>4,974.19</b>
	<b>REPORT TOTAL:</b>	<b>.00</b>	<b>22,416.31</b>	<b>22,416.31</b>	<b>.00</b>

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RUN DATE: 08/04/93  
 SYS DATE: 07/31/93

CASTILLO INTERNATIONAL  
 TRIAL BALANCE FOR PERIOD ENDING 07/31/93

PAGE: 1  
 TIME: 10:03 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY DEBIT	CURRENT ACTIVITY CREDIT	ENDING BALANCE
<b>CURRENT ASSETS</b>					
1000-00-000	CASH- MAIN ACCOUNT	18,704.48		4,272.32	14,432.16
1100-00-000	CASH-PROJECT ACCOUNT	.00	.00		.00
1100-00-000	PAYROLL EXCHANGE	1,161.34CR	1,056.70		104.64CR
1100-00-000	REGULAR EXCHANGE	810.00CR	780.06		29.94CR
1200-00-000	ACCOUNTS RECEIVABLE	22,023.44		263.21	21,760.23
1300-00-000	INVENTORY-ON HAND	31,661.85	409.13		32,070.98
1300-00-001	INVENTORY-ON CONSIGNMENT	6,439.02		702.85	5,736.17
1300-00-002	INVENTORY - ON HAND (DAMAGED)	2,136.64	.00		2,136.64
1400-00-000	NOTES RECEIVABLE	.00	.00		.00
1500-00-000	INVENTORY DEPOSITS	.00	.00		.00
	<b>CURRENT ASSETS:</b>	<b>78,994.09</b>	<b>2,245.89</b>	<b>5,238.38</b>	<b>76,001.60</b>
<b>CURRENT LIABILITIES</b>					
2100-00-000	ACCOUNTS PAYABLE	1,214.65CR	171.10		1,043.55CR
2200-00-000	FHW/FICA/FICA TAXES PAYABLE	1,159.61CR	100.99		1,058.62CR
2210-00-000	NYS/NYC TAXES PAYABLE	737.13CR	461.28		275.85CR
2220-00-000	FUTA TAXES PAYABLE	237.08CR	41.10		195.98CR
2230-00-000	SDIF PAYABLE	54.60CR		4.20	58.80CR
2300-00-000	SALES TAX PAYABLE	431.71CR		246.42	678.13CR
2450-00-000	INCOME TAXES PAYABLE	729.00CR		.00	729.00CR
2500-00-000	PURCHASE CLEARING	2,749.59		2,014.73	734.86
2500-00-000	CUSTOMER DEPOSITS	52.93	203.19		256.12
2570-00-000	CUSTOMER TEMP ACCOUNT	134.59		.00	134.59
	<b>CURRENT LIABILITIES:</b>	<b>1,626.67CR</b>	<b>977.66</b>	<b>2,265.35</b>	<b>2,914.36CR</b>
<b>LONG-TERM LIABILITIES</b>					
2900-00-000	DEFERRED INCOME	3,022.46CR		.00	3,022.46CR
2900-00-000	NOTES-PAYABLE- [REDACTED]	2,547.98CR		.00	2,547.98CR
2905-00-000	NOTES PAYABLE- [REDACTED]	5,220.00CR		.00	5,220.00CR
2910-00-000	NOTES PAYABLE- [REDACTED]	3,000.00CR		.00	3,000.00CR
2915-00-000	NOTES PAYABLE- [REDACTED]	300.00CR		.00	300.00CR
2920-00-000	NOTES PAYABLE- [REDACTED]	7,000.00CR		.00	7,000.00CR
	<b>LONG-TERM LIABILITIES:</b>	<b>21,090.44CR</b>		<b>.00</b>	<b>21,090.44CR</b>
<b>STOCKHOLDER'S EQUITY</b>					
3100-00-000	COMMON STOCK	102,300.00CR		.00	102,300.00CR
3200-00-000	RETAINED EARNINGS - PRIOR	48,363.29		.00	48,363.29
	<b>STOCKHOLDER'S EQUITY:</b>	<b>53,936.71CR</b>		<b>.00</b>	<b>53,936.71CR</b>
<b>REVENUE</b>					
3-00-000	SALES REVENUE-BOOKS	7.86CR		.00	7.86CR
1000-01-000	SALES REVENUE-BOOKS: BKS	22,819.36CR		196.35	23,015.71CR
1000-02-000	SALES REVENUE-BOOKS: DIS	13,769.77CR		5,443.26	19,213.03CR
1000-03-000	SALES REVENUE-BOOKS: CAM	1,149.90CR		.00	1,149.90CR

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RUN DATE: 08/04/93  
 SYS DATE: 07/31/93

CASTILLO INTERNATIONAL  
 TRIAL BALANCE FOR PERIOD ENDING 07/31/93

PAGE: 2  
 TIME: 10:03 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY		ENDING BALANCE
			DEBIT	CREDIT	
4000-04-000	SALES REVENUE-BOOKS: TELE	15,984.27CR		2,865.44	18,849.71CR
4000-05-000	SALES REVENUE-BOOKS: PET	10,931.75CR		1,337.02	12,268.77CR
4000-06-000	SALES REVENUE-BOOKS: MUSIC	.00		.00	.00
4001-00-000	SALES REVENUE-MUSIC	.00		.00	.00
4001-01-000	SALES REVENUE-MUSIC: BKS	1.00CR		.00	1.00CR
4001-02-000	SALES REVENUE-MUSIC: DIS	5.95CR		2.98	8.93CR
4001-03-000	SALES REVENUE-MUSIC: CAM	.00		.00	.00
4001-04-000	SALES REVENUE-MUSIC: TELE	11.90CR		.00	11.90CR
4001-05-000	SALES REVENUE-MUSIC: RET	46.70CR		.00	46.70CR
4001-06-000	SALES REVENUE-MUSIC: MUSIC	.00		.00	.00
4002-00-000	SALES REVENUE-VIDEO	.00		.00	.00
4002-01-000	SALES REVENUE-VIDEO: BKS	353.38CR		.00	353.38CR
4002-02-000	SALES REVENUE-VIDEO: DIS	67.37CR		12.47	79.84CR
4002-03-000	SALES REVENUE-VIDEO: CAM	86.33CR		.00	86.33CR
4002-04-000	SALES REVENUE-VIDEO: TELE	7,193.00CR		1,243.65	10,436.85CR
4002-05-000	SALES REVENUE-VIDEO: RET	1,750.39CR		100.85	1,851.24CR
4002-06-000	SALES REVENUE-VIDEO: MUSIC	.00		.00	.00
4003-00-000	SALES REVENUE-NEWSLETTER	70.00		.00	70.00
4003-04-000	SALES REVENUE-SUBS: TELE	14,903.00CR		272.00	15,175.00CR
4010-00-000	SALES RETURNS-BOOKS	.00		.00	.00
4010-01-000	SALES RETURNS-BOOKS: BKS	5,269.03	1,605.42		6,874.45
4010-02-000	SALES RETURNS-BOOKS: DIS	3,142.45	3,149.60		6,292.05
4010-03-000	SALES RETURNS-BOOKS: CAM	.00		.00	.00
4010-04-000	SALES RETURNS-BOOKS: TELE	1,608.71	102.75		1,711.46
4010-05-000	SALES RETURNS-BOOKS: RET	699.85		.00	699.85
4010-06-000	SALES RETURNS-BOOKS: MUSIC	.00		.00	.00
4011-00-000	SALES RETURNS-MUSIC	.00		.00	.00
4011-01-000	SALES RETURNS-MUSIC: BKS	.00		.00	.00
4011-02-000	SALES RETURNS-MUSIC: DIS	.00		.00	.00
4011-03-000	SALES RETURNS-MUSIC: CAM	.00		.00	.00
4011-04-000	SALES RETURNS-MUSIC: TELE	.00		.00	.00
4011-05-000	SALES RETURNS-MUSIC: RET	.00		.00	.00
4011-06-000	SALES RETURNS-MUSIC: MUSIC	.00		.00	.00
4012-00-000	SALES RETURNS-VIDEO	.00		.00	.00
4012-01-000	SALES RETURNS-VIDEO: BKS	14.97		.00	14.97
4012-02-000	SALES RETURNS-VIDEO: DIS	448.92		.00	448.92
4012-03-000	SALES RETURNS-VIDEO: CAM	.00		.00	.00
4012-04-000	SALES RETURNS-VIDEO: TELE	599.20	55.55		653.75
4012-05-000	SALES RETURNS-VIDEO: RET	204.79		.00	204.79
4012-06-000	SALES RETURNS-VIDEO: MUSIC	.00		.00	.00
4013-00-000	SALES RETURNS-NEWSLETTER	.00		.00	.00
4013-04-000	SALES RETURNS-NEWSLETTER: TELE	.00		.00	.00
4020-00-000	SALES DISCOUNTS	152.65		.03	152.62
4100-00-000	SHIPPING REVENUE	6,325.36CR		676.06	7,201.92CR
4120-00-000	FINANCE CHARGE REVENUE	.00		.00	.00
4130-00-000	OTHER REVENUE	52.00CR		275.00	277.00CR
REVENUE:		85,450.22CR	4,913.32	12,375.31	92,912.21CR

COST OF SALES

4500-00-000	COST OF GOODS SOLD-BOOKS	22,510.41	2,227.95		24,738.36
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ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY DEBIT	CREDIT	ENDING BALANCE
<b>JUST OF SALES</b>					
4510-00-000	COST OF GOODS SOLD-TAPES	19.44	1.32		20.76
4520-00-000	COST OF GOODS SOLD-VIDEO	2,175.38	283.27		2,458.65
4530-00-000	COST OF GOODS SOLD-NEWSLETTER	976.90	519.49		1,496.39
	<b>COST OF SALES:</b>	<b>25,682.13</b>	<b>3,032.03</b>		<b>28,714.16</b>
<b>OPERATING EXPENSES</b>					
5000-00-000	RENT	600.00	.00		600.00
5010-00-000	STORAGE	2,350.20	398.00		2,748.20
5020-00-000	OFFICE SUPPLIES/EXPENSE	772.65	.00		772.65
5025-00-000	BANK CHARGES	417.99	34.41		452.40
5030-00-000	TELEPHONE	.00	.00		.00
5040-00-000	INTEREST EXP.	.00	.00		.00
5050-00-000	TRAVEL/ENTERTAINMENT	.00	747.68		747.68
5060-00-000	RESEARCH	767.00	.00		767.00
5070-00-000	CONTRIBUTIONS	50.00	.00		50.00
5080-00-000	LEGAL/ACCOUNTING	1,500.00	150.00		1,650.00
5090-00-000	CONSULTATIONS	375.00	55.10		430.10
5095-00-000	PUBLIC RELATIONS	706.76	.00		706.76
5000-00-000	PAYROLL	22,990.78	3,142.16		26,132.94
010-00-000	PAYROLL TAXES	1,786.28	481.17		2,267.45
600-00-000	ADVERTISING	119.25	30.00		149.25
600-01-000	ADVERTISING: BKS	251.16	.00		251.16
6100-02-000	ADVERTISING: DIS	.00	.00		.00
6100-03-000	ADVERTISING: CAM	.00	.00		.00
6100-04-000	ADVERTISING: TELE	.00	.00		.00
6100-05-000	ADVERTISING: RET	.00	.00		.00
6100-06-000	ADVERTISING: MUSIC	.00	.00		.00
6110-00-000	PROMOTION/PUBLICITY	169.50	333.25		502.75
6110-01-000	PROMOTION/PUBLICITY: BKS	762.31	.00		762.31
6110-02-000	PROMOTION/PUBLICITY: DIS	.00	.00		.00
6110-03-000	PROMOTION/PUBLICITY: CAM	37.23	.00		37.23
6110-04-000	PROMOTION/PUBLICITY: TELE	64.00	.00		64.00
6110-05-000	PROMOTION/PUBLICITY: RET	996.18	.00		996.18
6110-06-000	PROMOTION/PUBLICITY: MUSIC	.00	.00		.00
6120-00-000	TRAVEL/ENTERTAINMENT	495.23	.00		495.23
6130-00-000	COST OF COMPLIMENTARY COPIES	.00	.00		.00
6140-00-000	SHIPPING	.00	2,143.67		2,143.67
6140-01-000	SHIPPING: BKS	3,809.64	.00		3,809.64
6140-02-000	SHIPPING: DIS	721.33	.00		721.33
6140-04-000	SHIPPING: TELE	2,172.69	.00		2,172.69
6140-05-000	SHIPPING: RET	233.21	.00		233.21
6140-06-000	SHIPPING: MUSIC	.00	.00		.00
6150-00-000	TELEPHONE	.00	.00		.00
6150-01-000	TELEPHONE: BKS	89.00	.00		89.00
6150-02-000	TELEPHONE: DIS	.00	.00		.00
6150-03-000	TELEPHONE: CAM	.00	.00		.00
6150-04-000	TELEPHONE: TELE	.00	.00		.00
6150-05-000	TELEPHONE: RET	63.50	56.82		120.32
6160-00-000	CREDIT CARD SERVICE CHARGE	923.42	169.38		1,092.80
6170-01-000	OTHER SELLING EXPENSES: BKS	1,098.20		327.30	770.90

000768

RUN DATE: 08/04/93  
 SYS DATE: 07/31/93


CASTILLO INTERNATIONAL  
 TRIAL BALANCE FOR PERIOD ENDING 07/31/93

PAGE: 4  
 TIME: 10:03 PM

ACCOUNT NUMBER	DESCRIPTION	BEGINNING BALANCE	CURRENT ACTIVITY DEBIT	CREDIT	ENDING BALANCE
<b>G. SELLING EXPENSES</b>					
6170-02-000	OTHER SELLING EXPENSES: DIS	110.00	.00		110.00
6170-03-000	OTHER SELLING EXPENSES: CAM	65.00CR	.00		65.00CR
6170-04-000	OTHER SELLING EXPENSES: TELE	611.90	.00		611.90
6170-05-000	OTHER SELLING EXPENSES: RET	1,799.00	.00		1,799.00
6170-06-000	OTHER SELLING EXPENSES: MUSIC	.00	.00		.00
6171-00-000	COMMISSIONS	.00	269.81		269.81
6171-01-000	COMMISSIONS: BKS	49.50	.00		49.50
6171-02-000	COMMISSIONS: DIS	.00	.00		.00
6171-03-000	COMMISSIONS: CAM	.00	.00		.00
6171-04-000	COMMISSIONS: TELE	67.29	482.44		549.73
6171-05-000	COMMISSIONS: RET	32.26	.00		32.26
6172-00-000	SUBSCRIPTION PROMO EXP.	.00	.00		.00
6172-04-000	SUBSCRIPTION PROMO EXP.:TELE	40.00	.00		40.00
6172-05-000	SUBSCRIPTION PROMO EXP.:RET	5,020.90	.00		5,020.90
6180-01-000	AUTO EXPENSE: BKS	664.77	570.00		1,234.77
	<b>OPERATING EXPENSES:</b>	<b>52,653.13</b>	<b>9,063.89</b>	<b>327.30</b>	<b>61,389.72</b>
<b>OTHER INCOME &amp; EXPENSES</b>					
9500-00-000	BAD DEBT EXPENSE	1,180.42		.00	1,180.42
9510-00-000	ROYALTIES	333.01		.00	333.01
9520-00-000	INVENTORY ADJUSTMENTS	2,505.26		26.45	2,505.81
9530-00-000	PROVISION FOR INCOME TAXES	729.00		.00	729.00
9540-00-000	MISCELLANEOUS CHARGES	.00		.00	.00
	<b>OTHER INCOME &amp; EXPENSES:</b>	<b>4,774.69</b>		<b>26.45</b>	<b>4,748.24</b>
	<b>REPORT TOTAL:</b>	<b>.00</b>	<b>20,232.79</b>	<b>20,232.79</b>	<b>.00</b>


000769

24  
 17 17

 ASTELLO INTERNATIONAL, INC.  
500 GREENWICH ST., 701  
NEW YORK, NY 10013

INVOICE NUMBER: 0000143-14  
INVOICE DATE: 01-16/92

(12) 941-8944

SALESPERSON:   
CUSTOMER NO: 01-LBFTX

SHIPPED TO:  
LENDRA FULANI FOR PRES.-TX  
803 W. 13TH ST.  
AUSTIN TX 78701

SHIP TO:  
LENDRA FULANI FOR PRES.-TX  
803 W. 13TH ST.  
AUSTIN TX 78701


CONFIRM TO:  (U)

CUSTOMER P.O.	SHIP VIA	F.O.B	TERMS			
	UPS-2ND DAY AIR		NET 120 DAYS			
ITEM NO.	UNIT	ORDERED	SHIPPED	BACK ORD	PRICE	AMOUNT
111	EACH	10	10	0	9.95	99.50
INDEPENDENT BLACK LEADERSHIP			WHSE: 000			
112	EACH	5	5	0	9.95	49.75
THE MAN BEHIND THE SOUNDTEITE			WHSE: 000			

NET INVOICE: 149.25  
 LESS DISCOUNT: .00  
 FREIGHT: 12.00  
 SALES TAX: .30

001045

INVOICE TOTAL: 161.56

ATTACHMENT   
Page 1 of 10

**CASTILLO INTERNATIONAL, INC.**  
 500 GREENWICH ST., 201  
 NEW YORK, NY 10013

INVOICE NUMBER: 0000099-IN  
 INVOICE DATE: 01/21/92

(212) 941-0944

SALESPERSON: [REDACTED] (A)  
 CUSTOMER NO: 01-LBFNH

SOLD TO:  
 LENDRA FULANI FOR PRES.-NH  
 315 ELM STREET  
 MANCHESTER NH

SHIP TO:  
 LENDRA FULANI FOR PRES.-NH  
 315 ELM STREET  
 MANCHESTER NH

CONFIRM TO: [REDACTED] (V)

-----  
 CUSTOMER F.O.B.      SHIP VIA      F.O.B.      TERMS  
 NET 14  
 -----

ITEM NO.	UNIT	ORDERED	SHIPPED	BACK ORD	PRICE	AMOUNT
TBL INDEPENDENT BLACK LEADERSHIP	EACH	10	10	0	5.97	59.70
			WHSE: 000			
OUNDRITE THE MAN BEHIND THE SOUNDRITE	EACH	2	2	0	5.97	11.94
			WHSE: 000			
MYTH MYTH OF PSYCHOLOGY	EACH	8	8	0	7.77	62.16
			WHSE: 000			
PRACTICE PRACTICE, VOLUME 8, NO 1	EACH	5	5	0	3.00	15.00
			WHSE: 000			

NET INVOICE: 148.80  
 LESS DISCOUNT: .00  
 FREIGHT: .00  
 SALES TAX: .00

001041

INVOICE TOTAL: 148.80

15  
SHEPHERD INTERNATIONAL, INC.  
200 GLEBEBOURNE ST., 201  
NEW YORK, NY 10023

INVOICE NUMBER: 090015 IN  
INVOICE DATE: 08-26-77

SHIP TO:

SALES PERSON: [REDACTED]  
CUSTOMER NO: 090015

SOLD TO:  
EIP FOR PRESIDENTS INC  
200 W. 42ND ST  
NEW YORK NY 10023

SHIP TO:  
EIP FOR PRESIDENTS INC  
200 W. 42ND ST  
NEW YORK NY 10023

CONFIRM NO: [REDACTED]

CUSTOMER FILE SHEPHERD VIA  
GENERAL OFFICE

TERMS  
NET 30 DAYS

ITEM NO.	QTY	ORDERED	QUOTED	UNIT PRICE	AMOUNT
SHEPHERD TRACT UNDERSHIF	1	1		9.95	9.95

NET INVOICE: 9.95  
 LESS DISCOUNT: .00  
 FREIGHT: .  
 SALES TAX: .82

001035

INVOICE TOTAL: 10.77

ATTACHMENT 28

Page 3 of 10

WESTERN INTERNATIONAL, INC.  
2000 BROADWAY, NEW YORK, NY 10013

ORDER NUMBER: 00001418  
ISSUE DATE: 07-27-73

ORDER NO. 2000

SALES PERSON: [REDACTED]  
CUSTOMER NO: 01-LIBR ①

ORDER TO:  
LIBRARY BUREAU FOR PRES. - TX  
505 W. 15TH ST.  
AUSTIN TX 78701

SHIP TO:  
LIBRARY BUREAU FOR PRES. - TX  
505 W. 15TH ST.  
AUSTIN TX 78701

CONFIRM TO: [REDACTED] ①

ORDERED BY: [REDACTED] TITLE: [REDACTED]

FORM  
AUTO CASH

ITEM NO.	UNIT ORDERED	SHIPPED	PRICE	AMOUNT
INDEPENDENT VOICES LEADERSHIP	EACH 10	10	9.95	99.50
THE MAN BEHIND THE SCENARIOS	EACH 9	9	9.95	89.55

NET INVOICE: 149.05-  
 LESS DISCOUNT: .00  
 FREIGHT: .00  
 SALES TAX: 12.51-

001036

INVOICE TOTAL: 25 161.56-

UNITED STATES FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C. 20535  
MAY 14 1966

INVOICE NUMBER: 001037  
INVOICE DATE: 5-11-66

SHIP TO: [REDACTED] (1)  
CUSTOMER NO: [REDACTED]

TO: [REDACTED] (1)  
ATTN: [REDACTED]  
NO. 2700

SHIP TO:  
LEE ANN FRESTON, JR.  
197 JAMES ST.  
BIRMINGHAM, ALA.

ITEM NO. 101

ITEMS  
101-14

QUANTITY 1000

UNIT PRICE \$12.50

NET AMOUNT \$12,500.00

DISCOUNT \$0.00

NET AMOUNT \$12,500.00

EXCH

\$12,500.00

NET INVOICE: 12,500.00  
LESS DISCOUNT: 0.00  
FREIGHT: 17.50  
SALES TAX: 0.00

001037 INVOICE TOTAL: 12,517.50


ATTACHMENT 25  
Pago 5 of 10

STANDARD INDUSTRIAL PAPER

FORM 1

STANDARD INDUSTRIAL PAPER  
CORPORATION  
1000 WEST 10TH AVENUE  
DENVER, COLORADO 80202

ORDER NUMBER: 1000000000  
INVOICE DATE: 04/20/77

QUANTITY:  <sup>U</sup>  
SHIPMENT NO: 001038

SHIP TO:  
STANDARD INDUSTRIAL PAPER  
CORPORATION  
1000 WEST 10TH AVENUE  
DENVER, COLORADO 80202

SHIP FROM:  
STANDARD INDUSTRIAL PAPER  
CORPORATION  
1000 WEST 10TH AVENUE  
DENVER, COLORADO 80202

SHIP TO:



<sup>D</sup>

DATE:

TIME:

TERMS:


QTY:

PRICE:

TOTAL:

STANDARD INDUSTRIAL PAPER CORPORATION  
1000 WEST 10TH AVENUE  
DENVER, COLORADO 80202

<sup>C</sup> STANDARD INDUSTRIAL PAPER CORPORATION

ATTACHMENT 

Page 6 of 12.

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NET INVOICE:	82.10
LESS DISCOUNT:	0.00
FREIGHT:	0.00
TOTAL:	82.10





UNIVERSITY INTERNATIONAL, INC.  
500 GREENWICH ST., 201  
NEW YORK, NY 10010

INVOICE NUMBER: 00000001 IN  
INVOICE DATE: 03/09/72

UNIVERSITY 00000

SALES PERSON: [REDACTED]  
CUSTOMER NO: 03-LIN NY

SHIPPED TO:  
LRF FOR PRESIDENT- NY  
200 W. 120TH ST  
NEW YORK NY 10023

SHIP TO:  
LRF FOR PRESIDENT- NY  
200 W. 120TH ST  
NEW YORK NY 10023

CONFIRM TO: [REDACTED] (D)

ITEM #	DESCRIPTION	UNIT	ORDERED	SHIPPED	BACK ORD	PRICE	AMOUNT
	UNIVERSITY OF TECHNOLOGY	EACH	20	20	0	10.00	200.00
	THE MAN BEHIND THE SOUNDWAVE	EACH	2	2	0	7.00	14.00
	THE STRONG BLACK LEADERSHIP	EACH	5	5	0	7.00	35.00

NET INVOICE: 272.00  
LESS DISCOUNT: 10.00  
FREIGHT: 10.00  
SALES TAX: 10.00

001040

INVOICE TOTAL: 282.00  
ATTACHMENT 28  
8 10

1992

1000

CONTROL OF THE...  
NEW YORK

ORDER NUMBER: 000100-11  
ORDER DATE: 08-01-92

1122-431

SALE PERSON: [REDACTED]  
CUSTOMER NO: 05 LBCHY

SHIP TO:  
1150 106 STREET - NY  
200 W. 121ST ST  
NEW YORK NY 10025

SHIP TO:  
1150 106 STREET - NY  
200 W. 121ST ST  
NEW YORK NY 10025

ORDER NO:

[REDACTED]

ITEM NO.	UNIT	QUANTITY	UNIT PRICE	EXT. PRICE	TAXES	AMOUNT
	EACH	40				16.00
THIRTYFOUR BLACK LEADERSHIP						

25  
1000

001044

NET INVOICE:	39.00
LESS DISCOUNT:	0.00
FREIGHT:	0.00
SALES TAX:	0.00

UNITED STATES  
DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

IDENTIFICATION NUMBER: [REDACTED] (1)

REPORT MADE AT: [REDACTED] (1)  
ON: [REDACTED]  
DATE: [REDACTED]  
BY: [REDACTED]

CHARACTER OF CASE: [REDACTED]  
CLASSIFICATION: [REDACTED]

SYNOPSIS: [REDACTED]

COPIES: [REDACTED]  
SERIALS: [REDACTED]  
TOTAL: [REDACTED]

001043

10 25 10

05 12 1991

**Return of Organization Exempt From Income Tax**  
Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) charitable trust

Department of the Treasury  
Internal Revenue Service

Note: You may have to use a copy of this return to satisfy state reporting requirements.

A For the calendar year 1991, or fiscal year beginning 1991, and ending 19

Please use IRS label or print or type. See Specific Instructions.	B	UN 52-1510835 9112 28 04 00 3 IC	C	Employer identification number 52 1510835
		RAINBOW LOBBY INC	D	State registration number various
		250 W 57TH ST 317 NEW YORK NY 10107	E	If application for exemption is pending, check here <input type="checkbox"/>

F Check type of organization—Exempt under section  501(c)(4) (insert number) OR  section 4947(a)(1) charitable trust

G Accounting method:  Cash  Accrual  Other (specify) ▶

H Is this a group return filed for affiliates?  Yes  No  
If "Yes," enter the number of affiliates for which this return is filed. ▶  Yes  No

I If either answer in H is "Yes," enter four-digit group exemption number (GEN) ▶

J If address changed, check box

K Check here  if your gross receipts are normally not more than \$25,000. You do not have to file a completed return with IRS, but if you received a Form 990 Package in the mail, you should file a return without financial data. Some states require a completed return.

Note: Form 990EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year. Section 501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990).

**Part I Statement of Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received:	1a	495,052.01	
		a Direct public support	1b		
		b Indirect public support	1c		
		c Government grants	1d	495,052.01	
		d Total (add lines 1a through 1c) (attach schedule—see instructions)	2	1,150.00	
		2 Program service revenue (from Part VII, line 93)	3	510,975.00	
		3 Membership dues and assessments (see instructions)	4	61.68	
		4 Interest on savings and temporary cash investments	5		
		5 Dividends and interest from securities	6a		
		6a Gross rents	6b		
		b Less: rental expenses	6c		
		c Net rental income or (loss)	7		
	7 Other investment income (describe ▶)	(A) Securities	(B) Other		
	8a Gross amount from sale of assets other than inventory	8a			
	b Less: cost or other basis and sales expenses	8b			
	c Gain or (loss) (attach schedule)	8c			
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
	9 Special fundraising events and activities (attach schedule—see instructions):				
	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
	b Less: direct expenses	9b			
	c Net income	9c			
	10a Gross sales less returns and allowances	10a			
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) (attach schedule)	10c			
	11 Other revenue (from Part VII, line 103)	11			
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,007,238.69		
Expenses	13	Program services (from line 44, column (B)) (see instructions)	13	601,341.39	
	14	Management and general (from line 44, column (C)) (see instructions)	14	195,587.86	
	15	Fundraising (from line 44, column (D)) (see instructions)	15	212,288.40	
	16	Payments to affiliates (attach schedule—see instructions)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17	1,009,217.65	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	(1,978.96)	
	19	Net assets or fund balances at beginning of year (from line 74, column (A))	19	(33,017.51)	
	20	Other changes in net assets or fund balances (attach explanation)	20		
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	(34,996.47)	

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

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ATTACHMENT 26

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**Part IV Balance Sheets**

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
<b>Assets</b>				
45	Cash—noninterest-bearing	17,334.75	45	3,952.89
46	Savings and temporary cash investments	1,850.51	46	-0-
47a	Accounts receivable	(247.34)	47c	-0-
b	Less: allowance for doubtful accounts			
48a	Pledges receivable		48c	
o	Less: allowance for doubtful accounts			
49	Grants receivable		49	
50	Receivables due from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule)		51c	
b	Less: allowance for doubtful accounts			
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges sec. dep. + pre-paid ins.	4,406.00	53	9,641.23
54	Investments—securities (attach schedule)		54	
55a	Investments—land, buildings, and equipment: basis		55c	
b	Less: accumulated depreciation (attach schedule)			
56	Investments—other (attach schedule)		56	
57a	Land, buildings, and equipment: basis COST	88,475.01	57c	24,000.78
b	Less: accumulated depreciation (attach schedule)	64,474.23		
58	Other assets (describe ▶ _____)		58	
59	<b>Total assets (add lines 45 through 58) (must equal line 75)</b>	<b>68,859.27</b>	<b>59</b>	<b>37,594.90</b>
<b>Liabilities</b>				
60	Accounts payable and accrued expenses	56,273.11	60	40,445.18
61	Grants payable		61	
62	Support and revenue designated for future periods (attach schedule)		62	
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
64	Mortgages and other notes payable (attach schedule)	45,603.67	64	32,146.19
65	Other liabilities (describe ▶ _____)		65	
66	<b>Total liabilities (add lines 60 through 65)</b>	<b>101,876.78</b>	<b>66</b>	<b>72,591.37</b>
<b>Fund Balances or Net Assets</b>				
Organizations that use fund accounting, check here <input type="checkbox"/> and complete lines 67 through 70 and lines 74 and 75 (see instructions).				
67a	Current unrestricted fund		67a	
b	Current restricted fund		67b	
68	Land, buildings, and equipment fund		68	
69	Endowment fund		69	
70	Other funds (describe ▶ _____)		70	
Organizations that do not use fund accounting, check here <input checked="" type="checkbox"/> and complete lines 71 through 75 (see instructions).				
71	Capital stock or trust principal		71	
72	Paid-in or capital surplus		72	
73	Retained earnings or accumulated income		73	
74	<b>Total fund balances or net assets (add lines 67a through 70 OR lines 71 through 73: column (A) must equal line 19 and column (B) must equal line 21)</b>	<b>(33,017.51)</b>	<b>74</b>	<b>(34,996.47)</b>
75	<b>Total liabilities and fund balances/net assets (add lines 66 and 74)</b>	<b>68,859.27</b>	<b>75</b>	<b>37,594.90</b>

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure your return is complete and accurate and fully describes your organization's programs and accomplishments.





# Rainbow Lobby, INC.

NATIONAL MEMBERSHIP OFFICE: 250 W. 57<sup>TH</sup> STREET • SUITE 317 • NEW YORK, NY 10019 • PHONE: 212-956-5550

Form 990, Part IV: Balance Sheet, Line 57: Depreciation  
Schedule  
as of December 31, 1991

<u>Category</u>	<u>Basis: Cost</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>
Furn. & Fixtures	9,120.96	5,870.08	3,250.88
Office Equip.	8,863.16	8,061.47	801.69
Leasehold Impr.	8,520.45	6,816.36	1,704.09
Automobiles	<u>61,970.44</u>	<u>43,726.32</u>	<u>18,244.12</u>
	88,475.01	64,474.23	24,000.78

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# Rainbow Lobby, INC.

NATIONAL MEMBERSHIP OFFICE: 250 W. 57<sup>TH</sup> STREET • SUITE 317 • NEW YORK, NY 10019 • PHONE: 212-956-5550

## Form 990 Part IV: Line 64, Mortgages and Notes Payable

Name of Lender:	Chemical Bank	Mazda
Relation of Officers, Directors, etc.:	none	none
Original Amt. of Loan:	10,231.07	11,481.34
Balance Due:	5,781.78	6,937.42
Date of Loan:	12/1/89	10/5/89
Maturity Date:	11/1/94	9/5/94
Repayment Terms:		
# Payments:	60	60
Amt. Pmt.:	229.18	264.03
Interest Rate:	11.79%	13.95%
Security:	None	None
Purpose of Loan:	Auto Loan	Auto Loan
Descript. of Consideration	automobile	automobile

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Form 990 Part IV: Line 64, Mortgages and Notes Payable  
(cont.)

Name of Lender:	Amalgamated	Chrysler Credit
Relation of Officers, Directors, etc.:	None	None
Original Amt. of Loan:	7,000.00	10,101.00
Balance Due:	1,750.12	4,475.55
Date of Loan:	8/22/89	9/21/89
Maturity Date:	7/22/92	8/21/93
Repayment Terms:		
# Payments:	36	48
Amt. Pmts.:	242.31	278.08
Interest Rate:	6.58%	14.95%
Security Provided:	None	None
Purpose of Loan:	Auto Loan	Auto Loan
Descript. of Consideration:	automobile	automobile

Form 990 Part IV: Line 64, Mortgages and Notes Payable  
(cont.)

Name of Lender:	Mazda	GMAC	Citibank
Relation of Officer, Directors, etc.:	None	None	None
Orig. Amt. Loan:	11,553.00	11,327.80	5,000.00
Balance Due:	5,838.32	7,363.00	4,733.34
Date of Loan:	7/13/89	4/12/90	10/9/91
Maturity Date:	6/13/94	4/12/95	11/8/91
Repayment Terms:			
# Payments:	60	60	60
Amt. Pmts.:	265.03	253.16	124.00
Interest Rate:	14.95%	11.99%	16.9%
Security Provided:	None	None	None
Purpose of Loan:	Auto Loan	Auto Loan	Cash Flow
Descript. of Consideration:	automobile	automobile	proceeds

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# Rainbow Lobby, INC.

NATIONAL MEMBERSHIP OFFICE: 250 W 57<sup>TH</sup> STREET • SUITE 317 • NEW YORK, NY 10019 • PHONE: 212-956-5550

## Form 990, Part V: List of Officers, Directors, etc. Cont.

<u>Name &amp; Address</u>	<u>Title &amp; Hrs/Week</u>	<u>Comp.</u>	<u>Contrib. to Emp. Benefit Plan</u>	<u>Exp A/C</u>
Nancy Ross 1830 17th St., NW Washington, DC	President, Dir. 40+ hrs/week	21,150.00	-0-	-0-
Deborah Green 610 W. 110th St. New York, NY	Vice-Pres, Dir. 40+ hrs/week	17,600.00	-0-	-0-
Bonny Gildin 785 West End Ave. New York, NY	Vice-Pres, Dir. 40+ hrs/week	18,700.00	-0-	-0-
Amy Freeman 477 Central Park West New York, NY	Treasurer, Dir. 40+ hrs/week Oct-Dec	16,700.00	-0-	-0-
Jini Berman 210 W. 101st St. New York, NY	Treasurer, Dir. 20+ hrs/week Jan-Sept.	5,850.00	-0-	-0-
Fran Miller 7 W. 105th St. New York, NY	Secretary, Dir. 40+ hrs/week	3,920.00	-0-	-0-
Kate Gardner 245 W. 107th St. New York, NY	Director 40+ hrs/week	13,870.00	-0-	-0-
Joyce Dattner 429 Guerrero St. San Fran, CA	Director 40+ hrs/week	2,737.50	-0-	-0-
Edward Patuto 44 Roscoe St. San Fran, CA	Director	-0-	-0-	-0-
Bette Braun 785 West End Ave. New York, NY	Director	-0-	-0-	-0-

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Dr. Jessie Fields 210 W. 101st St. New York, NY	Director	-0-	-0-	-0-
John Fraire-Guerrro 344 W. 49th St. New York, NY	Director	-0-	-0-	-0-
Reinaldo Lugo 344 W. 49th St. New York, NY	Director	-0-	-0-	-0-
Gary Sinawski 525 West End Ave. New York, NY	Director	-0-	-0-	-0-
Barbara Taylor 250 W. 104th St. New York, NY	Director	-0-	-0-	-0-
Gen Torres 4657 Melbourne Ave. Los Angeles, CA 90027	Director	-0-	-0-	-0-

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# Application for Extension of Time To File

OMB No 1545-0148  
 Expires 10-31-92

Certain Excise, Income, Information and Other Returns

File a separate application for each return.

Please type or print.  
 File the original and one copy by the due date for filing your return. (See instructions on page 2.)

Name <b>Rainbow Lobby, Inc.</b>		Employer identification number <b>52-1510835</b>
Number and street (or P.O. Box number if mail is not delivered to street address) <b>250 W. 57th St., #317</b>		
City or town, state, and ZIP code <b>New York, NY 10019</b>		

Note: Taxpayers who file a corporation income tax return, including Forms 990-C, 990-T, and 1120S, must use Form 7004 to request an extension of time to file.

Partnerships, REMICs, and trusts (except those that file Form 990-T) must use Form 8736 to request an extension of time to file.

1 An extension of time until July 15th is requested in which to file (check only one):

<input type="checkbox"/> Form 706GS (D)	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 3520-A	<input type="checkbox"/> Form 8612
<input type="checkbox"/> Form 706GS (T)	<input type="checkbox"/> Form 990-T (401(a) or 408(a) trust)	<input type="checkbox"/> Form 1042	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8613
<input checked="" type="checkbox"/> Form 990 or 990EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 1042S	<input type="checkbox"/> Form 5227	<input type="checkbox"/> Form 8725
<input type="checkbox"/> Form 990-B	<input type="checkbox"/> Form 1041 (estate)	<input type="checkbox"/> Form 1120-ND (4951 taxes)	<input type="checkbox"/> Form 8068	<input type="checkbox"/> Form 8804

If organization does not have an office or place of business in the United States, check this box

2a For calendar year 19 91 or other tax year beginning and ending

b If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3 Has an extension of time to file been previously granted for this tax year?  Yes  No

4 State in detail why you need the extension. Need additional time for completion of audit

5a If this form is for Form 706GS(D), 706GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 8068, 8612, 8613, 8725, or 8804 enter the tentative tax. (see instructions) \$ \_\_\_\_\_

b If this form is for Form 990-PF, 990-T, or 1041 (estate), 1042, or 8804 enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. (see instructions) \$ \_\_\_\_\_

c Balance due (subtract line 5b from line 5a). Include your payment with this form, or deposit with FTD Coupon if required. (see instructions) \$ \_\_\_\_\_

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature [Handwritten Signature] Date May 7, 1992

File original and one copy. IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by IRS

We HAVE approved your application. (Please attach this form to your return.)

We HAVE NOT approved your application. (Please attach this form to your return.) However, because of your reasons stated above, we have granted a 10-day grace period from the date shown below or due date of your return, whichever is later. This 10-day grace period is considered to be a valid extension of time for purposes of elections otherwise required to be made on timely filed returns.

We HAVE NOT approved your application. After considering your reasons stated above, we cannot grant your request for an extension of time to file. (We are not granting the 10-day grace period.)

We cannot consider your application because it was filed after the due date of your return.

Other \_\_\_\_\_

Date \_\_\_\_\_ By [Signature]

If the copy of this form is to be returned to an address other than that shown above, please enter the address where the copy should be sent.

Please Type or Print	Name
	Number and street (or P.O. Box number if mail is not delivered to street address)
	City or town, state, and ZIP code

**Application for Extension of Time To File**  
 Certain Excise, Income, Information and Other Returns  
 ▶ File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. (See instructions on page 2.)	Name	Rainbow Lobby, Inc.	Employer identification number 52-1510835
	Number and street (or P.O. Box number if mail is not delivered to street address)	250 W. 57th St., #317	
	City or town, state, and ZIP code	New York, NY 10019	

Note: Taxpayers who file a corporation income tax return, including Forms 990-C, 990-T, and 1120S, must use Form 7004 to request an extension of time to file.

Partnerships, REMICs, and trusts (except those that file Form 990-T) must use Form 8736 to request an extension of time to file.

1 An extension of time until September 15, 1992 is requested in which to file (check only one):

<input type="checkbox"/> Form 706GS (D)	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 3520-A	<input type="checkbox"/> Form 8612
<input type="checkbox"/> Form 706GS (T)	<input type="checkbox"/> Form 990-T (401(a) or 408(a) trust)	<input type="checkbox"/> Form 1042	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8613
<input checked="" type="checkbox"/> Form 990 or 990EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 1042S	<input type="checkbox"/> Form 5227	<input type="checkbox"/> Form 8725
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 1041 (estate)	<input type="checkbox"/> Form 1120-ND (4951 taxes)	<input type="checkbox"/> Form 8088	<input type="checkbox"/> Form 9904

If organization does not have an office or place of business in the United States, check this box

2a For calendar year 19 91, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

b If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3 Has an extension of time to file been previously granted for this tax year?  Yes  No

4 State in detail why you need the extension. Need additional time for completion of financial statements and 990 return.

5a If this form is for Form 706GS(D), 706GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 8088, 8612, 8613, 8725, or 9904 enter the tentative tax. (see instructions) \$ \_\_\_\_\_

b If this form is for Form 990-PF, 990-T, or 1041 (estate), 1042, or 9904 enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. (see instructions) \$ \_\_\_\_\_

c Balance due (subtract line 5b from line 5a). Include your payment with this form, or deposit with FTD Coupon if required. (see instructions) \$ \_\_\_\_\_

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature ▶ [Signature] Date ▶ 7/9/92

File original and one copy. IRS will show below whether or not your application is approved and will return the copy.

**Notice to Applicant - To Be Completed by IRS**

- We HAVE approved your application. (Please attach this form to your return.)
- We HAVE NOT approved your application. (Please attach this form to your return.) However, because of your reasons stated above, we have granted a 10-day grace period from the date shown below or due date of your return, whichever is later. This 10-day grace period is considered to be a valid extension of time for purposes of elections otherwise required to be made on timely filed returns.
- We HAVE NOT approved your application. After considering your reasons stated above, we cannot grant your request for an extension of time to file. (We are not granting the 10-day grace period.)
- We cannot consider your application because it was filed after the due date of your return.
- Other \_\_\_\_\_

[Signature] Director

If the copy of this form is to be returned to an address other than that shown above, please enter the address where the copy should be sent.

Please Type or Print	Name	
	Number and street (or P.O. Box number if mail is not delivered to street address)	
	City or town, state, and ZIP code	



Form **990**

# Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) charitable trust

OMB No 1545-0047

**1992**

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Note: The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the calendar year 1992, or fiscal year beginning 1992, and ending 19

Please use IRS label or print or type the specific trust name.	B Name of organization <b>Rainbow Lobby, Inc.</b>		C Employer identification number <b>52 2510835</b>
	Number and street for P.O. box (mail is not delivered to street address)	Room/suite	D State registration number <b>Various</b>
	<b>200 West 72nd Street</b>		
City, town, or post office, state, and ZIP code <b>New York, NY 10023</b>		E If address changed, check box <input checked="" type="checkbox"/>	

F Check type of organization—Exempt under section  501(c) 4 (insert number) OR  section 4947(a)(1) charitable trust

G If exemption application pending, check box

H(a) Is this a group return filed for affiliates?  Yes  No  
 (b) If "Yes" enter the number of affiliates for which this return is filed.

I If either box in H is checked "Yes," enter the group exemption number (GEN)

J Accounting method  Cash  Accrual  
 Other (specify)

K Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

## Part I Statement of Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1a	1b	1c	1d	2	3	4	5	6a	6b	6c	7	8a	8b	8c	8d	9a	9b	9c	10a	10b	10c	11	12	13	14	15	16	17	18	19	20	21					
1 Contributions, gifts, grants, and similar amounts received:																																						
a Direct public support	276538																																					
b Indirect public support																																						
c Government grants																																						
d Total (add lines 1a through 1c) (attach schedule—see instructions)				276538																																		
2 Program service revenue (from Part VII, line 93)																																						
3 Membership dues and assessments (see instructions)																																						
4 Interest on savings and temporary cash investments																																						
5 Dividends and interest from securities																																						
6a Gross rents																																						
b Less: rental expenses																																						
c Net rental income or (loss)																																						
7 Other investment income (describe <input type="checkbox"/> )																																						
8a Gross amount from sale of assets other than inventory																																						
b Less: cost or other basis and sales expenses																																						
c Gain or (loss) (attach schedule)																																						
d Net gain or (loss) (combine line 8c, columns (A) and (B))																																						
9 Special fundraising events and activities (attach schedule—see instructions):																																						
a Gross revenue (not including \$ _____ of contributions reported on line 1a)																																						
b Less: direct expenses																																						
c Net income																																						
10a Gross sales less returns and allowances																																						
b Less: cost of goods sold																																						
c Gross profit or (loss) (attach schedule)																																						
11 Other revenue (from Part VII, line 103)																																						
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)																																						
13 Program services (from line 44, column (B)) (see instructions)																																						
14 Management and general (from line 44, column (C)) (see instructions)																																						
15 Fundraising (from line 44, column (D)) (see instructions)																																						
16 Payments to affiliates (attach schedule—see instructions)																																						
17 Total expenses (add lines 16 and 44, column (A))																																						
18 Excess or (deficit) for the year (subtract line 17 from line 12)																																						
19 Net assets or fund balances at beginning of year (from line 74, column (A))																																						
20 Other changes in net assets or fund balances (attach explanation)																																						
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)																																						

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Cat No 11282Y

Form 990 (1992)

002310

ATTACHMENT

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**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and 4947(a)(1) charitable trusts but optional for others. (See instructions.)

Do not include amounts reported on line 6a, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	96075	37949	33530	24596
26	Other salaries and wages	120017	47849	42254	29914
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	28432	11231	9922	7729
30	Professional fundraising fees				
31	Accounting fees	6182		6182	
32	Legal fees	6802	6802		
33	Supplies				
34	Telephone	75548	47012	7462	21074
35	Postage and shipping	19246	9623	4811	4812
36	Occupancy & office expense	102053	55715	23778	22560
37	Equipment rental and maintenance	40542	18244	20271	2027
38	Printing and publications	5435	2824		2611
39	Travel & vehicle	57585	52035	3566	1984
40	Conferences, conventions, and meetings	3521	3521		
41	Interest & bank charges	19537		19537	
42	Depreciation, depletion, etc. (attach schedule)	19966	12022	1933	6011
43	Other expenses (Itemize): a				
b	See attached schedule	30505	5334	24392	779
c					
d					
e					
f					
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 12-15	631446	310161	197638	123647

Reporting of Joint Costs.—Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to program services \$ \_\_\_\_\_;  
 (iii) the amount allocated to management and general \$ \_\_\_\_\_; and (iv) the amount allocated to fundraising \$ \_\_\_\_\_.

**Part III Statement of Program Service Accomplishments (See instructions.) SEE ATTACHMENT PART III**

Describe what was achieved in carrying out the organization's exempt purposes. Fully describe the services provided; the number of persons benefited; or other relevant information for each program title. Section 501(c)(3) and (4) organizations and section 4947(a)(1) charitable trusts must also enter the amount of grants and allocations to others.

Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts unless optional for others.)

a	(Grants and allocations \$ _____)	
b	(Grants and allocations \$ _____)	
c	(Grants and allocations \$ _____)	
d	(Grants and allocations \$ _____)	
e	Other program services (attach schedule) (Grants and allocations \$ _____)	
f	Total (add lines a through e) (should equal line 44, column (B))	310161

**Part IV Balance Sheets**

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year
<b>Assets</b>				
45	Cash—non-interest-bearing	3953	45	13420
46	Savings and temporary cash investments		46	
47a	Accounts receivable	47a		
b	Less: allowance for doubtful accounts	47b	47c	
48a	Pledges receivable	48a		
b	Less: allowance for doubtful accounts	48b	48c	
49	Grants receivable		49	
50	Receivables due from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule)	51a		
b	Less: allowance for doubtful accounts	51b	51c	1254
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges	9641	53	
54	Investments—securities (attach schedule)		54	
55a	Investments—land, buildings, and equipment: basis	55a		
b	Less: accumulated depreciation (attach schedule)	55b	55c	
56	Investments—other (attach schedule)		56	
57a	Land, buildings, and equipment: basis	57a 88475		
b	Less: accumulated depreciation (attach schedule)	57b 84440	24001	57c 4035
58	Other assets (describe > _____ )		58	
59	Total assets (add lines 45 through 58) (must equal line 75)	37595	59	18709
<b>Liabilities</b>				
60	Accounts payable and accrued expenses	40445	60	53249
61	Grants payable		61	
62	Support and revenue designated for future periods (attach schedule)		62	
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
64	Mortgages and other notes payable (attach schedule)	32146	64	27780
65	Other liabilities (describe > <u>Exchange &amp; Payroll taxes payable</u> )		65	31524
66	Total liabilities (add lines 60 through 65)	72591	66	112553
<b>Fund Balances or Net Assets</b>				
Organizations that use fund accounting, check here > <input type="checkbox"/> and complete lines 67 through 70 and lines 74 and 75 (see instructions).				
67a	Current unrestricted fund		67a	
b	Current restricted fund		67b	
68	Land, buildings, and equipment fund		68	
69	Endowment fund		69	
70	Other funds (describe > _____ )		70	
Organizations that do not use fund accounting, check here > <input type="checkbox"/> and complete lines 71 through 75 (see instructions).				
71	Capital stock or trust principal		71	
72	Paid-in or capital surplus		72	
73	Retained earnings or accumulated income		73	
74	Total fund balances or net assets (add lines 67a through 70 OR lines 71 through 73; column (A) must equal line 19 and column (B) must equal line 21)	(34996)	74	(93844)
75	Total liabilities and fund balances/net assets (add lines 66 and 74)	37595	75	18709

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes the organization's programs and accomplishments.

**Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated. See instructions)**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
See attached				

Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  Yes  No  
 If "Yes," attach schedule (see instructions).

**Part VI Other Information**

Note: Section 501(c)(3) organizations and section 4947(a)(1) trusts must also complete and attach Schedule A (Form 990).

	Yes	No
76 Did the organization engage in any activity not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of each activity.		X
77 Were any changes made in the organizing or governing documents, but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b If "Yes," has it filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?		
c At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX.		X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? (See instructions.) If "Yes," attach a statement as described in the instructions.		X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or non-exempt organization? (See instructions.)		X
b If "Yes," enter the name of the organization: _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a Enter amount of political expenditures, direct or indirect, as described in the instructions.		
b Did the organization file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. See instructions for reporting in Part III.		
83a Did anyone request to see either the organization's annual return or exemption application (or both)?	X	
b If "Yes," did the organization comply as described in the instructions? (See General Instruction L.)	X	
84a Did the organization solicit any contributions or gifts that were not tax deductible?	X	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? (See General Instruction M.)	X	
85a Section 501(c)(5) or (6) organizations.—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums? (See instructions and Regulations section 1.162-20(c).)		
b If "Yes," enter the total amount spent for this purpose.		
86 Section 501(c)(7) organizations.—Enter:		
a Initiation fees and capital contributions included on line 12.		
b Gross receipts, included on line 12, for public use of club facilities (see instructions).		
c Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion? (If "Yes," attach statement. See instructions.)		
87 Section 501(c)(12) organizations.—Enter amount of:		
a Gross income received from members or shareholders.		
b Gross income received from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
Public interest law firms.—Attach information described in the instructions. List the states with which a copy of this return is filed: <u>NY, MA, NC, IL, CA, DC</u>		
90 During this tax year did the organization maintain any part of its accounting / tax records on a computerized system?	X	
91 The books are in care of <u>Deborah Green</u> Telephone no. <u>(212) 496-5590</u> Located at <u>200 West 72nd St., Suite 36, New York, NY 10023</u> ZIP code <u></u>		
92 Section 4947(a)(1) charitable trusts filing Form 990 in lieu of Form 1041, U.S. Fiduciary Income Tax Return, should check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year. <u>92</u>		

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Form 990 (1992)

Part VII Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

- 93 Program service revenue: (a) (b) (c) (d) (e) (f) (g) Fees from government agencies
94 Membership dues and assessments
95 Interest on savings and temporary cash investments
96 Dividends and interest from securities
97 Net rental income or (loss) from real estate: (a) debt-financed property (b) not debt-financed property
98 Net rental income or (loss) from personal property
99 Other investment income
100 Gain or (loss) from sales of assets other than inventory
101 Net income from special fundraising events
102 Gross profit or (loss) from sales of inventory
103 Other revenue: (a) (b) Insurance proceeds (c) Mail list sale (d) (e)
104 Subtotal (add columns (b), (d), and (e))
105 TOTAL (add line 104, columns (b), (d), and (e))

Table with 5 columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Includes rows for program service revenue, membership dues, interest, dividends, rental income, investment income, and other revenue.

Note: (Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.)

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (e) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes. Line 94: Our main activity is to build a grassroots network of citizen activists who will stay informed on our issues of concern and work to influence Congress to pass legislation in support of participatory democracy and human rights.

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if the "Yes" box on 78c is checked.)

Table with 5 columns: Name, address, and employer identification number of corporation or partnership; Percentage of ownership interest; Nature of business activities; Total income; End of year assets. Row 1: N/A

Please Sign Here: Signature of officer, Date, Title. Paid Preparer's Use Only: Preparer's signature, Firm's name (for years if self-employed) and address, Date, ZIP code, Check if self-employed.

[The next page is 1237-3.]

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ATTACHMENT PART III STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

- a. The Rainbow Lobby, Inc. is a non-profit, non-partisan citizens lobby which operates a lobbying office in Washington, DC, staffed by one or more employees who are registered lobbyists. The Rainbow Lobby, Inc. develops, proposes, and mounts public grassroots lobbying campaigns in support of legislation which strengthens American democratic institutions, broadens individual participation in the democratic process, and promotes respect for democracy and human rights in American foreign policy. In keeping with this purpose, it keeps the members and general public informed on issues and legislation through a phone bank run by employees and volunteers, through a newsletter, press releases, new conferences, and special mailings to members. The Rainbow Lobby also drafts position papers for the information of Congress, participates in community forums on issues with which it is concerned, and provides information on legislation to community groups, churches and social welfare organizations. The Rainbow Lobby also provides technical support to the lobbying efforts of community groups and social welfare organizations.

Rainbow Lobby Inc.  
990 Support Schedule  
December 31, 1992

Part IV

Line 64 - Mortgage and other notes payable

Note payable Chemical Bank 60 installments of \$229.18 Final payment November 1, 1994 secured by automobile	\$ 3561
Note payable Mazda 60 installments of \$264.03 Final payment September 5, 1994 secured by automobile	4855
Note payable Chrysler Credit 48 installments of \$278.08 Final payment August 21, 1993 secured by automobile	1975
Note payable Mazda 60 installments of \$265.03 Final payment June 13, 1994 secured by automobile	3778
Note payable GMAC 60 installments of \$253.16 Final payment April 12, 1995 secured by automobile	5292
Note payable Citibank 60 installments of \$124 unsecured	3869
Note payable Amalgamated Bank Overdraft Account - unsecured	\$ <u>4450</u> <u>27780</u>

ATTACHMENT 27  
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Rainbow Lobby Inc.  
990 Support Schedule  
December 31, 1992

Part V  
List of Directors, Trustees and Key Employees

Name & Address	Title & Hrs/Week	Comp.	Contrib. to Emp Benefit Plan	Exp A/C
Nancy Ross 1830 17th St., NW Washington, DC	President, Dir. 40+ hrs/week	22050	-0-	-0-
Deborah Green 610 W. 110th St. New York, NY	Vice-Pres, Dir. 40+ hrs/week	20800	-0-	-0-
Bonny Gildin 785 West End Ave. New York, NY	Vice-Pres. Dir. 40+ hrs/week	19550	-0-	-0-
Amy Freeman 477 Central Pk W New York, NY	Treasurer, Dir. 40+ hrs/week Oct-Dec	17250	-0-	-0-
Kate Gardner 245 W. 107th St. New York, NY	Director 40+ hrs/week	16425	-0-	-0-
Joyce Dattner 429 Guerrero St. San Fran., CA	Director	-0-	-0-	-0-
Edward Patuto 44 Roscoe St. San Fran., CA	Director	-0-	-0-	-0-
Bette Braun 785 West End Ave. New York, NY	Director	-0-	-0-	-0-
Dr. Jessie Fields 210 W. 101st St. New York, NY	Director	-0-	-0-	-0-
Reinaldo Lugo 344 W 49 St. New York, NY	Director	-0-	-0-	-0-
Gary Sinawski 525 West End Ave. New York, NY	Director	-0-	-0-	-0-

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8 11



Rainbow Lobby Inc.  
990 Support Schedule  
December 31, 1992

Part V  
List of Directors, Trustees and Key Employees  
(Continued)

Name & Address	Title & Hrs/Week	Comp.	Contrib. to Emp Benefit Plan	Exp A/C
Barbara Taylor 250 W. 104 St. New York, NY	Director	-0-	-0-	-0-
Gen Torres 4657 Melbourne Ave. Los Angeles, CA 90027	Director	<u>-0-</u> <u>96075</u>	-0-	-0-

Rainbow Lobby Inc.  
990 Support Schedule  
December 31, 1992

	<u>Total</u>	<u>Program Service</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>
<b>Part II</b>				
<b><u>Line 43 - other expenses</u></b>				
Insurance	14871		14871	
Training	1290	1155	135	
Public relats & Advertising	3234	2388	696	150
Canvass	629			629
Contract Service	4046	276	3770	
Offical fees & membership	533	20	513	
Subscriptions & publications	1918	1495	423	
Dissolution expenses	1151		1151	
Gifts & contributions	1606		1606	
Messenger	<u>1227</u>		<u>1227</u>	
	<u>30505</u>	<u>5334</u>	<u>24392</u>	<u>779</u>

**Line 42 - Depreciation**

	<u>Cost</u>	<u>Accum. Deprec. 1/1/92</u>	<u>Deprec. Expense</u>	<u>Accum. Deprec. 12/31/92</u>
Automobile	61970	43726	16732	60458
Furniture & Fixtures	9122	5870	1301	7172
Office Equipment	8863	8061	229	8290
Leasehold Improvements	<u>8520</u>	<u>6816</u>	<u>1704</u>	<u>8520</u>
	<u>88475</u>	<u>64474</u>	<u>19966</u>	<u>84440</u>

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 Page 10 of 11

Form 2758

Rev. August 1992

# Application for Extension of Time to File Certain Excise, Income, Information, and Other Returns

OMB No 1545-0148  
Expires 8-31-94

Department of the Treasury  
Internal Revenue Service

▶ File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. (See instructions on back.)	Name <b>Rainbow Lobby Inc.</b>	Employer identification number <b>5211510835</b>
	Number and street for P.O. box no. if mail is not delivered to street address. <b>200 West 72nd St</b>	Apt. or suite no.
	City, town or post office, state, and ZIP code. (For a foreign address, see instructions.) <b>New York NY 10023</b>	

Note: Taxpayers who file a corporation income tax return, including Forms 990-C, 990-T, and 1120S, must use Form 7004 to request an extension of time to file.

Partnerships, REITs, and trusts (except those filing Form 990-T) must use Form 8738 to request an extension of time to file.

1. An extension of time until November 15, 1993 is requested to file (check only one):
- |   |  |  |                                      |                                    |
|---|--|--|--------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 706GS(D)                | <input type="checkbox"/> Form 990 PF                           | <input type="checkbox"/> Form 1041-A               | <input type="checkbox"/> Form 3520-A | <input type="checkbox"/> Form 8812 |
| <input type="checkbox"/> Form 706GS(T)                | <input type="checkbox"/> Form 990-T (401(a) or 408(a) trust)   | <input type="checkbox"/> Form 1042                 | <input type="checkbox"/> Form 4720   | <input type="checkbox"/> Form 8813 |
| <input checked="" type="checkbox"/> Form 990 or 990EZ | <input type="checkbox"/> Form 990-T (trust other than above)   | <input type="checkbox"/> Form 1042S                | <input type="checkbox"/> Form 5227   | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL                  | <input type="checkbox"/> Form 1041 (estate) (see instructions) | <input type="checkbox"/> Form 1120-MD (4951 taxes) | <input type="checkbox"/> Form 8069   | <input type="checkbox"/> Form 8804 |

If the organization does not have an office or place of business in the United States, check this box.

2a. For calendar year 1992, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

b. If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3. Has an extension of time to file been previously granted for this tax year?  Yes  No

4. State in detail why you need the extension. Corporation is in process of dissolution - Additional time needed to gather all information needed to file return.

5a. If this form is for Form 706GS(D), 706GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-MD, 4720, 8069, 8612, 8613, 8725, or 8804, enter the tentative tax, less any nonrefundable credits. (See instructions.) \$ \_\_\_\_\_

b. If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ \_\_\_\_\_

c. Balance due (subtract line 5b from line 5a). Include your payment with this form, or deposit with FTD coupon if required. (See instructions.) \$ \_\_\_\_\_

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature: [Signature] Title: CFO Date: 8/4/93  
FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

### Notice to Applicant—To Be Completed by the IRS

- We HAVE approved your application. Please attach this form to your return.
- We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
- We HAVE NOT approved your application. After considering the reasons stated in Item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
- Other: \_\_\_\_\_

[Signature] Date: \_\_\_\_\_

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print	Name <b>Christensen, Hoffmann &amp; Reich</b>	Apt. or suite no.
	Number and street for P.O. box no. if mail is not delivered to street address. <b>181 Main St.</b>	
	City, town or post office, state, and ZIP code. (For a foreign address, see instructions.) <b>Lincoln Park NJ 07035</b>	

002320

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION



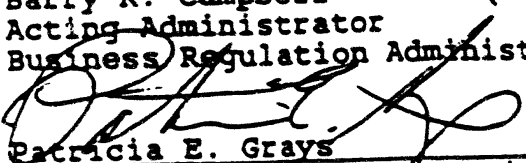
CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the DISTRICT OF COLUMBIA NONPROFIT CORPORATION ACT have been complied with and accordingly, this CERTIFICATE of DISSOLUTION is hereby issued to RAINBOW LOBBY, INC.

as of February 24th , 1993 .

Joan Parrott-Fonseca  
Acting Director

Barry K. Campbell  
Acting Administrator  
Business Regulation Administration

  
Patricia E. Grays  
Assistant Superintendent of Corporations  
Corporations Division

Sharon Pratt Kelly  
( layor

ATTACHMENT 28  
Page 1 of 4

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ARTICLES OF DISSOLUTION  
OF  
THE RAINBOW LOBBY, INC.

---

ARTHUR R. BLOCK, ESQ.  
72 Spring Street  
Suite 1201  
New York, NY 10012

(212) 966-0404

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ARTICLES OF DISSOLUTION  
OF  
THE RAINBOW LOBBY, INC.

TO: The Department of Consumer and Regulatory Affairs,  
Corporations Division  
614 H Street, NW, Room 407  
P.O. Box 37200  
Washington, D.C. 20013-7200

Pursuant to the provisions of the District of Columbia Non-Profit Corporation Act, the undersigned corporation adopts the following Articles of Dissolution for the purpose of dissolving the corporation:

FIRST: The name of the Corporation is Rainbow Lobby, Inc.

SECOND: ~~The resolution to dissolve the corporation was adopted~~ in the following manner: The resolution to dissolve the corporation was adopted at a meeting of the Board of Directors held on February 8, 1993, and received the vote of a majority of the Directors in office, there being no members having voting rights in respect hereof.

THIRD: All debts, obligations and liabilities of the corporation have been paid and discharged, or adequate provision has been made therefor. All assets of the corporation are being applied to the payment of debts, liabilities and obligations of the corporation. All taxes and payroll withholding will be paid in full. No assets are being transferred to any individual or entity other than to creditors of the corporation. Said assets, however, are insufficient to satisfy all outstanding liabilities.

FOURTH: There are no suits pending against the corporation in any court in respect of which adequate provision has

FILED

FEB 24 1993

BY: WLA

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ATTACHMENT

Articles of Dissolution  
The Rainbow Lobby, Inc.  
Page 2 of 2

not been made for the satisfaction of any judgment,  
order or decree which may be entered against it.

Date: February 9, 1993

RAINBOW LOBBY, INC.

By Nancy Ross  
Nancy Ross, President

Attest:

Deborah Green  
Deborah Green, Secretary

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4 of 4



American Express  
Travel Related Services Company, Inc.  
200 Vesey Street, WFC 3840  
New York, NY 10285-3840 (212) 640-5151

October 1, 1993

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE  
93 OCT -7 PM 3:21

LORENZO HOLLOWAY  
FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RE: SUBPOENA REGARDING THE AUDIT OF  
LENORA FULANI

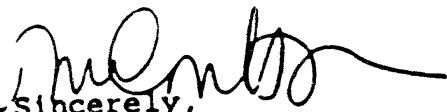
Dear Lorenzo Holloway,

We are in receipt of your Subpoena regarding the audit of Lenora Fulani. I have provided an explanation which relates to your request.

Please be advised that Nancy Ross is the Basic Cardholder for the company Account for , Rainbow Lobby, Account # . This Company Account has several supplemental Cardholders. Your office has provided subpoenas for each of the supplemental Cardholders. However, all charge activity incurred by them will be reflected in the statements, for Nancy Ross, and itemized, accordingly. Be advised that the records will follow under separate cover. The enclosed computer print-outs reflect each of the Cardholders as well as the address that they were sent to. The account number for Jeffery Aron indicates that he was also an additional Cardmember on the Account, however, the information was purged from our database. His charges should be reflected in the forthcoming statements. American Express does not require or maintain credit information on supplemental members. As such, they are not responsible for payments on the Account.

The information regarding Marsha Plafkin, Margaret Tanzosh, and John B. Opdycke will follow under separate cover. The addresses for the Account numbers you provided, will also follow under separate cover.

If you have any questions regarding this matter, please do not hesitate to contact me.

  
Sincerely,  
Mildred Harper  
Legal Correspondent

ATTACHED 29





American Express  
Travel Related Services Company, Inc.  
200 Vesey Street, WFC 3840  
New York, NY 10285-3840 (212) 640-5151

LFLM AR FILM REQUEST MOD 10/92 E-LEG2-06 10/01/93  
RSTT ACCOUNT STATUS V0593 E-LEG2-06 10/01/93  
ACCT: NANCY ROSS AMT: MONTH:

ROC COMPANY BASIC CNC CO REQ -CO. OUT OF BUS PNR 04/93  
COLLECTION INPUT : CLOC IND: N  
COLLECTION STATUS :  
COLLECTION LOCATION:  
CARD EXPIRES 04/95-PLASTIC OPT: 2  
ANNIVERSARY: 04/88 ACTIVE SUPPS: 00  
FLIGHT INS : OTHER SVCS :  
STATE CODE : 31  
AMT/DATE: STOP DUN:  
ADD CNTL: ZIP + 4 APPLIED  
ADDR EFFECTIVE DATE: 04/06/93  
BEHAVIOR SCORE :  
YEAR OF BIRTH : 43 RETURN MAIL: N  
SS/SIC NUMBER : 022 34 6033  
LANGUAGE PREFERENCE: ENGLISH

RAINBOW LOBBY  
300 W 72ND ST RM 36  
NEW YORK NY ZIP 10023 - 2824  
E-STATUS: NO CARD  
IN: .00 TL OUT:  
BILLED BALANCE : .00 CURRENT  
PRESENT BALANCE : .00 CURRENT  
DEFERRED BALANCE: 0  
EE 04/20/93: 55.00 NET FEE : .00

EYS:1-ARBMG,6-ESMNU,7-ARCHS,8-ARSUP,9-ARSPP,10-MDCOL  
NO\_UNBILLED\_RECORD\_FOUND  
Aa E1--SESSION1 R 1 C 2 o-o\_\_ 20:28 9/30/93



American Express  
Travel Related Services Company, Inc.  
200 Vesey Street, WFC 3840  
New York, NY 10285-3840 (212) 640-5151

E-LEG2-06 10/01/93

RSUP SUPPLEMENTAL DETAIL 12-90 MONTH:  
ACCT: AMT: RAINBOW LOBBY  
NANCY ROSS WROC CO SUPP

SUPP 105-4 CHRISTOPHER BARCLAY  
ANNIV: 10/89 EXP 10/94 PLASTIC OPT: 2  
FEE 10/22/91: 55.00 NET FEE: .00

CNC CO REQ -EMPTY LEFT CO. PN 09/92  
NEG: RTN MAIL/LEFT COMPANY -PRINT  
SSN:

SUPP 106-2 AMY FREEMAN  
ANNIV: 04/90 EXP 04/95 PLASTIC OPT: 2  
FEE 04/20/93: 55.00 NET FEE: .00

CNC CO REQ -CO. OUT OF BUS PN 04/93  
NEG: STOLEN CARD -PRINT  
SSN:

SUPP 108-8 KATE GARDNER  
ANNIV: 08/90 EXP 08/95 PLASTIC OPT: 2  
FEE 08/19/92: 55.00 NET FEE: .00

CNC CO REQ -CO. OUT OF BUS PN 04/93  
NEG: RTN MAIL/LEFT COMPANY -PRINT  
SSN:

P 210-2 ADA IVONNE VAZQUEZ  
ANNIV: 10/90 EXP 10/95 PLASTIC OPT: 2  
FEE 10/19/92: 55.00 NET FEE: 55.00

CNC CO REQ -CO. OUT OF BUS PN 04/93  
NEG: RTN MAIL/LEFT COMPANY -PRINT  
SSN:

START SEARCH FROM CARD NUMBER:  
KEYS: PFS-CMSRL, 6-CMNAM, 7-ARCAS, 8-ARRVW, 9-CMREN, 10-CMSUP

CONTINUED NEXT PAGE PAGE 1  
Aa E1--SESSION1 R 1 C 2 o-o 20:16 9/30/93

E-LEG2-06 10/01/93

RSUP SUPPLEMENTAL DETAIL 12-90 MONTH:  
ACCT: AMT: RAINBOW LOBBY  
NANCY ROSS WROC CO SUPP

SUPP 211-0 TODD BENTSEN  
ANNIV: 04/91 EXP 04/95 PLASTIC OPT: 2  
FEE 04/20/92: 55.00 NET FEE: .00

CNC CO REQ -EMPTY LEFT CO. PN 09/92  
NEG:  
SSN:

SUPP 112-0 DEBORAH GREEN  
ANNIV: 04/91 EXP 04/96 PLASTIC OPT: 2  
FEE 04/20/93: 55.00 NET FEE: .00

CNC CO REQ -CO. OUT OF BUS PN 04/93  
NEG: RTN MAIL/LEFT COMPANY -PRINT  
SSN:

SUPP 114-6 BONNIE GILDIN  
ANNIV: 04/92 EXP 04/94 PLASTIC OPT: 2  
FEE 04/20/93: 55.00 NET FEE: .00

CNC CO REQ -CO. OUT OF BUS PN 04/93  
NEG: RTN MAIL/LEFT COMPANY -PRINT  
SSN:

SUPP 115-3 SHELLY KARLINER  
ANNIV: 10/92 EXP 10/94 PLASTIC OPT: 2  
FEE 10/19/92: 55.00 NET FEE: 55.00

CNC CO REQ -CO. OUT OF BUS PN 04/93  
NEG: RTN MAIL/LEFT COMPANY -PRINT  
SSN:

ATTACHMENT 27  
Page 3 of 3

START SEARCH FROM CARD NUMBER:  
KEYS: PFS-CMSRL, 6-CMNAM, 7-ARCAS, 8-ARRVW, 9-CMREN, 10-CMSUP  
END OF SUPPLEMENT INFORMATION

# TAXPAYER'S COPY

## U.S. Income Tax Return for an S Corporation

OMB No 1545-0132

Form **1120S**Department of the Treasury  
Internal Revenue ServiceFor calendar year 1992, or tax year beginning 1992, and ending 1992  
See separate instructions.**1992**

A Date of election as an S corporation <b>JAN 01 91</b>	Use IRS label. Otherwise, please print or type.	Name <b>FRED NEWMAN PRODUCTIONS</b>	C Employer identification number <b>13-3587971</b>
B Business code no. See Specific Instructions <b>7900</b>	Number, street and room or suite no. (if a P.O. box, see page 8 of the instructions) <b>250 WEST 57TH STREET #317</b>	D Date incorporated <b>04-23-90</b>	E Total assets (see Specific Instructions) <b>\$ 212516</b>
		City or town, state and ZIP code <b>NEW YORK NY 10019</b>	

F Check applicable boxes. (1)  Initial return (2)  Final return (3)  Change in address (4)  Amended return  
 G Check this box if this S corporation is subject to the consolidated audit procedures of sections 6241 through 6245 (see instructions before checking this box)   
 H Enter number of shareholders in the corporation at end of the tax year **11**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales <b>127132</b>	b Less returns and allowances	c Bal	1c <b>127132</b>
	2 Cost of goods sold (Schedule A, line 8)			2
	3 Gross profit. Subtract line 2 from line 1c			3 <b>127132</b>
	4 Net gain (loss) from Form 4797, Part II, line 20 (attach Form 4797)			4
	5 Other income (loss) (see instructions) (attach schedule)			5
	6 Total income (loss). Combine lines 3 through 5			6 <b>127132</b>
Deductions (See instructions for limitations)	7 Compensation of officers			7
	8a Salaries and wages <b>36907</b>	b Less jobs credit	c Bal	8c <b>36907</b>
	9 Repairs			9
	10 Bad debts			10
	11 Rents			11
	12 Taxes			12 <b>2331</b>
	13 Interest			13 <b>825</b>
	14a Depreciation (see instructions)	<b>1200</b>		14a
	b Depreciation claimed on Schedule A and elsewhere on return			14b
	c Subtract line 14b from line 14a			14c <b>1200</b>
	15 Depletion (Do not deduct oil and gas depletion.)			15
	16 Advertising			16 <b>500</b>
	17 Pension, profit-sharing, etc., plans			17
	18 Employee benefit programs			18
19 Other deductions (see instructions) (attach schedule)			19 <b>54214</b>	
20 Total deductions. Add lines 7 through 19			20 <b>95912</b>	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6			21 <b>31220</b>	
Tax and Payments	22 Tax			22
	a Excess net passive income tax (attach schedule)	22a		22a
	b Tax from Schedule D (Form 1120S)	22b		22b
	c Add lines 22a and 22b (see instructions for additional taxes)			22c
	23 Payments:			23
	a 1992 estimated tax payments	23a		23a
	b Tax deposited with Form 7004	23b		23b
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c		23c
	d Add lines 23a through 23c			23d
	24 Estimated tax penalty (see instructions) Check if Form 2220 is attached. <input type="checkbox"/>			24
25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See instructions for depositary method of payment.			25	
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid.			26	
27 Enter amount of line 26 you want credited to 1993 estimated tax. <input type="checkbox"/> Refunded			27	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**TAXPAYER'S COPY**

Paid Preparer's Use Only	Preparer's signature <b>Sam J Nole CPA</b>	Date <b>2/25/93</b>	Check if self-employed <input checked="" type="checkbox"/>	Preparer's identification number <b>13-3627972</b>
	Firm's name (or yours if self-employed) and address <b>SAM J NOLE CPA 230 PARK AVENUE SUITE 1221 NEW YORK NY</b>	E.I. No. <b>13-3627972</b>	ZIP code <b>10169</b>	

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Cat. No. 11510H

Form 1120S (1992)

000175

ATTACHMENT

D-00A

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**Schedule A** Cost of Goods Sold (See instructions.)

- 1 Inventory at beginning of year
- 2 Purchases
- 3 Cost of labor
- 4 Additional section 263A costs (see instructions) (attach schedule)
- 5 Other costs (attach schedule)
- 6 Total. Add lines 1 through 5
- 7 Inventory at end of year
- 8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.

1		
2		
3		
4		
5		
6		
7		
8		

**9a** Check all methods used for valuing closing inventory:

- (i)  Cost
- (ii)  Lower of cost or market as described in Regulations section 1.471-4
- (iii)  Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
- (iv)  Other (specify method used and attach explanation) ▶

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970).

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. %

d Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation?  Yes  No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation.  Yes  No

**Schedule B** Other Information

- 1 Check method of accounting: (a)  Cash (b)  Accrual (c)  Other (specify) ▶
- 2 Refer to the list in the instructions and state the corporation's principal:  
(a) Business activity ▶ MANAGEMENT (b) Product or service ▶ MANAGEMENT & PRODUCTION
- 3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.  Yes  No
- 4 Was the corporation a member of a controlled group subject to the provisions of section 1561?  Yes  No
- 5 At any time during calendar year 1992, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See instructions for exceptions and filing requirements for form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶  Yes  No
- 6 Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926.  Yes  No
- 7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter.
- 8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.
- 9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$
- 10 Check this box if the corporation had subchapter C earnings and profits at the close of the tax year (see instructions).
- 11 Was this corporation in operation at the end of 1992?  Yes  No
- 12 How many months in 1992 was this corporation in operation?  Yes  No

	Yes	No
1		
2		
3		<input checked="" type="checkbox"/>
4		<input checked="" type="checkbox"/>
5		<input checked="" type="checkbox"/>
6		<input checked="" type="checkbox"/>
7		
8		
9		<input checked="" type="checkbox"/>
10		
11		<input checked="" type="checkbox"/>
12		<input checked="" type="checkbox"/>

**Designation of Tax Matters Person (See instructions.)**

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return:

Name of designated TMP ▶ FRED NEWMAN

Identifying number of TMP ▶ [REDACTED]

Address of designated TMP ▶ 610 W 110TH STREET, NEW YORK, NY 10025

002176

**Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.**

		(a) Pro rata share items	(b) Total amount			
			1	31220		
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)	2			
	2	Net income (loss) from rental real estate activities (attach Form 8825)				
	3a	Gross income from other rental activities	3a			
			3b			
	b	Expenses from other rental activities (attach schedule)	3c			
		c	Net income (loss) from other rental activities. Subtract line 3b from line 3a			
	4	Portfolio income (loss):	4a			
		a	Interest income	4b		
		b	Dividend income	4c		
		c	Royalty income	4d		
		d	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4e		
		e	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	4f		
5	1	Other portfolio income (loss) (attach schedule)	5			
	2	Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)	6			
	3	Other income (loss) (attach schedule)	7			
	4		8			
	5		9			
	6		10			
Deductions	7	Charitable contributions (see instructions) (attach schedule)	11a			
	8	Section 179 expense deduction (attach Form 4562)	11b(1)			
	9	Deductions related to portfolio income (loss) (see instructions) (itemize)	11b(2)			
	10	Other deductions (attach schedule)	12a			
Investment Interest	11a	Interest expense on investment debts	12b(1)			
	b	(1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 9 above	12b(2)			
Credits	12a	Credit for alcohol used as a fuel (attach Form 6478)	12b(3)			
		b	Low-income housing credit (see instructions):	12b(4)		
			(1)	From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12c	
			(2)	Other than on line 12b(1) for property placed in service before 1990	12d	
	(3)		From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12e		
	(4)	Other than on line 12b(3) for property placed in service after 1989	13			
	c	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	14a			
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	14b			
	e	Credits related to other rental activities (see instructions)	14c			
	13	Other credits (see instructions)	14d(1)			
Adjustments and Tax Preference Items	14a	Depreciation adjustment on property placed in service after 1985	14d(2)			
	b	Adjusted gain or loss	14e			
	c	Depletion (other than oil and gas)				
	d	(1) Gross income from oil, gas, or geothermal properties (2) Deductions allocable to oil, gas, or geothermal properties				
	e	Other adjustments and tax preference items (attach schedule)				
Foreign Taxes	15a	Type of income ▶	15c			
	b	Name of foreign country or U.S. possession ▶	15d			
	c	Total gross income from sources outside the United States (attach schedule)	15e			
	d	Total applicable deductions and losses (attach schedule)	15f			
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g			
	f	Reduction in taxes available for credit (attach schedule)	16a			
	g	Other foreign tax information (attach schedule)	17			
Other	16a	Total expenditures to which a section 59(e) election may apply	18			
	b	Type of expenditures ▶	19			
	17	Tax-exempt interest income	20			
	18	Other tax-exempt income	21			
	19	Non deductible expenses	22			
	20	Total property distributions (including cash) other than dividends reported on line 22 below	23	31220		
	21	Other items and amounts required to be reported separately to shareholders (see instructions) (attach schedule)		30		
	22	Total dividend distributions paid from accumulated earnings and profits				
23	Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15a, and 16a					

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Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		6484		498
2a Trade notes and accounts receivable	8574		1917	
b Less allowance for bad debts		8574		1917
3 Inventories				1135
4 U.S. Government obligations				
5 Tax-exempt securities				7500
6 Other current assets (attach schedule)		5000		
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets	1851		1851	
b Less accumulated depreciation	185	1666	1375	466
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization		17135		20100
14 Other assets (attach schedule)		173359		212516
15 Total assets				
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable		10366		1169
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach schedule)		67124		60209
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach schedule)				
22 Capital stock		163480		177480
23 Paid-in or capital surplus		<47611>		<26342>
24 Retained earnings		( )		( )
25 Less cost of treasury stock				
26 Total liabilities and shareholders' equity		143359		212516

**Schedule M-1** Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Net income (loss) per books	30869	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):			a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16a (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16a, not charged against book income this year (itemize):	
a Depreciation \$			a Depreciation \$	
b Travel and entertainment \$ 351				
4 Add lines 1 through 3	31220	7	Add lines 5 and 6	
		8	Income (loss) (Schedule K, line 23) Line 4 less line 7	31220

**Schedule M-2** Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (See instructions.)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	<47611>		
2 Ordinary income from page 1, line 21	31220		
3 Other additions	( )		
4 Loss from page 1, line 21	( )	9951	
5 Other reductions	<16391>	<9951>	
6 Combine lines 1 through 5			
7 Distributions other than dividend distributions	<16391>	<9951>	
8 Balance at end of tax year Subtract line 7 from line 6			30

Form **4562**

**Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No 1545-0172

**1992**

Attachment  
Sequence No 67

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions. ▶ Attach this form to your return.

Name(s) shown on return

**FRED NEWMAN PRODUCTIONS**

Identifying number

**13-3587971**

Business or activity to which this form relates

**ENTERTAINMENT**

**Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)**

1	Maximum dollar limitation (see instructions)	1	\$10,000
2	Total cost of section 179 property placed in service during the tax year (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2, but do not enter less than -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1, but do not enter less than -0-	5	
6	(a) Description of property	(b) Cost	(c) Elected cost
7	Listed property. Enter amount from line 26.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1991 (see instructions)	10	
11	Taxable income limitation. Enter the smaller of taxable income or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1993. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for automobiles, certain other vehicles, cellular telephones, computers, or property used for entertainment, recreation, or amusement (listed property). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1992 Tax Year (Do Not Include Listed Property)**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>14 General Depreciation System (GDS) (see instructions):</b>						
a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property			27.5 yrs.	MM	S/L	
h Nonresidential real property			31.5 yrs.	MM	S/L	
<b>15 Alternative Depreciation System (ADS) (see instructions):</b>						
a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part III Other Depreciation (Do Not Include Listed Property)**

16	GDS and ADS deductions for assets placed in service in tax years beginning before 1992 (see instructions)	16	
17	Property subject to section 168(f)(1) election (see instructions)	17	
18	ACRS and other depreciation (see instructions)	18	1260

**Part IV Summary**

19	Listed property. Enter amount from line 25.	19	
20	Total. Add deductions on line 12, lines 14 and 15 in column (g), and lines 16 through 19. Enter here and on the appropriate lines of your return. (Partnerships and S corporations—see instructions)	20	1200
21	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)	21	

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Cat No 12902H

Form 4562 (1992)

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**Part V Listed Property—Automobiles, Certain Other Vehicles, Cellular Telephones, Computers, and Property Used for Entertainment, Recreation, or Amusement**

For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 22a, 22b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A—Depreciation (Caution: See instructions for limitations for automobiles.)**

22a Do you have evidence to support the business/investment use claimed?  Yes  No 22b If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
---	-------------------------------	---	----------------------------	--	------------------------	--------------------------	-------------------------------	---------------------------------

23 Property used more than 50% in a qualified business use (see instructions):

		%						
		%						
		%						

24 Property used 50% or less in a qualified business use (see instructions):

		%				S/L -		
		%				S/L -		
		%				S/L -		

25 Add amounts in column (h). Enter the total here and on line 19, page 1. 25  
 26 Add amounts in column (i). Enter the total here and on line 7, page 1. 26

**Section B—Information Regarding Use of Vehicles—If you deduct expenses for vehicles:**

- Always complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
- If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
27 Total business/investment miles driven during the year (DO NOT include commuting miles)												
28 Total commuting miles driven during the year												
29 Total other personal (noncommuting) miles driven												
Total miles driven during the year. Add lines 27 through 29.												
31 Was the vehicle available for personal use during off-duty hours?												
32 Was the vehicle used primarily by a more than 5% owner or related person?												
33 Is another vehicle available for personal use?												

**Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B. Note: Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.

	Yes	No
34 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
35 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)		
36 Do you treat all use of vehicles by employees as personal use?		
37 Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles?		
38 Do you meet the requirements concerning qualified automobile demonstration use (see instructions)?		

Note: If your answer to 34, 35, 36, 37 or 38 is "Yes," you need not complete Section B for the covered vehicles

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
Amortization of costs that begins during your 1992 tax year:					
40 Amortization of costs that began before 1992					40
41 Total Enter here and on "Other Deductions" or "Other Expenses" line of your return					41

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ATTACHMENT 30  
 Form 4562-29



FRED NEWMAN PRODUCTIONS  
FORM 1120S 1992  
E. I. NO: 13-3587971  
FILE: QPRO\QUATTRO\FNP92

DEDUCTIONS LINE 19

OTHER DEDUCTIONS

BANK CHARGES	177.20
ACCOUNTING / LEGAL	800.00
TRAVEL	4,098.50
ENTERTAINMENT	1,756.50
LESS: 20% STATUTORY LIMITATION	(351.30)
PRINTING	35.00
OFFICE SUPPLIES / EXPENSES	5,120.92
MESSENGER	804.25
SPECIAL EVENTS	300.00
OUTSIDE SERVICES	8,900.00
CONSULTATIONS	6,209.80
PROPERTY EXPENSES : [REDACTED]	1,770.25
PROPERTY EXPENSES: [REDACTED]	20,571.07
PROPERTY EXPENSES [REDACTED]	3,897.00
TOTAL	<u>54,089.19</u>

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ATTACHMENT 30  
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SCHEDULE K-1  
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No 1545-0130

1992

▶ See separate instructions.  
For calendar year 1992 or tax year  
1992, and ending

Department of the Treasury  
Internal Revenue Service

beginning

19

Shareholder's identifying number	Corporation's identifying number ▶ 13-3587971
Shareholder's name, address, and ZIP code SHAREHOLDER # 1 FRED NEUMAN 610 W 110TH STREET NEW YORK, NY 10025	Corporation's name, address, and ZIP code FRED NEUMAN PRODUCTIONS 250 WEST 57TH STREET # 317 NEW YORK NY 10019

- A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ 70.88%
- B Internal Revenue Service Center where corporation filed its return ▶ HOLTSVILLE NY 00501
- C (1) Tax shelter registration number (see Instructions for Schedule K-1) ▶
- (2) Type of tax shelter ▶
- D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on	
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 22129	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):	4a Interest	4a	Sch. B, Part I, line 1
		b Dividends	4b	Sch. B, Part II, line 5
		c Royalties	4c	Sch. E, Part I, line 4
		d Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f) or (g)
e Net long-term capital gain (loss)		4e	Sch. D, line 13, col. (f) or (g)	
f Other portfolio income (loss) (attach schedule)		4f	(Enter on applicable line of your return.)	
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5	See Shareholder's Instructions for Schedule K-1 (Form 1120S).		
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of your return.)		
Deductions	7 Charitable contributions (see Instructions) (attach schedule)	7 6104	Sch. A, line 13 or 14	
	8 Section 179 expense deduction	8	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
	9 Deductions related to portfolio income (loss) (attach schedule)	9		
	10 Other deductions (attach schedule)	10		
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1	
	b (1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10	
	b Low-income housing credit:	b(1)	Form 8586, line 5	
		(1) From section 420(f) partnerships for property placed in service before 1990		
		(2) Other than on line 12b(1) for property placed in service before 1990		
		(3) From section 420(f) partnerships for property placed in service after 1989		
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)		
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d			
e Credits related to other rental activities (see instructions)	12e			
13 Other credits (see instructions)	13			
Payments and Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251	
	b Adjusted gain or loss	14b		
	c Depletion (other than oil and gas)	14c		
	d (1) Gross income from oil, gas, or geothermal properties	d(1)		
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)		
e Other adjustments and tax preference items (attach schedule)	14e			

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(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	Form 1116, Part II
	e Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16a Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	b Type of expenditures ▶	17	Form 1040, line 8b
	17 Tax-exempt interest income	18	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	18 Other tax-exempt income	19	
	19 Nondeductible expenses	20	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	21	
	21 Amount of loan repayments for "Loans From Shareholders"	22a	Form 8611, line 8
	22 Recapture of low-income housing credit:	22b	
	a From section 42(j)(5) partnerships		
	b Other than on line 22a		

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed)

MEALS & ENTERTAINMENT \$249.00

Supplemental Information

**SCHEDULE K-1**  
**(Form 1120S)**

**Shareholder's Share of Income, Credits, Deductions, etc.**

OMB No 1545-0130

▶ See separate instructions.

**1992**

Department of the Treasury  
Internal Revenue Service

beginning

For calendar year 1992 or tax year  
1992, and ending

19

Shareholder's identifying number ▶ [REDACTED]  
Shareholder's name, address, and ZIP code: **SHAREHOLDER # 2**  
**CATHY SALIT**  
**CD 500 GREENWICH STREET # 201**  
**NEW YORK NY 10013**

Corporation's identifying number ▶ **13-3587971**  
Corporation's name, address, and ZIP code:  
**FRED NEWMAN PRODUCTIONS**  
**250 WEST 37TH STREET # 317**  
**NEW YORK NY 10019**

- A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ **20.00 %**
- B Internal Revenue Service Center where corporation filed its return ▶ **HOLYVILLE NY 00501**
- C (1) Tax shelter registration number (see Instructions for Schedule K-1) ▶
- (2) Type of tax shelter ▶
- D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 <b>6244</b>	See Shareholder's Instructions for Schedule K-1 (Form 1120S).  Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	
	b Dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss)	4e	
	f Other portfolio income (loss) (attach schedule)	4f	
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (see instructions) (attach schedule)	7 <b>1920</b>	Sch. A, line 13 or 14  See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	8 Section 179 expense deduction	8	
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1 See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b (1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10  Form 8586, line 5  See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	b Low-income housing credit:		
	(1) From section 42(b)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(b)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	
d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e Credits related to other rental activities (see instructions)	12e		
13 Other credits (see instructions)	13		
Ascent and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

Cat. No 11520D Schedule K-1 (Form 1120S) 1992

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**SCHEDULE K-1**  
**(Form 1120S)**

**Shareholder's Share of Income, Credits, Deductions, etc.**

OMB No 1545-0132

▶ See separate instructions.

**1992**

Department of the Treasury  
Internal Revenue Service

beginning [REDACTED] 1992, and ending [REDACTED], 19

Shareholder's identifying number ▶ <span style="background-color: black; color: black;">[REDACTED]</span>	Corporation's identifying number ▶ 13-3587971
Shareholder's name, address, and ZIP code SHARER HOLDER # 3 SUSAN MASSAD 245 W 107TH STREET #108 NEW YORK NY 10025	Corporation's name, address, and ZIP code FRED NEWMAN PRODUCTIONS 250 WEST 57TH STREET #317 NEW YORK, NY 10019

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 2.40 %
- B Internal Revenue Service Center where corporation filed its return ▶ HOLTSVILLE NY 00501
- C (1) Tax shelter registration number (see instructions for Schedule K-1) ▶
- (2) Type of tax shelter ▶
- D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1.

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on
<b>Income (Loss)</b>	1 Ordinary income (loss) from trade or business activities	749	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities		
	3 Net income (loss) from other rental activities		
	4 Portfolio income (loss):		Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's instructions for Schedule K-1 (Form 1120S) (Enter on applicable line of your return.)
	a Interest	4a	
	b Dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss)	4e	
	f Other portfolio income (loss) (attach schedule)	4f	
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5	See Shareholder's instructions for Schedule K-1 (Form 1120S) (Enter on applicable line of your return.)	
6 Other income (loss) (attach schedule)	6		
<b>Deductions</b>	7 Charitable contributions (see instructions) (attach schedule)	230	Sch. A, line 13 or 14
	8 Section 179 expense deduction	8	See Shareholder's instructions for Schedule K-1 (Form 1120S)
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
<b>Investment Interest</b>	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a through 4f above	b(1)	See Shareholder's instructions for Schedule K-1 (Form 1120S)
	(2) Investment expenses included on line 9 above	b(2)	
<b>Credits</b>	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(b)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(b)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	See Shareholder's instructions for Schedule K-1 (Form 1120S)
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d	
e Credits related to other rental activities (see instructions)	12e		
13 Other credits (see instructions)	13		
<b>Tax preference items</b>	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

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		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on
Foreign Taxes	15a	Type of income ▶		Form 1116, Check boxes
	b	Name of foreign country or U.S. possession ▶		
	c	Total gross income from sources outside the United States (attach schedule)	15c	Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	15d	
	e	Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f	Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part II
	g	Other foreign tax information (attach schedule)	15g	Form 1116, Part III See Instructions for Form 1116
Other	16a	Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	b	Type of expenditures ▶	17	
	17	Tax-exempt interest income	18	Form 1040, line 8b
	18	Other tax-exempt income	19	
	19	Nondeductible expenses	20	
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	21	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	21	Amount of loan repayments for "Loans From Shareholders"	22a	
	22	Recapture of low-income housing credit:	22b	Form 8611, line 8
a	From section 42(g)(5) partnerships			
b	Other than on line 22a			

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

MEALS & ENTERTAINMENT J & CO

Supplemental Information

ATTACHMENT 30  
Page 13 of 24

SCHEDULE K-1  
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No 1545-0132

▶ See separate instructions.

1992

Department of the Treasury  
Internal Revenue Service

beginning

For calendar year 1992 or tax year  
1992, and ending

19

Shareholder's identifying number

Corporation's identifying number ▶ 13-3587971

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code  
FRED NEWMAN PRODUCTIONS  
250 WEST 57TH STREET #317  
NEW YORK NY 10019

PHYLLIS GOLDBERG  
420 CENTRAL PARK WEST #36  
NEW YORK NY 10025

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 1.00 %  
 B Internal Revenue Service Center where corporation filed its return ▶ HOUSTON, NY 00501  
 C (1) Tax shelter registration number (see instructions for Schedule K-1)  
 (2) Type of tax shelter ▶  
 D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) or:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	312	See Shareholder's instructions for Schedule K-1 (Form 1120S).  Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)
	2 Net income (loss) from rental real estate activities		
	3 Net income (loss) from other rental activities		
	4 Portfolio income (loss):		
	a Interest	4a	
	b Dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss)	4e	
	f Other portfolio income (loss) (attach schedule)	4f	
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (see instructions) (attach schedule)	97	Sch. A, line 13 or 14
	8 Section 179 expense deduction	8	See Shareholder's instructions for Schedule K-1 (Form 1120S)
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1 See Shareholder's instructions for Schedule K-1 (Form 1120S)
	b (1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	
Credits	12a Credit for alcohol used as fuel		Form 6478, line 10  Form 8586, line 5  See Shareholder's instructions for Schedule K-1 (Form 1120S)
	b Low-income housing credit:		
	(1) From section 42(b)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(b)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	
d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e Credits related to other rental activities (see instructions)	12e		
13 Other credits (see instructions)	13		
Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties (2) Deductions allocable to oil, gas, or geothermal properties	d(1) d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

Cat. No 115200

Schedule K-1 (Form 1120S) 1992

002188

ATTACHMENT 30  
Page 14 of 29



(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (attach schedule)	15c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part II Form 1116, Part III See Instructions for Form 1116
	g Other foreign tax information (attach schedule)	15g	
Other	16a Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	b Type of expenditures ▶	17	
	17 Tax-exempt interest income	18	Form 1040, line 8b
	18 Other tax-exempt income	19	
	19 Nondeductible expenses	20	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	21	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	21 Amount of loan repayments for "Loans From Shareholders"	22a	
	22 Recapture of low-income housing credit	22b	Form 8611, line 8
	a From section 42(j)(5) partnerships		
	b Other than on line 22a		

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

MEALS & ENTERTAINMENT \$4.00

Supplemental Information

SCHEDULE K-1  
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No 1545-0130

▶ See separate instructions.  
For calendar year 1992 or tax year  
1992, and ending

1992

Department of the Treasury  
Internal Revenue Service

beginning [redacted] 1992, and ending [redacted] 19

Shareholder's identifying number ▶ [redacted]	Corporation's identifying number ▶ 13-3587971
Shareholder's name, address, and ZIP code MARY RIVERA 451 BROOME STREET NEW YORK, NY 10013	Corporation's name, address, and ZIP code FRED NEWMAN PRODUCTIONS 250 WEST 57TH STREET #317 NEW YORK, NY 10019

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 100 %
- B Internal Revenue Service Center where corporation filed its return ▶ HOLTSVILLE NY 00501
- C (1) Tax shelter registration number (see instructions for Schedule K-1) ▶
- (2) Type of tax shelter ▶
- D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on
Income (Loss)	1	Ordinary income (loss) from trade or business activities	3/2	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	2	Net income (loss) from rental real estate activities		
	3	Net income (loss) from other rental activities		
	4	Portfolio income (loss):		Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)
	a	Interest	4a	
	b	Dividends	4b	
	c	Royalties	4c	
	d	Net short-term capital gain (loss)	4d	
	e	Net long-term capital gain (loss)	4e	
	f	Other portfolio income (loss) (attach schedule)	4f	
5	Net gain (loss) under section 1231 (other than due to casualty or theft)	5	See Shareholder's instructions for Schedule K-1 (Form 1120S).	
6	Other income (loss) (attach schedule)	6		
Deductions	7	Charitable contributions (see instructions) (attach schedule)	97	Sch. A, line 13 or 14
	8	Section 179 expense deduction	8	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	9	Deductions related to portfolio income (loss) (attach schedule)	9	
	10	Other deductions (attach schedule)	10	
Investment Interest	11a	Interest expense on investment debts	11a	Form 4952, line 1
	b	(1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	See Shareholder's instructions for Schedule K-1 (Form 1120S)
Credits	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10
	b	Low-income housing credit:		Form 8586, line 5
	(1)	From section 42(b)(5) partnerships for property placed in service before 1990	b(1)	
	(2)	Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3)	From section 42(b)(5) partnerships for property placed in service after 1989	b(3)	
	(4)	Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c	Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	See Shareholder's instructions for Schedule K-1 (Form 1120S)
d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e	Credits related to other rental activities (see instructions)	12e		
13	Other credits (see instructions)	13		
Payments and Other Items	14a	Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251
	b	Adjusted gain or loss	14b	
	c	Depletion (other than oil and gas)	14c	
	d	(1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)		
e	Other adjustments and tax preference items (attach schedule)	14e		

For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

Cat. No. 115200

Schedule K-1 (Form 1120S) 1992

002190

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10 = 29

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on	
Foreign Taxes	15a	Type of income ▶		Form 1116, Check boxes	
	b	Name of foreign country or U.S. possession ▶			
	c	Total gross income from sources outside the United States (attach schedule)	15c		Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	15d		
	e	Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e		Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	15f		Form 1116, Part III
	g	Other foreign tax information (attach schedule)	15g		See Instructions for Form 1116
Other	16a	Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
	b	Type of expenditures ▶			
	17	Tax-exempt interest income	17	Form 1040, line 8b	
	18	Other tax-exempt income	18		
	19	Nondeductible expenses	19	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20		
	21	Amount of loan repayments for "Loans From Shareholders"	21		
	22	Recapture of low-income housing credit.		Form 8611, line 8	
	a	From section 42(g)(5) partnerships	22a		
	b	Other than on line 22a	22b		

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

MEALS & ENTERTAINMENT 14.00

Supplemental Information

SCHEDULE K-1  
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No 1545-0130

▶ See separate instructions.  
For calendar year 1992 or tax year  
beginning 1992, and ending 19

1992

Department of the Treasury  
Internal Revenue Service

Shareholder's identifying number ▶ [REDACTED]  
Shareholder's name, address, and ZIP code  
BARBARA TAYLOR  
250 W. 104TH STREET #41  
NEW YORK NY 10025

Corporation's identifying number ▶ 13-3587971  
Corporation's name, address, and ZIP code  
FRED NEWMAN PRODUCTIONS  
250 WEST 57TH STREET #317  
NEW YORK, NY 10019

- A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ 0.50 %  
B Internal Revenue Service Center where corporation filed its return ▶ HOLTSVILLE NY 00501  
C (1) Tax shelter registration number (see Instructions for Schedule K-1) ▶  
(2) Type of tax shelter ▶  
D Check applicable boxes (1)  Final K-1 (2)  Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) or.	
Income (Loss)	1	Ordinary income (loss) from trade or business activities	156	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	2	Net income (loss) from rental real estate activities			
	3	Net income (loss) from other rental activities			
	4	Portfolio income (loss):			Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)
		4a	Interest		
		4b	Dividends		
		4c	Royalties		
		4d	Net short-term capital gain (loss)		
		4e	Net long-term capital gain (loss)		
	4f	Other portfolio income (loss) (attach schedule)			
5	Net gain (loss) under section 1231 (other than due to casualty or theft)				
6	Other income (loss) (attach schedule)				
Deductions	7	Charitable contributions (see instructions) (attach schedule)	48	Sch. A, line 13 or 14	
	8	Section 179 expense deduction		See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
	9	Deductions related to portfolio income (loss) (attach schedule)			
	10	Other deductions (attach schedule)			
Investment Interest	11a	Interest expense on investment debts	11a	Form 4952, line 1	
	b	(1) Investment income included on lines 4a through 4f above	b(1)	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
		(2) Investment expenses included on line 9 above	b(2)		
Credits	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10	
	b	Low-income housing credit:		Form 8586, line 5	
		b(1)	(1) From section 42(b)(5) partnerships for property placed in service before 1990		
		b(2)	(2) Other than on line 12b(1) for property placed in service before 1990		
		b(3)	(3) From section 42(b)(5) partnerships for property placed in service after 1989		
	b(4)	(4) Other than on line 12b(3) for property placed in service after 1989			
	12c	Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
	12d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
12e	Credits related to other rental activities (see instructions)	12e			
13	Other credits (see instructions)	13			
Timing and Preference Items	14a	Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251	
	14b	Adjusted gain or loss	14b		
	14c	Depletion (other than oil and gas)	14c		
	d	(1) Gross income from oil, gas, or geothermal properties	d(1)		
		(2) Deductions allocable to oil, gas, or geothermal properties	d(2)		
14e	Other adjustments and tax preference items (attach schedule)	14e			

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

Cat. No. 11520D

Schedule K-1 (Form 1120S) 1992

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SCHEDULE K-1  
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No 1545-0130

▶ See separate instructions.

1992

Department of the Treasury  
Internal Revenue Service

beginning [redacted] 1992, and ending [redacted] 19 [redacted]

Shareholder's identifying number ▶ [redacted]

Corporation's identifying number ▶ 13-3587971

Shareholder's name, address, and ZIP code ▶

Corporation's name, address, and ZIP code ▶

HUGH POLK  
125 W 106TH STREET # 4A  
NEW YORK NY 10025

FRED NEWMAN PRODUCTIONS  
250 WEST 57TH STREET # 317  
NEW YORK NY 10019

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) C 40 %
- B Internal Revenue Service Center where corporation filed its return ▶ HOLTSVILLE NY 00501
- C (1) Tax shelter registration number (see instructions for Schedule K-1) ▶
- (2) Type of tax shelter ▶
- D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 Sers enter the amount in column (b) on:
Income (Loss)	1	Ordinary income (loss) from trade or business activities	125	See Shareholder's instructions for Schedule K-1 (Form 1120S).  Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. U, line 5, col. (f) or (g) Sch. U, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)
	2	Net income (loss) from rental real estate activities		
	3	Net income (loss) from other rental activities		
	4	Portfolio income (loss):		
	a	Interest	4a	
	b	Dividends	4b	
	c	Royalties	4c	
	d	Net short-term capital gain (loss)	4d	
	e	Net long-term capital gain (loss)	4e	
	f	Other portfolio income (loss) (attach schedule)	4f	
5	Net gain (loss) under section 1231 (other than due to casualty or theft)	5		
6	Other income (loss) (attach schedule)	6		
Deductions	7	Charitable contributions (see instructions) (attach schedule)	38	Sch. A, line 13 or 14
	8	Section 179 expense deduction	8	See Shareholder's instructions for Schedule K-1 (Form 1120S)
	9	Deductions related to portfolio income (loss) (attach schedule)	9	
	10	Other deductions (attach schedule)	10	
Investment Interest	11a	Interest expense on investment debts	11a	
	b(1)	(1) Investment income included on lines 4a through 4f above	b(1)	See Shareholder's instructions for Schedule K-1 (Form 1120S).
b(2)	(2) Investment expenses included on line 9 above	b(2)		
Credits	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10
	b	Low-income housing credit:		Form 8586, line 5
	(1)	(1) From section 42(b)(5) partnerships for property placed in service before 1990	b(1)	
	(2)	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3)	(3) From section 42(b)(5) partnerships for property placed in service after 1989	b(3)	
	(4)	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c	Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	See Shareholder's instructions for Schedule K-1 (Form 1120S)
d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e	Credits related to other rental activities (see instructions)	12e		
13	Other credits (see instructions)	13		
Tax Preference Items	14a	Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b	Adjusted gain or loss	14b	
	c	Depletion (other than oil and gas)	14c	
	d(1)	(1) Gross income from oil, gas, or geothermal properties	d(1)	
	d(2)	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
e	Other adjustments and tax preference items (attach schedule)	14e		

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

Cat. No 115200 Schedule K-1 (Form 1120S) 1992

ATTACHMENT 30  
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		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on.	
Foreign Taxes	15a	Type of income ▶		Form 1116 Check boxes	
	b	Name of foreign country or U.S. possession ▶			
	c	Total gross income from sources outside the United States (attach schedule)	15c		Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	15d		
	e	Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e		Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	15f		Form 1116, Part III
	g	Other foreign tax information (attach schedule)	15g		See Instructions for Form 1116
Other	16a	Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
	b	Type of expenditures ▶	17	Form 1040, line 8b	
	17	Tax-exempt interest income	18		
	18	Other tax-exempt income	19	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
	19	Nondeductible expenses	20		
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	21		
	21	Amount of loan repayments for "Loans From Shareholders"		Form 8611, line 8	
	22	Recapture of low-income housing credit	22a		
	a	From section 42(j)(5) partnerships	22b		
Supplemental information	23	Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):			
		MEALS & ENTERTAINMENT \$ 1.00			

SCHEDULE K-1  
Form 1120S

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No 1545-0130

1992

See separate instructions.

For calendar year 1992 or tax year 1992, and ending

Department of the Treasury  
Internal Revenue Service

beginning

Shareholder's identifying number

Corporation's identifying number ▶ 13-3587971

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code

JEFF WILLIAMSON  
155 ATLANTIC AVENUE  
BROOKLYN, NY 11201

FRED NEWMAN PRODUCTIONS  
250 WEST 57TH STREET #317  
NEW YORK, NY 10019

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 0.92 %
- B Internal Revenue Service Center where corporation filed its return ▶ HOLTSVILLE NY 00501
- C (1) Tax shelter registration number (see instructions for Schedule K-1) ▶
- (2) Type of tax shelter ▶
- D Check applicable boxes. (1)  Final K-1 (2)  Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) or.	
Income (Loss)	1 Ordinary income (loss) from trade or business activities	228	See Shareholder's instructions for Schedule K-1 (Form 1120S)	
	2 Net income (loss) from rental real estate activities			
	3 Net income (loss) from other rental activities			
	4 Portfolio income (loss):	4a Interest		Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col (f) or (g) Sch. D, line 13, col (f) or (g) (Enter on applicable line of your return) See Shareholder's instructions for Schedule K-1 (Form 1120S) (Enter on applicable line of your return)
		4b Dividends		
		4c Royalties		
		4d Net short-term capital gain (loss)		
		4e Net long-term capital gain (loss)		
		4f Other portfolio income (loss) (attach schedule)		
		5 Net gain (loss) under section 1231 (other than due to casualty or theft)		
6 Other income (loss) (attach schedule)				
Deductions	7 Charitable contributions (see instructions) (attach schedule)	82	Sch. A, line 13 or 14 See Shareholder's instructions for Schedule K-1 (Form 1120S)	
	8 Section 179 expense deduction			
	9 Deductions related to portfolio income (loss) (attach schedule)			
	10 Other deductions (attach schedule)			
Investment Interest	11a Interest expense on investment debts		Form 4952, line 1 See Shareholder's instructions for Schedule K-1 (Form 1120S)	
	b (1) Investment income included on lines 4a through 4f above			
	(2) Investment expenses included on line 9 above			
Credits	12a Credit for alcohol used as fuel		Form 6478, line 10 Form 8586, line 5 See Shareholder's instructions for Schedule K-1 (Form 1120S)	
	b Low-income housing credit:	b(1) From section 420(S) partnerships for property placed in service before 1990		
		b(2) Other than on line 12b(1) for property placed in service before 1990		
		b(3) From section 420(S) partnerships for property placed in service after 1989		
		b(4) Other than on line 12b(3) for property placed in service after 1989		
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c		
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e Credits related to other rental activities (see instructions)	12e			
13 Other credits (see instructions)	13			
Adj. items and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251	
	b Adjusted gain or loss	14b		
	c Depletion (other than oil and gas)	14c		
	d (1) Gross income from oil, gas, or geothermal properties	d(1)		
		(2) Deductions allocable to oil, gas, or geothermal properties		d(2)
	e Other adjustments and tax preference items (attach schedule)	14e		



		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on	
Foreign Taxes	15a	Type of income ▶		Form 1116, Check boxes	
	b	Name of foreign country or U.S. possession ▶			
	c	Total gross income from sources outside the United States (attach schedule)	15c	Form 1116, Part I	
	d	Total applicable deductions and losses (attach schedule)	15d		
	e	Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e		
	f	Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part II	
	g	Other foreign tax information (attach schedule)	15g	Form 1116, Part III See Instructions for Form 1116	
	Other	16a	Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
		b	Type of expenditures ▶	17	
17		Tax-exempt interest income	18	Form 1040, line 8b	
18		Other tax-exempt income	19		
19		Nondeductible expenses		See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
20		Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20		
21		Amount of loan repayments for "Loans From Shareholders"	21		
22		Recapture of low-income housing credit	22a		
a		From section 42(j)(5) partnerships	22b	Form 8611, line 8	
b		Other than on line 22a			
Supplemental Information	23	Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed).			
	MEALS & ENTERTAINMENT \$ 3.00				

SCHEDULE K-1  
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No 1545-0130

1992

See separate instructions.  
For calendar year 1992 or tax year 1992, and ending

Department of the Treasury  
Internal Revenue Service

Shareholder's identifying number ▶ [REDACTED] Corporation's identifying number ▶ 13-3587971

Shareholder's name, address, and ZIP code ▶  
**ROBERT FRIEDMAN**  
 1534 17TH STREET SOUTH # L  
 BIRMINGHAM AL 35205

Corporation's name, address, and ZIP code ▶  
**FRED NEWMAN PRODUCTIONS**  
 250 WEST 57TH STREET # 317  
 NEW YORK, NY 10019

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 1.50 %
- B Internal Revenue Service Center where corporation filed its return ▶ HOLTSVILLE NY 00501
- C (1) Tax shelter registration number (see instructions for Schedule K-1) ▶
- (2) Type of tax shelter ▶
- D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 (Enter the amount in column (b) on
Income (Loss)	1 Ordinary income (loss) from trade or business activities	468	See Shareholder's instructions for Schedule K-1 (Form 1120S).  Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)
	2 Net income (loss) from rental real estate activities		
	3 Net income (loss) from other rental activities		
	4 Portfolio income (loss):		
	a Interest	4a	
	b Dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss)	4e	
	f Other portfolio income (loss) (attach schedule)	4f	
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (see instructions) (attach schedule)	194	Sch. A, line 13 or 14  See Shareholder's instructions for Schedule K-1 (Form 1120S).
	8 Section 179 expense deduction	8	
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1 See Shareholder's instructions for Schedule K-1 (Form 1120S).
	b (1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10  Form 8586, line 5  See Shareholder's instructions for Schedule K-1 (Form 1120S).
	b Low-income housing credit:		
	(1) From section 42(b)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(b)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	
d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e Credits related to other rental activities (see instructions)	12e		
13 Other credits (see instructions)	13		
Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties. (2) Deductions allocable to oil, gas, or geothermal properties	d(1) d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on	
Foreign Taxes	15a	Type of income ▶		Form 1116. Check boxes	
	b	Name of foreign country or U.S. possession ▶			
	c	Total gross income from sources outside the United States (attach schedule)	15c		Form 1116, Part I
	d	Total applicable deductions and losses (attach schedule)	15d		
	e	Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e		Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	15f		Form 1116, Part III
	g	Other foreign tax information (attach schedule)	15g		See Instructions for Form 1116
	16a	Total expenditures to which a section 59(e) election may apply	16a		See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	b	Type of expenditures ▶			
17	Tax-exempt interest income	17	Form 1040, line 8b		
18	Other tax-exempt income	18	See Shareholder's Instructions for Schedule K-1 (Form 1120S)		
19	Nondeductible expenses	19			
20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20			
21	Amount of loan repayments for "Loans From Shareholders"	21			
22	Recapture of low-income housing credit.				
a	From section 42(X5) partnerships	22a	Form 8611, line 8		
b	Other than on line 22a	22b			

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

MEALS & ENTERTAINMENT \$5.00

Supplemental Information

001299

**SCHEDULE K-1**  
**(Form 1120S)**

**Shareholder's Share of Income, Credits, Deductions, etc.**

OMB No 1545-0130

**1992**

▶ See separate instructions.  
For calendar year 1992 or tax year 1992, and ending . 19

Department of the Treasury  
Internal Revenue Service

Shareholder's identifying number ▶ [REDACTED]  
Shareholder's name, address and ZIP code **SHAREHOLDER # 10**  
**HELEN ABEL**  
**534B FAIRBANKS AVE**  
**OAKLAND, CA 94601**

Corporation's identifying number ▶ **13-3587971**  
Corporation's name, address, and ZIP code  
**FRED NEWMAN PRODUCTIONS**  
**250 WEST 57TH STREET # 317**  
**NEW YORK, NY 10019**

- A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ **0.90 %**  
B Internal Revenue Service Center where corporation filed its return ▶ **HOLTSVILLE NY 00501**  
C (1) Tax shelter registration number (see Instructions for Schedule K-1) ▶  
(2) Type of tax shelter ▶  
D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on	
Income (Loss)	1	Ordinary income (loss) from trade or business activities	281	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	2	Net income (loss) from rental real estate activities			
	3	Net income (loss) from other rental activities			
	4	Portfolio income (loss):		4a	Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)
		a	Interest	4b	
		b	Dividends	4c	
		c	Royalties	4d	
		d	Net short-term capital gain (loss)	4e	
		e	Net long-term capital gain (loss)	4f	
		f	Other portfolio income (loss) (attach schedule)		
5	Net gain (loss) under section 1231 (other than due to casualty or theft)	5	Sch. A, line 13 or 14		
6	Other income (loss) (attach schedule)	86			
Deductions	7	Charitable contributions (see instructions) (attach schedule)		See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	8	Section 179 expense deduction			
	9	Deductions related to portfolio income (loss) (attach schedule)			
	10	Other deductions (attach schedule)			
Investment Interest	11a	Interest expense on investment debts	11a	Form 4952, line 1	
	b	(1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
Credits	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10	
	b	Low-income housing credit:		Form 8586, line 5	
		(1)	From section 42(g)(5) partnerships for property placed in service before 1990		b(1)
		(2)	Other than on line 12b(1) for property placed in service before 1990		b(2)
		(3)	From section 42(g)(5) partnerships for property placed in service after 1989		b(3)
	(4)	Other than on line 12b(3) for property placed in service after 1989	b(4)		
	c	Qualified rehabilitation expenditures related to rental real estate activities (see instructions).	12c	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e	Credits related to other rental activities (see instructions)	12e			
13	Other credits (see instructions)	13			
As-allowed and Tax Preference Items	14a	Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251	
	b	Adjusted gain or loss	14b		
	c	Depletion (other than oil and gas)	14c		
	d	(1) Gross income from oil, gas, or geothermal properties. (2) Deductions allocable to oil, gas, or geothermal properties	d(1) d(2)		
	e	Other adjustments and tax preference items (attach schedule)	14e		

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

Cat. No. 115200

Schedule K-1 (Form 1120S) 1992

20 of 29

002200

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (attach schedule)	15c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part II Form 1116, Part III See Instructions for Form 1116
	g Other foreign tax information (attach schedule)	15g	
Other	16a Total expenditures to which a section 59(e) election may apply	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) Form 1040, line 8b
	b Type of expenditures ▶	17	
	17 Tax-exempt interest income	18	See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	18 Other tax-exempt income	19	
	19 Nondeductible expenses		
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	
	22 Recapture of low-income housing credit:	22a	
	a From section 42(i)(5) partnerships	22b	Form 8611, line 8
	b Other than on line 22a		

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

MEALS & ENTERTAINMENT \$ 3 00

Supplemental Information

25 0 0 1 9 9 1

SCHEDULE K-1  
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc.

OMB No 1545-0130

1992

See separate instructions.

For calendar year 1992 or tax year 1992, and ending . 19

Department of the Treasury  
Internal Revenue Service

beginning

Shareholder's identifying number ▶ [REDACTED]  
Shareholder's name, address, and ZIP code  
WARREN LIEBESMAN  
C/O 500 GREENWICH STREET  
NEW YORK, NY 10013

Corporation's identifying number ▶ 13-3587971  
Corporation's name, address, and ZIP code  
FRED NEWMAN PRODUCTIONS  
250 WEST 57TH STREET #317  
NEW YORK, NY 10019

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 0.50  
B Internal Revenue Service Center where corporation filed its return ▶ HOUSTONVILLE NY 00501  
C (1) Tax shelter registration number (see instructions for Schedule K-1) ▶  
(2) Type of tax shelter ▶  
D Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 files enter the amount in column (b) or.
Income (Loss)	1 Ordinary income (loss) from trade or business activities	156	See Shareholder's instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities		
	3 Net income (loss) from other rental activities		
	4 Portfolio income (loss):		Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) (Enter on applicable line of your return.) See Shareholder's instructions for Schedule K-1 (Form 1120S) (Enter on applicable line of your return.)
	a Interest	4a	
	b Dividends	4b	
c Royalties	4c		
d Net short-term capital gain (loss)	4d		
e Net long-term capital gain (loss)	4e		
f Other portfolio income (loss) (attach schedule)	4f		
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5		See Shareholder's instructions for Schedule K-1 (Form 1120S)
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (see instructions) (attach schedule)	48	Sch. A, line 13 or 14
	8 Section 179 expense deduction		See Shareholder's instructions for Schedule K-1 (Form 1120S)
	9 Deductions related to portfolio income (loss) (attach schedule)		
	10 Other deductions (attach schedule)		
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a through 4f above (2) Investment expenses included on line 9 above	b(1) b(2)	See Shareholder's instructions for Schedule K-1 (Form 1120S)
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(b)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(b)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities (see instructions)	12c	See Shareholder's instructions for Schedule K-1 (Form 1120S)
d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d		
e Credits related to other rental activities (see instructions)	12e		
13 Other credits (see instructions)	13		
Payments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties (2) Deductions allocable to oil, gas, or geothermal properties	d(1) d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S. Cat. No 11520D Schedule K-1 (Form 1120S) 1992

002202

28 30 29

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (c) on		
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes		
	b Name of foreign country or U.S. possession ▶				
	c Total gross income from sources outside the United States (attach schedule)	15c		Form 1116, Part I	
	d Total applicable deductions and losses (attach schedule)	15d			
	e Total foreign taxes (check one) ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e			
	f Reduction in taxes available for credit (attach schedule)	15f		Form 1116, Part II Form 1116, Part III See Instructions for Form 1116	
	g Other foreign tax information (attach schedule)	15g			
	Other	16a Total expenditures to which a section 59(e) election may apply		16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) Form 1040, line 8b
		b Type of expenditures ▶		17	
17 Tax-exempt interest income		18			
18 Other tax-exempt income		19			
19 Nondeductible expenses		20			
20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV		21			
21 Amount of loan repayments for "Loans From Shareholders"		22a			
22 Recapture of low-income housing credit		22b			
a From section 42(Q)(5) partnerships					
b Other than on line 22a					
23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):			Form 8611, line 8		
MEALS & ENTERTAINMENT \$2.00					

Supplemental Information

Date : 12/31/91  
Time : 08:15 PM

FRED NEWMAN PRODUCTIONS  
250 West 57th Street, #317  
New York, NY 10019  
Fed.Tax I.D.#13-3587971

Page no. 1

TRIAL BALANCE

Acct #	Account Name	BEGINNING BALANCE		THIS MONTH		CURRENT BALANCE	
		Debits	Credits	Debits	Credits	Debits	Credits
1	#####ASSETS#####	191459.73		-1816.09		189643.64	
10	CASH IN BANK	19599.21		-12615.63		6983.58	
101	FM Prod.-001015116	19599.21		-12615.63		6983.58	
11	EXCHANGE ACCOUNTS	400.47		-500.67		-100.20	
11A	Payroll Exchange	500.67		-500.67		-0.00	
11B	Regular Exchange	-0.20		0.00		-0.20	
11C	Check/Cash Exchange	-100.00		0.00		-100.00	
12	PROPERTIES	160000.00		10000.00		170000.00	
12A	"Let's Get Busy"	160000.00		10000.00		170000.00	
13	LOANS RECEIVABLE	5000.05		0.00		5000.05	
13A	Loan Rec.-Cast.Int.	5000.05		0.00		5000.05	
14	ACCOUNTS REC.-NET	5325.00		-551.00		4774.00	
16A	ACCOUNTS REC.-MODULE	5325.00		1349.00		6674.00	
16C	OTHER RECEIVABLES	0.00		-1900.00		-1900.00	
17	INVENTORY-NET	1135.00		0.00		1135.00	
17B	INVENTORY-OFFSET	1135.00		0.00		1135.00	
18	COMPUTER SOFTWARE	0.00		1851.21		1851.21	
2	#####LIABILITIES#####		98625.35		-21831.28		76794.07
21	TAXES PAYABLE		1615.76		2364.90		3980.66
21A	Federal Withholding		508.04		1050.72		1558.76
1B	Fica Employee		343.96		426.60		770.56
21C	FICA Employer		345.16		426.60		771.76
21D	New York State		151.47		311.49		462.96
21E	New York City		79.68		178.26		257.94
21F	FUTA- 940 Tax		77.65		37.23		114.88
21G	SDIF		34.80		9.00		43.80
21I	Garnishment		75.00		-75.00		0.00
22	LOANS PAYABLE		92236.82		-29783.70		62447.12
22A	Les. Pay-		3043.07		0.00		3043.07
22B	Les. Pay-		4109.82		-87.13		4022.69
22C	Les. Pay-		27321.95		4288.05		31610.00
22D	Les. Pay-		7182.63		-7182.63		-0.00
22E	Les. Pay-		2079.94		0.00		2079.94
22F	Les. Pay-		7199.45		1840.66		9040.11
22G	Les. Pay-		4587.74		-258.48		4329.26
22H	Les. Pay-		406.22		-104.17		302.05
22I	Les. Pay-		6000.00		-6000.00		0.00
22J	Les. Pay-		8000.00		0.00		8000.00
22K	Les. Pay-		6000.00		-6000.00		0.00
22L	Les. Pay-		1000.00		-1000.00		0.00
22M	Les. Pay-		9800.00		-9800.00		0.00
22N	Les. Pay-		5500.00		-5500.00		0.00
23	ACCOUNTS PAYABLE-NET		4778.77		5587.52		10366.29
23A	ACCTS. PAY.-MODULE		4778.77		5587.52		10366.29
3	#####CAPITAL#####		111003.51		26650.00		137653.51
	OWNER'S EQUITY		136830.00		26650.00		163480.00
	Fred Newman		5000.00		0.00		5000.00
31B	Cathy Salit		37830.00		29950.00		67780.00
31C	Susan Nassad		24000.00		0.00		24000.00
31D	Hugh Polk		4000.00		0.00		4000.00
31E	Phyllis Goldberg		10000.00		0.00		10000.00

001362

ATTACHMENT  
Page 1 of 3



Date : 12/31/91  
Time : 08:15 PM

FRED NEWMAN PRODUCTIONS  
250 West 57th Street, 8317  
New York, NY 10019  
Fed. Tax I.D. #13-3587971

TRIAL BALANCE

Acct #	Account Name	BEGINNING BALANCE		THIS MONTH		CURRENT BALANCE	
		Debits	Credits	Debits	Credits	Debits	Credits
			10000.00		0.00		10000.00
31F	David Belmont		13500.00		0.00		13500.00
31G	Mary Rivera		5000.00		0.00		5000.00
31H	Barbara Taylor		12500.00		-12500.00		0.00
31I	Harry Kresky		15000.00		0.00		15000.00
31J	Robert Friedean		0.00		9200.00		9200.00
31K	Jeff Williamson		-25826.49		0.00		-25826.49
32	RETAINED EARNINGS		-25826.49		0.00		-25826.49
32A	1990 Profit/Loss		79800.00		26424.00		106224.00
4	*****INCOME*****		11750.00		7274.00		19024.00
41	Management Revenue		68050.00		19150.00		87200.00
43	Retainer Revenue						
5	*****EXPENSES*****	97969.13		33058.81		131027.94	
50	MGT & GENERAL	49119.82		25685.92		74805.74	
500	PAYROLL, ETC.	39872.94		10880.81		49753.75	
500A	Gross Salary-'90	34726.59		10073.02		44799.61	
500C	FICA Employer	2656.44		770.56		3427.00	
500B	FUTA- 940 Tax	123.22		37.23		160.45	
500E	SUTA- UI Tax	726.38		0.00		726.38	
5006	Tax Penalties & Int.	640.31		0.00		640.31	
501	TAIES	271.03		625.00		896.03	
501B	Gen. Corp. Tax	271.03		625.00		896.03	
502	Bank Charges	241.83		0.00		241.83	
503	Interest (Loan) Exp.	2402.18		9237.54		11639.72	
504	Accounting & Legal	2655.57		3509.60		6165.17	
506	Travel/Entertainment	2577.14		835.00		3412.14	
510	Printing	337.02		395.22		732.24	
511	Postage/Shipping	14.95		102.75		117.70	
512	Advt/Publicity	1198.30		0.00		1198.30	
513	Office Supplies/Exp.	312.43		100.00		412.43	
515	Contributions	125.00		0.00		125.00	
516	Messenger	36.43		0.00		36.43	
517	Special Events	200.00		0.00		200.00	
53	PROPERTY EXPENSES	48724.31		7372.89		56097.20	
530	"LET'S GET BUSY"	6679.92		1116.62		7796.54	
530A	Productions Costs	170.00		250.00		420.00	
530C	Travel/Entertainment	2260.52		136.12		2396.64	
530B	Messenger	434.60		15.50		450.10	
530E	Accting/Legal	1141.70		700.00		1841.70	
5306	Advertising/Promotion	2673.10		15.00		2688.10	
531	[REDACTED]	20873.70		4911.27		25784.97	
531A	Production Costs	5782.64		3097.67		8880.31	
531B	Advances-1099	10374.25		1004.30		11378.55	
531C	Travel/Entertainment	666.76		0.00		666.76	
531D	Messenger	123.75		-18.50		105.25	
531E	Acctg & Legal	1954.30		200.00		2154.30	
531I	Telephone	975.00		125.00		1100.00	
531J	Auto	997.00		502.00		1499.00	
532	[REDACTED]	4700.00		625.00		5325.00	
532B	Advances-1099	4700.00		625.00		5325.00	
534	[REDACTED]	243.02		120.00		363.02	
534A	Production Costs	0.00		120.00		120.00	

001300.00

31  
 of 3  
 I-60

Date : 12/31/91  
 Time : 08:15 PM

FRED NEMAN PRODUCTIONS  
 250 West 57th Street, #317  
 New York, NY 10019  
 Fed.Tax I.D.#13-3587971

TRIAL BALANCE

Acct #	Account Name	BEGINNING BALANCE		THIS MONTH		CURRENT BALANCE	
		Debits	Credits	Debits	Credits	Debits	Credits
534C	Travel/Entertainment	243.02		0.00		243.02	
537	DEBBIE'S HOUSE PARTY	1270.00		200.00		1470.00	
537A	Production Costs	270.00		0.00		270.00	
537E	Acctg & Legal	800.00		200.00		1000.00	
537E	Advt./Promotion	200.00		0.00		200.00	
538	[REDACTED]	14857.67		400.00		15257.67	
538A	Production Costs	387.95		0.00		387.95	
538B	Advance-1999	10000.00		0.00		10000.00	
538C	Travel/Entertainment	1275.42		0.00		1275.42	
538D	Messenger	57.15		0.00		57.15	
538E	Acctg. & Legal	2550.00		400.00		2950.00	
538E	Advt./Promotion	587.15		0.00		587.15	
538E	[REDACTED]	100.00		0.00		100.00	
539	[REDACTED]	100.00		0.00		100.00	
539E	Acctg. & Legal	100.00		0.00		100.00	
		=====	=====	=====	=====	=====	=====
		289428.86	289428.86	31242.72	31242.72	320671.58	320671.58

Number of Accounts printed 116

001364

1-30-92 3 of 3

To: File  
Fr: Fran  
Re: New Alliance Party check  
2/10/93

ob

On Friday, October 23, 1992, I was asked by our campaign coordinator to write a check to the New Alliance Party for \$15,000 for expenses associated with a large get out the vote effort on election day. I mistakenly wrote the check out of the primary account, and gave it to Chris Helm, NAP's financial person. She deposited it on Friday.

Later that evening, in looking back over checks I had written I realized I had written the check out of the wrong account. Then, over the weekend, after many discussions by campaign staff, it was decided we should not pay the New Alliance Party at all but just pay expenses directly, for rental cars, travel, etc. for the get out the vote drive.

Thus, we received a check back from the New Alliance Party on Monday, October 26, and deposited it that same day.

10611901

# SUBLEASE AGREEMENT

The parties agree as follows:

**Date of this Sublease:** As of March 1, 1991

**Parties to this Sublease:** Overtenant: New Alliance Productions, Inc.  
Address for notices: 250 W. 57th St.  
N.Y. N.Y. 10029  
You, the Undertenant: Lenora B. Fulani for President  
Address for notices: 250 W. 57th St., N.Y. N.Y. 10019

If there are more than one Overtenant or Undertenant, the words "Overtenant" and "Undertenant" used in this Sublease includes them.

**Information from Over-Lease:** Landlord: Fisk Building Associates  
Address for notices: c/o Helmsley Spear, Inc.,  
250 W. 57th St., N.Y. N.Y.

Overtenant:  
Address for notices:

Date of Over-Lease: June 3, 1986

Term: from: Sept. 1, 1986 to: April 30, 1997

A copy of the Over-Lease is attached as an important part of the Sublease.

**Term:** 1. one years: 0 months: Beginning: March 1, 1991 19  
ending: Feb. 28, 1991

**Premises rented:** 2. Office space for up to 6 people, approximately 25% of the private office space in Suite 316-317, 250 W. 57th St., N.Y. N.Y., plus use of shared conference room and reception area.

**Use of premises:** 3. The premises may be used for general office use only.

**Rent:** 4. The yearly rent is \$ 33,000. You, the Undertenant, will pay this yearly rent to the Overtenant in twelve equal monthly payments of \$ 2,750. Payments shall be paid in advance on the first day of each month during the term.

**Security:** 5. The security for the Undertenant's performance is \$ none. Overtenant states that Overtenant has received it. Overtenant shall hold the security in accordance with Paragraph of the Over-Lease.

**Agreement to lease and pay rent:** 6. Overtenant sublets the premises to you, the Undertenant, for the Term. Overtenant states that it has the authority to do so. You, the Undertenant, agree to pay the Rent and other charges as required in the Sublease. You, the Undertenant, agree to do everything required of you in the Sublease.

**Notices:** 7. All notices in the Sublease shall be sent by certified mail, "return receipt requested".

**Subject to:** 8. The Sublease is subject to the Over-Lease. It is also subject to any agreement to which the Over-Lease is subject. You, the Undertenant, state that you have read and initialed the Over-Lease and will not violate it in any way.

**Overtenant's duties:** 9. The Over-Lease describes the Landlord's duties. The Overtenant is not obligated to perform the Landlord's duties. If the Landlord fails to perform, you, the Undertenant, must send the Overtenant a notice. Upon receipt of the notice, the Overtenant shall then promptly notify the Landlord and demand that the Over-Lease agreements be carried out. The Overtenant shall continue the demands until the Landlord performs.

**Consent:** 10. If the Landlord's consent to the Sublease is required, this consent must be received within days from the date of this Sublease. If the Landlord's consent is not received within this time, the Sublease will be void. In such event all parties are automatically released, and all payments shall be refunded to you.

ATTACHMENT 33



- No authority: 12. You, the Undertenant, have no authority to contact or make any agreement with the Landlord about the premises or the Over-Lease. You, the Undertenant, may not pay rent or other charges to the Landlord, but only to the Overtenant.
- Successors: 13. Unless otherwise stated, the Sublease is binding on all parties who lawfully succeed to the rights or take the place of the Overtenant or you, the Undertenant. Examples are an assign, heir, or a legal representative such as an executor of your will or administrator of your estate.
- Changes: 14. This sublease can be changed only by an agreement in writing signed by the parties to the Sublease.

Signatures:

OVERTENANT: NEW ALLIANCE PRO. INC.  
 By: *Mark Picard*  
 Mark Picard, Treasurer Secretary

Witness:

You, the UNDERTENANT:  
 LENORA B. FULANI FOR PRESIDENT  
 By: *Francine Miller*  
 Francine Miller, Treasurer

STATE OF  
 On

COUNTY OF \_\_\_\_\_ ss:  
 19 \_\_\_\_\_ before me personally appeared

to me known and known to me to be the individual(s) described in and who executed the foregoing Sublease, and duly acknowledged to me that he executed the same.

**GUARANTY OF PAYMENT WHICH IS PART OF THE SUBLEASE**

Date of Guaranty:

19

Guarantor and address:

Reason for Guaranty:

Guaranty:

Changes in Sublease have

1. I know that the Overtenant would not rent the premises to the Undertenant unless I guarantee Undertenant's performance. I have also requested the Overtenant to enter into the Sublease with the Undertenant. I have a substantial interest in making sure that the Overtenant rents the premises to the Undertenant.
2. The following is my Guaranty:  
 I guaranty the full performance of the Sublease by the Undertenant. This Guaranty is absolute and without any condition. It includes, but is not limited to, the payment of rent and other money charges.
- In addition, I agree to these other terms:
3. This Guaranty will not be affected by any change in the Sublease, whatsoever. This includes, but is not limited to, any extension of time or renewal. The Guaranty will be binding even if I am not a party to

EXHIBIT 23

**Modification of Sublease**

It is hereby agreed between the undersigned parties that the sublease agreement between the parties dated as of March 1, 1991, pertaining to the premises, Suite 316-317, 250 W. 57th St., N.Y., N.Y., 10019, is modified as follows:

1. The term of the lease shall expire on January 31, 1992, rather than February 28, 1992.

2. The amount of the office space in the suite used exclusively by LBFFP shall be increased to approximately 50% of the space, which shall include full-time usage of the conference room as a work area.

3. The monthly subrent shall increase from \$2,750 to \$6,000.

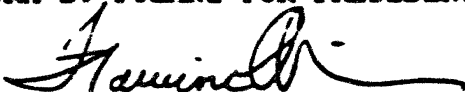
4. These changes will go into effect on September 1, 1991.

Dated: as of September 1, 1991

NEW ALLIANCE PRODUCTIONS, INC.

BY:   
Mark Picard, ~~Treasurer~~  
Secretary

LENORA B. FULANI FOR PRESIDENT

BY:   
Francine Miller, Treasurer

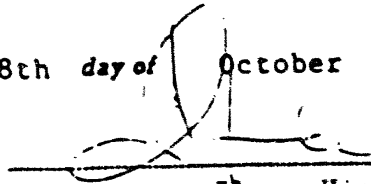
# Business Certificate

I HEREBY CERTIFY that I am conducting or transacting business under the name or designation  
of **Ilene Advertising**  
at **250 West 57th Street**  
City or Town of **New York** County of **New York** State of **New York**.

My full name is\* **Ilene Hinden**  
and I reside at **103 Thayer Street, New York, NY**

I FURTHER CERTIFY that I am the successor in interest to  
the person or persons heretofore using such name or names to carry on or conduct or transact business.

IN WITNESS WHEREOF, I have this **28th** day of **October** **1986**, made  
and signed this certificate.

  
\_\_\_\_\_  
**Ilene Hinden**

\* Print or type name.  
\* If under 18 years of age, state "I am \_\_\_\_\_ years of age".

STATE OF NEW YORK }  
COUNTY OF } ss.: 153-62-2635

On this **28th** day of **October** **1986**, before me personally appeared  
**ILENE HINDEN**  
to me known and known to me to be the individual described in and who executed the foregoing  
certificate, and he thereupon duly acknowledged to me that he executed the same.



**003533**  
ATTACHMENT **34**  
Page **1** of **1**

LENORA B. FULANI FOR PRESIDENT  
 200 WEST 72ND STREET, SUITE 30  
 NEW YORK, NY 10023

*National Alliance*

*Three thousand six hundred and fifty*



AMALGAMATED BANK OF NEW YORK  
 1710 Broadway, New York, N.Y. 10019

1006599  
 1006599  
 1006599

NOT NEGOTIABLE

*Lenora B. Fulani*

6593

9/8 92

306

THE NATIONAL ALLIANCE  
 500 Greenwich Street  
 2nd Floor  
 NEW YORK, NY 10013  
 Phone (212) 941-9400 Fax (212) 941-8340

INVOICE  
 No 1

DATE	SALESPERSON	CUSTOMER NO.	TERMS
July, 1992			

Lenora Fulani for President  
200 W. 72nd Street  
New York, NY 10023

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
8,750	National Alliance Newspapers Special Edition	.35	\$3,

CHECKS PAYABLE TO: NEW ALLIANCE PRODUCTIONS

ORIGINAL

*Thank You*



ENTERPRISE

627 Greenwich Street · New York · NY 10014-3392 212-741-2111 Fax: 627-7937

Date 04/22/92

Inv. No. 444923

Our Order No. 2012731

Your Order No.

ILENE ADVERTISING  
500 GREENWICH STREET

NEW YORK, NEW YORK 10014  
ATTN: ILENE

4931 - 2  
(212) 956-5550

TERMS UPON RECEIPT

1 1/2% per Month  
Added when Past Due

Quantities and descriptions for this job will be held by us for the number of copies listed, and if not ordered for all items be destroyed.

QUANTITIES	DESCRIPTION	AMOUNT
100,000	48 PAGE STITCHED BOOKS PLUS COVER INCLUDE CORRECTIONS ***FOB ENTERPRISE*** --- LESS DEPOSIT RECEIVED ---	\$ 29,408.00 \$ --19,000.00

Subtotal	\$ 10,408.00
Shipping/Postage Taxable	\$ 0.00
Tax	\$ 0.00
Shipping/Postage No Tax	\$ 0.00
<b>Total Amount Due</b>	<b>\$ 10,408.00</b>

FILE COPY



**JOY PRODUCTS** 25 West 45th St. • New York, N.Y. 10036 • (212) 869-3743  
 FAX# (212) 869-3748

**FAX**

DATE 10/30/92

①

~~TRANSMISSION~~

ATTN: ~~XXXXXXXXXX~~

To Fax Number 941-8340

Company ILENE ADV.

From Fax Number (212) 869-3748

Company **JOY PRODUCTS**

Number of pages (incl. this page)  7 For your information  At your request  Please action  Please reply on this Fax  Phone Number \_\_\_\_\_

DEAR JANINE: SINCE THESE INVOICES SOMETIMES GET LOST, I AM FAXING THE CURRENT INVOICE TO YOU. PLEASE REMIT ON THIS COMMENTS: AS SOON AS POSSIBLE. ALL "POLITICAL" INVOICES ARE NET.

THANK  
 RON BEATUS

ADVERTISING SPECIALTIES • BUTTONS • BADGES • POLITICAL SUPPLIES



**JOY PRODUCTS**  
 25 West 45th Street  
 New York, N.Y. 10036  
 (212) 869-3743 • FAX # (212) 869-3748

**INVOICE**

Invoice number: **9892**

Order number: 9920

Invoice date: 10/29/92

Date received: 10/26/92

Terms: **NET**

Customer order: ILENE

Date shipped: 10/29/92

Approx. ship. date: 10/29/92

Ship via: **DELIVER**

Sold by: ~~XXXXXXXXXX~~

①

TO  
 ILENE ADVERTISING  
 C/O CASTILLO CULTURAL CENTER  
 500 GREENWICH ST. STE. 210  
 NEW YORK, NY 10014

SHIP TO **SAME**

QUANTITY		DESCRIPTION	PRICE	AMOUNT
ORDERED	RECEIVED			
1,000	1,000	2" SQUARE BUTTONS/SAFETY PINS PURPLE (2665) GREEN (376) & RED (226) ON WHITE		398.00
			DELIVERY	19.80
		FULANI PRESIDENT		\$417.80

000032

ATTACHMENT 3B

Page 2 of 2

LENORA B. FULANI FOR PRESIDENT  
250 WEST 57TH STREET, SUITE 317  
NEW YORK, NY 10019

1767

9/6 1991

1-337/200

Julie Kenneth

\$ 284.57

Two hundred eighty four & 57/100 DOLLARS



AMALGAMATED BANK OF NEW YORK  
1718 Broadway, New York, N.Y. 10019

02 0005001263

*Janene*

⑆001767⑆ ⑆026003379⑆ 31031541⑆ ⑆0000028457⑆

P/R

LENORA B. FULANI FOR PRESIDENT  
250 WEST 57TH STREET, SUITE 317  
NEW YORK, NY 10019

2932

- 1/17 1992

1-337/200

Robert Levy

\$ 230.00

Two hundred thirty & 00/100 DOLLARS



AMALGAMATED BANK OF NEW YORK  
1718 Broadway, New York, N.Y. 10019

01 005901263

⑆002932⑆ ⑆026003379⑆ 31031541⑆ ⑆0000023000⑆

I x paid to order of someone else on bk of ✓



3168

LENORA S. FULANI FOR PRESIDENT

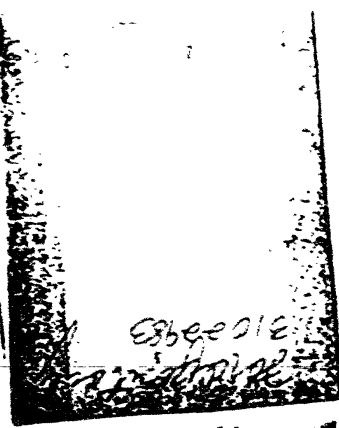
1/28 '92 \$400.00 DOLLARS

For the purpose of the National...

AB AFFILIATED BANK OF NEW YORK

100112101 101115101 101115101

10000410000



2836

LENORA S. FULANI FOR PRESIDENT

1/28 '92 \$400.00 DOLLARS

For the purpose of the National...

AB AFFILIATED BANK OF NEW YORK

100112101 101115101 101115101

10000410000

3201

LENORA S. FULANI FOR PRESIDENT

1/28 '92 \$400.00 DOLLARS

For the purpose of the National...

AB AFFILIATED BANK OF NEW YORK

100112101 101115101 101115101

10000410000

05-1-129

LENORA B. FULAMI FOR PRESIDENT  
 213 1092  
 \$ 900.00 DOLLARS  
 National Alliance  
 5000090000000

3761  
 LENORA B. FULAMI FOR PRESIDENT  
 2/22 1092  
 \$ 3100.00 DOLLARS  
 National Alliance  
 5003751P 0025003379C 31031541P 000021000

3950  
 LENORA B. FULAMI FOR PRESIDENT  
 5/6 1092  
 \$ 4200.00 DOLLARS  
 National Alliance  
 5003950P 0025003379C 31031541P 000046000

for deposit only  
 acct # 31022983

for deposit only  
 31022983

1992 2 29

LEONORA B. FULANI FOR PRESIDENT

4121

5/19 1992

15,400.00 DOLLARS

For: *Constitutional Education*

*Spencer, FL*

AB

AMERICAN BANK NOTE COMPANY

PO00121P 40760013795 31011511P 200001200000

LEONORA B. FULANI FOR PRESIDENT

4369

4/13 1992

15,400.00 DOLLARS

For: *Constitutional Education*

*Spencer, FL*

AB

AMERICAN BANK NOTE COMPANY

PO00121P 40760013795 31011511P 200001200000

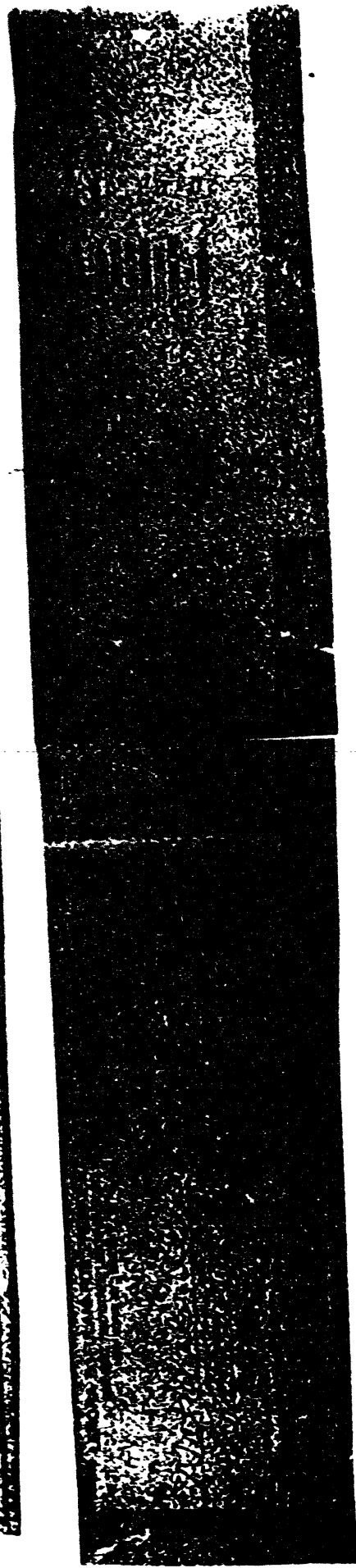
*For: Constitutional Education*

*Spencer, FL*

ACT# B 310 229

*For: Constitutional Education*

*Spencer, FL*



LENORA B. FULANI FOR PRESIDENT  
110 WEST 23RD STREET, SUITE 301  
NEW YORK, NY 10011

PAY TO THE ORDER OF  
*National Alliance*  
*5/3 10 92*  
*\$ 650.00*  
DOLLARS



AMALGAMATED BANK OF NEW YORK  
110 WEST 23RD STREET, SUITE 301  
NEW YORK, NY 10011

FOR

⑆000003379⑆

310315L1P

⑆0000630000⑆

LENORA B. FULANI FOR PRESIDENT  
110 WEST 23RD STREET, SUITE 301  
NEW YORK, NY 10011

*National Alliance*  
*6/4 10 92*  
*\$ 4200.00*  
DOLLARS



AMALGAMATED BANK OF NEW YORK  
110 WEST 23RD STREET, SUITE 301  
NEW YORK, NY 10011

FOR

⑆000003379⑆

310315L1P

⑆0000630000⑆

LENORA B. FULANI FOR PRESIDENT  
110 WEST 23RD STREET, SUITE 301  
NEW YORK, NY 10011

*National Alliance*  
*6/18 10 92*  
*\$ 5700.00*  
DOLLARS



AMALGAMATED BANK OF NEW YORK  
110 WEST 23RD STREET, SUITE 301  
NEW YORK, NY 10011

FOR

⑆000003379⑆

310315L1P

⑆0000630000⑆



03070199

616

LENORA B. FULANI FOR PRESIDENT  
200 WEST 72ND STREET, SUITE 30  
NEW YORK, NY 10023

FOR DEPOSIT ONLY  
ACCT# 31022983

8/7 92  
\$420.00

*[Signature]*

AB

0061670 0060033740 310315410 000004200007

6422

LENORA B. FULANI FOR PRESIDENT  
200 WEST 72ND STREET, SUITE 30  
NEW YORK, NY 10023

8/20 92  
\$2,100.00

National Alliance  
Two thousand one hundred + 00/100 DOLLARS

*[Signature]*

INDIANAPOLIS BANK OF NEW YORK  
200 WEST 72ND STREET, SUITE 30  
NEW YORK, NY 10023

02 006000407 310315410 00002100007

6593

LENORA B. FULANI FOR PRESIDENT  
200 WEST 72ND STREET, SUITE 30  
NEW YORK, NY 10023

8/8 92  
\$3,062.50

National Alliance  
Three thousand sixty two + 50/100 DOLLARS

*[Signature]*

INDIANAPOLIS BANK OF NEW YORK  
200 WEST 72ND STREET, SUITE 30  
NEW YORK, NY 10023

02 006000407 310315410 00002100007

FOR DEPOSIT ONLY  
ACCT# 31022983

FOR DEPOSIT ONLY  
ACCT# 31022983

Page 5 of 5

3792

LENORA B. FULANI FOR PRESIDENT  
208 WEST 79th STREET, SUITE 30  
NEW YORK, NY 10023

OR

PAY TO THE ORDER OF *John Robertson*

*Two hundred twenty*            *only*            *00/100*

\$ 220.00 DOLLARS

AMMUNATED BANK OF NEW YORK  
175 Broadway, New York, NY 10038

02 005700449 *Francine M.*

FOR DEPOSIT ONLY  
⑆003792⑆ ⑆026003379⑆ 31031541⑆ ⑆0000022000⑆

John Roberton  
Jessica Murta

220-

11/20

3334 3 2 3

NOV 20 12 25 PM '11  
ALBA  
NEW YORK

25 733

PHOTOCOPYING PERMITTED

6-1-1

PAY TO THE ORDER OF ARON MULLER

**LENORA B. FULANI FOR PRESIDENT**  
 200 WEST 79TH STREET, SUITE 20  
 NEW YORK, NY 10023

EMR# 2174339779 8242

264140 8/12 10/92

\$ 220.<sup>00</sup> DOLLARS

1 331728

**AMERICAN BANK OF NEW YORK**  
 19 Broadway, New York, NY 10018

01 000201310

Francine M

FOR DEPOSIT ONLY  
 #0065242P #0260033791: 3103154LP #0000022000P



LENORA B. FULANI FOR PRESIDENT  
250 WEST 87TH STREET, SUITE 317  
NEW YORK, NY 10019

AMALGAMATED BANK OF NEW YORK  
1710 Broadway, New York, N.Y. 10019

1-307/260 EMPLOYEE NO. 627  
CHECK NO. 008063

(TWO HUNDRED SEVENTY FIVE DOLLARS AND 87/CENTS)

02 JUL 21 P 2:40 DATE 07/24/92 AMOUNT \*\*\*\*275.87

CATHY STEWART  
240 CABRINI BLVD  
NEW YORK, NY

*Fancine M*  
AUTHORIZED SIGNATURE

01 006901030

⑆0000027587⑆

⑆008063⑆ :⑆026003379⑆: 31031541⑆

LENORA B. FULANI FOR PRESIDENT  
250 WEST 87TH STREET, SUITE 317  
NEW YORK, NY 10019

AMALGAMATED BANK OF NEW YORK  
1710 Broadway, New York, N.Y. 10019

1-307/260 EMPLOYEE NO. 090  
CHECK NO. 007975

(TWO HUNDRED NINETEEN DOLLARS AND 41/CENTS)

12 ... 17 P 3:17 DATE 07/17/92 AMOUNT \*\*\*\*219.41

J. B. OPDYKE

*Fancine M*  
AUTHORIZED SIGNATURE

02 006200278

⑆007975⑆ :⑆026003379⑆: 31031541⑆

⑆000002194⑆

Cathy Stewart

DO NOT SIGN, STAMP OR WRITE BELOW THIS LINE  
AREA RESERVED FOR FINANCIAL INSTITUTIONS.

Card # 33618

13/2

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THE CHASE  
COMMERCIAL BANK  
OF THE CITY OF NEW YORK  
NEW YORK, N.Y.

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1030 01 5811 0001

J.B. Gudy

33125

DO NOT SIGN, STAMP OR WRITE BELOW THIS LINE  
AREA RESERVED FOR FINANCIAL INSTITUTIONS.

Cathy Stewart

33618

7774 2933

THE CHASE  
COMMERCIAL BANK  
OF THE CITY OF NEW YORK  
NEW YORK, N.Y.

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Attachment

4

Page

2 of 2

## FEC-less Reporting

### BEN WITTES' ARTICLE,

"Lebora & the Money-Go-Round" (7/8), contains numerous errors ranging from the sublime to the ridiculous. Resisting the temptation to cite the utopia of the ridiculous except for one: calling her a "short, black woman" (Dr. Lebora Fulani is close to 5'8", let's go directly to the sublime).

Wittes' piece was strongly and impressively sniped by two detractors of Fulani, William Pleasant and Kenne Gasnik. Pleasant and Gasnik, who have been peddling their allegations to a variety of law enforcement agencies to no avail, have succeeded in snaring Wittes and Washington City Paper in their bizarre and totally ill-informed account of Fulani's 1992 presidential campaign. Pleasant wrote in a recent letter to Dr. Fred Newman, Fulani's campaign manager, "The City Paper was just one of the many venues...that we have used and will employ in the future." Unfortunately for the City Paper, Pleasant and Gasnik don't know what they're talking about. But this, apparently, did not prevent Wittes from besouging them to "use the pages of the City Paper in furtherance of their sectarian vendetta."

The basic premise of Wittes' piece is as follows: The Fulani campaign was eligible for federal primary matching funds by virtue of its participation in a combination of third party primaries and the New Hampshire Democratic Party primary; raised 2 million masochistic dollars and claimed to spend this money on primary activities, but really didn't; the money was instead spent to enrich organizations controlled by Newman; and the ultimate proof that this was a scam is that Fulani never really ran a campaign, but spent (or mis-spent) the bulk of her campaign funds in the primary season rather than the general election, "proving" she was not really a serious candidate in pursuit of votes, but a front for some kind of fraudulent scheme.

Wittes thoroughly misunderstands the premise of the Fulani campaign's eligibility for federal primary matching funds. As early as 1975, the Federal Election Committee (FEC) recognized that the petitioning process that independent and minor party candidates must inevitably undertake in order to secure a place on the general election ballot in most or all states is equivalent to the state-by-state primary and caucus contests of the Democrats and Republicans. The details of the FEC's position were articulated in a series of advisory opinions, which it issued in response to requests by the Socialist Workers Party, the Citizens Party, and the New Alliance Party (NAP) in 1975, 1980, and 1984. The FEC acknowledged that for the federal government to solely fund the expenses of the nominating processes of the major party candidates would be unconstitutional. Consequently, Wittes' premise that it was Fulani's candidacy in the New Hampshire Democratic primary and the primaries of several independent parties that made her eligible for matching funds is unwittingly incomplete at best, or a deliberate distortion of the regulations and Fulani's compliance with those regulations at worst.

Much that is faulty flows from this rather extraordinary error. One example is the contention by disbarred attorney and Pleasant ally Elizabeth Gilchrist that "Fulani's ballot access legal bills in the 1992 primaries should have been minimal," which exposes a thoroughgoing misunderstanding of federal and state election law, FEC regulations, and the cost of running a large-scale, multistate petitioning drive. Both in 1988, when Fulani was on the ballot in 52 jurisdictions, and in 1992, when she was on the ballot in 40 jurisdictions, many hundreds of thousands of dollars were necessarily spent in order to collect the million-plus signatures required for an independent to mount a national campaign. Gilchrist and Wittes apparently are unaware of this basic fact of electoral political life, not to mention the fact that it is this very activity that the FEC identifies as the bread and butter of an independent's primary campaign. That Gilchrist and her chums, Pleasant and Gasnik, allege that the money paid to NAP attorneys and to the International People's Law Institute did not, in

fact, go to conduct the campaign, but instead was funneered through those organizations into noncampaign activities or to the personal bank account of its campaign manager, simply obscures their ignorance. If Wittes had spent more time talking to the Office of the General Counsel at the FEC than listening to the rantings of Pleasant, Gasnik, et al., he would have known better.

This brings us to the article's final and most glaring misunderstanding of the FEC primary matching funds program. Wittes, supported by allegations made by his gaggle of Fulani/Newman detractors and by Perry Willis of the Libertarian Party, asserts that all of her financial activity was at worst an illegal scam and at best the shrewd exploitation of a loophole in the campaign finance laws by a nefarious and unpopular, on the left, political cult. The proof, says Wittes, is that the campaign spent the vast majority of its campaign budget on the primary and not on the general election. Leaving aside the fact that the campaign's political strategy, as I told Wittes in numerous interviews, was to frontload the campaign in the earliest stages of the primary season in order to establish in the media and in political circles a focus on the undemocratic nature of the presidential election process itself (a decision, I might add, that Pleasant and Gasnik never understood either in political or operational terms), the FEC requires that money raised in the primary phase and its match must be spent on primary activities and not on general election activities. Though Wittes mentions that "matching funds support only primary campaigns," he totally ignores the meaning of this remark in the article. If the Fulani campaign had met what Wittes, Gasnik, Pleasant, Gilchrist, Willis, et al. say is the true test of the campaign's spending having been legitimate, we would, in fact, have been in blatant violation of FEC regulations.

Ultimately, Wittes' article, while purporting to be an expose of Fulani and her 1992 presidential campaign, ends up exposing Wittes' poor judgment in his choice of sources. Gasnik and Pleasant played him for a fool and the City Paper, for reasons I have yet to comprehend, allowed Wittes to get into this unethical and journalistically unsavory partnership. The ar-

ticle ends up as a broadside (one of many going on at the moment) on the FEC's matching funds program and on the concessions wrung from it by and for grass-roots independents. The federal matching funds program is the only government program which taxpayers elect to fund. It includes independents. It is the main counterweight to the preponderance of corporate influence in national elections. Yet Pleasant, Gasnik, and Wittes attack this unusually democratic facet of the American electoral process.

Sen. Mitch McConnell (R-Ky.), whom Wittes presumably quotes to elevate the article's anti-Fulani-ism from left liberal sectarianism to the halls of Congress, is not just any member of the U.S. Senate, but is, as Wittes himself points out, a voracious opponent of all campaign financing. In the complex political battles between Democrats and Republicans, within each party and between both parties and the independent movement over campaign financing, obviously Sen. McConnell takes the Fulani campaign to be a convenient scapegoat for his cause. On the other side of the political spectrum, Pleasant, Gasnik, et al. pursue their attacks on Fulani, Newman, etc. to serve their ultimate political cause, which is, as Pleasant wrote in his latest letter to Newman, to "overthrow" him. According to Pleasant, "the City Paper article was simply a part of that process."

Wittes and the City Paper would have been better served by learning the law as it is actually promulgated, and the regulations for complying with it. If Wittes had done so, he might have produced a piece with some claim to accuracy, rather than a piece which has been manipulated by a variety of political agencies.

Jacqueline Salt  
Fulani for President '92  
New York, NY



TAXPAYER'S COPY

OMB No. 1545-0123

1993

- A Check if:**  
 1 Consolidated return (attach Form 9811)  
 2 Personal holding co. (attach Sch. PH)  
 3 Personal services corp. (as defined in Temporary Regs. sec. 1.441-47 - see instructions)

**Use IRS label. Otherwise, please print or type.**  
**Name** ILENE ADVERTISING, INC.  
**No., street, and room or suite no.** 500 GREENWICH STREET, 2ND FLOOR  
**City/town, state, and ZIP code** NEW YORK NY 10013-

**B Employer identification no.** 13-3648919  
**C Date incorporated** 03/15/92  
**D Total assets (see Specific Inst.)** 27,700

**E Check applicable boxes:** (1) Initial return (2) Final return (3) Change of address

Income

1a	Gross receipts/sales	168,321	b Less returns and allowances		C Bal	1c	168,321
2	Cost of goods sold (Schedule A, line 8)					2	57,554
3	Gross profit. Subtract line 2 from line 1c					3	110,767
4	Dividends (Schedule C, line 19)					4	
5	Interest					5	
6	Gross rents					6	
7	Gross royalties					7	
8	Capital gain net income (attach Schedule D (Form 1120))					8	
9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)					9	
10	Other income (see instructions - attach schedule)					10	
11	Total income. Add lines 3 through 10					11	110,767

Deductions

(See instructions for limitations on deductions.)

12	Compensation of officers (Schedule E, line 4)					12	
13a	Salaries and wages	61,671	b Less employment credits			13c	61,671
14	Repairs and maintenance					14	170
15	Bad debts					15	
16	Rents					16	6,700
17	Taxes and licenses					17	11,921
18	Interest					18	
19	Charitable contributions (see instructions for 10% limitation)					19	
20	Depreciation (attach Form 4562)		20			20	
21	Less depreciation claimed on Schedule A and elsewhere on return		21a			21b	
22	Depletion					22	
23	Advertising					23	
24	Pension, profit-sharing, etc., plans					24	
25	Employee benefit programs					25	
26	Other deductions (attach schedule)					26	24,623
27	Total deductions. Add lines 12 through 26					27	105,085
28	Taxable income before net operating loss deduction and special deductions. Subtr. line 27 from line 11					28	5,682
29	Less: a Net operating loss deduction (see instructions)		29a			29	
	b Special deductions (Schedule C, line 20)		29b			29c	

Tax and Payments

30	Taxable income. Subtract line 29c from line 28					30	5,682
31	Total tax (Schedule J, line 10)					31	852
32	Payments: a 1993 overpayment credited to 1993	32a					
	b 1993 estimated tax payments	32b					
	c Less 1993 refund applied for on Form 4466	32c					
	d Tax deposited with Form 7004	32d					
	e Credit from regulated investment companies (attach Form 2439)	32e					
	f Credit for Federal tax on fuels (attach Form 4136). See instructions	32f					
	g Credit for Federal tax on fuels (attach Form 4136). See instructions	32g				32h	
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached					33	
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	852
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35	
36	Enter amount of line 35 you want credited to 1994 estimated tax					36	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

Paid Preparer's Use Only

Preparer's signature: *Sam Nole CPA* Date: 2/23/94  
 Firm's name (or yours if self-employed) and address: SAM J. NOLE CPA, 230 PARK AVENUE SUITE 1221, NEW YORK, NY 10169-  
 Check if self-employed:   
 Preparer's SSN: [REDACTED]  
 E.I. No.: 13-3627972  
 ZIP code: 10169-

000391

ATTACH HERE

ILENE ADVERTISING, INC.  
 500 Greenwich Street, 2nd Floor  
 New York, NY 10013  
 Fed. Tax ID#: 13-3648919

D876  
 FULANI FOR PRESIDENT '92  
 Fran Miller  
 250 WEST 57TH STREET, #317  
 NEW YORK NY 10019

DATE 05/17/92 NO 01301 PAGE 1 DUE DATE 07/17/92

REFERENCE	DESCRIPTION	AMOUNT
839	ADDITIONAL HRS (N/T) 57.000 e 50.000 EA DESIGN OF FLYERS, OF STUDENT STREETWORK OPERATION MATERIALS, PEACE AND FREEDOM PARTY FLYERS AND MAILINGS. BALLOT ACCESS PETITIONS AND FLYERS.  N/T= NON-TAXABLE T= TAXABLE (PLEASE INDICATE INV.# OR #'S ON CHECK)	2850.00
PAID CHK # 5248 6/21/92		
		SUB-TOTAL 2850.00 TAX 0.00 TOTAL 2850.00 NET TO PAY 2850.00

44  
 2850 00

000931

6/22/92

- Irene -

Please typeset this appeal into something professional - looking!  
Be sure to leave a good inch on the top so our boards can clip them on + still see LBF prominently.

Please call Jessica Martin with an estimate so Fran can know what to expect.

Thanks!



①



①

TO: [REDACTED]  
FROM: [REDACTED]

FOR: PRICES FOR QUOTATION TO BE

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\$836

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100% recycled

\$177 for additional 10,000's

10,000 COPIES

\$324

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\$177 for additional 10,000's

3 1 2 0 1 3

000292

ATTACHMENT 46  
Page 1 of 4

# JOB REQUEST

TO: [REDACTED]

Name: [REDACTED]

Date: 10/13/92

Bill to: LBF for President

Job Title: flyer Deadline requested \_\_\_\_\_ by \_\_\_\_\_ AM or \_\_\_\_\_ PM

Job Description: "10 good Reasons" English/Spanish  
fly to Monday for Spanish translation

Size: 8 1/2 x 11 Qty: 100,000 Color(s): B

3# opaque

- Mechanical:  Laser Quality or  Linotronic Quality
- Printing (fill in specifications above)
- Typed Copy enclosed (see other side of this form)
- Photo/Illustration:  Enclosed or  Request:

If any problems or questions please call me at: Daytime ( ) - - - - - Eve ( ) - - - - -

**FOR OFFICE USE ONLY**

JOB NO. LBF 2108 DATE ACCEPTED: \_\_\_\_\_

ESTIMATE

Mechanical

Layout	\$
Text Entry/Transfer	\$
Paste-up	\$
Image Scan	\$
Page Design	\$
Linotronic	\$
Proofreading	\$
_____	\$
_____	\$
_____	\$
TOTAL	\$

Printing

<u>100,000</u>	\$
500	\$
1000	\$
ea. add'l 1000	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
TOTAL	\$

JOB WILL BE COMPLETED: Mechanical \_\_\_\_\_ by \_\_\_\_\_ AM or \_\_\_\_\_ PM  
Printing \_\_\_\_\_ by \_\_\_\_\_ AM or \_\_\_\_\_ PM

SIGNATURE OF APPROVAL \_\_\_\_\_ DATE \_\_\_\_\_

Mechanicals must be paid upon completion. Printing must be paid in advance. Above does not include sales tax, messenger services, client changes or additions. Mechanical estimate has a 15% + or - variable.

000290

ATTACHMENT 48  
Page 2 of 4

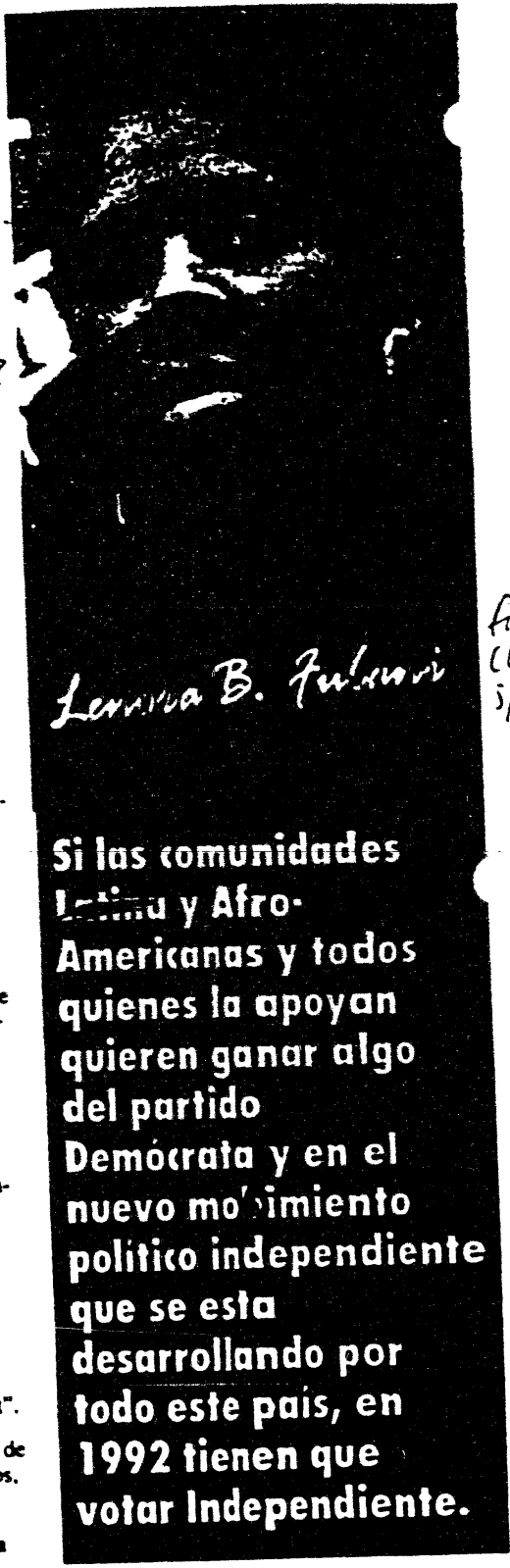
*Try learning to read - a little more*

# La Dra. Lenora B. Fulani le presenta una buena razon para que no vote por George Bush!

1. El es el candidato de un partido que admite que solo representa grandes negocios y no al Pueblo. Realmente él es el mayor de dos males.

# La Dra. Lenora B. Fulani le presenta diez razones para que no vote por Bill Clinton!

1. El partido de Bill Clinton ha trabajado cercanamente con George Bush y antes de él, con Ronald Reagan. Mientras los Demócratas son los menos de los dos males, Clinton sigue siendo un mal.
2. Bill Clinton es un oportunista político. Sus posiciones son basadas a quien quiere agradar en el momento. En 1986 cuando se postulo para gobernador de Arkansas, le dijo al Comité "Right to Life" que se oponia a que se usara fondos federales para abortos. En 1992 dice que apoya el uso de fondos federales para abortos. ¡Cuidado Mujeres!
3. Bill Clinton y su esposa invirtieron dinero en la compañía, DeBeers Consolidated Mines, Ltd. de Africa del Sur donde no hay leyes civiles. Después mintió a la prensa sobre el tamaño de su ganancias. Clinton dijo que fue \$400. Cuando los records de impuesto indican claramente que fueron cerca de \$4,000.
4. Bill Clinton ha insultado a líderes Afro-Americanos y sus portavoces como al Reverendo Jesse Jackson y Sister Souljah. Clinton canceló una reunión con la "National Newspaper Publishers Association" — publicaciones que son leídas por 12 millones de Afro-Americanos — porque no quiso presentarse en el mismo programa con la Dra. Lenora Fulani. ¡Cuidado Afro-Americanos!
5. En Arkansas, donde Bill Clinton ha sido gobernador por 12 años no se apoya a los sindicatos de obreros. ¡Cuidado Obreros!
6. En Arkansas, donde Bill Clinton ha sido gobernador por 12 años es un estado que apoya leyes de "Ingles solamente". ¡Cuidado Latinos!
7. Arkansas, donde Bill Clinton ha sido gobernador por 12 años es un estado donde no hay legislación de derechos civiles. ¡Cuidado Libertadores Civiles!
8. Arkansas, donde Bill Clinton ha sido gobernador por 12 años es un estado que no ha cumplido con los requisitos de accesibilidad mandados por el "Rehabilitation Act" y por el más recién "Americans with Disabilities Act".
9. Desde todos modos Bill Clinton ganará al estado de New York con cerca de 300,000 votos. Pues, en vista de todos sus esultos hacia tantos de nosotros, eso es una locura.
10. Si usted vota por Bill Clinton, no puede votar por la Dra. Lenora Fulani. La Independiente Afro-Americana #1.



*Lenora B. Fulani*

Si las comunidades Latina y Afro-Americanas y todos quienes la apoyan quieren ganar algo del partido Demócrata y en el nuevo movimiento politico independiente que se esta desarrollando por todo este pais, en 1992 tienen que votar Independiente.

## LENORA FULANI PARA PRESIDENTE EL 3 DE NOVIEMBRE ELLA ES LA MEJOR RAZON PARA VOTAR INDEPENDIENTE

RAID FOR LENORA B. FULANI FOR PRESIDENT • 2032 FIFTH AVENUE • NEW YORK, NY 10035 • 212 996 4700 / (100) 288-3201

ATTACHMENT 46000291  
Page 3 of 7

W - MOVE TO PAGE 1 - 4

How can the Black community and all who support it get leverage with the Democratic Party?  
 How can we have a voice in the new independent political movement that is spreading like wildfire across the country?  
 By voting independent in 1992.

## Dr. Lenora B. Fulani gives you ten good reasons not to vote for Bill Clinton.

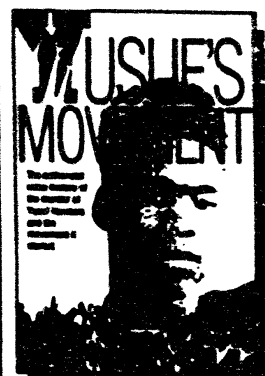
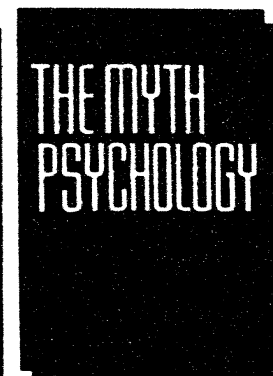
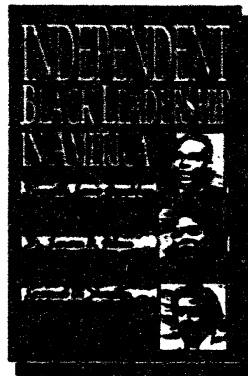


1. Bill Clinton's party has worked hand in hand with George Bush and with Ronald Reagan before him. While the Democrats are the lesser of two evils, Clinton is still a serious evil.
2. Bill Clinton is a political opportunist. His promises change based on who he is trying to please. When running for governor of Arkansas in 1990, he told the Right to Life Committee his opposition federal funding of abortions. In 1992, he says he supports it. Women, beware!
3. Bill Clinton and his wife, Hillary, invested in the DeBartolo Commercial Masses, Ltd. Co. of apartment South Africa. Then he lied to the press about the size of their profits. Clinton said it was \$400. But tax records show a two class to \$4,000.
4. Bill Clinton has made a point of meeting Black leaders and spokespersons like the Reverend Jesse Jackson and Senator Sharpton. He requested a scheduled appearance at the National Newspaper Publishers Association — where journalists reach 12 million African Americans — because he refused to appear on the program with Dr. Lenora Fulani. African Americans, beware!
5. Arkansas, where Bill Clinton has been governor for 12 years, is a "Right to Work" state. Ladies, beware!
6. Arkansas, where Bill Clinton has been governor for 12 years, is an "English-only" state. Ladies, beware!
7. Arkansas, where Bill Clinton has been governor for 12 years, has no state civil rights legislation. ~~It's the only state in the South that doesn't have a state civil rights law.~~
8. Arkansas, where Bill Clinton has been governor for 12 years, does not comply with accessibility requirements set forth by the Rehabilitation Act and by the more recent Americans with Disabilities Act. ~~It's the only state in the South that doesn't have a state civil rights law.~~
9. Bill Clinton is going to carry New York by some 300,000 votes anyway. With that margin, to vote for him in light of his records is an act of as if it just plain crazy.
10. If you vote for Bill Clinton, you can't vote for Dr. Lenora B. Fulani, Arkansas's #1 African American spokesperson.

**LENORA B. FULANI FOR PRESIDENT.**  
 She's got very good reasons to go independent on November 3.

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Say goodbye to traditional therapy. discover a cure for emotional pain — and a new road to growth!

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 TO ORDER BY MAIL: 212-941-8340



# KODZO DOBUSO AND THE FAMILY COURTS: JUSTICE OR MODERN DAY SLAVERY?



Kodzo Dobuso, the named father of the plan in 1983 because he adopted 45 Black and Latino children who no one else wanted. He was recently charged with child abuse and his children removed from their home. He is fighting these charges in court.

Join Kodzo Dobuso, lawyers and family law experts to examine the history of the family court and its policy toward Black, Latino, and poor families.

Thursday, May 7th at 7:30pm  
at the Harriet Tubman School  
250 W. 127th Street  
(Between 7th and 8th Aves.)

SEE HIGHLIGHTS OF DR. FULANI'S WEEKLY THURSDAY NIGHT MEETINGS ON CABLE TV CHANNEL 17 (D) EVERY SAT. AT 6PM.

For more information please contact Lenora B. Fulani for President or the New Alliance Party at 2032 Fifth Ave., New York, NY 10035. Tel: 212-996-4700

000263

PAID FOR BY LENORA B. FULANI FOR PRESIDENTIAL CAMPAIGN

Page

347  
3

# Social Therapy & the Social Therapy Movement

*"Social therapy is not a Black therapy but it is in my opinion by far the most effective, coherent and useful approach to the treatment of the emotional struggles of the African American community that exists anywhere. No other approach even comes close."*

—Dr. Lenora Fulani



**Social therapy stimulates growth and development. It is curative.  
Why is it being kept out of the Black and Latino communities?**



Dr. Lenora Fulani invites you to join Dr. Lois Holzman, an internationally known researcher in human development who has taught people around the world about this new therapy.

Come ask all your questions about emotional pain and mental illness, and how social therapy can be helpful to you, your family and friends

**DR. LOIS HOLZMAN**

**Thursday, October 1, at 7:30 pm  
at the Harriet Tubman School  
250 W. 127th Street  
(Between 7th & 8th Aves.)**

For more information contact Lenora B. Fulani for President or the New Alliance Party at 2032 Fifth ave., New York, NY 10035. Telephone 212-996-4700.

000391

ATTACHMENT 49  
Page 2 of 3

# Since Police Commissioner Lee Brown resigned, many have called for a Black Police Commissioner to replace him...

Is a Black Police Commissioner better for the Black community?  
Does a Black Police Commissioner mean less police brutality?  
What lessons do we draw from Lee Brown's administration?  
How do we let Mayor Dinkins know our opinions?



Join Dr. Lenora Fulani

Lloyde Finley,

*Chairman of the Grand Council of Guardians  
and president of the Transit Workers Guardians*

Officer Martin Blue

**TO DISCUSS THESE IMPORTANT ISSUES**

Thursday, September 17, at 7:30 pm  
at the Harriet Tubman School  
250 W. 127th St. (Between 7th and 8th Aves.)

For more information contact Lenora B. Fulani for President or the New Alliance Party at 2032 Fifth Ave., New York, NY 10035. Telephone 212-996-4700.

PAID FOR BY LENORA B. FULANI FOR PRESIDENT.

000427

ATTACHMENT

47

of 3

**ARTHUR  
BLOCK**

ATTORNEY AT LAW

12 Spring Street, Suite 1201, New York, NY 10012 (212) 661-0404

REC'D  
FEDERAL ELECTION  
COMMISSION  
OFFICE

APR 5 11 34 AM '95

April 4, 1995

**BY FACSIMILE AND FEDERAL EXPRESS**

Lawrence Noble, Esq.  
General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: Motion to quash subpoena issued to Lenora B. Fulani for President  
Committee

Dear Mr. Noble:

This letter constitutes a Motion to Quash Subpoena pursuant to 11 CFR § 111.15, on behalf of the Lenora B. Fulani for President Committee (the "Committee").<sup>1</sup> The motion is addressed to a Subpoena to Produce Documents and Order to Answer Questions issued by the Federal Election Commission (the "Commission" or "FEC") on March 6, 1995 and received by certified mail on March 28, 1995. In this motion, the subpoena and order will be referred to collectively as the "subpoena."

The Subpoena

The Commission has already conducted a full and detailed audit of the Committee. The Committee's Final Audit Report was issued by the Commission on April 21, 1994, nearly a year ago.

The subpoena is a compendium of requests for information or documents that either: (a) have already been produced by the Committee to the Commission's auditors during the regular audit process and reviewed by the auditors; (b) were available for inspection or inquiry during the regular audit process, whether or not the auditors chose to inspect or inquire or copy; or (c) would have been made available to the auditors if they had asked.

For example, the very first request reads: "Provide all checks written on Committee accounts." The Committee already has made all of its checks available to Commission auditors during the regular audit process. Now the Commission is making a blanket demand that

---

<sup>1</sup> The Committee has previously filed designations of counsel with the Commission regarding this firm's representation.

ATTACHMENT 488

Page 1

of 5

Lawrence Noble, Esq.

April 4, 1995

Page 2

copies be made and provided not of some checks, but of each one of the many thousands of checks issued by the Committee

Other requests concern very small transactions that are remote in time. On pages 8-9 there is a request for a description of the goods and/or services related to fundraising pertaining to 5 expenses of \$22.50 each, that were incurred nearly four years ago. Similarly, on page 14, the subpoena requests that the Committee produce "the flyer for which the Committee paid \$199.68 on March 10, 1992."

There are several demands for explanations of payments made in September 1992, shortly after the end of the primary period applicable to this Committee. Obviously, a routine part of the regular audit would have been to verify that all expenses paid after the end of the primary season related to goods or services purchased during the relevant time frame.

Grounds to Quash

1. The subpoena is unjustified, burdensome, overbroad, and duplicative of the already completed audit

This subpoena is a redoing of the already completed audit. The Commission has failed to demonstrate any legal or factual basis to demand production of these documents and information in an audit inquiry commenced months after the closing of the audit and the adoption of a final audit report by the Commission.

Assuming arguendo that an audit inquiry of this kind can lawfully be conducted after the adoption of a final audit report, the Committee clearly has a strong reliance interest based upon the adoption of the final audit report. The Commission has to show a convincing factual basis for subjecting a Committee that has completed an audit to now spend substantial resources and energies responding to massive requests for minute pieces of information involving, in many cases, small sums of money.

This is not a routine audit in which random sampling or possibly a complete review of all documentation may be appropriate. It is a special inquiry, there is supposed to be a focus to the investigation. The requests in the subpoena, such as the production of every check issued by the Committee, are unfocused. Since this is not a random audit procedure, and lacks the focus of an investigation, it is most accurately seen as a fishing expedition -- an attempt to find something negative about a targeted subject.

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Another practice that runs throughout the subpoena is to apply a different standard for reviewing business documents as the Commission applies in other audits. Incredibly, years after campaign materials were purchased and distributed, the Commission is now demanding that actual campaign buttons, flyers, tee shirts, booklets, etc. be produced. With no credible evidentiary basis, regular business invoices documenting these purchases are now being disregarded.

At this late date, after the completion of one complete audit already, to be asking a Committee to produce the above-described information again for small expense items is duplicative, and so unnecessarily burdensome as to reasonably be deemed harassment.

The issuance of this subpoena is arbitrary, capricious and an abuse of discretion. Furthermore, the burdensomeness of this subpoena and the Commission's pouring of resources into a matter than does not meet its own prioritization standards (see below) implicates first amendment concerns. Because this subpoena cannot pass muster under the standard set forth in Federal Election Com'n v. LaRouche Campaign, 817 F.2d 233, 234-35 (2d Cir. 1987), it also is constitutionally defective.

2. The issuance of the subpoena contradicts the Commission's own asserted policies and standards for prioritizing investigation and enforcement activities

The Commission has set forth and has widely publicized self-imposed standards for prioritizing the use of its scarce investigatory and enforcement resources. The instant subpoena, as well as numerous subpoenas and judicial enforcement proceedings directed at parties that did business with the Fulani Committee, demonstrate that the Commission is pouring substantial resources into the investigation of unsupported charges. Assuming arguendo that there is any colorable basis for suspicion of noncompliance by the Committee, the priority that the Commission has given to this matter is completely out of line with its own asserted standards.

One measure of the lack of proportionality in the Commission's allocation of resources to this unusual investigation is the difference between the Commission's actions vis-a-vis the Fulani Committee and the Clinton for President Committee. The Commission's audit staff prepared an audit report on the Clinton Committee which recommended a repayment determination of \$3,819,150. The Clinton Committee's ratio of recommended repayment to total

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matching funds received was 435 times greater than the Fulani Committee's.<sup>2</sup> The recommended repayment determination for the Clinton Committee was nearly \$2 million greater than the entire matching funds grant received by the Fulani Committee.

The Commission, however, decided (via a voting deadlock) not to seek repayment to the Treasury from Clinton of \$2.9 million of the repayment recommendation. Nor did the Commission reopen the audit or open any special audit inquiry to determine whether upon closer scrutiny additional violations could be found in the conduct of a candidate committee that appeared to be the most egregious violator of the laws and regulations applicable to presidential candidates in the history of the matching funds program.

By contrast, with respect to the Fulani Committee, the Commission made an eleventh hour decision not to adopt the recommended final audit report, and to open an unprecedented special investigation of the Fulani campaign. The basis for these actions were unsupported allegations of inappropriate transactions by the Fulani Committee, repeated in a weekly newspaper.

Given the Commission's own professed policies, the issuance of this subpoena is arbitrary, capricious, and an abuse of discretion.

3. The Commission is unconstitutionally constituted.

The dramatically different treatment that the Commission has given to the Clinton Committee and the Fulani Committee is a product of the unconstitutional structure of the Commission itself. De facto, the Commission is a bipartisan agency, rather than a nonpartisan agency. Throughout its history, it has always had three members affiliated with the Democratic Party and three members affiliated with the Republican Party.

This composition must be read together with other provisions of the federal election laws which require that any significant action by the Commission be supported by the vote of no fewer than four Commissioners. This combination of a bipartisan balance and a four vote minimum clearly was intended by Congress to give each of these parties a veto power over

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<sup>2</sup> The FEC Audit Division determined that the Fulani Committee should repay \$1,394 of the \$2,013,323 it received in matching funds, or 0.07%. By comparison, the Audit Division's Report on the Clinton for President Committee determined that the Clinton Committee should repay \$3,819,150 of \$12,536,135 -- or 30.47%. Report of the Audit Division on Clinton for President Committee (FEC Agenda Item December 8, 1994). Hence, the Clinton Committee's rate of noncompliance was 435 times greater than the Fulani Committee's.

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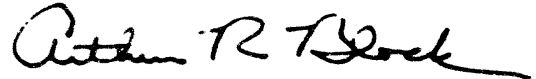
Page 5

any possible action of the FEC that might detrimentally affect important interests of that party. It is precisely this combination of elements that blocked any action against the Clinton Committee.

This bipartisan structure is only one of the mechanisms Congress inserted into the federal election laws to try to maintain partisan political control and/or monitoring over this ostensibly independent agency. Two others have already been declared by the courts to be unconstitutional -- the placing of voting members on the Commission by the Congress; and the placing of non-voting members on the Commission. This remaining unconstitutional vestige of partisan political control awaits a remedy. Assuming arguendo that it can be constitutional to have institutionalized bipartisan control over independent regulatory agencies with jurisdiction over commerce, it cannot be permissible in an agency that has discretionary powers in the regulation of the election process itself.

This subpoena, issued by a bipartisan commission against the independent candidate who has qualified for more federal matching funds than any other independent or minor party candidate in United States history, embodies precisely the dangers of the unconstitutional structure of the Commission. It should be quashed forthwith.<sup>3</sup>

Respectfully submitted,



Arthur R. Block

ARB/bp

Enc. 3 additional copies of this motion

cc: Dr. Lenora B. Fulani  
Francine Miller, Esq.

2129ap qm

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<sup>3</sup> The Committee reserves its right to assert additional grounds for quashing the subpoena or for opposing any application by the Commission for judicial enforcement of the subpoena.



**ARTHUR  
BLOCK**

ATTORNEY AT LAW

22 Spring Street, Suite 1201, New York, NY 10012 (212) 966-0404

MAY 24 3 02 PM '95

May 23, 1995

**BY FACSIMILE AND FEDERAL EXPRESS**

Peter Blumberg, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E St. N.W.  
Washington, DC 20463

Re. Lenora B. Fulani for President Committee  
Audit Inquiry LRA #451

Dear Mr. Blumberg:

In accordance with our telephone conversation of Friday, and Mr. Holloway's letter of yesterday, I enclose the Declaration of Lenora B. Fulani, Ph.D. executed May 23, 1995. The body of the Declaration is being transmitted by facsimile. The original with exhibits is being sent by overnight delivery.

Very truly yours,



Arthur R. Block

ARB/bp  
encs

cc: Lenora B. Fulani, Ph. D.  
Francine Miller, Esq.

ATTACHMENT 49  
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BEFORE THE FEDERAL ELECTION COMMISSION

UNITED STATES OF AMERICA

-----X  
In the Matter of Audit Inquiry of

LRA #451

LENORA B. FULANI FOR PRESIDENT  
COMMITTEE,

Declaration of Lenora B. Fulani, Ph.D.  
in Response to Legal and Factual  
Basis for Inquiry

Respondent.  
-----X

I, LENORA B. FULANI, PH.D., declare as follows:

1. I was a candidate for the Presidency in 1988 and 1992, and received federal primary matching funds in each of those election cycles. Respondent Lenora B. Fulani for President Committee ("Committee") is my authorized campaign committee for the 1992 primary election.
2. Ten months ago the Federal Election Commission (the "Commission" or "FEC") voted to "hold in abeyance" an extremely dubious and tainted enforcement proceeding against my Committee, Treasurer and campaign manager. However, the FEC simultaneously opened an unusual investigation of my Committee's finances under its alleged auditing powers. This so-called "audit inquiry" was unusual (and probably unprecedented) because the Commission had already completed an exhaustive field audit of our books and records, analyzed the information, issued a Final Audit Report showing an excellent record of compliance with federal regulations, and had its Office of General Counsel formally recommend adoption of the preliminary repayment determination.

3 To this day, the Commission has issued no finding, preliminary finding or "reason to believe" determination, in which the Commission has committed itself to a position about the truth or falsity of the allegations that it originally presumed to be of such importance as to justify an enormous expenditure of scarce Commission investigative resources. My counsel informs me that, contrary to legal precedents in United States Court of Appeals for the Second Circuit, the Commission recently commenced a federal court action to enforce subpoenas against vendors to the Committee, but failed even to provide the Court with an affidavit from an FEC investigator stating that evidence had been found to support the key allegations of the inquiry.

4 This dearth of evidence is no surprise to me, since the allegation of a million dollar embezzlement scheme laid out in the FEC's justification for this unprecedented inquiry is preposterous. I am glad that nine months into its investigation the FEC finally decided (see below) to invite the Committee to submit a response to the allegation. I hope that the response I am providing through this declaration will enable the Commission to swiftly put an end to this harmful and wasteful investigation.

#### The History and Character of this Response

5 During 1993-94, the FEC conducted a detailed audit of the Committee's finances. On April 21, 1994, the Commission issued a Final Audit Report which reflected an excellent record of compliance, particularly in its recommendation that the Committee repay \$1,394 out of the \$2,013,323 in matching funds it received, or a mere 0.07%.

6 On July 8, 1994, the Office of General Counsel (OGC) issued a written recommendation that this repayment determination be adopted by the Commission. However,

instead of putting final closure on the audit process, the Commission decided on July 26, 1994, to authorize OGC to conduct a special inquiry of the Committee (the "audit inquiry")

7 Approximately a month later, the Commission transmitted to the Committee a document (undated) said to contain the justification for the opening of this investigation, "Legal and Factual Basis for Inquiry Pursuant to 26 U S C sec 9039(b) of Lenora B Fulani for President Committee" ("Basis for Inquiry")

8 Basis for Inquiry neither required nor invited the Committee to submit a response. Nor did the transmittal letter or any other written communications from the FEC to the Committee, up to the present time. Committee counsel informs me that in April 1995, nine months after the opening of the audit, the OGC for the first time made a suggestion (in a telephone discussion) that the Committee make a submission that responds to Basis for Inquiry.

9 I am submitting this Declaration to provide such a response. The Commission has not taken a position that the allegations of a third party, that are repeated by the Commission in Basis for Inquiry, are true. It has not made a finding that the minimal threshold of "reason to believe" has been passed. The allegations, moreover, are general and sweeping. Consequently, this response will focus on the basic allegations in the Commission document, and on the bipartisan bias that is reflected in the way this inquiry has been pursued.

10 In addition, I will be responding to a number of the questions posed in the subpoena issued to the Committee on March 6, 1995, without prejudice to the Committee's objections to the subpoena in its entirety, and to each and every part of it

11 In submitting this declaration, I am not limiting the Committee's response and objections to this investigation to what is set forth herein. I hereby incorporate by reference the pleadings, briefs, and other submissions that the Committee or I have filed with the Commission (e.g. motions to quash, MUR 3938, MUR 4032, AOR 1994-2, AOR 1995-01) or served on the Commission (e.g. in court cases), to the extent that they are relevant to the allegations in the audit inquiry, and the credibility of the source(s) of those allegations. I would also note that the Committee maintained all of the records that it was required to keep pursuant to federal regulations, and it gave full and complete access to its books and records to the Commission's auditors during the regular audit process, as required by law.

#### The Investigation

12 Basis for Inquiry summarizes the central charges that it says requires an investigation as follows:

In general, it is alleged that the candidate's campaign manager, Fred Newman, used a network of vendors and other entities he controlled, as well as individuals, to funnel Committee funds, including federal matching funds, to himself. This scheme allegedly was carried out with several types of Committee expenditures, including payments to organizations controlled by Newman and payments to individuals

Nearly one-quarter of the Committee's total primary budget allegedly was paid to organizations that share offices, phones and leadership with the NAP [New Alliance Party], which is led by Fred Newman. However, it is alleged that most of these organizations exist only on paper as bank accounts. Although these businesses were paid nearly \$1 million by the Committee, they allegedly delivered almost no goods or services to the campaign.

(Basis for Inquiry, pp 3-4, footnote omitted, emphasis supplied) In the omitted footnote, this scenario is characterized by the Commission as "Newman's embezzlement scheme "

13 In short, the FEC is investigating an allegation by an unnamed source that I failed to notice that \$1 million, a quarter of my 1992 campaign budget, was embezzled from under my nose by Dr Newman, my campaign manager, rather than being spent to further my campaign. This is hogwash I ran my campaign. The day to day financial affairs of the campaign were, of course, handled by staff, but I set the priorities I approved the selection of the vendors that allegedly existed only on paper

14 If \$1 million was diverted from my campaign then I would be the victim of such a scheme I needed every dollar I could get to operate my campaign. I worked very very hard at fundraising. There was no such diversion.

15 The vendors who are alleged to exist "only on paper" were the backbone of my national campaign, providing vitally needed goods and services. I frontloaded my campaign with a fully staffed campaign office and media operation in the New Hampshire primary, where I ran in the Democratic Party primary This operation and public relations work established such a presence that I was one of a handful, out of the dozens of candidates, whose itinerary began to be carried in the Manchester Union Leader, and my campaign appearances and protests I led against exclusionary debates received significant press coverage. In California, I waged a campaign for the nomination of the Peace and Freedom Party, which has ballot status I won the party's preferential primary Then the executive committee of the party vetoed the choice of the

members and put another candidate on the ballot. During my "primary"<sup>1</sup> campaign I achieved ballot access in 39 states and the District of Columbia, I expended resources trying to get on the ballot in other states (e.g. California), and I campaigned nationally.

16. In Basis for Inquiry the Commission not only gives credence to the allegation that these vendors did not provide goods and services for my campaign, it states as a fact that the New Alliance Party "is led by Fred Newman."

17. I am the Chairperson of NAP. By what right does a federal agency with the weighty responsibility of enforcing federal election laws in a nonpartisan, impartial manner, launch investigations based on its conclusion that a national political party is not "led" by its Chairperson?

18. NAP is a 16 year old political party that has elected and re-elected me Chairperson at duly convened national conventions. One of the standard partisan political attacks on me and NAP is that this multi-racial party is really led by Dr. Newman, who is white, and not by me. Wrong though they may be, individuals have a right to voice that accusation. But not the Commission. A government agency may not ignore the legal structure, constitution and duly conducted affairs of a political party and state in an official document that the duly elected national chairperson of that party is not its leader. Has the Commission ever applied this practice to the Democratic or Republican Parties, or to a minor national political party which is not led by an African American woman?

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<sup>1</sup> As described below, in order to preserve the constitutionality of the federal campaign funding statute, the FEC has interpreted the law to treat the ballot access efforts of independent and minor party candidates to be the functional equivalent of the "primary" campaigns of the Democratic and Republican Party candidates.

19 In short, the central allegations on which this audit inquiry was based are false and laced with political partisanship and bias. That the Commission opened this investigation at all, and then pursued it for the past 9 months with an expenditure of substantial taxpayer resources, raises even more fundamental questions about partisan bias in the enforcement practices of the agency in this case, as will be developed below. I hope that by bringing this to the Commission's attention, it will appreciate the importance of dismissing this inquiry before government law enforcement resources cause any more interference with the First Amendment activities of me, and of persons and organizations who associate with me.

#### An Ongoing Political Association

20. The 1992 Fulani campaign is just one episode in an ongoing campaign to democratize the electoral system in the United States. This campaign for democracy can be dated conservatively from the founding of NAP in 1979. It traces back further to the political associations and work of Dr. Fred Newman in the early 1970's.

21. Complementing the campaign for democracy in the political and electoral arena, Dr. Newman, myself and others, including many persons associated with the Committee's chief vendors, have been involved in building developmental and democratic institutions in the areas of psychology, culture, education and youth services. For example, Dr. Newman and I are co-Executive Producers of the All Stars Talent Show Network, a thriving network of youth-run talent shows that has involved well over 100,000 young people in positive, nonviolent talent show competitions for over a decade.

22. There is a community of individuals and organizations that have been supporting these political, educational, cultural, psychological and other projects for many years.



Typically, they contribute their efforts, money and resources to support them. When there is an opportunity to give these individuals and organizations fair compensation for their goods and services, I am glad to have the opportunity to do so

23 Running for the office of President of the United States is only one of the many projects I engage in with this community. But a unique requirement of my participation in the presidential matching funds program is that I must pay businesses and nonprofit organizations for the goods and services they provide to my campaign. It is unlawful for businesses to donate their goods and services.

24 A grass roots presidential campaign like mine which is spawned by a relatively small, ongoing association of committed individuals and organizations, is almost surely going to have different kinds of relationships with vendors than the presidential campaign of candidates of the enormous, corporate oriented, Democratic and Republican Parties.

25 The vendors which I hired for such critical tasks as campaign manager, legal counsel, media work, advertising and so on, were people whom I knew, had working relationships with, were dedicated to the job, and were qualified to deliver services to an unusual entity with specialized needs -- a grassroots based, national, independent presidential campaign. Who does the FEC expect for me to hire as my campaign manager, Roger Ailes? Even if he would have considered the position he would not have been as qualified as Dr. Newman to strategize an independent, grass roots presidential campaign that had no funds for television advertising and a negligible sum for radio spots.

26 The FEC's obliviousness to the realities of an independent grassroots presidential campaign in its rush to investigate vendors that had political associations with me is

strikingly evident in its giving special scrutiny to the Committee's contract with Cakim Management, Inc ("Cakim") I contracted with two companies for services in managing ballot access petitioning drives First, I hired National Voter Outreach ("NVO"), a company with whose principals I had no political associational relationship However, in July 1992, my staff realized that NVO was not getting the job done in several states and had been giving us misleading statistics on the progress of the petitioning work to cover up its failures. This spelled disaster <sup>2</sup> That is what led me to retain Cakim, to rescue the ballot access drive Cakim was run by people with whom I had longstanding political associations, people who I could trust, people who got the job done

27. Cakim took over management of several ballot access drives. As a result of its services, I got on the ballot in Kansas, Ohio, Kentucky and Nebraska Each one of these states was needed for my total of 40 jurisdictions Obviously, the fees I paid to Cakim is some of the most vital and well spent money of my campaign in 1992 But now the FEC comes along with special audit inquiry and has no interest in looking at NVO, the vendor of ballot access petitioning services that was not within the scope of my political associations, but instead demands all kinds of extra scrutiny of my Committee's relationship to Cakim, which got the job done, because the FEC perceives its staff or principals to have political relationships with me. This is gratuitous harassment of my Committee and of my political associates

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<sup>2</sup> In 1988, I had made a firm commitment to getting on the ballot in the 50 states and the District of Columbia. I accomplished that In 1992, I promised my supporters to be on the ballot in at least 40 jurisdictions This was not an arbitrary number I had worked hard with Congressman Timothy Penny to promote his proposed Democracy in Presidential Debates Bill, that set ballot access in 40 jurisdictions as the threshold for inclusion in nationally televised Presidential debates. It would have been an acute set-back if I did not even meet the threshold that I had been advocating.

28 I have a constitutional right to pick some of my vendors and employees because of their political associations with me, provided all legal requirements were met regarding the need for the goods and services, the actual delivery of the goods and services, and the commercial reasonableness of the financial arrangement. My staff took care of being sure that the myriad of FEC rules regarding the details of the transactions were met. We passed the audit with flying colors.

29 The FEC, on the other hand, has no authority to harass my vendors or my campaign because the Commissioners want to obstruct our political relationships and activities. My counsel has informed me about the massive and unjustified subpoenas that the Commission has served on vendors that the Commission singled out because of their perceived political associations with me and my long time associate and campaign manager, Dr. Fred Newman. I incorporate by reference my statements in my declaration dated April 25, 1995, submitted in the federal court enforcement proceeding.

30 It is shocking to be informed that even after the submission of my declaration, the FEC did not even drop its subpoena directed at the New Alliance Party, a pure political association which was not even a vendor to my Committee, or its outrageous demands for records directed to the Rainbow Lobby, Inc, and other vendors.

31 In those proceedings the Commission has committed itself to an illogical argument in order to try to justify this harassment. It takes the untruth of the proposition, "If you are a vendor to the Committee then you have a constitutionally protected political association with the Committee," and argues that this proves the quite different proposition, "If you are a vendor of the Committee then you are not politically associated with the Committee." This is a

fallacy. An entity can be a vendor to the Committee and can also be politically associated with the Committee. Whether or not such an association exists is a question of fact. In the instant case, the existence of the political associations between the Committee and the vendors cannot be disputed because the Commission itself asserts that it has selected the vendors for special scrutiny because it sees them as having an associational relationship with the Committee. (Assuming for the sake of argument that more of a factual showing were needed, my declaration dated April 25, 1995, provides ample information on these associations.)

32. When a person or organization with which I have a political association sells goods or services to the Committee, neither I nor the vendor is stripped of First Amendment rights of association. But that is what the Commission has done in this case. It has accepted allegations of associational relationships as a predicate for a special audit inquiry of the transactions between vendors and the Committee, after those transactions have already passed the test of a normal audit. The Commission is using a double standard.<sup>3</sup>

33. My counsel informs me that in its reply brief filed in the court proceedings regarding the subpoenas to the vendors, the FEC introduced at one point a new justification for the massive subpoenas, namely that the transactions were not at arms length. However, there are no allegations in Basis for Inquiry that any of the Committee's relationships with vendors were

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<sup>3</sup> My counsel informs me that in the FEC's suit to enforce its subpoenas on the vendors, the FEC tries to avoid a higher standard of scrutiny required by the First Amendment by arguing that the relationships between the vendors and the Committee are simply vending relationships and not political associations. Hence, the FEC is using a triple standard. In the regular audit, associational relationships were not used as a justification for a special auditing standard. In the special audit inquiry associational relationships are put forward as justification for a special auditing standard. Finally, in the judicial enforcement proceeding, the FEC denies that there are any relevant associational relationships.

not at arms length in the conventional auditing sense of overlapping owners, directors or relatives on both sides of any particular contractual agreements. Rather, the FEC's contention that not at arms length conditions apply here is based on overlapping political beliefs, associations and commitments. It seems to me that for a government agency to use such a political definition of non arms length must be unconstitutional, and my counsel assures me that is the case.

34. Were it otherwise, the Commission would have one procedure for auditing Democratic and Republican party candidates, and another procedure for auditing grass roots campaigns of independent and minor party candidates like myself.

35. The government cannot punish grass roots candidates for not running their campaigns the way that Democrats and Republicans run theirs.

36. To the contrary, long ago the Commission recognized that to preserve the constitutionality of the primary matching funds program, it had to actively counteract the bipartisan bias in the drafting of the law. Beginning in the 1970's, it issued advisory opinions which declared that the ballot access activities of independent and minor party candidacies would be treated as the functional equivalent of the nominating processes of the Democratic and Republican Parties. Hence, independent and minor party candidates would be eligible to qualify for "primary" matching funds regardless of whether or not their campaigns had anything to do with "primary" elections. The advisory opinions set guidelines for establishing this functional equivalency, e.g. by deeming the last day of the last major party convention to be the end of the "primary" season for the independent and minor party candidates.

37. The FEC has known for over a decade about the grass roots character of NAP's presidential campaigns. In 1984, when NAP was backing the presidential candidacy of

Dennis Serrette, the Commission issued Advisory Opinion 1984-11, which reaffirmed the procedures for Serrette's campaign to seek to qualify for primary matching funds. In 1987, I applied for funding of my 1988 committee which was named "Lenora B. Fulani's Committee for Fair Elections." The FEC's first objection to my receiving matching funds for the 1988 race was that this name was allegedly misleading. The FEC suggested that people might think they were giving their money to a lobbying organization rather than a federal candidate campaign. But it withdrew this objection. There was no basis for denying funding to an otherwise qualified candidate merely because the candidate projected her presidential campaign as a part of an ongoing campaign to democratize the electoral process.

38. If the Commission thought in 1991 that it could constitutionally subject me to special audit procedures or otherwise single me out for special treatment because I didn't run my campaign in accordance with the model of the Democrats and Republicans, then it should have tried to deny me matching funds right then and there and we would have taken the case to the courts for a ruling.

39. But instead of stating its double standard for the auditing of independent presidential candidates before giving me matching funds, the Commission approved the payment to my Committee of \$2 million in funding, and I received and used the funds for my presidential campaign. The Commission conducted a standard audit of the Committee's finances and found that we spent the money properly. Now, after the fact, the Commission is using its decision to give the Committee government funds as the springboard for this special audit investigation. This government conduct, giving funds without notice of the double standard and then springing this special audit investigation is nothing less than entrapment.

Pleasant, Gasink, and McConnell.

40 The FEC long ago should have reached the conclusion that its sources for the allegations are unreliable and uncredible. That is another reason for closing this inquiry forthwith.

41 Ten months after the opening of this special audit inquiry the Commission has still failed to identify for me or for the federal court in the subpoena enforcement proceeding the source of the allegations that the Commission has decided to devote such significant resources to investigate.

42 It has refused to make this connection even though it links the opening of the audit inquiry to its simultaneous decision to hold in abeyance MUR 3938, which is based on a complaint filed by Kellie Gasink. It has refused to do this even though the opening of the audit inquiry was linked to the publication of an article in the Washington City Paper that is a rehash of Gasink's allegations. I am informed that in the subpoena enforcement proceedings against some of my vendors, the FEC told the Court that its allegations are based on an affidavit from "a former Fulani Committee staff member" but fails to say whether this is the same affidavit that Kellie Gasink submitted in MUR 3938, then released to the press.<sup>4</sup>

43 I must assume that Kellie Gasink is the sole, or main, on the record source of the allegations being investigated by the FEC in this inquiry. I have reason to believe that William Pleasant is the fabricator of the Gasink allegation that Dr. Fred Newman embezzled \$1 million from my Committee. Months ago, I, Dr. Newman and others began submitting to the

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<sup>4</sup> At Gasink's bidding, the FEC retroactively approved her release of her complaint to the press, even though such release clearly violated FEC regulations. See FEC Advisory Opinion 1994-32.

FEC documentation of the Pleasant-Gasink connection, including pages upon pages of Pleasant's ravings about how he is responsible for the attacks on Dr. Newman and my Committee in the City Paper, at the FEC, etc. The FEC has even been provided with the affidavit of Daniel Friedman, attaching telephone records and transcripts proving Pleasant's making of repeated harassing and vulgar phone calls to Dr. Newman from Gasink's home telephone.<sup>5</sup>

44 Pleasant worked with Dr. Newman and me for several years. He came to us with a political viewpoint of strong opposition to use of the electoral system to obtain social justice, and bragged about his political associations with persons who had allegedly provoked physical confrontations with law enforcement officials. His recent letters express his strong disagreement with my dedication to participation in the electoral process and to my attempts to build bridges among a diverse range of people and organizations who share a common goal of democratizing American politics. He identifies this approach with Dr. Newman, and he pleads with me to "return" to his political approach which he claims to be more Black and more revolutionary.

45 Although the Pleasant-Gasink allegations were in the FEC's hands since no later than January 1994, it did not open this audit inquiry until July 1994. It did so only after (and immediately after) Senator Mitch McConnell was quoted in the aforementioned City Paper article as calling for an investigation of the use of federal primary matching funds by my Committee.

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<sup>5</sup> I incorporate by reference all of the documents previously submitted to the FEC or served on the FEC in court cases, by me or my associates, regarding Pleasant and Gasink. For ease of reference, I also am enclosing herewith as Exhibit A one of them, Dan Friedman's affidavit dated May 4, 1994, with attached exhibits.



Sen. McConnell is a persistent critic of the Commission, and he advocates the total elimination of the presidential primary fund program<sup>6</sup>

46 Hence, while my 1988 and 1992 campaigns have been models for persons seriously disaffected with the American politics to work within the peaceful process of elections, and have shown that a grassroots independent candidate like myself can qualify for federal matching funds, the FEC has so far chosen to use scarce taxpayer resources to carry out a witch hunt against me and my associates at the bidding of a person opposed to electoral politics (Pleasant) and a Senator (McConnell) who wants to abolish the Presidential matching funds program

47. Dr. Newman and I are very controversial. Political attacks are to be expected from adversaries in the political arena. My objection, however, is to a federal government agency so readily picking up on obviously partisan attacks and adopting them as the

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<sup>6</sup> It may be that the Commission thought it could placate Sen. McConnell by suddenly opening this special audit inquiry in response to his quoted statement, but the Commission's actions actually lend support to his argument for the elimination of the presidential matching funds program. The FEC's irregular, unfair, and unconstitutional harassment of me and my associates demonstrates the need to keep government out of the business of regulating election campaigns. This harassment of the independent candidate who received more matching funds than any other in the history of the program sends a message to independent voters that there is little reason to check off a tax contribution to a government fund that is used by the Democratic and Republican Parties through the FEC to frustrate the desire of independent voters to have more choice of candidates than those approved by the major parties. As far as political activists in the independent political arena are concerned, there is little reason to support a government program which channels general election funding solely to the major party candidates, and which is administered by an agency which shows that it feels free to harass any independent candidate who is too successful in qualifying for primary matching funds. The FEC's conduct is likely to accelerate the trend of declining support for the presidential funding program.

government's allegations,<sup>7</sup> and then continuing and intensifying this effort after I have provided the agency with information on the accusers showing the uncredibility and vulgarity of their expressions of opposition to our political activities

48 The Commission has a legal and constitutional responsibility to apply the federal election laws in a fair and impartial manner. To do this, it first has to overcome the structural bipartisan biases in the very laws it is applying. For example, the division of the funding program into the "primary" season and the "general election" season was made to conform to the practices of the Democratic and Republican Parties. The creation of a Commission with an even number of members was designed to create a precise balance between Republicans and Democrats. The Commission has adopted regulations regarding such diverse matters as the structure of candidate debates sponsored by nonprofit organizations, and the use of personal credit cards to purchase goods and services for a committee, which have requirements and language that is tailored to the characteristics of the campaigns and campaign practices of the major parties

49 The Commission's actions in this audit inquiry, and its failure to enforce the election laws against the President of the United States,<sup>8</sup> is selective partisan enforcement that

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<sup>7</sup> As mentioned above, one example of this is the FEC's adoption of the facially false accusation that NAP is led by Dr. Newman, and not by me. See paras 16-18, *supra*.

<sup>8</sup> The FEC has failed to pursue a clear right of the public to recoup \$29 million dollars from the Clinton Committee arising from blatant violations of federal law carefully documented by the FEC audit staff. See three articles annexed hereto as Exhibit B. The money the FEC failed to recoup from Clinton, \$29 million, far exceeds the total amount of matching funds received by my Committee. The three Republican Commissioners voted to pursue the repayment claim against Clinton, and they issued a statement declaring that the FEC's failure to do so was "arbitrary, capricious, and an abuse of discretion." *Id.* But that decision was the result of a three-three stalemate vote in the bipartisan agency. The FEC is structured to insure that

sends a message to independents, minor party supporters, insurgents within the major parties and others, that persons who are outside the orbit of the Democratic or Republican Party establishments will be harassed by this agency based on the flimsiest of allegations.

### The Subpoena to the Committee

50 I will now respond on behalf of the Committee to many of the specific interrogatories set forth in the Commission's Subpoena.<sup>9</sup> As I have said above, I am doing this without prejudice to the Committee's objections to the entire audit inquiry, to the entire Subpoena, and to each of the particulars of the Subpoena. I think that a fair consideration of these responses will further show the Commission that even from its approach to this investigation there simply is no truth to the allegations and the investigation should be terminated.

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either the Republican Party or the Democratic Party can block any action by the agency. This structure likewise allows the agency to discriminate against independent and insurgent candidates, and to violate its own asserted "prioritizing" policies to seize upon even the flimsiest allegations as a pretext to conduct a major investigation of such a candidate.

<sup>9</sup> While I will be giving responses to many of the particulars items in the Subpoena, I must stress that the Subpoena is an unfocused hodgepodge of nitpicking questions that bear no logical relationship to what the Commission claims it is investigating. For the most part, it is just a rehash of the field audit that was done two years ago. Questions about expenditures of \$22.50 for tickets to Musicruise events, or about whether some expenditures in early September related to services rendered for my primary campaign, are not geared to uncovering a massive \$1 million embezzlement scheme. Similarly, the Commission is indiscriminately demanding copies of over 6000 checks. Committee counsel advises me that the Commission would not even discuss the possibility of narrowing that demand, even after it was pointed out that the Commission had already drawn up a detailed list of the checks it is interested in seeing that it served on the Committee's bank, and presumably has been provided with those checks by the bank.

It appears that having opened up this investigation based on the frivolous allegation of a \$1 million embezzlement and vendors that existed only on paper, the Commission's staff is fishing around for any possible rationale for recommending an increase in the Committee's repayment figure even if the items have nothing to do with the justification for the special investigation.

51. Insofar as the Subpoena asks for detailed information about contracts with vendors, invoices, particular checks, etc., I did not deal with those details during my Presidential campaign. At the request of Committee counsel, in the preparation of this response I was briefed by former campaign staff familiar with these matters, and I looked at samples of the relevant documentation. The statements in this declaration about details of financial transactions is based on my inquiry.

52. The Subpoena poses some questions in a format that is used repeatedly, and regarding more than one vendor. First I am going to respond to several of these prototypical questions. Then, I will provide information on a vendor by vendor basis. In reviewing these responses note that the Subpoena has no section "XII," the Subpoena numbering sequence skips from XI to XIII.

#### Timing of Payments to Vendors

53. The Commission has posed numerous questions about the timing of payments to vendors. First, there are several questions asking why "back debt" or "back retainer" payments were made in January 1992. Second, the Commission asks why some vendors were paid their monthly retainers or other bills in installments (e.g. "Why wasn't the entire retainer paid with one check?") Third, the Commission identifies some checks that were written after the closing date of the matching funds period and asks how the payments were related to the primary phase of the campaign.

54. As a preliminary matter, I fail to see how these questions have any relevance to the allegations in the Basis for Inquiry document. The Commission's auditors already had the opportunity to look at the timing of payments to vendors in the regular audit. The

only issue raised by such an examination was whether one of the vendors, the International Peoples' Law Institution may have made a de facto loan or contribution to the Committee by accepting payment for some services a period of time after they were rendered. Basis for Inquiry claims that the Commission is investigating allegations of the opposite scenario -- that the Committee improperly favored the vendors. The relevant information regarding that allegation is whether the fees and reimbursements the Committee paid the vendors were payments for goods and services rendered that were qualified campaign expenses. If all of the vendors' charges were proper, delaying any of the payments to the vendor has nothing whatsoever to do with a charge of a scheme to embezzle funds.

55 In any event, the answers to these (irrelevant) questions are obvious. The Commission is well aware that even if a candidate qualifies for presidential matching funds prior to January of the election year, no matching funds are disbursed from the Treasury until January 1992. The Committee incurred obligations prior to January 1992 in anticipation of the receipt of the matching funds payments for which it had qualified. When the funds came in, the Committee made some catch-up payments.

56 Cash flow also is the simple answer to the second category of questions. If a vendor was tendered partial payment on an invoice or retainer, in almost all cases it was simply a matter of paying based on funds available and other competing needs.

57 Third, are the miscellaneous inquiries about checks issued shortly after the end of the primary period (for my Committee, August 20, 1992). I presume that reviewing date of payment and date of service rendered is one of the most fundamental parts of the auditors' scrutiny during the regular audit process. No questions were raised about any of these payments.

in the audit process. Obviously, some goods and services received prior to August 20, 1992, were paid for after the date of the delivery of the goods or services. The Commission has given no reason to question the particular payments identified in the Subpoena, which have already been scrutinized once. Nevertheless, I will provide some information.

58. Item XIII K, inquires about a check dated, October 7, 1992, in the amount of \$149.85. Apparently this question is erroneous, because this is a reference to a voided check. A copy is annexed hereto as Exhibit C.

59. Item III B 14 inquires about a check dated September 22, 1992, in the amount of \$400.00. Beginning in September 1992, the Committee paid ABS \$400 per month for payroll services rendered for persons employed by the primary Committee. This check was a monthly payment for payroll services rendered in September 1992 for persons working for the primary Committee (e.g. fundraising to retire the debt, compliance work, winding down).

60. Item VI DD asks about a payment made on September 8, 1992, in the amount of \$5,000 for a video produced by New Alliance Productions. My campaign had plans to produce and distribute a videotape about my candidacy during the primary season. A lot of the shooting, in fact, took place in New Hampshire during the New Hampshire primary season. It turned out that the Committee could not afford to complete the project during the primary season, and ultimately, it could not be completed for public distribution at all during my campaign. This check was payment for work performed by the vendor on that project.

61. I trust this satisfies the Commission with respect to items III B 8-12, 14; IV X, IV Z; IV AA, VI DD, VI S - V, VI Z; VI BB; X J; XIII I and K.

### Contracts with Vendors

62 The Subpoena repeatedly asks for "Contracts, agreements, including all amendments and modifications, regarding services performed by [vendor] on behalf of the Committee "

63 These documents were provided to the Commission during the audit. Presumably the auditors reviewed them, took notes on them, tied them in to invoices and payments, and made copies of some or all of them.

64 Upon information and belief, the vendors' copies of all or most of these documents have been provided to the Commission in response to subpoenas.

65 Also, if the Commission has a good faith belief that there is some specific discrepancy between the vendors' version of the agreement and the Committee's copies then the Commission might pose a specific question regarding such a discrepancy, and the Committee would consider the appropriateness of responding.

66 I have no reason to doubt that the Commission already has in its hands a full set of accurate information regarding these agreements and has no good faith reason to doubt the authenticity of any documents that have been provided.

67 I trust this satisfies the Commission with respect to items III.B.1, IV.A, VI.A, VIII.A, IX.A, X.A, XI.A, and XIII.A.

### Generic Types of Documentation

68 There are repeated requests for "Vouchers related to each payment made to [vendor] "

69. I am informed that as a general practice the Committee did not use internal vouchers in connection with payments to vendors. Invoices, bills, etc., were reviewed by the Treasurer, who would obtain such further information, if any, as might be needed from campaign staff to approve or disapprove payment.

70. There are repeated requests for "Commitment/expense forms or commitment expense authorization requests, or commitment/expense authorization forms related to each payment made to [vendor]." I am informed that the Committee did not make use of forms denominated in this way.

71. The Committee has already provided the Commission's auditors with access to files of its "bills, invoices, and requests for payment" from vendors.

72. There are repeated requests for "All correspondence, phone logs, memoranda, letters, and other documents related to the provision of [goods or services by vendor] for the Committee."

73. The Committee kept on file all of the documentation specified in the federal regulations for retention for the required time periods. Pursuant to those requirements, the Committee's files included correspondence etc. that was directly related to billing and payment. These have already been reviewed by the Commission's auditors. There are no other general Committee files with other kinds of correspondence etc. with the vendors.

74. I trust this satisfies the Commission with respect to Items III B.4-6, IV D-F, V D-F, VI D-F, VII D-F, VIII D-F, IX E-G, X F-H, XI E-G, and XIII E-G.



### What the Vendors Did for the Campaign

75 I will now turn to the question that is repeatedly posed in the subpoena about what the vendors did for the Committee. The Committee's files, made available to the Commission during the audit process, already provided answers to these questions. In addition, I am informed that the vendors have given about 3,500 pages of materials to the Commission that are also relevant to this question. Nevertheless, in order to facilitate an end to this audit inquiry, I will also provide some brief narratives.

76 Item III requests information regarding Automated Business Services ("ABS"). Services provided to the Committee by ABS included payroll management, including assistance in the preparation of state and federal tax reports, assistance in the preparation of disclosure reports required by the FEC and in the preparation of matching funds submissions; and general consulting services regarding budget management.

77 Payroll was an extremely complicated process. The Committee employed hundreds of petitioners and fundraisers over the course of the petitioning drive and the matching funds period to obtain national ballot access and qualify for and receive matching funds. The turnover among employees was substantial since employees were mainly low-paid petitioners and fundraisers. Also, the locations of many of the employees were constantly changing since, particularly during the petition drives, employees moved from state to state to complete ballot access. In addition, in keeping with my commitment to youth, the Committee developed a summer jobs program, hiring hundreds of youth as fundraisers for the Committee. Thus, payroll management was a difficult and time-consuming task.

78 Throughout the campaign, my Treasurer consulted with ABS regarding managing the Committee's budget, reconciling its bank statements and various other budget-related issues. ABS also provided services in connection with the Committee's preparation of its matching funds submissions, e.g. consulting about setting up systems for organizing documentation and cross-checking documentation with the information on reports to the FEC.

79. ABS also assisted in the data entry of contribution and expenditure information. Because I received large numbers of small contributions, but each individual contribution had to be entered and accounted for, data entry of contribution information was a time consuming project for which the Committee drew upon paid and volunteer labor from various sources.

80. Item IV requests information regarding Castillo Communications ("CC"). For the specific services provided by CC from April, 1991 through August, 1992, the auditors had access to files maintained by the Treasurer containing voluminous documentation of CC's media work, e.g. itineraries prepared with CC's assistance, and press clippings resulting from their press work. Generally, CC was responsible for developing, organizing and implementing media publicity, researching and writing speeches, press releases and media alerts, organizing radio tours, press conferences and other speaking events, developing photo opportunities and interviews, and providing on-site liaisons to the media, as needed. CC provided me with a full-time press secretary, and provided all press information to the media and to other organizations requesting the campaign's presence at public events. During the New Hampshire primary, CC set up and ran a media operation out of my campaign office in Manchester.

81 Item IV Y requests information about "The Hotline" "The Hotline" is a news service produced by the American Political Network, to which CC subscribed in order to keep abreast of the national political campaigns. The Committee's agreement with CC was to reimburse CC for expenses incurred on behalf of the Committee, this was one such expense.

82 In response to items IV Z and AA, I have been informed, based on recollection of staff, that the Committee's arrangement with CC regarding payment for services rendered and reimbursement for CC's expenses was that the Committee paid a certain amount on account each month, with the understanding that these estimated amounts paid throughout the year would be compared with the exact expenditures and adjusted. Thus, several payments were made by the Committee to CC that were denoted, "1/3 retainer, 1/3 expenses."

83 Item V requests information concerning the Committee's payments to Musicruise. Musicruise provided no services to the campaign. In the summer of 1991, Musicruise produced a series of boat rides on the Hudson River featuring musical artists. For fundraising purposes, the Committee purchased tickets to several of these boat rides. I am informed that all the payments made to Musicruise from the Committee were for the purchase of tickets to these events.

84. Item VI requests information regarding the Committee's payments to New Alliance Productions ("Productions"). From March, 1991 through January, 1992, the Committee sublet space from Productions at 250 West 57th Street, New York, New York. My Treasurer's staff and volunteers occupied those offices. The functions performed there included all the functions performed by my Treasurer, including budget management, compliance, data entry and the preparation of matching funds submissions and FEC disclosure reports. The

Committee's computer system was located at that office, as were all the Committee's contribution and expenditure records. In September, 1991, the amount of rent we paid to Productions increased, since it was at that time that the Committee hired many fundraisers to raise the money necessary to qualify for matching funds, and the space within which my Treasurer's staff and volunteers worked greatly increased.

85 In response to Item VI O, I am informed that Productions was paid by the Committee for several types of "production expenses." Productions produced the National Alliance newspaper, in which the Committee placed a substantial amount of advertising for events, for job openings for fundraisers and petitioners, and for the recruiting of volunteers. The Committee paid for both the production of and placement of such advertising. Productions also produced banners for marches and public rallies in which the campaign participated.

86 In response to item VI W, I am informed that check number 1916, dated September 26, 1991, was payment for the additional reception services the Committee anticipated were necessary at Productions' offices during the preparation of the Committee's threshold and first matching funds submissions to the Commission, which were submitted in December, 1991.

87 In response to item VI AA, I am informed that payments made by the Committee to Productions in November and December, 1991 were each for the placement of 1/8 page of advertising in the National Alliance newspaper. Payments made by the Committee to Productions in January and February, 1992, were for a special 4-page advertisement in the National Alliance in January, 1992.

88 In response to item VI EE, I am informed that check number 6592, dated September 8, 1992, in the amount of \$5,000 was payment by the Committee to Productions for the placement of 1/8 page of advertising in the National Alliance newspaper for 10 weeks.

89 In response to item VI FF, I am informed that check number 6660, dated September 16, 1992, in the amount of \$785.65 was a reimbursement to Productions for shipping charges incurred for shipping the National Alliance newspaper from New York, New York to the Committee's campaign workers around the country. These charges were incurred from April 11, 1992 to May 30, 1992, and were billed to the Committee on July 9, 1992.

90 Item VII requests information regarding the National Alliance ("NA"). The NA was a newspaper which uniquely covered my campaign. There were articles discussing the issues I was addressing with the campaign in each issue of the newspaper. Therefore, just as candidates often reprint articles concerning their campaigns and distribute them to generate public interest, the Committee purchased newspapers from the NA, distributing them to people who signed petitions on my behalf, contributors to the campaign and others.

91 In response to item VII I, I am informed that check number 6593, dated September 8, 1992, in the amount of \$3,062.50, was paid to the NA for newspapers purchased specifically for my campaign workers to distribute at and around the Democratic National Convention, held in New York City in August, 1992.

92 Item VIII requests information about payments made by the Committee to Bene Advertising, Inc. ("Bene Advertising"). Bene Advertising provided various services to the Committee, including the design and production of various types of advertising such as flyers and brochures, of fundraising solicitations and forms used for the Committee's fundraising operations,

and of Committee stationary, research, writing, design and production<sup>10</sup> of a campaign book widely distributed by the Committee, and the negotiation and coordination of media planning and buying. Ilene Advertising was available to the Committee at extremely short notice to produce any type of advertising or publicity-generating item the Committee needed.

93 In response to item VIII L, 1-13, I am informed that invoices for each expenditure made by the Committee to Ilene Advertising are in the campaign's vendor files, to which the auditors had access. Printed on each invoice are details regarding each payment made.

94 Items VIII N and VIII U appear to be posing the same question two times. I am informed that check number 6594, dated September 8, 1992, in the amount of \$1,813.26 was paid to Ilene Advertising for an invoice dated June 10, 1992, for printing t-shirts, flyers and buttons. These were all advertising devices for the campaign.

95 In response to item VIII O, I am informed that check number 1790, dated September 9, 1991, in the amount of \$1,121.80 represented partial payment of an invoice for the printing of various materials used by the Committee's fundraisers both for purposes of compliance with Commission reporting requirements regarding matching funds and for use in gathering contributions.

96 In response to item VIII Q, I am informed that check number 3962, dated March 6, 1992, in the amount of \$6,875.00 was for payment of an invoice for the printing of

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<sup>10</sup> I am providing the FEC with a copy of the campaign book (annexed hereto as Exhibit D). My counsel informs me that some of the proofs and other materials from the production of the book are probably included in the materials produced for the Commission by Ilene Advertising from its files. As well, although not required to do so, the Committee sometimes attached a copy of the advertisement or flyer to the invoice in its Ilene Advertising vendor files -- this file was produced for the FEC auditors.

palm cards, used to distribute to individuals who signed petitions and contributed money to the campaign

97 In response to item VIII R, I am informed that check number 4059, dated March 12, 1992, in the amount of \$4,750 was paid to Ilene Advertising for services rendered over those contracted for by the Committee in our retainer agreement. The Committee's agreement with Ilene Advertising was to pay a monthly retainer of \$5,000, and services rendered over that retainer would be billed to the Committee on a monthly basis. Check number 4059 was for services rendered by Ilene Advertising in February, 1992, and was for the design of envelopes, business cards, flyers and telemarketing materials

98 In response to item VIII S, I am informed that check number 5248, dated June 18, 1992, in the amount of \$2,850, and check number 6714, dated September 23, 1992, in the amount of \$1,950, were paid to Ilene Advertising for services rendered in the months of May and August, respectively, beyond the services contracted for by the Committee in our retainer agreement. In particular, these services consisted of the design of flyers, fundraising and ballot access materials.

99 Item VIII T does not have a check number, and I am informed that there does not appear to be a payment on September 8, 1992, that is described as "advertising/production." I am informed that if there was such a payment, based on the policy and practice of the primary Committee it would have been a payment for advertising/production expenses rendered prior to the end of the primary period.

100 In response to item VIII V, I am informed that as described in paragraph 98 above, check number 6714, dated September 23, 1992, was paid to Ilene Advertising for services rendered in August, 1992

101 Item IX requests information regarding Cakim Management, Inc. ("Cakim"). As I have discussed above, in July, 1992, a crisis occurred with respect to our ballot access operation. It became apparent to those in charge of my ballot access operation that the vendor with which the Committee had contracted to provide ballot access services in Kansas, Ohio, Kentucky and Nebraska was not going to be able to obtain ballot access for me in those states. Thus, the Committee contracted with Cakim to develop and implement an emergency plan that would guarantee me access to the ballot in those states. Cakim organized and managed the petition drive, made all the travel arrangements, and got me on the ballot in those states.

102 Item X requests information regarding Fred Newman Productions, Inc. Dr. Frederick Newman, the principal of Fred Newman Productions, was my campaign manager. He provided services as my main advisor on campaign strategy and tactics. He worked with me on developing the themes of my campaign, ballot access plans, media relations, fundraising operations, and so on. He did a great deal of work with me on initiating and developing relationships with various persons and organizations -- including other presidential candidates -- who supported a democracy agenda. For example, we organized a Democracy Forum in Manchester during the New Hampshire primary at which other insurgent candidates for the Democratic Party nomination, including Larry Agran and Eugene McCarthy, joined me, and Dr. Newman, as featured speakers. (During the New Hampshire primary, he was working on-site in Manchester on the campaign for a period of time.) One of the democracy issues that I and other



candidates pursued was to organize major protests and to bring legal actions challenging the subjective and unfair criteria used by debate sponsors to exclude candidates. Dr. Newman provided considerable assistance in that ongoing fight. In general, he did many press interviews and made appearances at public events. He worked with me on planning rallies, demonstrations, public meetings, private meetings and other events. My campaign may have been small by some standards, but we pursued it as an intense, 7-day-a-week, 24-hours-a-day effort, and Dr. Newman put the kind of work into the job of campaign manager that a serious campaign like this required.

103. Item XI requests information regarding Newman & Braun. I am informed that the only documentation the Committee has maintained with respect to the telephone fundraising we performed while we sublet office space from Newman & Braun is copies of the bills from N&B for the Committee's use of the space. The Committee sublet this office space from Newman & Braun through the middle of June, 1991, when the Committee moved to its offices at 200 West 72nd Street. I visited this space a number of times while it was one of my campaign offices, and among other things, talked with telephone fundraisers about their work and made fundraising calls with them.

104. N&B provided no services to the Committee. The partnership leased office space and a telephone bank to the Committee from April through mid-June, 1991, as described above, and leased several computers through N&B. The Committee reimbursed N&B for the security deposits on the computer leases, and it made lease payments directly to the lessor.

105. The Subpoena does not request a description of the services rendered by the International Peoples' Law Institution ("IPLI") to the Committee. I assume this is because

those services are described in such detail in the IPLI invoices that were made available during the field audit, and are referred to in the Final Audit Report

### Conclusion

106 The Commission should close this audit inquiry forthwith and adopt the preliminary final repayment determination set forth in the Final Audit Report issued on April 21, 1994, as recommended in the OGC memorandum dated July 8, 1994, thereby closing the audit of the Committee.

Pursuant to 28 U S C. § 1746, I declare under penalty of perjury that the foregoing is true to the best of my knowledge and belief.

Dated New York, N.Y.  
May 23, 1995

  
LENORA B. FULANI, PH.D.

# Exhibit A

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL ELECTION COMMISSION

-----X  
DR. LENORA B. FULANI, DR. FRED NEWMAN, :  
FRANCINE MILLER, RACHEL MASSAD, and :  
LENORA B. FULANI FOR PRESIDENT, :  
Complainants, : MUR 4032  
--against-- : AFFIDAVIT OF  
KELLIE GASINK, : DANIEL FRIEDMAN, PH.D.  
Respondent. :  
-----X

State of New York )  
 ) ss.:  
County of New York )

DANIEL FRIEDMAN, PH.D., being duly sworn, deposes and says:

1. I am over 18 years of age and a resident of New York, New York. My doctorate degree is in the field of Theater History, and was awarded to me in 1979 by the University of Wisconsin.

2. I have personal knowledge of the facts described herein.

3. I am submitting this affidavit and the annexed exhibits to provide the Commission with evidence that six harassing phone calls were placed from the Kellie Gasink's home telephone to respondent Dr. Fred Newman. Five of the calls were made by William Pleasant, and the sixth by an unidentified male.

4. Also, I am submitting a copy of a letter to me from William Pleasant dated "May Day, 1994." Note that on the

last page, Pleasant writes, "this letter really isn't to you, but to FN (Dr. Frederick Newman)."

5. First, I will explain how I came to learn about these telephone calls. Then I will set forth the content of them.

6. This past February and March, four pilot episodes of a cable television program, "Therapy for America with Dr. Fred Newman," ("TFA") were cablecast on public access channels.

7. TFA is a simulated social therapy group led by Dr. Newman, in which the "patients" are actors. (Social therapy is an approach to psychotherapy and education that Dr. Newman created in collaboration with developmental psychologists and mental health professionals.)

8. During the show, viewers are invited to use an 800 number posted on the screen to call Dr. Newman and leave him messages about what issues they would like to have dealt with in an upcoming episode.

9. I was responsible for retrieving the messages for Dr. Newman from the telephone company's message center and transcribing them.

10. The bill from the telephone company identifies the numbers from which calls are placed, and the time and duration of the calls. Annexed hereto as Exhibit A is a copy of two bills covering the call-ins from the three pilot programs in the New York City area.

11. I am informed that Kellie Gasink gives her home telephone number as (718) 515-8791. As you will see, six harassing calls were placed to Dr. Newman from her home telephone. Two were placed on February 19, 1994, two on February 26, 1994, and another two on March 5, 1994.

12. I listened to the messages recorded from the calls from Gasink's home telephone.

13. I am very familiar with the sound of the voice of William Pleasant and the manner of his speaking. We worked closely together for several years on a number of projects. For example, we worked together on the editorial staff of the National Alliance, as well as on other publications, and we were both active members of the Castillo Cultural Center, with particular involvement in the center's theater productions.

14. Pleasant left the following voice message for Dr. Newman at 7:10 p.m. on February 19, 1994:

Yeah, like, you know, I really identify with the therapist, Fred Newman 'cause he's out of his fucking mind and he's a crook and he's a fucking thief. And I just want you to know that I find it amazing that you would drop the Fulani show and put on some more of Fred Newman's bullshit. He's a idiot. Why don't you people face it? He's a fool. Wake up. I going to keep calling. Okay? Good bye. [hysterical laugh]

15. Pleasant left the following voice message for Dr. Newman at 7:13 p.m. on February 19, 1994:

Yeah, I need some therapy real bad because Fred Newman ripped me off and stole money. I need therapy, help me, oh God!

16. Pleasant left the following voice message for Dr. Newman at 11:45 p.m. on February 26, 1994:

Yeah, I don't identify with any of the patients. I identify with Fred Newman, the therapist, because I feel like really paranoid. I feel like somebody's watching me, like I'm being investigated. I need some help.

17. Pleasant left the following voice message for Dr. Newman at 11:56 p.m. on February 26, 1994:

Yeah, I got a problem, I got a problem with this fat guy named Fred Newman talking with his hands. I wish he wouldn't talk with his hands. Okay? Thanks. [Fake sobbing]

18. Pleasant left the following voice message for Dr. Newman at 9:03 p.m. on March 5, 1994:

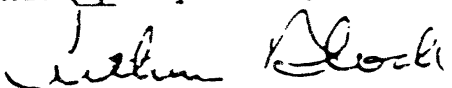
Yeah, my name is Raheed and I got these three bitches living in my house and I need some help from Fred Newman 'cause I know he's got three bitches living in his house. How you handle them bitches? Do you just slap them around and shit? I need to know. I need some help. Please. Thank you.

19. Thirteen (13) minutes after Pleasant left the foregoing message, there was another call from Gasink's phone. The caller, whose voice I did not recognize, left this message for Dr. Newman:

I identify mostly with Fred. I'm a big man too. I feel very very guilty. You see I been -- it's hard for me to talk about this -- I've been embezzling money. I've been forging checks and cashing them, even checks from dead people. I made up a bunch of phoney paper companies and laundered millions of dollars into secret bank accounts. I'm a lying, thieving punk. And I'm really paranoid 'cause I have this feeling that I'm about to get indicted. What should I do Fred? Maybe you have some insight.

  
DANIEL FRIEDMAN, PH.D.

Sworn to Before Me  
This 7 day of August, 1994

  
Notary Public

ARTHUR R. BLOCK  
Notary Public, State of New York  
No. 31-4662471  
Qualified in New York County  
Commission Expires April 30, 1995





NEW YORK 10013

CALL DETAIL  
SORTED BY DATE/TIME

INVOICE NUMBER: 7125R/89  
INVOICE DATE: MAR 18, 1994  
SALES CITY: 887  
PAGE: 2

800-435-7483

CALL DATE	CALLER NUMBER/COUNTRY	START TIME	DURATION (MINUTES)	PRCO	USAGE AMOUNT (\$)	START TIME	DURATION (MINUTES)	TRANSPORT RT PD/CHRG CD	USAGE AMOUNT (\$)	URATION (MINUTES)	TOTALS CALL AMOUNT (\$)
02/19	212-744-0487	00:00	0.00		0.00	18:08	0.80	N	0.13	0.90	0.13
02/19	212-781-2882	00:00	0.00		0.00	18:10	0.70	N	0.10	0.70	0.10
02/19	718-721-7821	00:00	0.00		0.00	18:18	1.20	N	0.18	1.20	0.18
02/19	212-304-2818	00:00	0.00		0.00	18:18	0.40	N	0.08	0.40	0.08
02/19	212-878-2288	00:00	0.00		0.00	18:20	0.80	N	0.13	0.90	0.13
02/19	212-788-9581	00:00	0.00		0.00	18:21	1.00	N	0.15	1.00	0.15
02/19	212-878-2288	00:00	0.00		0.00	18:21	1.30	N	0.19	1.30	0.19
02/19	212-308-2808	00:00	0.00		0.00	18:24	0.07	N	0.07	0.50	0.07
02/19	212-874-2188	00:00	0.00		0.00	18:27	0.40	N	0.08	0.40	0.08
02/19	212-841-8223	00:00	0.00		0.00	18:08	0.09	N	0.09	0.80	0.09
02/19	212-841-8223	00:00	0.00		0.00	18:08	0.07	N	0.07	0.80	0.07
02/19	212-841-8223	00:00	0.00		0.00	18:08	0.80	N	0.09	0.80	0.09
02/19	212-841-8223	00:00	0.00		0.00	18:08	0.07	N	0.07	0.80	0.07
02/19	212-841-8224	00:00	0.00		0.00	18:38	0.07	N	0.07	0.80	0.07
02/19	212-841-8224	00:00	0.00		0.00	23:54	0.07	N	0.07	0.50	0.07
SUBTOTAL 02/19/84:			0.00		0.00		18.80		2.30	18.80	2.30
02/20	718-787-1818	00:00	0.00		0.00	13:02	0.80	N	0.07	0.80	0.07
02/20	212-841-8802	00:00	0.00		0.00	14:21	1.80	N	0.28	1.80	0.28
02/20	718-841-2427	00:00	0.00		0.00	14:27	0.07	N	0.07	0.80	0.07
02/20	718-220-2288	00:00	0.00		0.00	15:58	0.60	N	0.09	0.60	0.09
02/20	718-220-2288	00:00	0.00		0.00	15:58	0.80	N	0.09	0.60	0.09
02/20	212-841-8804	00:00	0.00		0.00	18:28	1.00	N	0.15	1.00	0.15
02/20	212-841-8118	00:00	0.00		0.00	18:32	0.70	N	0.10	0.70	0.10
02/20	212-841-8148	00:00	0.00		0.00	18:28	0.90	E	0.16	0.90	0.16
02/20	212-841-8802	00:00	0.00		0.00	18:49	12.90	E	2.28	12.90	2.28
02/20	212-383-0307	00:00	0.00		0.00	18:52	0.30	E	0.08	0.30	0.08
02/20	212-383-0307	00:00	0.00		0.00	18:53	0.80	E	0.10	0.80	0.10
02/20	212-822-8704	00:00	0.00		0.00	20:50	0.70	E	0.12	0.70	0.12
SUBTOTAL 02/20/84:			0.00		0.00		21.00		3.83	21.00	3.83
02/21	718-787-1818	00:00	0.00		0.00	12:08	0.10	B	0.07	0.10	0.07
02/21	214-842-6500	00:00	0.00		0.00	12:13	0.70	B	0.18	0.70	0.18
SUBTOTAL 02/21/84:			0.00		0.00		0.80		0.25	0.80	0.25

\*REAL TIME AND CALL (INCLUDES SURCHARGE) \*DID CALL (INTRASWITCH) \*DID CALL (INTERSWITCH) \*\*VOLUME DISCOUNTS NOT REFLECTED\*\*  
 PRICING METHOD KEY: D - DURATION BASED; C - APPLICATION COUNTER; B - COMBINATION OF DURATION AND APPLICATION COUNTER

CALLER NUMBER/ COUNTRY	START TIME	DURATION (MINUTES)	PRCD MTHD	USAGE AMOUNT(\$)	START TIME	DURATION (MINUTES)	RT CD	PO/ CD	USAGE AMOUNT(\$)	TOTALS DURATION (MINUTES)	CALL AMOUNT(\$)
707-443-7888	00:00	0.00		0.00	20:32	0.20	E		0.08	0.20	0.08
TOTAL 02/23/84:		0.00		0.00		0.20			0.08	0.20	0.08
919-941-1881	00:00	0.00		0.00	13:34	0.80	B		0.18	0.80	0.18
TOTAL 02/23/84:		0.00		0.00		0.80			0.18	0.80	0.18
812-222-8870	00:00	0.00		0.00	13:28	1.30	B		0.34	1.30	0.34
TOTAL 02/24/84:		0.00		0.00		1.30			0.34	1.30	0.34
818-842-3300	00:00	0.00		0.00	02:11	0.40	N		0.08	0.40	0.08
TOTAL 02/28/84:		0.00		0.00		0.40			0.08	0.40	0.08
407-883-4000	00:00	0.00		0.00	02:42	0.30	N		0.06	0.30	0.06
214-240-4808	00:00	0.00		0.00	14:08	0.10	N		0.06	0.10	0.06
212-937-2652	00:00	0.00		0.00	17:14	0.09	N		0.09	0.60	0.09
212-723-3938	00:00	0.00		0.00	18:08	0.07	N		0.07	0.60	0.07
212-834-2297	00:00	0.00		0.00	18:10	0.29	N		0.04	0.30	0.04
212-833-2843	00:00	0.00		0.00	18:12	0.13	N		0.13	0.90	0.13
212-890-8048	00:00	0.00		0.00	18:13	0.80	N		0.09	0.80	0.09
212-835-1020	00:00	0.00		0.00	18:14	0.10	N		0.10	0.70	0.10
212-888-3047	00:00	0.00		0.00	18:18	0.07	N		0.07	0.80	0.07
212-888-3047	00:00	0.00		0.00	18:18	1.80	N		0.22	1.60	0.22
212-884-3834	00:00	0.00		0.00	18:17	2.10	N		0.31	2.10	0.31
212-384-1801	00:00	0.00		0.00	18:32	0.07	N		0.07	0.80	0.07
212-222-0378	00:00	0.00		0.00	18:32	1.00	N		0.18	1.00	0.18
212-248-8024	00:00	0.00		0.00	18:26	0.07	N		0.07	0.80	0.07
212-984-3882	00:00	0.00		0.00	18:27	0.40	N		0.06	0.40	0.06
404-785-2311	00:00	0.00		0.00	21:37	0.08	N		0.08	0.40	0.08
404-873-8784	00:00	0.00		0.00	21:38	0.40	N		0.12	0.40	0.12
404-873-8784	00:00	0.00		0.00	21:38	0.60	N		0.12	0.80	0.12
718-815-8781	00:00	0.00		0.00	23:48	0.13	N		0.13	0.80	0.13
718-815-8781	00:00	0.00		0.00	23:58	0.80	N		0.12	0.80	0.12
TOTAL 02/28/84:		6.00		0.00		13.40			3.16	13.40	2.10

ALL TIME AMI CALL (INCLUDES SURCHARGE) \*DID CALL (INTRA/STATE) \*DID CALL (INTER/STATE) \*\*VOLUME DISCOUNTS NOT REFLECTED\*\*  
 CING METHOD KEY: D = DURATION BASED; C = APPLICATION COUNTRY; B = COMBINATION OF DURATION AND APPLICATION COUNTRY

31

Call Detail Report - 800 Service

COMMUNITY LITERACY RESEARCH INC  
800 GREENWICH STREET  
NEW YORK, NY 100131354

BILLING PERIOD 02/15/94 THROUGH 03/14/94

INVOICE NUMBER 741041  
INVOICE DATE 03/25/  
PAGE NUMBER  
BILL PAYER ID 008424  
ACCOUNT NUMBER 800884

CUSTOMER NUMBER 99389202

DATE	TIME	CALLER NUMBER	PLACE CALLED FROM	MIN	SEC	RATE	AAAT	TITO	PREDISC	ADJUST
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ID/ACCOUNTING CODE:

800 NUMBERS: 800-438-7483

DATE	TIME	CALLER NUMBER	PLACE CALLED FROM	MIN	SEC	RATE	AAAT	TITO	PREDISC	ADJUST
0301	18:09	(214)234-3700	RICHMOND TX	0.3	1	\$	0.07			
0301	18:31	(205)933-8137	BIRMINGHAM AL	0.8	1	\$	0.12			
0301	23:39	(817)875-4024	DORCHESTER MA	1.7	2	\$	0.30			
0302	03:43	(812)825-5302	MIAMI MI	0.8	2	\$	0.12			
0302	03:58	(812)218-3700	MIAMI MI	0.3	2	\$	0.08			
0302	11:30	(815)878-8321	CLEVELAND TN	0.7	2	\$	0.14			
0302	11:10	(817)858-8928	BOSTON MA	1.5	2	\$	0.26			
0304	03:47	(208)937-5518	SEATTLE WA	0.7	2	\$	0.10			
0304	03:42	(208)244-4078	SEATTLE WA	0.6	2	\$	0.10			
0304	03:44	(208)247-4178	SEATTLE WA	0.9	2	\$	0.18			
0304	03:52	(208)941-2481	LEES WILKES WA	0.3	2	\$	0.08			
0304	03:53	(208)941-2481	LEES WILKES WA	0.8	2	\$	0.10			
0304	03:55	(208)431-8815	SEATTLE WA	1.8	2	\$	0.32			
0304	03:55	(208)574-2550	SEATTLE WA	0.8	2	\$	0.10			
0304	03:58	(208)558-8711	KIRKLAND WA	1.8	2	\$	0.32			
0304	03:59	(208)282-7312	SEATTLE WA	1.8	1	\$	0.35			
0304	12:31	(817)783-3828	BIRMINGHAM AL	1.8	1	\$	0.35			
0305	12:01	(212)888-5812	NEW YORK NY	0.5	2	\$	0.08			
0305	18:01	(212)873-0340	NEW YORK NY	1.0	2	\$	0.18			
0305	18:02	(712)288-0824	NEW YORK NY	0.8	2	\$	0.12			
0305	18:03	(212)724-1897	NEW YORK NY	0.8	2	\$	0.12			
0305	18:09	(212)759-3180	NEW YORK NY	0.8	2	\$	0.08			
0305	18:13	(212)882-8181	NEW YORK NY	1.8	2	\$	0.36			
0305	18:14	(212)882-8181	NEW YORK NY	0.3	2	\$	0.06			
0305	18:14	(212)558-2881	NEW YORK NY	0.8	2	\$	0.08			
0305	18:14	(212)558-2881	NEW YORK NY	0.4	2	\$	0.07			
0305	18:18	(212)882-8181	NEW YORK NY	0.8	2	\$	0.10			
0305	18:17	(212)558-2881	NEW YORK NY	1.2	2	\$	0.20			
0305	18:17	(212)558-2881	NEW YORK NY	0.4	2	\$	0.07			
0305	18:20	(212)558-2881	NEW YORK NY	0.4	2	\$	0.05			
0305	18:23	(212)558-2881	NEW YORK NY	0.3	2	\$	0.05			
0305	21:02	(212)558-2881	NEW YORK NY	0.8	2	\$	0.13			
0305	21:15	(212)558-2881	NEW YORK NY	1.5	2	\$	0.25			
0305	21:44	(404)352-7273	ATLANTA GA	0.5	2	\$	0.10			
0305	22:58	(205)923-2398	BIRMINGHAM AL	0.3	2	\$	0.06			
0305	22:58	(205)251-8487	BIRMINGHAM AL	1.3	2	\$	0.28			
0306	01:43	(718)889-8170	BROOKLYN NY	0.5	2	\$	0.08			
0306	08:35	(503)558-0430	HALLAMEN OR	0.6	2	\$	0.10			
0308	12:18	(404)257-9448	ATLANTA GA	1.4	2	\$	0.28			
0308	12:28	(404)344-1488	ATLANTA GA	0.3	2	\$	0.06			
0308	12:28	(404)344-1488	ATLANTA GA	3.3	2	\$	0.88			
0308	23:11	(818)430-8840	INDIANAPOLIS IN	0.3	2	\$	0.08			
0308	23:11	(818)430-8840	INDIANAPOLIS IN	0.3	2	\$	0.08			
0307	13:21	(212)841-8224	NEW YORK NY	8.4	1	\$	1.12			
0307	20:24	(703)552-4181	BROOKLYN NY	0.7	2	\$	0.14			
0307	20:24	(703)552-4181	BROOKLYN NY	0.3	2	\$	0.06			
0307	20:30	(703)552-4181	BROOKLYN NY	1.3	2	\$	0.24			
0307	20:35	(808)824-8888	CLARKSBURG VA	1.7	2	\$	0.15			
0308	17:42	(817)522-0332	JAMAICA FL	1.0	2	\$	0.18			
0308	20:07	(817)888-8917	CANTONMENT VA	0.4	2	\$	0.07			
0308	20:41	(812)822-4882	MIAMI MI	0.3	2	\$	0.08			
0308	17:39	(218)788-8993	SEATTLE WA	0.3	2	\$	0.08			
0309	07:34	(812)787-0437	MIAMI MI	0.3	2	\$	0.06			
0310	07:54	(212)928-3248	INDIANAPOLIS IN	0.5	2	\$	0.10			
0310	17:55	(212)743-3094	CHICAGO IL	0.7	2	\$	0.14			
0310	21:59	(212)743-3094	CHICAGO IL	0.3	2	\$	0.08			
0310	22:17	(812)787-0318	MIAMI MI	0.7	2	\$	0.14			
0310	22:38	(212)839-1818	INDIANAPOLIS IN	0.7	2	\$	0.10			
0311	03:29	(208)747-8922	BELLEVIEW WA	0.6	2	\$	0.12			
0311	03:41	(208)772-0522	BELLEVIEW WA	0.6	2	\$	0.12			
0311	03:52	(208)832-2404	SEATTLE WA	0.8	2	\$	0.10			
0311	03:53	(208)328-8181	SEATTLE WA	1.0	2	\$	0.20			
0311	03:58	(208)850-8999	KEITH WA	1.0	2	\$	0.20			
0311	03:58	(208)328-8181	SEATTLE WA	3.5	2	\$	0.70			
0311	20:38	(208)328-8181	SEATTLE WA	1.7	2	\$	0.34			
0311	20:55	(812)258-2982	LEWIS TX	2.0	2	\$	0.40			
0312	17:02	(212)820-4118	NEW YORK NY	0.3	2	\$	0.10			
0312	17:09	(212)820-4118	NEW YORK NY	0.8	2	\$	0.15			
0312	17:21	(212)498-8741	NEW YORK NY	0.9	2	\$	0.18			
0312	17:32	(212)498-8741	NEW YORK NY	1.0	2	\$	0.18			
0312	17:32	(212)288-4411	NEW YORK NY	0.3	2	\$	0.05			
0312	17:34	(212)288-4411	NEW YORK NY	0.8	2	\$	0.10			
0312	17:29	(212)832-3064	NEW YORK NY	0.5	2	\$	0.08			
0312	18:31	(212)717-6577	NEW YORK NY	0.5	2	\$	0.08			
0312	18:16	(212)722-9742	NEW YORK NY	1.2	2	\$	0.20			
0312	18:16	(212)860-8561	NEW YORK NY	1.1	2	\$	0.18			

ATTACHMENT 49 of 112  
2179 43

Exhibit 2

ATTACHMENT 49  
Page 44 of 112

2779 words

1

MAY DAY 1994  
NYC

Fr:  
William Pleasant, ex-Central Committee Member IWP,  
Sr. Editor NA, Executive Editor STONO, Co-founder of  
Castillo Cultural Collective, etc...

To:  
Dan Friedman, Managing Editor of the NATIONAL ALLIANCE

Title: PLEASANT AND THE "COHORTS" RESPOND

Editor:

Allow me to comment on your 5/5/94 edition of the NATIONAL ALLIANCE.

Let me begin by saying that I am quite flattered by your attention. I don't want to hurt your feelings, Dan, but nobody reads the NA anymore, and certainly nobody outside of Newman's SoHo bunker takes it seriously. And, ironically, that's to your advantage, since you'll never have to meet anyone who will demand that you explain or defend the idiotic articles that you've been forced to write over the past four years. Yet, despite the manifest obscurity of your scribblings, I feel a need to respond. You can understand that, since nobody likes to be slandered, even when the offending words, as in this case, happen to be smeared on a toilet wall.

Dan, I have always had respect for you as a communist scholar, though at times we may have clashed. But now I have lost that respect. How could you let Newman sign your name to WHAT'S BECOME OF THE WHITE LEFT?, to such a stupid, steaming pile manure? Don't you have any pride in yourself?

Your (Newman's) article was obviously written for internal party (cult) use. You can't possibly labor under the illusion that your slander of me in the NA can have any public impact on my reputation.

I need not belabor the point. Just put it this way, Newman saw fit to attack me now in the NA because the growing campaign--on the part of his former political colleagues--to expose him is starting to have impact, i.e., it's costing the born-again Patriot money. Dan, maybe Newman sees that it's getting harder and harder to spook you guys out on the streets to panhandle for him. Newman might be having more difficulty fleecing his wealthier devotees. Maybe they are holding on to their trust funds, tax returns and IRA's a

little more tenaciously. I think there are more than a few "oppositional" campers in Newmania these days.

And, quite frankly, as Newman attempts to market himself to the white right, he simply can't afford the bad press, especially when it mainly concerns his former identity as a commie. Indeed, a spectre is haunting the million-dollar townhouses of Greenwich Village, that spectre is...BOOOOOOOOO! Well, you get where I'm coming from. Let's face it, the C-word doesn't sit well with the "radical centrists" Newman courts today. That's why the Patrick Henry of Bank Street felt the need to formally enthrone me in his pantheon of Black boogeymen.

But before going on, I need to address the "cohorts" issue. Newman has consistently left the impression in his intramural press that I am somehow the evil genius behind his most undeserved torment. But a by-product of Newman's amusing fixation is his tendency to dismiss women, particularly women of color, who stand him down. I think Newman would describe such behavior as sexist, if the shoe didn't fit his foot so perfectly. The best example of this is his thunderous silence on Marina Ortiz. Ortiz, a Puerto Rican ex-member of the IWP (1990), has been hammering away at Newman since 1991--in the press, on radio, on television and in personal appearances. In many respects, she is the mother of the retaliation project. It was Ortiz, a radical journalist, who did the initial investigation of Newman's soiled finances, though she has had no role in the subsequent criminal investigations. Ortiz and I simply represent the scores of ex-IWP member;--Black, Latino, Asian, white, women, gay and straight--who believe that Newman abused, exploited and politically betrayed them. All of these people are starting to speak to each other and to reach out to whatever means at their disposal to get some kind of justice. So, if Newman wants to obsess on little ol' me, that's fine and dandy. This highway has a whole lot of speeding traffic. A skunk like him had better look in all directions before crossing.

But according to Dr. Newman, anyone who opposes him is a cop, i.e., part of a conspiracy to "harrass groups and organizations engaged in organizing for progressive social change." Needless to say, I, like most of humanity, came to the obvious conclusion several years ago that the only "change" that interested Newman was spare change.

In any case, Newman sees the hand of the FBI everywhere: the white Left (cops), the Black Left (cops), Andy Cooper (Black bourgeois cop), just about all journalists who've ever written about him (cops), anybody who correctly calls him a cult leader (cops), and definitely anyone who dares to question his financial practices (cops, fascists, hostile space aliens, very bad people...). Cops are making Fred

Newman's life just miserable, it seems. But couldn't there be another explanation for why Newman has been condemned to endure so much hostility, suspicion and ostracism? Could there be an outside chance that there are many people around who simply don't like him? Maybe they have "reactions" to his self-serving demagogy. Maybe his longtime practice of political opportunism sours some folks. Maybe his so-called anti-psychology psychology is ineffectual and amounts to little more than a technique for emotional manipulation. It could be that at least a few journalists who've written about Newman reported the unflattering truth--maybe one or two. I know that some people get upset when they feel that they're being flim-flammed, financially, politically, emotionally or otherwise. Maybe they don't like Fred Newman because he's ripped them off. It seems that you don't have to necessarily be a cop to be hostile to Newman. Newman, in fact, offers a veritable treasure chest of excuses to strongly dislike him.

I was amused by the verbal contortions you went through in order to demonize me. First you spend almost 2000 words rehashing Newman's obsessive love/hate affair with Dennis King and Chip Berlet. (You even published Ricky Flores' photo of them. It was uncredited, of course. Afterall, Ricky is probably a cop, too, given that he's one of my "cohorts." Then you jump to talking about the FBI and how it denies that it called Newman a cultist, and actually imply that the FBI is somehow the innocent dupe of the "white left" (cops) who published nasty things about Downtown Lenin. I thought the white left (cops) was working for the FBI (cops). Or maybe it's the other way around. In any event, the white left's criticisms and denunciations of Newman showed up in the FBI's files. For that, according to you, the white left automatically qualifies as "... (paid or unpaid?) intelligence and propoganda adjuncts of the state." If I'm getting this right, then you're saying that if anyone writes a piece that criticizes or attacks Newman, and the FBI puts it in their file cabinet, then that makes the writer an FBI agent "(paid or unpaid)""???!!! That's really deep, my man. It's a good thing that you're writing in a cult newsletter, because otherwise you'd be laughed out of town. Clearly, through you, Newman flaunts his utter contempt for his followers here. He's showing you that he thinks you guys are cretinous children, that you'll swallow anything.

But think about this: despite Newman's Chicken Little routine--year after year--about the cops at his doorstep, he has yet to demonstrate a SINGLE INSTANCE where the FBI has in any way interfered in or hindered the activities of the New Alliance Party or any of his other ~~condemned~~ cash cows. All that he can produce is the fact that he has a file. Well, the FBI keeps files on millions of people, even dilettante "movement folk" (parasites) like Newman. That fact

hardly qualifies him for revolutionary martyr status! Anyway, for a self-declared "Public Enemy Number One," Newman seems to do quite well. I don't think he's ever been questioned by the cops. In fact, the cops let him ride around in his big car, spend lots of cash, and even take nice vacations when the spirit moves him. Maybe I'm "just not getting it," but Newman's lifestyle hardly suggests that he actually fears the cops, and clearly indicates that the cops--the real ones and not the phantoms he wants you to see--have very little political interest in him. After all, he's just a rich white dude, and there's no law against being that.

Back to the article! After you "prove" that the white left is really a police agency, then you drop Ben Chavis' name and the fact that he was probably present at a Detroit NAACP event where Fulani humiliated herself by repeating Newman's paranoid delusions about the cops. You then imply that Chavis somehow endorsed Fulani's hysterics. With that "fact" in place, you drop Farrakhan's name as a co-victim of the white left (cops). Now Chavis, Fulani and Farrakhan are in a holy alliance against the left and it's "cop-ish ways." That was a good example of Newman's ~~moronic~~ moronic sophistry!

Now I enter as the "wannabe-white-leftist." I am "eager to be the Black Chip Berlet." I'm like Dennis Serrette, Ron Daniels and Andy Cooper; I'm a cop. Well, Serrette is a cop because he told his story of Newman's early episodes of alleged racism and corruption to a "Black Mississippi publisher with ties to that state's infamous anti-civil rights spying network, and Berlet, King and the rest of the white counterintelligence left." Dan, how cowardly. Everyone knows that Serrette talked to Charles Tisdale of the JACKSON ADVOCATE and the "spying network" you mention <sup>was</sup> the now-defunct Sovereignty Commission. Are you saying that Tisdale was a Sovereignty Commission informant? Why didn't you say so? Because you know that he was not and you don't want a libel suit. But Tisdale had to be a cop because you needed to make Serrette a cop. Strangely, though Newman constantly whines about King and Berlet being the ultimate source of all his bad press, I don't think he ever sued them for libel. But, in 1986, he sued Tisdale ostensibly for using them as sources. I wonder why.

Let's see, you say Daniels is a cop because he opposed Fulani in the 1992 Presidential election. He ran, under orders from the white left (cops) "to divide Fulani's support in the Black community." A question: How come Ross Perot didn't merit cop status, too? Didn't he "divide Fulani's support" in the white independent voting community? What about the Libertarian Andre Marou? I'm sure the SWP candidate had to be a cop in your book, because he divided Fulani's support in New York State--he whipped her at the polls here, by the way. On top of that, I believe he was a



genuine, red-blooded, white leftist (a real cop!), not just a "pathetic" Black leftist "dancing to the tune of the white left." Is it a polka or a cha-cha, Dan? Needless to say, your attack on Daniels is as desperate as it is absurd. Dan, have you ever considered that over-exposure to Newman might cause brain damage? Think about it the next time you get the urge to write... Nonetheless, you note that Daniels only appeared on the ballot in nine states. He received about 25,000 votes. If Daniels' campaign was an attempt to capture Fulani's Black base, then, judging by Fulani's dismal showing in 1992, either Fulani had no base in the Black community--in fact, what was left of it was disorganized by Newman's brilliant tactic of liquidating the campaign to tail Perot--or Daniels was a very successful spoiler. After all, Fulani came out of 1992 with less than half the votes she received in 1988, though she apparently spent 100% more money than in 1988! Indeed, "Daniels' was not a serious campaign," but neither was Fulani's, given that Newman embezzled the campaign treasury. So it goes... And finally, poor Andy Cooper is a cop simply because he had the nerve to publish a story that clumsily pointed to Newman's graft.

That leaves me. You know, it's sort of right wing for you to charge me with wanting to be white, leftist or otherwise. Actually, ex-Comrade Friedman, the "wannabe-white" charge has a long history in Black radical politics. It was a chief weapon used primarily by police infiltrators to organize Black nationalists against Black communists interested in building inter-racial class-wide organization. You see, according to the FBI, Blacks trying to work for the unity of the working class--no matter how flawed or doomed to failure--is a "wannabe-white" activity, just like being a communist is a "wannabe-white" affliction to some reactionary demagogues, Black and white. Which side are you on, Dan?

Dan, do I want to be white because I oppose Newman? Do you mean that to be an authentic Black person I must "want Fred," I must bow down to that creep? If that's the qualifier, then judging by the size of Newman's (and Fulani's) following in the Black community--she's so loved by the people of Harlem that she couldn't even break 1% at the polls in her own national headquarters precinct!--I guess roughly 99.999999999...% of the Black population are "wannabe-white" like me. As far as going to the "press, the New York District Attorney, and an assortment of regulatory agencies to get them to investigate Fulani and her political partner, Fred Newman," well, I wasn't the first or the only one. I've also stated fairly clearly why I thought it was necessary to do so. My writings on the subject require no interpretation. Fred Newman robbed and sabotaged a very precious movement for me. He acted like a pig. I am of the school that PIG SHOULD EAT PIG. That's why Newman has to answer to the state today. It's appropriate retaliation for

his crimes against decent progressive-minded people across this country. What did he expect? We were going to let him scamper away to the bank (and to the right wing) with the accumulation of our talents, passions, years of exploited labor, and political reputations? I think he expected--in his cult-centered, white supremacist, sexist way--so much. And that's why it's safe to say that Newman has some very critical transistors missing; or in street vernacular, "That suckah has-GOTS-to-be crazy!"

Moreover, whinning that "Twenty years ago, if a leftist had run to the cops about his former comrades, the left, no matter what it thought of the organization involved, would have ostracized the turnout," is also a product of Newman's deteriorating mental state. Only 100 words previously in the article, you howl that the white left equals cops. Why would the cops come to Newman's rescue? Aren't they his enemy? And if the white left isn't cops, then, again, why would it defend Newman, given that he's not a leftist, but a self-proclaimed patriotic millionaire? Anyway, who wanted to draft Collin Powell--a career war criminal, specializing in genocide exclusively against people of color--as the "Black progressive" US Senatorial candidate in Virginia? Man, give me a break! You're right, it's not 20 years ago, and Newman doesn't have a leftist leg to stand on.

Running to the cops? You have some nerve!!! I vaguely remember Newman siccing the FBI on a fellow named Jim Rutherford--a founding member of Centers For Change and SDS veteran--in 1974. Rutherford stole away one night with his infant son, after Newman hooked up with Lyndon LaRouche. Newman had the guy hunted for kidnapping his own kid. The left repaid Newman's treachery, it "ostracized the turnout." I also recall a certain Black Maryland woman named Morning Sunday. In 1992, she complained about how Newman was milking her state for Fulani campaign funds and not putting a dime back into local independent campaigns or organizations--that was actually Newman's national policy. When she balked at submitting her ballot nominating petitions at the time decreed by Newman, Newman had her charged, tried and convicted of grand larceny--for stealing the petitions! In fact, Newman is quite fond of using the pigs and the courts to harrass his opposition on the left. I don't ever recall him trying to sue or jail anybody on the right. They say and print unflattering things about him, too. They even try to plant bombs in his offices, as the old yarn goes. In the end, I'm only giving Newman a taste of his own medicine. ✓

Finally, Newman really isn't concerned whether I'm "considered by many on the white left to be a hero," or not. He's actually terrified that I may be a hero to some of his

folks at 500 Greenwich Street, and that has the potential to cause him mucho grief.

Can, I dare you to run this letter in the NA.

*Bill Pleasant*  
-----  
William Pleasant

PS: To Dan, *Firstly, as you see, this letter really isn't to you, but to FN. 2nd-person format simply gives me a polemical freedom. I have no personal or political animus toward you...*

*The FN scene is imploding (politically & psychologically). I urge you to get out of it before you become infantilized. You can write plays, do research and everything else that you think is important w/o FN. You definitely can't make revolution w/ FN. Seize the time, comrade! Seize your life back. And then you can make yourself happy. The people need you. Get out and Come into the world.* *Bill*

Exhibit B

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# Political Finance & Lobby Reporter

VOLUME XV, NO. 24

December 28, 1994

## Looting Treasury!

Clinton's campaign haul is \$3.4 million;  
FEC Democrats drive getaway car

By Edward Zuckerman  
Editor & Publisher

Demonstrating loyalty to their party, the Federal Election Commission's Democratic members recently prevented the agency from demanding a \$3.4 million refund of taxpayers' money by the committee that managed Bill Clinton's campaign for their party's 1992 presidential nomination.

Their votes to reject an audit staff recommendation, which was offset by Republican votes that favored it, resulted in a partisan 3-3 deadlock that appeared to defuse a potentially explosive political headache for President Clinton.

"We've never allowed this to happen," Republican Commissioner Joan Aikens said, referring to a manipulation of campaign revenues that have triggered past FEC demands from previous presidential candidates.

Her remark brought a veiled retort. "A lot of decisions that have come out  
(Continued on Page 3)

## FEC deadlock erase potential \$3.4 million payment from Clinton

(From Page 1)

of here have gone beyond me... I'll be happy to supply a list," Democrat Danny Lee McDonald said.

Had the recommendation been approved when the Commission finished renewing the audit of Clinton's nomination and presidential campaigns at its December 15 meeting, it would have resulted in the biggest repayment demand since the presidential financing program started in 1976.

The Commission approved other audit findings, resulting in approximately \$500,000 worth of repayments by the committees that ran Clinton's nomination and general election campaigns.

Altogether, the Clinton for President Committee collected \$12,536,135 from the U.S. Treasury to defray its primary election, convention and post-campaign "winding down" costs.

After examining the committee's records of an estimated 241,000 contributions and 29,000 disbursements, the FEC's auditors concluded that almost one-fourth of the amount provided by taxpayers shouldn't have been collected.

As they explained in one section of their voluminous report, Clinton's campaign continued to receive a torrential outpouring of contributions after he captured the nomination at the Democratic national convention in New York City.

Most of these post-nomination contributions, totalling \$5,863,410 in all, along with another batch of just-under-the-wire pre-nomination gifts, were submitted to the government for matching fund payments. In all, Clinton's nomination campaign committee received \$6,043,107 in three post-convention installments from the U.S. Treasury.

Clinton's committee had net outstanding debts totalling \$7,588,794 when his campaign for the nomina-

## The FEC rulebook:

### §9034.1 Candidate entitlements

- (a) A candidate who has been notified by the Commission that he or she has successfully satisfied eligibility and certification requirements is entitled to receive payments in an amount equal to the amount of each matchable campaign contribution received by the candidate, except that a candidate who has become ineligible under any law may not receive further matching payments regardless of the date of deposit of the underlying contributions if he or she has no net outstanding campaign obligations.
- (b) If on the date of ineligibility a candidate has net outstanding campaign obligations, that candidate may continue to receive matching payments for matchable contributions received and deposited on or before December 31 of the Presidential election year, provided that on the date of payment there are remaining net outstanding campaign obligations.

tion came to a successful conclusion, the FEC's auditors determined.

Under law and the FEC's regulations, Clinton's committee was required to use its post-convention contributions to extinguish its debts. Had the regulations been followed, the committee would have used its post-convention contributions to reduce its debt by \$5.8 million... and the committee would have been eligible to

collect another \$1.7 million to pay its remaining debts and another \$900,000 to cover its post-convention "winding down" costs.

However, after submitting most of the post-convention contributions to the federal government for matching payments, Clinton's campaign managers shunted \$2.4 million into a special holding account. Instead of using

(Continued on Page 4)

## Taxpayers won't pay for sex case settlement

While the question might be dealt with later, the Federal Election Commission has decided for the time being that a presidential campaign committee's payment to settle a sexual harassment complaint is not an appropriate use of taxpayer's money.

So, the FEC ordered Bill Clinton's primary election committee to refund the taxpayer-funded portion of a \$37,500 payment that was made for that purpose. Since he collected 25.3% of his total primary campaign funds from the U.S. Treasury, the repayment works out to about \$9,675.

Because federal law requires that campaign contributions be used only for election-related purposes, it could be a subject in a potential enforcement action.

Clinton's campaign did all it could to keep the affair confidential. But a check made payable to an escrow agent with the notation "settlement" drew an FEC auditor's curiosity.

Campaign lawyer Lyn Utrecht confirmed to the *Wall Street Journal* that the payment was to settle an "employee-related dispute," adding that a confidentiality agreement prevented her from providing further details.

The *Wall Street Journal* nonetheless reported that the payment settled a sexual harassment charge that an unidentified female campaign worker brought against David Watkins, the campaign's chief of administration.

Watkins held a similar post in the White House until last summer when he was forced to leave following his much-publicized use of a military helicopter for transportation to a golf outing. Watkins is presently employed by Callaway Golf Co. which manufactures the popular "Big Bertha" golf clubs.

## FEC finishes Clinton campaign audits without asking \$3.4 million repayment

*(From Page 3)*

the money to pay primary election debts, the committee asked contributors to redesignate their gifts so the money could be deposited into yet another account that would be used to pay for legal and accounting services.

Such contribution redesignations are permitted by FEC regulations, but only after a committee extinguishes its debts.

To do otherwise, an FEC auditor explained, "would enable campaigns to maximize their federal entitlement at the expense of taxpayers."

The Commission's Democratic members defended the redesignations, saying most of the contributions didn't specify they were gifts for primary election purposes. Under the law, they said, when a contribution is received for an election that has been con-

cluded, the gift is presumed to have been made for the next election. But in this case, because Clinton accepted \$55.5 million in taxpayer funds to finance his entire general election under an agreement that precluded the acceptance of any private contributions, there was no place to deposit the post-election contributions other than the Clinton/Gore '92 General Election Compliance Fund, they argued.

But the Commission's Republicans disagreed.

The post-election contributions, Mrs. Aukens said, were "solicited by Clinton's primary campaign committee, were made out to the primary committee and were deposited by the primary committee...to coincide they weren't designated for the primary campaign runs counter to the regula-

tions' definitions."

"What happens next?" she asked after the audit staff's recommendation was stalled by the partisan deadlock.

Audit staff director Robert J. Costa was facing a dilemma. As he noted, three Republicans agreed the contributions were primary election gifts that should have been used to pay debts...and three Democrats contend the money was legally redesignated for Clinton's compliance fund.

"Were the contributions matchable or not?" Costa asked.

If it was legal for Clinton's campaign managers to redesignate the contributions for use by a compliance fund, then wouldn't it follow that they were not primary election gifts? And, if that was the case, wouldn't it also follow that those gifts—\$2.4 million in all—shouldn't have been eligible for matching fund payments?

But another partisan deadlock prevented the Commission from answering those questions, too.

# Political Finance & Lobby Reporter

VOLUME XVI, NO. 1

January 11, 1995

## 'Arbitrary & capricious'

FEC Republicans' statement on Clinton  
audit is a plea for legal intervention

*By Edward Zickerman  
Editor & Publisher*

After a partisan deadlock prevented the Federal Election Commission from demanding a \$3.4 million refund of taxpayers' money that its staff auditors said should never have been paid to Bill Clinton's presidential campaign, the agency's three Republican members co-authored an extraordinary declaration.

In a "statement of reasons" they signed on December 29, the GOP commissioners decried their Democratic colleagues' action as "arbitrary, capricious and contrary to law." These were carefully chosen words. They are the same ones that prescribe the standard used by federal judges to measure the legality of FEC enforcement actions.

Their underlying intent was obvious: they want someone to haul their agency into court and let a panel of federal circuit court judges, if they agree the action was "arbitrary, capricious and contrary to law," order the FEC to reevaluate its decision.

Under the Presidential Primary Matching Payment Account Act, the FEC's action (or non-action) is subject to judicial review, provided a petition is filed within 30 days at the U.S. Circuit Court of Appeals for the District of Columbia. The vote to reject the audit staff's recommendation was taken December 15; thus, the deadline for seeking judicial review is Saturday, January 14.

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## FEC deadlock on Clinton audit

(From Page 1)

The issue involves campaign funds which Clinton's campaign obtained from the U.S. Treasury after he won the Democratic party's 1992 presidential nomination.

Private contributions continued flowing to Clinton's campaign after he won the nomination, about \$5.8 million, which should have been used to extinguish his campaign's debts which stood around \$7.0 million, the FEC auditors said. Instead, several million dollars were deposited into a legal and accounting fund, which had the effect of leaving taxpayers to pick up a larger share of Clinton's primary election debts than should have been the case.

Clinton's campaign managers didn't invent the strategy that enabled them to stretch their collection of taxpayer funds. The Commission had seen it before, most recently in its audits of the 1988 presidential campaigns, and voted unanimously to prevent its recurrence by issuing a more stringent regulation. The FEC's rule, in effect for 1992, required presidential campaigns to pay their primary election debts before any surplus contributions could be transferred to a compliance fund.

Clinton's campaign lawyers argued—and the Commission's three Democratic members agreed—that the fund transfers were permissible. The transfers involved contributions that didn't specify the donor's intent as to how the money should be used, they claimed. Since the donors hadn't specified how their money was to be used, the Clinton campaign asked them to designate their "undesignated" contributions for use by the Clinton/Gore Compliance Fund.

The Commission's three GOP members—Joan Aikens, Lee Ann Elliott and Trevor Potter—voted to uphold the FEC's regulation by approving the audit staff's key recommendation. But its three Democrats—John Warren McGarry, Danny Lee McDonald and Scott Thomas—

voted. At the FEC, four votes are required to sustain a motion.

The Commission's failure to demand repayment of this public money is inconsistent with Commission precedent and squarely at odds with the plain language of the statute and regulations, is arbitrary and capricious, and contrary to law," the FEC's three Republicans said in their "statement of reasons."

Their statement came nearly two weeks after McGarry, McDonald and Thomas, in their own explanatory statement, said their votes to reject the auditors' recommendation was consistent with the agency's rules. And they suggested their votes upheld the public's interest by providing taxpayers an even greater opportunity to finance a larger share of a presidential campaign.

"What is the impact of our approach?" they asked. "Taxpayer funds, rather than privately raised dollars, are used to pay primary campaign expenses—a result that furthers the public financing concept. The funds at issue are left available to the GELAC (General Election Legal & Accounting & Compliance Fund) to pay for complying with the many complexities of the law—again a result that furthers the public financing concept because it ensures that candidates continue to opt for public rather than private financing."

The GOP commissioners argued differently: "We see no legal or logical way that these post-convention contributions can be both matchable primary contributions and at the Commission's discretion also be undesignated contributions to the (compliance fund). Such a scheme allowed the Clinton Committee to manipulate its cash balance and debts to receive public money to which it was not entitled."

And they continued: "It is grossly improper to adopt such a free-spending standard for only one candidate (the current President of the United States), while every other campaign in the same cycle has been held to a different and stricter rule."

# Political Finance & Lobby Reporter

VOLUME XVI, NO. 6

March 22, 1995

## FEC audit report is basis for complaint against Clinton

By Ed Zuckerman, Editor & Publisher

President Clinton's campaign committee should be ordered to pay a \$5.8 million civil penalty for taking too much money from the U.S. Treasury, several conservative organizations and radio talk show hosts said in a formal complaint they filed March 6.

The complaint literally boistered the Federal Election Commission on its own petard. For evidence of alleged wrongdoing, they merely incorporated the FEC's own legal and audit staff reports on Clinton's taxpayer-funded campaign for the Democratic party's 1992 presidential nomination.

According to the FEC's professional staff investigations, Clinton's campaign ignored regulations that were specifically designed to prevent campaign committees from continuing to draw primary election funds from the U.S. Treasury after winning their party nominations.

*(Continued on Page 6)*

# FEC's audit on Clinton campaign becomes grist for complaint

(From Page 1)

Under the regulation, contributions received after winning the nomination are supposed to be used for paying primary election debts. But Clinton's campaign, after submitting some of its post-nomination gifts for matching funds, transferred the money into another account that was used for paying legal and accounting expenses.

"Instead of applying these funds to extinguish a campaign debt in excess of \$7 million as required by FEC regulations, the Clinton committee intentionally and illegally diverted in excess of \$2.4 million to a legal and accounting fund for the general election. This scheme enabled the Clinton committee to receive \$2.9 million in additional matching funds to which it was not entitled," the complaint said.

The complaint was filed by the Second Amendment Foundation, the Center for the Defense of Free Enterprise and the American PAC. Joining the complaint were Michael Siegel of Seattle, Wash., and Todd Herman of Spokane, Wash., who are both radio talk show hosts, and Joseph Tartaro of Buffalo, N.Y., who is the editor of *Great West magazine*.

## Complainant is an independent spender

Both the Second Amendment Foundation and the Center for the Defense of Free Enterprise are tax-exempt organizations. American PAC, an FEC-registered political committee, raised \$304,407 during the 1993-94 election cycle. Its expenditures, totalling \$167,319, included \$57,200 in contributions to 44 Republican congressional candidates and \$15,000 worth of independent expenditures to defeat former House Speaker Tom Foley and former Reps. Jay Inslee and Mike Krenler, all Washington Democrats.

Last December, with the Commission's three Republican members voting to approve it, the agency's lawyers and auditors recommended that Clinton's campaign be ordered to make a \$2.9 million repayment to the U.S. Treasury.

But the Commission's three Democrats refused to support the auditors' recommendation. They knotted the Commission into a 3-3 deadlock and spared Clinton's campaign committee from having to make a potentially embarrassing expenditure.

"Arbitrary and capricious," the Commission's Republicans booted in a joint statement that accused their Democratic colleagues of putting politics above principle. Their words comprised a less-than-subtle plea for outside legal intervention.

In a reply "statement of reasons" that was more brazen than explanatory, the Commission's Democrats said their decision had helped advance the concept of taxpayer-funded elections. Allowing Clinton's campaign to collect more money than the FEC's regulations allowed, they said, had the effect of reducing the amount of private money that would have otherwise been needed to pay the committee's lawyers and accountants.

## Democrats rejoinder

"What is the impact of our approach?" Democrats Danny Lee McDonald, John Warren McGarry and Scott Thomas asked in their joint statement. "Taxpayer funds, rather than privately raised dollars, are used to pay primary campaign expenses—a result that furthers the public financing concept. The funds at issue are left available to the GEAC (General Election Legal & Accounting & Compliance) Fund to pay for complying with the many complexities of the law—again a result that furthers the public financing concept because it ensures that candidates continue to opt for public rather than private financing."

Under the Presidential Primary Matching Payment Account Act, all decisions by the FEC are subject to review by the U.S. Circuit Court of Appeals for the District of Columbia, provided a petition is filed no later than 30 days following the agency's action.

## Complaint opens avenue to court

But the Federal Election Campaign Act's formal complaint process, which specifically includes the presidential funding laws, provides a different avenue that could ultimately bring the matter before a federal court. Under the law, the FEC must investigate every valid complaint and make a determination within 120 days. A lawsuit requesting judicial review can be filed if the deadline isn't met.

When Washington election law attorney Richard Mayberry filed the complaint for his clients on March 6, he was already looking ahead to July and the expiration of the 120-day period.

"Making a submission for matching funds based upon non-matchable contributions is a violation of the Presidential Primary Matching Payment Account Act," Mayberry said in the complaint.

The manipulation of post-nomination contributions to extend the campaign's eligibility for taxpayer funds, the complaint alleged, was a "knowing and willful" violation of the Commission's regulations. Thus, the complaint urged that the Clinton for President Committee be ordered to pay a civil penalty that is 200% of the amount of funds involved in the case.

"Simply stated, Clinton 'cooked the books' of his campaign by diverting contributions that were solicited for the primary election," said Alan Gottlieb, who is the executive director of American PAC. **188**



# Exhibit C

LENORA B. FULANI FOR PRESIDENT  
200 WEST 72ND STREET, SUITE 30  
NEW YORK, NY 10023

PAY  
TO THE  
ORDER OF

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1718 Broadway New York N.Y. 10018

FOR legal fees

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# Exhibit D

# WHEN DEMOCRACY IS ON THE JOB, AMERICA WORKS



The story of  
Thora B. Fulani,  
Independent Candidate for  
President of the United States



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# THE INDEPENDENT TRADITION GIVES BIRTH TO AMERICA'S PREMIER BLACK INDEPENDENT, LENORA B. FULANI

BY PHYLLIS GOLDBERG, Ph.D.

In 1854 the Republican Party — a political vehicle for the industrialists of the Northeast who were opposed to the expansion of slavery — captured a plurality of seats in the House of Representatives, replacing the Whigs as the other "major" party in America. Since the Civil War, and despite the fact that the United States Constitution says nothing about political parties, the Republicans and Democrats — both representing the interests of big money — have monopolized our country's politics, changing the very meaning of "non-partisan" to "bipartisan." Not surprisingly, since it is the professional politicians of the major parties who make the laws, that bipartisan political monopoly has remained largely impervious to serious reform.

and whose relationship to the electorate is therefore not mediated by their obligation to protect corporate interests' they are rarely covered by the "big" media and their result are typically not even reported at election time. A few years ago a national survey of high school seniors indicated that 57% of these young people thought it was *illegal* to run as an independent.

Nevertheless (and astoundingly!) independence — on the right and the left — has a long tradition in America. It has flourished in response to the continual failure of the political center, the Republican and Democratic parties, to manage the economy successfully. In turn, the major parties have sought to co-opt such challenges in order to blunt dissent, where they have failed, particularly when the challenge has come from the left, they have moved to discredit and destroy it.

Following are some of the highlights — and low moments — in the largely unexamined life of left-of-center independence in America.

In the 1880s the Populist Party elected 38 people Congress, gained control of the state legislature in Georgia and elected two governors, and in 1892 James B. Weaver, the Populist presidential candidate, won nearly 9% of the vote.

In the two decades before World War I, the Socialist Party elected 1,200 people to public office, including 79 mayors and two congressmen (one from Milwaukee, the other from New York City). Socialist Eugene Debs ran for president from jail in 1920 and got a million votes.

Four years later "Fighting Bob" LaFollette, the Wisconsin senator, ran for president as the candidate of the independent Progressive Party and got almost five million votes — more than 16% of the total (it was the largest share of the vote for an independent left-of-center candidate ever).

During the Great Depression that was touched off by the 1929 stock market crash, mass social action — which took organizational form in unemployed councils, the Congress Industrial Organizations (CIO), and the Black Sharecroppers Union — fueled support for independent political parties. The Farmer Labor Party became the most powerful party in Minnesota. LaFollette's Progressive Party re-emerged as a significant force in Wisconsin politics, and the American Labor Party elected three eminent congressmen from New

Fiorello LaGuardia (who would later become the city's mayor).

Threatened by the mass unrest and growing support for these independent parties, the Democratic Party was forced to make concessions to poor and working people. In 1935, President Franklin Delano Roosevelt and Congress enacted laws that gave labor unions the right to organize, limited the work day to eight hours, established a minimum wage, protected child labor, and guaranteed social security and unemployment insurance. In turn, the Black electorate broke with the party of Abraham Lincoln and came over to the Democrats: together with organized labor they would be the backbone of the "New Deal" coalition that for half a century enabled the Democratic Party to maintain its viability as a national political organization which could compete with the Republicans for power and corporate financial backing.

In 1948 Henry Wallace, one of Roosevelt's former vice presidents, ran for president under the banner of the Progressive Party (not the same organization as LaFollette's); the Wallace candidacy was a product of the deep-running tensions within the New Deal coalition that also produced an independent presidential run to the right of the Democratic Party standard bearer, Harry Truman, by "Dixiecrat" segregationist Strom Thurmond. Although Wallace (like Thurmond) got one million votes in that election, the Progressives — bowing to the winner-take-all mentality promoted by the bipartisan political monopoly — considered the campaign a failure and never ran a candidate for president again.

During the campaign Truman (like FDR before him) was forced to adopt many of the positions taken by his progres-



THE STORY OF LENORA B. FULANI, INDEPENDENT CANDIDATE FOR PRESIDENT OF THE UNITED STATES

new president and the right wing Republican senator from Wisconsin, Joseph McCarthy, launched a bipartisan reign of terror against progressives and independents designed to root them out of American political and cultural life. Part of that all-out assault was an attack on fair elections; by the end of the '50s, a convoluted maze of state laws concocted to keep "outsiders" off the ballot virtually prevented independents from participating in (let alone winning) elections.

Still, in 1964 the Mississippi Freedom Democratic Party arose to challenge the seating of the regular — whites only — state party at the national nominating convention. They were eventually awarded two at-large delegates in a compromise orchestrated by Minnesota's senior senator, Hubert H. Humphrey (who would lose the 1968 presidential election to Richard Nixon when segregationist George Wallace, running on the American Independent line, siphoned off the votes of six million Southern Democrats from the "too liberal" Happy Warrior), and Humphrey's junior colleague, Walter Mondale (who lost the 1984 presidential election to Ronald Reagan all on his own).

The late '60s saw the flowering of several independent statewide parties rooted in the anti-war movement — the Liberty Union Party in Vermont (where Congressman Bernie Sanders, the only independent in the U.S. House of Representatives, began his political career), California's Peace and Freedom Party, and the Wisconsin Alliance (later the Wisconsin Labor Farm Party) — and other parties inspired by the civil rights movement, such as La Raza Unida in the Southwest, the Puerto Rican Young Lords (which originated in Chicago but established itself most firmly in New York City), and the Black Panther Party (which began organizing in Oakland, California but soon had a powerful presence in every major northern city). With the exception of Peace and Freedom, one of only two progressive parties in the country with permanent ballot status (the other is the Workers World Party in Michigan), the rest died violent deaths at the hands of the police (the Young Lords and the Panthers), settled down in local obscurity (Vermont's Liberty Union and



Above:  
Franklin Delano  
Roosevelt, 1944.

Below:  
European Debs, 1910.



Above:  
Hubert H. Humphrey.

Below:  
Malcolm X (L),  
Dr. Martin Luther  
King, Jr.

case of La Raza — became a vehicle for a handful of ex-militants to drive the Chicano vote into the Democratic Party. Peace and Freedom, after years of paralysis brought on by left sectarian in-fighting, began to revive during the '80s after New Alliance Party organizers brought the message of independent politics into the Black and Chicano communities of Los Angeles: their participation breathed new life into the party

Dr. Martin Luther King, Jr., who was considering an independent presidential run just before his murder in 1968, and Malcolm X, in his "the ballot or the bullet" speech a few years earlier, recognized that the problematic relationship of the African American people to the Democratic Party was a central issue in working out a strategy for the exercise of Black power. In 1972 the National Black Political Convention met in Gary, Indiana to chart an electoral course for Black America. The mayor of Gary, Richard Hatcher, who hosted the convention, warned eloquently about a day in the future when Black people would "cross the Rubicon" — by which he meant they would form an independent party — and take with them not only "a kaleidoscope" of people of color, but also " ... the best of white America ... " In the end, however, the convention opted to invest the only wealth the Black community possesses — its vote — in electing more Blacks to office under the banner of the Democratic Party.

Over the last 20 years there has been an increase of 365% in the number of Black elected officials (nearly all of them Democrats) — but the African American community has little to show for it. In fact, while Black politicians have been making it into Congress, state legislatures and city halls from Los Angeles to New York, the conditions of life, and death, for the African American people have deteriorated. We need only recall the barbaric firebombing in 1985 of the MOVE family home on the orders of Wilson Goode, the Black mayor of Philadelphia, or to be acquainted with such grim statistics as the fact that Black men in the United States are imprisoned at a rate four times that of Black men in South Africa, or that during the 1980s there was a 49% increase in the number of Black people living in poverty in America's cities,

poverty line, or that Black babies are twice as likely as white babies to die before their birthdays, to realize that the strategy worked out in Gary years ago — regardless of whatever good intentions have guided it — has failed abysmally. Black Democrats have not succeeded in leading the African American community out of the wilderness of poverty and racism; they have been used to preside over, and, in many cases, to be scapegoated for, the systematic gutting of the cities of the industrial Midwest and Northeast that once represented a promised land of economic opportunity to Black people and the rural South.

The handwriting of Reaganomics was already on New York City's walls in the mid-1970s. Like any other third-world country being systematically looted by "foreign" interests, the invitation of local stooges — in this case, it was some of the world's biggest banks and their associates (accountants in the real estate business who were gobbling away at Big Apple at the invitation of some world class thieves) — regular and "reform" Democrats who command the city of power) — New York was dying of political corruption. The city hovered on the brink of bankruptcy, the banker had it by the throat agreed to come to the rescue — at a price. The first wave of budget cutbacks hit New York City, already devastated Black and Puerto Rican communities and its predominantly Black and Puerto Rican manufacturing unions, hardest. Hospitals were shut down. Daycare programs folded. Schools became warehouses in which Black workers and underpaid teachers couldn't do much more



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Throughout the '80s the waves kept coming, while New York's poorest people, and then the working poor, and finally the middle class, began going under: unemployment, homelessness, drugs, crime, AIDS, gay-bashing, police violence, and the deadly undertow of racial polarization between a dwindling handful of terrified, resentful haves (white and often Jewish) and the swelling ranks of desperate, angry have-nots (predominantly people of color) New York City was turned into a gargantuan grab bag for the benefit of the local get-rich-quick crowd — the big landlords and the bankers, with the Democratic Party politicians who gave away the store skimming their share off the top — while ordinary New Yorkers were forced to pay for the boondoggle with their lives. As real estate prices in Manhattan soared, hundreds of neighborhoods and small businesses were destroyed in the name of "gentrification." Whole blocks of apartment buildings in the Bronx were burned to the ground by absentee landlords, who could make more money from their insurance companies than from the working people who rented their apartments.

New York City was not unique, of course. The traders downtown at the Stock Exchange were having a field day, buying and selling paper like there was no tomorrow — which there wouldn't be for the auto workers of Detroit and the steelworkers of Gary, or for the family farmers in Iowa and Kansas. (There wasn't even a today for the tens of millions of people in Africa, Latin America and Asia crushed under a world economy on the skids.)



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people instead of profits" New Alliance Party, now 13 years old, was born and brought up on the streets of New York.

The product of the Labor Community Alliance for Change — a coalition of grassroots activists and organizers, rank-and-file trade unionists and progressive elected officials — NAP came into existence in the summer of 1979; within six weeks the independent party would run its first campaign. That year State Senator Joseph Galiber, the ranking Black Democrat in the Bronx, was double-crossed by his party's new boss (whose predecessor had promised Galiber the nomination for borough president in the upcoming special election) and decided to fight back. So Galiber went to the New York City Unemployed and Welfare Council, a union of welfare recipients that was seeking collective bargaining rights for the city's poor: he wanted support to run against the party's designated choice Council president Neter Brooks, a founding member of the LCAC coalition, agreed — with the proviso that regardless of whether he won or lost the primary Galiber would run in November as the candidate of the independent New Alliance Party (at that moment still a twinkle in LCAC's eye).

Thus was born NAP's trademark "inside-outside" tactic. It was designed to deepen the rift within the Democratic Party between the corrupt and unresponsive party leaders and the increasingly disaffected electorate by supporting the best of the Democrats (that is, the most progressive and independent-minded, the ones who were willing to run against the machine in the primary) and then (whether they won or lost) to exacerbate the party's destabilization by running a candidate to the left in the general election who takes votes away from the Democratic nominee while building — always building — the independent political movement. From the beginning, NAP was tooled to expose the pervasive corruption of the Democratic Party (and especially of its self-promoting, pseudo-liberal "reform wing") and in doing so to win over the party's authentic liberals and the voters who support them to independent politics.

Predictably, in a primary race that pitted a Puerto Rican candidate, a white reformer, and Galiber against one another in a competition for the anti-machine vote, the hack designated by the bosses won the nomination. But thanks to NAP, Galiber was still alive. And in the general election, the candidate of the six-week-old independent party got 25,000 votes (17.5% of the total), coming in second to the Democrat

Left:  
New Alliance Party,  
New York City, 1979.

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...in the South and Central Bronx. Impressively, Garnier got more votes than the Republican Party, the Conservative Party and the Right to Life Party. Like the Democrats, the Republicans and the Conservatives, Right to Life had permanent ballot status in New York — a product of the intense mass organizing effort undertaken throughout the country by right wing forces after the defeat of Barry Goldwater in 1964.

Top  
Pedro Espada 1989

Bottom  
Dr. Rafael Mendez  
1986



Twenty-five thousand people, most of them Black and Puerto Rican, had been moved to break the political habit of a lifetime and vote for an independent Black candidate instead of the Democrat they were supposed to choose; it was an act of voter rebellion performed by an electorate which the political powers that be in New York (as well as elsewhere) make

no secret of despising. The curtain had gone up on a whole new play in the city's and the country's — and the world's — politics.

Over the years — while the marriage between the U.S. government and big business touted by Paul Tsongas was being consummated under Ronald Reagan (a marriage which had no room for the old furniture of New Deal reforms and threw them out, one by one) — NAP was becoming the party of protest in New York City, the means by which hundreds of thousands of people chose to express



corrupt political system overseen by Democrats who openly betraying the poor and people of color in return for the right to feed at the corporate trough. During a decade which saw broad masses of the world's people begin pouring into the streets of cities from China to Zaire to Romania to Haiti to Chile at the risk of their lives to demand more democracy, growing numbers of New Yorkers were going to the polling booth and pulling the lever for independent

In 1989 — the year that the one party states of Eastern Europe became an extinct species — Pedro Espada, insurgent Democrat in the South Bronx, ran on the independent NAP line after being forced off the primary ballot in a race for City Council against the incumbent, a well-known member of the local machine (knocking challengers off the ballot how New York's fanatically anti-democratic Democrats compensate for the inconvenient fact that a few stubborn voters still expect to participate in something called an election every now and then); despite the red baiting and intimidation that were his opponent's campaign tactics, Espada, an extraordinary 42% of the vote. Ordinary Black and Puerto Rican people had stood up to a reactionary thug because they had a political weapon with which to do so — the Alliance Party.

That same year NAP's Dr. Rafael Mendez — who had led the party's "Recall '86" petitioning drive to put a referendum on the ballot which would have allowed New Yorkers to say whether they wanted the right to yank corrupt officials out of public office — ran for president of the New York City Council in the Democratic Party primary, temptuously dismissed by the *New York Times* as "token" opposition to the incumbent (the *Times* did mention that the independent Puerto Rican leader was the super-rich Democrat's *only* opposition) — Mendez won 193,640 votes (25% of the total).

The New Alliance Party went on building the independent political movement (it had already gone national in 1985 when NAP put an independent presidential candidate, a former and-file trade union leader Dennis Serrette, on the ballot in 33 states). Meanwhile, the Democratic Party went on unraveling, along with the economy, as it had been doing since the late '60s.

Democrats have only managed to win the presidency on

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liberal, Jimmy Carter, defeated Gerald Ford, the *unelected* incumbent. (The new president was a card-carrying member of the Trilateral Commission — an organization representing big government, big business and big labor — which published a report warning of the dangers posed to those interests by an "excess of democracy" in the world.)

The second half of the 20th century is a story of colossal failure: the failure of revisionist (orthodox, Stalinist) communism to keep the promise, made in 1917, of "a better world to come"; the failure of decaying capitalism to extend the material benefits of a system based on private profiteering beyond a relative handful of skilled, mostly white workers and their college-educated children in this country; and the failure of liberalism to present itself as a democratic alternative to communism, capable of reforming capitalism "from within." Now communism is dead. The custodians of the capitalist enterprise — who, despite their gloating, have their own very serious economic troubles (not the least of which is that the Third World is virtually depleted of the human and material resources they once plundered so freely) — are stepping up the belt tightening that began in the 70s, and throwing overboard everyone who can't pay their own way. And liberals, with a few honorable exceptions, have tucked their reformist tails between their legs and become apologists for a system that becomes more unworkable, and more heartless, every day.

When the Humpty Dumpty of Stalinism fell, the right wingers and the liberals indulged in an orgy of smugness: "they" lost and "we" won. What was won is a new world order with hardly any room in it at all. No room for the thousands of Haitian boat people fleeing the Tontons Macoute terror. No room for the hundreds of thousands of gay men and poor people of color who are dying of AIDS. No room for *anyone* who gets sick and can't pay the bills. Or who chooses to have an abortion. Or who can't find a job. No room for the millions of people in Eastern Europe who will slowly starve to death in the next few years (if they aren't slaughtered first in the name of some nationalist passion). And, once they outlive their usefulness, no room for the Jews deceived into believing that they could save themselves at the expense of their Palestinian sisters and brothers. The "new world order," in fact, is really only a new word order that means fascism in the 21st century.

Democracy is the only known cure for this terminal illness.

party that during an earlier period in American history gave organized expression to liberalism has degenerated into a poor imitation of the increasingly reactionary Republican Party. As the erosion of the U.S. economy has deepened over the last decade, the Democrats — terrified of the "commie" label — have consistently refused to come up with the radical social vision, and radical social policy, necessary to reverse the decay; instead they entered into a shameful collusion with the Republicans that continues to this day: stonewalling national health care legislation; stacking the Supreme Court with right wingers who are rapidly unwriting virtually every progressive decision made in the last half century; enacting the violently anti-poor Gramm-Rudman budget balancing act, covering up the Iran-contra scam; bailing out the Savings and Loan thieves; invading Iraq; and abandoning the Haitian people to the Duvalierist thugs who engineered last year's coup against President Jean-Bertrand Aristide.

In 1992 "neo-liberal" Bill Clinton is running from left-center field to catch up with George Bush, the Republican incumbent, who is desperately struggling to occupy the disappearing center while being jerked to the right by the likes of America's firster Pat Buchanan and "former" Klansman David Duke — both of whom are openly threatening to form an independent third party in 1996. For as the economy falls apart, the political center cannot hold; indeed, George Bush may well be the last of the centrists.

In 1984 the Reverend Jesse Jackson attempted to move the Democratic Party left — to become its conscience and in so doing to save its liberal soul. He roused the nation with a presidential campaign whose long-unheard populist message brought hundreds of thousands of new voters into the Democratic Party, and — with his challenge to its institutionalized racism — evoked an ugly enmity among the good old boys in charge.

Walter Mondale got the Democratic nomination that year. It was understood that he would lose to the Reagan juggernaut, but the party bosses weren't troubled: as Walter Karp wrote at the time in the *Atlantic Monthly*, the Democrats preferred having Ronald Reagan in the White House to having the "unruly" (Black, poor, anti-war white) base that Jackson had mobilized rule their party.

Far more important than the election to Mondale (more

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control of the party to the bosses, lost after the infamous 1968 convention in Chicago. That was the year the Democratic Party leadership —



Right: Senator Eugene McCarthy New Hampshire 1968

Below: Democratic Party convention, Chicago, 1968

responding to the challenge mounted by Senator Eugene McCarthy of Minnesota, who rode a wave of popular sentiment against the war in Vietnam into the Chicago convention — showed the American people what they thought of "trash" like the thousands of demonstrators who turned up outside the convention hall to protest the war. Mayor Richard Daley's cops were sent on a nationally televised head bashing spree (it was



Four years later the party bosses were ousted by the insurgent forces of George McGovern, who was able to win the nomination thanks to the rules changes — which allowed rank and file Democrats a role in the process of nominating the presidential candidate and shaping the party's platform — that had been forced through in the wake of Chicago. In 1976 Washington outsider Carter used those same rules to lock up the Democratic nomination before he even walked into the convention thereby short-circuiting the power brokers.

In 1984 — when the working class Black community and the most liberal rank and file Democrats had found their electoral voice in Jackson — the empire struck back.

Mondale and his cronies invented the "super-delegate" — category of professional politicians who were "more equal" than other delegates selected by popular vote — and the party bosses were back in control. That Mondale lost the White House (badly, as anticipated) mattered far less to the organization men than the fact that they were once again in the saddle, the jackass was ready to ride.

Jackson was publicly humiliated at the party's nomination convention in San Francisco; they forced him to crawl on his belly for the infamous "Hymietown" slip, made in an unguarded moment to a Black reporter. In fact, Democrats, like their friends the Republicans, weren't at all concerned that a leading presidential contender had made an anti-Semitic remark; Jesse had scared the living daylights out of them by proving that a militantly anti-corporate, peace message, delivered by a Black civil rights activist, was being heard in middle America. They could destroy him or hire him, so they set out to do both.

Immediately after the election Richard Batcher, who was Jackson's national campaign manager had led the floor fight against Mondale, was effectively fired from his post as the chairman of the Democratic National Committee in the Caucus; when he sought re-election as mayor of Gary the national party abandoned him and he went down to defeat.

The formation of the Democratic Leadership Conference by former Governor Charles Robb of Virginia, Governor Bill Clinton of Arkansas and other neo-liberal Democrats for the express purpose of establishing an organizational counterweight to the Black-led Rainbow insurgency that arose in Jackson's 1984 presidential campaign was yet another

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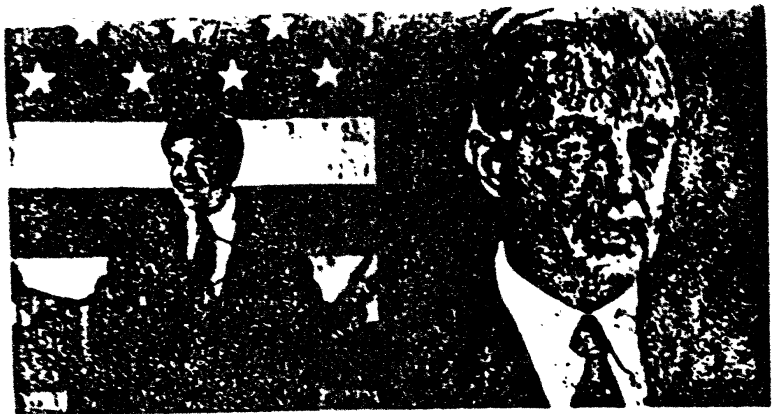
pragmatists without principles — who blame the party's troubles on its "capitulation" to "special interests" (organized labor, Blacks and other people of color, women, lesbians and gays) have succeeded in wrenching it rightward programmatically, but not in ending its losing streak: why vote for a Republican clone when you can have the real thing?

In 1988 the New Alliance Party called the inside outside tactic "Two Roads Are Better Than One", it meant supporting Jackson in the Democratic primaries in his second shot at the title and at the same time — given the likelihood that he would be denied the nomination — preparing the way for Lenora Fulani's historic independent presidential run.

Michael Dukakis, the governor of Massachusetts, became the Democratic nominee that year. Bypassing Jackson — who had gotten more than seven million votes in the primaries — as a vice presidential running mate, he instead invited a multi-millionaire Reaganite, Senator Lloyd Bentsen of Texas, to share the ticket with him. Then the graceless and ungrateful "Duke" told Jackson, who had signed on to drum up votes for the D.P. slate, to stay out of states where he might hurt their chances. The heir apparent to Martin Luther King, Jr. agreed to stay in the back of the campaign bus. But Jesse Jackson was the least of their problems. As Mondale had done with Ronald Reagan in 1984, Dukakis — turning his back on the Rainbow and denying liberalism like a former lover — handed George Bush his victory on a silver platter.

Meanwhile, Dr. Fulani became the first woman and the first African American presidential candidate ever to be on the ballot in every state and the District of Columbia, as well as the first Black woman in history to receive federal primary matching funds. In November she took 2% of the national Black vote and 2% of the national gay vote (an accomplishment heightened by the fact that a vicious assault was launched against her by the official leadership of the lesbian and gay community) and NAP emerged from the election as America's fourth largest party (the older right-of-center Libertarian Party, which has permanent ballot status in several states, is third).

Dr. Fulani's 1988 campaign was designed to challenge the legal barriers to independent and third party candidates, who must collect more than 30 times the number of nomi-



nating petition signatures required of major party presidential candidates just to be on the ballot in all 50 states.

Above left:  
Michael Dukakis, 1988

"In the last five years the New Alliance Party has done more for ballot access reform than anyone else has," Richard Winger, editor of *Ballot Access News*, told National Public Radio in an interview aired on February 17, 1992. "They've done something no other third party has ever done — they've gone to Congress to try and overcome some of these problems. They've filed nine ballot access lawsuits in the last three years."

Above right:  
Walter Mondale, 1987

Below:  
Reverend Jesse Jackson

Out of that extended struggle to democratize the electoral process have come some very positive developments — not least of which are the alliances NAP is building with democracy-minded Democrats such as Larry Agran, the intrepid former mayor of Irvine, California who undertook to run an insurgent campaign for the Democratic nomination and in



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Above  
Atlanta, Georgia, 1987.

the process made himself persona non grata with the party's powers that be, and Representative Timothy Penny. The Minnesota congressman is the sponsor of a bill, H.R. 791 — the Democracy in Presidential Debates Act — which would require candidates who receive public financing to participate in debates sponsored by a non-partisan organization, and to include significant independent candidates running national campaigns. His colleague from Minnesota, Senator Paul Wellstone, has introduced the Presidential Debates Act of 1992 into the Senate.

H.R. 791 was drafted by the Washington, DC-based Rainbow Lobby, a grassroots citizens lobby that advocates for democracy in this country and around the world. The Lobby was the creation of the Rainbow Alliance, which was founded by representatives of a number of progressive independent parties and civil rights activists at a meeting convened in August of 1984 by the New Alliance Party. Since then the Rainbow Lobby, with 150,000 members and supporters throughout the country, has succeeded not only in winning over congressmen of the calibre of Penny and Wellstone to the cause of fair elections in this country, but in mobilizing American public opinion on behalf of the international democracy movement and using it to pressure members of Congress to shape U.S. foreign policy accordingly — so much so that in an article in the February 1990 issue of the right-wing *American Spectator*, journalist and think tanker David Brock complained that: "... a group like the Rainbow Lobby has emerged as a credible, and indeed influential, voice on important questions of public policy in Congress and in the media ..."

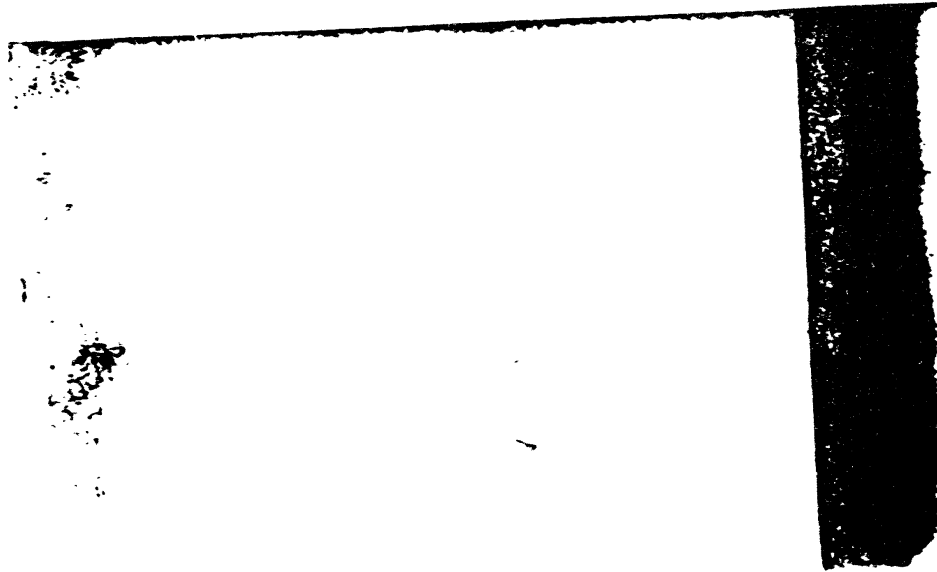
the fight for fairness. The failure of the Democratic Party to offer a genuine alternative to the far right has come to be reflected in "debates" that are literally one sided, with the Democratic candidate competing with his Republican opponent to show how pro-corporate, "tough on crime" (anti poor), and red-white-and-blue (willing to coddle the weapons industry) he is.

The Commission on Presidential Debates was established in 1987 by the national committees of the two major parties for the explicit purpose of taking over "sponsorship" (that control) of the debates from the nominally non-partisan League of Women Voters. Lawyers for the Fulani campaign had argued in federal court that the Commission was not entitled to enjoy tax-exempt status because it is not non-partisan, as the law requires. In 1988 the Commission said that African American independent was ineligible to be included in its debates because she wasn't a "legitimate" candidate — a Catch-22 situation: minor party candidates will always be illegitimate as long as the system says that only major party candidates are legitimate.

Last year a three-judge panel finally ruled that Dr. Fulani had no right ("standing") to challenge the tax-exempt status of the Commission for failing to include her — despite the fact that she was America's third presidential candidate. The most remarkable fact about the decision was not that two of three federal judges ruled against her, but that one of them, Chief Judge Abner Mikva, had the courage to side with her — and with democracy. In the conclusion to his 12 page dissent, Judge Mikva wrote:

"... whatever its proper role in correcting imbalances and imperfections in the status quo, government certainly must not abandon its posture of nonpartisanship. The government of any democracy, let alone one shaped by the values of the Constitution's First Amendment, must avoid tilting the electoral playing field, lest the democracy itself be diminished ..."

The can of worms that NAP has been prying at for 13 years — the fundamental issue of who controls democracy in America — flew open with the Fulani presidential campaign of 1992.



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Democrats. Dr. Fulani entered the New Hampshire Democratic Party primary (the first time that she has ever run in any election as a Democrat) to force the issues that are of life and death concern to millions of Americans onto the Democratic Party agenda; despite her urging, Jackson had declined to run for president again, abandoning the Rainbow constituency to a pack of political second-stringers without a principle among them. Without a murmur of protest they capitulated to the state party chairman, who refused to allow the "major minors" — including Dr. Fulani, Larry Agran, and former Senator Eugene McCarthy — to participate in the debates (after Agran and Fulani, by popular demand, "crashed" a candidates' health care forum in Nashua, subsequent debates were closed to the public and the media), and when she blew the whistle on these anti-democratic "major" candidates it was heard around the country. The "people-to-people connection" she forged — between the ordinary, decent white people of a state that, after the briefest of booms, has taken an economic nose dive, and the beleaguered African American communities of New York City where she has her home base — became the first link of a chain that grows stronger every day.

"Few political observers consider it a serious threat to the Democratic Party. Neither do they dismiss it as an insignificant fringe group," concluded a segment on Dr. Fulani and the New Alliance Party broadcast as part of National Public

Even closer allies to the party's growth in recent years, to its extraordinary success at fundraising and organizing, and to its determination to get on ballots around the country. Given these achievements, New Alliance seems to have great potential to develop as a third party."

That same day *USA Today*, the country's only national newspaper, said much the same thing (in language more appropriate to its vantage point on the other side of the political spectrum from the liberal NPR): "While Marxism has died in most of the world, Fulani and her New Alliance Party have emerged as the nation's only thriving left wing party."

The emergence of a pro-socialist, independent electoral party into the political arena at a time when what was once the "evil empire" is on America's doorstep with its hat in its hand — and when what is left of the "official" U.S. left has become a monument to impotence — is neither an accident nor an anomaly.

NAP is a carefully crafted tool, specifically designed to reshape the American political landscape by redefining democracy (in practice, not in rhetoric) as something radically different from the ever more meaningless "right" to choose between the candidate of a right wing-dominated Republican Party which is more and more nominating home-grown, American style neo fascists who run for office as Republicans and the candidate of a disintegrating Democrat-



Leonard Al Sharpton and Dr. Fulani leading march through Teaneck, New Jersey to demand justice in the police murder of Phillip Pennell, Jr. 1991



Murderer.  
New Hampshire 1992

ic Party so wary of being red-baited by the reactionaries (even today, when "red is dead") that it has taken even the word "liberal" out of its vocabulary — the operating definition of democracy that has prevailed in our country since 1854.

From the beginning, NAP had been an activist party on the front lines of the struggle for social justice. Lenora Fulani took the independent party national, and international. She stood up for democracy in Zaire and in Haiti. She shouted it from the rooftops each time the liberal Democrats in Congress, Black and white, because they were too greedy, or too cowardly, refused to do the same. While Black Democrats maintained a deafening silence on police violence, she became a national spokesperson for the Black Agenda. She marched — 29 times — through the streets of Bensonhurst in Brooklyn arm in arm with the Reverend Al Sharpton to demand justice for Yusuf Hawkins, the 16-year-old Black youth who was murdered by a mob of young white toughs in the summer of 1989. And she "dogged" David Dinkins, who in the wake of Yusuf's murder became New York City's first Black mayor, for months before and after his inauguration insisting that he be responsive to the Black and Puerto Rican electorate which gave him the Democratic Party re-election guaranteeing his election. Throughout, she has made herself the nemesis of the lapsed liberals, Black and white, in the Democratic Party and their pseudo-leftist hangers-on, who have bartered their political souls for a mess of corporate pottage — and in the process abandoned the American peo-

hemophobic, anti labor and anti human rights wing that I taken up permanent residence in the White House.

The 1992 New Hampshire primary forced the official shape of public opinion to acknowledge, however reluctantly, that there is a new force to be reckoned with in American politics. That recognition had everything to do with the success of the people-to-people connection — and with the fact that when the powers that be and their minions went after Lenora Fulani, it was the ordinary people of New Hampshire who rose to her defense.

The Democratic Party establishment was on the warpath in New Hampshire. And, as always, the most virulent attack came from the political mercenaries — the Democratic liberalist wolves in progressive clothing — who do the establishment's dirty work.

The counter-offensive took the form of articles in various local newspapers attacking the African American leadership; anti-Fulani messages on the computer screens of Dartmouth University students, and a whispering campaign over the phone and at meetings throughout the state.

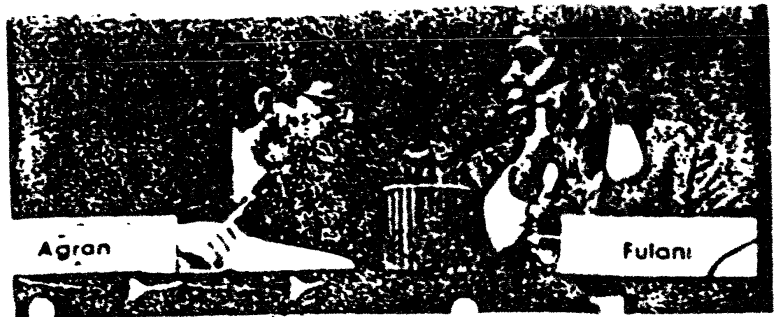
A key player in the crusade to stop Fulani is one John Foster "Chip" Berlet, an employee of the Cambridge, Massachusetts-based Political Research Associates; its ostensible purpose is to investigate the far right. The director of PRA is Jean Hardisty, a liberal Democratic Party wheeler and dealer. PRA's financial angels include a Chicago commodities broker, Richard Dennis, who is a very major contributor to Democratic Party campaigns around the country.

In 1987 — just in time to undermine the history-making 1988 Fulani campaign — Berlet wrote and PRA published a pamphlet, *Clouds Blur The Rainbow*, which was mailed to a far-flung network of official left organizations and newspapers around the country. That pamphlet, and interviews with self-proclaimed "NAP expert" Berlet, have been the source of all subsequent attacks on the Fulani-led movement for democracy and inclusion. The attacks center on the accusation that social therapy — the clinical psychology which Lenora Fulani, who holds a doctorate in developmental psychology from the City University of New York, practices — really a "cult" which "brainwashes" people into becoming active in the New Alliance Party.

Marxist based clinical psychology which works to empower people by helping them to locate their "private" emotional problems in the societal conflicts that produce them. Social therapy is rooted in a vision of human beings whose possibilities for development (as individuals and as a species) are unlimited. The antithesis of that vision is the position taken by traditional psychology (whether fundamentalist or revisionist Freudian) that human nature is permanently fixed, frozen, in the form in which it appears in late 20th century America (as personified by the lifeless men currently vying for the White House) and that therefore "history is over."

The defenders of this dead end, anti human world view (whether they practice politics or psychology) are profoundly threatened by what Lenora Fulani is building, it is living proof that they are frauds, and worse. Which explains why the thrust of their attack is to the heart of her democracy movement — the humane, activist vision of human nature as being capable of unlimited development through our capacity to transform it self-consciously, a vision that is radically opposed to theirs.

The leadership of the "legitimate," "respectable" and moribund American left is deeply compromised, an all too loyal opposition in name only to those in power. That loyalty is precisely what makes it legitimate. Funding, patronage, jobs and history have made the official left totally dependent on and subservient to the Democratic Party. The tame radicals hold their demonstrations, lobby for their causes, put out their newspapers and make their trips to Nicaragua (or



wherever else it is fashionable and correct to travel) — all of which is fine with the movers and shakers as long as at election time the left delivers liberal America's votes to whichever business as-usual candidate the party winds up running.

The other side of the counterfeit left coin is the role the phonies play in seeing to it that an independent, uncorrupted opposition doesn't develop in the United States. Since their money and their credibility as the real leftists are jeopardized by the emergence of an authentic democracy movement, they work to prevent it with a particular vigor. So it was no surprise that as the democracy campaign got underway in New Hampshire the hired left swung into action.

And the ordinary people of New Hampshire stepped into the fray on the side of democracy and of decency.

They wrote letters and made irate phone calls to the yellow journalists.

Ten thousand registered New Hampshire Democrats and independents signed petitions demanding the inclusion in Democratic Party-sponsored debates of the only African American woman in the primary race, along with insurgent Democrats Larry Agran and Eugene McCarthy — from which they had been arbitrarily and undemocratically barred. (Larry Agran is a staunch liberal who became mayor of Irvine in California's conservative Orange County by patiently building a grassroots base among people concerned about the environment; he entered the primary in N. Hampshire to focus national attention on his proposal to slash the military budget by 50% and use the funds to rebuild America's decaying infrastructure and provide more social services. He soon found himself on the outside looking in. Gene McCarthy earned his place in history in 1968, when he

Above:  
Larry Agran, Dr. Fulani,  
1992.

Below:  
Eugene McCarthy (L)  
and Dr. Fred Bevan,  
the manager of Dr.  
Fulani's 1988 and 1992  
presidential campaigns.

THE STORY OF LENORA B. FULANI, INDEPENDENT CANDIDATE FOR PRESIDENT OF THE UNITED STATES



Dr. Fulani leading  
democracy picket  
outside WMUR TV in  
Manchester, New  
Hampshire 1992.

stepped forward as the first national political leader to bring popular opposition to the war in Vietnam into the electoral arena. Twenty-four years ago he used the New Hampshire primary to challenge then President Lyndon Johnson, who was steadily escalating the American military presence in Southeast Asia, and won 43% of the vote — so stunning LBJ that he decided not to run for re-election. In 1992 McCarthy was standing up to the party bosses again, and finding out that they still haven't forgiven him for what he did to them 24 years ago.)

Hundreds of New Hampshireites walked the democracy picket line with Dr. Fulani and Larry Agran in zero-degree weather outside the TV studio where the second New Hampshire debate was held. And they joined her in calling out "Shame on you!" as each major scab crossed the line on his way into the studio.

The street fight in New Hampshire culminated on February 16 in a 500-person demonstration outside the empty auditorium on the campus of Saint Anselm College in Goffstown, where the League of Women Voters and CNN — aided and abetted by the national chairman of the Democratic Party, Ron Brown — were hosting the incredibly shrinking men who called themselves the "big five" — Paul Tsongas, Bill Clinton, Jerry Brown, Bob Kerrey and Tom Harkin — in the final mock debate before primary day.

When the League barred Dr. Fulani on the grounds that she

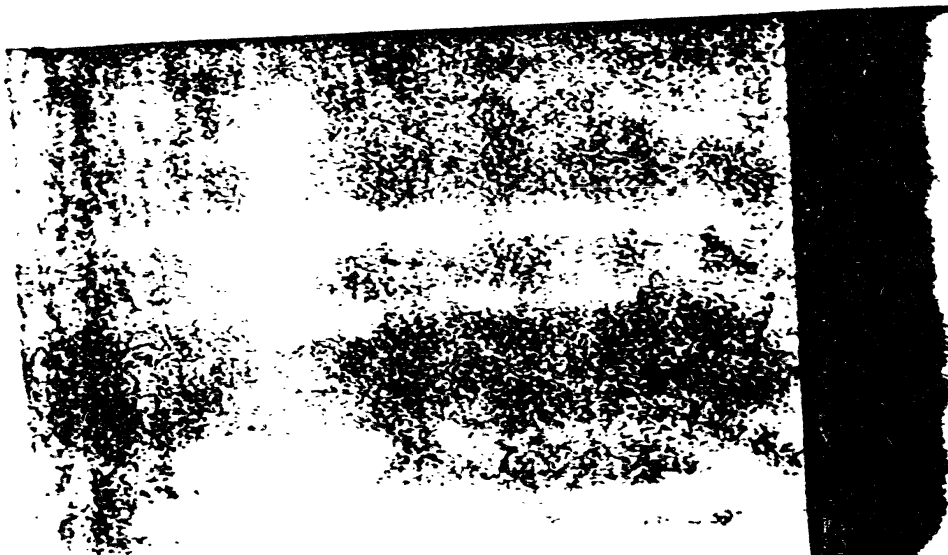
more money than any other Democratic Party presidential candidate), outraged citizens in 25 cities visited local League offices demanding that the only woman in the race be allowed to participate. Fulani campaign attorneys filed suit in U.S. District Court seeking an injunction unless the significant democracy candidates were included (the request was denied). On Capitol Hill the Rainbow Lobby asked the democracy Democrats to add their voices to the people's protest against the League's partisan brand of politics. Once again Congressman Perry of Minnesota rose to the occasion, drafting a letter to the League which was co-signed by John Conyers of Michigan, James Oberstar and Gerry Sikorski of Minnesota, and Richard Neal of Massachusetts. They urge the League "to reverse your decision to exclude three announced Democratic presidential candidates — Larry Agran, Eugene McCarthy and Lenora Fulani.

"Not only is this decision anti-democratic," the letter continued, "it is also unfair to these candidates and to future candidates who mount campaigns for the Democratic Party presidential nomination."

On February 18 the people of New Hampshire had their say. A small but significant number of voters in the Democratic Party primary (registered Democrats and independents) turned their backs on the "majors" and pulled the lever for one of the "other" candidates (they included Dr. Fulani, Larry Agran, Tom Laughlin, and Charles Woods). Mr. Laughlin, the actor who played "Billy Jack," and Mr. Woods, a Nevada businessman, had spent considerable amounts of their own money on TV ads — which they used to project an alternative to the PAC-paid-for politics practiced by the major candidates. Fulani and Agran had taken their democracy campaigns out to the streets, the shopping malls, and the candidates' precincts in distant counties the "big five" were too busy to attend.

Lenora Fulani had done her job, which was to throw down the gauntlet of democracy inside the Democratic Party itself. Then she and Larry Agran brought the fight to New York where the Democratic primary would take place on April 23 and where in July the Democrats would hold their nominating convention in a hall just about halfway between Harlem and Black Brooklyn.

Seasoned NAP troops put the man Dr. Fulani calls "an example of the best and most decent that the Democratic Party



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21,463 nominating petition signatures within three weeks for Larry Agran — and while they were at it collected an additional 10,000 signatures to make sure that Gene McCarthy would have access to the ballot as well. It was a powerful lineup: Agran and McCarthy at bat for democracy inside the New York primary (and numerous others), the African American Independent preparing to make good on her threat to mobilize mass demonstrations to keep the majors/scabs — who had twice crossed democracy pickets in New Hampshire — from speaking to Black New York.

And then, suddenly, the heat was turned way up. "Fringe" candidate Lenora Fulani challenged the right of "front runner" Paul Tsongas to be on the ballot in New York for having failed to meet the state's arduous ballot access requirements (he had not submitted the signatures of 10,000 registered New York Democrats). She charged him with gross incompetence, and with fraud. The Democratic Party establishment went into panic mode.

The Speaker of the New York State Assembly, Saul Weprin, began working overtime to ramrod a law through the legislature that would protect the former Massachusetts senator by retroactively rewriting the rules governing petition signatures. Part of the work entailed bending the arms of Republican legislators unwilling to put a loophole into the law for fear that Pat Buchanan (who had not petitioned at all in New York) might walk through it. Rumor had it that, to sweeten the deal, the Democrats were offering to let the Republicans hold on to their congressional seats in newly created Black and Puerto Rican districts. The *New York Times* egged on the Democrats and urged the Republicans to play ball: "It may be too much to ask that Mr. Marino [the Republican majority leader in the State Senate], a Bush supporter, look past partisanship to give Mr. Buchanan access to New York's Republican voters," the *Times* argued in an editorial four days before the Board of Elections was due to rule on Dr. Fulani's challenge. "But he should at least be able to support a compromise that allows the state's Democratic Party the chance for a fair Presidential primary."

Anti-democrat Walter Mondale returned from obscurity to chime in with an opinion piece that was published in the *Times* on February 26. In it he argued for removing the last vestiges of popular participation in the nomination process: "... we have developed a self nomination system where almost anyone with the ambition can run for President. A

... necessary condition for any candidate to be eligible to run is that he or she must have been elected to office before ... The election is the business of the people. But the nomination is more properly the business of the parties. The problem lies in reforms, especially in the Democratic Party, that were supposed to open the nomination process and build public trust. Instead, they have produced an almost universal suspicion of the candidates. In turn, party leaders have lost the power to screen candidates and select a nominee they believe will best compete and represent the party in the November election. The solution is to reduce the influence of the primaries and boost the influence of party leaders. The 'super-delegates' category established within the Democratic Party after 1984 allows some opportunity for this, but it should be strengthened ... A Presidential election is our national celebration of democracy ..."

In New York the party bigwigs started celebrating early.

Although the nominating petitions which Paul Tsongas submitted to the New York Board of Elections did not meet the state's requirements, Governor Mario Cuomo, the Board of Elections, and the state legislature — including all but three members of the all Democrat Black and Puerto Rican legislative caucus — bent over backwards to save Tsongas' status as a front runner in the race.

The Democrats did everything but call out the National Guard on Tsongas' behalf. First, the Board of Elections went through a sham process — presided over by a Democratic

Dr. Lenora Fulani at the "Luppin" Black Multi-racial Forum sponsored by the All Stars Talent Show Network in Manchester New Hampshire, February 1992.



THE STORY OF LENORA B. FULANI, INDEPENDENT CANDIDATE FOR PRESIDENT OF THE UNITED STATES

the Tsongas petitions line by line to determine whether they contained enough valid signatures. Whole pages of names were in the same handwriting. Others had been lifted straight from the Brooklyn phone book. Line after line was illegible. The Board, acting without precedent, bought the fraud wholesale. To no one's surprise, the announcement came that Paul Tsongas was on.

On March 9 *New York Post* columnist Fredric Dicker reported that the Board of Elections had restored Tsongas' name to the ballot "under 'enormous pressure' from state Democratic Chairman John Marino, a top aide to Gov. Cuomo." Dicker's confidential source was "an official of the bipartisan board." In other words, it was a fix. How deep a fix became clearer a few hours after the Board of Elections announcement, when the Democratic Party controlled State Assembly voted 92 to 50 to change the New York State election law after the fact. The "Tsongas Bill" applied only to the Spring 1992 primary and would automatically disappear from the books as of December 31. The fix became clearer still on March 10, when New York State Supreme Court Judge Anthony Cardona, an elected Democrat, dismissed the case brought by Fulani campaign attorneys against the Board of Elections without hearing it.

The Democratic Party had participated in criminal activity,

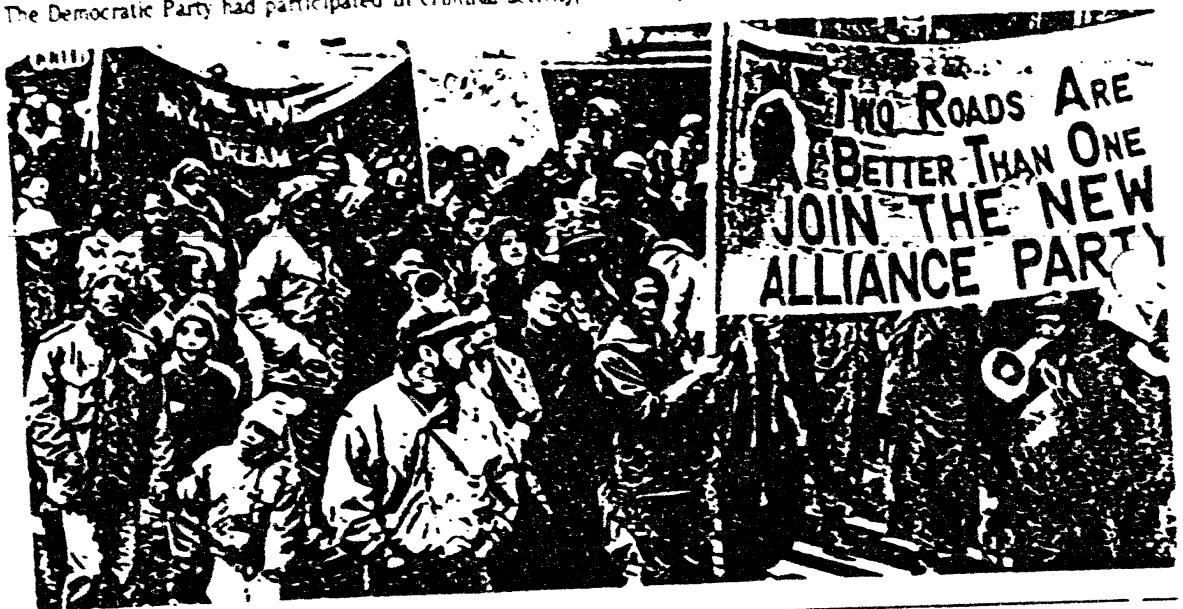
And she was responsible for the fraud and the fix — "from Ma Cuomo on down."

The point was not whether former Senator Tsongas, who I boasted after his primary victory in New Hampshire that was fiscally more conservative than either George Bush or Pat Buchanan, was on or off the April 7 primary ballot in New York. Dr. Fulani's purpose, as always, was to extend to the extent to which the Democratic Party — in collusion with the Republican Party — is implicated in exercising undemocratic control of the political process, as she and Larry Ag had crashed the Nashua forum, she is determined that American people crash the political process and make their voices heard.

To do so she has entered into hand to hand combat with movers and shakers of the Democratic Party — and succeeded in forcing even the jaded New York City press corps to in a word or two for democracy (even if that meant being on the same side, for once, as the independent Black woman editorial page pundits of the *New York Times* will probably still be calling "fringe" when they comment on her inauguration sometime in the 21st century).

\*If Aquila (the presiding official in the Board of Electi

New York City  
1998



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...and she said, New York University's feminist Gail Collins said facetiously, "New York will have once again demonstrated that around here we will always give a fellow a fair shake — as long as the fellow in question is incredibly famous and has extremely powerful friends." Although Mr. Tsongas suspended his campaign three weeks before the New York primary, Dr. Fulani's attorneys are continuing to pursue the case in the courts, it is still an issue of democracy.

As Dr. Fulani tells every audience, there is a lot of work to do. November 1996 is just around the corner, and the year 2000 is coming up right behind it.

Wherever she has had the opportunity to speak to young people — high schools, college campuses — Lenora Fulani has captured not just their attention, but their passion. She says she doesn't have a "youth talk" — just the statement that she makes, over and over. The fight for democracy is a matter of life and death. Wherever young people have the opportunity to participate in mock elections, Lenora Fulani wins hands down.

At Dover High School in New Hampshire, a number of young men stepped forward at her invitation to make a statement against racism, they would serve as her security team, along with young Black men from New York City, when she walked the picket line a few weeks later.

On a Sunday in February, a campaign volunteer is going door to door in a New York City suburb. At one small house a young boy opens the door, and calls his grandma. She has not heard about Lenora Fulani yet, but when the volunteer tells her about the challenge to Tsongas she nods her head, agreeing that "just because someone is a bigshot doesn't mean that he shouldn't play by the same rules as everyone else," and asks her grandson to get her checkbook. When Derrick, who has been listening intently, hears that the independent Black woman who was America's third presidential candidate in 1988 was nevertheless not allowed to be in the debates four years ago (and that's why his grandma doesn't know about her), he says: "That's not fair!" with the open outrage that adults often feel they must hide for fear of appearing naive. Derrick fervently wants to sign the "statement of concern" to make the 1992 presidential election more democratic that his grandma has already put her name



to. The campaign worker asks him how old he is; looking disappointed, he admits he is only ten. She tells him that unfortunately he can't sign, but in eight years he can vote for Dr. Fulani. Derrick's face lights up.

A 22-year-old Black man who came up to New Hampshire to work on the Fulani campaign on the weekend before the primary put it this way: "I've learned that a lot of young people should be doing what I'm doing. I'm supporting somebody who's doing something for the youth in reality. You help change the future."

THE STORY OF LENORA B. FULANI, INDEPENDENT CANDIDATE FOR PRESIDENT OF THE UNITED STATES

# WHO KILLED THE ECONOMY?

BY LENORA B. FULANI, Ph.D.

The United States of America has wound up a second rate economic power, the inferior of Japan and Germany. The democracy of the founding fathers has wound up a closed, PAC-controlled men's club. Who killed the American economy? And why did they kill its inseparable companion, American democracy, too? Those are disturbing questions. The answers are even more disturbing. It's because I dare to ask those questions, and because I dare to answer them, that the powers-that-be of the major parties and those who do their bidding are so concerned to keep me out of the public eye, and ear.

But letting me — and more importantly, you, the American people — into the process is the only hope America has of rebuilding its economy and revitalizing its democracy.

Paul Tsongas may have dropped out of the race for the Democratic Party presidential nomination, but his views are typical of the bad economics practiced by his party; it is bad in

it is conventional.

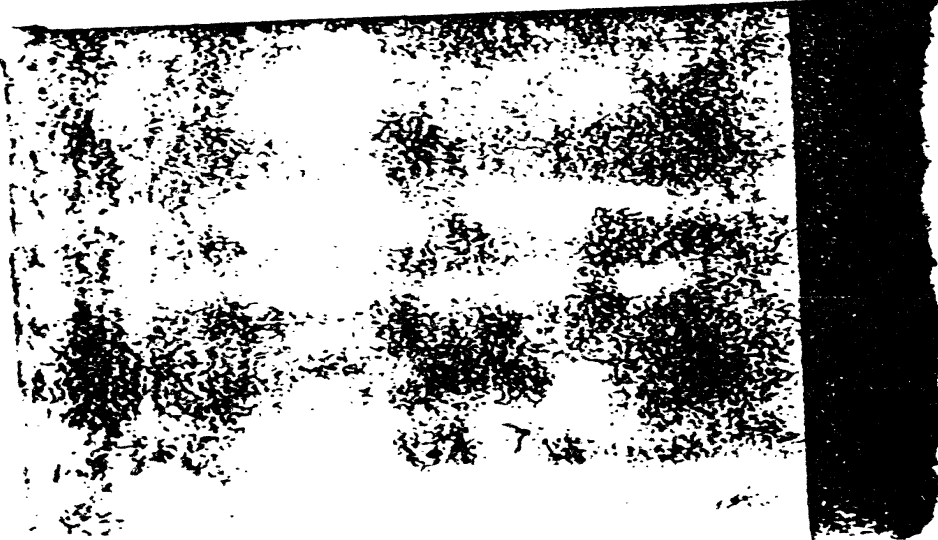
It is conventional Democratic Party wisdom that America must restore its industrial manufacturing base. One third the German workforce and 28% of the Japanese workforce — as compared with only 17% of the American workforce — are engaged in manufacturing. Of course we need more manufacturing jobs. Of course we need an economy based on production, not one based on speculation.

We need an economy that produces things people need and want, not one in which the Ivan Boesky's of the world can buy stock at 2:00 pm, sell it at 3:00 pm and make a billion dollars killing without producing a product or a service or a job that anyone can use or have. The current set-up builds nothing. The serious question is: How are we going to restructure the American economy to make it productive again?

Another piece of conventional Democratic Party wisdom is that the federal government needs to put itself, and our tax dollars, at the disposal of industry. Mr. Tsongas called for "marriage" between government and business — one in which the government would invest directly in industries whose technologies could expand our manufacturing capability, pay for research in areas useful to big business, and give tax breaks to corporations which engage in research and development. From this corporatist perspective, anti-trust laws hobble corporate America in its competition with super-corporate Japan and super-corporate Germany.

But corporatist "solutions" cannot work for the simple reason that they have nothing to do with the redistribution of wealth. The basic economic and political fact in America today is that the current distribution of wealth is inconsistent with a growth economy. The vast numbers of Americans — white and Black — who are unemployed, underemployed, and living in poverty make recovery impossible because they are increasingly unable to buy even the necessities of life.

Moreover, so much structural poverty and underproduction are enormously expensive. It isn't only that poor people have no purchasing power. Structural poverty produces crime and prisons. It produces physical and emotional illness, domestic violence, and social instability. It makes learning virtually impossible. And it costs huge amounts of money to treat those social problems (they can't be cured as long as there is endemic poverty).



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recession of the 1930s, but the last 15 years have seen not only an acceleration of the rate at which that gap has grown, but has also seen a drop — for the first time since the 1930s — in the absolute income of the majority of Americans. Between 1977 and 1992 after tax income for those in the lowest 20% income category (which means tens of millions of people already living in dire poverty) dropped by 12%. The next 20% saw a fall of 10%, and the income of the next 20% dropped by 8%. Sixty percent of America is now earning less than it was 15 years ago.

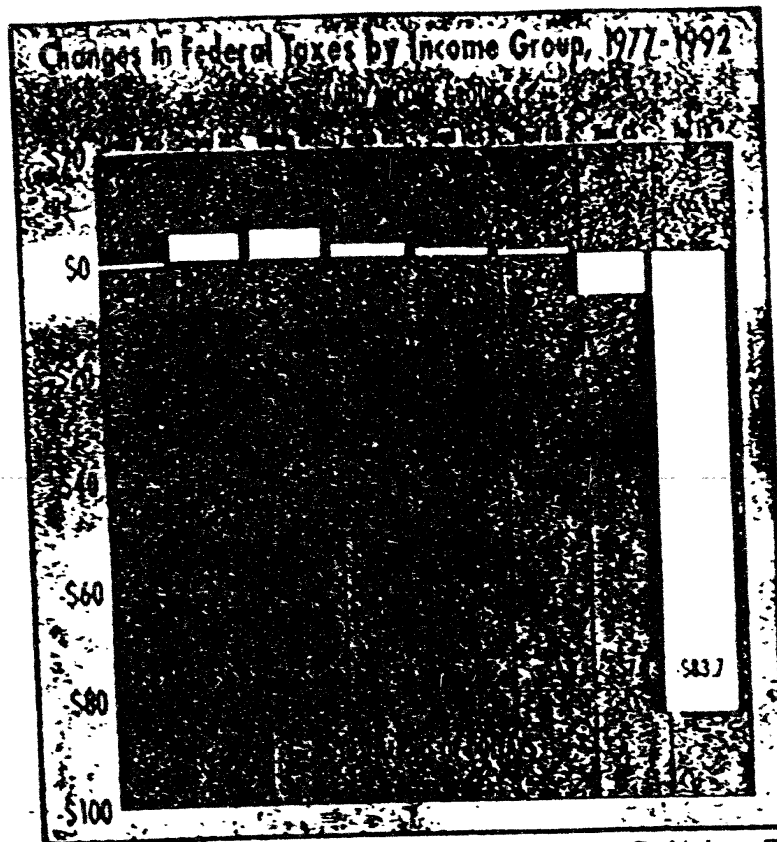
It is only as we approach the income level of about \$40,000 per year (the next 20%) that there is a small gain in income of 1%. Thereafter the percentage of the increase grows steadily. When we reach the top 1% of the income ladder (about two and a half million people), the increase in after-tax income is 136%. That 1% will make more money this year (about \$678 billion before taxes) than the bottom one hundred million Americans. Those who fall in the top 20% will make more than all of the remaining 80%. The net worth of that top 1% makes up 38% of the net worth of all Americans, while the bottom 90% (that is, the vast majority of us) account for only 24% of the nation's net worth.

Not surprisingly, when it comes to assets — the businesses, stocks, bonds and so on which generate wealth — the richest 10% now own 76% of the net worth of America. That leaves the rest of us — 90% of the country — in possession of only 24% of its assets. And then, to rub salt in the wound, while the taxes of most Americans have gone up over the last 15 years, the very richest people in this country have actually had their taxes lowered by 30%.

The rich are getting richer and the poor are getting poorer at a rapid rate. That's not just a moral problem, it's an economic problem. A population capable of buying goods and services is the basis of any healthy manufacturing economy. As poverty increases, the chances of reviving the economy grow slimmer and slimmer. The inability of the have-nots to buy goods and services creates a situation in which the economic elite makes its money by skimming everything off the top while real economic development collapses. That's exactly what we've seen for the last 12 years — as this recession slides into depression, the stock market is booming. There just can't be real growth with the current distribution of wealth, and you can't do anything about the redistribution of wealth without real democracy — a truly operative democra-

make the policy decisions which affect their lives and those of their children, including decisions about what should be produced and how to produce it. Americans are economical by broke. If we are also politically bankrupt there is no hope for revival.

A lot of people get nervous when they hear the words "redistribution of wealth." They think you are talking about the government going into their living room and taking their VCR, or demanding the \$342 that's in their savings account. It's a kind of Robin Hood approach — taking from the rich and giving to the poor. Now, personally, I don't think it would be a bad idea to take back from the very, very rich — I have in mind the latter day robber barons of the Savings and Loan industry, as one example — what they stole from the rest of



From *Recession in the Republic: National Politics, Power, and Global Budget Campaigns*, 1992

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You see, the way in which the wealth of our country is currently distributed is incompatible with the revitalization of the economy. The people who have the money to invest in the manufacture of real goods and services — real production — aren't motivated to do so because it isn't as immediately profitable for them as what they are currently doing, which is speculation and fueling military spending.

The manufacturing base — the productive machinery — is so worn out, and the transportation and communication infrastructures are so outdated (thanks to the big time corporate profiteers and the professional politicians who work for them) that it would cost astronomical amounts to refurbish them. They prefer get rich quick schemes that yield more, faster. It is simply not in the interests of the very wealthy to invest in America. Yet it is literally a matter of life and death for the vast majority of our people.

What's the peaceable solution? Democracy.

The ordinary people of America — middle class people, working class people, and poor people — must have access to the decision-making process. We must be in a position to use the political process in our interests, so that the very

Distribution of Income, Net Worth and Net Financial Assets

INCOME



NET WORTH (assets minus debts)



NET FINANCIAL ASSETS (stocks, bonds, business assets, etc.)



Bottom 90% = [ ] Next 9% = [ ] Top 1% = [ ]

Adapted from Robert A. Row, *Blueprints, National Priorities Project and Citizens Budget Campaign*, 1992

wealthy come to recognize that it is ultimately more profitable for them to respond to our demands — to invest in jobs and job training, adequate housing, quality health and education for every American — than it is for the continue their reckless, deadly profiteering in dead productive paper trading and gun running. I'm not talking about top-down socialism; I'm talking about the redistribution of wealth through the democratic process.

The movers and shakers of the Democratic Party are "into" democracy. That's why they express such intense admiration for (and envy of) Japan and Germany. The number of big business and government, of course, is nothing for either country; it was a central feature of their pre-fascist societies. When the United States and its a

**Change in Pre-tax and After-tax Income 1977-92**

Income Group	1977 Pre-tax Income	1992 Pre-tax Income	Percent Change	1977 After-tax Income	1992 After-tax Income	Percent Change
Lowest 20%	59,368	58,132	-13%	58,495	57,434	-17%
Second 20%	72,333	78,994	+9%	71,845	74,955	+5%
Middle 20%	34,505	31,970	-7%	32,788	25,670	-21%
Fourth 20%	46,772	47,692	+2%	36,563	37,094	+1%
Top 10%	60,673	65,219	+8%	45,660	49,509	+9%
Next 5%	76,525	84,683	+11%	57,218	62,678	+9%
Next 4%	187,945	132,446	-23%	78,878	96,560	+23%
Top 1%	314,526	675,859	+115%	207,809	477,944	+136%
Average	540,865	544,829	+10%	530,948	533,772	+9%

From *Blueprints, National Priorities Project and Citizens Budget Campaign*, 1992

WHEN DEMOCRACY IS ON THE JOB, AMERICA WILL

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and the Emperor's warlords were removed from political power, the corporations that funded them — and profited from the wars they launched — remained in place. Even more to the point, the relationship of those big corporations to the German and Japanese states stayed intact.

The rebuilding of Germany and Japan under the Marshall Plan did not, despite their parliamentary pretensions, entail fundamental restructuring. In actuality, the German and Japanese infrastructures were restored along the corporatist (or, to use the less polite word for it, neo-fascist) lines that had been developed prior to the war. The "new" Germany and the "new" Japan recovered so quickly in part because there was nothing new about them at all — except the hundreds of millions of dollars poured into them by the U.S. government and U.S. investors. Why? For the same reason that they do everything else ... it was highly, highly profitable. For all the public Japan bashing going on now, the real deal is that some of the richest people in America have always done — and are still doing — very well indeed out of Japan's economy. That this or that hot shot politician cheats on his wife is not nearly as dirty a secret as the fact that big government and big business in this country have been sleeping with fascists since the 1940s.

The corporatist states of Germany and Japan come complete with overlapping boardrooms and Cabinet posts, with trade unions subservient to governing parties, with state mediated courts taking care of most labor management disputes, with a regimented workforce virtually bereft of grassroots trade union-type organizations independent of major political parties and state institutions.

It is not such a marriage of big business with government, however, that accounts for either the manufacturing base or the present booms in Germany and Japan. Their growth is a result of the fact that, unlike the U.S. and the former U.S.S.R., they built their post war economies unburdened by the dead weight of a vast, dead-end military sector. Nor were their production and trade patterns overdetermined by an antagonistic (but mutually dependent) bipolar view of the world as were those of the U.S. and the Soviet Union. Despite the gloating of U.S. politicians (including George Bush in his last State of the Union address) over the collapse of the Soviet Union, the sad (and frightening) truth is that the old Soviet Union helped prop up the U.S. economy in

expenditures. The entire orientation of the U.S. economy is now almost as antiquated as that of its former arch-enemy. The American economy is totally out of sync with the current world situation, precisely because we have allowed corporate America — which used phony anti Sovietism to make big bucks over the long term needs of the people — to determine economic policy for far too long.

What Germany and Japan have is fascism for the '90s. It's precisely what George Bush means by the new world order, with Japan and Germany as the wave of this anti human future. But this "solution" to America's economic collapse is not only immoral — it won't work. The American people don't need an infusion of corporatism into our body politic; we need a massive dose of democracy. Those are the choices.

Governor Clinton, to the extent that he has articulated his ideas on the economy at all, shares with his former rival, Senator Tsongas, the premise that the government should be used to stimulate the development of new technology. Ever the bureaucrat, the governor is eager to set up a new agency which would, in his words, "provide basic research for new and critical technologies and make it easier to move these ideas into the marketplace." Beyond that, Mr. Clinton calls for creating "jumpstart economic demand" by speeding up the spending schedule for the five year highway bill. He argues that repairing and building highways faster will create 200,000 jobs and actually make a significant difference in what the American people as a whole will be able to buy, thus echoing the economic proposals of one Benito Mussolini, another liberal-turned-conservative in this extraordinary century.

The other two items on Mr. Clinton's economic agenda are 1) making it easier for people to get mortgages by placing a higher ceiling on Federal Housing Administration mortgage guarantees and 2) offering a \$350 a year tax cut to what he calls "middle class" families. (Bill Clinton calls everyone "middle class." I think he thinks it makes us feel better.)

While his slogans are, to give him the benefit of the doubt, feeble stabs in the direction of redistribution, it's hard to take seriously a "plan" that relies on building highways to reverse the decay of the American economy. It's a fast road to nowhere because, like Senator Tsongas, Governor Clinton makes no connection between the revival of the economy

nomie — just where it's been all along, which is in the hands of the permanent Big Government that murdered America.

But the big boys don't have much to say about how we wound up in this mess, how it is that our industrial manufacturing base has shrunk so dramatically, how America has become a second rate economic power. Yet any serious attempt to work our way out of this collapse must include an understanding of how we got here. Predictably, the Democratic front runners blame the Reagan/Bush administration and so-called supply side, trickle-down economics. This finger pointing conveniently leaves out the active complicity of the Democratic Party and of these leaders of the Democratic Party in implementing every one of the Reagan/Bush administration's pro-rich, anti poor policies.

Bipartisan collusion in the infamous Gramm Rudman budget balancing law is a case in point. Any fool can balance a budget. If you decide not to feed your oldest child, or not to buy the eye drops that your mother takes every day to prevent glaucoma, you will have that money in your pocket. If your expenses still exceed your income, you can keep on cutting. Of course, your child will eventually die and your mother will go blind ... but you will have a balanced budget. It's a question of priorities. Profits, not people, are the priority of the Republicans and Democrats because they work for, and answer to, corporate profiteers. They don't work for us and they don't answer to us.

Reaganomics would not have been possible without the cooperation of the Democratic Party-controlled Congress. That's a historical reality which none of the big Democrats will touch with a ten-foot pole.

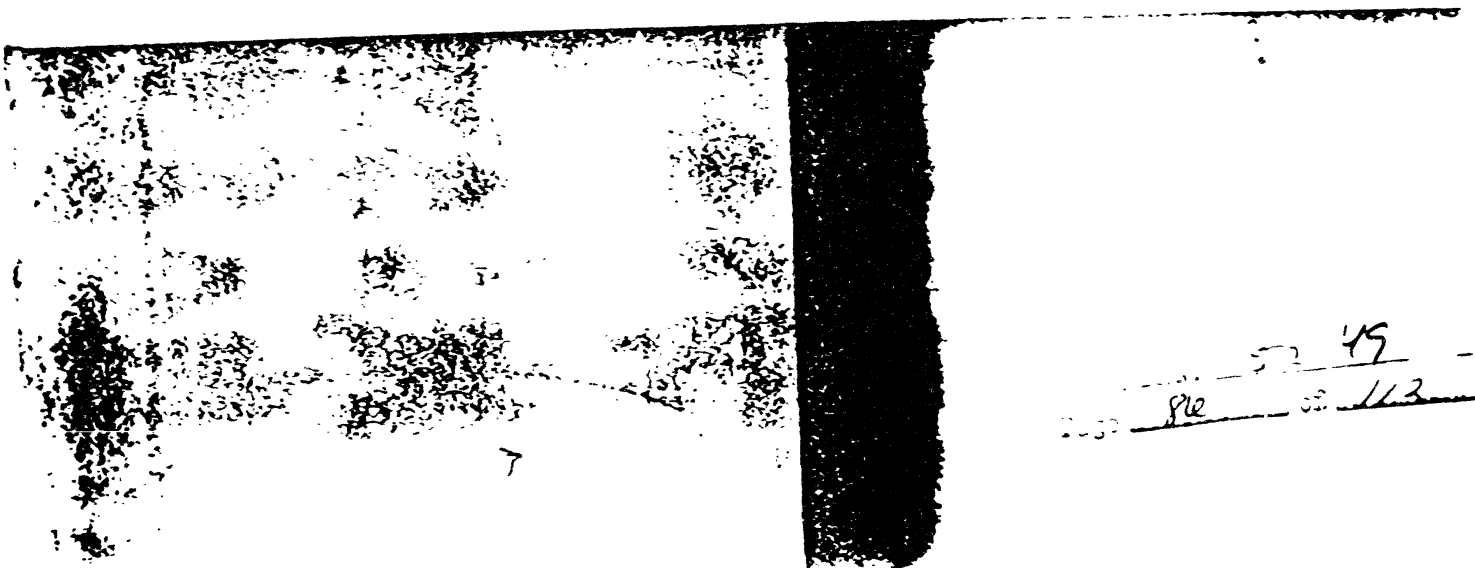
But the cover up goes much further. While Reagan's economic policies clearly accelerated the collapse, the dry rot of the American economy began much, much earlier than that.

As any halfway honest economist or historian will tell you, what got us out of the Great Depression of the 1930s was not FDR's New Deal but the vast industrial expansion that came with World War I. And what kept it artificially pumped up for 30 years afterwards — while at the same time literally destroying our manufacturing base — was a massive economic restructuring of the United States and the world which was put into place with bipartisan support. That restructuring was based on a few things. First was the con-

everyone knew it was bogus, even then), the U.S. government became the permanent sugar daddy of the so-called "defense" industry. In 1950-1961 alone the U.S. military budget jumped from \$14 billion to \$34 billion. And as we know, that was just the beginning of the endless spiral of military spending. The problem with this, of course (besides constant pull toward war that it engendered), was that military production is dead-end production. It produces nothing that leads to further production, nothing that contributes to the development of the economy. It produces tools for other people which are sold primarily to dictators around the world and are only used by the U.S. in the periodic wars and invasions staged, in part, to justify further military production. The military is a rust-producing industry and it has led our economy at its very core. A handful of corporate lackeys, with huge government subsidies, made trillions of dollars off military production while the production of quality peacetime goods that people need and want in order to live decent lives has been abandoned. Peacetime production is just not as immediately profitable and risk-free as endless Pentagon contracts. And whose money paid for all these weapons? Ours!

The consequence of that abandonment is visible everywhere. Walk the streets of any city in America and you will see people sleeping in doorways, people begging, people going through garbage cans looking for something — anything — to eat. And it is not only the cities where poverty, brought with it colossal costs, is now a permanent intruder. Rural poverty is yet another brutal fact of contemporary American life. Children, the elderly, women and men in the "prime" of life, are dying of hunger, disease, and despair in America. And the terrible irony is that this poverty is exceedingly obvious not only in social ills but in economic ones.

The United States emerged from World War II with the strongest economic base and the most powerful military machine in the world. On the basis of these advantages, the U.S. was able to dictate the terms of the Bretton Woods Agreement to the other industrial nations — both the winners and the losers — which established the U.S. dollar as the new international reserve currency. The dollar became the legal tender in the settlement of international trade balances. Cutting the value of money totally free from silver and gold opened vast opportunities to U.S. speculators: if you government controls the value of the paper on the market



buying and selling of money, with a resulting exodus of capital from manufacturing and other productive enterprises. Like military production, speculation is non-productive and nondevelopmental.

The post war economic expansion of the United States was based, in addition to bloated military production, on the demand for new plants and equipment in the rebuilding of the devastated infrastructure of Germany and Western Europe (and to a lesser extent Japan). However, while the restoration of competitive industries in Japan and Germany temporarily provided lucrative markets for U.S. industry, there was no comparable investment made in keeping U.S. industry competitive. Instead, the huge quantities of U.S. dollars that were being accumulated through the combined quick fix of military production, the Bretton Woods Agreement advantage and the rebuilding of Japan and Germany flowed primarily, and increasingly, into speculation in paper — currency, stocks, bonds — while the U.S. manufacturing base corroded. Bretton Woods was eventually rescinded and Japan and Germany were rebuilt, but the die had been cast, the economic infrastructure of the U.S. was allowed to rot as the big boys made fast dollars — even worse for Americans' health than fast foods!

The disastrous impact of these investment decisions on our economy has, in the last 15 years, become clear for all to see — in speculation gone berserk — in the orgy of mergers and acquisitions that took place in the early 1980s, in the S&L catastrophe of the late '80s, and in a stock market that runs wild while poverty, homelessness, illiteracy and environmental pollution grow like cancers.

This restructuring was not an accident. The economy is not a natural phenomenon, it is the conscious activity of human beings making choices about how and what to produce. And the decisions made by the Republicans and Democrats over the past 40 years have resulted in the death of the American economy. The Republicans and Democrats sold out our future and that of our children. The professional politicians and the big money interests most of them work for got theirs and left the ordinary people of America holding the bag.

What happened is the assassination of the American economy — as real and as coordinated as the assassination of President John F. Kennedy. That is something the leading

party is up to its neck in the planning and the execution of this assassination. And they, as professional front men for that organization, are the still unindicted co-conspirators.

That is why saving America's economy is synonymous with saving America's democracy. You see, as they restructured the economy — how and what we produce — in the '40s, '50s, '60s, '70s and '80s, they simultaneously restructured our democracy in ways that made it almost impossible for dissident and independent voices to be heard and effectively iced ordinary people out of the political process.

The Cold War against the threat that never was used not only to justify astronomical government subsidies to the military industry, but to wipe out virtually all political opposition to the assassins who had seized our government.

In addition to the social and cultural hysteria of the McCarthy repression came structural changes in how the electoral process was to be conducted, over the years it has become increasingly restrictive, closed and regulated. Across the country individual states have enacted ballot access laws that make it nearly impossible for independent and insurgent candidates to run. The Fairness Doctrine, first established in the '60s to make sure that the airwaves would not be monopolized by one point of view, was steadily choked until the FCC, under the Reagan administration, finally buried it. The creation in the late '60s of the News Election Service — a consortium of the major television networks that also includes the Cable News Network — to pool vote tabulating resources makes it almost impossible for voters who are interested in and vote for independent and third party candidates to find out the results in a timely way because the media big shots only report on the political big shots. The bipartisan Commission on Presidential Debates was formed by the national committees of the two major parties four years ago for the express purpose of wresting control of the debates from the nominally non-partisan League of Women Voters. Last but not least is the stubborn resistance of the professional politicians to enacting laws allowing automatic and permanent voter registration and other legislation that would make the right of every American to vote a practical reality. The development of political action committees has provided the means by which the professional politicians can be legally paid off to work for corporate interests. The result has been the increasing monopolization

rights of the corporate looters and killers of the American economy, there has been no way to bring the perpetrators to justice.

That's why I am issuing a call for the deregulation of democracy. There is no more monopolized and regulated industry in the United States of America than politics.

The founding fathers of this nation had a profound fear of political parties. Despite the fact that the Constitution they wrote denied participation to the poor, to Black people, and to women, the founders of our nation knew something about what democracy was. They knew very well that the establishment of parties would turn democracy into a business. That's why there is no mention of political parties in the U.S. Constitution. That's why George Washington in his farewell address to the nation warned against them much as Dwight Eisenhower, over a century and a half later, warned against the military-industrial complex. That's why Jefferson worked so vigorously to prevent the possibility that they would gain a foothold in national politics. However, the founding fathers failed in their attempts to maintain an open, unregulated democracy and today we live in Thomas Jefferson's nightmare.

America's political parties were first established more than 200 years ago, in the heat of the battles that were raging in the young republic over the direction we as a new nation were going to take. Thomas Jefferson became the leader of the Republicans (actually the precursor of the Democratic Party, which touts itself as the oldest political party in the world). Jefferson founded his party to do battle with the conservative forces of the "rich and the well born," the "monocrats," as he called them, those wealthy businessmen and financiers who were intent on shaping the new nation in their own interests.

Limited and flawed as Jefferson's practice of democracy was — reflecting the times, it was very exclusive — there was an understanding of the difference between the practice of real democracy and a government made up of interest groups. But even as America slowly and painfully made progress towards expanding the franchise to include the poor, women and people of color, control of the political process was being seized by the very interests/factions Jefferson and others had warned about.

America's political parties have evolved — particularly since

century, reformers fought a losing battle against the union of both parties into high powered patronage machine run by professional politicians more concerned with doing jobs and favors than with grassroots democracy. As areas with concentrated populations grew and developed, corruption in boss-run party machines from Kansas City to Chicago to New York reached epidemic proportions. One such machine was called Tammany Hall in New York (the docks would greet immigrants at the docks and begin handing out favors on the spot), and became the prototype national party organization. The famed Tweed Ring in New York City, whose members pocketed hundreds of millions of dollars in public funds, merely mirrored what was happening in politics on a national level. By the latter half of the century, there was practically no representative in the lower halls of Congress who wasn't on the take.

Abolitionists, reformers, women, people of color, factory workers, and other people at the grassroots repeatedly attempted to challenge the two party monopoly with party efforts, but in nearly every instance these parties were eaten up by the big boys as quickly as the giant new monopolies were swallowing up small businesses. Grassroots outrage at the level of corruption in national politics did force some reforms, among them complete secret ballots for women, secret ballots (so you wouldn't inevitably get a head broken voting for the "wrong" candidate) and the implementation of the primary system, whereby voters themselves choose their party's nominees.

But the party bosses kept figuring out ways to turn reform to their advantage; in the post-Reconstruction period, for example, Dixiecrats took advantage of the increased representation afforded to Southern states when African Americans were upgraded from "three-fifths" of a whole human being to elect more whites to Congress, while the Black people were barred from the political process.

So why, if the system is so corrupt and anti-democratic, do the people of America continue to vote by the tens of millions for the two parties? Because, simply enough, there is no other choice; the very process through which we arrive at our choices is thoroughly undemocratic. It is completely top heavy, without an iota of input from ordinary



of the Democratic Party nomination in 1992 was narrowed down from 100 million or so possible entrants to five? That process, in which you and I had no part, is a far cry from the democracy of America's early days, which was based on the principle of choosing candidates "fresh from the people." And it's a corruption of the whole idea of the primary system. But that system has become farcical as well. The party bosses and the big money interests they are beholden to choose who will run in the primaries!

One of the obvious obstacles to democracy is the role that money plays in the election process. Throughout this century, the costs of running for office have increased geometrically decade by decade. The amount of money pumped into campaigns by the wealthy have put the pricetag for national office beyond the reach of 99% of the people of this country. Now some may argue that any candidate for higher office should be able to demonstrate enough broad support to be able to finance such an effort — that money is somehow an indication of popular support. But as long as the rich — individually and through their corporate PACs — are able to pump millions into campaigns, the idea of fair competition is a farce.

One way to reduce the impact of wealth is to separate money from the political process. Having more money gives a candidate an advantage — it buys television and radio time, newspaper space and other forms of advertising, for starters. But in our high-tech society, with its extraordinary capacity for transmitting information, there is no reason why millions need to be spent privately by a candidate to get a message out. Instead, our federal, state and local election commissions should bear the responsibility of educating voters about all candidates.

As long as the pricetag for running electoral campaigns is so high that candidates have no choice but to rely on money from the wealthy, people who run for office will be beholden to the rich and to political action committees.

Ironically enough, PACs began their existence as a way for labor unions to pool their resources and apply some political muscle on a playing field long controlled by corporate bosses. Eventually, the wealthy and corporate bigwigs — who were interested in gaining more influence in the Democratic Party — realized that they could use PACs as a way (often illegal)

When the founding fathers laid the foundations of our electoral system, they left out a great proportion of the people of this country. But one thing they didn't have in mind was that running for office would be limited to professional politicians. The early days of the republic saw local and state offices filled by farmers, artisans, mechanics and other ordinary people. But by the middle of the 19th century, as the national political parties came into being, so too did the process by which only the professionals made it into the national conventions, eliminating along the way those "fresh from the people."

I recall that during the Democratic Party convention of 1988, grassroots delegates (a number of them supporters of Reverend Jackson) were complaining that by the time they reached the convention, many of the proposals that had been adopted by their state committees — such as support for a dialogue between the Palestinians and the Israelis — had been sacrificed at the altar of the state party. A funny thing happened to these grassroots folks on the way to the convention — the professional politicians (the kind that Democratic honchos from the liberal Walter Mondale to the right wing John Silber want to see in complete control of the Democratic Party) bumped them off.

Something else that was established at the time the national parties were becoming parties of professional politicians was the "spoils system," whereby the winning party would "throw the rascals out," grabbing jobs and other spoils from the losing party for "our boys." Although there was a grain of grassroots democracy embodied in the spoils system, it was mostly a mechanism that allowed the politicians to take turns feeding at the public trough. The gradual introduction of a civil service around the turn of the century — long advocated by 19th century liberal reformers — was intended to replace the spoils system with a bureaucracy that hired employees and awarded contracts on the basis of standardized exams, impersonal interviews, blind bidding, and other objective practices. But over the years the civil service itself evolved into a kind of spoils system — a bastion of patronage, nepotism, and no-show jobs that remains a living tribute to the professional politicians' inexhaustible ingenuity in co-opting reforms.

It's only by deregulating democracy and breaking up the political monopoly that ordinary people can regain control of

THE STORY OF LENORA B. FULAMI, INDEPENDENT CANDIDATE FOR PRESIDENT OF THE UNITED STATES

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tion of the economy, of wealth. The decisions that need to be made to redistribute the nation's wealth and retool its manufacturing base will not be made by the Republicans and Democrats and the PACs which bankroll them

Anyone who tells you differently is covering over for the lack of political democracy in this country. Liberals often talk about fighting for "economic democracy" as if political democracy already existed. They talk about giving the "little people" a "fair share" of the national wealth. They talk about throwing money at social problems to make them go away. That was tried in the '60s and it didn't work. It didn't work because spending money doesn't solve social problems — democracy does.

You see, since the '60s poverty in America has itself become an industry. Big landlords, for example (aided and abetted by cooperative politicians), figured out that you can charge the government whopping amounts of money to put poor people in filthy, dilapidated housing. Pharmaceutical companies literally make a killing from the sale of methadone to government-funded clinics, where it is used to "treat" people for heroin addiction. It's not how much money you spend, it's how you spend the money. And how you spend the money is determined by who's making the decisions. When those "on top" toss a little money down to us below (and they're doing it less and less) you can bet — one way or the other — it's going to wind up helping the big shots.

The only way out of this dead end is for the people being hurt by America's economic collapse to be the ones who figure out how to reorganize what we produce and how we produce it, thereby redefining the investment options open to the 1% who now control most of the nation's wealth. But that redefinition can never happen with democracy hog-tied. It can only come about through the deregulation of democracy. The wealthy of America are adding to their wealth in the context of the current U.S. economy. The stock market is setting daily records even as poverty grows. To convince the haves that it is profitable to invest in America, they must be convinced that those politicians and parties, the Democrats and Republicans, whom they have in their back pockets are vulnerable to ordinary Americans expending our only capital — democracy.

By the deregulation of democracy, I'm not just talking about

lobbying efforts. I'm not just talking about electing more women or more people of color to office — although I support efforts to make our political system much more representative than it currently is. I'm talking about a U.S. Congress and legislatures and county governments and city halls in which insurgents and independents hold enough seats to unseat the decisions that affect our lives. About a Congress that is under the thumb of the corporate PACs. About the abolition of restrictive ballot access laws. About universal and automatic voter registration. About televised debates that are open to significant candidates. About equal time advertising provisions free to all significant candidates. I'm talking about a democracy that includes many of the innovative ideas which Ross Perot calls "initiatory democracy" in his *Concord Principles*: such as initiative, referendum and recall authority at local, state and federal levels, computerized access to government information in public libraries and homes, and the control of pension funds and other capital pools by the people whose money is invested instead of by a handful of banks and insurance companies.

What are the mechanics of a radical democracy?

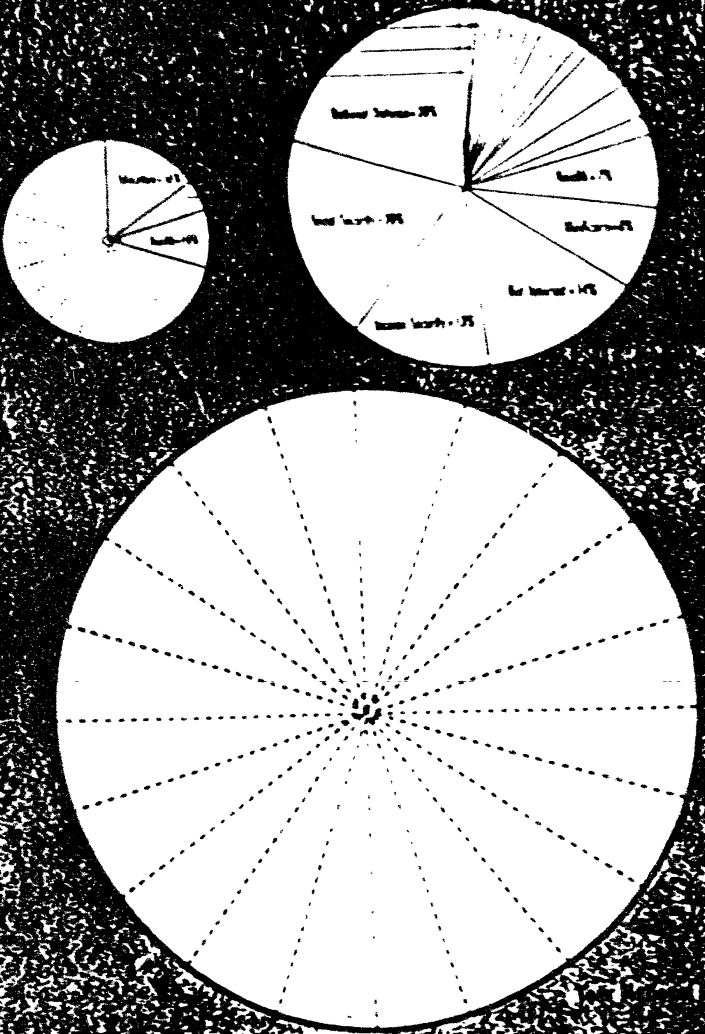
First of all, we must strike down all the restrictive laws governing voter registration, and pass any and all of the fair election legislation currently in Congress. The Fair Elections Bill, which has been sitting in Congress for five years, would cut through the maze of restrictive state ballot access laws by establishing fair and standardized criteria for ballot access by major party and independent candidates; the Democratic Presidential Debates Act introduced in the House by Representative Tim Penny; and the Presidential Debates Act of 1992, introduced in the Senate by Paul Wellstone.

In addition to these key pieces of legislation, there are other bills in various stages concerning campaign funding reform and universal and automatic registration, for example. All deserve support.

Beyond the radical reform of the mechanics of our electoral system, I propose that we begin the process of restructuring how our democracy works, bringing in new ideas and bringing back in various forms some ideas that are as old as the republic.

It needn't be the case that our only options as a people are to have the opportunity to vote, every year or four years.

# Appropriating Federal Spending: How the American People Could Have a Say



- In the year 1992, the federal budget was allocated to the following areas:
- **National Defense:**
  - **International Affairs** — includes food aid to the Peace Corps, State Dept. Resources Assistance to the International Monetary Fund
  - **General Science, Space and Technology:**
  - **Energy** — includes research into alternative technologies, conservation and environmental protection and waste management.
  - **Natural Resources and Environment** — includes recreational areas in national parks
  - **Agriculture:**
  - **Commerce and Housing**  
Credit — includes mortgage credit, postal services, assistance to family farmers and assistance to small and minority businesses.
  - **Transportation** — includes highways, mass transit, railroads, airports, marine safety and transportation, the Panama Canal Commission.
  - **Community and Regional Development:**
  - **Education, Training, Employment and Social Services:**
  - **Health** — includes medical health research and training services to people without health care coverage
  - **Medicare:**
  - **Income Security** — includes general retirement and end disability services including social security, unemployment compensation, housing assistance, food stamps, supplemental security income.
  - **Social Security:**
  - **Veterans Benefits and Services:**
  - **Administration of Justice** — includes FBI, Customs and Immigration and Naturalization Service, Social Service, prison construction.
  - **General Government:**
  - **Net Interest** — includes interest on public debt.
  - **Undistributed Offsetting Receipts.**

At the top right is a chart showing the proportion of the 1992 budget that went to each of those items. Please indicate on the blank pie the proportion of your votes if... you would like to see allocated to those and/or other budget items. Each slice represents 5% of the total.

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after year, can, right after the election, with the people are over-  
barded with promises of every possible kind. One thing they  
always promise is jobs. And year after year, we are left with  
nothing but the promises and the excuses of the politicians  
as to why they could not deliver.

We must have a way to prosecute such politicians by broad-  
ening the recall process that has been instituted in scat-  
tered communities around the country, whereby politicians  
who lie to the electorate get booted out of office, before their  
term is up.

Currently, the task of writing and debating and passing legis-  
lation is in the hands of the 435 members of the House and  
the 100 members of the Senate. Without putting these public  
servants out of a job, we can include the rest of us in the  
work that is constitutionally demanded of them.

One thing Congress has the power to do is devise restric-  
tions and guidelines on legislation. A classic example is  
Gramm Rudman, which puts restrictions on federal spend-  
ing. There is no reason why the people of this country can-  
not similarly attach restrictions and guidelines to the work  
of our legislators.

The people of this country can democratically decide on the  
limits to and kinds of spending by our government. We can  
have a pie chart on our tax returns that allows us to vote on  
how our spending is to be apportioned. For example, we  
could say that no more than 10% of the budget can be devot-  
ed to the military, or no less than 25% to education.

We have had our legislators debating and speechmaking end-  
lessly about jobs. But there is nothing that makes creating  
jobs for the people of this country in any way a requirement.  
A national ballot initiative could be undertaken which, if  
passed, would direct Congress to pass some form of compre-  
hensive jobs bill within the next session. I would support  
such a referendum. I'm sure many of you would also. It  
wouldn't be a promise, it would be a law.

Those who argue against such things as national referen-  
dums often worry that the process might become too disor-  
derly. I would guess they have never seen how elections are  
conducted in the South Bronx. These are not new arguments,  
as you might guess, at the turn of the century, the party boss-  
es recoiled in horror when William Jennings Bryan, a leader  
of a brief insurgency in the Democratic Party, supported just

named Woodrow Wilson into their new party leader.)

There are serious issues about how such referendums would  
be conducted, and what the rules that govern them would be.  
Certainly one way of deciding if and how we should orga-  
nize these more direct forms of democracy is by having the peo-  
ple of this country come up with the possibilities themselves.

Some progressive minded people are concerned about  
possible negative consequences of putting policy ques-  
tions directly before the electorate. For example, they cite Cal-  
ifornia's tax-cutting Proposition 13, which has had dire ramifi-  
cations for poor people in that state. Or suppose someone  
David Duke manages to get a referendum passed that  
openly anti-Black?

Political philosophers since Plato (including our found-  
ing fathers) have been concerned about the so-called "tyranny  
of the majority" which could, through unrestrained democ-  
ratic trample on the rights of a minority.

The fact is, democracy in this country as currently regul-  
ated is a complete monopoly of the Democratic and Republ-  
ican parties. It is precisely that exclusionary monopoly, which  
severely discouraged popular participation (our country  
has one of the lowest voter turnouts in the world), that pre-  
sents the greatest dangers for those who are concerned with is-  
sues of civil rights, individual liberties and support for the poor.  
It is truly a tyranny of the minority.

Few people would disagree that it is the right wing that  
benefits the most from limits to inclusion and regulated democ-  
racy. No less an authority than Paul Weyrich, a major tacti-  
cian of the successful right wing takeover of the Republican P-  
arty has pointed out that one of the key conditions for suc-  
cessful takeover is limited voter participation.

And it isn't just classical right wingers like Wey-  
rich who appreciate this fact. Two decades ago the Trilateral Com-  
mission noted in a report on "The Crisis of Democracy" autho-  
red by Samuel Huntington that limits on democracy were es-  
sential for continued American corporate domination of  
the world.

In cases like Proposition 13, many of the same anti-de-  
mocratic conditions that apply to ordinary elections held  
that referendum. For instance, the supporters of that ri-  
ght wing, anti-poor tax measure were free to pump as m-

ing about here is a referendum process where the technological might of our country (something which we the people created) can be harnessed for educating voters, and creating the kind of educated citizenship that people like Thomas Jefferson passionately believed was essential to a working democracy

So while I may share some of the concerns about "unrestrained" democracy (Hitler, after all, was elected in 1933, and David Duke came close to becoming governor of Louisiana) I must point out that the actual situation we are currently in is heavily tilted in favor of the rich, and of candidates who represent their interests.

So rather than restricted and regulated democracy, we must have a deregulation of our political process — we need the kind of political competition that those who argue for a free market advocate

If that sounds radical, well — it is. Fundamentally, I am talking about the active inclusion of the American people in the running of this country. The real participation of the American people — the tens of millions of people who either participate in name only, or don't participate at all — would change the balance of power in the decision making process. It would enable ordinary people to make it the case that what's in the economic interest of those who own enough wealth to invest it is what's in the human interest of the majority of Americans. Not because it's the right thing for the profit minded to do (which it is, but they don't care about that), but because it's the profitable thing to do (which is all they care about).

The key is democracy — not the democracy of Tammany

That is why democracy equals jobs. That is why a vote for Fulani matters.

My campaign has the potential to be an important step in turning the U.S. around. But to fight for democracy takes guts. Thomas Jefferson said our country would benefit from a rebellion every 20 years. We are long overdue for an electoral rebellion. If we are going to have a shot at winning America back, then we, the American people, have to break some bad voting habits. We've all been convinced (by those in office, of course) that we should vote for winners. But at this point in history (given the highly regulated nature of our democracy) the only ones who can win are those who already control the game, the same people who destroyed our economy and crippled our democracy — America's killers.

The American people know how to root — win or lose — for a hometown team. We have to learn to do that with politics as well — to vote for someone not because she or he will win this time around, but because it's the right thing to do, because doing so is part of a building process that will, over the long haul, turn our nation around. We have to get much better at using our votes as tools. If you vote for a winner in this election you're voting for a murderer of your family, your community, your country. Only losers vote for winners.

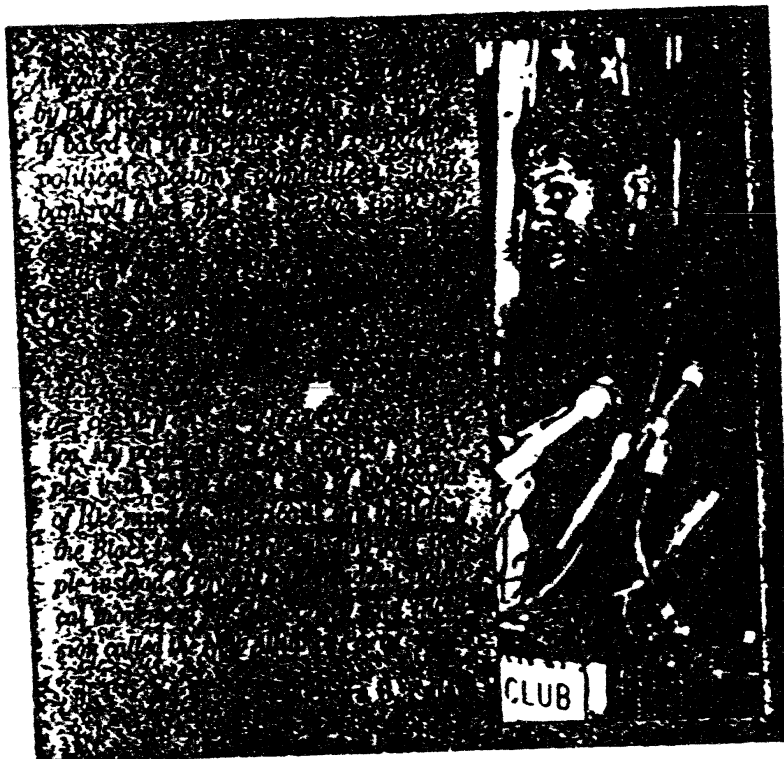
That's why a vote for Fulani matters. Don't throw your vote away on the assassins of America.

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*Dr. Fulani was assisted in the writing of this paper by Dan Friedman, Phyllis Goldberg, Lou Binman and Michael Klein.*

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# REBUILDING AMERICA: A PROGRAM FOR PROGRESS



## HEALTH CARE

I advocate free and comprehensive health care for all regardless of age, income or diagnosis.

For over 70 years now, a program which would guarantee quality health care to all regardless of ability to pay has been on the agenda in America. Yet today the United States, the wealthiest nation on earth, remains one of the two industrialized countries in the world (apartheid South Africa is the other) which still does not have a comprehensive national health care system.

The reason for this is simple. Democratic and Republican policymaking is controlled by the American Medical Association, the insurance companies and the pharmaceutical industry, all of which make billions from illness and the cure of illness. Sickness (not prevention and not cure) is big business in America — and under our bipartisan political monopoly what big business wants, big business gets.

Which leaves our people dying.

More than 260,000 Americans will have died of AIDS by the end of this year, the bulk of those in the last two years. At the same time a tuberculosis epidemic, which now includes a deadly drug resistant strain, is well underway in our prisons, centers, hospitals and homes due to the vast increase in poverty and cutbacks in health and social services during Reagan-Bush years.

Thirty-four million Americans have no health insurance whatsoever. Over the next two years an additional 30 million will join them. And according to the Department of Health and Human Services, 60 million other Americans have insurance that would prove inadequate in the event of serious illness.

Health care costs in the U.S. were \$67.6 billion in 1981 and will continue to rise at double-digit rates each year. If costs increase at current rates, Americans will spend more than \$1 trillion annually on health care before the end of the century. Tens of millions of our people cannot afford to go to a doctor for the treatment of common illnesses, while serious disease or surgery means financial catastrophe for poor and working people as well as for increasing numbers of middle class families.

In the early 1980s the first cases of AIDS were discovered.

WHEN DEMOCRACY IS ON THE JOB, AMERICA WILL

our people. A litmus test of a civilized society is how it cares for its most vulnerable members — the elderly, the very young, the ill, the disabled and the poor. The failure to legislate and enforce a humane AIDS policy is an act of barbarism.

In Africa tens of millions of people are infected with AIDS. In the U.S. the epidemic, which first struck gay men, is now spreading most rapidly in poor communities, in the African American and Latino communities in particular, where many youth between the ages of 18 and 25 are HIV positive. AIDS has become the single greatest killer of women under the age of 35.

In the face of an epidemic which threatens to destroy the gay community and whole communities of color in Africa, Haiti and the U.S., the Republican administrations of the last decade, aided and abetted by the Democratic Party controlled Congress, have catastrophically underfunded research toward discovering a cure, have failed to implement large scale education and prevention programs, and have not protected the civil and human rights of people with AIDS and those who are vulnerable to this deadly disease.

Institutionalized homophobia has become the substitute for a national health care policy. AIDS has been politicized. Instead of responding to this epidemic as a grave health crisis, the pragmatists of the major parties — liberals and conservatives alike — have manipulated it in the interest of advancing their careers. And their advance is over the bodies of our people.

For years I have worked for the passage of an AIDS bill of rights on both the local and national levels which would outlaw discrimination against people with AIDS, people who test positive for the AIDS virus and people suspected of having AIDS. The New Alliance Party has spearheaded fights for such legislation in cities across the country and on Capitol Hill.

We must launch a full scale war against AIDS. And the persecution of people who are living, and dying, with it must stop.

The new world order has invaded the mental health field in the form of electroshock — known to produce permanent brain damage — and psychotropic drugs: both these "treatments" are really just pretexts for making mentally ill people efficiently docile so that they can be warehoused cheaply.

need — I myself have been a practitioner of sexual therapy, a drug free, radically humanistic clinical psychology, for many years — but they are rejected by the gatekeepers of the mental health industry because they are considered too costly, especially for poor communities.

The widespread implementation of such innovative and humane methods requires a radical transformation of the political environment, we need some real democracy so that the American people can say what their mental health priorities are.

## FOREIGN POLICY

For decades American foreign policy has been guided by the "strategy" of protecting us from the communist menace. If recent events have made anything clear, it is that this strategy was a sham foisted on the American people.

Think about how many trillions of dollars have been criminally misspent on "defense." Think of how these dollars could have been used to benefit our people. Begin to appreciate the magnitude of the fraud perpetrated for over 40 years by the professional politicians of the major parties. Now that the Russians are clearly not coming, the spectre of communism that haunted Washington has given way to the realities of a rotting U.S. economy.

The truth is that our government does not have anything approaching a consistent and coherent foreign (or domestic) policy. What we have is a non-policy that goes whichever way the political wind blows, while any policies that show concern for people are introduced purely by coincidence. Big business-dictated pragmatism and a racist double standard compel the politicians to applaud democracy movements which are white and European but to turn their backs on democracy movements of people of color.



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I have given my word to the Haitian community in this country that I will use my 1992 presidential campaign to force the issue of the abortion of Haitian democracy onto the political agenda in this country.

The crisis of the Haitian refugees was created by the U.S.-backed military coup last year. I call for the immediate restoration of President Aristide, who was overthrown eight months after his overwhelming popular victory at the polls, and the immediate removal of the U.S. ambassador, Alvin Adams, who has been intervening in the sovereign affairs of Haiti to subvert the democratic process. In the meantime, our sisters and brothers who are in danger from the whirlwind of violence unleashed by the Tontons Macoutes must be granted asylum until President Aristide is restored and his and their safe return can be guaranteed.

For the last 10 years I have been in the forefront of the effort to build a people-to-people connection between the African American community and our allies in this country, and our Congolese sisters and brothers living and dying under the CIA installed dictatorship of Mobutu Sese Seko.

The departure of the mass murderer and multi-billionaire kleptocrat who has ruled Zaire (formerly the Congo) for more than a generation (bankrolled by America's bipartisan political monopoly on the pretext that he was "our" bulwark against communism in Africa) is a precondition for the transition to democracy in that long-suffering country. Only the Bush administration persists in the bad faith argument that the "premature" departure of Mobutu would result in chaos. But it is Mobutuism in its death throes that has brought chaos: massacres in retaliation for political dissent and total economic collapse. What the mouthpieces for the new world order really mean is that there is, as yet, no one to take Mobutu's place who can be counted on, as the assassin of Patrice Lumumba and ally of apartheid has been, to take orders from Washington. But there can be no transition to democracy while Mobutu is present; the American government must throw its weight behind the people of Zaire — and the democratic opposition which has maintained its independence on their behalf — by sending Mobutu packing now, before one more drop of blood is shed and before one more child dies of starvation.

The new world order seeks to impose a "peace" in the M East that above all else serves the interests of the U.S. companies — not the aspirations for genuine peace democracy of the millions of Palestinians who have turned into strangers in their own land, of the millic Israelis who have been forced to become mercenaries in a series of unjust and unjustifiable wars, of millions of Arab people who have known nothing but hardship and political oppression for nearly half a century.

The pursuit of "American" (i.e., oil) interests in the M East is actually against the interests of the American people and the interests of our sisters and brothers who live in dozens of nations that comprise the region. It is the American people (and in particular people of color and the poor) — not the corporations, who have to foot the bill whenever oil companies see fit to raise their prices in the wake of another phony "crisis"; they are the ones who pay with bodies and lives in illegal and genocidal adventures such as the Gulf war, in which at least 200,000 Iraqis — and their children — died needlessly and schools, hospitals, roads and communications were left in a shambles.

I support all efforts towards comprehensive peace negotiations between Israel and the leadership of the Palestinian people, the Palestine Liberation Organization, toward the end of a just settlement that will guarantee a decent, secure life for all the people who live in Palestine-Israel.

All U.S. arms sales and grants to the governments of the region must end immediately. Instead pressure must be brought to bear on the Israeli leadership to negotiate seriously with the PLO. Our government must support democracy movement in the region, from the Western Sahara (under the leadership of the Polisario Front) to the African Peninsula.

There must be an end to the undeclared and illegal war against the Libyan people. Immediate negotiations begin towards a lasting peace based on mutual respect. Support the recent resolution of the Arab League calling for an impartial investigation into the bombing of the PA flight over Scotland, and opposing extradition of any citizens of other countries to the U.S. for kangaroo court style trials.

In short, the key to American foreign policy must be the commitment to democracy, not in rhetoric but in practice.

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racism. The broad masses of the world's people do not profit from economic exploitation and social oppression, and they do not profit from war. It is therefore not simply the moral responsibility of the U.S. government to support the struggles for democracy that are being waged all over the world, it is in the interests of the American people to do so. Unconditionally support the democracy movements of Haiti, Zaire, Palestine, South Africa, El Salvador, Colombia, and in Tiananmen Square and Moscow — everywhere women and men are fighting for democracy and the human right to self-determination.

## EDUCATION

My opponents all say that America's educational system is not working.

I disagree.

America's schools are working — not for the benefit of our children, but in the interests of the corporate elite who actually run this country. America, the richest country in the world, obviously has the resources and the know-how to educate its people. But the powers that be have no intention of providing us with an educational system that effectively educates all of our children, for the simple reason that they have no jobs for them and no way, in a permanently shrinking economy, to make use of a well-educated, creative workforce. The statistics indicate the nature of the problem: in this post-Cold War world, 26.5% of the federal budget is officially designated for military spending (they call it "defense"), but actually nearly 50% of all discretionary spending goes to the military; 5.5% of the total federal budget goes toward education (down from 9.2% in 1980). But the issue is not only *how much* money is spent on education; it is *how* it is spent.

Our public schools have devolved into a two-tier system in which a relative handful of middle class (primarily white) children are trained in the skills needed to "make it," while the great majority of poor and working class children (disproportionately Black, Latino and Native American) are warehoused until their spirits are broken and they "drop out" onto the streets. For all too many working class youth,



the schools are prisons (often patrolled by armed guards) from which they will "graduate" to grown-up penitentiaries — it is no coincidence that more African American men get college degrees through prison programs than on campuses.

Our schools must be safe. But the answer to violence in the schools is not metal detectors and guards. With only 5.5% of the federal budget going to education, with virtually no federally funded daycare, with draconian cuts in the funding of libraries, cultural and recreational programs, with a drastically shrinking job market, with decent health care unavailable to tens of millions of people, and with the flooding of our communities with drugs, the message society is sending to young people (particularly Black, Latino and Native American children) is very clear — you are worthless and you have no future. It is little wonder that our children are killing each other and themselves.

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our nation's misplaced priorities and lack of attention given to the painfully apparent than in the miseducation of our people. That's why I call for the radical reorganization of the educational system from top to bottom. These changes can only be realized through democracy — through the active participation of the American people in the decisions that impact on the development of their children.

- Real education — education concerned with the continuous learning and development of people — must become a national priority. That means providing our educators with the resources, financial and otherwise, they need to do their jobs.

Federal funding must be used to provide free education — from daycare through graduate school — to all. No qualified and interested student should be denied a college or post-graduate education. The current system of mandating public education at the national level but relying on local property taxes to fund it has resulted in an education system riddled with inequities: the wealthier the school district, the better the education. This situation deepens the class, race and regional gaps in our society and is a major factor in keeping poor families poor. Teachers need to get the same salaries, benefits and retirement terms whether they are teaching in Greenwich, Connecticut or Greensboro, North Carolina. The children of East Los Angeles need the same access to books, computers and other educational technologies as the children of Beverly Hills. Equal education can only become a reality if it becomes a federal responsibility and is treated with at least the same seriousness accorded "defense" or interstate highways.

- The waiting list for adult literacy programs around the country is staggering. Our commitment to education must not end at the schoolhouse door but should be extended to include the funding and encouragement of free job training, literacy and part time adult education, including support for training in English as a second language.

But federal funding and standards are not by themselves an answer to our educational crisis. We must use the money to create an environment in which innovative, community-based educational projects, programs and schools can thrive. Throughout the country there are hundreds of such programs and schools, where committed and creative people are trying new approaches, but they are chronically underfunded or not

been involved in the development of the Barbara Taft School, a multi racial laboratory school in Harlem where 43% of the students read at or above grade level (as opposed to 43% in the surrounding public school district), and with Innovative Headstart Program which is part of the Some [New Jersey] Community Action Program — so I know from direct experience the value of such risk taking, experimental work. Instead of closing the door on new approaches and programs as it does now, the government must do everything possible to create an environment in which they can emerge and flourish.

- To be true to America's democratic traditions, the education provided to our young people must be multi-cultural. Our education curriculum must include the histories and cultural contributions of all the people who built our country including African Americans, Native Americans, Latin American Americans, women and gay people.

- I unconditionally support academic freedom, the right of students to learn and the right of professors to teach all points of view — including Afro-centrism, Marxism, and other radical views — on campus. The current moves against so-called "political correctness" are attempts by the far right to intimidate students and professors and impose their views on everyone else.

## HOUSING AND HOMELESSNESS



The vast majority of people in this country do not believe that homelessness is an issue that should simply be allowed in the United States of America. Millions of us have expressed our sentiment over and over in opinion polls, in our support for organizations dedicated to helping the homeless, and in our assist-

cern and outrage continue to be mocked by both major parties of this country, which tell us that we must tolerate homelessness as a "necessary evil," and that decent housing is a privilege, rather than a right.

At this moment, according to official statistics, millions of people are without a place to live. Many are elderly, people with AIDS and other chronic illnesses, and others for whom life on the streets is an immediate mortal threat. Compounding the outrage is the fact that tens of millions more Americans live on the borderline, never sure if they will continue to have a roof over their heads, and tens of millions more live in substandard, dangerous and overcrowded housing. The specific reasons people lose their homes are as varied as the tragedies and hardships that strike so many of us, but the bottom line is that homeless people are homeless because they cannot pay for housing.

In urban communities, most people who cannot afford housing have chosen to risk the dangers of living in the streets rather than subject themselves to what are often the even greater dangers of the prison like "shelters" they are sent to for the "crime" of homelessness. It is no coincidence that homelessness has become criminalized in this way as more and more people have been forced onto the streets. Otherwise, our politicians would have to take a stand against the real criminals — the greedy real estate interests responsible for the epidemic of homelessness. But big banks and big landlords are major sources of funding for our elected officials, while the poor are not. To add insult to injury, in many localities citizens are denied their constitutional right to vote because they lack an address — so any political clout the homeless may have is effectively denied.

While the politicians continue to blame homelessness on the homeless (or, in election years, on the policies of the opposing major party), the fact is that the solution to the housing crisis is more, decent, affordable housing.

- I advocate a constitutional amendment which would guarantee everyone in this country the right to decent housing. No one should be denied that right, no matter what their circumstances; decent housing is an inalienable human and civil right, and the outrage of homelessness can no longer be allowed.

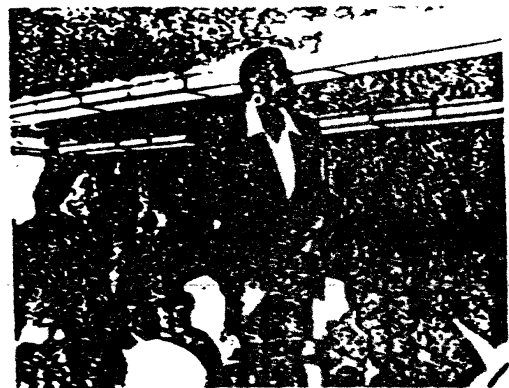
- Some localities now have statutes making it illegal to evict elderly or disabled people. These laws need to be expanded to

- The policy of confining homeless people to barracks style "shelters" needs to be done away with immediately. There is enough housing stock currently available (much of it is "warehoused" by landlords or the government) to provide emergency housing for all who need it. In addition, emergency housing must include support services for people with AIDS and any other illness or special needs.

- The anti-democratic, anti-poor residency requirements that many localities impose to prevent homeless people from voting are modern day versions of the poll taxes and literacy tests that for years were used to keep women, people of color and the poor disenfranchised. Politicians have nothing to fear from the homeless community, no matter how great its numbers, if it is disenfranchised. The constitutionally guaranteed right of every citizen to vote must be protected and enforced by the federal government wherever necessary.

## THE BLACK AGENDA

White ethnic voters have used Pat Buchanan's presidential campaign to send a message to the Republican Party and its standard bearer, George Bush: "You're not right wing enough!" With Buchanan polling between 25% and 35% of the vote on a shoestring budget, Mr. Bush has been listening — and shaping his presidential campaign accordingly. He is making major concessions to the far right, while trying to trivialize the Buchanan challenge.



But Buchanan's anti-establishment challenge is not trivial. It's a very effective means by which white ethnic voters are forcing their reactionary agenda into the White House and the Republican Party.

- Black voters need to learn from this example. In 1992 the African American community must use my anti-establish-

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sage to the Democratic Party. "It's not enough to give us a few Black faces in high places — we demand that the Black Agenda for social and economic justice be a top priority."

What stands in the way of the African American community being able to deliver this message is the bad advice that our people are getting from many Black Democrats, elected and otherwise. First and foremost among them is the Reverend Jesse Jackson. Our people love him. They respect him. They listen to him. And he is, in my opinion, misleading them.

That is why I think that the Black community has to take every opportunity — at church gatherings, at community meetings, at union halls where Jesse comes to speak on behalf of the Democratic Party — to say "Brother, I hear what you're saying. I love you dearly. But voting for a Democrat in 1992 is both dumb and dangerous. Dr. Fulani is running as an independent this year and we are going down that road with her."

When I made this statement on a Black radio talk show in Pittsburgh some Rainbow Coalition people called up to do Jesse's dirty work for him. They accused me of all kinds of things, from stealing money to bashing Black men.

Anyone who wants to know where I get my money from should spend an hour on the street with some of the extraordinary people who are working on my independent campaign — the ones who have helped my campaign qualify for over a million dollars in federal matching funds.

As for bashing Black men ... I work closely with the Reverend Al Sharpton, a Black man. In 1990 Minister Louis Farrakhan, a Black man, flew to New York to endorse my independent gubernatorial campaign. Throughout the country, Black men have stepped out to build the independent political movement under my leadership. When I criticize Jesse and other Black Democrats, I am not bashing Black men — I'm bashing white supremacist politics and those who peddle such politics in the Black community.

Such attacks on me are bogus; their purpose is to discredit what I am saying, which is that Jesse is playing the role of a point man for the Democratic Party powers-that-be — a role which I think is harmful to the Black community. No honest person can name one reason why any African American should give his or her vote to Bill Clinton, or to Jerry Brown.

Reverend Jackson and I have a political disagreement. He is

the only wealth we own, our votes, to a party that has taken us for granted for 60 years. I am telling our people that the time has come for us to declare our political independence from the Democrats.

Early in 1992 Jesse refused to allow me to speak at a candidates' breakfast sponsored by the Rainbow Coalition in Washington, DC. When he came into New York during the height of the controversy over my challenge to Paul Tsongas right to be on the ballot in the primary — a challenge to the overprivileged rich white men who think they can subvert the democratic process and get away with it — Jesse refused to take a stand on behalf of democracy. His people tried to keep me off the air in Detroit.

When I talked about this in Detroit on another Black radio show, a caller wanted to know how I could say what I was saying about Jesse. I said that in my opinion what Jesse is doing will lead to the destruction of Black children. Did he want me to keep my mouth shut anyway?

Jesse does not want to have the debate out in the open. I do. He needs to put out his plan for realizing the Black Agenda and I will do the same. Let the African American community decide.

## LATINOS

The Latino population of the United States — Puerto Ricans, Mexican Americans/Chicanos and others of Latin American descent — is extremely diverse. They share, with each other, with African Americans, Native Americans and other people of color, the demeaning experience of being second class citizens in a country where we still do not have "liberty and justice for all."



The Latino population is poor: more than half of Puerto Rican children under the age of 18 and more than one-third

nearly 12% and those who have jobs earn significantly less than other men. In 1990 almost 40% of Puerto Rican households and 20% of Mexican American households earned less than \$10,000.

Immigration policy towards Mexicans and other Latin Americans has historically ebbed and flowed according to the dictates of agribusiness. When big landowners need cheap farm labor, the door is open. When they don't, the door slams shut. Migrant farm workers from Mexico and the Central Americans who have come to this country more recently are among the most exploited workers in the United States, often living in conditions of near slavery and deprived of fundamental human and civil rights. U.S. labor law explicitly exempts agricultural workers, who do not have the right to health benefits, or the right to organize and bargain collectively, that other workers do. Laws protecting child labor also do not apply to the children of migrant workers.

I stand for the full inclusion of the Latino people in the economic, political, social and cultural life of our country. Accordingly,

- I support the use of affirmative action measures in employment and education to redress the profound economic injustices perpetrated against Mexican Americans, Chicanos, Puerto Ricans, and other Latino people.
- "Illegal" immigrants are workers forced by economic necessity to risk their lives to come here and then to live in constant fear of arrest and deportation. I call for the immediate revision of U.S. immigration laws so as to allow the free migration of Mexicans and other Latin Americans into this country, where they should be free to sell their labor as other workers are.
- I call for the immediate extension to migrant farm workers all of the rights guaranteed by federal labor law to other workers, and provisions for overseeing the installation and maintenance of proper sanitation facilities and for enforcing the right of farm workers' children to attend school regularly.
- I support all efforts to expand and improve bilingual education in our public school system so that every child has access to a quality education in English as well as in the language of his or her parents.
- I oppose the English-only "movement" and demand the

- I support the development of locally administered educational programs aimed at cutting the high school dropout rate of Latino students (approaching 50%, it is the highest dropout rate of any group in the country) and the expansion of college financial aid programs, grants and loans to help Latino students stay in college.

- I unconditionally support the right of the Puerto Rican people to national self-determination. In the absence of free and fair elections (on the American mainland as well as in Puerto Rico), I recognize that it is currently not possible for our Puerto Rican sisters and brothers to make a democratic choice regarding independence, statehood, or commonwealth status for the island. Until a democratic referendum is held, I call for the withdrawal of all U.S. troops from Puerto Rico; for Puerto Ricans to have the same right to be represented in the U.S. Congress as all other American citizens do; and for Puerto Ricans to have the same access to public assistance, Medicaid and Medicare benefits as other citizens have.

- I unconditionally support the release of all Puerto Rican political prisoners from U.S. prisons.

- I unconditionally support the right of all people seeking refuge from political persecution to be given asylum in the United States, whose official support for dictatorships in Latin America (and elsewhere in the world) is ultimately responsible for the refugee "problem." American citizens who give political refugees sanctuary should be honored, not punished, for their humanity.

## NATIVE AMERICANS

For 500 years the indigenous peoples of this hemisphere have suffered under the yoke of exploitation and oppression. Christopher Columbus described Native Americans in his diaries as "people who would give you their hearts if they could ... they are so naive and so free with their possessions that no one who has not witnessed them would believe it. When you ask for something they have, they never say no. To the contrary, they offer to share with anyone ... " That generosity and goodheartedness were brutally repaid.

Columbus also said that their "temperament" suited the

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"Let us in the name of the Holy Trinity go on sending all the slaves that can be sold." What Columbus did to the Arawaks of the Bahamas, Cortes did to the Aztecs of Mexico, Pizarro to the Incas of Peru, and the English settlers of Virginia and Massachusetts to the Powhattans and the Pequots

The white people who came to America's shores were fleeing a Europe rampant with religious, political and economic repression. They came seeking freedom and were welcomed freely, what has come to be known in recent years as the Sanctuary Movement began hundreds of years ago when the Indian peoples of this continent provided a refuge for the oppressed of Europe. But those who found a haven from injustice and unfairness became the oppressors here.

The 500-year history of struggle by the Indian nations began on the eastern seaboard of North America. In 1585, before there was any permanent English settlement in Virginia, seven ships landed there. The Indians were hospitable, but when one of them stole a small silver cup the whole Indian village was sacked and burned.

When the English people of Jamestown were going through their "starving time" in the winter of 1610 some of them ran off to join the Indians, who would feed them. When summer came, the governor of the colony sent a messenger to Chief Powhattan requesting the return of the runaways. According to the English account, Powhattan responded with disdain; in revenge, English soldiers killed nearly 20 Indians, burned the houses, cut down corn growing around the village, took the chief's family into boats, threw the children overboard and shot them to death in the water.



The expansion of the original 13 colonies further and further west, north into Canada and Alaska, and south into Latin America, held no glamor for Indian people. Instead, it has been a long nightmare of forced removals from ancestral lands, the source of material and spiritual nourishment: death marches, germ warfare, rape, and murder.

On Christmas Day, 1890 hundreds of men, women and children of the Sioux nation were massacred by the United

of Theodore Roosevelt and the American Empire.

The war against Indian people in the United States comes down to this day by means of such weapons as Law 93 531, which forces the Navajo and Hopi people their ancestral lands in Arizona, the ongoing infringement Indian fishing rights in the Columbia River in the Northwest, and Public Law 89 264, the White Earth Reclamation Land Settlement Act. This act of legalized plunder which expropriates 200,000 acres of land from the Earth Chippewa reservation in Minnesota and millions of acres more from all the reserved Indian lands across the United States — was forced through Congress in 1986 out a single member of the House of Representatives with a voice in protest against the most massive land grab in modern times.

I deplore the unremitting violations by the federal government and state governments of Indian fishing, land treaty rights and the desecration of Indian burial grounds by amateur and professional treasure hunters.

In this year when Columbus' "discovery" of America is celebrated, I call for the full restitution of all treaty rights, the payment of reparations to the Indian nations for what has been wrongfully taken from them over the centuries.

## PRISONERS

With more than one million people in prison, in 1990 the United States achieved the dubious distinction of having the highest rate of incarceration in the world. For every 100,000 Americans, 426 are in prisons (as compared to 333 prisoners for every 100,000 people in South Africa).

The racist and anti-poor bias that pervades every aspect of American life is nowhere more apparent, nor more poisonous, than in the criminal justice system. The vast majority of prisoners are poor white men, African Americans and other men of color.

The United States imprisons Black men at a rate more than four times the rate at which South Africa puts Black men behind bars. Of every 100,000 prisoners in this country, 729 are African Americans compared to 729 Black South Africans.

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Regardless of the crimes for which they have been convicted, prisoners are in prison because they are poor. (The most common crime for which women prisoners, who are also overwhelmingly poor while women and women of color, are serving time is defending themselves against a man who physically abused them.)

It seems obvious to me that if you want to solve the problem of crime, you have to deal with the problem of poverty. The solution to crime is not more prisons, mandatory sentencing, or the death penalty but economic and social justice.

I am unalterably opposed to the death penalty under any and all circumstances. Besides being barbaric and inhuman, no one has ever been able to offer one shred of evidence that it acts as a deterrent to crime.

I call for:

- the institution of independent civilian review boards to hear complaints of brutality and corruption against the police and against prison guards, and protection for those inside and outside the prison system who bring such complaints;
- the repeal of mandatory sentencing laws;
- the expansion of education and job training opportunities for prisoners;
- fair monetary compensation to inmates who work in the prisons; and
- more humane parole review procedures, including consideration of "good time."

I believe that no citizen should be deprived of his or her right to vote, and that prisoners should have the right to organize politically.

## WOMEN'S RIGHTS

When the founding fathers declared that "all men are created equal" — endowed by their Creator with certain inalienable rights — they specifically excluded women, Black slaves and poor men. It took more than a century of bitter struggle for American women to win the basic democratic

and that right. Still, women have not achieved full economic, social and political equality — and the gains we have made are in danger of being taken away.

Most recently, the Supreme Court handed down a decision in *Rust v. Sullivan* which forbids doctors in family planning clinics that accept federal funds to discuss abortion with pregnant women or tell them where to get information about one, even if a woman's life is endangered.

I am uncompromisingly committed to the right of all women to choose an abortion. But having the right to choose is inseparable from having economic democracy. You see, unless and until all children live in decent housing, have a quality education and quality health care, and a future in which they can work and provide their own children with a decent standard of living, then "choice" is only meaningful for women who can afford to make it, if poor women are forced to choose between having a child they cannot afford to care for adequately — because poverty and racism make it impossible to give that child a decent life — and not having a child, they may very well "choose" to get an abortion by whatever means necessary — however unsafe or illegal it may be.

If women's right to choose is not already guaranteed by the Constitution, then we should amend the Constitution. To make that right real, free or low-cost abortion must be made available on demand.

Over the objections of many well intentioned feminists, I have continued to challenge the anti-pornography movement. I would never deny that our culture — from TV sitcoms to popular music — is rife with anti-woman propaganda. But I prefer to fight those who actually exploit and oppress women, rather than the people who make a living by selling pictures of exploitation and oppression to other people who get a kick out of seeing them.

We live in a country where every few minutes another woman is raped. A country where three out of four children, mostly girls, are sexually abused before the age of 18. A country where the highest percentage of women prisoners are incarcerated for defending themselves against a battering husband or boyfriend. A country where male violence is elevated to a virtue. It is this reality, not "dirty pictures" of

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I believe that we need to protect the constitutional right to freedom of expression, and not kowtow to the anti sex, anti-human reactionary hypocrites who practice censorship and call it morality.

The Equal Rights Amendment was first introduced in 1921. After 70 years, and many Democratic Party-dominated Congresses, it has still not passed. At its 1989 convention the National Organization for Women, now the largest feminist organization in the country, called for an expanded "bill of rights for the 21st century" that would guarantee women's equality, abortion rights, the right to sexual preference and economic and environmental rights. But there is no reason to believe this new ERA will fare any better than the original without a substantial democratization of the electoral process. The National Organization for Women, upon the urging of its rank and file — many of whom responded to my 1988 independent presidential run — has begun to consider its own move in the direction of third party politics. I wholeheartedly support this initiative. It is critical that the voice of women become a major and vital force in the political process.

## WELFARE RIGHTS

In America we have always been told that welfare, or public assistance, is a favor rather than a right. The myth is that there are two kinds of people — those who pull their own weight by working hard (the ones California Governor Pete



Wilson calls "the producers"), and the free-loaders; the first kind not only support themselves but, through their taxes, support the lazy, irresponsible good-for-nothings who stay permanently drunk or high, and pregnant, at public expense. The myth (which allows for a few exceptions — a

... get back on their own two feet) is fueled by anti poor racist stereotypes disguised as social science and chur out by the corporate owned mass media. It is this r which serves as a rationale for such outrages as the fact as of November 1991 the maximum monthly welfare ments for a family of three living in the 10 most pou states ranged from \$663 in California to \$184 in T figures for the eight other biggest states, in order of pos tion size: New York, \$577, Florida, \$294, Pennsylvania, \$ Illinois, \$367, Ohio, \$334, Michigan, \$474, New Jersey, \$4

Now that big business is on the ropes and looking as might not be able to get up again, there is more and r talk of "welfare reform" — code words for forcing the , to pay for their own survival ("workfare"), kicking s people off public assistance altogether (the rationaliza is that they are welfare "cheats") and similar meas. This is why our public school systems are being gutted, why public hospitals — which, in the absence of a nat health care system, are often all that stand between and death for millions of poor people — are falling a and/or closing down: from corporate America's poi view, the lives of the poor and their children are no long worthwhile investment. All this is justified by scapegoa poor people for the collapsing economy; in pitting wor people and middle class people against homeless pec unwed mothers, and the unemployed, the politicians of major parties (aided and abetted by their friends in media and in academia) are hoping to get away with r der — their anti-human, "final solution"-style attack poor people.

- I believe that every person in this country has the right decent standard of living, regardless of whether or not h she is employed. I therefore call for an immediate in the welfare budget which would guarantee an adeq income to everyone not receiving the minimum wage (w I believe should also be raised), with ongoing cost-of-li increases to meet the current rate of inflation.
- Welfare recipients must have the right to organize as fare recipients and to bargain collectively with local, s and federal government agencies.
- In recognition of the fundamental civil and human r to a decent standard of living, there must be an immed

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recipients of welfare assistance which is perpetrated by welfare bureaucracies — including arbitrary "face to face" recertification hearings and demands for documentation that often result in the unfair closing of cases. The presumption of need should be established by an application for welfare assistance, and should not be denied for petty reasons. Mothers on welfare should be allowed to continue to receive benefits while attending school and should not be penalized for working in low paying jobs by being denied benefits.

- I oppose all welfare programs, which illegally abrogate the constitutional rights of welfare recipients by forcing them into involuntary servitude. Moreover, welfare denies welfare recipients the right of other workers to be paid the minimum wage, the right to belong to unions, the right to receive health care benefits, the right to take sick leave and vacation days, and the right to participate in pension plans.

## LESBIAN AND GAY RIGHTS

I stand for the full inclusion of lesbians and gay men, as lesbians and gay men, in the political, social, economic and cultural life and leadership of America.

- I support the immediate passage of H.R. 1430 and S. 574, federal legislation that would guarantee to lesbians and gays the rights due every American under the Constitution and would make the violation of such rights a federal crime.
- I support the enactment of lesbian and gay rights legislation by state and local governments, including anti-bias and anti hate crime laws, and the creation of civilian review boards to investigate anti-gay assaults on the lesbian and gay community by the police.
- I support the right and the suitability of lesbians and gay men to be foster parents.
- I fully support the enactment of domestic partners legislation that would recognize the economic and social significance of gay partnerships and guarantee the partners the same legal rights enjoyed by married straight partners.

passage of a federal AIDS bill of rights, which would outlaw mandatory HIV testing and quarantine and would protect the civil and human rights of people with AIDS, AIDS-related complex (ARC), people who test HIV positive and people perceived as having AIDS.

I also support:

- the allocation of sufficient research funds by the federal government to find a cure for AIDS;
- the establishment of anonymous HIV testing sites with counseling facilities;
- the immediate release of all experimental and alternative drugs and treatments for AIDS which are currently not available to people in need because of FDA red tape, bureaucratic sluggishness and insensitivity, and — last but not least — the profits instead of people pragmatism of the major pharmaceutical companies;
- the immediate legalization of living wills and durable power of attorney to guarantee protection for the partners of people with AIDS.

Black people, like our lesbian and gay sisters and brothers, know all too well what it means to be related to as less than human — everything from the way we walk and talk to how we love and live our everyday lives regarded as dirty, laughed at, looked down on with disdain and disgust.

But our oppression is not all that we have in common. We also share a proud history of being in the forefront of the struggle for freedom and fairness for all people.

That is what my presidential campaign is about. I am proud to be a challenger of the racist, sexist, anti-poor and homophobic status quo, a truth-teller who refuses to shut my "big Black woman's mouth" in order not to embarrass those who, through their crimes of commission or omission, participate in the destruction of our people. That is exactly what the powers that be of the Democratic Party can't stand about



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who depend on them for jobs and money are assigned to dis-credit and disparage me at all costs. And it is why I am recognized by ordinary lesbian women and gay men as a friend, a sister, and a comrade in arms.

I have been criticized for saying that in a murderously homophobic society such as ours, homosexuality is a political statement. The argument goes that I must therefore be saying that if there were no homophobia then there would be no homosexuality.

I do believe that homosexuality is a political statement in our society, because to live one's life in opposition to what the powers that be have decreed is natural and normal and moral — and to take great risks in doing so — is a political act. Homophobia does not "make" homosexuals, it makes being gay a political decision. When the day comes — and I am committed to doing whatever it takes to make that day come soon — that we are no longer living under the heavy heel of homophobia and we are all free to express our sexuality openly I expect that many more millions will make the proud choice to be gay.

## ANTI-SEMITISM

I believe that the Holocaust was a crime against humanity of enormous proportions. As an African American woman I feel a very deep compassion for and kinship with the Jewish people.

But suffering, and oppression, are not the only things that Blacks and Jews have in common. The commitment to social responsibility and activism expressed with such eloquence by Rabbi Hillel more than 2,000 years ago in the statement "If I am not for myself, who will be? If I am only for myself, what am I? And if not now, when?" are intrinsic to the Jewish tradition and experience; it is that profound humanism which in modern times placed Jews on the front lines of the struggle for Black liberation everywhere from Johannesburg (where Jewish communists went to prison with Nelson Mandela) to Philadelphia, Mississippi (where Michael Schwerner and Andrew Goodman were murdered with James Chaney).

But it is not on the front lines of that still uncompleted struggle that most Jews can be found today, in 1992. The Ameri-

and as a community have been assimilated into the American, political and cultural life of America — have been that their only concern now must be to hold on to what have been allowed to have and not let "outsiders" (me, poor people of color) in. In this distorted world view, people — and not the profoundly anti-Semitic, pro-fascist, overprivileged minority who own America and the world order — are defined as the enemy, the "hate gate" of Jewish security, material well-being, and acceptance. It is the abandonment by Jewish people of the Black struggle, and of the Black community, in my opinion which is the underlying source of Black Jewish tension in America. Yes, Black people are hurt, and angry Jewish people act as if they don't know why, when "we've done nothing for you."

History has taught us that genocide is all too real. We take every threat, and every sign, and every fear of it very seriously. If the Holocaust is to have any value for of us who come after, I believe it must take the form of a fundamental commitment to the position expressed in words "Never again." Never again for any human beings where.

I unconditionally support the right of all oppressed people self-determination. And, like many progressive Jews throughout the world — including many progressive Jews I am not a Zionist. What I mean by that is that I do believe that the state of Israel is the solution to anti-Semitism. And I do not believe that the oppression of Jewish people can be used to justify the oppression of other people. Quite the contrary.

I strongly object to those professional politicians (usually, they are in the majority) who make the anti-Semitic assumption that all Jews are Zionists and "court" Jewish vote accordingly. And I object equally to the confusion of anti-Zionism with anti-Semitism; the failure to distinguish between them not only makes it impossible to conduct principled and democratic dialogue on an issue that is of great and death importance to many millions of people — it is up protecting the real anti-Semites. And that is a crime.

I deplore the rise of anti-Semitism in this country. I am deeply concerned about the role played by American Zionist official Jewish leadership in fostering anti-Sem-

and our wealth is not. According to these leaders, if you are not anti Palestinian then you are an anti Semite. And if you are not anti Farrakhan than you are, by their definition, an anti Semite. The many millions of people, including most people of color, who support the right of the Palestinian people to self determination are — rightly, in my opinion — suspicious of such labeling. The millions of African Americans who respect Minister Farrakhan's willingness to speak out against racism are likewise suspicious — again rightly, in my opinion — when they are accused of being anti Semites for supporting an independent Black leader who uncompromisingly supports the Black community

## DRUGS

Of the many issues that are of profound concern to ordinary Americans, it is the epidemic of drug abuse that, more than any other, the professional politicians have chosen to deal with by substituting official hypocrisy for social policy.

To put it bluntly, we cannot have a government which says "yes" to poverty, unemployment, homelessness, racism, and homophobia and expect people to listen when some Very Important Person tells them to "just say no."

We cannot have ghettos and reservations where most of the adults have no jobs and expect youth not to participate in drug dealing (and other "sub-economy" activities).

But the hypocrisy doesn't end there.

*The cops sell drugs.* Throughout the country corrupt police officers traffic drugs — and recruit youth in poor communities to do their drug running dirty work for them. A case in point is New York City, where Adam Abdul-Hakeem (formerly known as Larry Davis) and Ricardo Burgos, young African American men, became the targets of a murderous police vendetta after they made charges in public that a drug ring was being operated out of the 34th Precinct in Manhattan and the 44th Precinct in the Bronx.

Another case in point is Robeson County in North Carolina. It is common knowledge in the Black and Indian communities there that local law enforcement officials are implicated in the drug smuggling that has made the county a major

from South America into the cities of the northeast. In 1988 Billy McKellar, a Black man who died — according to the police — of "asthmatic cardiac arrest" while being held in the Robeson County jail, is thought to have been killed because he knew too much about the drug dealing operation headquartered in the sheriff's office.

The hypocrisy goes further, and the corruption reaches higher.

More than two years ago 27,000 U.S. troops invaded Panama and arrested General Manuel Noriega, formerly one of Washington's closest allies. It has since been disclosed that Noriega had earned the praise of the U.S. Drug Enforcement Administration for his cooperation over the years in drug busts. He had also earned the gratitude of the U.S. government for his help in spying on Cuba and in aiding Nicaragua's contra exiles. Noriega claims to have received \$10 million from the CIA for his trouble (our government says it gave him "only" \$320,000).

The Bush administration's 1993 budget calls for a 65% increase in "drug war" spending. The lion's share of the \$13.7 billion proposal is devoted, as always, to law enforcement activities. An additional \$411 million is being allocated for 140 new Drug Enforcement Administration (DEA) agents, 66 new FBI agents, 200 new Border Patrol officers and 134 prosecutors.

Meanwhile, the Defense Intelligence Agency revealed that there has been no appreciable decline in cocaine production, despite a near-quadrupling of spending for U.S. anti-drug efforts in Latin America. In Panama, whose army our government generously rebuilt after the invasion, the drug trade is flourishing.

In Peru, Bolivia and Colombia, President Bush's so-called Andean Initiative has committed \$2.2 billion to the "war effort" over a five-year period and is enlisting those countries' military forces in the campaign. But our government seems more concerned with waging a war against leftist insurgents in Latin America than against drugs. In fact, our "drug war" money is actually spent on fighting guerrillas; "counter-narcotics" is another name for propping up anti-democratic military dictatorships south of the border.

The vast majority of people who use drugs do so because getting high is the best thing they know. That drug use is very

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undenable. The only solution that I know of is transforming the social conditions that make drugs desirable.

Until those conditions are changed, I call for the decriminalization of all drugs. There is no evidence whatsoever that classifying drug use as a crime is in any way a deterrent to its use or to drug dealing. In fact, decriminalization would — by making drug dealing far less lucrative — remove the economic incentive for dealers and greatly reduce the incidence of violent crime which is the most serious social side effect of the drug problem. Decriminalization would free up the billions of dollars currently wasted on ineffective, drug-related law enforcement, that money — our money — needs to be spent in socially constructive ways.

Likewise, our government must immediately stop spending billions of U.S. taxpayers' dollars on a phony "drug war" whose real activity is murdering, torturing and imprisoning leftists. That money — our money — should be spent on enhancing the lives of our people, and not on destroying our sisters and brothers to the South who are fighting to liberate their people.



## LABOR

America once boasted one of the strongest and most militant labor movements in the world. The trade union movement played a major role in forcing the outlawing of child labor, establishing a minimum wage, and winning social security benefits, unemployment insurance and welfare. For decades the power of the trade unions was such that the Democratic Party could not field a major candidate and hope to win without labor's support. Today the labor movement is in a shambles: only a little over 15% of the American workforce remains organized, down from labor's peak of 30% during the 1950s. Those unions which remain have been forced to agree to numerous "givebacks,"

There are many reasons for labor's decline: the permanent depression that has been dragging down the economy for over 15 years, changes in the American economy which have shifted capital from industrial (unionized) production to trading in money (non-productive and non-union) and the concerted union-busting efforts of the Reagan administrations (starting with the PATCO strike in 1981).

Today the Democratic Party can field such an anti-labor candidate as Bill Clinton without losing a wink of sleep or knowing that there's not much labor can do to stop his nation. Governor Clinton has publicly stated that he respects Arkansas' right-to-work law "should be retained." Pamphlets and ads put out by the state's Industrial Development Commission bragged that "Wages in Arkansas continue to be competitive. Arkansas ranks among the five lowest states in the nation on average hourly earnings of manufacturing workers. Arkansas' average is just under 80% of the national average."

In 1990 the Southern Labor Institute reported that Arkansas, after eight years of Clinton in the state house, had the lowest median income for a family of four of any state in the nation. Its youth unemployment rate of 23.1% was only exceeded by Mississippi. Arkansas ranked 35th in state worker productivity, 45th in quality of life, 47th in workplace conditions, and 48th in overall earnings and income.

I believe that labor's future — if it is to have one — lies in its willingness to break with the Democratic Party and participate in building an independent, radical alternative to the bipartisan political monopoly.

I stand for people instead of profits:

- The Taft-Hartley Act, which denies the labor union one of its most potent economic weapons, the secondary boycott, must be abolished.
- All so-called right-to-work laws, which outlaw the union shop, must be overturned. The term "right-to-work" is much a lie as the "pro-life" label used by those who deny women control of our own bodies. Far from ensuring the "right to work," these laws — by barring the closed shop (in which everyone in the organized workplace is required to join the union) — give the employer the right to break the union by hiring non-union workers and brokering independent contractors.

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six states with the rest of the country and more than 600,000 people in working conditions — South Carolina, South Dakota, Alabama, Arkansas, Louisiana, and Mississippi — are all right to work states. The abolition of right to work laws would go far to end runaway shops within the United States.

- Legislation must be passed requiring all companies with government contracts to have union contracts which meet nationally set levels of wages and benefits coherent with other union negotiated levels in the industry

- The right to organize and the other protections guaranteed by the Wagner Labor Relations Act must be extended to agricultural workers

- The use of court injunctions to limit or ban striking workers from picketing employers must be stopped. The picket line is labor's most basic weapon (and a basic form of free assembly guaranteed by the U.S. Constitution) and its use should not be unconstitutionally limited by the courts.

- So-called "Buy American" campaigns deal with runaway shops and the international trade deficit on big business' anti-labor terms. I support open borders which allow workers from all nations to migrate freely to where they can get the best price for their labor power. This opening of the borders to working people must be accompanied by a law requiring all U.S. based corporations that wish to open a factory abroad (or foreign companies that wish to open a plant in the United States) to employ unionized workers. When a U.S. corporation decides to move to Mexico or Haiti, for example, it must agree to negotiate a union contract with the appropriate Mexican or Haitian union. U.S. unions and foreign unions would work together to set wages and working conditions internationally with the goal of raising them around the world, thus eliminating the current situation which pits desperately impoverished workers in other countries against American workers.

- Minimum wages must be raised substantially; they should be equal to entry level wages set by standard union contracts in every industry

- The National Labor Relations Board should be disbanded. It has become a major fetter on the labor movement, tying workers' disputes up in court hearings for years, sapping the money and energy of unions in legal haggling which almost never results in pro-labor decisions. Disputes between labor

and management on the other, not by a quasi-court whose judges are all political appointees.

- Unemployment insurance must be extended indefinitely so that laid-off workers do not face the loss of their homes and other basic necessities. Social Security benefits must not only be secured, but increased so that those who have worked hard all their lives are guaranteed a secure retirement. Aid to Dependent Children (welfare) must be increased to allow a decent standard of living for all of America's people. "Workfare," which forces welfare recipients to work at sub union and sub minimum wages, should be outlawed. It is a union busting tactic which pits the poorest people against unionized workers. Instead, welfare should be available even to those with jobs if such help is needed to pay the rent and put food on the table.

- A job at a union wage must be guaranteed to all Americans. A massive public works project must be launched to build homes for the homeless and rebuild the nation's infrastructure. All such work must be covered by union contracts — with union wages and benefits.

In order to accomplish these and other pro union reforms, the labor movement must — first and foremost — establish its political independence. As long as it remains hog tied to the Democratic Party, it will have no leverage, no clout, no way to influence legislation, the choice of candidates or the national agenda.

To achieve this independence, the labor movement must begin to concern itself with more than the very narrow range of economic and political issues allowed by its 50-year abusive marriage to the Democratic Party. Unions need to become involved with more than the immediate needs of their ever shrinking membership. Massive organizing drives must be launched in every industry (for example, most mining has been shifted from the Appalachian Mountains, where the United Mine Workers has its base, to the Rocky Mountains, where the mines are virtually unorganized), as well as in industries as yet untouched by the union movement. American unions need to begin to function as the "international brotherhoods" (and sisterhoods) they were originally intended to be, working closely with unions in other nations to set international standards for wages and benefits. Per-

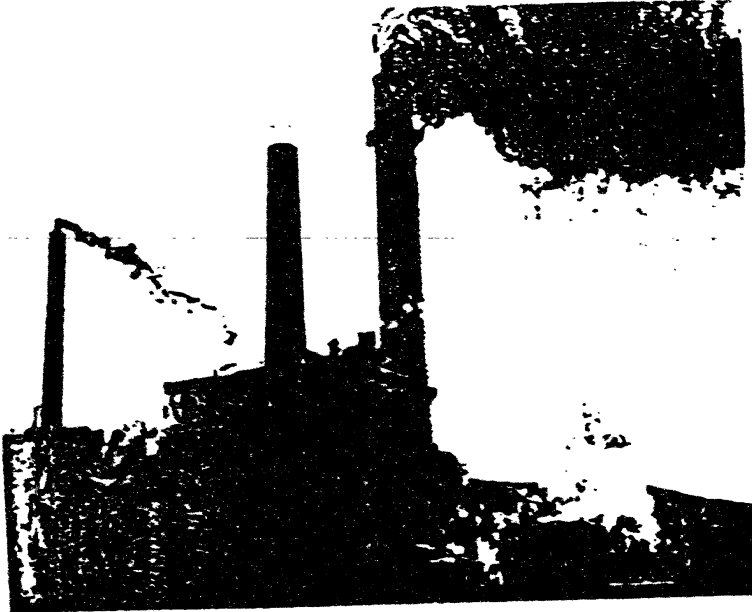
THE STORY OF LENORA B. FULANI, INDEPENDENT CANDIDATE FOR PRESIDENT OF THE UNITED STATES

(as it did in its early days) fight for all poor and working people — whether union or not, employed or not.

## THE ENVIRONMENT

Our planet is becoming increasingly inhospitable to human beings and other living things. The professional politicians of the major parties, who depend on corporate PAC money, won't enact legislation that would force the big time polluters to clean up their filth, it isn't profitable for them to do so.

This is why, although everyone on earth is profoundly affected by the rape of the environment, poor people of color bear the brunt of such abuse. The impoverished nations of the Southern Hemisphere, Native American lands and the inner cities of America have become dumping grounds for the toxic waste produced in the industrial North. The polluters and the politicians offer poor people a dirty deal: a handful of jobs created by building disposal sites in return for the destruction of their air and water. Such blackmail gives profiteers a divide-and-conquer advantage by pitting poor people desperate for employment and progressive-minded middle



A recent *Wall Street Journal* article reported that Americans are willing to spend more for products that believe will not damage the environment. But this sentiment is manipulated by the Madison Avenue mind: corporate America, who palm off "nuclear free" light, "environmentally safe" socks, politically correct shirts and thousands of other commodities at exorbitant prices; while wholesale pollution goes on unabated.

Poll after poll shows that the vast majority of Americans believe that the quality of our environment should be a national priority. Yet the destruction of the ozone layer, the rain forest, the continued and unnecessary use of chemicals in all kinds of products from "wipe-out" to remover, the unabated growth of solid waste, and the illegal use of the countries in the South as dumping grounds for the more developed countries of the North — are policies that the makers of public policy don't agree.

In the past 10 years there have been no major environmental victories in the Democratic Party-controlled U.S. Congress. The Clean Air Act, which was enacted in the 1970s, has been rendered virtually null and void by the failure of government. During my presidential campaign four years ago I took part in a presidential forum sponsored by Northeast People (People Organized to Win Environmental Rights) in New Hampshire. The simple fact is that Americans want full employment and safe working conditions; American people want clean air and water and a guarantee that our environment is not being turned into a carcinogen wasteland," I said in my statement. "My campaign got the leverage to impact on public policy, because the parties and candidates can see that, if they are not responsive to the demands of America's working people, we have somewhere to go in '88 and beyond." The 400 environmentalists at the forum gave me the highest approval rating of the 1988 presidential candidates who attended.

In 1991 Dr. Rafael Mendez, a leader of the New Alliance Party in New York City, focused his independent campaign for City Council against a medical waste incinerator that was put up with the approval of the borough president and an incumbent councilman, both of whom received campaign contributions from the construction company involved. Mendez, who has worked side by side with me for more than a decade to build the independent political movement,

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which when it is completed will burn 48 tons of medical waste, including "red bag" waste, every day — in the polling booth. The borough president was forced to recant his position in support of the incinerator. And 34% of the voters in this bastion of Democratic Party machine run politics took the opportunity to say NO to political corruption by voting independent on election day.

More democracy is the only way to turn back the toxic tide.

## THE ARTS AND CENSORSHIP



For over a decade the United States government has increasingly withheld funding for the arts from community based, ethnically diverse cultural institutions, and channeled more and more of its dollars into large, more established, white-controlled and generally conservative arts institutions. A similar funding pattern is evident among corporate arts sponsors. Now even these institutions are coming under pressure to conform to the values of the far right, raising serious questions

about the survival of artistic freedom in the United States.

For the first time since the National Endowment for the Arts was created over 25 years ago, restrictive language was added to the appropriations bill for fiscal year 1990. The

using money from the NEA for "obscene or indecent materials, including but not limited to depictions of sado-masochism, homoeroticism, the exploitation of children or individuals engaged in sex acts, and which, when taken as a whole, do not have serious literary, artistic, political or scientific value."

In addition to defining what art is clean enough to be funded, the Helms amendment imposed a five year cutoff in federal funds to two arts groups because they had hosted shows by gay photographer Robert Mapplethorpe — who died of AIDS — and Latino artist Andre Serrano. Helms told the Senate that this punishment would "prevent such blasphemous or immoral behavior by other institutions or artists."

When Helms and dozens of his ultra-conservative cohorts in Congress objected to Witness: *Against Our Vanishing*, the Mapplethorpe show about AIDS, New York Republican Senator Alfonse D'Amato called it "garbage" that was "shocking, abhorrent and completely undeserving." But it should be remembered that the Helms amendment was passed with the collusion of his Democratic colleagues in Congress.

I support and will continue to fight for the reauthorization of the National Endowment for the Arts. I oppose all censorship legislation or attempts to interfere with the NEA's peer review process. I advocate for protection under federal law for artists of color, gay artists, and those with controversial views from harassment by elected officials and law enforcement officers seeking to promote their own political agendas.

Freedom of expression is a right guaranteed under the U.S. Constitution. Therefore, I believe the federal government must be prevented from enacting legislation which gives politicians the right to determine what art is legitimate and what is not, who can produce art and who cannot, and what art is allowed to be exhibited or performed and what is not. I condemn all attacks on the arts community (including Holly Hughes and the rap artists 2 Live Crew) and demand that the courts and local elected officials respect these constitutional rights.

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# GUN CONTROL AND CRIME

The debate over gun control is one of the most charged policy issues in America today. There is a very strong temptation to want to restrict access to weapons as a way to curb the rising number of homicides, armed robberies and other forms of violent crime. But a very serious question remains as to how effective this approach would be.

The presence of handguns in poor communities is tied to the sub-economy — based largely on drugs and prostitution — which provides the means of survival for many people. Where there are no jobs, no opportunities and no avenues for upward mobility, drug dealing and related activities become the mainstay. Within this context guns are a way of life — not just for drug dealers, but for members of the community who want weapons to protect themselves against the violent crime that accompanies the sub-economy. Imposing further handgun restrictions in these situations will not work because most people don't want to relinquish the protection they and their families feel they need. In effect, what will happen is that gun control will simply criminalize a survival activity of a significant portion of the poor community. Drug dealers already operate outside the law, so any notion that gun control legislation will impact on them is totally illusory. While these conditions do not impact on middle class communities, they are a potent fact of life for the poor. The constitutional right to bear arms was initially framed to allow citizens to protect themselves when the state was unable to. This situation still holds for many in the poor Black and Latino community.

Another concern is the rise of police violence against young people — particularly young people of color. Yet none of the dialogue on gun control relates to controlling the guns of the police. (In England the police are not allowed to carry guns and they do at least as effective a job of "combatting crime" as U.S. cops — without the body count.) I support a full-scale program for community control of the police, including elected precinct level boards to which the police are directly accountable. Until there is such community control, no gun control policy can be seriously considered.

Certainly the issue of crime in Black and other poor communities is very serious. Black on Black crime is the single largest source of violence in the African American community. Black youth are killing each other at a terrifying rate. But banning guns is no solution to that violence, lawful or not. Those who want guns will find a way to get them. It is only with a revitalized economy — and the exercise of power and responsibility that comes with democracy — that we can begin to stem the violence within our communities.

# ANIMAL RIGHTS

In a society that puts profits before people, it is no wonder that the rights of animals are routinely violated.

Every year millions of animals are slaughtered in the interests of making profits for the fur industry. Millions more are tortured in experiments conducted by the "research and development" departments of the major cosmetics firms for the purpose of testing new products. And many, many more are killed so that students can dissect a frog "for themselves."

- I oppose killing animals to make fur clothing.
- I oppose the mutilation of animals for the purpose of testing cosmetics and other luxury products.
- I oppose performing redundant experiments on animals for "educational" purposes.

Medical research on animals in the search for cures to diseases that strike and kill human beings has sometimes yielded valuable discoveries — but often it is unnecessarily cruel and not productive.

I trust the ability of the American people to judge when and under what circumstances experiments on animals for medical and pharmaceutical research should be conducted far more than I trust the corporate profiteers (and their counterparts among the profit-minded administrators of our major universities). Questions of life and death, whether they pertain to animals or to human beings, should be decided democratically and not by a handful of executives or "deans."

*These policy statements were prepared with the assistance of John Fraire, Mary Fridley, Dan Friedman, Phyllis Goldberg, Michael Klein, Freda Rosen, Jacqueline Salit and Frank Solomon.*

WHEN DEMOCRACY IS ON THE JOB, AMERICA WORKS





FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20461

VIA FACSIMILE AND FIRST CLASS MAIL

June 9, 1995

Arthur R. Block, Esq.  
72 Spring Street, Suite 1201  
New York, NY 10012

RE: Subpoena to Lenora B. Fulani  
for President Committee (LRA  
#451)

Dear Mr. Block:

The Office of General Counsel has reviewed the May 23, 1995 response of the Lenora B. Fulani for President Committee ("the Committee") to the Commission's March 6, 1995 subpoena. The Committee's submission is not responsive to the Commission subpoena. Therefore, this Office is prepared to file suit to enforce the subpoena for production of documents issued to the Committee. As we discussed in our telephone conversations, this Office agrees to an on-site inspection by Commission staff (auditors, attorneys, support staff) of the subpoenaed documents at the Committee's offices as an alternative to filing suit.

We agree to an on-site inspection if: (1) all subpoenaed records are produced for inspection; (2) the records are made available at a suitable location with sufficient space for at least five individuals to review the records; (3) a photocopy machine with supplies and adequate furniture (desks, tables, chairs) are made available; (4) the space and equipment are made available for at least a week; and (5) the Committee supplies its records in an organized fashion and supplies a person to answer questions and direct Commission staff to records.

We will inform you of the exact dates of the inspection at a later date. However, you are on notice that the inspection could commence as soon as June 19, 1995, and therefore the records must be ready by that time.

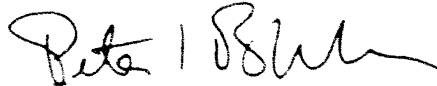
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Letter to Arthur R. Block  
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You must inform this Office by the close of business (5:30 p.m.) on Monday, June 12, 1995, whether the Committee agrees to these conditions. Unless the Committee agrees to these conditions by that time, the Commission will file suit to enforce the subpoena.

If you have any questions, please contact me at (202)219-3690 or (800)424-9530.

Sincerely,



Peter G. Blumberg  
Attorney

# ARTHUR BLOCK

ATTORNEY AT LAW

72 Spring Street, Suite 1201, New York, NY 10012 (212) 966-0404

June 12, 1995

**BY FACSIMILE AND FCM**

Peter Blumberg, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: Subpoena to Lenora B. Fulani for President Committee (LRA #451)

Dear Mr. Blumberg:

I am writing in response to your letter dated June 9, 1995, regarding the subpoena issued by the FEC to the Lenora B. Fulani for President Committee on March 6, 1995. Your letter was received in my office by facsimile at 5:00 p.m., after I had left the office, and demanded a response on or before the end of the next business day.<sup>1</sup>

In our discussions, I said that if the Commission chose to submit a proposal, among the elements of the proposal that I would be looking for would be (a) whether it was a proposal that would put final closure on this subpoena if accepted; (b) whether it limited the scope of inspection to documents that are required by federal election law to be maintained by the Committee; and (c) whether it specified which items in the subpoena it acknowledges to have been resolved by the Fulani Declaration and attachments thereto which the Committee previously submitted to your office.

Unfortunately, your letter addresses none of the points that were specifically noted to you as being of concern to me in evaluating a Commission proposal. This, along with the imposition of an unreasonable deadline for a response, which you were informed in advance would be disruptive if not impossible to meet because of other commitments, raises the question of whether this letter is tendered in an effort to work out a compromise settlement, or whether it is merely an effort by the Commission to put something unacceptable to the Committee on the record before it files suit.

The above notwithstanding, my client has authorized me to provide the following substantive response to the Commission's proposal. The Fulani Committee would be prepared to

<sup>1</sup> Your letter includes that phrase that "this Office agrees to an on-site inspection . . ." My understanding of this phrase is the your Office has agreed to submit a proposal for an on-site inspection. As you know, our discussions aimed at reaching a settlement of this subpoena controversy contained no agreements, nor, up until your recent letter, any binding proposals.

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Peter Blumberg, Esq.  
June 12, 1995  
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attempt to reach agreement on the details of a procedure for an on-site review of Committee records provided that it was agreed in advance that any final agreement would include the following:

1. The Fulani Committee does not release or waive any of its legal claims and objections with respect to the subpoena, to the audit inquiry, or to any other action taken by the Commission;
2. The settlement agreement, when implemented, would be a full and complete settlement of the disputed subpoena;
3. The scope of the records that would be produced in New York City for inspection would be records in the Committee's possession that are designated by federal election law regulations to be maintained by the Committee;
4. The agreement would make clear which of the items set forth in the subpoena have been satisfied through the Fulani Declaration and its attachments, and which items in the subpoena are withdrawn as being beyond the scope of the records that the Committee agrees to produce.<sup>2</sup>

There also are logistical details raised by your proposed conditions that would have to be worked out, but it would be premature to address them before the Commission has agreed to the four points set forth above

Very truly yours,

Arthur R. Block

ARB/bp

cc. Lenora B. Fulani, Ph.D.  
Francine Miller, Esq.

<sup>2</sup> If the Committee has in its possession any documents that are not required to be maintained by federal law, and which are within the scope of an open subpoena item, then the Committee would not rule out any possibility of producing them voluntarily. Your office would have to specify what possible documents would fall into this category, and the Committee would decide whether the production of any such documents in New York City for inspection is acceptable to it.

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LAWRENCE M. NOBLE (LN 6074)  
General Counsel

RICHARD B. BADER (RB 7968)  
Associate General Counsel

STEPHEN E. HERSHKOWITZ (SH 7652)  
Assistant General Counsel

ROBERT W. BONHAM, III (RB 3995)  
Senior Attorney

FOR THE PETITIONER  
FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463  
(202) 219-3690

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

FEDERAL ELECTION COMMISSION,  
999 E Street, N.W.,  
Washington, D.C. 20463  
(202) 219-3690,

Petitioner,

v.

LENORA B. FULANI FOR PRESIDENT,  
(Francine Miller, Treasurer)  
200 West 72nd Street, Suite 30  
New York, NY 10023,

Respondent.

Misc. No.

Petition For An Order To  
Show Cause, And To Enforce  
Subpoena And Order

FEDERAL ELECTION COMMISSION'S PETITION FOR AN  
ORDER TO SHOW CAUSE WHY ITS ADMINISTRATIVE SUBPOENA AND ORDER  
ISSUED TO RESPONDENT SHOULD NOT BE ENFORCED,  
AND TO ENFORCE THAT ADMINISTRATIVE SUBPOENA AND ORDER

Petitioner, the Federal Election Commission (the "Commission"  
or "FEC"), hereby petitions this Court to enforce an  
administrative subpoena and order previously issued by the  
Commission to respondent Lenora B. Fulani for President ("Fulani

Committee"), and represents the following:

1. This is a petition for enforcement of an administrative subpoena issued by the Commission pursuant to 2 U.S.C. § 437d(a)(3).

2. Jurisdiction is conferred upon this Court by 2 U.S.C. § 437d(b) and 28 U.S.C. § 1345.

3. Petitioner is the agency of the United States government empowered with exclusive primary jurisdiction to administer, interpret, and enforce the Federal Election Campaign Act of 1971, as amended (the "Act"), 2 U.S.C. §§ 431-455, and the Presidential Primary Matching Payment Account Act (the "Matching Payment Act"), 26 U.S.C. §§ 9031-9042. Once a candidate's eligibility is established, he or she is entitled to receive payments from the Matching Payment Act, see 26 U.S.C. § 9037, to match individual contributions up to \$250, subject to an overall ceiling of 50% of the expenditure limitation contained in 2 U.S.C. § 441a(b)(1)(A). See 26 U.S.C. §§ 9034(a) and (b).

4. After the election, the Commission is required to conduct a "thorough audit and examination" of the finances of each candidate that received public funds. If the Commission finds that any amount of federal matching funds paid to a candidate was used for any purpose other than qualified campaign expenses, the candidate is required to repay that amount to the United States Treasury. 26 U.S.C. § 9038(b)(2); 11 C.F.R. § 9038.2(b)(2)(iii).

5. The Commission also is "authorized . . . to conduct examinations and audits (in addition to the examinations and

audits required by section 9038(a)) [and] to conduct investigations . . . which it determines to be necessary to carry out its responsibilities under this chapter."

26 U.S.C. § 9039(b). In this regard, the Commission is specifically empowered to require by subpoena the production of documentary evidence relating to its investigations, and to require answers to questions. 2 U.S.C. §§ 437d(a)(1) and (3). In addition, the Commission is expressly authorized to petition the United States district courts to obtain judicial enforcement of such Commission subpoenas. 2 U.S.C. §437d(b).

6. Dr. Lenora B. Fulani was a candidate for President of the United States in 1992, seeking the nomination of the Democratic Party, the New Alliance Party and several other parties.

7. Respondent Lenora B. Fulani for President was the authorized principal campaign committee for Dr. Fulani's 1992 presidential primary campaign.

8. During 1992, Dr. Fulani and the Fulani Committee requested and received \$2,013,323.42 in public funds under the Matching Payment Act for Dr. Fulani's 1992 primary campaign. As a condition for receipt of those public funds, Dr. Fulani agreed, inter alia, that she would "obtain and furnish to the Commission any evidence it may request of qualified campaign expenses." 26 U.S.C. § 9033; 11 C.F.R. § 9033.1(b).

See FEC Exhibit 1 at 1-2.

9. Lenora Fulani's eligibility for matching funds ended on August 20, 1992, the last day of the last national convention

held by a major party. See 11 C.F.R. §§ 9033.5(c) and 9032.6(b). After the election, the Commission began its examination of the Fulani Committee's receipts, disbursements and qualified campaign expenses pursuant to 26 U.S.C. § 9038(a). The Commission requested (FEC Exhibit 2), and the Fulani Committee made available to the Commission's auditors, certain documents. Based on its review of the Fulani Committee's books and records, the Commission, on September 30, 1993, approved an Interim Audit Report on the Fulani Committee which contained a preliminary calculation of the campaign's repayment obligation. Thereafter, on April 21, 1994, the Commission approved a Final Audit Report on the Fulani Committee, which contained the Commission's Initial Repayment Determination. Based upon the Commission's previous review of the Fulani Committee's books and records, the Commission made an initial determination that the Fulani Committee must repay \$1,394 to the United States Treasury for non-qualified campaign expenses associated with lost money orders.

10. Prior to making a final repayment determination pursuant to 11 C.F.R. § 9038.2(c)(4), the Commission received additional information from outside sources suggesting that the Fulani Committee's books and records were inaccurate or possibly had even been falsified. If so, that would affect the amount of the Fulani Committee's repayment obligation. On July 26, 1994, the Commission, by the affirmative vote of at least four of its members, initiated an investigation pursuant to 26 U.S.C. § 9039(b) and 11 C.F.R. § 9039.3. FEC Exhibit 3. The purpose of



this inquiry is to determine whether Lenora B. Fulani for President "owes an additional repayment to the United States Treasury based on its spending federal matching funds on non-qualified campaign expenses and receiving funds in excess of its entitlement." FEC Exhibit 4 at 7.

11. On March 6, 1995, the Commission authorized the issuance of a subpoena for documents and order to submit written answers to Lenora B. Fulani for President in connection with the Commission's inquiry of the Fulani campaign under the Matching Payment Act. FEC Exhibit 5. That subpoena and order sought documents and information regarding transactions by the Committee with particular vendors utilized by the campaign. FEC Exhibit 6.<sup>1/</sup>

12. The original copy of the Commission's subpoena and order issued to the Fulani Committee was sent to respondent by certified mail, FEC Exhibit 7, and was received on March 28, 1995. See FEC Exhibit 8.

13. On April 5, 1995, respondent filed a Motion to Quash the Commission's subpoena on various grounds pursuant to 11 C.F.R. § 111.15. FEC Exhibit 9. On May 4, 1995, the Commission, by the affirmative vote of at least four of its members, denied respondent's Motion to Quash. FEC Exhibit 10. On the same date, the Commission also authorized the filing of

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<sup>1/</sup> Similar subpoenas previously had been issued to some of the vendors. Those subpoenas recently were enforced by this Court. FEC v. Automated Business Services, et al., Misc. No. M8-85 (S.D.N.Y. May. 30, 1995) (copy attached as FEC Exhibit 14), appeal filed, No. 95-6115 (2d Cir. June 1, 1995).

this action to enforce the subpoena if the respondent failed to comply with the subpoena and order in full within ten (10) days of notification of the Commission's decision. Id. By letter dated May 12, 1995, the Commission notified counsel for the respondent of the Commission's denial of respondent's motion to quash and of the Commission's authorization to file this petition if the respondent failed to comply with the subpoena and order. FEC Exhibit 11. A copy of the notification letter also was sent to counsel for respondent by facsimile on May 12, 1995.

14. On May 23, 1995, the Commission received an affidavit submitted by Dr. Fulani on behalf of respondent. FEC Exhibit 12. The affidavit and accompanying documents were reviewed by the Commission's staff, who found them insufficient to constitute full compliance with the subpoena and order. FEC Exhibit 13.

15. As of the date of the filing of this petition, respondent Lenora B. Fulani for President has failed to comply fully with the Commission's March 6, 1995 subpoena and order.

16. The petitioner Commission has satisfied all of the jurisdictional prerequisites to the filing of this petition.

17. No prior applications have been made for the relief sought herein.

WHEREFORE, the Federal Election Commission prays:

(a) That this Court issue forthwith the attached order directing respondent Lenora B. Fulani for President to show cause, if there be any, in writing within fifteen (15) days from the date of this Order why an order should not be issued directing respondent to comply with petitioner's March 6, 1995

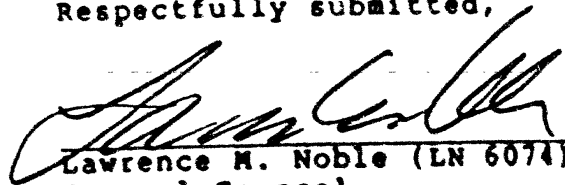
subpoena and order;


(b) That, after such opportunity to show cause, an order be issued directing respondent Lenora B. Fulani for President to produce the documents and written answers requested in the Commission's March 6, 1995 subpoena and order, no later than five (5) days after the issuance of such order;

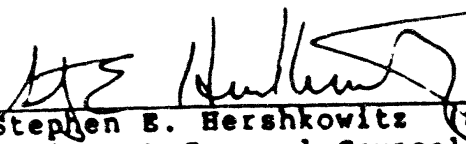
(c) That the Federal Election Commission be awarded its costs in this action; and

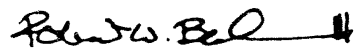
(d) That the Federal Election Commission be granted such further relief as may be necessary and appropriate.

Respectfully submitted,

  
Lawrence M. Noble (LN 6074)  
General Counsel

  
Richard B. Bader (RB 7968)  
Associate General Counsel

  
Stephen E. Hershkowitz (SH 7652)  
Assistant General Counsel

  
Robert W. Bonham, III (RB 3995)  
Senior Attorney

June 13, 1995

FOR THE PETITIONER  
FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463  
(202) 219-3690

# ARTHUR BLOCK

ATTORNEY AT LAW

77 Spring Street, Suite 1201, New York, NY 10012 (212) 966-0404

June 23, 1995

## BY FACSIMILE AND FCM

Peter Blumberg, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: Subpoena to Lenora B. Fulani for President Committee (LRA #451)

Dear Mr. Blumberg:

I am writing in furtherance of our correspondence and discussions aimed at resolving amicably the disputed subpoena to my client, Lenora B. Fulani for President Committee.

In my letter to you of June 12, 1995, the Committee offered, without prejudice, to produce for the Commission's review all of the documents in its possession that are required to be maintained by federal election laws and regulations, while not ruling out the possibility of producing other documents in its possession, if any, responsive to the subpoena. In your June 15th letter, you indicated that it was an overriding concern of the Commission not to be limited to records required to be kept by federal law.

In order to be responsive to your concerns, the Committee has reviewed the materials it has in storage and it does not appear that the Committee would have any objection to producing all of the materials responsive to the subpoena that are in its possession, provided that this is done pursuant to an agreement that fully resolves the subpoena. In anticipation of an amicable resolution of this matter, my client has been in the process of trying to locate space and facilities to accommodate the FEC staff in New York City for the document production and review.

If you wish to proceed in this manner expeditiously, it is important that you coordinate with your colleagues in litigation so they work out an agreement with me today regarding the pending court proceeding. As you know, my client does not waive any of its legal objections to the underlying investigation or to the subpoena, and if we have to prepare

ATTACHMENT

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of

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**ARTHUR  
BLOCK**  
ATTORNEYS AT LAW

Peter Blumberg, Esq.  
June 23, 1995  
Page 2

opposition papers for filing with the Court on Tuesday then there is every reason for the Committee to proceed to obtain a ruling from the Court.

Very truly yours,

*Arthur R. Block*  
Arthur R. Block

ARB/bp

cc: Lenora B. Fulani, Ph.D.  
Francine Miller, Esq.

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Page 2 of 2 53

**ARTHUR  
BLOCK**

ATTORNEY AT LAW

72 Spring Street, Suite 1201, New York, NY 10012 (212) 966-0404

May 24, 1995

**BY FACSIMILE AND FCM**

Lawrence M. Noble  
General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, DC 20463

Re. Subpoena to Francine Miller, Esq. (LRA #451)

Dear Mr. Noble:

I am in receipt of a facsimile transmission of your letter of today's date, notifying me that yesterday the Commission voted to deny the motion to quash subpoena of my client, Francine Miller, Esq.

Your letter does not state any grounds for the decision, even though the motion to quash set forth in detail the grounds for the motion. Among other grounds, my client asserted her rights under the Fifth Amendment of the Constitution. The motion brought to the Commission's attention precedent from the United States District Court for the Southern District of New York holding that a subpoena will not be enforced by the Court after the witness has stated her intention to invoke the Fifth Amendment privilege.

In rendering a decision denying the motion in its entirety, one would expect the Commission, a federal agency sitting as an appeal body under its own regulations, to issue a decision to a moving party that provides the legal basis for its ruling, especially when extremely serious constitutional issues are raised. Instead, the Commission has chosen to give written notice on Wednesday that it expect my client and myself to appear in Washington, D.C. on Thursday morning, or else the Commission will institute a court proceeding for which, based on the law as I see it, there is absolutely no legal basis.

My client filed a timely motion to quash the subpoena, without any request for an extension of time. Until today, the practice of the Commission in this audit inquiry upon denying a motion to quash has been to give the witness 10 days written notice of a date for compliance, after which judicial enforcement proceedings might be commenced. Furthermore, the Commission did not inform us in advance as to the date that it would give notice of a decision on the motion. In the last motion I brought before the Commission, on behalf of the Fulani

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Lawrence M. Noble  
May 24, 1995  
Page 2

Committee, the motion was filed on April 4, 1995, a decision was rendered on May 4, 1995, and notice of the decision was sent out eight days later.

Neither my client nor I is available to attend a deposition in Washington, D.C. tomorrow. On or before Friday, May 26, 1995, I will inform you whether or not my client has anything further to communicate to the Commission with regard to today's notice and demand. If the Commission has found any legal authority to support its commencement of a judicial proceeding in the Southern District of New York against my client to enforce its administrative subpoena after my client has stated her intention to assert her Fifth Amendment privilege, I suggest that you bring it to my attention immediately so that it can be reviewed and considered in my consultation with my client.

Very truly yours,

Arthur R. Block

ARB/bp  
cc: Francine Miller, Esq.

213000012

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2

LAW OFFICE OF  
**HARRY KRESKY**

250 WEST 57TH STREET, SUITE 2015 NEW YORK, NY 10107  
TELEPHONE 212-581-1516 FAX 212-581-1352

May 24, 1995

BY FAX AND REGULAR MAIL

Peter G. Blumberg, Esq.  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: Subpoena to Fred Newman (LRA #451)

Dear Mr. Blumberg:

As you requested in our telephone conversation of today, I am writing to advise you that, for the reasons set forth in the motion to quash dated May 4, 1995, Dr. Newman will not be appearing for deposition on May 26, 1995.

Sincerely yours,

  
Harry Kresky

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Page 1 of 1



LAW OFFICE OF  
**HARRY KRESKY**

250 WEST 57TH STREET, SUITE 2015 NEW YORK, NY 10107  
TELEPHONE 212-581-1516 FAX 212-581-1352

May 4, 1995

BY FAX AND OVERNIGHT DELIVERY

General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: Subpoena issued to Dr. Fred Newman, Fred Newman Productions,  
Inc. and Newman & Braun on or about April 24, 1995

Dear Sir or Madam:

This office has been retained by the above recipients of a subpoena issued by the Federal Election Commission (hereinafter the "Commission") on or about April 24, 1995 and deemed served, by agreement with its Office of General Counsel, on April 28, 1995. The recipients' designation of counsel is enclosed. Please accept this letter as recipients' motion to quash pursuant to 11 CFR § 111.15.

Each element of the subpoena, the "Request for Production of Documents" and the subpoena to "appear for deposition" will be addressed separately, followed by a point dealing with issues applicable to both.

I. THE "REQUEST FOR PRODUCTION OF DOCUMENTS" SHOULD BE QUASHED

The basic principles governing the validity of administrative subpoenas are: (1) that the investigation for which subpoena enforcement is sought is for a legitimate purpose; (2) that the specific inquiries are relevant to that purpose; (3) that the agency does not already have the material in question; and (4) that the proper administrative procedures have been followed. SEC v. Wall Street Transcript Corp., 422 F.2d 1371 (2d Cir. 1970)

Moreover, in United States v. Powell, 379 U.S. 48, 58 (1964), the Supreme Court stated:

... Nor does our reading of the statutes mean that under no circumstances may the court inquire into the underlying reasons for the examination. It is the court's process which is invoked to enforce the administrative summons and the court may not permit its process to be abused. Such an abuse would take place if the summons had been issued for an improper purpose, such as to harass the

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LABORERS OF  
HARRY KRESKY

General Counsel  
May 4, 1995  
page 2

taxpayer or to put pressure on him to settle a collateral dispute, or for any other purpose reflecting on the good faith of the particular investigation.

None of these criteria has been met by this branch of the subpoena served on respondents.

First, the Commission is already in possession of the documents sought. On or about January 25, 1995 recipients Fred Newman Productions, Inc. and Newman & Braun, pursuant to a previous subpoena, furnished the Commission with all documents in their possession covered by items 1 through 6. Dr. Newman has advised me that he has none of the listed documents in his personal possession.<sup>1</sup>

Moreover, even were there additional documents, certain of them such as correspondence, phone logs, appointment books, memoranda, letters, phone logs and diaries would disclose the identity of persons politically associated with the Lenora B. Fulani for President Committee (hereinafter the "Committee") and the candidate. Thus, they can only be required upon an even greater showing of relevance and need. Federal Election Com'n v. LaRouche Campaign, 817 F.2d 233, 234-35 (2d Cir. 1987).

However, the documents sought are not relevant to the purported subject of the investigation, an alleged (but totally unsubstantiated) embezzlement scheme supposedly orchestrated by Dr. Fred Newman, on which the inquiry is based. That is, the documents sought by the subpoena will uncover not the alleged scheme, but detailed information concerning a set of political associations which are entitled to constitutional protection. The Commission

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<sup>1</sup>The action of the Commission in serving a second subpoena on recipients' Fred Newman Productions, Inc. and Newman and Braun is particularly egregious since the validity of the original subpoenas is presently the subject of litigation, an enforcement proceeding brought by the Commission, before Hon. David N. Edelstein of the United States District Court for the Southern District of New York. Respect for the Court's role in reviewing the validity of administrative subpoenas surely mandates awaiting the results of that review before issuing further subpoenas to the parties involved, particularly a subpoena which calls for production of a subset of the same documents. The fact that the second subpoena is narrower in scope does not relieve the Commission of its duty to forebear pending the outcome of that litigation. However, it calls into question the good faith of the Commission in seeking enforcement of the far broader subpoenas originally issued. This is further grounds for these recipients' motion to quash.

LETTERS OF  
HARRY KRESKY

General Counsel  
May 4, 1995  
page 3

invokes this fictitious scheme because after a full and complete audit of all of the Committee's books and records and perusal of more than 3,500 pages of documents voluntarily supplied by two of the recipients and others, it has turned up no evidence of any irregularities other than one instance of alleged undercharging by respondent International Peoples Law Institution. Nonetheless, the Commission attempts to use the bare allegation of a scheme to justify an ever-expanding and increasingly redundant search of the Committee's and the recipients' records.

For the reasons set forth in point III below, the other criteria of either heightened or regular scrutiny cannot be met with regard to either branch of the subpoena in question.

II. THE SUBPOENA TO TESTIFY IS UNENFORCEABLE

In addition to the arguments set forth in point III below, that branch of the subpoena which directs Dr. Fred Newman to appear for deposition on May 26, 1995 is unenforceable under the Fifth Amendment of the United States Constitution and, therefore, must be quashed. The Commission's justification for the opening of the investigation giving rise to this subpoena is set forth in its document, "Legal and Factual Basis for Inquiry", undated, transmitted under cover letter dated August 25, 1994 (hereinafter "Basis for Inquiry"). The Basis for Inquiry revolves around an (unsubstantiated) allegation of a criminal conspiracy to embezzle funds from the Committee. The Commission states:

In general, it is alleged that the candidate's campaign manager, Fred Newman, used a network of vendors and other entities he controlled, as well as individuals, to funnel Committee funds, including federal matching funds, to himself.<sup>2</sup>

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<sup>2</sup>The Legal and factual Basis for Inquiry" document also alleges (again, without any evidentiary support):

Nearly one-quarter of the Committee's total primary budget allegedly was paid to organizations that share offices, phones, and leadership with the NAP (New Alliance Party) which is led by Fred Newman. However, it is alleged that these organizations exist only on paper. Although these businesses were paid nearly \$1 million by the Committee, they allegedly delivered no goods or services to the campaign.

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General Counsel  
May 4, 1995  
page 4

Therefore, Dr. Newman has a constitutional right to refuse to answer questions at the scheduled deposition, based upon the privilege against self-incrimination of the Fifth Amendment of the United States Constitution. He hereby invokes said constitutional privilege. As a result, there is no legal basis for the Commission to conduct the deposition, and the subpoena must be quashed.

Procedurally, the invocation of the privilege can be fully and effectively realized at the present moment. The United States District Court for the Southern District of New York (the jurisdiction in which the Commission would have to bring an enforcement proceeding) has held that it will not enforce a subpoena if the witness states an intention to invoke the Fifth Amendment privilege. The question of enforcement is rendered moot. United States v. Badalamenti, 614 F. Supp. 194, 201-02 (S.D.N.Y. 1985).

It is respectfully submitted that the Fifth Amendment privilege is a clear and dispositive ground for quashing this branch of the subpoena.

### III. NEITHER BRANCH OF THE SUBPOENA IS ENFORCEABLE

A. The investigation in question is not for a legitimate purpose and is being conducted in bad faith. The Commission is well aware of the peculiar history of this investigation and the arguments previously made by recipients Fred Newman Productions, Inc. and Newman & Braun in the motion to quash the earlier subpoena

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It is alleged that the Committee expenditure reports submitted to the Commission were fabricated for the purpose of disguising Newman's embezzlement scheme.

\* \* \*

Newman allegedly took money from the Committee also through the use of bogus salaries and reimbursements.

\* \* \*

Moreover, Committee volunteers were reported as having received money and reimbursements they now claim they did not actually receive.

THE OFFICE OF  
HARRY KRESKY

General Counsel  
May 4, 1995  
page 5

and in the enforcement proceeding currently pending before Judge Edelstein. To summarize:

1. It is politically motivated and has the effect of disclosing and the intent of disrupting a set of constitutionally protected political associations.

2. The investigation is a fishing expedition launched in the hope of finding some evidence to establish the existence of the alleged scheme which, after an extensive audit and review of more than 3,500 pages of documents submitted by certain politically associated vendors of goods and services to the Committee, remains completely unsubstantiated.

For reasons similar to those set forth in footnote 1 above, the Commission should not have proceeded against any of the recipients of the instant proceeding including Dr. Newman, the principal of the two recipients whose subpoenas are sub judice, until that review is completed.

B. Proper procedures have not been followed inasmuch as the investigation is being conducted as an "audit inquiry" in order to avoid the legal constraints of the enforcement process and because the Commission attempted to dissociate itself from the wild and outlandish allegations in the complaint of Kellie Gasink (MUR 3938, now being held in abeyance) while implicitly accepting the substance of her charge, the unsubstantiated embezzlement scheme.

C. The subpoena in question cannot survive heightened scrutiny as compliance must of necessity disclose protected political associational rights, improperly impinges on said rights and risks a chilling of unencumbered associational choices.

D. The issuance of the subpoena contradicts the Commission's own asserted policies and standards for prioritizing investigation and enforcement activities. The Commission has set forth and has widely publicized self-imposed standards for prioritizing the use of its scarce auditing, investigatory and law enforcement resources. The instant subpoena, as well as the Committee Subpoena and the numerous subpoenas and judicial enforcement proceedings directed at parties that did business with the Fulani Committee, demonstrate that the Commission is pouring substantial resources into the investigation of unsupported charges. Assuming arguendo that there is any colorable basis for suspicion of improper conduct by the Committee, or of a government claim for further repayment of some matching funds, the priority that the Commission has given to this matter is completely out of line with its own asserted

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General Counsel  
May 4, 1995  
page 6

standards.<sup>3</sup>

Given the Commission's own professed policies, the issuance of this subpoena is arbitrary, capricious, and an abuse of discretion.

E. The Commission is unconstitutionally constituted. The dramatically different treatment that the Commission has given to the Clinton Committee and the Fulani Committee is a product of the unconstitutional structure of the Commission itself. De facto, the Commission is a bipartisan agency, rather than a nonpartisan agency. Throughout its history, it has always had three members affiliated with the Democratic Party and three members affiliated with the Republican Party.

This composition must be read together with other provisions of the federal election laws which require that any

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<sup>3</sup>One measure of the lack of proportionality in the Commission's allocation of resources to this unusual investigation is the difference between the Commission's actions vis-a-vis the Fulani Committee and the Clinton for President Committee.

The Commission's audit staff prepared an audit report on the Clinton Committee which recommended a repayment determination of \$3.8 million. The Clinton Committee's ratio of recommended repayment to total matching funds received was 435 times greater than the Fulani Committee's. The recommended repayment determination for the Clinton Committee was more than \$1 million greater than the entire matching funds grant received by the Fulani Committee.

The Commission, however, decided (via a voting deadlock) not to seek repayment to the Treasury from Clinton of \$2.9 million of the repayment recommendation. Nor did the Commission reopen the audit or open any special audit inquiry to determine whether upon closer scrutiny additional violations could be found in the conduct of a candidate committee that appeared to be the most egregious violator of the laws and regulations applicable to presidential candidates in the history of the matching funds program.

By contrast, with respect to the Fulani Committee, the Commission made an eleventh hour decision not to adopt the recommended final audit report, and to open an unprecedented special investigation of the Fulani campaign. The basis for these actions were unsupported allegations of inappropriate transactions by the Fulani Committee, repeated in a weekly newspaper.

HARRY KRESKY

General Counsel  
May 4, 1995  
page 7

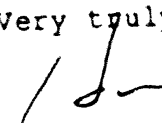
significant action by the Commission be supported by the vote of no fewer than four Commissioners. This combination of a bipartisan balance and a four vote minimum clearly was intended by Congress to give each of these parties a veto power over any possible action of the Commission that might detrimentally affect important interests of that party. It is precisely this combination of elements that blocked any action against the Clinton Committee.

This bipartisan structure is only one of the mechanisms Congress inserted into the federal election laws to try to maintain partisan political control and/or monitoring over this ostensibly independent agency. Two others have already been declared by the courts to be unconstitutional -- the placing of voting members on the Commission by the Congress; and the placing of non-voting members on the Commission. This remaining unconstitutional vestige of partisan political control awaits a remedy. Assuming arguendo that it can be constitutional to have institutionalized bipartisan control over independent regulatory agencies with jurisdiction over commerce, it cannot be permissible in an agency that has discretionary powers in the regulation of the election process itself.

The barrage of subpoenas that the bipartisan Commission issued against persons who associated with the independent candidate who has qualified for more federal matching funds than any other independent or minor party candidate in United States history, embodies precisely the dangers of the unconstitutional structure of the Commission.

For all of the above reasons, the subpoena as a whole should be quashed as well as each part thereof.

Very truly yours,

  
Harry Kresky

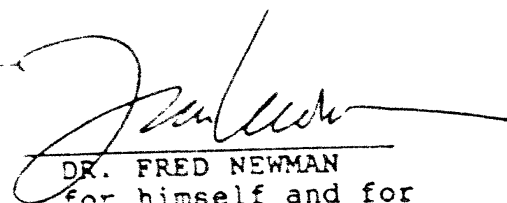
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MAY 11 1995

DESIGNATION OF COUNSEL

DR. FRED NEWMAN, FRED NEWMAN PRODUCTIONS, INC. and NEWMAN & BRAUN hereby appoint Harry Kresky, as counsel to represent them in all matters pertaining to a subpoena issued by the Federal Election Commission on or about April 24, 1995.

Dated: New York, NY  
May 2, 1995



DR. FRED NEWMAN  
for himself and for  
Fred Newman Productions, Inc.  
and Newman & Braun

56  
8 8





FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20541

VIA FACSIMILE AND FIRST CLASS MAIL

June 15, 1995

Harry Kresky, Esq.  
250 West 57th St., Suite 2015  
New York, NY 10107

RE: Subpoena to Fred Newman  
(LRA #451)

Dear Mr. Kresky:

This is to confirm our telephone conversation of June 12, 1995. On behalf of your client, Fred Newman, you agreed that he would sign an affidavit invoking the 5th amendment claim against self-incrimination with respect to specific questions to be prepared by this Office and attached to, and referenced in, the affidavit.

This Office is currently preparing the affidavit. If you have any questions, please contact me at (202)219-3690 or (800)424-9530.

Sincerely,

Peter G. Blumberg  
Attorney

Haas

Definition:

Campaign means campaign committee, campaign representative (of any sort), or Candidate.

1. There are no financial institutions into which I deposited funds from the campaign, because I was never paid by the campaign. I worked as a volunteer from 1/1/91-1/1/93 and was never paid by the campaign. One time, in the course of my doing canvassing work, I was reimbursed \$20 when I turned in receipts from gas bills, parking stubs, and toll fares as expenses of my driving canvassers to our work sites. I also wrote a memo requesting such reimbursement. For most of the campaign, I worked from 5:30 p.m. - 11:00 p.m., six days a week but I was not paid. I was a full time social worker from 9:00-5:00 p.m. throughout this entire time.
2. None of my tax returns or financial statements show income from the campaign, because I did not receive any money from the campaign.
3. I did not have any line of credit from which I made charges on behalf of the committee. I was a volunteer fundraiser and I was not involved with buying stuff for the campaign, I was only involved with raising money for the campaign. The materials used for fundraising were provided at the national campaign office. There was also a copy machine in the national campaign office. I might have been sent to Kinko's a few times with a campaign check already made out to Kinko's or some such.
4. The schedules made in relation to my work for the committee remained at the campaign national headquarters when I left.
5. I am enclosing some documents and will send more documents that I have that relate to the campaign.
6. I wrote but have not located the one memo I wrote requesting a \$20 reimbursement. I will send that as soon as I can find it. (I received that reimbursement in cash.)
7. Although the campaign coordinators made specific requests of me, I do not have any written documentation from the campaign. The campaign coordinator asked me to work full time for the campaign as a paid canvasser. I refused to do this. This was not in writing. I was then asked to assist in running the national telemarketing operation. I agreed to do this. This was not in writing. I worked with Shelley Karliner and Bob Levy for most of 1991 and 1992 in running the telemarketing operation. Every week I prepared telemarketing reports which listed the amount of money in pledges that every telemarketer raised and the amount of money that the campaign had received that week from that telemarketer's pledges. All sorts of statistics were kept on the telemarketers: How many hours they worked, pledges per hour, \$ of money received to amount

pledged, etc.. These reports were prepared and kept in the national campaign office. Although the campaign kept alot of paperwork covering every aspect of the fundraising work, I did not keep these reports. However, I may have one or a few of the telemarketing reports. I will send that as soon as I locate it. I also maintained a large book of every newspaper article covering the campaign and that remained at the national headquarters when I left.

8. I made no formal agreements with the campaign.

9. I have no pay stubs from the campaign. I was never paid by the campaign.

I also contributed \$250 to the campaign.

Kellie Stark

B

March 1991

PAYROLL	AMOUNT	DATE	CONTRIBUTION TO CAMPAIGN
Sandy Friedman	905.34*	3/5-3/28	172.50 before 4/91
Joyce Dattner	1052.12*	3/15-3/28	
Julie Kinnett	957.68*	3/15-3/28	
Cathy Salit	500.94*	3/21-3/28	
Nancy Hanks	859.53*	3/15-3/28	
Linda Curtis	600.00*	3/23-3/28	
Bob Dattner	350.00*	3/28	

MISC.

Elyse Mendel	618.63*	3/5-3/21	Fundraising
Kathy Feiss	270.00*	3/15	Travel
Fran Miller	170.00*	3/15-3/21	Travel
Joe Spirito	370.00*	3/15-3/21	Travel
Judy Penzer	401.5*	3/21	Reimb.

B

APRIL-JUNE 1991

PAYROLL	AMOUNT	DATE CONTRIBUTION TO CAMPAIGN
Emily Carter*	250.08	6/20-27
Robert Clay	1636.96	4/4-6/7
Linda Curtis*	1336.92	4/4-6/13
Joyce Dattner*	4146.05	4/4-6/27
Sharon Egighian*	250.62	6/2-6/27
Sandy Friedman*	3259.91	4/4-6/27 6/24=210=382.5
Nancy Hanks*	2880.38	4/4-6/27
Lou Hinman*	1752.35	4/4-5/22
Julie Kinett*	4023.35	4/4-6/27
Bob Levy*	923.04	6/7-6/27
Lisa Linnen*	219.90	6/27
Mary Rivera*	1763.04	5/16-7/27
Cathy Salit*	3256.11	4/4-6/27
Lois Traunstein*	1244.73	5/2-6/27/91

REIMB.

Dan Belmont	1000.00	5/23/91
Cathy Feiss*	514.00	4/22-6/27
Chris Helm*	605.80	5/18-6/20
Harriett Hoffman*	672.44	5/30-6/28 5/15=250
Elyse Mendel*	806.31	4/18-6/27
Fran Miller*	252.79	4/18-5/9
Judy Penzer*	1204.56	4/17-6/20
Nancy Ross*	388.00	5/22-5/31
Joe Spirito*	572.81	4/18-6/27
Joann Sullivan*	331.44	5/10-6/13

MISC

Ed Costa*	300.00	4/4 inputting
Bob Dattner	200.00	5/2 driving
Melissa Fisher	559.75	4/25-5/23 fundraising

JULY-SEPT. 1991

PAYROLL	AMOUNT	DATE	CONTRIBUTIONS TO CAMPAIGN
Jeff Aron	802.66*	9/13-9/21	
Jeff Bergman	832.29*	9/13-9/21	
Jini Berman	2468.22*	7/19-9/27	
Ina Bransome	854.40*	9/13-9/27	
Cynthia Carpathios	695.30*	9/13-9/27	
Emily Carter	627.70*	7/4-9/20	
Robert Clay	503.68	7/4-7/25	
Joyce Dattner	3795.08*	7/4-9/27	7/25, 8/14, 8/28=280=410
Bob Dattner	822.09*	9/13-9/27	
Sharon Eghigian	1958.34*	7/4-9/27	
Kathy Fiess	1383.23*	8/8-9/27	
Sandy Friedman	4052.73*	7/4-9/27	7/10, 7/18, 9/11=510=892
Marge Golden	854.40*	9/13-9/27	8/15, 9/20=110=215
Ann Green	508.62*	9/13-9/27	
Nancy Hanks	3432.11*	7/4-9/27	
Darryl Heller	817.80	9/13-9/27	
Chris Henry	807.14*	9/13-9/27	
Lois Hinman	751.25*	9/13-9/27	
Julie Kinnett	3586.97*	7/4-9/27	8/8=355
Bob Levy	1153.80*	7/4-8/1	
Lisa Linnen	2903.43*	7/5-9/27	
Jessica Marta	874.05*	9/13-9/27	
Elyse Mendel	3128.28*	7/11-9/27	
Fran Miller	500.58*	8/5-9/27	9/16=250
Doug Miranda	401.40*	9/20-9/27	
Rebecca Nesbit	817.62*	9/13-9/27	
J.B. Opdycke	787.51*	9/13-9/27	
Marsha Plafkin	817.80*	9/13-9/27	
Brenda Ratliff	832.29*	9/13-9/27	
Mary Rivera	2642.15*	7/12-9/27	
Lauren Ross	1085.35*	8/8-9/27	
Alice Rydel	544.84*	9/20-9/27	
Cathy Salit	3256.11*	7/4-9/27	
Rachell Sanel	346.56	9/13-9/27	
Rebecca Sprunger	914.34*	9/13-9/27	
Cathy Stewart	817.62*	9/13-9/27	
Luvenia Suber	912.42*	9/13-9/27	
Lois Traunstein	2282.73*	7/4-9/27	
Pat Wagner	2956.61	7/25-9/27	
Pat Wictor	787.51*	9/13-9/27	
Baylah Wolfe	832.29*	9/13-9/27	
Jan Wooten	742.28*	8/2-9/27	

REIMBURSED-PAID	AMOUNT	DATE	CONTRIBUTIONS TO CAMPAIGN
Rachel Massad	618.75*	8/9-9/20	
John Peeler	479.55	7/5-8/16	
Judy Penzer	1204.54*	8/23-9/20	
Kitty Reese	551.11	7/11-9/16	
James Ross	579.14	7/5	

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REIMB.	AMOUNT	DATE	CONTRIBUTIONS TO CAMPAIGN
Joe Spirito	923.74*	7/10-9/27	
Jeff Williamson	420.53*	8/8-9/16	
Kathy Beckham	306.04*	7/12-7/31	
Dan Belmont	497.18	8/8-8/16	7/3, 8/7, 8/28=125=280
April Butcher	591.59*	9/11-9/26	
Cesar Cadabes	212.00	9/26	
Linda Curtis	166.00*	9/30	
Richard Eagle	319.34	9/19	
Pam Hafer	282.23	8/2	
Jeannine Hahn	493.09*	9/11-9/25	
Chris Helm	512.92*	8/12-9/26	
Vera Hill	379.50*	9/10-9/27	
Jim Mangia	1513.96*	9/13-9/26	

MISCELL-PAID	AMOUNT	DATE	CONTRIBUTIONS TO CAMPAIGN
Doug Balder	550.00*	9/13-9/20	carpentry
Sandra Coleman	1055.10	8/16-9/27	fundraising 10=240
Chris Street	214.50	9/13	clerical 9/11=119=369

MAY 1992

5 week=1500  
1375

PAYROLL	AMOUNT	DATE	CONTRIBUTION
Jeff Aron*	1594.35	5/1-5/29	
Doug Balder*	1788.30	5/1-5/29	
Sarah Bayer*	1092.41	5/1-5/29	
Dan Belmont*	2101.60	5/1-5/29	
David Belmont*	1450.03	5/1-5/29	
Jeff Bergman*	1269.00	5/1-5/29	
Jini Berman*	1834.64	5/1-5/29	
Ina Bransome*	1369.21	5/1-5/29	5/29=50=450
Cynthia Carpath*	1351.20	5/1-5/29	
Linda Curtis*	1542.36	5/1-5/29	1422.85
Joyce Dattner*	1444.80	5/1-5/29	5/29=25=900 465 11/91
Bob Dattner*	1311.44	5/1-5/29	
Christina DiChi*	275.87	5/29/92	
Carolyn Donnola*	1675.19	5/1-5/29	5/5=40=414
Howard Edlebaum*	1269.25	5/1-5/29	
Sharon Eghigian*	1254.76	5/1-5/29	
Gail Elberg*	1054.00	5/8-5/29	
Sandy Friedman*	1442.74	5/1-5/29	
Marge Golden*	1471.22	5/1-5/29	5/29=50=531
Darryl Heller	1211.75	5/1-5/29	
Chris Henry*	1215.60	5/1-5/29	
Lou Hinman*	1269.25	5/1-5/29	
Harriet Hoffman*	1707.50	5/1-5/29	
Donna Kaset*	1020.80	5/1-5/29	
Julie Kinnet*	1530.75	5/1-5/29	
Emilie Knoerzer*	1269.25	5/1-5/29	
Lavara Lacy	363.52	5/8-5/22	
Lisa Linnen*	1269.25	5/1-5/29	
Reinaldo Lugo*	1103.48	5/1-5/29	
Sarah Lyons	1012.73	5/1-5/29	
Jessica Marta*	1379.35	5/1-5/29	
Elyse Mendel*	1811.89	5/1-5/29	
Fran Miller*	1382.25	5/1-5/29	
Rebecca Nesbit*	1246.85	5/1-5/29	
John Opdycke	1146.37	5/1-5/29	
Beth Peeler*	581.62	5/1-5/29	
Marsha Plafkin*	1382.28	5/1-5/29	5/29=10=582
Brenda Ratliff*	1339.05	5/1-5/29	
Mary Rivera*	1416.24	5/1-5/29	
Richard Ronner*	1327.22	5/1-5/29	
Lauren Ross*	1460.55	5/1-5/29	
Alice Rydel*	1485.00	5/1-5/29	5/29=25=689
Cathy Salit*	2769.75	5/1-5/29	
Cathy Salit*	800.00	5/1-5/29	Campaign Coor. expense
Willie Scott	1509.00	5/1-5/29	
Joe Spirito*	1694.66	5/1-5/29	
Rebecca Sprunger*	1498.81	5/1-5/29	
Cathy Stewart*	1498.81	5/1-5/29	
Luvenia Suber*	1632.85	5/1-5/29	

ATTACHMENT

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Joanne Sullivan*	1539.10	5/1-5/29	\$200 candidate
Kim Svoboda*	1820.98	5/1-5/29	551.73 campaign manager
Lois Traunstein*	1051.83	5/1-5/29	
Pat Wagner	1369.73	5/1-5/29	5/5=2.5=377.50
Janet Weigel*	1216.64	5/8-5/29	
Pat Wictor*	1279.99	5/1-5/29	
Jan Wooten*	1245.85	5/1-5/29	

#### FUNDRAISERS

Deadre Albaugh	1188.33	5/1-5/29	
Mary Barton	612.00	5/1-5/22	
April Butcher*	1420.03	5/8-5/29	
Sandra Coleman	572.83	5/1-5/29	
Michelle Collins*	200.00	5/1/92	
Sue Davies*	400.00	5/1-5/29	
Lisa Edwards*	945.88	5/1-5/29	
Jill Klowden	360.00	5/29/92	
Chuck Knapp*	200.00	5/1/92	
Magdalena Lopez	134.00	5/1/92	
Arno Lowi	400.00	5/8-5/29	
J. Mangia*	700.00	5/1-5/7	
Walter Medina	350.00	5/1-5/7	
Mamie Moore*	804.23	5/1-5/29	
Marcus Muller	246.15	5/29/92	
Betsy Pendry*	457.57	5/8-5/29	
Kitty Reese	618.00	5/1-5/7	
Carolyn Sackett	1145.15	5/1-5/29	5/8, 5/18=330
Margaret Tanzosh*	500.00	5/1-5/29	5/18=20=365
Gen Torres	700.00	5/5-5/7	
William Wagner	324.00	5/29/92	
Gayle Weintraub*	400.00	5/7-5/29	
Mary Weldon	457.00	5/1-5/7	
Jeff Williamson*	500.00	5/1-5/29	
Sheryl Williams*	400.00	5/8-5/29	

#### PETITIONING

Darwin Carter	692.60	5/1-5/29
Mark Clay	375.60	5/15-5/29
Ron Coleman	297.60	5/15-5/29
Randal Cummings	204.70	5/1/92
Rogenia Davis	215.00	5/18/92
James Elam	405.90	5/22-5/29
Raymond Haines	210.00	5/29
Tammy Hayward	400.00	5/1-5/22
Jimmy Johnson	210.00	5/22-5/29
Kity Kincaid	7501.40	5/1-5/27
Frank Cordoba	750.00	5/1/92
Wade Langly	1166.90	5/1-5/29
Cynthia Lombardi	250.00	5/29/92
Kenny Martin	210.00	5/22-5/29
David Miller	105.00	5/22/92

Catherine Nardo	120.60	5/22/92
Eddy Perry	82.80	5/19/92
Audrena Redman	482.40	5/15-5/29
John Robertson	3357.68	5/1-5/29
Ronald Sistrunk	598.80	5/22-5/29
John Tinney	250.00	5/15/92
Raymond Tirado	1559.80	5/8-5/29
Angus Trimnel	1500.00	5/1-5/29
Claudia Watts	626.80	5/1-5/29
Mat Wernet	518.80	5/1-5/29

MISC.

Jackie Allen	261.30	5/22/92	Clerical
Larry Blake	264.89	5/29/92	Clerical
Art Block*	4562.07	5/6-5/20	Legal
Cesar Cadabes	300.00	5/15/92	Driver
Lura Calvert	200.00	5/7/92	Reimb.
Emily Carter*	216.00	5/1-5/7	Reimb.
Steve DiLorenzo	70.00	5/19/92	Moving
Wilton Duckworth	197.28	5/19/92	Reimb.
Cathy Feiss*	799.73	5/7-5/18	Reimb.
David Foster	225.00	5/7/93	Reimb.
Vera Hill*	480.00	5/8-5/29	Travel
Molly Hollings	1837.17	5/1-5/22	Reimb.
Jim Horton*	252.87	5/8-5/14	Reimb.
Don Hulbert	405.57	5/2/92	Clerical
James Kaplan	271.40	5/7/92	Reimb.
David Levine	440.00	5/1/92	Reimb. rent
Heather Martin	19.31	5/22/92	Reimb.
Jessica Massad*	376.81	5/2-5/20	Reimb.
Rachel Massad*	538.00	5/15/92	Reimb.
Susan Massad*	592.56	5/19/92	Reimb.
Ellen Rausch	80.00	5/26	Clerical
Olga Simon	800.00	5/18/92	Legal Research
Gary Sinawski*	1638.21	5/1-5/8	Legal
Eunice Stronger*	624.02	5/19/92	Reimb.
Linnea Tillet*	255.87	5/1/92	Reimb.
Sherry Wormser	100.00	5/8/92	MD Operationa

B

JUNE 1992

4 weeks =1200  
1100

PAYROLL	AMOUNT	DATE	CONTRIBUTION TO CAMPAIGN
Jeff Aron*	1318.05	6/5-6/26	
Dadre Albaugh	1078.23	6/5-6/26	
Doug Balder*	1657.52	6/5-6/26	
Dan Belmont	1528.85	6/5-6/26	
David Belmont*	2207.86	6/5-6/26	
Jeff Bergman*	1070.26	6/5-6/26	
Jini Berman*	979.32	6/5-6/26	
Ina Bransome*	1131.24	6/5-6/26	
Cynthia Carpath*	1117.36	6/5-6/26	
Linda Curtis*	1167.17	6/5-6/26	
Joyce Dattner*	1155.84	6/5-6/26	
Bob Dattner*	1161.44	6/5-6/26	
Chris Dichiar*	1103.48	6/5-6/26	
Caroline Donnola*	1227.69	6/5-6/26	
Howard Edelbaum*	1015.40	6/5-6/26	
Lisa Edwards*	1003.84	6/5-6/26	
Sharon Eghician*	1120.68	6/5-6/26	
Gail Elberg*	267.20	6/5/92	
Jessie Fields*	42.22	6/15/92	
Sandy Friedman*	1223.55	6/5-6/26	
Marge Golden*	1215.78	6/5-6/26	
Darryl Heller	969.40	6/5-6/26	
Lou Hinman*	1015.40	6/5-6/26	
Harriet Hoffman*	1441.84	6/5-6/26	
Donna Kaset*	816.64	6/5-6/26	
Julie Kinnett*	1161.24	6/5-6/26	
Emilie Knoerzer*	1015.40	6/5-6/26	
Lavera Lacy	78.00	6/2/92	
Bob Levy*	936.68	6/5-6/26	
Lisa Linnen*	1015.40	6/5-6/26	
Sarah Lyons	851.61	6/5-6/26	
Jessica Marta*	1103.48	6/5-6/26	
Fran Miller*	1015.40	6/5-6/26	
Rebecca Nesbit*	1120.68	6/5-6/19	
John Updycke	1163.22	6/5-6/26	
Marsha Plafkin*	1117.36	6/5-6/26	
Mary Rivera*	1018.60	6/5-6/26	
Richard Ronner*	1120.68	6/5-6/26	
Lauren Ross*	1201.44	6/5-6/26	
Alice Rydel*	1120.68	6/5-6/26	
Cathy Salit*	2611.30	6/5-6/26	
Willie Scott	1207.20	6/5-6/26	
Joe Spirito*	1781.14	6/5-6/26	
Rebecca Sprunger*	1232.20	6/5-6/26	
Cathy Stewart*	2029.43	6/5-6/26	
Luvenia Suber*	1341.83	6/5-6/26	
JoAnne Sullivan*	1103.48	6/5-6/26	
Kim Svoboda*	1353.55	6/5-6/26	
Lois Traunstein*	1140.97	6/5-6/26	

ATTACHMENT

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Pat Wagner	1154.40	6/5-6/26
William Wagner	1046.33	6/5-6/26
Janet Weigel*	1349.14	6/5-6/26
Pat Wictor*	1055.89	6/5-6/26

FUNDRAISING

Leslie Abraham	466.09	6/10-6/26
Mitch Abrams	111.20	6/4-6/12
Sarah Bayer	478.49	6/12-6/26
Emanuel Blake	1070.26	6/5-6/26
Sherry Campbell	556.95	6/12-6/26
Ron Coleman	78.40	6/5/92
Sandra Coleman	440.00	6/5-6/26
Michael Collins	269.42	6/12-6/26
Sean Condon	291.20	6/4-6/17
Cinnamon Creadon	338.10	6/12-6/26
Derek Fleming	494.49	6/10-6/26
Clarity Haynes	58.38	6/17-6/26
Gay Johnson	51.77	6/8/92
Nicole Jordon	882.53	6/5-6/26
Jill Klowdon	751.00	6/5-6/26
Arno Lowy	200.00	6/12-6/19
Marcus Muller	373.03	6/5-6/12
Samuel Osokue	322.40	6/5-6/12
Betsy Pendry*	400.00	6/5-6/26
Carter Poole	835.59	6/5-6/26
Brenda Ratliff*	1120.68	6/5-6/26
Laura Richardson	622.89	6/4-6/25
Larena Ryan	692.47	6/19-6/26
Carolyn Sackett	877.70	6/5-6/26
Tamara Shostack	320.00	6/17-6/26
Ramone Smith	532.80	6/5-6/26
Margaret Tanzosh*	420.71	6/5-6/26
Lorena Valencia	252.40	6/17-6/24
Janet Webb	654.24	6/10-6/25
Gayle Weintraub*	400.00	6/5-6/26
Jeff Williamson*	400.00	6/5-6/26
Sheryl Williams*	400.00	6/5-6/26

PETITIONING

Charles Adinolfi	328.02	6/17/26
Jackie Allen	618.60	6/5-6/19
Juana Arger	330.60	6/19-6/26
Mary Barton	1156.70	6/5-6/26
Cassandra Bass	576.40	6/5-6/26
Darwin Carter	568.00	6/5-6/26
Milred Clark	208.20	6/5-6/19
Mark Clay	194.00	6/5
James Elam	424.80	6/5-6/26
Paul Frazier	752.10	6/5-6/19
Raymond Haines	58.38	6/5/92

58  
23

Tammie Hayward	450.00	6/5-6/26
Jimmie Jenkins	470.00	6/5-6/26
Wade Langley	528.80	6/5-6/26
Leslie Leasure	321.15	6/12-6/26
Cynthia Lombardi	925.67	6/4-6/26
Tracy Maebame	274.00	6/19-6/26
Kenny Martin	448.00	6/5-6/26
Catherine Nardo	157.50	6/5-6/19
Paul Ninnihan	775.20	6/5-6/26
Bethany Peeler*	231.65	6/5-6/19
Carl Pray	641.00	6/5-6/26
Audrena Redmond	861.00	6/5-6/26
John Robertson	615.67	6/5
Ronald Sistrunk	344.45	6/5-6/19
Wendy Theodore	310.27	6/19-6/26
James Towson	268.40	6/5-6/12
Angus Trimmell	1200.00	6/5-6/26
Claudia Watts	352.90	6/5-6/26
Matt Wernet	236.40	6/19-6/26

#### REIMBURSEMENTS

Helen Abel	2500.00	6/4-6/18	S.F. Allowance
Jeff Abraham	466.09	6/10-6/26	
Naomi Azulay*	152.95	6/10-6/18	
Diana Barbaro	128.17	6/18	
Art Block*	2089.00	6/1-6/10	legal
April Butcher*	840.00	6/5-6/19	travel
Cesar Cadabes	250.00	6/1/92	
Candace Calver	177.50	6/4-6/18	Ct Oper
Lura Calvert	200.00	6/9/92	truck Rental
Jamie Dansingburg	230.00	6/3	travel
Greg Darneeter	577.00	6/3	
Melissa Fisher*	76.21	6/18	
Vera Hill*	480.00	6/5-6/26	
Molly Honigfeld*	956.38	6/4-6/18	
Jim Horton	148.00	6/18/92	
Warren Liebesman*	200.00	6/11/92	
Heather Martin	778.58	6/11-6/18	
Elyse Mendel	1270.23	6/5-6/26	
Mamie Moore	452.23	6/5-6/26	
James Ross	783.68	6/9-6/15	
Barbara Sands	66.71	6/9/92	
Olga Simon	313.18	6/9/92	
Eunice Stronger*	101.37	6/11/92	
Elaine Taylor	1000.00	6/2/92	
Sheerry Wormser	60.00	6/18/92	

IWP approximate rolls 1994 (Total: ~~174~~) [5/15/94]

Blk Males  
Allan Cox cc ✓  
David Cherry  
Doug Miranda  
Darryl Heller

cc = 57 central committee.  
174 members

Blk Females  
Lenora Fulani cc ✓  
Strickland, Glome cc  
Barbara Taylor cc  
Lorraine Stevens cc  
Jamela Stevens ✓  
Jesse Fields cc  
Brenda Ratcliff ✓  
Michelle McCleary ✓ (5)  
Lisa Linnen ✓  
Theckla Farrel ✓  
Emmy Gay cc ✓  
Luvenia Suber cc ✓  
Emily Carter cc ✓  
Tara Lewis ✓  
Linda Young cc  
Alvaader Frazier cc ✓  
Joann Sullivan  
Pam Lewis ✓  
Mamie Moore  
Gaye Johnson\*  
Cindy Little ✓

(74) variable  
otherwise

Latino Males  
John Fraire cc  
Rafael Mendez cc  
Walter Medina

Latino Females  
Mary Riverace  
Gen Torres cc  
Josephine Torres  
Shelly Karliner cc ✓

Castillo Cultural Center  
Janet Mangia  
Rich Ronner ✓  
Rich Lubell ✓  
David Nackman cc  
Robert Levy cc ✓  
Barry Levine ✓  
Dan Friedman cc  
Jim Horton ✓  
Jeff Roby cc ✓  
Mike Klein ✓  
Joe Spirito ✓

c:pw/iwpi94  
cw:bozo

ATTACHMENT 58  
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Doug Balder cc ✓  
 Diane Stiles cc ✓  
 Jacqueline Salit cc ✓  
 Kim Svoboda ✓  
 Margo Grant  
 Roger Grunewald ✓  
 Madeline Chapman cc ✓  
 Jan Wooten ✓  
 Phyllis Goldberg cc ✓  
 Richard Sokolow  
 Rachel Massad ✓  
 Pat Wictor ✓  
 Elyse Mendel ✓  
 Marian Grossman ✓  
 Elena Borstein  
 Howard Edlebaum  
 Phillip Terry ✓  
 Ilene Hinden  
 Chris Street ✓  
 Lou Steinhart  
 Carolyn Kresky  
 Mark Picard cc  
 Ann Bettman\*  
 Ellen Korner ✓  
 Amy Pivar  
 Freda Rosen cc  
 Chuck Knap ✓  
 Kate Hanselman ✓  
 Sandy Friedman ✓  
 Linnea Tillet ✓  
 Mary Fridley cc ✓  
 Elaine Manheimer  
 Debbie Hoffman.  
 Nancy Hanks ✓  
 Jabb Weiss ✓  
Newman's Consorts and Household Staff  
 Gabrielle Kurlander (w) cc ✓  
 Hazel Daren (w) cc ✓  
 Debra Green (w) cc ✓  
 Gail Ellberg (w) cc ✓  
 Cathy Salit ✓  
 Jeanine Hahn ✓  
 Jessica Massad ✓  
 Candice Sherman  
 Jini Berman  
 Susan Santinello ✓  
 Emily Knoerze ✓  
 Susan Massad cc

Eunice Stronger cc ✓  
David Belmont cc ✓  
Jeff Aron cc ✓  
Jessica Marta ✓

Lawyers

Harry Kresky cc  
Arthur Block cc  
Gary Sinawski cc

New Alliance Party (non defunct)

Gwen Mandel ✓  
Chris Helm  
Bob Dattner  
Bob Friedman cc  
Linda Curtis cc  
Eddy Patuto cc  
Ceasar Cadabes\*  
Jim Mangia cc  
Arthur Rubin ✓  
Cynthia Capathios  
Cathy Fiess cc  
Cathy Stewart cc ✓  
Harriet Hoffman cc  
April Butcher ✓  
Anne Green cc ✓  
Ina Bransome  
Marge Golden  
Lauren Ross  
Lois Traunstein  
Carolyn Dinnola  
Alice Rydel  
Bruce ? ✓

Therapites

Betty Braun cc  
Debra Pearle cc  
Hughe Polk cc  
Nancy Green cc ✓  
Barbara Silverman cc ✓  
Lois Holtzman cc  
Donna Kaseta  
Christine LaCerva  
Gwen Lowenstein ✓  
Betsy Pendry ✓  
Joyce Dattner ✓  
Maury Dabby  
Mike Peletierre ✓

621 58  
15 23



Mark Balsam  
Bonnie Gilden cc ✓  
Gail Weintraub  
Esther Farmer  
Baylah Wolf ✓

Misc.  
Warren Liebesman ✓  
Nancy Ross cc ✓  
Donna Wax  
Amy Freeman  
Nancy Henschel ✓

Break Down

56 Jewish  
33 Black and Latino  
57 Whites (non-Jewish)

146 total

(w) = Newman wife

PW

c: ripoff

cc: rotastg@hmc rot-stern

13cc  
18\*

Post-1990 IWP Exits

1. Judy Penzer cc
2. Michael Hardy cc\*
3. Nancy Feldman
4. Liz Gilchrist
5. Narcissa Rivera\*
6. Anne Decker
7. Janet Weigel cc
8. Lou Hinman cc
9. Reinaldo Lugo cc\*
10. Abukari (Christopher Barclay) cc\*
11. Cathy Sadell
12. Barbara Sands
13. Touande Lumumba\*
14. Chris Henry
15. Fran Miller cc
16. Valeh Abbasi\*
17. BJ Lee
18. Margret Tanzosh
19. Jeff Williamson
20. Bob Cohen
21. Kellie Gasink
22. Margret Barry cc
23. Bill Edwards\*
24. Ricky Flores\*
25. Rudy Ornales\*
26. Wilton Duckworth
27. Julia Herd
28. Melissa Fischer
29. Phil Pinhero
30. Marie Pinhero
31. Tim Herstein
32. Dawn Friend\*
33. Wm Pleasant cc\*
34. Eva Brenner
35. Willie Harris\*
36. Vandra Thorburn
37. Phillip Ostemeyer
38. Robert Kwaku Duren cc\*
39. Saudia Young cc\*
40. Michelle Collins
41. Grace Testani

APPENDIX EX 58  
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42. Todd Bentson
43. Maria Moschonisciou cc
44. Georgia Stamontopoulou
45. Yvonne Lee\*
46. Yvonne Vasquez cc\*
47. Omar Ali\*
48. Lawrence Davis\*
49. Sharon Marlowe\*
50. Vicky Wallace
51. Rebecca Sprunger
52. Cathy Beckham
53. Patti Luccia

~~18~~ 58  
18 = 23

International Workers Party (IWP) Exits since 1990  
\* =Black, Latino or Asian

1. Judy Penzer [REDACTED]
2. Michael Hardy\* [REDACTED]
3. Nancy Feldman [REDACTED]
4. Liz Gilchrist [REDACTED]
5. Narcissa Rivera\* NJ
6. Anne Decker [REDACTED]
7. Janet Weigel Manhattan
8. Lou Hinman Manhattan
9. Reinaldo Lugo\* Manhattan
10. Abukari (Christopher Barclay)\* DC. (002)
11. Cathy Sadell Virginia (703)
12. Barbara Sands
13. F.v. Tuanda Lumumba\* Brooklyn
14. Chris Henry [REDACTED]
15. Fran Miller [REDACTED]
16. Valeh Abbasi\* [REDACTED]
17. B.J. Lee [REDACTED]
18. Margret Tanzosh Manhattan
19. Jeff Williamson Manhattan
20. Bob Cohen [REDACTED]
21. Kellie Gasink [REDACTED]
22. Margret Barry Texas married [REDACTED]
23. Bill Edwards\* [REDACTED]
24. Ricky Flores\* Bronx
25. Rudy Ornales\* Texas
26. Wilton Duckworth [REDACTED]
27. Julia Herd Manhattan ?
28. Melissa Fischer Manhattan ?
29. Phil Pinhero [REDACTED]
30. Marie Pinhero Bronx
31. Tim Herstein Manhattan
32. Dawn Friend\* [REDACTED]
33. Wm. Pleasant\* [REDACTED]
34. Eva Brenner Austria
35. Willie Harris\* [REDACTED]
36. Vandra Thorburn Manhattan
37. Phillip Ostemeyer S. Africa
38. Robert Kwaku Duren\* L.A. 213
39. Saudia Young\* NYC Brooklyn? mother
40. Michelle Collins\* L.A. 213
41. Grace Testani [REDACTED]
42. Todd Bentson DC.

61 58  
A 23  
Areala Rivera

2/15/91

TO:

FR: Kellie

The day after Valentine's day. Boy, I had a hard day today. I thought I really needed to share it and get it off my chest so to speak. I am sure many, many people will understand. Although forgive me for not being as willing to share the good as well. (More on that later. I'm working toward a rectification of that problem). This is what upset me today (other stuff happened, but I was able to just shrug it off). This stuff got to me:

1. I worked from 9:00 a.m. to 5:30 p.m. on my job today as a social worker in the Bronx, presiding over the death of the black and latino community, in particular I work with children who are HIV+ (black and latino) who I watch very closely to see if they will develop symptoms in the first two years of life and die. I got a new case today, saw him. a two month old black baby boy born HIV+, cocaine +, methadone+ right in the Bronx Lebanon Hospital. happens every day. The child was put into foster care, where I now see him. God, I'm afraid he's going to die. I haven't even seen his mother yet. God, people are dying. Black people are dying. Latino people are dying. now I'm watching so many people die of AIDS. That's my job. But don't buck the system. don't be raising no hell. You're going to get your ass fired. You just got there. who are you to be raising hell?? Just a person, I think. Just a person. "who are you to be quiet?" I wonder silently. Don't get your ass fired, Kellie. It's not worth it. It's definitely not worth it.

2. Bill told me he's sick of me being degraded. Just stop it. he said. It's getting in the way.

3. I wanted to get some work done on a Journal I am writing to sharpen our tendency's work with young people. I am very eager to finish that work, and I have to put it off until Monday. This rates high up on the scale of things that were upsetting today.

4. I was part of a test phone calling operation at the Lenora Fulani campaign office that was calling people who supported our democracy work a year ago and haven't contributed to it since then. We were calling them, asking

for their continued financial support for our democracy work. In an hour and a half I reached nine people: 7 of which said they were not interested in democracy or were not interested in Fulani, and 2 of which said I should send envelopes and they would send whatever they were going to contribute. Nobody wanted to hear about democracy (of these nine people). So I guess this evening I succeeded in getting \$20 in soft pledge money and I succeeded in pickering with Linda Curtis while at the office. Not very productive unfortunately.

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23

4/21/91

Re: Lenora B. Fulani Matching Funds Canvass

Person: I understand what you are saying, but how did you end up at my door?

Kellie: I am here because I believe in democracy. To the extent that people are dying for lack of food, shelter and healthcare, I am outraged. To the extent that people are being killed and injured in the hands of other human beings, I am furious. To the extent that people are denied things that we as a society have, and to the extent that white supremacy is the law of the land, I know we need to make a change. And to the extent that people live isolated, lonely and unintimate lives, I know we have not found the highest form of human relations. This to me is unacceptable and is ultimately what brought me to your door.

5/14/91

Dear Editor:

I was reading Georgette Bennett's article, "About Police Brutality--An Ounce of Prevention" (May 14, 1991) and I was so outraged by the gross mis-use of "psychology" by my colleague in the mental health field that I decided I must speak out. The thesis of Ms. Bennett's piece is that the perpetrators of police brutality are individuals with psychological problems, specifically a loss of "both their ideals and their sense of security," which is a result of the difficulties of police work. Bennett then seeks to explore means by which the police department can intervene before an officer becomes a danger to the community.

There are serious problems with this thesis in addition to it being a very bad apology for an outrage that has become a daily occurrence in the Black and Latino communities all over the country. Obviously Bennett ignores the fact that in all the cases of "excessive use of force" currently before the public eye the victims have been a) unarmed, b) and/or handcuffed, c) and/or subdued d) and people of color. But on an even deeper level I wish to seriously challenge this claim that police brutality is a psychological problem of individual police officers, because that is not the case, and police brutality is a political problem of considerable import.

TA 58  
23 23



**U.S. Corporation Income Tax Return**  
For calendar year 1993 or tax year beginning \_\_\_\_\_, 1993, ending \_\_\_\_\_ 19  
▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

- A Check if a:**  
1 Consolidated return (attach Form 931)   
2 Personal holding co. (attach Sch. PH)   
3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T -- see instructions)

Use IRS label. Otherwise, please print or type.  
Name: **NATIONAL ALLIANCE INC.**  
No. street, and room or suite no.: **500 GREENWICH STREET 2ND FLOOR**  
City/town, state, and ZIP code: **NEW YORK NY 10013-**

**B Employer identification no.**  
13-6394373  
**C Date incorporated**  
01/02/93  
**D Total assets (see Specific Inst.)**  
NONE

**E Check applicable boxes:** (1)  Initial return (2)  Final return (3)  Change of address

Income

1a	Gross receipts/sales	79,604	b	Less returns and allowances		c	1c	79,604
2	Cost of goods sold (Schedule A, line 8)						2	54,925
3	Gross profit. Subtract line 2 from line 1c						3	24,679
4	Dividends (Schedule C, line 19)						4	
5	Interest						5	
6	Gross rents						6	
7	Gross royalties						7	
8	Capital gain net income (attach Schedule D (Form 1120))						8	
9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)						9	
10	Other income (see instructions -- attach schedule)						10	
11	Total income. Add lines 3 through 10						11	24,679

**TAXPAYER'S COPY**

Deductions  
(See instructions for limitations on deductions.)

12	Compensation of officers (Schedule E, line 4)		b	Less employment credits		c	12c	17,423
13a	Salaries and wages	17,423					13c	17,423
14	Repairs and maintenance						14	
15	Bad debts						15	
16	Rents						16	4,000
17	Taxes and licenses						17	3,721
18	Interest						18	
19	Charitable contributions (see instructions for 10% limitation)						19	
20	Depreciation (attach Form 4562)		20a				21b	
21	Less depreciation claimed on Schedule A and elsewhere on return		21a				22	
22	Depletion						23	
23	Advertising						24	
24	Pension, profit-sharing, etc., plans						25	
25	Employee benefit programs						26	2,507
26	Other deductions (attach schedule)						27	27,651
27	Total deductions. Add lines 12 through 26						28	-2,972
28	Taxable income before net operating loss deduction and special deductions. Subtr. line 27 from line 11		29a				29c	
29	Less: a Net operating loss deduction (see instructions)		29b				30	-2,972
	b Special deductions (Schedule C, line 20)						31	
30	Taxable income. Subtract line 29c from line 28							
31	Total tax (Schedule J, line 10)							

Tax and Payments

32a	1992 overpayment credited to 1993		d	32d	
32b	1993 estimated tax payments		e	32e	
32c	Less 1993 refund applied for on Form 4468		f	32f	
	g Credit for Federal tax on fuels (attach Form 4136). See instructions		g	32g	
	h Credit for Federal tax on fuels (attach Form 4136). See instructions		h	32h	
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached.			33	
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed			34	NONE
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35	
36	Enter amount of line 35 you want Credited to 1994 estimated tax ▶ Refunded ▶			36	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.  
Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

Paid Preparer's Use Only  
Preparer's signature: *Sam J. Nole CPA* Date: *2/2/94* Check if self-employed:  Preparer's SSN: \_\_\_\_\_  
Firm's name (or yours if self-employed) and address: **SAM J. NOLE CPA**  
**230 PARK AVENUE SUITE 1221**  
**NEW YORK NY 10169-**  
E.I. No. **13-3627972**  
ZIP code **NY 10169-**

ATTACHMENT - 52

Form 1120 (1993)

**Schedule A Cost of Goods Sold** (See instructions.)

1	Inventory at beginning of year	
2	Purchases	
3	Cost of labor	
4	Additional section 263A costs (attach schedule)	
5	Other costs (attach schedule)	54,925
6	Total. Add lines 1 through 5	54,925
7	Inventory at end of year	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	54,925

9a Check all methods used for valuing closing inventory:  
 Cost  
 Lower of cost or market as described in Regulations section 1.471-4  
 Writedown of subnormal goods as described in Regulations section 1.471-2(c)  
 Other (Specify method used and attach explanation) ▶

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. 9c

d Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation?  Yes  No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation.  Yes  No

**Schedule C Dividends and Special Deductions** (See instructions.)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corps. (sec. 246A)	100 Instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Div. from wholly owned foreign subsidiaries subject to 100% ded. (sec. 245(b))	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Div. from certain FSCs that are subject to 100% deduction (sec. 245 (c) (1))	100	
12	Div. from affiliated group members subject to the 100% ded. (sec. 243(a) (3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corp. under subpart F (att. Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC & former DISC div. not incl. on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Ded. for div. paid on certain preferred stock of public utilities (see inst.)		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1. ▶		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶		NONE

**Schedule E Compensation of Officers** (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

NONE

Form 1120 (1993)

**Schedule J Tax Computation** (See instructions)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>	
2a	If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____	
b	Enter the corporation's share of: (1) additional 3% tax (not more than \$11,750) \$ _____ (2) additional 3% tax (not more than \$100,000) \$ _____	
3	Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 15) <input type="checkbox"/>	3
4a	Foreign tax credit (attach Form 1118)	4a
b	Possessions tax credit (attach Form 5735)	4b
c	Orphan drug credit (attach Form 6765)	4c
d	Check <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> OEV or (attach Form 8834)	4d
e	General business credit. Enter here and check which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8765 <input type="checkbox"/> Form 8586 <input type="checkbox"/> Form 8830 <input type="checkbox"/> Form 8826 <input type="checkbox"/> Form 8835	4e
f	Credit for prior year minimum tax (attach Form 8827)	4f
5	Total credits. Add lines 4a through 4f	5
6	Subtract line 5 from line 3	6
7	Personal holding company tax (attach Schedule PH (Form 1120))	7
8	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	8
9a	Alternative minimum tax (attach Form 4626)	9a
b	Environmental tax (attach Form 4626)	9b
10	Total tax. Add lines 6 through 9b. Enter here and on line 31, page 1	10

NONE

**Schedule K Other Information** (See pages 17 and 18 of instructions.)

	Yes	No		Yes	No
1	Check method of accounting: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		7	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957). If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached: _____	
2	Refer to page 19 of the instructions & state the principal:		8	At any time during the 1993 calendar year, did the corp. have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," the corp. may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country: _____	
a	Business activity code no. > 2710		9	Was corporation grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corp. has any beneficial interest in it? If "Yes," the corp. may have to file Forms 926, 3520, or 3520-A	
b	Business activity > NEWSPAPER		10	Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corp. entitled to vote, or (b) the total value of all classes of stock of corp.? If "Yes," a Enter percentage owned: _____ b Enter owner's country: _____ c The corporation may have to file Form 5472. Enter number of Forms 5472 attached: _____	
c	Product or service > NEWSPAPER		11	Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If so, the corporation may have to file Form 8281.	
3	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		12	Enter the amount of tax-exempt interest received or accrued during the tax year: \$ _____	
4	Is the corporation a subsidiary in an affiliated group or a parent-subidiary controlled group? If "Yes," enter employer identification number and name of the parent corporation: _____		13	If there were 35 or fewer shareholders at the end of the tax year, enter the number: > 2	
5	Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," Attach a schedule showing name and identifying no. (Do not include any info. already entered in 4 above.) Enter percentage owned: > 100.0000		14	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>	
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 & 316.) If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary		15	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 28a.) \$ _____	

Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )	( )	( )	( )
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule)				
7 Loans to stockholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	( )	( )	( )	( )
11a Depreciable assets				
b Less accumulated depletion	( )	( )	( )	( )
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )	( )	( )	( )
14 Other assets (attach schedule)				
15 Total assets		0		0
<b>Liabilities and Stockholders' Equity</b>				
16 Accounts payable				1,904
17 Monies, notes, bonds paybl. in less than 1 yr.				
18 Other current liabilities (attach schedule)				968
19 Loans from stockholders				
20 Monies, notes, bonds paybl. in 1 yr. or more				
21 Other liabilities (attach schedule)				
22 Capital stock: a Preferred stock				
b Common stock			100	100
23 Paid-in or capital surplus				
24 Retained earnings — Appropriated (attach schedule)				
25 Retained earnings — Unappropriated				-2,972
26 Less cost of treasury stock	( )	( )	( )	( )
27 Total liabilities and stockholders' equity		0		0

Note: You are not required to complete Schedules M-1 & M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See instructions.)			
1 Net income (loss) per books	-2,972	7 Income recorded on books this year not included on this return (Itemize): Tax-exempt interest \$ _____	
2 Federal income tax			
3 Excess of capital losses over capital gains			
4 Inc. subj. to tax not recorded on books this yr.:			
5 Expenses recorded on books this year not deducted on this return (Itemize): a Depreciation \$ _____ b Contributions carryover \$ _____ c Entertainment \$ _____		8 Deductions on this return not charged against book income this year (Itemize): a Depreciation \$ _____ b Contributions \$ _____ c carryover \$ _____	
6 Add lines 1 through 5	-2,972	9 Add lines 7 and 8	
		10 Income (line 28, pg. 1) — line 6 less line 9	-2,972

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)			
1 Balance at beginning of year		5 Distributions: a Cash	
2 Net income (loss) per books	-2,972	b Stock	
3 Other increases:		c Property	
		6 Other decreases:	
		7 Add lines 5 and 6	
4 Add lines 1, 2, and 3	-2,972	8 Balance at end of year (line 4 less line 7)	-2,972

ATTACHED

Line 17: Taxes and licenses

Main Activity

NEW YORK STATE CORP TAX	42
NEW YORK CITY CORP TAX	30
FILLING FEES	5
PAYROLL TAX	2,94
Subtotal	3,72
Total	3,72

Line 26: Other deductions

Main Activity

LEGAL / ACCOUNTING	41
OFFICE EXPENSES	82
AUTO EXPENSES	6
PRODUCTION SUPPLIES	73
BANK CHARGES	39
RESEARCH	8
Subtotal	2,50
Total	2,50

Schedule A, Line 5: Other costs

Main Activity

NEWSPAPER PRINTING  
POSTAGE / SHIPPING

42,83  
12,09

Subtotal 54,92  
Total 54,92  
=====

Sch L, Line 18, Column d: Other current liabilities

	Beginning	Ending
--	-----------	--------

Main Activity

FEDERAL PAYROLL TAX		29
NEW YORK STATE / CITY PAYROLL TAX		7
FEDERAL UNEMPLOYMENT TAX		3
STATE UNEMPLOYMENT TAX		-19
STATE DISABILITY		2
NEW YORK STATE CORP TAX		42
NEW YORK CITY CORP TAX		30
		-----
Subtotal		96
		-----
Total		96
		=====

NATIONAL ALLIANCE INC.

13-6394373... 12/31/93

-----  
PHYLLIS GOLDBERG  
SOC. SEC # [REDACTED]  
ADDRESS: 240 EAST 27TH STREET  
NEW YORK, NY 10016

DANIEL FRIEDMAN  
SOC. SEC. # [REDACTED]  
ADDRESS: 60 BANK STREET  
NEW YORK, NY 10014

-----  
8 59  
-----

002293



APRIL 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Robert Clay	4/4	\$125.92	1039	("ok to cash")
Robert Clay	4/11	\$125.92	1045	F. Miller
Robert Clay	4/18	\$125.92	1069	J. Berman
Robert Clay	4/25	\$125.92	1102	J. Berman
(*Examine signatures)				
Linda Curtis	4/18	\$210.85	1070	("ok to cash")
Linda Curtis	4/18	\$68.69	1076	("ok to cash")
Linda Curtis	4/11	\$272.60	1053	F. Miller
Linda Curtis	4/4	\$272.60	1040	("ok to cash")
Linda Curtis	3/28	\$200.00	1014	(no signature)
Linda Curtis	4/25	\$172.40	1103	("ok to cash")
Nancy Hanks	4/25	\$127.40	1104	("ok to cash")
Nancy Hanks	4/18	\$223.30	1075	("ok to cash")
Nancy Hanks	4/11	\$210.00	1055	("ok to cash")
Lou Hinman	4/4	\$250.00	1041	J. Berman
Lou Hinman	4/11	\$250.00	1057	J. Berman

**TOTAL AMOUNT OF CHECKS: \$2,761.52**

MAY 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Robert Clay	5/30	\$125.92	1233	J. Berman
Robert Clay	6/6	\$125.92	1272	J. Berman
Robert Clay	6/20	\$125.92	1326	J. Berman
(*Examine signatures)				
Chris Helm	6/20	\$146.74	1349	("ok to cash")

TOTAL AMOUNT OF CHECKS: \$524.50

JUNE 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Robert Clay	6/6	\$125.92	1272	J. Berman

TOTAL AMOUNT OF CHECKS: \$125.92

JULY 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Robert Clay	7/4	\$125.92	1406	B. Peeler
Robert Clay	6/27	\$125.92	1367	("ok to cash")
Robert Clay	7/11	\$125.92	1446	J. Berman
Robert Clay	7/18	\$125.92	1482	J. Berman
Robert Clay	7/25	\$125.92	1527	J. Berman
(*Examine signatures)				
Sharon Eghigian	7/25	\$1,075	1547	("ok to cash")
Julie Kinnett	7/19	\$284.57	1509	F. Miller
Julie Kinnett	7/25	\$284.57	1523	F. Miller
Julie Kinnett	7/25	\$30.67	1532	F. Miller
Lisa Linnen	7/5	\$103.90	1422	("ok to cash")
Mary Rivera	7/12	\$194.22	1470	C. Helm
<b>TOTAL AMOUNT OF CHECKS: \$2,602.53</b>				

AUGUST 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Kathy Beckham	7/31	\$129.79	1552	(no signature)
Chris Helm	8/12	\$202.92	1643	(no signature)
Julie Kinnett	8/1	\$218.05	1567	J. Berman
Julie Kinnett	8/15	\$284.57	1648	F. Miller
Julie Kinnett	8/23	\$284.57	1702	F. Miller
Julie Kinnett	8/8	\$284.57	1599	R. Massad
Lisa Linnen	8/1	\$250.47	1572	(no signature)
Rachel Massad	8/15	\$967.50	1666	F. Miller
Rachel Massad	8/23	\$430.00	1714	R. Massad
Rachel Massad	8/9	\$1,182.50	1628	(no signature)
Rachel Massad	8/30	\$1,612.50	1758	(no signature)
Mary Rivera	8/8	\$294.22	1604	R. Massad
Mary Rivera	8/23	\$194.22	1708	F. Miller
Mary Rivera	8/30	\$194.22	1749	(no signature)
Mary Rivera	8/30	\$400.00	1750	(no signature)
JoAnn Sullivan	8/12	\$100.99	1644	C. Helm
Genevieve Torres	8/3	\$160.71	1590	(no signature)
Jan Wooten	8/2	\$1,290	1588	(no signature)

TOTAL AMOUNT OF CHECKS: \$8,481.80

SEPTEMBER 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Yvonne Brown	9/26	\$200.00	1917	J. Hahn
April Butcher	9/26	\$350.00	1913	F. Miller
Emily Carter	8/23	\$125.54	1711	Miranda
Linda Curtis	9/30	\$21.00	1935	F. Miller
Linda Curtis	9/30	\$145.00	1936	F. Miller
Robert Dattner	9/27	\$274.03	5116	J. Berman
Robert Dattner	9/20	\$274.03	5076	F. Miller
Robert Dattner	9/15	\$274.03	5034	J. Berman
Jeanine Hahn	9/11	\$241.59	1801	F. Miller
Nancy Hanks	9/11	\$63.99	1800	F. Miller
Vera Hill	9/10	\$19.50	1797	J. Berman
Vera Hill	9/27	\$120.00	1923	J. Berman
Louis Hinman	9/13	\$250.47	5040	F. Miller
Jessica Marta	9/13	\$806.25	1805	F. Miller
Rachel Massad	9/5	\$1,720.00	1764	F. Miller
Rachel Massad	9/9	\$1,075	1788	F. Miller
Rachel Massad	9/18	\$1,343.75	1855	F. Miller
Rachel Massad	9/20	\$537.50	1867	F. Miller
Kitty Reese	9/10	\$396.05	1796	F. Miller
Kitty Reese	9/16	\$85.00	1834	F. Miller
Mary Rivera	9/6	\$194.22	1772	F. Miller
Mary Rivera	9/9	\$24.95	1783	F. Miller
Mary Rivera	9/27	\$194.22	5091	F. Miller
Mary Rivera	9/20	\$194.22	5050	F. Miller
Mary Rivera	9/13	\$194.22	1809	F. Miller
Mary Rivera	9/13	\$275.00	1810	F. Miller
Susan Santaniello	9/3	\$159.22	1762	J. Berman
Cathy Stewart	9/20	\$272.60	5066	F. Miller
Cathy Stewart	9/13	\$272.60	5024	no signature
Chris Street	9/13	\$214.50	1804	Josmisch/Miller
JoAnn Sullivan	9/13	\$100.00	1807	F. Miller
Gayle Weintraub	9/25	\$1,290	1897	F. Miller

Jan Wooten	9/27	\$160.76	5103	F. Miller
Jan Wooten	9/13	\$245.76	5021	F. Miller
Jan Wooten	9/20	\$245.76	5063	F. Miller

TOTAL AMOUNT OF CHECKS: \$12,360.83

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OCTOBER 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Naomi Azulay	10/25	\$225.00	2134	J. Berman
Kathleen M. Beckham	10/11	\$85.00	2015	J. Sullivan
Michelle Collins	10/27	\$225.00	2171	J. Berman
Allen Cox	10/25	\$225.00	2135	J. Berman
Robert Dattner	10/4	\$273.68	5158	J. Berman
Robert Dattner	10/25	\$273.68	5286	J. Berman
Robert Dattner	10/18	\$273.68	5243	J. Sullivan
Robert Dattner	10/25	\$273.68	5286	J. Berman
Gail Elberg	10/25	\$225.00	2136	J. Berman
Nancy Hanks	10/17	\$146.21	2045	F. Miller
Lou Heiman	10/11	\$54.93	2003	C. Hill
Christine Helm	10/27	\$225.00	2169	J. Berman
Vera Hill	10/25	\$120.00	2128	J. Berman
Vera Hill	10/18	\$120.00	2061	J. Sullivan
Vera Hill	10/1	\$120.00	1948	J. Berman
B.J. Lee	10/27	\$225.00	2170	J. Berman
Tara Lewis	10/11	\$225.00	2004	F. Miller
Tara Lewis	10/18	\$225.00	2062	J. Sullivan
Tara Lewis	10/25	\$100.00	2131	J. Berman
Reinaldo Lugo	10/1	\$600.00	1937	F. Miller
Reinaldo Lugo	10/8	\$500.00	1977	J. Berman
Reinaldo Lugo	10/22	\$207.82	2103	F. Miller
Janet Mangia	10/11	\$550.00	2001	no signature
Elaine Mannheimer	10/24	\$190.00	2114	F. Miller
Rachel Massad	10/23	\$591.25	2107	F. Miller
Rachel Massad	10/17	\$1,075	2043	F. Miller
Rachel Massad	10/10	\$412.79	1981	F. Miller
Rachel Massad	10/7	\$268.75	1968	F. Miller
Rachel Massad	10/1	\$752.50	1941	F. Miller
Rachel Massad	10/1	\$272.60	1940	F. Miller
J.B. Opdyke	10/4	\$262.32	5142	F. Miller
Beth Peeler	10/11	\$225.00	2005	F. Miller



Beth Peeler	10/18	\$225.00	2064	J. Sullivan
Beth Peeler	10/25	\$100.00	2132	J. Berman
Bruce Randall	10/27	\$225.00	2172	J. Berman
Richard Ronner	10/27	\$225.00	2173	F. Miller
Steve Rose	10/27	\$225.00	2168	J. Berman
Rebecca Spunger	10/24	\$160.00	2113	F. Miller
JoAnn Sullivan	10/25	\$137.00	2139	F. Miller
Lowell Ward	10/11	\$169.93	5208	E. Mendel
Sheryl Williams	10/18	\$175.00	2063	J. Sullivan
Sheryl Williams	10/11	\$175.00	2008	F. Miller
Sheryl Williams	10/25	\$175.00	2130	Berman & Mill.
Jan Wooten	10/4	\$245.28	5145	J. Wooten
Linda Young	10/25	\$225.00	2133	J. Berman

**TOTAL AMOUNT OF CHECKS: \$12,011.10**

November 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Valeh Abbassi	11/21	\$450.00	2369	J. Berman
Naomi Azulay	11/1	\$225.00	2192	J. Berman
Jini Berman	11/27	\$196.42	2415	(no signature)
Jini Berman	11/29	\$164.96	5544	(comparison)
Yvonne Brown	11/27	\$535.00	2422	
April Butcher	11/22	\$750.00	2392	F. Miller
April Butcher	11/15	\$500.00	2327	F. Miller
April Butcher	11/4	\$500.00	2214	F. Miller
Michelle Collins	11/15	\$225.00	5439	J. Berman
Allen Cox	11/1	\$225.00	2193	J. Berman
Linda Curtis	11/7	\$24.46	2245	F. Miller
Robert Dattner	11/22	\$281.56	5493	J. Berman
Robert Dattner	11/15	\$273.68	5424	J. Berman
Robert Dattner	11/1	\$273.68	5329	J. Berman
Robert Dattner	11/8	\$273.68	5373	J. Berman
Robert Dattner	11/29	\$281.56	5543	J. Berman
Robert Dattner	11/29	\$65.00	2452	J. Berman
Robert Dattner	11/22	\$65.00	2398	J. Berman
Bob Dattner	11/8	\$65.00	2266	J. Berman
Bob Dattner	11/1	\$65.00	2196	J. Berman
Evelyn Daugherty	11/29	\$450.00	2441	F. Miller
Lawrence Davis	11/29	\$450.00	2450	F. Miller
Gail Elberg	11/1	\$225.00	2194	J. Berman
Katherine Gardner	11/22	\$120.00	2389	F. Miller
Kellie Gasink	11/15	\$225.00	5444	J. Berman
Kellie Gasink	11/29	\$225.00	2439	F. Miller
Willie Harris	11/21	\$450.00	2370	F. Miller
Chris Helm	11/8	\$225.00	2270	J. Berman
Vera Hill	11/20	\$37.98	2401	J. Berman
Vera Hill	11/29	\$120.00	2453	J. Berman
Vera Hill	11/15	\$120.00	2314	J. Berman
Vera Hill	11/8	\$170.00	2265	J. Berman
Vera Hill	11/1	\$120.00	2195	J. Berman

ATTACHMENT

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Harriet Hoffman	11/15	\$21.64	5447	New Alliance
Lois Holzman	11/21	\$700.00	2358	J. Bahn
Donna Kaseta	11/21	\$450.00	2367	F. Miller
Michelle Kinery	11/15	\$225.00	5542	J. Berman
Michelle Kinery	11/21	\$225.00	2364	F. Miller
Michael Klein	11/15	\$225.00	5445	J. Berman
Mike Klein	11/29	\$225.00	2438	J. Berman
BJ Lee	11/8	\$225.00	2269	J. Berman
Yvonne Lee	11/15	\$225.00	5441	J. Berman
Yvonne Lee	11/29	\$225.00	2444	F. Miller
Barry Levine	11/29	\$450.00	2446	F. Miller
Cindy Little	11/21	\$450.00	2365	F. Miller
Patti Lucia	11/29	\$225.00	2443	F. Miller
Patti Lucia	11/29	\$225.00	2442	F. Miller
Reinaldo Lugo	11/22	\$271.98	2396	F. Miller
Reinaldo Lugo	10/31	\$141.72	2183	F. Miller
Elaine Mannheimer	11/29	\$143.71	2434	F. Miller
Rachel Massad	11/7	\$645.00	2226	F. Miller
Rachel Massad	11/29	\$165.00	2436	(comparison)
Rachel Massad	11/14	\$500.00	2309	(*ck note FM)
Rachel Massad	11/13	\$124.00	2308	F. Miller
Rachel Massad	11/13	\$298.25	2307	F. Miller
Rachel Massad	11/7	\$500.00	2225	F. Miller
Elyse Mendel	11/27	\$31.82	2416	(no signature)
Maria Moschinouscu	11/29	\$450.00	2448	F. Miller
Debra Pearl	11/21	\$450.00	2366	F. Miller
Gail Peck	11/21	\$450.00	2371	F. Miller
Mike Pelletiere	11/15	\$225.00	5443	J. Berman
Mike Pelletire	11/29	\$225.00	2440	F. Miller
Bill Pleasant	11/21	\$450.00	2368	F. Miller
Bruce Randall	11/15	\$225.00	5540	J. Berman
Mary Rivera	11/7	\$39.50	2252	F. Miller

Annie Roboff	11/21	\$450.00	2373	F. Miller
Jeff Roby	11/22	\$250.00	2388	F. Miller
Jeff Roby	11/15	\$300.00	2325	F. Miller
Steve Rose	11/8	\$225.00	2271	J. Berman
Arthur Rubin	11/15	\$250.00	2326	F. Miller
Luvenia Saber	11/4	\$153.44	2215	F. Miller
Joe Spirito	11/8	\$163.47	2257	J. Hahn
Joe Spirito	11/15	\$131.29	2316	F. Miller
Joe Spirito	11/8	\$271.98	5377	J. Berman
Rebecca Springer	11/22	\$118.92	2390	F. Miller
Cathy Stewart	11/29	\$271.28	5530	"ok to cash"
Cathy Stewart	11/15	\$272.28	5414	"ok to cash"
Gloria Strickland	11/29	\$450.00	2447	F. Miller
JoAnne Sullivan	11/15	\$271.98	5434	F. Miller
JoAnn Sullivan	11/15	\$100.00	2319	J. Berman
JoAnn Sullivan	11/18	\$300.00	2334	F. Miller
JoAnn Sullivan	11/15	\$500.00	2315	J. Berman
JoAnn Sullivan	11/11	\$540.00	2293	J. Berman
JoAnn Sullivan	11/8	\$1,000	2273	Berman/Miller
Phil Terry	11/29	\$450.00	2449	F. Miller
Grace Testani	11/7	\$500.00	2255	J. Hahn
Gayle Weintraub	11/27	\$250.00	2421	(no signature)
Gayle Weintraub	11/22	\$350.00	2393	F. Miller
Gayle Weintraub	11/22	\$350.00	2393	F. Miller
Jeff Weiss	11/29	\$100.00	2451	F. Miller
Jeff Weiss	11/21	\$450.00	2372	F. Miller
Linda Young	11/1	\$225.00	2191	J. Berman
TOTAL AMOUNT OF CHECKS:		\$26,505.24		

December 1991

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Linda Curtis	12/6	\$22.73	2486	F. Miller
Robert Dattner	12/27	\$281.56	5765	J. Berman
Robert Dattner	12/20	\$281.56	5708	J. Berman
Robert Dattner	12/13	\$281.56	5650	(signature N//A)
Robert Dattner	12/6	\$281.56	5598	J. Berman
Robert Dattner	12/27	\$281.56	5765	J. Berman
Bob Dattner	12/6	\$65.00	2506	J. Berman
Bob Dattner	12/20	\$65.00	2616	J. Berman
Melissa Fisher	12/2	\$130.00	2466	F. Miller
Sandor Friedman	12/26	\$53.11	2641	F. Miller
Vera Hill	12/20	\$120.00	2615	J. Berman
Vera Hill	12/6	\$120.00	2505	J. Berman
Jessica Marta	12/4	\$698.75	2477	"ok to cash"
Rachel Massad	12/5	\$83.00	2484	(*ck notation)FM
Rachel Massad	12/5	\$123.00	2483	F. Miller
Joe Spirito	12/27	\$135.00	2667	(no signature)
Joe Spirito	12/12	\$136.60	2567	(sign. comparison)
Joe Spirito	12/6	\$135.37	2491	F. Miller
Cathy Stewart	12/27	\$271.58	5755	J. Lerner
Cathy Stewart	12/6	\$272.28	5588	(no signature)
Cathy Stewart	12/13	\$272.28	2569	F. Miller
Cathy Stewart	12/12	\$100.00	2555	J. Spirito
JoAnn Sullivan	12/13	\$132.00	2570	F. Miller
JoAnn Sullivan	12/12	\$500.00	2559	F. Miller
JoAnn Sullivan	12/20	\$271.98	5716	J. Berman
JoAnn Sullivan	12/27	\$271.91	5773	J. Berman

TOTAL AMOUNT OF CHECKS: \$5,387.79

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JANUARY 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Naomi Azulay	1/24	\$ 275.00	3019	F. Miller
Naomi Azulay	1/31	\$ 275.00	3135	F. Miller
Doug Balder	1/16	\$ 150.00	2918	F. Miller
Doug Balder	1/23	\$ 59.00	3000	F. Miller
David Belmont	1/15	\$ 98.00	2901	F. Miller
David Belmont	1/24	\$ 316.48	3045	("ok to cash")
David Belmont	1/31	\$ 127.98	3166	("ok to cash")
Jini Berman	1/31	\$ 165.63	6063	R. Massad
Jini Berman	1/5	\$ 149.35	2713	F. Miller
Jini Berman	1/15	\$ 150.00	2899	F. Miller
Jini Berman	1/23	\$ 142.00	2997	F. Miller
Jini Berman	1/13	\$ 137.50	2854	("ok to cash")
(*Examine signature)				
Yvonne Brown	1/24	\$ 335.00	3014	F. Miller
April Butcher	1/4	\$ 450.00	2703	(pay to D. Belmont)
April Butcher	1/23	\$ 400.00	3001	F. Miller
Cynthia Carpathios	1/8	\$ 265.73	2780	M. Pleflin?
Michelle Collins	1/24	\$ 260.00	3027	F. Miller
Michelle Collins	1/31	\$ 250.00	3141	("ok to cash")
Edward Costa	1/21	\$ 500.00	2978	F. Miller
Alan Cox	1/31	\$ 275.00	3134	("ok to cash")
Alan Cox	1/23	\$ 250.00	2999	F. Miller
Robert Dattner	1/31	\$ 283.72	6062	R. Massad
Robert Dattner	1/24	\$ 283.72	6001	F. Miller
Robert Dattner	1/17	\$ 283.72	5934	J. Berman
Bob Dattner	1/10	\$ 65.00	2826	J. Berman
Everlyn Daughterty	1/21	\$ 112.00	2979	F. Miller
Evelyn Daughterty	1/31	\$ 275.00	3137	F. Miller
Lawrence Davis	1/31	\$ 275.00	3139	F. Miller
Steve DiLorenzo	1/16	\$ 129.55	2903	F. Miller

Howard Edelbaum	1/10	\$ 250.33	2827	F. Miller
Howard Edelbaum	1/13	\$ 45.81	2867	F. Miller
Howard Edelbaum	1/23	\$ 220.81	2996	F. Miller
Sadiba Edwards	1/16	\$ 275.00	2912	F. Miller
Gail Elberg	1/31	\$ 229.28	6078	("ok to cash")
Gail Elberg	1/22	\$ 227.14	2994	("ok to cash")
Lenore Farrell	1/15	\$ 30.20	2902	F. Miller
Kathleen Fiess	1/21	\$ 53.06	2987	(illegible)
David Foster	1/14	\$ 75.00	2884	C. Hahn
Sandor Friedman	1/8	\$ 104.37	2778	(pay to D. Belmont)
Sandor Friedman	1/23	\$ 84.25	2995	F. Miller
Emmy Gay	1/17	\$ 299.45	2931	("ok to cash")
Chris Helm	1/24	\$ 275.00	3021	F. Miller
Chris Helm	1/31	\$ 275.00	3130	("ok to cash")
Vera Hill	1/31	\$ 120.00	6092	F. Miller
Vera Hill	1/10	\$ 120.00	2825	J. Berman
Vera Hill	1/3	\$ 125.00	2699	J. Berman
Vera Hill	1/17	\$ 120.00	2948	J. Berman
Vera Hill	1/26	\$ 120.00	3063	F. Miller
Deborah Hoffman	1/24	\$ 546.85	3042	("ok to cash")
Shelly Karliner	1/31	\$ 357.23	3164	("ok to cash")
Donna Kaseta	1/24	\$ 200.84	6019	F. Miller
Donna Kaseta	1/31	\$ 200.59	3156	F. Miller
Chuck Knapp	1/2	\$ 125.00	2690	G. Weintraub
Emilie Knoerzer	1/31	\$ 500.00	3157	R. Massad
Carolyn Kresky	1/21	\$ 200.00	2977	F. Miller
B.J. Lee	1/24	\$ 275.00	3022	F. Miller
B.J. Lee	1/31	\$ 275.00	3131	("ok to cash")
Yvonne Lee	1/24	\$ 275.00	3024	F. Miller
Robert Levy	1/17	\$ 230.00	2932	F. Miller
Cynthia Little	1/31	\$ 275.00	3136	("ok to cash")
Maggie Lopez	1/24	\$ 270.00	3026	F. Miller
Maggie Lopez	1/31	\$ 250.00	3140	("ok to cash")

Gwen Mandell	1/24	\$ 75.30	3048	F. Miller
Janet Mangia	1/10	\$ 800.00	2833	F. Miller
Jessica Marta	1/03	\$ 271.98	5805	F. Miller
Jessica Marta	1/10	\$ 264.00	2823	F. Miller
Jessica Marta	1/31	\$ 272.55	6051	("ok to cash")
Jessica Marta	1/24	\$ 300.00	3032	F. Miller (Marta did not sign)
Jessica Massad	1/24	\$ 275.00	3033	Miller/ Marta
Jessica Massad	1/30	\$ 70.00	3153	J. Massad
Jessica Massad	1/31	\$ 275.00	3133	("ok to cash")
Jessica Massad	1/13	\$ 165.62	2855	("ok to cash")
Jessica Massad	1/13	\$ 115.49	2862	F. Miller
Rachel Massad	1/15	\$ 86.00	2900	F. Miller
Rachel Massad	1/31	\$ 800.00	3163	("ok to cash")
Susan Massad	1/21	\$ 26.00	2972	F. Miller
Elyse Mendel	1/16	\$ 66.00	2908	F. Miller
David Miller	1/16	\$ 250.00	2916	F. Miller
Fran Miller	1/31	\$ 250.53	6066	R. Massad
Mamie Moore	1/13	\$ 250.00	2860	F. Miller
Ed Patuto	1/23	\$ 81.03	2998	F. Miller
Beth Peele	1/13	\$ 190.00	2852	("ok to cash")
Bethany Peeler	1/29	\$ 500.00	3124	("ok to cash")
Mike Pelletiere	1/24	\$ 275.00	3025	F. Miller
Mike Pelletiere	1/31	\$ 275.00	3132	("ok to cash")
Betsy Pendry	1/16	\$ 502.48	2906	F. Miller
Betsy Pendry	1/16	\$ 49.67	2907	F. Miller
Betsy Pendry	1/22	\$ 493.61	2992	F. Miller
Bruce Randall	1/31	\$ 250.00	3142	("ok to cash")
Elan Rausch	1/16	\$ 250.00	2909	F. Miller
John Robertson	1/3	\$ 850.00	5834	J. Hahn
John Robertson	1/6	\$ 186.65	2723	F. Miller
John Robertson	1/24	\$ 244.47	3036	("ok to cash")
Jeff Roby	1/16	\$ 350.00	2910	F. Miller
Jeff Roby	1/24	\$ 200.00	3030	Miller/ Marta



Steve Rose	1/24	\$ 275.00	3023	F. Miller
Arthur Rubin	1/2	\$ 252.83	2682	("ok to cash")
Arthur Rubin	1/16	\$ 250.00	2911	F. Miller
Arthur Rubin	1/24	\$ 250.00	3031	F. Miller
Cathy Salit	1/10	\$ 300.00	2824	F. Miller
Willie Scott	1/27	\$1050.00	3069	F. Miller
Willie Scott	1/7	\$ 150.00	2775	W. Scott
Willie Scott	1/16	\$ 90.00	2917	F. Miller
Gary Sinawski	1/13	\$ 90.50	2859	F. Miller
Cathy Stewart	1/24	\$ 272.55	5987	B. Peeler
Cathy Stewart	1/7	\$2301.71	2769	F. Miller
Cathy Stewart	1/14	\$ 704.31	2880	F. Miller
Cathy Stewart	1/17	\$2500.00	2947	F. Miller
Cathy Stewart	1/31	\$ 272.85	6053	B. Peeler
Luvenia Suber	1/6	\$ 300.00	2755	W. Liebersman
Joanne Sullivan	1/7	\$ 271.98	2776	J. Berman
Joanne Sullivan	1/2	\$ 500.00	2694	J. Hahn
Joann Sullivan	1/26	\$ 200.00	3064	F. Miller
Kim Svoboda	1/27	\$ 300.00	3070	F. Miller
Phil Terry	1/31	\$ 275.00	3138	("ok to cash")
Ellia Vierra	1/16	\$ 150.00	2915	(illegible)
Traci Warner	1/17	\$ 175.00	2953	(illegible)
Jeff Weiss	1/31	\$ 275.00	3173	(illegible)
Linda Young	1/24	\$ 275.00	3020	F. Miller
Linda Young	1/31	\$ 275.00	3129	("ok to cash")

TOTAL AMOUNT OF CHECKS: \$34,837.70

FEBRUARY 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Jeff Aron	2/27	\$ 123.82	3816	F. Miller
Naomi Azulay	2/12	\$ 275.00	3553	J. Massad
Jini Berman	2/23	\$ 132.34	3785	F. Miller
Anne Bettman	2/12	\$ 275.00	3557	J. Massad
Elena Borstein	2/12	\$ 500.00	3558	J. Marta
Lia Brigante	2/12	\$ 275.00	3559	J. Massad
Yvonne Brown	2/6	\$ 200.00	3218	(illegible)
April Butcher	2/12	\$ 466.00	3572	J. Marta
David Cherry	2/12	\$ 275.00	3560	J. Massad
Robert Dattner	2/21	\$ 283.72	6262	J. Berman
Robert Dattner	2/07	\$ 283.72	6129	J. Marta
Evelyn Dougherty	2/12	\$ 275.00	3555	J. Massad
Lawrence Davis	2/6	\$ 275.00	3225	(illegible)
Steve Di Lorenzo	2/12	\$ 400.00	3571	J. Marta
Howard Edelbaum	2/7	\$ 250.53	3523	J. Marta
Howard Edelbaum	2/13	\$ 165.00	3625	(illegible)
Sadika Edwards	2/12	\$ 250.00	3554	J. Marta
Gail Elberg	2/3	\$ 505.72	3190	G. Elberg
Gail Elberg	2/28	\$ 228.91	6348	("ok to cash")
Eleanor Fain	2/6	\$ 500.00	3519	(illegible)
Eleanor Fain	2/29	\$ 28.15	3862	(illegible)
Esther Farmer	2/12	\$ 275.00	3561	J. Massad
Melissa Fisher	2/12	\$ 275.00	3562	J. Massad
Melissa Fisher	2/22	\$ 98.50	3779	F. Miller
Melissa Fisher	2/27	\$ 100.00	3826	F. Miller

Roger Grunwald	2/13	\$ 275.00	3590	R. Massad
Roger Grunwald	2/22	\$ 275.00	3770	J. Hahn
Roger Grunwald	2/22	\$ 215.02	3766	J. Hahn
Willie Harris	2/6	\$ 275.00	3217	(illegible)
Cornelia Henselman	2/13	\$ 550.00	3591	R. Massad
Vera Hill	2/21	\$ 120.00	3742	J. Hahn
Deborah Hoffman	2/13	\$ 275.00	3592	R. Massad
Judy Jorrisch	2/13	\$ 275.00	3593	R. Massad
Judy Jorrisch	2/22	\$ 275.00	3768	J. Hahn
Donna Kaseta	2/4	\$ 467.00	3191	F. Miller
Donna Kaseta	2/21	\$ 200.84	6281	F. Miller
Donna Kaseta	2/28	\$ 200.84	6351	F. Miller
Michelle Kinery	2/6	\$ 275.00	3215	(illegible)
Chuck Knapp	2/21	\$ 200.00	3718	P. Wutz
Carolyn Kresky	2/13	\$ 275.00	3594	R. Massad
Carolyn Kresky	2/22	\$ 275.00	3767	J. Hahn
Barry Levine	2/6	\$ 450.00	3222	(illegible)
Robert Levy	2/7	\$ 230.85	6104	(illegible)
Tara Lewis	2/13	\$ 275.00	3595	R. Massad
Warren Lieberman	2/13	\$ 275.00	3596	R. Massad
Gwen Lowenheim	2/13	\$ 275.00	3597	R. Massad
Amo Lowi	2/13	\$ 275.00	3598	R. Massad
Patti Lucia	2/6	\$ 275.00	3220	(illegible)
Patti Lucia	2/12	\$ 275.00	3556	J. Massad
Gwen Mandell	2/13	\$ 550.00	3600	R. Massad
Gwen Mandell	2/23	\$ 212.60	3782	F. Miller
Janet Mangia	2/6	\$ 500.00	3216	(illegible)
Elaine Mannheimer	2/24	\$ 80.18	3788	F. Miller
Elaine Mannheimer	2/13	\$ 550.00	3601	R. Massad
Jessica Marta	2/22	\$ 577.89	3763	J. Hahn
Rachel Massad	2/6	\$1000.00	3226	(illegible)
Rachel Massad	2/28	\$ 411.66	3828	("ok to cash")

Michelle McCleary	2/13	\$ 275.00	3599	R. Massad
Corrinna Melanson	2/7	\$ 250.00	3524	K. Melanson
Elyse Mendel	2/23	\$ 76.44	3787	F. Miller
Fran Miller	2/13	\$ 228.00	3626	("ok to cash")
Fran Miller	2/7	\$ 250.53	6134	R. Massad
Doug Miranda	2/13	\$ 275.00	3602	R. Massad
Mamie Moore	2/22	\$ 133.46	3765	J. Hahn
Maria Moschionoscu	2/6	\$ 450.00	3223	(illegible)
David Nackman	2/13	\$ 275.00	3603	R. Massad
Betsy Pendry	2/13	\$ 275.00	3604	R. Massad
Mark Picard	2/13	\$ 275.00	3605	R. Massad
Marian Rich	2/12	\$ 275.00	3562	J. Massad
John Robertson	2/13	\$1000.00	3569	J. Marta
John Robertson	2/25	\$ 220.00	3792	J. Marta
Willie Scott (*Examine signature)	2/21	\$ 160.00	3730	W. Scott
Gary Sinawski	2/10	\$ 331.45	3537	R. Massad
Gary Sinawski	2/24	\$2000.00	3789	R. Massad
Gary Sinawski	2/21	\$2200.00	3733	(illegible)
Luvenia Sober	2/14	\$ 303.44	3578	J. Marta
Georgia Stama.	2/28	\$ 275.00	3834	J. Hahn
Jamela Stevens	2/28	\$ 275.00	3837	J. Hahn
Cathy Stewart	2/24	\$ 800.00	3783	R. Massad
Cathy Stewart	2/28	\$ 359.38	3827	("ok to cash")
Diane Stiles	2/28	\$ 275.00	3835	J. Hahn
Joanne Sullivan	2/27	\$ 200.00	3812	F. Miller
Kim Svoboda	2/13	\$ 195.13	3570	J. Marta
Margaret Tanzosh	2/28	\$ 275.00	3835	J. Hahn
Margaret Tanzosh	2/24	\$ 95.96	3784	F. Miller

Phil Terry	2/6	\$ 275.00	3224	(illegible)
Jeffrey Weiss	2/6	\$ 275.00	3219	(illegible)

TOTAL AMOUNT OF CHECKS: \$29,912.08

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MARCH 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Jeff Aron	3/5	\$ 160.78	3916	J. Marta
Naomi Azulay	3/12	\$ 435.56	4061	("ok to cash")
David Belmont	3/4	\$ 300.00	3906	J. Marta
Ira Bransome	3/18	\$ 428.00	4113	R. Massad
April Butcher	3/6	\$ 208.00	6440	J. Marta
April Butcher	3/13	\$ 389.00	6513	("ok to cash")
Darwin Carter	3/5	\$ 150.00	3926	(illegible)
Michelle Collins	3/12	\$ 175.00	4049	M. Collins
Bob Dattner	3/21	\$ 150.00	4155	R. Massad
Robert Dattner	3/6	\$ 290.36	6399	J. Marta
Robert Dattner	3/27	\$ 290.36	6607	R. Massad
Howard Edelbaum	3/19	\$ 78.74	4115	R. Massad
Howard Edelbaum	3/5	\$ 125.37	3918	J. Marta
Gail Elberg	3/6	\$ 178.30	3953	("ok to cash")
Gail Elberg	3/20	\$ 232.23	6551	F. Miller
Melissa Fisher	3/12	\$ 400.00	4054	F. Miller
Bonny Gildin	3/20	\$ 500.00	4134	R. Massad
Nancy Hanks	3/6	\$ 136.94	6372	J. Marta
Vera Hill	3/20	\$ 475.00	4142	illegible
Louis Hinman	3/6	\$ 155.25	3956	("ok to cash")
Deb Hoffman	3/27	\$ 300.00	4256	R. Massad
Donna Kasetta	3/6	\$ 204.16	6418	F. Miller
Donna Kasetta	3/13	\$ 204.16	6494	F. Miller
Donna Kasetta	3/27	\$ 204.16	6620	F. Miller
Donna Kasetta	3/20	\$ 204.16	6554	F. Miller
(*Examine signature)				
Barry Levine	3/5	\$ 132.65	3919	J. Marta
Barry Levine	3/3	\$ 61.93	3892	(illegible)

Jessica Massad	3/26	\$ 100.00	4242	("ok to cash")
Jessica Massad	3/22	\$ 196.36	4196	R. Massad
Jessica Massad	3/6	\$ 218.27	3954	("ok to cash")
Rachel Massad	3/26	\$ 883.15	4252	("ok to cash")
Rafael Mendez	3/20	\$ 275.00	4133	R. Massad
Doug Miranda	3/26	\$ 175.00	4254	("ok to cash")
J.B. Opdyke	3/13	\$ 266.21	6459	(illegible)
Bethany Peeler	3/9	\$ 253.85	3974	F. Miller
Bethany Peeler	3/20	\$ 253.85	6549	R. Massad
Sema Salit	3/5	\$ 325.00	3922	J. Marta
Jamela Stevens	3/5	\$ 275.00	3921	J. Marta
Cathy Stewart	3/27	\$ 250.00	4262	R. Massad
Margaret Tanzosh	3/10	\$ 100.00	3995	F. Miller
Margaret Tanzosh	3/5	\$ 275.00	3920	J. Marta
Jeff Williamson	3/10	\$ 100.00	3996	F. Miller
Jeff Williamson	3/10	\$ 650.00	3994	F. Miller
Jan Zimmerman	3/12	\$ 170.75	4062	("ok to cash")

TOTAL AMOUNT OF CHECKS: \$11,337.55

APRIL 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Naomi Azulay	4/3	\$130.00	4392	J.M.
Naomi Azulay	4/13	\$140.89	4499	F. Miller
Naomi Azulay	4/24	\$130.00	4629	R. Massad
Anne Bettman	4/3	\$275.00	4382	J. Massad
April Butcher	4/3	\$189.00	6715	J.M.
David Cherry	4/3	\$125.00	6711	"ok to cash"
Robert Dattner	4/3	\$290.36	6673	J. Marta
Esther Farmer	4/3	\$275.00	4384	J. Massad
Gilbert Harrell	4/3	\$200.00	6709	J. Marta
Gilbert Harrell	4/10	\$200.00	4493	Belmont/Miller
Vera Hill	4/3	\$120.00	6717	J.M.
Shelly Karliner	4/24	\$700.81	4638	"ok to cash"
Shelly Karliner	4/17	\$395.53	4563	"ok to cash"
Donna Kasetta	4/10	\$204.16	6768	F. Miller
Chuck Knapp	4/14	\$150.00	4502	F. Miller
Robert Levy	4/24	\$234.17	6856	R. Massad
Gwen Lowenheim	4/3	\$275.00	4386	J. Massad
Jessica Marta	4/17	\$275.87	6804	R. Massad
Jessica Massad	4/24	\$150.00	4628	R. Massad
Mary Rivera	4/24	\$243.07	6855	J. Hardy
Mary Rivera	4/17	\$202.75	6793	J. Hardy
Mary Rivera	4/16	\$125.75	4517	J. Hardy
John Robertson	4/13	\$500.00	4497	R. Massad
Sema Salit	4/17	\$250.00	4564	R. Massad
Barbara Sands	4/23	\$228.50	4627	R. Massad
Karen Steinberg	4/17	\$250.00	4557	R. Massad
Cathy Stewart	4/17	\$276.89	6806	R. Massad
JoAnn Sullivan	4/23	\$200.00	4626	R. Massad



Maureen Walsh	4/10	\$200.00	4485	R. Massad
Joyce Weisberger	4/3	\$275.00	4387	J. Massad
Jan Zimmerman	4/17	\$250.00	4558	R. Massad

TOTAL AMOUNT OF THE CHECKS: \$7,462.75

MAY 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Jini Berman	5/2	\$246.49	4712	J. Hahn
Jini Berman	5/8	\$200.00	4800	R. Massad
April Butcher	5/29	\$280.00	7338	R. Massad
Robert Dattner	5/29	\$290.36	7273	R. Massad
Robert Dattner	5/22	\$290.36	7185	(comparison)
Howard Edelbaum	5/22	\$253.85	7195	R. Massad
Howard Edelbaum	5/8	\$253.85	7035	R. Massad
Donna Kasetta	5/1	\$204.16	4690	F. Miller
Donna Kasetta	5/22	\$204.16	7200	F. Miller
Donna Kasetta	5/29	\$204.16	7287	F. Miller
Donna Kasetta	5/8	\$204.16	7040	F. Miller
Robert Levy	5/1	\$234.17	6918	(comparison)
Robert Levy	5/8	\$234.17	7009	(comparison)
Jessica Massad	5/20	\$216.50	4910	R. Massad
Willie Scott	5/15	\$301.80	7138	M. Fagler
Eunice Stronger	5/19	\$624.02	4903	R. Massad
Kimberly Svoboda	5/2	\$551.73	4711	J. Hahn
JoAnn Sullivan	5/8	\$200.00	4799	R. Massad
JoAnn Sullivan	5/22	\$275.87	7190	R. Massad
Raymond Tirado	5/29	\$180.30	7312	R. Massad
Raymond Tirado	5/8	\$1,000	7060	M. Barton
Lois Traunstein	5/8	\$175.36	7003	F. Miller
Janet Weigel	5/29	\$304.16	7288	R. Massad
Janet Weigel	5/8	\$304.16	7042	F. Miller

TOTAL AMOUNT OF THE CHECKS: \$7,233.79

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JUNE 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Naomi Azulay	6/10	\$95.92	5110	R. Massad
Naomi Azulay	6/18	\$57.03	5250	J. Hahn
Shumel Briggs	6/22	\$83.33	5805	R. Massad
April Butcher	6/5	\$280.00	7440	R. Massad
April Butcher	6/12	\$280.00	7530	R. Massad
April Butcher	6/19	\$280.00	7630	R. Massad
Darwin Carter	6/5	\$105.00	7415	R. Massad
Darwin Carter	6/12	\$129.60	7410	R. Massad
Darwin Carter	6/19	\$201.20	7606	R. Massad
Darwin Carter	6/26	\$132.20	7702	R. Massad
Robert Dattner	6/5	\$290.36	7369	R. Massad
Robert Dattner	6/12	\$290.36	7468	R. Massad
Robert Dattner	6/19	\$290.36	7560	R. Massad
Robert Dattner	6/26	\$290.36	7660	R. Massad
Howard Edelbaum	6/5	\$253.83	7378	R. Massad
Howard Edelbaum	6/12	\$253.85	7477	R. Massad
Howard Edelbaum	6/19	\$253.85	7569	R. Massad
Jimmie Jenkins	6/5	\$105.00	7435	R. Massad
Jimmie Jenkins	6/12	\$143.70	7521	R. Massad
Jimmie Jenkins	6/19	\$105.00	7617	R. Massad
Donna Kaseta	6/5	\$204.16	7383	F. Miller
Donna Kaseta	6/12	\$204.16	7480	F. Miller
Donna Kaseta	6/19	\$204.16	7573	F. Miller
Wade Langley	6/5	\$100.00	7437	R. Massad
Wade Langley	6/12	\$100.00	7523	R. Massad
Wade Langley	6/18	\$50.00	5238	R. Massad
Wade Langley	6/19	\$100.00	7619	R. Massad
Wade Langley	6/26	\$178.80	7711	R. Massad
Robert Levy	6/5	\$234.17	7354	R. Massad
Robert Levy	6/12	\$234.17	7454	R. Massad
Robert Levy	6/19	\$234.17	7546	R. Massad
Robert Levy	6/26	\$234.17	7646	R. Massad
Jessica Marta	6/5	\$275.87	7360	R. Massad
Jessica Marta	6/26	\$275.87	7651	R. Massad

Kenny Martin	6/5	\$105.00	7436	R. Massad
Kenny Martin	6/12	\$105.00	7522	R. Massad
Kenny Martin	6/19	\$110.00	7618	R. Massad
Kenny Martin	6/26	\$128.00	7709	R. Massad
Douglas Miller	6/17	\$50.00	5220	R. Massad
Allison Ortiz	6/10	\$49.00	5112	(no signature)
Bruce Randall	6/22	\$214.79	5440	R. Massad
Tony Robinson	6/22	\$83.33	5804	R. Massad
Joseph Spirito	6/18	\$358.00	5251	J. Hahn
Willie Scott	6/19	\$301.80	7588	R. Massad
Cathy Stewart	6/1	\$461.09	4975	"ok to cash"
Cathy Stewart	6/8	\$233.14	5057	R. Massad
Cathy Stewart	6/12	\$276.89	7460	R. Massad
Kimberly Svoboda	6/1	\$338.15	4976	"ok to cash"
Janet Weigel	6/22	\$107.50	5260	R. Massad
Janet Weigel	6/5	\$304.16	7384	R. Massad
Janet Weigel	6/12	\$304.16	7481	R. Massad
Janet Weigel	6/19	\$204.16	7574	R. Massad
Janet Weigel	6/26	\$304.16	7672	R. Massad
Pat Wictor	6/12	\$278.09	7492	R. Massad
Pat Wictor	6/19	\$278.09	7585	R. Massad
Pat Wictor	6/26	\$270.76	7683	R. Massad

**TOTAL AMOUNT OF THE CHECKS: 11,451.72**

ATTACHMENT 60  
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JULY 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Emilio Acevedo	7/14	\$24.00	5711	F. Miller
Naomi Azulay	7/1	\$176.97	5393	R. Massad
Naomi Azulay	7/3	\$704.27	5434	R. Massad
Douglas Balder	7/3	\$217.56	5438	R. Massad
MC Barton	7/3	\$228.30	7804	(no signature)
Todd Bentsen	7/3	\$796.26	5442	R. Massad
Jini Berman	7/3	\$299.60	5444	R. Massad
Jini Berman	7/9	\$272.25	5581	R. Massad
Ina Bransome	7/3	\$485.32	5439	R. Massad
Jeremy Butler	7/29	\$2.00	5947	(can't read)
Jeremy Butler	7/22	\$30.40	5819	("can't read")
Darwin Carter	7/31	\$81.90	8228	R. Massad
Darwin Carter	7/17	\$130.70	8021	R. Massad
Darwin Carter	7/10	\$115.40	7901	R. Massad
Darwin Carter	7/3	\$133.40	7801	R. Massad
Phillip Cujilan	7/22	\$12.00	5854	J. Berman
Bob Dattner	7/3	\$356.32	5435	R. Massad
Robert Dattner	7/31	\$290.36	8175	R. Massad
Robert Dattner	7/17	\$290.36	7953	R. Massad
Robert Dattner	7/10	\$290.36	7854	R. Massad
Robert Dattner	7/3	\$290.36	7754	R. Massad
Howard Edelbaum	7/17	\$253.85	7962	R. Massad
Howard Edelbaum	7/31	\$253.85	8183	R. Massad
Howard Edelbaum	7/10	\$253.85	7863	R. Massad
Howard Edelbaum	7/24	\$253.85	8080	R. Massad
Jeremy Fels	7/1	\$4.00	5383	A.F
Sandor Friedman	7/3	\$383.14	5437	R. Massad
Sandor Friedman	7/13	\$255.45	5629	R. Massad
Christine Helm	7/2	\$344.70	5429	R. Massad
Christine Helm	7/10	\$300.00	5622	R. Massad
Christine Helm	7/23	\$1,283.18	5899	R. Massad
Louis Hinman	7/16	\$100.41	5782	R. Massad
Molly Honigsfeld	7/3	\$256.66	5436	R. Massad

Jimmie Jenkins	7/31	\$250.00	8232	R. Massad
Jimmie Jenkins	7/17	\$154.70	8027	R. Massad
Jimmie Jenkins	7/10	\$164.00	7907	R. Massad
Jimmie Jenkins	7/3	\$197.90	7807	R. Massad
Shelly Karliner	7/16	\$385.53	5777	J. Hahn
Donna Kasta	7/17	\$204.16	7966	F. Miller
Donna Kasta	7/31	\$204.16	8186	F. Miller
Donna Kasta	7/24	\$204.16	8083	F. Miller
Donna Kasta	7/10	\$204.16	7866	F. Miller
Donna Kasta	7/3	\$204.16	7767	F. Miller
Wade Langley	7/24	\$100.00	8128	R. Massad
Wade Langley	7/9	\$100.00	5590	R. Massad
Wade Langley	7/31	\$150.00	8233	R. Massad
Wade Langley	7/3	\$100.70	7809	R. Massad
Robert Levy	7/31	\$234.17	8161	R. Massad
Robert Levy	7/24	\$234.17	8056	R. Massad
Robert Levy	7/24	\$234.17	8057	R. Massad
Robert Levy	7/17	\$234.17	7939	R. Massad
Robert Levy	7/10	\$234.17	7840	R. Massad
Robert Levy	7/3	\$234.17	7740	R. Massad
Lisa Linnen	7/17	\$253.85	7940	R. Massad
Kizza Lofton	7/14	\$18.00	5708	F. Miller
Jessica Marta	7/3	\$589.09	5433	R. Massad
Jessica Marta	7/17	\$275.87	7944	R. Massad
Jessica Marta	7/3	\$275.87	7745	R. Massad
Kenny Martin	7/17	\$155.70	8028	R. Massad
Kenny Martin	7/10	\$120.20	7908	R. Massad
Kenny Martin	7/3	\$195.50	7808	R. Massad
Jessica Massad	7/3	\$436.23	5431	R. Massad
Jessica Massad	7/14	\$111.41	5696	R. Massad
Francine Miller	7/30	\$253.85	5996	R. Massad
Francine Miller	7/17	\$253.85	7956	R. Massad
Katrina Nusum	7/31	\$245.78	8211	F. Miller
J.B. Obdyke	7/24	\$257.56	8092	R. Massad
Terance Philips	7/29	\$8.80	5945	B. Prinern
Marsha Plafkin	7/10	\$93.04	5620	R. Massad
Tony Robinson	7/29	\$291.00	5990	R. Massad

Susan Santaniello	7/2	\$732.81	5428	R. Massad
Shanne Selby	7/22	\$41.76	5846	F. Miller
Deryck Serrano	7/29	\$250.00	5959	J. Spirito
Joe Spirito	7/3	\$148.00	5441	R. Massad
Catem Stewart	7/29	\$275.00	5984	F. Miller
Cathy Stewart	7/2	\$520.99	5430	R. Massad
Cathy Stewart	7/9	\$161.75	5580	R. Massad
Cathy Stewart	7/9	\$161.00	5582	R. Massad
Cathy Stewart	7/24	\$250.00	5900	R. Massad
Cathy Stewart	7/10	\$276.89	7846	R. Massad
Kimberly Svoboda	7/16	\$286.00	5775	J. Hahn
Kim Svoboda	7/16	\$141.75	5776	J. Hahn
Kim Svoboda	7/23	\$560.98	5896	J. Hahn
Justin Toppin	7/15	\$10.80	5744	F. Miller
Justin Toppin	7/22	\$18.80	5836	F. Miller
Dorena Valencia	7/17	\$209.15	8015	A. Valencia
Andy Villanueva	7/29	\$66.40	5927	J. Fellism
Janet Weigel	7/2	\$1,075	5422	R. Massad
Janet Weigel	7/23	\$249.28	5897	J. Hahn
Janet Weigel	7/10	\$204.16	7867	R. Massad
Janet Weigel	7/3	\$204.16	67768	R. Massad
Julie Wharton	7/22	\$46.80	5832	("can't read")
Tameka White	7/29	\$50.00	5929	F. Miller
Pat Wictor	7/31	\$262.69	8197	R. Massad
Pat Wictor	7/24	\$140.10	8094	R. Massad
Pat Wictor	7/17	\$278.09	7977	R. Massad
Pat Wictor	7/10	\$278.09	7877	R. Massad
Jan Zimmerman	7/3	\$544.25	5432	R. Massad
Jan Zimmerman	7/24	\$80.00	5901	R. Massad
Jan Zimmerman	7/9	\$91.95	5583	R. Massad
Jan Zimmerman	7/16	\$89.00	5774	R. Massad

TOTAL AMOUNT OF THE CHECKS: \$24,740.93

AUGUST 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Naomi Azulay	8/7	\$138.34	6158	R. Massad
Douglas Balder	8/13	\$100.00	6255	R. Massad
Diana Barbaro	8/21	\$197.84	8487	R. Massad
Diana Barbaro	8/30	\$300.00	6496	F. Miller
David Belmont	8/24	\$2,835	6434	F. Miller
David Belmont	8/14	\$240.68	6309	C. Hill
Jini Berman	8/14	\$241.80	6311	C. Hill
Jini Berman	8/7	\$255.46	6164	R. Massad
Shumel Briggs	8/7	\$190.08	8360	J. Spirito
Bob Dattner	8/12	\$200.00	6251	R. Massad
Robert Dattner	8/7	\$200.00	6161	R. Massad
Robert Dattner	8/7	\$290.36	8284	R. Massad
Robert Dattner	8/14	\$290.36	8385	R. Massad
Robert Dattner	8/21	\$290.36	8453	R. Massad
Robert Dattner	8/28	\$290.36	8522	R. Massad
Emerson Dino	8/7	\$167.00	8363	J. Spirito
Wilton Duckworth	8/6	\$54.01	6155	R. Massad
Howard Edelbaum	8/7	\$253.85	8293	R. Massad
Howard Edelbaum	8/21	\$253.85	8460	R. Massad
Howard Edelbaum	8/28	\$253.85	8528	C. Helm
Eleanor Fain	8/7	\$471.63	6157	R. Massad
Eleanor Fain	8/3	\$209.25	6024	R. Massad
Brian Ferreira	8/18	\$100.00	6401	R. Massad
Jessie Fields	8/14	\$375.00	6313	C. Hill
Jessie Fields	8/7	\$211.47	6154	R. Massad
David Foster	8/7	\$300.00	6159	R. Massad
Sihiey Freeman	8/26	\$86.00	6479	F. Miller
Sandor Friedman	8/13	\$1,000	6272	R. Massad
Sandor Friedman	8/7	\$65.06	6165	R. Massad
Sandor Friedman	8/3	\$445.96	6025	R. Massad
Sandor Friedman	8/12	\$1,300	6406	R. Massad
Vera Hill	8/7	\$70.42	6166	R. Massad
Vera Hill	8/14	\$120.00	8437	R. Massad



Louis Hinman	8/20	\$100.00	6408	R. Massad
Jimmie Jenkins	8/14	\$150.00	8423	R. Massad
Jimmie Jenkins	8/21	\$150.00	8492	R. Massad
Gay Johnson	8/7	\$171.24	6163	R. Massad
Shelly Karliner	8/14	\$611.91	6322	J. Hahn
Donna Kaseta	8/28	\$204.16	8531	F. Miller
Donna Kaseta	8/21	\$204.16	8463	F. Miller
Donna Kaseta	8/14	\$204.16	8395	F. Miller
Donna Kaseta	8/7	\$204.16	8296	F. Miller
Wade Langley	8/7	\$120.00	8343	R. Massad
Wade Langley	8/21	\$120.00	8493	R. Massad
Robert Levy	8/14	\$234.17	8375	R. Massad
Robert Levy	8/7	\$234.17	8270	R. Massad
Robert Levy	8/21	\$234.17	8444	R. Massad
Robert Levy	8/28	\$234.17	8512	C. Helm
Renaldo Lugo	7/14	\$107.25	6323	J. Hahn
Herbert Manigault	8/14	\$250.00	6314	C. Hill
Jessica Marta	8/14	\$524.56	6321	J. Hahn
Jessica Marta	8/20	\$137.35	6407	R. Massad
Jessica Marta	8/7	\$275.87	8275	R. Massad
Jessica Marta	8/28	\$275.87	8515	R. Massad
Jessica Marta	8/3	\$145.00	6026	R. Massad
Heather Martin	8/13	\$200.00	6263	R. Massad
Jessica Massad	8/13	\$131.37	6277	R. Massad
Jessica Massad	8/12	\$162.52	6405	R. Massad
Walter Medina	8/21	\$200.00	8503	R. Massad
Raymond Monroe	8/18	\$65.10	6398	R. Massad
Darryl Padilla	8/26	\$125.00	6468	J. Spirito
Glenda Pettaway	8/14	\$250.00	6315	C. Hill
Mark Picard	8/13	\$199.98	6262	R. Massad
Mark Picard	8/9	\$199.96	6189	R. Massad
Bruce Randall	8/7	\$242.74	6162	R. Massad
Jamie Richardson	8/14	\$250.00	6317	C. Hill
Daniel Rivera	8/14	\$250.00	6318	C. Hill

Victor Santiago 8/18 \$146.10 6397  
 (comparison - check cashed in NY other Oregon checks done in Oregon)

Deryck Serrano	8/7	\$250.00	8362	J. Spirito
Cathy Stewart	8/13	\$250.00	6254	R. Massad
Cathy Stewart	8/9	\$251.65	6188	R. Massad
Cathy Stewart	8/7	\$468.00	6160	R. Massad
Cathy Stewart	8/24	\$150.36	6429	R. Massad
Cathy Stewart	8/14	\$275.87	8380	F. Miller
Cathy Stewart	8/7	\$275.87	8276	R. Massad
Cathy Stewart	8/28	\$275.87	8516	R. Massad
Sean Stokes	8/18	\$208.80	6394	R. Massad
Anne Suddaby	8/13	\$1,400	6283	R. Massad
JoAnn Sullivan	8/13	\$300.00	6284	R. Massad
Kimberly Svoboda	8/14	\$481.91	6320	J. Hahn
Angus Trimnell	8/21	\$300.00	8490	R. Massad
Andy Villanueva	8/4	\$19.20	6090	J. Tellesen
Janet Weigel	8/7	\$166.10	6153	R. Massad
Patrick Wictor	8/20	\$47.36	6420	R. Massad
Pat Wictor	8/7	\$278.09	8307	R. Massad
Jerrie Williams	8/14	\$250.00	6316	C. Hill
Jan Zimmerman	8/14	\$100.15	6319	R. Massad
Jan Zimmerman	8/3	\$150.75	6028	R. Massad

TOTAL AMOUNT OF THE CHECKS: \$25,013.11

SEPTEMBER 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Christine Helm	9/16	569.27	6661	J. Hahn
Shelly Karliner	9/16	452.59	6659	J. Hahn
James Mangia	9/16	305.76	6662	J. Hahn
Jessica Massad	9/23	339.75	6713	"ok to cash"
Josphe Spirito	9/1	219.49	6507	F. Miller
Kimberly Svoboda	9/22	553.03	6712	"ok to cash"
Jan Zimmerman	9/16	277.10	6663	J. Hahn

**TOTAL AMOUNT OF CHECKS: \$2,716.99**

OCTOBER 1992

<u>Individual</u>	<u>Date</u>	<u>Amount</u>	<u>Ck#</u>	<u>Signature</u>
Leslie Abraham	10/23	\$209.15	8795	(can't read sig.)
Jeremiah Duboff	10/7	\$400.54	6778	payee New Alliance
Eleanor Fain	10/28	\$233.17	6834	Jessica Marta
Sandor Friedman	10/28	\$198.10	6832	Jessica Marta
Julie Kinnett	10/2	\$290.31	8707	(comparison)
Julie Kinnett	10/25	\$73.35	6812	Jessica Marta
Jessica Marta	10/23	\$275.87	8778	Eleanor Fain
Fran Miller	10/16	\$253.86	8755	(no signature)
Betsi Pendry	10/30	\$288.96	8821	Jessica Marta

**TOTAL AMOUNT OF CHECKS: \$2,223.31**



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

July 26, 1995

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

THROUGH: JOHN C. SURINA  
STAFF DIRECTOR

FROM: ROBERT J. COSTA *RJC - 7/26/95*  
ASSISTANT STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT: REQUEST FOR NOCO RECALCULATION -  
LENORA B. FULANI FOR PRESIDENT

Per your request of July 25, 1995, the Audit staff, using amounts representing payments your office plans to characterize as non-qualified campaign expenses in a report to the Commission, calculated the effect on the NOCO Statement as presented in the final audit report. The recalculated NOCO and resulting 26 U.S.C. §9038(b)(1) repayment of \$133,289 is shown at Exhibit A.

If you have any questions, please contact Rick Halter at 219-3720.

Attachment as stated

LENORA B. FULANI FOR PRESIDENT  
Recalculated NOCO as of 8/20/92

Assets

Cash on Hand	\$	50	
Cash in Bank	(	31,004)	a/
Accounts Receivable		21,872	b/
Capital Assets		<u>3,199</u>	
Total Assets			\$ <u>( 5,883)</u>

Obligations

Accounts Payable for Qualified Campaign Expenses	\$	228,580	c/
Winding Down Costs 8/21/92 - 12/31/93		<u>199,075</u>	c/
Total Obligations			\$ <u>427,655</u>

NOCO (Deficit)/Surplus \$ (433,538) d/

- a/ The negative cash in bank balance is the result of outstanding checks at 8/20/92, all of which subsequently cleared the bank account or were reissued.
- b/ Included in this figure are amounts taken from the Committee's disclosure reports which are subject to audit verification.
- c/ Approximately \$148,512 in disbursements are not included in these figures as they represent non-qualified campaign expenses.
- d/ This figure does not include \$20,510 in apparent campaign-related transactions (See Final Audit Report Finding II.A.). Adjustments will be made, if warranted, based upon any new information provided by the Committee.

As noted above, the Committee's NOCO deficit on August 20, 1992 was \$433,538. The Committee deposited private contributions totaling \$156,744 between August 21, 1992 and October 31, 1992. In addition, the Committee received federal matching fund payments of \$166,843 on August 31, 1992 and \$123,416 on September 30, 1992. Therefore, on October 31, 1992, the Candidate had no remaining entitlement.

As a result, the Candidate was not entitled to receive the following matching fund payments pursuant to 26 U.S.C §9038(b)(1):

November 3, 1992	\$ 56,438
November 30, 1992	53,494
December 31, 1992	<u>23,357</u>
Total	<u>\$133,289</u> 1/

1/ This recalculation was based solely upon revised figures contained in an Office of General Counsel draft report based on its own investigation.

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(



Public Disclosure  
(Cooper)



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20543

AK004136  
98 NOV 12 10:05

November 9, 1993

MEMORANDUM

TO: THE COMMISSIONERS

THROUGH: JOHN C. SURINA  
STAFF DIRECTOR *[Signature]*

FROM: ROBERT J. COSTA *[Signature]*  
ASSISTANT STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT: REPAYMENT OF \$1,394 RECEIVED FROM LENORA B. FULANI FOR  
PRESIDENT

This informational memorandum is to advise you of a \$1,394 repayment check received from Lenora B. Fulani for President. The check represents full repayment for non-qualified campaign expenses as requested in the final audit report.

Attached is a copy of the check and the receipt showing delivery to the Department of Treasury.

If you have any questions regarding the repayment, please contact Ray Lisi at 219-3720.

Attachments as Stated

1901

LENORA B. FULANI FOR  
PRESIDENT GENERAL ELECTIONS

200 WEST 72ND STREET, SUITE 30  
NEW YORK, NY 10023

0543

1 337 256

Pay to the order of U.S. Treasury

11/4 1993

\$ 1394.00

One thousand three hundred ninety four <sup>00</sup>/<sub>100</sub> Dollars



AMALGAMATED BANK OF NEW YORK  
1710 Broadway, New York, NY 10019

For repayment

*Francine P.*

⑈000543⑈ ⑆026003379⑆ 31033576⑈



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIPT FROM THE  
UNITED STATES DEPARTMENT OF TREASURY  
FOR A REPAYMENT OF  
1992 PRESIDENTIAL PRIMARY MATCHING FUNDS

November 9, 1993

Received on November 9, 1993, from the Federal Election Commission (by hand delivery), a check (#0543) drawn on the Amalgamated Bank of New York, in the amount of \$1,394.00. The check represents a full repayment from Lenora B. Fulani for President for non-qualified campaign expenses as requested in the final audit report.

Pursuant to 26 U. S. C. §9038(d), this check should be deposited into the Matching Payment Account.

Lenora B. Fulani for President  
Amount of Repayment: \$1,394.00

Presented by:

*Arthur Shuff*  
for the  
Federal Election Commission

Received by:

*Raymond Bennis*  
for the  
United States Treasury