



FEDERAL ELECTION COMMISSION
WASHINGTON, D. C. 20543

AK005509

October 18, 1994

MEMORANDUM

TO: RON HARRIS
PRESS OFFICE

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

SUBJECT: PUBLIC ISSUANCE OF THE FINAL AUDIT REPORT ON
BUCHANAN FOR PRESIDENT

Attached please find a copy of the Final Audit Report and related documents on Buchanan for President which was approved by the Commission on October 11, 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

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REPORT OF THE AUDIT DIVISION
ON

Buchanan for President

Approved October 11, 1994



FEDERAL ELECTION COMMISSION
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WASHINGTON, D.C.

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FEDERAL ELECTION COMMISSION

FINAL AUDIT REPORT
ON
BUCHANAN FOR PRESIDENT
EXECUTIVE SUMMARY

Buchanan for President ("the Committee") registered with the Federal Election Commission on December 26, 1991. The Committee was the principal campaign committee of Patrick J. Buchanan, a candidate for the 1992 Republican presidential nomination.

The audit was conducted pursuant to 26 U.S.C. §9038(a), which requires the Commission to audit committees that receive matching funds. The Committee received \$5.2 million in matching funds.

The findings were presented to the Committee at an exit conference held at the conclusion of audit fieldwork (May 20, 1993) and in the Interim Audit Report ratified by the Commission on December 20, 1993. The Committee responded to the findings contained in the Interim Audit Report on March 28, 1994. The comments and other information received from the Committee have been included in this report.

The Final Audit Report required the Committee to pay \$625,146 to the U.S. Treasury and \$6,283 to the Press.

The findings contained in the Final Audit Report are summarized below.

Unresolved Prohibited Contributions - 2 U.S.C. §441b(a), 11 CFR §100.7(a)(1)(iii), 11 CFR §103.3(b). The Committee is required to pay the U.S. Treasury \$8,166, in prohibited contributions. The Committee disputed a portion of the amount (\$5,152) resulting from a sample review of contributions^{1/}. The

^{1/} On May 5, 1992, the Commission adopted a policy of using sampling techniques to project the amount of prohibited and excessive contributions and, based on the projection, to require payments to the Treasury. The Committee was notified of this policy by letter dated June 2, 1992.

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Committee argued that the Commission's use of the sampling technique without notice and comment is a violation of the Administrative Procedures Act. The Committee also argued that the auditor's method of sampling was invalid. The Commission did not find the arguments persuasive.

Apparent Excessive Contributions - 2 U.S.C. §441a(a)(1), 11 CFR 100.7, 11 CFR 110.1(k), and 11 CFR 103.3. The Committee was required to pay the U.S. Treasury \$53,759, in excessive contributions. The Committee disputed a part of that amount (\$17,279) resulting from a sample review of contributions. The Committee objected for the same reasons noted with respect to prohibited contributions. The Commission again did not find the arguments persuasive.

Excessive Contributions Resulting from Staff Advances - 2 U.S.C. §441a(a) and 11 CFR §116.5(b). The Committee received \$53,251 in excessive contributions in the form of staff advances from three individuals. The Committee presented a number of arguments in an attempt to show that no excessive contributions were received; however, the arguments were not accepted.

Misstatement of Financial Activity - 2 U.S.C. §434(b)(1), (2), and (4). The Committee understated its 1992 receipts and disbursements by \$26,494 and \$140,661 respectively. The misstatements largely resulted from the Committee's failure to report all transactions in its state bank accounts. In response to the Interim Audit Report, the Committee filed amended disclosure reports to correct the errors.

Apparent Non-qualified Campaign Expenses - 11 CFR §9032.9(a) and 11 CFR §9034.4(a)(1). The Committee was required to repay \$25,151 for incurring non-qualified campaign expenses.

1. Patrick J. Buchanan - The Committee was required to repay \$17,116, the pro rata share of \$50,000 in contributions returned to the Candidate. Claiming that the \$50,000 was originally loaned by the Candidate but erroneously reported as contributions, the Committee said that the payments were loan repayments (which are qualified campaign expenses) rather than the return of contributions (which are not). The Committee provided affidavits from Committee officials stating these transactions were loans but no other evidence was provided.

2. Over Payment to a Staff Member - The Committee also had to repay \$2,959, the pro rata share of an \$8,645 overpayment of a reimbursement to a staff member for expenses incurred on her credit cards. The Committee's response states they have decided not to seek a refund from the staff member.

3. Other Non-qualified Campaign Expenses - 11 CFR §9032.9(a)(2), 11 CFR 9034.4, 11 CFR §9038.2(b)(2)(iii) and 11 CFR §9038.3(c)(2). The Committee was required to repay \$5,076,

the pro rata share of non-qualified campaign expenses totaling \$14,827. The non-qualified expenses include \$2,406 in fundraising expenses incurred after the Committee had no remaining debt and \$12,421 in various other expenses.

Matching Funds in Excess of Entitlement - 26 U.S.C. §9038(b)(1). The Committee was required to repay, to the U.S. Treasury, \$532,827 in matching funds received in excess of the Candidate's entitlement, based on an analysis of the Committee's Statement of Net Outstanding Campaign Obligations and receipts. In addition, the Commission previously refused to certify the Committee's final matching fund request in the amount of \$75,640 citing inflated estimates of winding down costs.

Apparent Excessive Press Reimbursements - 11 CFR §9034.6 The Committee was required to make \$6,283 in refunds to the press for overcharges of travel services provided to media representatives. Also, the Committee earned \$4,632 in profits on travel services and had to pay that amount to the U.S. Treasury.

Stale-dated Committee Checks - 11 CFR §9038.6. Finally, the Committee was required to pay the U.S. Treasury \$611, representing the value of stale-dated Committee checks still uncashed.

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REPORT OF THE AUDIT DIVISION
ON
BUCHANAN FOR PRESIDENT

I. Background

A. Audit Authority

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This report is based on an audit of Buchanan 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, November 26, 1991, through September 30, 1992. During this period, the Committee's disclosure reports reflect an opening cash balance of \$-0-, total receipts of \$12,961,454, total disbursements of \$12,416,833 and a closing cash balance of \$428,544.1/ In addition, a limited review of the Committee's transactions and disclosure reports filed through March 31, 1994 was conducted for purposes of determining the Committee's remaining matching fund entitlement based on its financial position.

1/ Does not foot, see Finding II.C. All amounts have been rounded to the nearest dollar.

C. Campaign Organization

The Committee registered with the Federal Election Commission on December 26, 1991. The Treasurer of the Committee, was Mr. Scott B. Mackenzie from inception until March 1, 1993, when Ms. Angela M. Buchanan assumed those duties. The Committee's current offices are located in McLean, Virginia.

To manage its financial activity, the campaign maintained 28 bank accounts (7 headquarters and 21 state) at various times. From these accounts, the Committee issued approximately 4,780 checks in payment for goods and services. The Committee received approximately 193,617 contributions, from approximately 116,973 individuals, totaling \$7,113,604. The Committee also received 26 contributions from political committees totaling \$38,800.

The Candidate was determined eligible to receive matching funds on January 27, 1992. The campaign received \$5,199,987 in matching funds from the United States Treasury as of January 2, 1993. This amount represents 37.65% of the \$13,810,000 maximum entitlement that any candidate could receive and 94% of the amount requested. Through December 31, 1992, the campaign made a total of 11 matching funds requests totaling \$5,539,814.

On January 4, 1993 the Committee submitted a request for additional matching funds totaling \$75,640. Accompanying the submission, as required by Section 9034.5(f)(1) of Title 11 of the Code of Federal Regulations, was a statement of the Committee's Net Outstanding Campaign Obligations ("NOCO Statement") which reflected a remaining entitlement of \$96,184. According to the NOCO Statement the Committee's assets totaled \$1,193,925 of which \$1,011,242 or 85%, was cash on hand. The Committee's liabilities totaled \$1,290,109, which consisted of estimated winding down costs totaling \$1,209,100 or 94% of total liabilities. One item included in the estimate of winding down costs was a \$100,000 "contingency" for which the Committee provided no documentation.

After review of the NOCO Statement by the Audit Division and the Office of General Counsel, the Commission made an initial determination that the January 4, 1993 NOCO Statement included inflated estimates of winding down costs. The Committee did not respond to the Commission's initial determination. On April 2, 1993 the Commission made a final determination that the Committee failed to adequately substantiate its need for additional federal matching funds and rejected the January 4, 1993 request for the additional \$75,640 (See Finding III.D., Receipt of Matching Funds in Excess of Entitlement).

For matching fund purposes, the Commission determined that Mr. Buchanan's candidacy ended August 20, 1992, the date the Republican Party nominated its candidate for President of the United States.

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

D. Audit Scope and Procedures

In addition to a review of the Committee's expenditures to determine the qualified and non-qualified campaign expenses incurred by the campaign (see Finding III.B.), the audit covered the following general categories:

1. Compliance with statutory limitations with respect to the receipt of contributions or loans (see Findings II.B. and III.B.);
2. compliance with the statutory requirements regarding the receipt of contributions from prohibited sources, such as those from corporations or labor organizations (see Finding II.A.);
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;
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;
6. the accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records (see Finding II.C.);
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 Findings III.C. and III.D.);
9. compliance with spending limitations; and
10. other audit procedures that were deemed necessary.

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Unless specifically discussed below, no material non-compliance with Statutory and Regulatory requirements was detected. It should be noted that the Commission may pursue any of the matters discussed in this report in an enforcement action. Finally, the Interim Audit Report constituted notice of potential Federal funds repayment pursuant to 11 CFR §9038.2(a)(2).

As part of the Commission's standard audit process, an inventory of the Committee's records was conducted October 15 - 26, 1992 to determine if the records were materially complete and in an auditable condition. At the end of the inventory the Committee was notified of the specific records we had identified as missing. The Committee was given 30 days to obtain the records. At the end of the 30 day period (November 24, 1992) the Committee had not yet provided the workpapers detailing the allocation of expenditures to states, or bank records for the Committee's Mississippi state depository. On December 23, 1992, the Commission approved subpoenas to the Committee, Hancock Bank in Mississippi, and the individual responsible for maintaining the account. Hancock Bank and the individual maintaining the account responded to the subpoenas on January 22 and 25, 1993 respectively. The Committee's initial response to the subpoena was received on February 9, and a supplemental response was provided on February 10, 1993. We reviewed the responses and determined the records provided were materially complete.

II. Findings and Recommendations - Non-Repayment Matters

A. Apparent Unresolved Prohibited Contributions

Section 441b(a) of Title 2 of the United States Code states, in relevant part, that it is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office.

Section 100.7(a)(1)(iii) of Title 11 of the Code of Federal Regulations states that the term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value. The term "anything of value" includes all in-kind contributions. Unless specifically exempted under 11 CFR §100.7(b), the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution.

Section 103.3(b) of Title 11 of Code of Federal Regulations states, the treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limitation of 11 CFR 110.1 or 110.2.

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Contributions that present genuine questions as to whether they were made by corporations, may be, within ten days of the treasurer's receipt, either deposited into a campaign depository under 11 CFR §103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. The treasurer shall make at least one written or oral request for evidence of the legality of the contribution. Such evidence includes, but is not limited to, a written statement from the contributor explaining why the contribution is legal, or a written statement by the treasurer memorializing an oral communication explaining why the contribution is legal. If the contribution cannot be determined to be legal, the treasurer shall, within thirty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

Any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

Although the Committee did not maintain a separate depository pursuant to 11 CFR §103.3(b) its policy was to maintain sufficient funds with which to make a refund if necessary. Our review of the book balance used by the Committee and the actual cash on hand per the bank statements supports that sufficient cash on hand was maintained to make the refunds of prohibited or excessive portions of contributions.

The Commission notified the Committee by letter dated June 2, 1992, that a sampling technique would be used to determine, in whole or in part, the amount of excessive and prohibited contributions received by the Committee. That letter states, in part, Commission regulations provide committees with 30 days in which to refund contributions which appear to be prohibited, and 60 days in which to seek the reattributions, redesignation or refund of excessive contributions. 11 CFR §103.3(b)(1), (2), and (3). Contributions resolved by committees outside these time periods are considered untimely and in violation of the Commission's regulations. The Commission will no longer recognize any untimely refunds, redesignations or reattributions made more than 60 days following a candidate's date of ineligibility or after the date of receipt of this letter, whichever is later. After this deadline, the Commission will request that all unresolved prohibited or excessive contributions be paid to the United States Treasury.

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Our review of contributions identified apparent unresolved prohibited contributions totaling \$8,166. This amount was derived from a comprehensive review of the Committee's 21 state bank accounts and of refunds posted to the Committee's receipts data base (\$900), an apparent in-kind contribution of (\$864), and a projection based upon a sample review of the remaining contributions (\$6,402).

The Committee did attempt to resolve one of the prohibited contributions noted above; however, the refund check was dated November 5, 1992, which is outside of the 60 days subsequent to the candidate's date of ineligibility and is considered to be unresolved.

The in-kind contribution was identified on an invoice from the Tampa Airport Marriott bearing the notation "complimentary". This matter was discussed with the Treasurer who stated either 5 or 6 rooms were utilized for one night. No other information with respect to these rooms has been provided. The Audit staff has determined that the customary charge for a room at the Tampa Airport Marriott is \$144 per night. Therefore, we have calculated the amount of the contribution to be \$864 [6 rooms X \$144/night].

The contributions that were not included in the comprehensive reviews discussed above were tested on a sample basis. The sample projected that \$6,402 represents prohibited contributions.

At the exit conference the Committee was provided with various schedules detailing the apparent prohibited contributions noted above.

The Interim Audit Report recommended that the Committee either provide evidence that the contributions are not from prohibited sources, or make a payment to the United States Treasury in the amount of \$8,166.

In response to the Interim Audit Report, the Committee accepted the Audit staff's recommendation that the prohibited contributions totaling \$3,014 [\$900 + \$864 + \$1,000 + \$250] be paid to the United States Treasury. This represents the sum of the identified prohibited contributions including those contained in the sample. However the Committee objects to the remaining \$5,152 which is based on the sample.

The response includes a letter from an accounting firm concerning the sampling technique. The letter states in part that:

"The sampling technique used by the FEC, known as dollar unit sampling, which is a form of attribute sampling, is equivalent to techniques used by most financial auditors. This type of sampling is used to

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determine an error rate in a population which allows auditors to evaluate whether such error has a material effect on the population. Dollar unit sampling can also be used to estimate the rate of occurrence of deviations. An example of attribute sampling would be to estimate how many transactions involve incorrect calculations."

The letter goes on to state the opinion that an Estimation sample would be more appropriate and deviations found in a dollar unit sample are not usually used to record an audit adjustment. Finally, it is stated that the firm found the definition of our thresholds levels to be inconsistent and that they appeared to be very low.

With respect to the technique, the Audit and Accounting Guide entitled Audit Sampling prepared by the American Institute of Certified Public Accountants notes that "attributes sampling is generally used to reach a conclusion about a population in terms of a rate of occurrence. Variables sampling is generally used to reach conclusions about a population in terms of a dollar amount. PPS (Probability Proportionate to Size or Dollar Unit Sampling) is a hybrid method that uses attributes sampling theory to express a conclusion in dollar amounts rather than as a rate of occurrence." In a footnote the same audit guide states that "[a] PPS sampling approach can be used to obtain evidence of compliance with internal accounting control procedures. A PPS sampling approach would provide evidence in terms of dollar amounts of transactions containing deviations rather than rates of deviation. In that case the feature of interest is compliance deviations rather than substantive errors."

It is also noted that the sampling technique employed is the same as the one used by the Commission to evaluate matching fund submissions and determine the dollar amount to be paid. That technique was recommended to the Commission by the accounting firm Ernst and Whinney (now Ernst and Young) in an extensive study undertaken to find the most appropriate sampling technique to determine the amount of matchable contributions, or conversely the non-matchable amount, in a group of contributions. The Audit staff believes that the evaluation of a group of contributions to determine an estimate of prohibited or excessive contributions contained therein is indistinguishable from the matching fund evaluation.

With respect to the thresholds used in the sampling process, they are contained in the Commission's materiality thresholds and were therefore not available for the Committee's or accounting firm's review.

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The Committee also argues that the use of sampling without notice and comment violates the Administrative Procedures Act. On the contrary, agencies are required to comply with the Administrative Procedures Act's notice and comment provisions for "legislative rules" it issues. However an exemption from these requirements is created for "interpretive rules, general statements of policy, or rules of agency organization, procedure or practice." An agency makes a general policy statement if the announcement either acts prospectively or leaves the agency and its decision-makers free to exercise discretion.

The 1992 letter to presidential committees falls within the interpretive rule exemption. It does not substantially alter the Committee's rights or interests. Rather, it is interpreting a current regulation. Section 9038.1(a)(2) of Title 11 of the Code of Federal Regulations allows the Commission to conduct examinations and audits "as it deems necessary to carry out the provisions of this subchapter." The letter informed the Committee that sampling would be used as a technique for reviewing excessive and prohibited contributions, which is a necessary part of the audit and examination process. Further, the letter was defining the audit method that would be employed to conduct an examination of the Committee's contributions. Since the letter notified the committees of the future intent to "make more extensive use of statistical sampling," it was prospective.

The requirement that the Committee disgorge unlawfully retained contributions to the Treasury is not a new policy which significantly affects committees' rights or interests. A policy statement does not "alter the rights or interest of parties, although it may alter the manner in which parties present themselves or their viewpoints to the agency." American Hospital Ass'n, 834 F.2d at 1047 (citing Batterton v. Marshall, 648 F.2d, 707 (D.C. Cir. 1980)). The Committees' rights and interests have not been affected here. Their duty with respect to illegal contributions is to redesignate, reattribute or refund these contributions within either 30 or 60 days, pursuant to 11 CFR §103.3. Therefore, the Committee has a general duty to relinquish unlawfully retained contributions. The 1992 letter does not alter this duty; it only notifies committees that all such untimely unresolved contributions must be paid to the United States Treasury.

Since the Committee has not provided any additional information concerning the prohibited contributions identified in either the 100% or sample review, no change to the Interim Audit Report calculation is warranted.

Recommendation #1

The Audit staff recommends that the Committee be required to make a payment to the United States Treasury in the amount of \$8,166 representing the value of unresolved prohibited contributions.

B. Apparent Excessive Contributions

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

Section 100.7(a)(1)(iii) of Title 11 of the Code of Federal Regulations states that the term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value. The term "anything of value" includes all in-kind contributions. Unless specifically exempted under 11 CFR §100.7(b), the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods and services is a contribution.

Section 110.1(k) of Title 11 of the Code of Federal Regulations states, in part, that any contribution made by more than one person, except for contributions made by a partnership, shall include the signature of each contributor on the check, money order, or other negotiable instrument or in a separate writing. A contribution made by more than one person that does not indicate the amount to be attributed to each contributor shall be attributed equally to each contributor. If a contribution to a candidate on its face or when aggregated with other contributions from the same contributor exceeds the limitations on contributions, the treasurer may ask the contributor whether the contribution was intended to be a joint contribution by more than one person. A contribution shall be considered to be reattributed to another contributor if the treasurer of the recipient political committee asks the contributor whether the contribution is intended to be a joint contribution by more than one person, and informs the contributor that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution; and within sixty days from the date of the treasurer's receipt of the contribution, the contributors provide the treasurer with a written reattribution of the contribution, which is signed by each contributor, and which indicates the amount to be attributed to each contributor if equal attribution is not intended.

Section 103.3(b)(3) of Title 11 of the Code of Federal Regulations states, in part, that contributions which exceed the contribution limitation may be deposited into a campaign depository. If any such contribution is deposited, the treasurer

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may request redesignation or reattribution of the contribution by the contributor in accordance with 11 CFR §§110.1(b) and 110.1(k), as appropriate. If a redesignation or reattribution is not obtained, the treasurer shall, within 60 days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

Section 103.3(b)(4) of Title 11 of the Code of Federal Regulations states, in part, that any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

Sections 110.1(k)(1), (3), and (5) of Title 11 of the Code of Federal Regulations state, in part, that if a political committee receives a written reattribution of a contribution to a different contributor, the treasurer shall retain the written reattribution signed by each contributor. If a political committee does not retain the written records concerning reattribution as required, the reattribution shall not be effective, and the original attribution shall control.

As noted in Finding II.A., above, the Commission notified the Committee by letter dated June 2, 1992, that a sampling technique would be used, in whole or in part, to determine the amount of excessive and prohibited contributions received by the Committee. Additionally, the Committee maintained sufficient cash on hand to make refunds of any excessive contributions.

1. Excessive Contributions from Individuals

Our review of contributions from individuals identified apparent unresolved excessive contributions totaling \$53,909. This amount was derived from a comprehensive review of the Committee's 21 state bank accounts; a comprehensive review of selected contributions, and contribution refunds posted to the Committee's receipts data base; and a projection based upon a sample review of the remaining contributions from individuals.

a. Comprehensive Review

Based upon a comprehensive review of selected transactions in the Committee's receipts data base along with contributions deposited into the Committee's state bank accounts, 105 individuals were identified who made excessive contributions totaling \$35,630 which are considered unresolved.

The Committee issued refund checks totaling \$7,340 in an attempt to resolve 20 excessive contributions; however, the refund checks have not been negotiated.

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In addition, the Committee obtained 5 reattributions of excessive amounts totaling \$1,175 and issued 2 additional contribution refund checks totaling \$75; however, the dates of the reattributions and refunds were neither timely nor within 60 days subsequent to Mr. Buchanan's date of ineligibility and are also considered unresolved.

In the Interim Audit Report, the Audit staff recommended that the Committee provide evidence that the contributions in question are not excessive; evidence that the 20 refund checks issued by the Committee have been negotiated; or, make a payment to the United States Treasury in the amount of \$53,909.

In response to the Interim Audit Report, the Committee provided documentation that one individual was returning unspent funds which were advanced by the campaign to the Arizona State account and which were erroneously recorded as contributions by the Committee. The amount included in the excessive contribution total for these transactions was \$150. Accordingly, the Audit staff has reduced the amount of excessive contributions from the comprehensive review to \$35,480 [\$35,630 - \$150]. For the remaining excessive contributions identified in the comprehensive reviews, the Committee accepts the recommendation to pay the amounts to the United States Treasury. No payment was submitted with the response.

b. Sample Review

The contributions that were not included in the comprehensive reviews discussed above were tested on a sample basis. The sample projected that \$18,279 represents unresolved excessive contributions.

The Committee's response makes the same arguments with respect to the sample projection for excessive contributions as for prohibited contributions (see Finding II.A. above.) The Committee does, however, acknowledge the \$1,000 excessive contribution identified among the sample contributions and accepts the requirement that the amount of that contribution be paid to the United States Treasury. For the same reasons stated in Finding II.A., other than the \$150 discussed above, no change in the Interim Audit Report calculation is warranted.

Recommendation #2

The Audit staff recommends that the Committee be required to make a payment to the United States Treasury in the amount of \$53,759 representing the amount of unresolved excessive contributions.

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2. Excessive Contributions Resulting from Staff Advances

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 a political committee is a contribution unless the payment is exempted from the definition of contribution under 11 CFR §100.7(b)(8). If the payment is not exempted under 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 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 expenses incurred for staff travel and subsistence not reimbursed within the time limits provided, as well as expenses incurred for non-travel expenses or travel expenses for individuals other than the person paying the charges. The Interim Audit Report concluded that these payments resulted in 5 individuals making excessive contributions totaling \$63,086. In order to calculate the amount of a contribution resulting from an advance made by an individual, payments made by the Committee were applied against those expenses that had been incurred the earliest. The amount included in the excessive contributions total was the largest amount that was outstanding at any time, less an individual's remaining contribution limitation. The number of days outstanding before reimbursement ranged between 1 and 159 days.

Included in the above excessive amount is \$37,646 which was incurred by Janet Fallon, the Committee's Scheduler. Her duties included arranging lodging for the candidate and campaign staff. In many cases she charged the expenses of the traveling party on her various credit cards. The Committee would later reimburse Ms. Fallon for these charges.

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The Committee was made aware of the excessive contributions during fieldwork and at the exit conference. Schedules detailing the individuals and amounts considered excessive contributions have been provided to the Committee.

The Interim Audit Report recommended the Committee provide evidence to demonstrate that the staff advances noted above are not excessive contributions or offer any other information that is believed to be relevant to the issue.

In response to the Interim Audit Report the Committee stated in part:

"... the [Audit] staff did not apply the correct contribution limits since it did not allow each individual a \$1,000 limit to the Candidate... and the \$1,000 exemption for unreimbursed travel expenses [was not applied]. ...Second, in making the threshold determination of whether the Committee failed to reimburse transportation-related expenses within the allotted time period ... the audit staff incorrectly calculated the outstanding period from the date the advance was incurred (i.e., the date the charge was made), rather than the date on which the charge was due from the candidate (i.e., the statement due date for the credit card). This contravenes the express provisions of 11 CFR 116.5(b)(2). Third, in calculating repayment of credit card expenses, the staff ... used the shorter 30 day limit applicable to non-credit card charges. ... Fourth, once a staff advance reached a level of an excessive contribution, that amount should have been treated like any other excessive contribution with the campaign having sixty days to reattribute, redesignate or refund the excessive portion of the contribution ..."

The Committee concludes that only \$11,906 in excessive contributions occurred and that when the 60 day period for the refund of excessive contributions is considered, no excessive contributions resulted.

The Audit staff reviewed the analyses of reimbursed expenses for the individuals included in the Interim Audit Report in light of the Committee's response. With respect to the first statement the Committee is incorrect. The audit calculation automatically allows for the \$1,000 contribution limit, with monetary contributions posted where appropriate.

The Audit staff calculations did not allow for the \$1,000 unreimbursed travel expenses pursuant to 11 CFR \$100.7(b)(8). Subsequent to the issuance of the Interim Audit Report, the Commission determined in the Kerrey for President audit that the \$1,000 exemption would be allowed. Accordingly, the Audit staff has made an adjustment in all but one of the

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individuals in question. That individual, Ms. Janet Fallon, was the Committee's Scheduler who charged expenses of other individuals traveling on behalf of the Candidate. Since the expenses charged were for other individuals who traveled the travel exemption at 11 CFR §100.7(b)(8) does not apply to Ms. Fallon.

The Committee's second point is, in part, correct: In many instances, the Committee did not provide the audit staff with each individual's credit card statements. When this occurred and the expense was for an individual's own travel and/or subsistence, the Audit staff calculated from the incurrence date. When a credit card statement was available and the expense was incurred for the individual's own travel and subsistence, the statement closing date was used pursuant to §116.5(b)(2). Absent additional records, the Audit staff is unable to make any further adjustments.

The third point made by the Committee appears to have been correct in some instances, although many of the expenditures incurred by the individuals in question were incurred for other than their own travel and subsistence and became immediate contributions. In those instances where the longer reimbursement period is appropriate, adjustments have been made.

The Committee's fourth point is incorrect. The regulations provide committees with a time frame for reimbursing advances made by committee personnel for their travel and subsistence expenses. These types of contributions are specifically addressed in the Regulations as having their own set of time frames. Further, the Explanation and Justification for 11 CFR 116.5, 55 Fed. Reg. 26383 (June 27, 1989) states, in part, that "an in-kind contribution will result if an individual pays the transportation or subsistence expenses of others or pays other types of campaign expenses, such as the costs of meeting rooms or telephone services, regardless of how long reimbursement, if any takes [place]." Thus, the regulations do not provide for an individual to advance funds for any amount of time for campaign expenses other than for personal travel and subsistence. In the cases of an individual's personal travel and subsistence, the Regulations provide a reasonable time period for the Committee to make a reimbursement without a contribution occurring.

In addition to the arguments discussed above, the response to the Interim Audit Report addressed each individual separately. With respect to the Candidate and Ms. Fallon the response dealt primarily with the 60 day period provided to reimburse credit card charges for an individual's personal travel and subsistence. The Committee apparently applied this

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time period regardless of the nature of the charge. The Audit staff properly applied the 60 day period only to those charges that represented the traveler's personal travel and subsistence expenses.

With respect to a third individual the Committee states that the Audit staff failed to apply two reimbursements and improperly included four charges. Although the Committee did not submit any documentation or identification of the transactions, they were identified by comparing the Committee's analysis with the audit analysis and researching the audit work papers for the supporting documentation. The "reimbursements" consist of one check bearing a memo line notation of salary advance, and another made payable to a different individual. The four expenses were apparently incurred by the individual, submitted for reimbursement and paid by the Committee. No adjustments for these transactions were made.

As a result of the review of the analyses presented in the Interim Audit Report, two of the five individuals have been excluded from the final calculation. However, many of the arguments submitted by the Committee with respect to the remaining individuals are not persuasive. Therefore, three individuals made excessive advances totaling \$53,251 (see Attachment 2.)

C. Misstatement of Financial Activity

Sections 434(b)(1), (2) and (4) of Title 2 of the United States Code state, in part, that each report shall disclose the amount of cash on hand at the beginning of each reporting period, the total amount of all receipts, and the total amount of all disbursements for the period and calendar year.

The Audit staff's reconciliation of the Committee bank accounts to its disclosure reports filed from inception through September 30, 1992, indicated a material misstatement of financial activity in 1992. Between January 1, 1992 and September 30, 1992, reported receipts were understated by \$26,494; reported disbursements were understated by \$140,661; and reported cash on hand was understated by \$2,534.

The misstatement of receipts occurred as a result of the Committee not reporting receipts totaling \$19,201 deposited into 11 state bank accounts; not reporting a \$6,553 refund from the New York Times; reporting interaccount transfers totaling \$1,694 as receipts; not reporting a \$1,084 in-kind contribution; addition and reporting errors totaling \$1,361; and a \$11 reconciling item.

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The misstatement of disbursements occurred as the result of the Committee not reporting \$95,773 in disbursements from 7 state bank accounts; under reporting disbursements of \$65,785 from 13 state bank accounts; duplicate reporting of disbursements totaling \$13,382 from 4 state bank accounts; reporting of voided checks totaling \$14,590; not reporting disbursements from the operating account of \$4,499; not reporting disbursements from the contribution account of \$1,203; not reporting a \$1,084 in-kind contribution; reporting a \$909 interaccount transfer as a disbursement; addition and reporting errors totaling \$1,219; and a \$21 reconciling item.

The Committee was provided with schedules detailing the misstatements during audit fieldwork, and again at the exit conference.

The Interim Audit Report recommended the Committee file a comprehensive amendment for 1992 correcting the errors noted above and itemizing on schedules A-P and B-P those transactions which require itemization. In response the Committee filed a comprehensive amendment for 1992 which materially corrected the errors discussed 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 fund payment account was used for any purpose other than to defray the qualified campaign expenses with respect to which such 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 9038.2(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 amount of deposits of contributions and matching funds, as of the candidate's date of ineligibility.

Pursuant to 11 CFR §9033.5(a), the Commission determined Mr. Buchanan'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:

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Total Matching Funds Certified Through
The Date of Ineligibility - August 20, 1992
Total Deposits Through the Date of Ineligibility

<u>\$3,612,696</u>	=	
\$10,553,870		.342317

Thus, the repayment ratio for non-qualified campaign expenses is 34.2317%.

B. Apparent Non-qualified Campaign Expenses

Section 9032.9(a) of Title 11 of the Code of Federal Regulations defines a qualified campaign expense as one incurred by or on behalf of the candidate from the date the individual became a candidate through the last day of the candidate's eligibility; made in connection with his or her campaign for nomination; and neither the incurrence 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 9034.4(a)(1) of Title 11 of the Code of Federal Regulations states that all contributions received by an individual from the date he or she becomes a candidate and all matching payments received by the candidate shall be used only to defray qualified campaign expenses or to repay loans or otherwise restore funds (other than contributions which were received and expended to defray qualified campaign expenses) which were used to defray qualified campaign expenses.

1. Patrick J. Buchanan

The Committee reported on its Year End 1991 disclosure report contributions from the Candidate totaling \$50,000. The check supporting Mr. Buchanan's first contribution of \$10,000, dated November 25, 1991, contained the notation "First Contribution." The check for the second contribution of \$40,000, dated December 4, 1991, did not contain a memo entry notation. Both amounts were itemized on Schedule A-P and reported on FEC Form 3P page 2 Detailed Summary of Receipts and Disbursements, Line 17d as contributions from the candidate.

On August 12, 1992 the Committee issued Mr. Buchanan a \$50,000 check bearing the memo line notation "Loan Repayment." This payment is disclosed on Line 27a of FEC Form 3P, page 2 as a repayment of a loan made by the candidate.

On October 5, 1992, the Committee filed an amended disclosure report for Year End 1991 disclosing the \$50,000 received from Mr. Buchanan as a loan. When questioned about the loan agreement during the inventory of Committee

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records, conducted October 15 - 26, 1992, the Treasurer^{2/} stated that no loan agreement existed and originally he was under the impression that it was a contribution. He further stated that he was informed in August 1992 by Ms. Angela Buchanan, the campaign manager, that now was the time to repay the loan.

The Commission considered a similar issue in Advisory Opinion 1977-58 and concluded that a non-presidential candidate could not retroactively regard moneys received from a candidate as a debt owed to the candidate, therefore, creating a debt that could be extinguished with additional contributions. Though this case differs in that the Committee was in a deficit position at the Candidate's date of ineligibility, the retroactive reclassification of the contributions as loans results in a larger deficit, which in turn increases the amount of matching funds the Candidate may receive.

Given the initial reporting of the candidate's funds as contributions, the memo entry on the first check "first contribution", the Treasurer's understanding of the transactions when they occurred, and the fact that no loan agreement was provided to support that the \$50,000 was in fact a loan, the Audit staff concluded in the Interim Audit Report that the repayment of the funds to the candidate constituted a non-qualified campaign expense, subject to a ratio repayment. Further, the amount was considered an account receivable from the Candidate and was included on the NOCO Statement. It was also noted that if the funds were recovered from the Candidate, the ratio repayment would be unnecessary.

In the Interim Audit Report, the Audit staff recommended that the Committee submit documentation which demonstrated that the \$50,000 in contributions from the Candidate was a loan at the time of the transactions.

In response, the Committee submitted affidavits from the Campaign Chair and the Treasurer. The response states in part:

"... The Candidate made two loans to the Committee, a \$10,000 loan on November 25, 1991, and a \$40,000 loan on December 4, 1991. At the time these funds were paid to the Committee, both the Candidate and the Campaign Chair, acting for the Committee, agreed that these funds were to be loans. Prior to accepting and making these loans, Ms. Buchanan had specific conversations with the Candidate in which they discussed the basis on which the

^{2/} Mr. Scott B. Mackenzie was Treasurer from the Committee's inception until March 1, 1993, when Ms. Angela M. Buchanan assumed the position.

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Candidate would start the financing of his campaign. They agreed that any funds he provided would constitute loans, and would be repaid by the Committee, if the Committee had the funds to do so. The agreement did not change over the course of the campaign. From the time the funds were initially transferred until they were repaid, both the Candidate and the Campaign Chair always understood that the transactions were loans to be repaid by the Committee.

Shortly after these discussions, the Treasurer received the first check. The Candidate delivered the funds, in the form of a check, directly to the Treasurer. The Treasurer had not participated in the conversations between the Candidate and Campaign Chair reflecting the agreement that the funds would be a loan. He had no personal knowledge of the particular basis on which the Candidate was transferring the funds to the Committee, only that the Candidate was providing money to get the Campaign started.

The Candidate's placing the notation "First Contribution" on the November 25 check came just after the Campaign Chair explained that his loans would be subject to the \$50,000 limit on what a candidate could contribute to his campaign. The Treasurer deposited the funds in the ordinary course of the Campaign's business. The Treasurer never had a conversation with the Campaign Chair or the Candidate about the nature of the funds. The Treasurer assumed incorrectly (in part because of the notation on the check) that the Candidate's check should be treated as a gift rather than a loan. Thus, when the Treasurer completed the required reports, he listed the loan as a "Contribution" under Line 17(d), rather than a "Loan Received From or Guaranteed By Candidate" under Line 19(a). The Campaign Chair never checked the reports to discover the error. The Treasurer was inadvertently never told at the time of the arrangement that these funds constituted a Candidate loan."

"Although the Campaign Chair was directly involved in the original loan transactions, she did not learn until later that the loan had been incorrectly reported. When she did learn of this fact, she requested that the

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Treasurer amend any reports that mischaracterized the loan. The Treasurer corrected the mistake by submitting an amended report on October 5, 1992."

"The Candidate and the Campaign Chair had agreed prior to the first transaction that the funds to be supplied would constitute loans. There was never [emphasis in original] any retroactive decision made to repay a donation or gift. The funds loaned were repaid during the campaign. Although the Committee's reports incorrectly reported the loan as a contribution, the reporting mistake was corrected. Because the transactions were understood prior to their commencement to be loans, they constituted a proper campaign obligation, and the expense of repayment constitutes a qualified campaign expenditure."

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The response goes on to discuss the Committee's interpretation of the of advisory opinion 1977-58 and 1991-9. The response argues that there is a distinction because the Committee had not wound up its activities as was the case in the advisory opinion. The question of whether the Committee had wound up its activities is not relevant. The relevant question is whether the funds contributed by the Candidate were a loan or a gift. With the exception of the statements of the Campaign Chairman the Committee did not provide any evidence to establish that these contributions were meant to be loans. On the contrary, the lack of a loan agreement, the notation on the first check, the understanding of the Treasurer that he originally thought it was a contribution, and the original reporting of the transactions support the conclusion that these were contributions and as such could not be refunded with the refund considered a qualified campaign expense.

Recommendation #3

The Audit staff recommends that the Commission make an initial determination that the \$50,000 payment to the Candidate is a non-qualified campaign expense and subject to repayment. The amount repayable to the United States Treasury is \$17,116 (\$50,000 x .342317) pursuant to 11 CFR §9038.2(b)(2). Should the funds be recovered from the Candidate, the repayment would not be necessary.

2. Janet Fallon

Ms. Janet Fallon held the position of Scheduler and was reimbursed by the Committee for expenses incurred with her credit cards. The Committee over paid Ms. Fallon in the amount of \$8,645. These over payments were composed of:

- ° reimbursements for bills submitted twice;
- ° bills which were paid by another individual; and
- ° payment for a hotel room billed to the U.S. Secret Service.

The Audit staff considered these payments to be non-qualified campaign expenses. Additionally, the amount has been included on the Committee's NOCO Statement as a receivable from Ms. Fallon. Should the amount be recovered the ratio repayment would be unnecessary.

The Committee was provided with a schedule detailing the over payments during fieldwork and at the exit conference.

The Interim Audit Report recommended that the Committee provide evidence to demonstrate that these expenses are qualified campaign expenses or offer any other information that is believed to be relevant to the issue. Absent such evidence and unless the amount is recovered, the \$8,645 payment is a non-qualified campaign expense and subject to repayment.

The Committee responded by stating in part, "... the Committee had reviewed the situation and made a determination that it would not seek to recover these sums from the staff member. ... The Committee's reviewing staff inadvertently failed to catch these errors at the time. When the matter came to the Committee's attention, it made a business decision... after assessing the cost and feasibility of collecting from the former employee... not to seek repayment. ...It decided to treat these payments to Ms. Fallon as in the nature of income." In addition, the Committee hired an independent accounting firm to evaluate the Committee's treatment. The accounting firm concluded that, "the Committee's choice to classify the payment as compensation is an acceptable choice considering the various options available to the Committee." The Committee concluded by stating "...[the] treatment fully conforms to the standard steps taken by commercial enterprises under similar circumstances. Thus, these payments should be treated as authorized campaign expenses."

The Committee's arguments are not persuasive. These over-reimbursements are not qualified campaign expenses. The Committee stated they "failed to catch these errors." Although the Committee has made a decision not to seek reimbursement, this does not release the burden of proving the expenditures were qualified campaign expenses pursuant to 11 CFR §9032.9. Further, the accounting firm's report is not relevant to the question of whether the over payments are qualified campaign expenses. The standard for a qualified

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campaign expense is established by the Commission in its regulations. Whether the accounting firm believes that not seeking reimbursement is an acceptable business decision does not change the regulation.

Recommendation #4

The Audit staff recommends that the Commission make an initial determination the the Committee repay to the United States Treasury \$2,959 (\$8,645 x .342317) pursuant to 11 CFR §9038.2(b)(2). Should the funds be recovered from Ms. Fallon, the repayment would not be necessary.

3. Non-Qualified Campaign Expenses - Other

Section 9034.4(a)(3) of the Code of Federal Regulations states that costs associated with the termination of political activity, such as the costs of complying with the post election requirements of the Act and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries and office supplies, shall be considered qualified campaign expenses.

Section 9034.4(b)(3) of Title 11 of the Code of Federal Regulations states that any expenses incurred after a candidate's date of ineligibility under 11 CFR 9033.5, are not qualified campaign expenses except to the extent permitted under 11 CFR 9034.4(a)(3).

Section 9038.2(b)(2)(iii) of Title 11 of the Code of Federal Regulations states, in part, that 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.

Our review of Committee expenditures paid between the Candidate's date of ineligibility and March 31, 1993 identified \$108,5923/ in payments which were not considered winding down expenses. Included in this amount were fundraising expenses totaling \$72,007 paid after the Committee appeared to have had sufficient funds to pay all qualified obligations and

3/ In the Interim Audit Report this figure was \$110,093. In reviewing the Committee's response some minor errors in the original calculations were discovered and corrected. As a result minor adjustments to the various categories of expenses discussed below have also been made.

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various other non-winding down expenses totaling \$36,585. None of these payments were included on the NOCO Statement presented in the Interim Audit Report. Additionally, \$54,764 of the total amount was expended prior to the date on which the last matching fund payment to which the Candidate appeared to have been entitled was expended (December 14, 1992). Discussed below is the \$54,764 subject to a pro rata repayment under 11 CFR §9038.2(b)(2).

The Committee spent \$42,808 in fundraising expenses prior December 14, 1992. Since the NOCO Statement no longer reflected a deficit position such fundraising expenses may not be defrayed with Federal funds (see Finding III.D.)

Also identified were payments totaling \$7,908 which appear to be related to Mr. Buchanan's foundation The American Cause. During audit fieldwork the Foundation's offices were located in Suite 220 of the building occupied by the Committee. Such payments were for "interior phone work for Suite 220" and "FAX line for Suite 220" and the installation of the Fax machine (\$455) in Suite 220; payment for computer rental and Nexis services utilized by the Foundation's Executive Director (\$5,953); and electrical repairs for an unidentified office space.

The remaining payments identified were related to the purchase of additional computer software, an Intro to Word computer class, and rental of an additional computer, and a laser printer from October 1992 to April 1993 (\$2,792); courier services for deliveries that appeared to be of a personal nature (\$432) to a bank in Santa Monica California, and the Department of Housing and Urban Development; payments for the photocopying of books by an outside vendor (\$798); and parking tickets in Massachusetts (\$120).

The Audit staff concluded that, absent additional information, a committee which is winding down its activities should have no further need to purchase additional computer software or rent additional computers. Also, some of these expenses appear to be personal expenses of Committee officials rather than campaign expenses.

In the Interim Audit Report, the Audit staff recommended the Committee provide evidence to demonstrate these expenses are qualified campaign expenses. Absent such evidence it would be recommended that the Commission make an initial determination that a pro rata repayment to the United States Treasury is required.

The Committee's response groups the expenses into fundraising and other expenses. Each group is discussed separately below.

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a. Fundraising (\$72,007)

In response to the fundraising expenses discussed above the Committee stated in part, "...[our] detailed review shows that these expenses either (1) were not related to fundraising or (2) if related to fundraising were incurred during a period when the Committee was clearly authorized to raise funds due to its deficit position... Accordingly none of these charges should be disallowed." The Committee provided a list of explanations discussing the reasons the Committee believes the expenditures in question should be considered qualified campaign expenses. The Committee's response did not provide any additional documentation relating to any of the expenditures in question. The Committee stated that two expenditures are not fundraising expenses. The first expenditure the Committee contends "...was for list maintenance work ordered by the Treasurer during the audit period to ensure that the file was in proper condition prior to the audit receipts trace." The Audit staff has reviewed this invoice (\$2,994) and agrees with the Committee. The repayment calculations and NOCO Statement have been adjusted accordingly.

For the second expense the Committee asserted that this was for an "...unpaid bill remaining from the Georgia phone bank operation in March 1992." Since no supporting documentation was supplied, the Audit staff reviewed the Committee's disclosure reports which indicated on Schedule D-P that this expense was incurred during the October 15 through November 23, 1992 (Post General Election) report period. Hence, it appears that this expenditure was not incurred during March of 1992.

The Committee stated the Candidate had incurred \$47,721 in direct mail expenses and \$2,256 in telemarketing expenses prior to November 3, 1992, the date that the Interim Audit Report concluded that the Committee received a matching fund payment that provided sufficient funds to pay all qualified obligations. With respect to the direct mail expenses it was stated that "[T]he Committee incurred expenses for its last house file mailing, which occurred in October 1992. In the ordinary course of business, these invoices were not presented to the Committee for payment until after November 3." Although the Committee submitted no documentation in support of their statement, the Committee's former treasurer was able to identify one of the mailings that occurred. The Audit staff was able to locate an example of the mailing in the audit files and associate certain costs with the mailing. The mailing was a thank you letter to supporters mailed on November 27, 1992 and not a solicitation. As such, the associated expenses (\$44,444) are allowable winding down expenses.

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The Audit staff also reviewed the documentation relating to the telemarketing expense. Although the billing period was from November 1 through November 30, 1992, the charges appear to be follow-up work on an earlier activity. Therefore, the Audit staff agrees with the Committee with respect to the items discussed above and has adjusted the repayment calculations and NOCO Statement accordingly.

As a result of these adjustments, the Committee's NOCO Statement indicates that the Committee remained in a deficit position until the December 2, 1992 matching fund payment, rather than the November 3, 1992 payment as calculated in the Interim Audit Report. Therefore, amounts for fundraising incurred prior to December 2, are permissible winding down expenses. Of the amounts discussed above all but \$3,278 was incurred or paid prior to December 2, with none paid before the Committee expended the final matching fund payment to which the candidate was entitled (December 14, 1992).

Furthermore, the Committee stated the Candidate spent \$19,521 (the Interim Audit Report and the Committee's response overstated this amount by \$1,500, the correct amount is \$18,021) on fundraising expenses for ads which ran in three November issues of a magazine. After the adjustments to the Committee's NOCO Statement noted above, only \$7,742 remains as paid after the Committee received sufficient funds to pay all qualified obligations (December 2, 1992) and only \$2,406 was paid before the Committee expended the last matching fund payment to which the Candidate was entitled. These amounts were for collateral materials (video tapes, hats, and T-shirts) which the Committee states were used in connection with earlier fundraising efforts. No documentation to support that statement has been provided.

Of the \$72,007 questioned in the Interim Audit Report, there remains \$11,020 (\$3,278 + \$7,742) that appears to be fundraising after the Committee had no remaining net debt. This amount has been excluded from the NOCO Statement shown below. Of that amount, \$2,406 was paid prior to the date on which the Committee expended the last matching fund payment to which the Candidate was entitled, and is therefore a non-qualified campaign expense (see Attachment 3.)

b. Other Expenses (\$36,585)

For the other non-winding down expenses, the Committee has accepted the Audit staff's determination for the following expenditures; parking tickets (\$120); phone work and a fax line for suite 220 (\$455); and payments to a computer consultant (\$775). The Committee also accepted the Audit staff determination that the payroll tax penalties are not winding down expenses. In response to the courier services which did not appear to be related to winding down, the Committee stated

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that certain shipments were necessary to deliver consulting fees and expense reimbursements to a campaign official. Accordingly, we have reduced the amount in question by \$145 and have added this amount as a winding down expense.

Furthermore, the Committee stated that several disbursements which the Audit staff had considered non-qualified campaign expenses were reimbursed to the Committee. These total \$11,706. The Committee submitted no evidence to support this assertion, however, the Audit staff has reviewed disclosure reports filed by the Committee to determine if these reimbursements had been reported. It appears the only reimbursement itemized was for the computer rental in the amount of \$2,006. However, the Committee also reported an expense in the amount of \$1,003 for an overpayment of a refund. Hence, only the net amount \$1,003 (\$2,006-\$1,003) has been treated as a reimbursement to the Committee.

Finally, the Committee response stated that two individuals " ... were working on non-campaign related activities from September 1, 1992 [through] April 30, 1993." The Audit staff has noted two payroll disbursements totaling \$1,585 for work performed between September 1 through September 15, 1992. These payments have been included in the non-qualified campaign expense total shown below.

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For the remaining disbursements in question, the Committee provided the following explanations. During the wind down phase the Committee paid bonuses totaling \$17,500. The response states, in part, "...the Committee checked with the Audit staff and was told that the Commission had routinely approved bonuses paid to campaign staff for work performed, even when such bonuses are paid during the wind-down period." The Audit staff did not give any approval for these payments nor has the Commission routinely approved bonuses paid to campaign staff. For the computer software purchases by Committee the response stated in part "[The] computer software was obtained by the Committee because, in the exercise of the officers' judgment, such software would improve the efficiency of the Committee and the operation of its current equipment. In the experience of the Committee, the wind-down phase ... often lasts years after a election, and maintaining accurate computer records, as well as software and equipment is necessary ... In similar situations, it has been seen that out of date software can lead to a loss of data and inability to access necessary material during the wind-down phase." These arguments are not persuasive given no additional documentation and no adjustment has been made to the Interim Audit Report for these expenses.

There remains \$37,022 in other non-qualified campaign expenses, including \$1,585 in salary payments not included in the Interim Audit Report figure, which are not considered winding down expenses. Included in this amount are payments totaling \$12,421 made prior to the date on which the last matching fund to which the Candidate was entitled was expended (see Attachment 3.)

Recommendation #5

The Audit staff recommends that the Commission make an initial determination that the Committee repay the United States Treasury \$5,076 ($(\$12,421 + \$2,406) \times .342317$) pursuant to 11 CFR 9038.2(b)(2).

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 after 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.

Mr. Buchanan's date of ineligibility was August 20, 1992. The Audit staff reviewed the Committee's financial activity through March 31, 1993, analyzed winding down costs, reviewed disclosure reports through March 31, 1994, and prepared the NOCO Statement as of August 20, 1992, which appears below.

Additional fieldwork may be required to assess the impact of future financial activity on the NOCO Statement.

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BUCHANAN FOR PRESIDENT
STATEMENT OF NET OUTSTANDING CAMPAIGN OBLIGATIONS
AS OF AUGUST 20, 1992
(Determined at March 31, 1993)

Cash on Hand	\$380,404	
Accounts Receivable	165,076	a/
Janet Fallon Account Receivable	8,645	b/
Patrick Buchanan Account Receivable	50,000	c/
Deposits and Prepayments	13,574	d/
Capital Assets	<u>29,294</u>	
TOTAL ASSETS		\$646,992

OBLIGATIONS

Accounts Payable for Qualified Campaign Expenses (8/21/92 to 3/31/93)	\$676,107	
Accounts Payable (3/31/93)	10,000	
Payable to the Press	6,283	
Accounts Payable to the Treasury:		
Excessive Contributions	53,759	
Prohibited Contributions	8,166	
Press Travel	4,632	
Winding Down Costs (8/20/92 - 12/31/94)		
Actual Expenses Paid 8/20/92 - 3/31/93	1,266,751	e/
Estimated Winding Down <u>f/</u> 4/1/93 - 12/31/94		
Accounting/Computer Services	200,000	
Legal	150,000	
Contingency Misc.	-0-	g/
Outside Experts	50,000	
Staff	30,000	
Headquarters	15,000	

TOTAL OBLIGATIONS		<u>\$2,470,698</u>
NOCO (DEFICIT)/SURPLUS		<u>(\$1,823,706)</u>

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Footnotes to NOCO

- 959/0193170
- a/ The Audit staff has added \$3,204 to the accounts receivable number. This is the result of the Committee's receipt of reimbursement of non-qualified campaign expenses (\$1003), and the reporting of additional accounts receivable in the July 1993 quarterly report (\$999) and April 1994 quarterly report (\$1,202).
 - b/ Absent recovery from Ms. Fallon and Mr. Buchanan (see Finding III.B.) these amounts will be considered non-qualified campaign expenses and a pro rata repayment to the Treasury will be requested in the amount of \$20,075 $[(\$8,645 + \$50,000) \times .342317]$. The Committee disagrees that the \$50,000 is due from the Candidate, and has decided not to pursue the amount due from Ms. Fallon.
 - c/ Ms. Fallon received erroneous payments for reimbursed expenses totaling \$8,645. These result from bills being submitted twice, submission of bills which were paid by other individuals and the submission for reimbursement for a hotel room billed to the U.S. Secret Service.
 - d/ ~~The deposit and prepayment number was reduced by \$505. This resulted from the Committee reporting in the April 1994 disclosure report a receipt of a deposit refund less than the amount of the initial deposit.~~
 - e/ This excludes fundraising expenses totaling \$11,020 which were incurred after the Committee had reached a financial position where funds were sufficient to pay all qualified campaign expenses and winding down costs. This also excludes \$37,022 in non-qualified campaign expenses which are not considered winding down costs and were paid after the Candidate's date of ineligibility. See Findings III.B and D. We have also excluded undocumented expenses totaling \$10,622. In the Committee's response to the Interim Audit Report the undocumented expenses were addressed by stating that the Committee disagreed and that documentation was available for review in the Committee's offices. Nothing was submitted.
 - f/ Since estimates were used in computing this amount, the Audit staff will review the Committee's disclosure reports and records to compare the actual figures with the estimates and prepare adjustments as necessary.
 - g/ The Committee has included an unsupported \$100,000 contingency in its NOCO Statement. The Audit staff has not included the amount as part of winding down.

D. Receipt of Matching Funds in Excess of Entitlement

Section 9034.1(b) of Title 11 of the Code of Federal Regulations states that if on the date of ineligibility a candidate has net outstanding campaign obligations as defined under 11 CFR 9034.5, 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, i.e., the sum of the contributions received on or after the date of ineligibility plus matching funds received on or after the date of ineligibility is less than the candidate's net outstanding campaign obligations. This entitlement will be equal to the lesser of (1) the amount of contributions submitted for matching; or (2) the remaining net outstanding campaign obligations.

Section 9038.2(b)(1)(i) of Title 11 of the Code of Federal Regulations states that the Commission may determine that certain portions of the payments made to a candidate from the matching payment account were in excess of the aggregate amount of payments to which such candidate was entitled. Examples of such excessive payments include payments made to the candidate after the candidate's date of ineligibility where it is later determined that the candidate had no net outstanding campaign obligations as defined in 11 CFR 9034.5.

As previously noted, the adjusted NOCO Statement prepared by the Audit staff reflects a deficit position as of August 20, 1992. We reviewed the Committee's bank statements and financial activity through March 31, 1993 and disclosure reports through March 31, 1994, to determine if the Candidate had received matching funds in excess of his entitlement.

Net Outstanding Campaign Obligations (Deficit)	(\$1,823,706)
<u>Amounts Received</u>	
<u>08/21/92 - 11/3/92</u>	
Private Contributions	749,482
Matching Funds	1,022,591
<u>11/4/92 - 12/2/92</u>	
Private Contributions	19,760
12/02/92 Matching Funds	<u>412,917</u>
Amount Received in Excess of Entitlement as of 12/2/92	<u><u>\$381,044</u></u>

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As of December 2, 1992 the Candidate had no remaining matching fund entitlement and had received matching funds in the amount of \$381,044 in excess of entitlement. After that date the Candidate received one matching fund payment in the amount of \$151,783 on January 2, 1993. Therefore the amount of matching received in excess of entitlement totals \$532,827 (\$381,044 + \$151,783).

In the Interim Audit Report it was recommended that the Committee submit documentation to demonstrate that the Candidate had not received matching funds in excess of his entitlement. It was also stated that absent that documentation, it would be recommended that the Commission make an initial determination that a repayment was due.

The majority of the repayment amount calculated above is the result of a reduction in the winding down estimate compared to the NOCO Statements submitted with the Committee's matching fund submissions. The reduced estimates are, except as noted with respect to the \$100,000 contingency, revised estimates obtained from the Committee and actual expenses incurred through March 31, 1993.

The Committee's response to the Interim Audit Report presents two arguments as to why no repayment is due. First, the Committee argues that all of its NOCO Statements contained wind down estimates that were made in good faith at the time submitted. They further state that the audit report does not challenge the accuracy of those estimates at the time they were submitted, and that the Commission had every opportunity to challenge the estimates at the time and found no need to do so. Therefore, the Committee concludes that the Commission has no basis to challenge the estimates after the fact.

The Committee is incorrect for a number of reasons. The Commission's regulations at 11 CFR §9038.2(b)(1) state that one basis upon which the Commission may conclude that a Candidate received matching funds in excess of entitlement is a situation where payments are certified after the date of ineligibility and it is later determined that the Candidate had no Net Outstanding Campaign Obligations. That is precisely what occurred in this situation. The NOCO statements that are submitted are not audited by the Commission until after the fact thereby allowing timely payment to the candidates. Thus, the regulations clearly provide for adjustments based either on changes in the figures by the Candidate, or based upon the Commission's audit.

The statement that the wind down estimates were accurate when submitted and the Commission failed to challenge them is also incorrect. The Committee's response fails to note that the Committee applied for an additional matching payment in January of 1993. The NOCO Statement accompanying that request reflected winding down cost estimates of \$1.2 million

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with total liabilities of approximately \$1.3. Assets were \$1.2 million, with \$1 million of that in cash. The Commission refused to certify the additional payment due to the inflated winding down estimates and the Committee did not contest the determination. Also, as noted by the Committee in its response, the revised estimates used in the NOCO Statement presented above were obtained from the Committee. Although not necessary to a repayment determination, the Commission did challenge the accuracy of the Committee's winding down estimates and, by not contesting the Commission's refusal to certify their final matching fund request, and re-estimating its winding down figures, the Committee has acknowledged the inaccuracies in the original estimates.

The Committee's second argument is equally flawed. Again the Committee submits a letter from an accounting firm that states that the correction of the wind down estimates is not in accordance with Generally Accepted Accounting Principles with respect to the recording of prior period adjustments. First, the Statement of Net Outstanding Campaign Obligations is wholly a creation of the Commission's regulations with its sole purpose being the determination of further matching fund entitlement or the amount of any campaign surplus. As such, the provisions of Generally Accepted Accounting Principles with respect to the financial statements that report the results of operations and financial condition of a business or other entity, are irrelevant. Further, when the financial statements of an organization are audited by an independent auditor and do not fairly state the results of operations or financial condition of the organization, those statements must either be corrected or the auditor must offer a qualified, disclaimer or adverse opinion on the statements.

Recommendation #6

The Audit staff recommends that the Commission make an initial determination that the Committee repay \$532,827 to the United States Treasury pursuant to 11 CFR §9038.2(b)(1).

E. Press Billings

Sections 9034.6(a), (b) and (d) of Title 11 of the Code of Federal Regulations state, in part, if an authorized committee incurs expenditures for transportation, ground services and facilities (including air travel, ground transportation, housing, meals, telephone service, and typewriters) made available to media personnel, secret service personnel or national security staff, such expenditures will be considered qualified campaign expenses. If reimbursement for such expenditures is received by a committee, the amount of such reimbursement for each media representative shall not exceed the media representatives pro rata share of the actual cost of the transportation and services made available. A media representative's pro rata share shall be calculated by dividing

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the total cost of the transportation and services by the total number of individuals to whom such transportation and services are made available. For purposes of this calculation, the total number of individuals shall include committee staff, media personnel, secret service personnel, national security staff and any other individuals to whom such transportation and services are made available. The total amount of reimbursements received from a media representative under this section shall not exceed the actual pro rata cost of the transportation and services made available to that media representative by more than 10%.

The committee may deduct from the amount of expenditures subject to the overall expenditure limitation of 11 CFR §9035.1(a) the amount of reimbursements received in payment for the actual cost of transportation and services. This deduction shall not exceed the amount the committee expended for the actual cost of transportation and services provided. The committee may also deduct from the overall expenditure limitation an additional amount of reimbursements received equal to 3% of the actual cost of transportation and services provided under this section as the administrative cost to the committee of providing such services and seeking reimbursement for them. If the committee has incurred higher administrative costs in providing these services, the committee must document the total cost incurred for such services in order to deduct a higher amount of reimbursements received from the overall limitation. Amounts reimbursed that exceed the amount actually paid by the committee for transportation and services provided under paragraph (a) of this section plus the amount of administrative costs permitted by this section up to the maximum amount that may be received under paragraph (b) shall be repaid to the Treasury. Amounts paid by the committee for transportation, services and administrative costs for which no reimbursement is received will be considered qualified campaign expenses subject to the overall expenditure limitation.

For purposes of this section, "administrative costs" shall include all costs incurred by the committee for making travel arrangements and for seeking reimbursements, whether performed by committee staff or independent contractors.

The Committee utilized Charter Services Inc. to arrange its aircraft charters. Charter Services Inc. arranged 54 flight legs for the Committee between February 21 and May 20, 1992. They performed the following services; arranging the chartered aircraft, arranging catering services, and in some instances collection services relative to credit card payments which were applied to the Committee's account. The Committee was responsible for collecting the remaining payments from press personnel.

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For our review, the Committee provided copies of flight manifests, documentation of the cost per flight leg and invoices from Charter Services Inc.. In addition, the Committee provided its reconciliation of the flight costs. The Committee used its reconciliation to bill and collect payments from the press personnel.

From the information above, the Audit staff independently calculated total cost per flight leg, number of passengers per leg, and cost per seat. The Audit staff calculated the total cost to the press of \$205,199, including a 10% markup. The total amount collected from the press through March 31, 1994 was \$211,482. This indicates that the Committee has over collected in the amount of \$6,283 [211,482 - 205,199].

Based upon our review, it appears that the over collection is due to a double billing of ferrying costs by the Committee. The Committee billed these charges on leg 1 through leg 14 as well as leg 15 through leg 23. Charter Service's invoices indicate that these charges were incurred on leg 15 through 23 only.

The Committee is required to refund to the press the \$6,283 received in excess of the maximum amount billable.

As previously noted, the Committee may deduct from the overall limitation the amount of reimbursements received in payment for the actual cost of the transportation and services made available to the press plus an amount equal to 3% of cost as an administrative cost to the Committee for providing such transportation and services. A larger administrative allowance (i.e., in excess of the 3% but not to exceed the 10% maximum allowance) may be taken only if the Committee provides sufficient documentation to support that the excess amounts were actually incurred.

The Committee provided documentation to the Audit staff detailing the cost of the actual transportation and services provided plus administrative charges totaling \$205,199. Such documentation included a schedule allocating a percentage of various individual's time and salary to press travel administration. However, the documentation provided did not include job descriptions, time records, or statements from the individuals who performed those duties.

Absent such documentation the Audit staff has recalculated the amount of the travel and services provided plus the administrative allowance to be \$200,565, resulting in an excess charge of \$4,632 which must be repaid to the U.S. Treasury.

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The Interim Audit Report recommended that the Committee provide evidence that it did not over collect from the press and document the administrative charges actually paid. Such documentation is to include time sheets, job descriptions and affidavits from individuals describing work performed. Absent such evidence refund to the Press \$6,283 and make a repayment to the United States Treasury in the amount of \$4,632.

In response, the Committee agreed with the Audit staff that it double billed ferrying costs to the press in the amount of \$6,283 but the Committee contends it had incurred an additional \$8,426 for which it sought no reimbursement. The additional costs referred to by the Committee are accepted, however, these costs were documented prior to the preparation of the Interim Audit Report and were taken into consideration in the figures presented therein. The total amount collected from the press through March 31, 1994 was \$211,482. As stated in the Interim Audit Report this amount exceeds 110% of the Committee's cost by \$6,283 and must, therefore, be refunded to the press.

In regard to the amount calculated as due to the U.S. Treasury, the Committee contends, "it has complied with the Commission's regulations and has already provided specific documentary back-up to [the Audit staff]."

As stated above, the Committee provided a schedule allocating a percentage of various individuals' time and salary to press administration. The documentation did not include job descriptions, time records, or statements from individuals who performed those duties. In response to the Interim Audit Report the Committee has provided the Audit staff with an affidavit from the former Treasurer which states:

"As Treasurer, I directly supervised the billing of press-related expenses. I supervised four staff members, (Ms. Jamie Burke, Mr. David Morse, Ms. Amy Gates, Mr. Charles Douglas). I also worked closely with the Director of Scheduling, Janet Fallon."

The affidavit goes on to describe each individual's duties and the percentage of the person's time that the former Treasurer estimates was spent on the press travel program. As with the Committee's earlier presentations, no documentation is supplied to support the estimates. The affidavit also refers to an exhibit to the response. That exhibit is the same listing presented earlier and discussed in the Interim Audit Report. The Committee did not provide time sheets or affidavits from the individuals describing the work performed as requested in the Interim Audit Report. No adjustment to the Interim Audit Report calculation is warranted.

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Finally, the Committee states that the Interim Audit Report incorrectly applied the Commission's regulation. In the response to the Interim Audit Report the Committee writes:

"The 10% allowance for administrative costs is authorized by the Regulations as the presumed expense of handling press travel arrangements. The regulations fix recovery of such costs at an absolute cap of 10% regardless of whether actual administrative costs are higher or lower.

"The audit staff incorrectly based its conclusion on regulatory provisions that address a totally different subject--the amount of expenditures subject to the overall expenditure limits."

The Committee's reading of the Commission's regulation take into account only selected sections of the relevant regulations. The Committee is correct that 11 CFR §9034.6(b) establishes a maximum reimbursement that a Committee may receive as 110% of the actual cost of transportation and other services provided regardless of the amount of administrative cost incurred. It does not however establish a presumption that administrative costs are 10% of direct costs.

The Committee is also correct that 11 CFR §9034.6(d)(1) ~~addresses the amount that may be offset against expenditures subject to the spending limitation.~~ This section also establishes that the presumed administrative cost is 3% of the actual cost of providing the transportation and other services unless a greater cost is documented. The Committee fails to note the remainder of the section that explains that the difference between the actual cost plus allowed administrative cost and the amounts received by the Committee, up to the maximum allowable reimbursement (110% of cost), shall be paid to the U.S. Treasury. This recognizes that reimbursements from the media may cover actual transportation costs and the cost of administering the program, but should not result in the Committee making a profit.

Recommendation #7

The Audit staff recommends that the Commission determine that the Committee is required to refund \$6,283 to the press and make a payment to the United States Treasury in the amount of \$4,632 pursuant to 11 CFR §9034.6.

F. Stale-Dated Checks

Section 9038.6 of Title 11 of the Code of Federal Regulations states, if the committee has checks outstanding to creditors or contributors that have not been cashed, the committee shall notify the Commission. The committee shall inform the Commission of its efforts to locate the payees, if

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such efforts have been necessary, and its efforts to encourage the payees to cash the outstanding checks. The committee shall also submit a check for the total amount of such outstanding checks, payable to the United States Treasury.

With respect to contribution refunds, 14 contributors were issued refund checks in the amount of \$611 that had not cleared the bank.

The Committee was made aware of this matter during fieldwork and at the exit conference. A schedule detailing the individuals and amounts was provided to the Committee.

In response to the Interim Audit Report, the Committee provided a Schedule which detailed the stale-dated checks. The response states that 14 of the checks have been reissued and that 10 of the 14 have cleared the bank (\$411). The Committee did not provide any supporting documentation for the 10 checks that have reportedly cleared (i.e., copies of the front and back of the negotiated refund checks) as requested in the Interim Audit Report. The Committee states that the remaining 4 reissued checks totaling \$200 are still outstanding. The Committee has agreed to repay the \$200 to the United States Treasury.

~~Absent the submission of evidence that any of these checks have been negotiated (copies of both sides of the canceled checks) no change to the Interim Audit Report calculation has been made.~~

Recommendation #8

The Audit staff recommends that the Commission make an initial determination that the Committee is required to make a payment to the U.S. Treasury in the amount of \$611 (\$411 + \$200) pursuant to 11 CFR §9038.6.

IV. Recap of Amount Due to the United States Treasury

Shown below is a recap of amounts due the United States Treasury as discussed in this report.

<u>Finding</u>	<u>Topic</u>	<u>Repayment Amount</u>
II.A.	Prohibited Contributions	\$ 8,166
II.B.	Excessive Contributions	53,759
III.B.	Non-qualified Campaign Expenses	25,151
III.D.	Matching Funds Received In Excess of Entitlement	532,827

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III.E.	Excessive Amount Collected From the Press	4,632
III.F.	Stale Dated Checks	<u>611</u>
	TOTAL	<u>\$625,146</u>

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Adjusted Receipts
(Through June 30, 1994)

Page 1 of 2

	Federal Matching Funds	Individual Contributions Minus Refunds	PAC's and Other Comte Contrib Minus Refunds	Contributions from the Candidate	Candidate Loans Minus Repayments	Other Loans Minus Repayments	Other Receipts	Adjusted Total Receipts
Democrats								
Larry Agran	\$289,891	\$331,831	\$0	\$500	\$3,000	\$1,029	\$3,001	\$608,852
Jerry Brown	\$4,239,345	\$5,178,336	\$0	\$0	\$0	\$0	\$4,693	\$9,420,374
Bill Clinton	\$12,518,130	\$24,983,688	\$2,429	\$0	\$0	\$1	\$27,037	\$37,531,285
Tom Harkin	\$2,103,352	\$3,080,208	\$415,570	\$0	\$0	\$0	\$14,910	\$5,614,038
Bob Kerrey	\$2,198,284	\$3,913,332	\$349,757	\$0	\$0	(\$1,225)	\$5,931	\$6,468,079
Lyndon LaRouche	\$588,434	\$1,604,065	\$0	\$0	\$0	\$0	\$2,924	\$2,175,423
Paul Tsongas	\$3,039,388	\$5,072,689	\$3,588	\$0	\$45,000	(\$9,575)	\$0	\$8,151,088
Doug Wilder	\$289,028	\$508,519	\$750	\$0	\$0	\$0	\$1,039	\$799,334
Total Democrats	\$25,225,650	\$44,670,486	\$772,072	\$500	\$48,000	(\$9,770)	\$59,535	\$70,766,453
Republicans								
Patrick Buchanan	\$4,999,983	\$7,157,808	\$24,750	\$0	\$0	\$0	\$34,708	\$12,217,249
George Bush	\$10,658,513	\$27,088,825	\$44,250	\$0	\$0	\$0	\$222,413	\$38,014,001
David Duke*	\$0	\$220,715	\$0	\$0	\$1,000	\$0	\$0	\$271,815
Total Republicans	\$15,658,496	\$34,467,348	\$69,000	\$0	\$1,000	\$0	\$257,121	\$50,503,065
Other Party								
Andre Marrou*	\$0	\$562,770	\$181	\$116	\$15,000	\$0	\$0	\$578,067
Lenora Fulani*	\$1,935,524	\$2,201,490	\$0	\$325	(\$1,258)	\$1,200	\$0	\$4,137,281
John Hagelin	\$353,160	\$583,800	\$449	\$0	\$0	\$5,830	\$5,316	\$928,355
Total Other Party	\$2,288,684	\$3,328,060	\$630	\$441	\$13,742	\$6,830	\$5,316	\$5,643,703
Grand Total	\$43,172,830	\$82,465,874	\$841,702	\$941	\$62,742	(\$2,940)	\$321,972	\$128,913,221
Perot	\$0	\$3,905,594	\$0	\$85,438,390	\$2,056,371	\$0	\$5,807	\$71,406,162

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	Adjusted Disbursements (Through June 30, 1994)					Expenditures Subject to Limit	Latest Cash On Hand	Debts Owed By the Campaign
	Operating Expenditures Minus Offsets	Exempt Fundraising Minus Offsets	Exempt Legal/Accounting Minus Offsets	Other Disburse	Adjusted Total Disbursements			
Democrats								
Larry Agren	\$609,111	\$0	\$0	\$95	\$609,206	\$616,223	\$47	\$3,170
Jerry Brown	\$8,316,267	\$2,278,938	\$308,613	\$108,584	\$9,012,402	\$8,688,482	\$142,313	\$0
Bill Clinton	\$25,342,688	\$5,524,000	\$3,450,743	\$0	\$34,317,431	\$25,342,687	\$798,358	\$180,817
Tom Harkin	\$4,022,904	\$1,144,006	\$198,633	\$35,316	\$5,400,859	\$3,138,112	\$161,416	\$143,389
Bob Kerrey	\$5,181,458	\$1,076,978	\$179,911	\$23,404	\$6,461,751	\$6,050,481	\$9,662	\$0
Lyndon LaRouche	\$1,550,659	\$0	\$127,710	\$0	\$1,678,369	\$1,520,353	\$505,904	\$0
Paul Tsongas	\$6,807,437	\$754,978	\$189,540	\$0	\$7,751,955	\$7,001,566	\$10,052	\$164,472
Doug Wilder	\$803,145	\$6,568	\$39	\$0	\$809,752	\$803,627	\$4,417	\$0
Total Democrats	\$50,633,669	\$10,785,468	\$4,455,189	\$167,399	\$66,041,725	\$51,161,531	\$1,632,169	\$491,848
Republicans								
Patrick Buchanan	\$11,817,884	\$0	\$0	\$0	\$11,817,884	\$11,817,868	\$488,806	\$0
George Bush	\$27,428,818	\$5,526,322	\$4,932,967	\$70,319	\$37,958,426	\$27,428,822	\$3,529	\$0
David Duke	\$353,838	\$0	\$0	\$1,000	\$354,838	\$0	\$0	\$29,250
Total Republicans	\$39,600,540	\$5,526,322	\$4,932,967	\$71,319	\$50,131,148	\$39,246,710	\$492,335	\$29,250
Other Party								
Andre Marrou*	\$415,576	\$160,219	\$0	\$0	\$575,795	\$0	\$0	\$0
Lorena Fulani*	\$4,204,009	\$0	\$0	\$3,235	\$4,207,244	\$4,204,555	\$2,970	\$0
John Hagelin	\$695,550	\$91,458	\$52	\$90,293	\$877,353	\$695,549	\$57	\$0
Total Other Party	\$5,315,135	\$251,677	\$52	\$93,528	\$5,660,392	\$4,900,104	\$3,027	\$0
Grand Total	\$95,549,344	\$16,563,467	\$9,388,208	\$332,246	\$121,833,265	\$95,308,345	\$2,127,531	\$521,098
Parent	\$69,049,025	\$0	\$0	\$5,388	\$69,054,413	\$0	\$973,344	\$1,938,407

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W/S Name	W/S Vch No	W/S Cont Inc	W/S Cont Date	W/S Cont Amt	W/S O/S Amt	W/S Exp Cde	W/S Date Reimb	W/S Day O/S	W/S Cont Amt	W/S Cont Amt	W/S Run Cont	W/S Excess Amt	W/S Excess Amt
PAUL FRITZSON	11	03/10/92	01/10/92	182.64	3170.70	4	04/02/92	23	182.64	0.00	1876.72	1876.72	1876.72
	13	01/10/92	01/10/92	80.00	3750.70	4	04/02/92	23	80.00	0.00	1956.72	1956.72	1956.72
	13	01/10/92	01/10/92	975.00	4225.70	4	04/02/92	23	975.00	0.00	2911.72	2911.72	2911.72
	13	01/11/92	01/11/92	71.66	4297.36	5	04/02/92	22	0.00	0.00	2911.72	2911.72	2911.72
	13	01/12/92	01/12/92	122.00	4419.36	5	04/02/92	21	0.00	0.00	2911.72	2911.72	2911.72
	13	01/12/92	01/12/92	22.00	4441.36	5	04/02/92	21	0.00	0.00	2911.72	2911.72	2911.72
	13	01/14/92	01/14/92	5.00	4446.36	5	04/02/92	19	0.00	0.00	2916.72	2916.72	2916.72
	13	01/14/92	01/14/92	27.00	4473.36	5	04/02/92	19	0.00	0.00	2916.72	2916.72	2916.72
	13	01/14/92	01/14/92	20.00	4493.36	5	04/02/92	19	0.00	0.00	2916.72	2916.72	2916.72
	13	03/14/92	03/14/92	5.00	4498.36	5	04/02/92	18	0.00	0.00	2916.72	2916.72	2916.72
	14	03/15/92	03/15/92	1.61	4501.97	5	04/02/92	18	0.00	0.00	2916.72	2916.72	2916.72
	14	03/15/92	03/15/92	5.00	4506.97	5	04/02/92	18	0.00	0.00	2916.72	2916.72	2916.72
	14	03/17/92	03/17/92	20.56	4527.53	4	04/02/92	16	20.56	0.00	2957.28	2957.28	2957.28
	14	03/17/92	03/17/92	400.00	4927.53	4	04/10/92	24	400.00	0.00	7457.28	7457.28	7457.28
	14	03/17/92	03/17/92	1200.00	10227.53	4	04/10/92	24	1200.00	0.00	8657.28	8657.28	8657.28
	14	03/18/92	03/18/92	36.00	10263.53	5	04/10/92	23	0.00	0.00	8657.28	8657.28	8657.28
	14	03/20/92	03/20/92	62.00	10325.53	4	04/10/92	21	62.00	0.00	8719.28	8719.28	8719.28
	14	03/21/92	03/21/92	11.00	10336.53	5	04/10/92	20	0.00	0.00	8719.28	8719.28	8719.28
	14	03/21/92	03/21/92	53.00	10391.53	5	04/10/92	20	0.00	0.00	8719.28	8719.28	8719.28
	15	03/28/92	03/28/92	17.00	10408.53	1	04/10/92	13	0.00	0.00	4289.53	4289.53	4289.53
	99	04/02/92	04/02/92	5000.00	5508.53	4	04/10/92	7	100.00	0.00	4389.53	4389.53	4389.53
99	04/10/92	04/10/92	100.00	5608.53	1				0.00	389.53	389.53	389.53	
99	04/10/92	04/10/92	2000.00	491.47	1				0.00	1000.00	1000.00	1000.00	
17	04/10/92	04/10/92	6.00	485.47	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
18	04/11/92	04/11/92	12.50	472.97	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
18	04/15/92	04/15/92	99.00	373.99	6	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
18	04/16/92	04/16/92	39.65	334.34	4	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
18	04/16/92	04/16/92	7.93	326.41	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
18	04/17/92	04/17/92	30.80	295.51	4	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
18	04/17/92	04/17/92	100.00	195.51	4	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
18	04/18/92	04/18/92	7.70	187.81	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
18	04/18/92	04/18/92	20.88	167.43	4	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
19	04/21/92	04/21/92	11.78	147.65	4	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
19	04/21/92	04/21/92	2.61	145.04	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
19	04/21/92	04/21/92	2.94	142.10	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
19	04/21/92	04/21/92	6.89	135.21	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
19	04/21/92	04/21/92	11.63	123.58	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
19	04/21/92	04/21/92	23.50	100.08	5	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
20	04/22/92	04/22/92	5.60	94.48	4	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
20	04/24/92	04/24/92	83.42	11.06	4	04/10/92	0	0.00	0.00	1000.00	1000.00	1000.00	
20	04/26/92	04/26/92	84.27	73.21	4	05/06/92	7	73.21	0.00	926.79	926.79	926.79	
20	04/29/92	04/29/92	28.09	101.30	5	05/06/92	7	0.00	0.00	926.79	926.79	926.79	
20	04/30/92	04/30/92	8.37	109.67	4	05/06/92	6	8.37	0.00	918.42	918.42	918.42	
20	04/30/92	04/30/92	300.00	409.67	4	05/06/92	6	100.00	0.00	818.42	818.42	818.42	
20	04/30/92	04/30/92	610.45	1048.12	6	05/06/92	3	0.00	0.00	618.42	618.42	618.42	
21	05/01/92	05/01/92	253.87	1301.99	4	05/06/92	1	253.87	0.00	364.55	364.55	364.55	
99	05/04/92	05/04/92	4000.00	2498.01	1				0.00	1000.00	1000.00	1000.00	
21	05/06/92	05/06/92	10.38	2607.63	4	05/06/92	0	0.00	0.00	1000.00	1000.00	1000.00	
21	05/06/92	05/06/92	15.82	2621.81	4	05/06/92	0	0.00	0.00	1000.00	1000.00	1000.00	
21	05/06/92	05/06/92	23.00	2644.81	5	05/06/92	0	0.00	0.00	1000.00	1000.00	1000.00	
21	05/06/92	05/06/92	7.91	2640.90	5	05/06/92	0	0.00	0.00	1000.00	1000.00	1000.00	
21	05/07/92	05/07/92	20.00	2570.90	4	05/06/92	0	0.00	0.00	1000.00	1000.00	1000.00	
21	05/07/92	05/07/92	20.00	2500.90	4	05/06/92	0	0.00	0.00	1000.00	1000.00	1000.00	

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W/S No	W/S Cont No	W/S Cont Date	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt
W/S No	W/S Cont No	W/S Cont Date	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt
W/S No	W/S Cont No	W/S Cont Date	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt
RR	04/04/92	04/04/92	916.17	7358.10	4	05/04/92	10	9	6158.10	6158.10			
RR	04/04/92	04/04/92	255.95	7614.13	4	05/04/92	10	255.95	6614.13	6614.13			
RR	04/05/92	04/05/92	70.40	7684.51	4	05/04/92	29	70.40	6684.53	6684.53			
RR	04/05/92	04/05/92	212.14	7896.67	4	05/04/92	29	212.14	6896.67	6896.67			
RR	04/06/92	04/06/92	250.32	8146.99	4	05/04/92	28	250.32	7146.99	7146.99			
RR	04/06/92	04/06/92	1734.20	9881.19	4	05/04/92	28	1734.20	8881.19	8881.19			
RR	04/06/92	04/06/92	70.40	9951.59	4	05/04/92	28	70.40	8951.59	8951.59			
RR	04/06/92	04/06/92	1734.20	11685.79	4	05/04/92	28	1734.20	10685.79	10685.79			
RR	04/06/92	04/06/92	141.00	11826.79	4	05/04/92	28	141.00	10826.79	10826.79			
RR	04/07/92	04/07/92	1237.51	13064.30	4	05/04/92	27	1237.51	12064.30	12064.30			
RR	04/08/92	04/08/92	2355.86	15420.16	4	05/11/92	33	2355.86	14420.16	14420.16			
RR	04/08/92	04/08/92	358.82	15778.98	4	05/11/92	33	358.82	14778.98	14778.98			
RR	04/08/92	04/08/92	194.89	15973.87	4	05/11/92	33	194.89	14973.87	14973.87			
RR	04/08/92	04/08/92	625.14	16599.01	4	05/11/92	33	625.14	15599.01	15599.01			
RR	04/09/92	04/09/92	547.47	17146.48	4	05/11/92	32	547.47	16146.48	16146.48			
RR	04/09/92	04/09/92	1512.74	18659.22	4	05/11/92	32	1512.74	17659.22	17659.22			
RR	04/11/92	04/11/92	672.75	19331.97	4	05/11/92	30	672.75	18331.97	18331.97			
RR	04/16/92	04/16/92	209.00	19540.97	4	05/11/92	25	209.00	18540.97	18540.97			
RR	04/17/92	04/17/92	926.69	20467.66	4	05/11/92	24	926.69	19467.66	19467.66			
RR	04/17/92	04/17/92	271.78	20739.44	4	05/11/92	24	271.78	19739.44	19739.44			
RR	04/17/92	04/17/92	912.47	21651.91	4	05/11/92	24	912.47	20651.91	20651.91			
RR	04/17/92	04/17/92	774.37	22426.28	4	05/11/92	24	774.37	21426.28	21426.28			
RR	04/17/92	04/17/92	1533.66	23959.94	4	05/11/92	24	1533.66	22959.94	22959.94			
RR	04/22/92	04/22/92	725.07	24685.01	4	05/11/92	19	725.07	23685.01	23685.01			
RR	04/22/92	04/22/92	597.69	25282.70	4	05/11/92	19	597.69	24282.70	24282.70			
RR	04/22/92	04/22/92	823.19	26106.09	4	05/11/92	19	823.19	25106.09	25106.09			
RR	04/22/92	04/22/92	596.85	26702.94	4	05/11/92	14	596.85	25702.94	25702.94			
RR	04/22/92	04/22/92	978.03	27680.97	4	05/15/92	18	978.03	26680.97	26680.97			
RR	04/22/92	04/22/92	622.91	28303.88	4	05/15/92	18	622.91	27303.88	27303.88			
RR	04/22/92	04/22/92	78.91	28382.79	4	05/15/92	18	78.91	27382.79	27382.79			
RR	04/28/92	04/28/92	684.95	29067.74	4	05/15/92	17	684.95	28067.74	28067.74			
RR	04/29/92	04/29/92	205.18	29272.92	4	05/15/92	16	205.18	28272.92	28272.92			
RR	04/29/92	04/29/92	565.31	29838.23	4	05/15/92	16	565.31	28838.23	28838.23			
RR	04/29/92	04/29/92	101.42	29939.65	4	05/15/92	16	101.42	28939.65	28939.65			
RR	04/29/92	04/29/92	238.74	30178.39	4	05/15/92	16	238.74	29178.39	29178.39			
RR	04/30/92	04/30/92	88.10	30266.49	4	05/15/92	15	88.10	29266.49	29266.49			
RR	04/30/92	04/30/92	50.00	30316.49	4	05/15/92	15	50.00	29316.49	29316.49			
RR	05/01/92	05/01/92	549.77	30866.26	4	05/15/92	14	549.77	29866.26	29866.26			
RR	05/02/92	05/02/92	573.67	31439.93	4	05/15/92	13	573.67	30439.93	30439.93			
RR	05/02/92	05/02/92	320.21	31760.14	4	05/15/92	13	320.21	30760.14	30760.14			
RR	05/04/92	05/04/92	-13160.86	18599.28	1			0	17599.28	17599.28			
RR	05/04/92	05/04/92	202.77	18802.05	4	05/15/92	13	202.77	17802.05	17802.05			
RR	05/04/92	05/04/92	1830.64	20632.69	4	05/15/92	11	1830.64	19632.69	19632.69			
RR	05/04/92	05/04/92	52.50	20685.19	4	05/15/92	11	52.50	19685.19	19685.19			
RR	05/05/92	05/05/92	22.50	20707.69	4	05/15/92	10	22.50	19707.69	19707.69			
RR	05/05/92	05/05/92	589.08	21296.77	4	05/15/92	10	589.08	20296.77	20296.77			
RR	05/05/92	05/05/92	842.07	22138.84	4	05/15/92	10	842.07	21138.84	21138.84			
RR	05/05/92	05/05/92	111.25	22250.09	4	05/15/92	10	111.25	21250.09	21250.09			
RR	05/05/92	05/05/92	41.06	22291.15	4	05/15/92	10	41.06	21291.15	21291.15			
RR	05/06/92	05/06/92	769.00	23060.15	4	05/15/92	9	769.00	22060.15	22060.15			
RR	05/06/92	05/06/92	632.91	23693.06	4	05/15/92	9	632.91	22693.06	22693.06			
RR	05/06/92	05/06/92	1036.68	24729.74	4	05/15/92	9	1036.68	23729.74	23729.74			
RR	05/06/92	05/06/92	2220.13	26949.87	4	05/15/92	9	2220.13	25949.87	25949.87			
RR	05/06/92	05/06/92	15.50	26965.37	4	05/15/92	9	15.50	25965.37	25965.37			
RR	05/06/92	05/06/92	1282.25	28247.62	4	05/15/92	9	1282.25	27247.62	27247.62			
RR	05/06/92	05/06/92	1300.26	29547.88	4	05/15/92	9	1300.26	28547.88	28547.88			
RR	05/06/92	05/06/92	344.69	29892.57	4	05/15/92	9	344.69	28892.57	28892.57			
RR	05/06/92	05/06/92	1213.07	31105.64	4	06/01/92	28	1213.07	30105.64	30105.64			

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W/R Name	W/R No.	W/R Cont.	W/R Cont.	W/R Cont.	W/R Amt.	W/R Amt.	W/R Exp.	W/R Data	W/R Amt.	W/R Amt.	W/R Amt.	W/R Amt.	W/R Amt.	W/R Amt.	W/R Amt.	W/R Amt.	W/R Amt.
W/R Name	No.	Cont.	Cont.	Cont.	Amt.	Amt.	Yr	Yr	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.
12 05/06/92	05/06/92	1790.01	3286.45	4	06/03/92	28	1790.01	3286.45	11896.45	32673.00	11896.45	32673.00	11896.45	32673.00	11896.45	32673.00	11896.45
44 05/07/92	05/07/92	297.13	33970.13	4	06/03/92	27	297.13	33970.13	32970.13	32970.13	32970.13	32970.13	32970.13	32970.13	32970.13	32970.13	32970.13
44 05/07/92	05/07/92	969.79	35267.34	4	06/03/92	27	969.79	35267.34	35267.34	35267.34	35267.34	35267.34	35267.34	35267.34	35267.34	35267.34	35267.34
44 05/07/92	05/07/92	284.47	36551.01	4	06/03/92	27	284.47	36551.01	35551.01	35551.01	35551.01	35551.01	35551.01	35551.01	35551.01	35551.01	35551.01
44 05/07/92	05/07/92	726.16	37277.99	4	06/03/92	27	726.16	37277.99	36277.99	36277.99	36277.99	36277.99	36277.99	36277.99	36277.99	36277.99	36277.99
44 05/07/92	05/07/92	211.11	37509.30	4	06/03/92	27	211.11	37509.30	36509.30	36509.30	36509.30	36509.30	36509.30	36509.30	36509.30	36509.30	36509.30
55 05/08/92	05/08/92	21.00	37732.30	4	06/03/92	26	21.00	37732.30	36732.30	36732.30	36732.30	36732.30	36732.30	36732.30	36732.30	36732.30	36732.30
55 05/08/92	05/08/92	23.00	37755.30	4	06/03/92	26	23.00	37755.30	36755.30	36755.30	36755.30	36755.30	36755.30	36755.30	36755.30	36755.30	36755.30
44 05/08/92	05/08/92	471.22	38228.52	4	06/03/92	26	471.22	38228.52	37228.52	37228.52	37228.52	37228.52	37228.52	37228.52	37228.52	37228.52	37228.52
13 05/08/92	05/08/92	199.24	38427.76	4	06/03/92	26	199.24	38427.76	37427.76	37427.76	37427.76	37427.76	37427.76	37427.76	37427.76	37427.76	37427.76
44 05/09/92	05/09/92	196.00	38623.76	4	06/03/92	25	196.00	38623.76	37623.76	37623.76	37623.76	37623.76	37623.76	37623.76	37623.76	37623.76	37623.76
55 05/09/92	05/09/92	22.50	38646.26	4	06/03/92	25	22.50	38646.26	37646.26	37646.26	37646.26	37646.26	37646.26	37646.26	37646.26	37646.26	37646.26
99 05/11/92	05/11/92	13977.00	24668.46	1	06/03/92	0	0.00	24668.46	23668.46	23668.46	23668.46	23668.46	23668.46	23668.46	23668.46	23668.46	23668.46
55 05/11/92	05/11/92	11.00	24681.46	4	06/03/92	23	11.00	24681.46	23681.46	23681.46	23681.46	23681.46	23681.46	23681.46	23681.46	23681.46	23681.46
55 05/11/92	05/11/92	11.00	24694.46	4	06/03/92	23	11.00	24694.46	23694.46	23694.46	23694.46	23694.46	23694.46	23694.46	23694.46	23694.46	23694.46
55 05/11/92	05/11/92	11.00	24707.46	4	06/03/92	23	11.00	24707.46	23707.46	23707.46	23707.46	23707.46	23707.46	23707.46	23707.46	23707.46	23707.46
55 05/11/92	05/11/92	20.00	24727.46	4	06/03/92	23	20.00	24727.46	23727.46	23727.46	23727.46	23727.46	23727.46	23727.46	23727.46	23727.46	23727.46
55 05/11/92	05/11/92	9.00	24736.46	4	06/03/92	23	9.00	24736.46	23736.46	23736.46	23736.46	23736.46	23736.46	23736.46	23736.46	23736.46	23736.46
55 05/11/92	05/11/92	15.50	24751.96	4	06/03/92	23	15.50	24751.96	23751.96	23751.96	23751.96	23751.96	23751.96	23751.96	23751.96	23751.96	23751.96
55 05/12/92	05/12/92	27.00	24778.96	4	06/03/92	22	27.00	24778.96	23778.96	23778.96	23778.96	23778.96	23778.96	23778.96	23778.96	23778.96	23778.96
17 05/13/92	05/13/92	196.58	24975.54	4	06/03/92	21	196.58	24975.54	23975.54	23975.54	23975.54	23975.54	23975.54	23975.54	23975.54	23975.54	23975.54
44 05/13/92	05/13/92	310.08	25205.62	4	06/03/92	21	310.08	25205.62	24205.62	24205.62	24205.62	24205.62	24205.62	24205.62	24205.62	24205.62	24205.62
55 05/13/92	05/13/92	70.00	25337.62	4	06/03/92	21	70.00	25337.62	24337.62	24337.62	24337.62	24337.62	24337.62	24337.62	24337.62	24337.62	24337.62
55 05/13/92	05/13/92	12.00	25324.03	4	06/03/92	21	12.00	25324.03	24324.03	24324.03	24324.03	24324.03	24324.03	24324.03	24324.03	24324.03	24324.03
44 05/13/92	05/13/92	20.00	25544.03	4	06/03/92	21	20.00	25544.03	24544.03	24544.03	24544.03	24544.03	24544.03	24544.03	24544.03	24544.03	24544.03
84 05/13/92	05/13/92	15.50	25559.53	4	06/03/92	21	15.50	25559.53	24559.53	24559.53	24559.53	24559.53	24559.53	24559.53	24559.53	24559.53	24559.53
55 05/13/92	05/13/92	95.87	25655.40	4	06/03/92	21	95.87	25655.40	24655.40	24655.40	24655.40	24655.40	24655.40	24655.40	24655.40	24655.40	24655.40
55 05/14/92	05/14/92	13.00	25668.40	4	06/03/92	20	13.00	25668.40	24668.40	24668.40	24668.40	24668.40	24668.40	24668.40	24668.40	24668.40	24668.40
12 05/14/92	05/14/92	119.58	25787.98	4	06/03/92	20	119.58	25787.98	24787.98	24787.98	24787.98	24787.98	24787.98	24787.98	24787.98	24787.98	24787.98
12 05/14/92	05/14/92	174.40	25962.38	4	06/03/92	20	174.40	25962.38	24962.38	24962.38	24962.38	24962.38	24962.38	24962.38	24962.38	24962.38	24962.38
55 05/14/92	05/14/92	22.50	25984.88	4	06/03/92	20	22.50	25984.88	24984.88	24984.88	24984.88	24984.88	24984.88	24984.88	24984.88	24984.88	24984.88
55 05/14/92	05/14/92	15.50	26000.38	4	06/03/92	20	15.50	26000.38	25000.38	25000.38	25000.38	25000.38	25000.38	25000.38	25000.38	25000.38	25000.38
55 05/14/92	05/14/92	15.50	26015.88	4	06/03/92	20	15.50	26015.88	25015.88	25015.88	25015.88	25015.88	25015.88	25015.88	25015.88	25015.88	25015.88
55 05/14/92	05/14/92	46.25	26062.13	4	06/03/92	20	46.25	26062.13	25062.13	25062.13	25062.13	25062.13	25062.13	25062.13	25062.13	25062.13	25062.13
12 05/14/92	05/14/92	948.54	27010.67	4	06/03/92	20	948.54	27010.67	26010.67	26010.67	26010.67	26010.67	26010.67	26010.67	26010.67	26010.67	26010.67
99 05/15/92	05/15/92	16224.02	10786.65	1	06/03/92	0	0.00	10786.65	9786.65	9786.65	9786.65	9786.65	9786.65	9786.65	9786.65	9786.65	9786.65
55 05/15/92	05/15/92	40.00	10826.65	4	06/03/92	19	40.00	10826.65	9826.65	9826.65	9826.65	9826.65	9826.65	9826.65	9826.65	9826.65	9826.65
32 05/15/92	05/15/92	1216.85	12041.50	4	06/03/92	19	1216.85	12041.50	11041.50	11041.50	11041.50	11041.50	11041.50	11041.50	11041.50	11041.50	11041.50
17 05/15/92	05/15/92	10.50	12074.00	4	06/03/92	19	10.50	12074.00	11074.00	11074.00	11074.00	11074.00	11074.00	11074.00	11074.00	11074.00	11074.00
55 05/15/92	05/15/92	15.50	12089.50	4	06/03/92	19	15.50	12089.50	11089.50	11089.50	11089.50	11089.50	11089.50	11089.50	11089.50	11089.50	11089.50
55 05/15/92	05/15/92	15.50	12105.00	4	06/03/92	19	15.50	12105.00	11105.00	11105.00	11105.00	11105.00	11105.00	11105.00	11105.00	11105.00	11105.00
55 05/15/92	05/15/92	157.98	12262.98	4	06/03/92	19	157.98	12262.98	11262.98	11262.98	11262.98	11262.98	11262.98	11262.98	11262.98	11262.98	11262.98
12 05/15/92	05/15/92	151.58	12414.56	4	06/03/92	19	151.58	12414.56	11414.56	11414.56	11414.56	11414.56	11414.56	11414.56	11414.56	11414.56	11414.56
55 05/15/92	05/15/92	72.00	12486.56	4	06/03/92	19	72.00	12486.56	11486.56	11486.56	11486.56	11486.56	11486.56	11486.56	11486.56	11486.56	11486.56
55 05/15/92	05/15/92	10.00	12516.56	4	06/03/92	19	10.00	12516.56	11516.56	11516.56	11516.56	11516.56	11516.56	11516.56	11516.56	11516.56	11516.56
55 05/15/92	05/15/92	15.50	12532.06	4	06/03/92	19	15.50	12532.06	11532.06	11532.06	11532.06	11532.06	11532.06	11532.06	11532.06	11532.06	11532.06
12 05/16/92	05/16/92	189.24	12721.30	4	06/03/92	18	189.24	12721.30	11721.30	11721.30	11721.30	11721.30	11721.30	11721.30	11721.30	11721.30	11721.30
12 05/16/92	05/16/92	437.68	13158.98	4	06/03/92	18	437.68	13158.98	12158.98	12158.98	12158.98	12158.98	12158.98	12158.98	12158.98	12158.98	12158.98
12 05/16/92	05/16/92	46.11	13205.31	4	06/03/92	18	46.11	13205.31	12205.31	12205.31	12205.31	12205.31	12205.31	12205.31	12205.31	12205.31	12205.31
12 05/16/92	05/16/92	92.66	13297.97	4	06/03/92	18	92.66	13297.97	12297.97	12297.97	12297.97	12297.97	12297.97	12297.97	12297.97	12297.97	12297.97
12 05/16/92	05/16/92	262.06	13560.03	4	06/03/92	18	262.06	13560.03	12560.03	12560.03	12560.03	12560.03	12560.03	12560.03	12560.03	12560.03	12560.03
12 05/16/92	05/16/92	168.62	13728.65	4	06/03/92	18	168.62	13728.65	12728.65	12728.65	12728.65	12728.65	12728.65	12728.65	12728.65	12728.65	12728.65
12 05/16/92	05/16/92	110.15	13838.80	4	06/03/92	18	110.15	13838.80	12838.80	12838.80	12838.80	12838.80	12838.80	12838.80	12838.80	12838.80	12838.80
17 05/16/92	05/16/92	144.05	13982.85	4	06/03/92	18											

W/S Vib	W/S Cont Loc Date	W/S Cont Call Dia	W/S Cont Loc Amt	W/S O/B Amt	W/S Exp Code	W/S Date Reimb	W/S Day O/S	W/S Cont Amts	W/S Run Conte Bal	W/S Preced Amount	W/S Pre Bal Aft Reimb
Janet Fallon	13 05/27/92	05/27/92	271.01	27177.19	4	06/18/92	22	271.01	26177.19	26177.19	
	84 05/27/92	05/27/92	9.00	27186.19	4	06/18/92	22	9.00	26186.19	26186.19	
	84 05/27/92	05/27/92	216.50	27402.69	4	06/18/92	22	216.50	26402.69	26402.69	
	84 05/27/92	05/27/92	36.25	27438.94	4	06/18/92	22	36.25	26438.94	26438.94	
	13 05/27/92	05/27/92	178.28	27617.22	4	06/18/92	22	178.28	26617.22	26617.22	
	84 05/28/92	05/28/92	24.50	27641.72	4	06/18/92	21	24.50	26641.72	26641.72	
	13 05/28/92	05/28/92	189.01	27830.73	4	06/18/92	21	189.01	26830.73	26830.73	
	11 05/29/92	05/29/92	1775.58	29606.31	4	06/18/92	20	1775.58	28606.31	28606.31	
	13 05/29/92	05/29/92	148.53	29754.84	4	06/18/92	20	148.53	28754.84	28754.84	
	13 05/29/92	05/29/92	74.11	29828.95	4	06/18/92	20	74.11	28828.95	28828.95	
	13 05/29/92	05/29/92	101.80	30130.75	4	06/18/92	20	101.80	29130.75	29130.75	
	13 05/29/92	05/29/92	148.56	30279.31	4	06/18/92	20	148.56	29279.31	29279.31	
	13 05/31/92	05/31/92	452.02	30731.33	4	06/18/92	18	452.02	29731.33	29731.33	
	13 05/31/92	05/31/92	844.45	31575.78	4	06/18/92	18	844.45	30575.78	30575.78	
	13 06/01/92	06/01/92	501.15	32076.93	4	06/18/92	17	501.15	31076.93	31076.93	
	13 06/01/92	06/01/92	25.00	32101.93	4	06/18/92	17	25.00	31101.93	31101.93	
	84 06/01/92	06/01/92	710.72	32812.65	4	06/18/92	17	710.72	31812.65	31812.65	
	13 06/01/92	06/01/92	5.75	32818.40	4	06/18/92	17	5.75	31818.40	31818.40	
	55 06/02/92	06/02/92	82.08	32900.48	4	06/18/92	16	82.08	31900.48	31900.48	
	55 06/02/92	06/02/92	912.08	33812.56	4	06/18/92	16	912.08	32812.56	32812.56	
	55 06/02/92	06/02/92	69.78	33882.34	4	06/18/92	16	69.78	32882.34	32882.34	
	84 06/02/92	06/02/92	9.48	33891.82	4	06/18/92	16	9.48	32891.82	32891.82	
	55 06/02/92	06/02/92	3.82	33895.64	4	06/18/92	16	3.82	32895.64	32895.64	
	99 06/03/92	06/03/92	-19731.09	14164.55	1		0	0.00	13164.55	13164.55	13164.55
	55 06/03/92	06/03/92	115.18	14279.73	4	06/18/92	15	115.18	13279.73	13279.73	
	55 06/03/92	06/03/92	247.15	14527.08	4	06/18/92	15	247.15	13527.08	13527.08	
	55 06/03/92	06/03/92	208.02	14735.10	4	06/18/92	15	208.02	13735.10	13735.10	
	55 06/03/92	06/03/92	17.92	14753.02	4	06/18/92	15	17.92	13753.02	13753.02	
	55 06/03/92	06/03/92	91.65	14844.67	4	06/18/92	15	91.65	13844.67	13844.67	
	55 06/03/92	06/03/92	94.27	14938.94	4	06/18/92	15	94.27	13938.94	13938.94	
	13 06/08/92	06/08/92	150.00	15088.94	4	06/18/92	10	150.00	14088.94	14088.94	
	84 06/09/92	06/09/92	15.50	15104.44	4	06/18/92	9	15.50	14104.44	14104.44	
	84 06/15/92	06/15/92	22.00	15126.44	4	06/18/92	3	22.00	14126.44	14126.44	
	84 06/17/92	06/17/92	743.79	15870.23	4	07/24/92	17	743.79	14870.23	14870.23	
	99 06/18/92	06/18/92	-15294.15	576.08	1		0	0.00	-423.92		
	84 07/06/92	07/06/92	658.58	1234.66	4	07/24/92	18	658.58	234.66	234.66	
	2 07/06/92	07/06/92	1539.44	2774.10	4	07/24/92	18	1539.44	1774.10	1774.10	
	2 07/06/92	07/06/92	48.60	2822.70	4	07/24/92	18	48.60	1822.70	1822.70	
	2 07/06/92	07/06/92	681.18	3503.88	4	07/24/92	18	681.18	2503.88	2503.88	
	2 07/06/92	07/06/92	1630.41	5134.29	4	07/24/92	18	1630.41	4134.29	4134.29	
	99 07/24/92	07/24/92	-7320.66	-2186.37	1		0	0.00	-1000.00		
	84 07/24/92	07/24/92	243.00	-1943.37	4	07/24/92	0	0.00	-1000.00		
	2 07/27/92	07/27/92	175.00	-1768.37	4	07/24/92	0	0.00	-1000.00		
	2 07/29/92	07/29/92	325.43	-1442.94	4	07/24/92	0	0.00	-1000.00		
	2 08/01/92	08/01/92	1380.00	-62.94	4	07/24/92	0	0.00	-1000.00		
	2 08/05/92	08/05/92	276.00	213.06	4	09/29/92	55	213.06	-788.94		
	13 08/12/92	08/12/92	1545.60	1758.66	4	09/29/92	48	1545.60	758.66	758.66	
	2 08/14/92	08/14/92	1466.95	5225.61	4	09/29/92	46	1466.95	4225.61	4225.61	
	2 08/15/92	08/15/92	897.00	6122.61	4	09/29/92	45	897.00	5122.61	5122.61	
	2 08/15/92	08/15/92	897.00	7019.61	4	09/29/92	45	897.00	6019.61	6019.61	
	2 08/15/92	08/15/92	897.00	7916.61	4	09/29/92	45	897.00	6916.61	6916.61	
	2 08/15/92	08/15/92	138.08	8054.69	4	09/29/92	45	138.08	7054.69	7054.69	
	2 08/15/92	08/15/92	832.60	8887.29	4	09/29/92	45	832.60	7887.29	7887.29	
	2 08/16/92	08/16/92	585.00	9472.29	4	09/29/92	44	585.00	8472.29	8472.29	
	2 08/17/92	08/17/92	20.00	9492.29	4	09/29/92	43	20.00	8492.29	8492.29	
	2 08/17/92	08/17/92	83.10	9575.39	4	09/29/92	43	83.10	8575.39	8575.39	
	13 08/17/92	08/17/92	20.00	9595.39	4	09/29/92	43	20.00	8595.39	8595.39	

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W/S W/S Name	Run Date	W/S Rate	W/S Unit	W/S Total	W/S Rate	W/S Unit	W/S Total	W/S Rate	W/S Unit	W/S Total	W/S Rate	W/S Unit	W/S Total	W/S Rate	W/S Unit	W/S Total	W/S Rate	W/S Unit	W/S Total	W/S Rate	W/S Unit	W/S Total	W/S Rate	W/S Unit	W/S Total	W/S Rate	W/S Unit	W/S Total
2 08/18/92	08/18/92		613.58	10608.97	4	09/29/92	42	613.58	9608.97	9608.97	613.58	9608.97	613.58	9608.97	613.58	9608.97	613.58	9608.97	613.58	9608.97	613.58	9608.97	613.58	9608.97	613.58	9608.97	613.58	9608.97
11 08/18/92	08/18/92		285.07	10694.04	4	09/29/92	42	285.07	9694.04	9694.04	285.07	9694.04	285.07	9694.04	285.07	9694.04	285.07	9694.04	285.07	9694.04	285.07	9694.04	285.07	9694.04	285.07	9694.04	285.07	9694.04
11 09/21/92	09/21/92		10.00	10704.04	4	09/29/92	39	10.00	10797.54	10797.54	10.00	10797.54	10.00	10797.54	10.00	10797.54	10.00	10797.54	10.00	10797.54	10.00	10797.54	10.00	10797.54	10.00	10797.54	10.00	10797.54
2 08/21/92	08/21/92		1093.50	11797.54	4	09/29/92	39	1093.50	10797.54	10797.54	1093.50	10797.54	1093.50	10797.54	1093.50	10797.54	1093.50	10797.54	1093.50	10797.54	1093.50	10797.54	1093.50	10797.54	1093.50	10797.54	1093.50	10797.54
11 08/21/92	08/21/92		120.93	12128.47	4	09/29/92	39	120.93	11118.47	11118.47	120.93	11118.47	120.93	11118.47	120.93	11118.47	120.93	11118.47	120.93	11118.47	120.93	11118.47	120.93	11118.47	120.93	11118.47	120.93	11118.47
11 08/21/92	08/21/92		10.00	12138.47	4	09/29/92	39	10.00	11128.47	11128.47	10.00	11128.47	10.00	11128.47	10.00	11128.47	10.00	11128.47	10.00	11128.47	10.00	11128.47	10.00	11128.47	10.00	11128.47	10.00	11128.47
11 08/21/92	08/21/92		10.82	12139.29	4	09/29/92	39	10.82	11139.29	11139.29	10.82	11139.29	10.82	11139.29	10.82	11139.29	10.82	11139.29	10.82	11139.29	10.82	11139.29	10.82	11139.29	10.82	11139.29	10.82	11139.29
2 08/25/92	08/25/92		10.82	12207.54	4	09/29/92	35	68.25	11207.54	11207.54	10.82	11207.54	10.82	11207.54	10.82	11207.54	10.82	11207.54	10.82	11207.54	10.82	11207.54	10.82	11207.54	10.82	11207.54	10.82	11207.54
11 09/22/92	09/22/92		1813.40	14020.94	4	09/29/92	7	1813.40	11020.94	11020.94	1813.40	11020.94	1813.40	11020.94	1813.40	11020.94	1813.40	11020.94	1813.40	11020.94	1813.40	11020.94	1813.40	11020.94	1813.40	11020.94	1813.40	11020.94
11 09/21/92	09/21/92		1.17	14022.11	4	09/29/92	6	1.17	13022.11	13022.11	1.17	13022.11	1.17	13022.11	1.17	13022.11	1.17	13022.11	1.17	13022.11	1.17	13022.11	1.17	13022.11	1.17	13022.11	1.17	13022.11
11 09/21/92	09/21/92		0.96	14023.09	4	09/29/92	6	0.96	13023.09	13023.09	0.96	13023.09	0.96	13023.09	0.96	13023.09	0.96	13023.09	0.96	13023.09	0.96	13023.09	0.96	13023.09	0.96	13023.09	0.96	13023.09
11 09/21/92	09/21/92		1.01	14024.10	4	09/29/92	6	1.01	13024.10	13024.10	1.01	13024.10	1.01	13024.10	1.01	13024.10	1.01	13024.10	1.01	13024.10	1.01	13024.10	1.01	13024.10	1.01	13024.10	1.01	13024.10
11 09/21/92	09/21/92		0.97	14025.07	4	09/29/92	6	0.97	13025.07	13025.07	0.97	13025.07	0.97	13025.07	0.97	13025.07	0.97	13025.07	0.97	13025.07	0.97	13025.07	0.97	13025.07	0.97	13025.07	0.97	13025.07
11 09/21/92	09/21/92		0.96	14026.03	4	09/29/92	6	0.96	13026.03	13026.03	0.96	13026.03	0.96	13026.03	0.96	13026.03	0.96	13026.03	0.96	13026.03	0.96	13026.03	0.96	13026.03	0.96	13026.03	0.96	13026.03
11 09/21/92	09/21/92		1.17	14027.20	4	09/29/92	6	1.17	13027.20	13027.20	1.17	13027.20	1.17	13027.20	1.17	13027.20	1.17	13027.20	1.17	13027.20	1.17	13027.20	1.17	13027.20	1.17	13027.20	1.17	13027.20
11 09/21/92	09/21/92		1.01	14028.21	4	09/29/92	6	1.01	13028.21	13028.21	1.01	13028.21	1.01	13028.21	1.01	13028.21	1.01	13028.21	1.01	13028.21	1.01	13028.21	1.01	13028.21	1.01	13028.21	1.01	13028.21
11 09/21/92	09/21/92		0.96	14029.17	4	09/29/92	6	0.96	13029.17	13029.17	0.96	13029.17	0.96	13029.17	0.96	13029.17	0.96	13029.17	0.96	13029.17	0.96	13029.17	0.96	13029.17	0.96	13029.17	0.96	13029.17
11 09/21/92	09/21/92		0.96	14030.13	4	09/29/92	6	0.96	13030.13	13030.13	0.96	13030.13	0.96	13030.13	0.96	13030.13	0.96	13030.13	0.96	13030.13	0.96	13030.13	0.96	13030.13	0.96	13030.13	0.96	13030.13
11 09/21/92	09/21/92		2.25	14032.38	4	09/29/92	6	2.25	13032.38	13032.38	2.25	13032.38	2.25	13032.38	2.25	13032.38	2.25	13032.38	2.25	13032.38	2.25	13032.38	2.25	13032.38	2.25	13032.38	2.25	13032.38
11 09/21/92	09/21/92		2.01	14034.41	4	09/29/92	6	2.01	13034.41	13034.41	2.01	13034.41	2.01	13034.41	2.01	13034.41	2.01	13034.41	2.01	13034.41	2.01	13034.41	2.01	13034.41	2.01	13034.41	2.01	13034.41
11 09/21/92	09/21/92		1.57	14035.98	4	09/29/92	6	1.57	13035.98	13035.98	1.57	13035.98	1.57	13035.98	1.57	13035.98	1.57	13035.98	1.57	13035.98	1.57	13035.98	1.57	13035.98	1.57	13035.98	1.57	13035.98
11 09/21/92	09/21/92		1.22	14037.20	4	09/29/92	6	1.22	13037.20	13037.20	1.22	13037.20	1.22	13037.20	1.22	13037.20	1.22	13037.20	1.22	13037.20	1.22	13037.20	1.22	13037.20	1.22	13037.20	1.22	13037.20
11 09/21/92	09/21/92		1.39	14038.59	4	09/29/92	6	1.39	13038.59	13038.59	1.39	13038.59	1.39	13038.59	1.39	13038.59	1.39	13038.59	1.39	13038.59	1.39	13038.59	1.39	13038.59	1.39	13038.59	1.39	13038.59
11 09/21/92	09/21/92		1.39	14039.98	4	09/29/92	6	1.39	13039.98	13039.98	1.39	13039.98	1.39	13039.98	1.39	13039.98	1.39	13039.98	1.39	13039.98	1.39	13039.98	1.39	13039.98	1.39	13039.98	1.39	13039.98
11 09/21/92	09/21/92		1.39	14041.37	4	09/29/92	6	1.39	13041.37	13041.37	1.39	13041.37	1.39	13041.37	1.39	13041.37	1.39	13041.37	1.39	13041.37	1.39	13041.37	1.39	13041.37	1.39	13041.37	1.39	13041.37
11 09/21/92	09/21/92		0.96	14042.33	4	09/29/92	6	0.96	13042.33	13042.33	0.96	13042.33	0.96	13042.33	0.96	13042.33	0.96	13042.33	0.96	13042.33	0.96	13042.33	0.96	13042.33	0.96	13042.33	0.96	13042.33
11 09/21/92	09/21/92		1.16	14043.49	4	09/29/92	6	1.16	13043.49	13043.49	1.16	13043.49	1.16	13043.49	1.16	13043.49	1.16	13043.49	1.16	13043.49	1.16	13043.49	1.16	13043.49	1.16	13043.49	1.16	13043.49
11 09/21/92	09/21/92		10.63	14054.12	4	09/29/92	6	10.63	13054.12	13054.12	10.63	13054.12	10.63	13054.12	10.63	13054.12	10.63	13054.12	10.63	13054.12	10.63	13054.12	10.63	13054.12	10.63	13054.12	10.63	13054.12
11 09/21/92	09/21/92		3.31	14057.43	4	09/29/92	6	3.31	13057.43	13057.43	3.31	13057.43	3.31	13057.43	3.31	13057.43	3.31	13057.43	3.31	13057.43	3.31	13057.43	3.31	13057.43	3.31	13057.43	3.31	13057.43
11 09/21/92	09/21/92		2.77	14060.20	4	09/29/92	6	2.77	13060.20	13060.20	2.77	13060.20	2.77	13060.20	2.77	13060.20	2.77	13060.20	2.77	13060.20	2.77	13060.20	2.77	13060.20	2.77	13060.20	2.77	13060.20
11 09/21/92	09/21/92		3.04	14063.24	4	09/29/92	6	3.04	13063.24	13063.24	3.04	13063.24	3.04	13063.24	3.04	13063.24	3.04	13063.24	3.04	13063.24	3.04	13063.24	3.04	13063.24	3.04	13063.24	3.04	13063.24
11 09/21/92	09/21/92		2.89	14066.13	4	09/29/92	6	2.89	13066.13	13066.13	2.89	13066.13	2.89	13066.13	2.89	13066.13	2.89	13066.13	2.89	13066.13	2.89	13066.13	2.89	13066.13	2.89	13066.13	2.89	13066.13
11 09/21/92	09/21/92		2.46	14068.59	4	09/29/92	6	2.46	13068.59	13068.59	2.46	13068.59	2.46	13068.59	2.46	13068.59	2.46	13068.59	2.46	13068.59	2.46	13068.59	2.46	13068.59	2.46	13068.59	2.46	13068.59
11 09/21/92	09/21/92		6.12	14074.71	4	09/29/92	6	6.12	13074.71	13074.71	6.12	13074.71	6.12	13074.71	6.12	13074.71	6.12	13074.71	6.12	13074.71	6.12	13074.71	6.12	13074.71	6.12	13074.71	6.12	13074.71
11 09/21/92	09/21/92		5.47	14080.18	4	09/29/92	6	5.47	13080.18	13080.18	5.47	13080.18	5.47	13080.18	5.47	13080.18	5.47	13080.18	5.47	13080.18	5.47	13080.18	5.47	13080.18	5.47	13080.18	5.47	13080.18
11 09/21/92	09/21/92		1.16	14081.34	4	09/29/92	6	1.16	13081.34	13081.34	1.16	13081.34	1.16	13081.34	1.16	13081.34	1.16	13081.34	1.16	13081.34	1.16	13081.34	1.16	13081.34	1.16	13081.34	1.16	13081.34
11 09/21/92	09/21/92		6.26	14087.60	4	09/29/92	6	6.26	13087.60	13087.60	6.26	13087.60	6.26	13087.60	6.26	13087.60	6.26	13087										

Buchanan for President Committee
 Schedule of Purchasing and other Non-Qualified Campaign Expenses
 file name: ATTCH RPTES.HCI

Check Number	Payee	Date Paid	Purchasing Expense 1/	Other Expense 1/	Amount Paid		Purpose
					Through LIFO Date 2/	After LIFO Date 2/	
2786	Network Video	12/08/92	\$1,907.00		\$1,907.00		Collateral Materials
2787	Alpha Enterprises	12/08/92	\$499.00		\$499.00		Collateral Materials
2811	JJ Mailing	12/16/92	\$1,028.00			\$3,028.00 3/	TY 2 Mailing
2812	Kimco Business Resources	12/16/92	\$250.00			\$250.00 1/	Computer Service
2814	Network Video	12/17/92	\$1,907.00			\$1,907.00	Collateral Materials
2820	Beckville Printing	12/21/92	\$1,045.00			\$1,045.00	Collateral Materials
2838	Right Side Out	01/05/93	\$757.00			\$757.00	Collateral Materials
2870	Hansen Events	01/20/93	\$40.00			\$40.00	Subscription
2894	Right Side Out	02/04/93	\$572.00			\$572.00	Collateral Materials
2899	Progress Unlimited	02/05/93	\$1,015.00			\$1,015.00	Collateral Materials
Sub Total Purchasing Expenses			\$11,020.00		\$2,406.00	\$8,614.00	
101	Carlson's Motors	03/10/92		\$120.00	\$120.00		Parking Tickets
2525	Federal Express	09/01/92		\$13.00	\$13.00		Courier Service
2549	Federal Express	09/14/92		\$53.00	\$53.00		Courier Service
2563	Omni Phone, Inc	09/15/92		\$140.00	\$140.00		Foundation Related
2109	Janet Fallon	09/15/92		\$341.00	\$341.00		Wages for 9/1 through 9/15/92
2114	Terry Jeffery	09/15/92		\$1,244.00	\$1,244.00		Wages for 9/1 through 9/15/92
2587	UP Telephone	09/21/92		\$245.00	\$245.00		Foundation Related
2611	Federal Express	10/02/92		\$35.00	\$35.00		Courier Service
2618	Omni Phone, Inc	10/02/92		\$70.00	\$70.00		Foundation Related
2649	Federal Express	10/15/92		\$33.00	\$33.00		Courier Service
2647	Grant Courier	10/15/92		\$86.00	\$86.00		Courier Services
2680	Computer Consultants	10/30/92		\$400.00	\$400.00		Computers & Software
2690	Computer Consultants	11/03/92		\$375.00	\$375.00		Computers & Software
2692	SSI	11/04/92		\$1,303.00	\$1,303.00		Software upgrades
2695	Mani Data Central	11/04/92		\$2,815.00	\$2,815.00		Foundation related
2733	Sir Speedy	11/13/92		\$799.00	\$799.00		Copying Books
2754	Connell Properties	11/23/92		\$1,500.00	\$1,500.00		Foundation Related
2774	American Computer Rental 4/	12/02/92		\$45.00	\$45.00		Computers & Software
2808	Mani Data Central	12/12/92		\$2,804.00	\$2,804.00		Foundation related
2822	Federal Express	12/21/92		\$27.00		\$27.00	Courier Service
2826	American Computer Rental	12/22/92		\$335.00		\$335.00	Foundation Related

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Statement for President Committee
Schedule of Purchasing and other non-qualified Campaign Expenses
file name: ACTV110321.WF1

Check Number	Payee	Date Paid	Purchasing Order Expense	Amount Paid Through LIFO	Amount Paid After LIFO	Purpose
2827	Callahan Nathan	12/22/92	\$300.00	\$300.00	\$300.00	Phone Bills
2828	SSI	12/23/92	\$1,658.00	\$1,658.00	\$1,658.00	Software
2850	American Computer Rental	01/06/93	\$335.00	\$335.00	\$335.00	Computers & Software
2845	Quark Courier	01/06/93	\$117.00	\$117.00	\$117.00	Courier Service
2853	American Computer Rental	01/08/93	\$334.00	\$334.00	\$334.00	Computers & Software
2862	Janet Pullen	01/15/93	\$5,000.00	\$5,000.00	\$5,000.00	Bonus
2866	Greg Haller	01/15/93	\$2,500.00	\$2,500.00	\$2,500.00	Bonus
2861	Thery Jeffrey	01/15/93	\$10,000.00	\$10,000.00	\$10,000.00	Bonus
2821	Head Data Central	01/20/93	\$2,778.00	\$2,778.00	\$2,778.00	Foundation Related
2882	American Computer Rental	01/22/93	\$334.00	\$334.00	\$334.00	Computers & Software
2230	VA Dept Tax	01/29/93	\$307.00	\$307.00	\$307.00	Payroll Tax Permitted
2211	VA Dept Tax	01/29/93	\$307.00	\$307.00	\$307.00	Payroll Tax Permitted
2892	C & P Telephone	02/05/93	\$125.00	\$125.00	\$125.00	Security Deposit
2905	Quark Courier	02/08/93	\$144.00	\$144.00	\$144.00	Courier Service
Subtotal Other Non-Working Don Expenses			\$37,022.00	\$12,421.00	\$24,601.00	
Total Purchasing Expenses			\$7,406.00			
Paid Through the LIFO A/c			\$16,827.00			

1/ The amount paid were rounded by the Audit staff

2/ LIFO Date is December 14, 1992

3/ These amounts total \$3,278 non-Working III. See for details

4/ An individual returned the committee \$1,000.00 which was applied to the first three payments to American Computer Rental which totaled \$1,048.20. The difference of \$48.20 (\$1048.20 - \$1000.00) was considered a non-qualified campaign expense.

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FEDERAL ELECTION COMMISSION

July 18, 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

Kenneth E. Kellner
Assistant General Counsel

Jane J. Whang
Attorney

SUBJECT: Proposed Final Audit Report on the Buchanan for President Committee (LRA #441/AR #93-33)

The Office of General Counsel has reviewed the proposed Final Audit Report on the Buchanan for President Committee ("the Committee") submitted to this Office on May 24, 1994.^{1/} We concur with a number of findings which are not discussed separately in the following memorandum: II.B.2., II.C., III.A., III.B.3., III.C., III.D., and III.F. If you should have any questions concerning our comments, please contact Jane Whang, the attorney assigned to this audit.

^{1/} Since the proposed Final Audit Report does not include 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 an open session. Parenthetical references are to the placement of the findings in the proposed report. Throughout our comments, "FECA" refers to the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-455, and "Matching Payment Act" refers to the Presidential Primary Matching Payment Account Act, 26 U.S.C. §§ 9031-9042.

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I. APPARENT UNRESOLVED PROHIBITED & EXCESSIVE
CONTRIBUTIONS (II.A. & II.B.1.)

The proposed Final Audit Report identified \$8,166 in unresolved prohibited contributions, and \$53,909 in unresolved excessive contributions that should be paid back to the United States Treasury. The amounts were based upon a comprehensive review of the Committee's receipts data base, a projection upon a sample review of remaining contributions and, for the prohibited contributions, a review of an in-kind contribution.

The Committee accepts the Audit findings based upon the comprehensively reviewed amounts of prohibited and excessive contributions, and does not dispute that these amounts shall be paid to the U.S. Treasury. The Committee also accepts the auditors' view that the dollar amount of the in-kind contribution from the Marriott was payable to the Treasury. Although nothing in the Act or Commission regulations prohibits such disgorgement, we noted in our comments to the Final Audit Report on Americans for Harkin, that in-kind contributions were not anticipated under the Commission's disgorgement policy. See Legal Comments to the Proposed Final Audit Report on Americans for Harkin (January 19, 1994) ("Harkin Legal Comments") (Recommending that in-kind excessive contributions be refunded to the contributors). Therefore, for consistent treatment, the Committee should be permitted to refund the prohibited in-kind contribution back to the Marriott.

The Committee disputes the remaining amounts which were projected from sample populations. The Committee argues two points with respect to the sample estimates of illegal contributions: (1) the sampling technique is inapplicable for estimating the number of prohibited contributions; and (2) proper rulemaking notice was not given for the Audit Division's use of sampling in violation of the Administrative Procedure Act.

The Committee's arguments with respect to sampling are not persuasive. Generally, the Supreme Court has held that agency use of accounting rules should only be overturned where it is "so entirely at odds with fundamental principles of correct accounting . . . as to be the expression of whim rather than an exercise of judgment." American Telephone & Telegraph Co. v. United States, 299 U.S. 232, 236-37 (1936). Further, sampling techniques have been upheld by courts in various instances. See Michigan Dep't of Educ. v. U.S. Dep't of Educ., 875 F.2d 1196, 1205 (6th Cir. 1989) (statistical sampling "well recognized as reliable and acceptable evidence in determining adjudicative facts"); State of Georgia v. Califano, 446 F. Supp. 404, 409 (N.D. Ga. 1977) (statistical sampling upheld and "recognized as a valid audit technique"). Within the Commission, the sampling technique has been used

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to evaluate matching fund submissions. 11 C.F.R.
§ 9036.4(b); see also Guideline for Presentation in Good
Order, at 36 (rev'd 1991).

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The proposed Final Audit Report includes the language of our Office's legal comments in the Final Audit Report on Harkin with respect to the issue of whether the use of sampling requires formal notice and comment, pursuant to the Administrative Procedure Act ("APA"). See 5 U.S.C. § 553. Therefore, we will not repeat those comments here. See Harkin Legal Comments. Contrary to the Committee's assertion, the use of accounting methodologies does not always require formal notice and comment rule-making. See Committee's Response at 5, citing Alvarado Parkway Institute, Inc. v. Mendez, 789 F. Supp. 1190 (D.D.C. 1992). Rather, notice and comment is only mandated where the methodology "grant[s] rights, impose[s] obligations, or produce[s] other significant effects on private interests." Alvarado, 789 F. Supp. at 1195, quoting Batterton v. Marshall, 648 F.2d 694, 701-702 (D.C. Cir. 1980). We disagree with the Committee's argument that since the estimates provide the basis upon which the Commission may pursue enforcement civil penalties, sampling affects the Committee's rights. The Committee has a continuing duty to keep illegal contributions out of its accounts, and this duty is not changed by sampling. Pursuant to 2 U.S.C. § 437g(a)(6)(A), the ultimate decision of whether civil penalties will be awarded to the Commission will be made by a district court, based upon the reasonableness of the sampling analysis. The Committee may raise any objections it may have to the Commission's accounting methodology in that forum. Furthermore, the Commission's 1992 letter does not state that such a methodology would be exclusively used, but only that it would be increasingly used. Therefore, because sampling was to be used prospectively at the Commission's discretion and does not affect committee rights, duties or interests, its use does not necessarily require notice and comment, pursuant to the APA.

II. REPAYMENT -- APPARENT NON-QUALIFIED EXPENSES
(III.B.1., and 2.)

1. Patrick Buchanan Loan

The proposed Final Audit Report finds that the candidate made a contribution of \$50,000 to the Committee, which was later reclassified as a loan and repaid to the candidate. The Audit Division has therefore classified this payment as a nonqualified campaign expense, pursuant to 11 C.F.R. § 9034.4. The Report recommends that the Committee obtain repayment of the \$50,000 from the candidate, or in the alternative, pay to the U.S. Treasury \$17,116 (\$50,000 x .342317) pursuant to 11 C.F.R. § 9038.2(b)(2)%.
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This Office concurs with the proposed Report's recommendation. The Committee reported the candidate's \$50,000 as a contribution in its Year-End 1991 disclosure report. On August 12, 1992, the Committee issued the candidate a check with the notation, "loan repayment," and thereafter in October of 1992 filed an amended disclosure report for the Year-End 1991 Report characterizing the \$50,000 as a loan. Section 434(b)(8) of Title 2 of the United States Code requires that debts and obligations be initially disclosed in a timely manner, and continuously reported thereafter until extinguished. The Committee reported the money as a contribution, and only attempted to repay it as a loan just prior to the wind-down period. The Committee's contention that the candidate intended for the money to be a loan all along is not supported by the documentation or by the Committee's own reports.

We note that the Commission has stated in one situation that a committee was not allowed to retroactively reclassify contributions made by their candidates. See Advisory Opinion ("AO") 1977-58 (Commission determined that candidate could not characterize his contribution to his committee as a loan after the committee had wound up all activities). Cf. AO 1991-9 (Commission determined that committee could not retroactively pay interest on loans already repaid). The instant case cannot be distinguished from AO 1977-58 by arguing that AO 1977-58 was only applicable to the period after wind-down. The AO states the general proposition that any later reclassification of a contribution impermissibly creates a new debt. In the instant case, the Committee's retroactive characterization of the contribution creates new debt, and ultimately results in a greater entitlement to federal matching funds. See 11 C.F.R. § 9034.5(g)(3).

2. Janet Fallon

The proposed Audit Report found that the Committee overpaid Ms. Fallon \$8,645 in double-payments, payments for other person's bills, and payments for a hotel room billed to the U.S. Secret Service. The Committee does not dispute these overpayments. Instead, the Committee responded that when this was brought to its attention, it decided "not to seek repayment . . . [and] to treat these payments to Ms. Fallon as in the nature of income." The Committee further references a letter from the accounting firm of Deloitte & Touche, which notes that it is acceptable to treat the overpayments as "additional compensation."

This Office concurs with the Report that the payments of \$8,645 to Ms. Fallon are nonqualified, and that the Committee should pay to the U.S. Treasury \$2,959 [$\$8,645 \times .342317$]. However, we also recommend that the Report be revised to note that if the Committee recovers the amount of

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58,645 from Ms. Fallon, no such payment to the Treasury is required. The overpayments are nonqualified, since the only payments to staff members which are qualified are those incurred legitimately in connection with the campaign, such as staff salaries. See 11 C.F.R. §§ 9032.9(a), and 9034.4(a)(3). These additional overpayments to Ms. Fallon were not intended or negotiated to be payments of income. Ms. Fallon was regularly paid income by the Committee. The retroactive classification of these erroneous payments to Ms. Fallon as income indicates that there were no actual services or consideration given by Ms. Fallon in exchange for these monies. It is irrelevant to this analysis whether the overpayments may be treated as "additional compensation" for federal income tax purposes. As nonqualified campaign expenses, the Committee should pay back the portion that is public funds. See 11 C.F.R. § 9038.2(a)². Therefore, in the event that Ms. Fallon does not reimburse the Committee for these erroneous payments, \$2,959 [$58,645 \times .342317$] of these nonqualified expenses should be paid to the Treasury.

3. Other Non-qualified Campaign Expenses

b. Other Expenses

The proposed Report also determined that the Committee had made other non-campaign related expenditures in the amount of \$12,421 before it had spent its last entitled matching funds. Included in this amount were payments made to individuals who were not working for the campaign, bonus payments to staff, and computer software purchases. This Office concurs with the recommendation that the public funds portion of this amount be paid to the United States Treasury.

We note specifically that the bonuses paid to the campaign staff are not qualified campaign expenses unless they were contractual and part of the staff's "salary." See 11 C.F.R. § 9032.9(a)(2) (staff salary paid in connection with the campaign are considered qualified expenses).^{2/} Without documentation supporting the assertion that these bonuses were in fact part of a contract, or negotiated in exchange for the staff's services, committees might abuse the use of excess public funds.

Therefore, we agree with the auditors that the Committee needs to show documentation that these staff bonuses are qualified.

^{2/} See also Hobson v. Eaton, 399 F.2d 781, 785 (6th Cir. 1968), cert. denied, 394 U.S. 928 (1969) (bonuses are "gratuity over and above regular salary"); Reliable Life Ins. Co. v. U.S., 356 F. Supp. 235, 239 (E.D. Mo. 1973) (bonuses are not salary, because there is no contractual or moral obligation).

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expenses, either by showing that they were part of a contract or negotiated agreement.

III. REPAYMENT -- PRESS BILLINGS (III.E.)

The proposed Audit Report finds that \$6,283 was over-collected by the Committee from the press, and this amount should be refunded to the press. Further, the Report finds that \$4,632 excessively charged to the press, without adequate documentation of administrative costs, should be repaid to the U.S. Treasury, pursuant to 11 C.F.R. § 9034.6(d)(1). We concur with the Report's recommendations.

Expenses incurred in connection with a presidential primary election campaign for transportation, air travel, and ground services for media personnel are qualified campaign expenses, subject to the expenditure limitation. 11 C.F.R. § 9034.6(a). The regulations permit committees to be reimbursed by the media for up to 110% of the actual pro rata cost of the transportation and services.^{3/} 11 C.F.R. § 9034.6(b). Any amounts collected by a committee greater than 110% of the actual costs shall be required to be paid back to the media personnel on a pro rata basis. Explanation & Justification for 11 C.F.R. § 9034.6(d), 56 Fed. Reg. 35,906 (July 29, 1991).^{4/} The Committee in this instance collected \$211,482 from the press, while Audit's calculation of 110% of its actual costs was \$205,199. Therefore, the Committee collected greater than 110% of its actual costs from the press, and is required to reimburse the press the excess amount of \$6,283 [\$211,482-\$205,199].

The regulations also permit committees to deduct from their overall expenditure limitation 100% of these travel costs, in addition to 3% of these costs, for administrative expenses. Id. at (d)(1). However, if a committee wishes to deduct more than 3% from its expenditure limitation, the committee must provide documentation of its actual administrative costs. Therefore, any amount that a committee collects between 103% and 110% of its costs, (without adequate documentation of administrative costs being greater than 103%), must be returned to the Treasury. 11 C.F.R. § 9034.6(d)(1); see Explanation & Justification for

^{3/} The regulations allow up to 110% of the actual costs to be billed because of the administrative difficulties of providing a major transportation program while also running a campaign. Explanation & Justification for 11 C.F.R. § 9034.6(b), 56 Fed. Reg. 35,906 (July 29, 1991).

^{4/} See Legal Comments to the Final Audit Report on Bush-Quayle '88 (August 2, 1991) (Commission decided that general election campaign must refund to the Press any amounts it collected greater than 110% of the actual travel costs).

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Memorandum to Robert J. Costa
Proposed Final Audit Report on
the Buchanan for President Committee
(LRA #441/AR #93-33)
Page 7

11 C.F.R. § 9034.6(d)(1), 56 Fed. Reg. 35,906 (July 29, 1991). The regulations require this because such press reimbursements "should not result in a primary candidate's committee['s] making a profit." Id. In this instance, the Auditors calculated the actual administrative and travel costs of the Committee to be \$200,565. As noted, Audit calculated 110% of the Committee's actual costs to be \$205,199. Thus, the Committee over-collected \$4,632 (\$205,199-\$200,565), and this amount should be repaid to the U.S. Treasury.

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Received 10/11/94
in [unclear]



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

August 19, 1994

MEMORANDUM

TO: Robert J. Costa
Assistant Staff Director
Audit Division

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble *LMN by JRB*
General Counsel

Kim Bright-Coleman *KBC by ERB*
Associate General Counsel

Kenneth E. Kellner *KEK*
Assistant General Counsel

Jane J. Whang *JW*
Attorney

SUBJECT: In-Kind Contribution Finding/
Proposed Final Audit Report on the Buchanan
for President Committee (LRA #441/AR #93-33)

This memorandum supplements our legal comments, dated July 18, 1994, to the Proposed Final Audit Report ("Report") on the Buchanan for President Committee ("Committee"); and concerns the in-kind contribution to the Committee from a corporation, the Marriott. See Report on the Committee, Section II.A.

The proposed Report requests payment of an in-kind corporate contribution from the Marriott (complimentary hotel accommodations worth \$864) to the Treasury, pursuant to the Commission's letter, dated June 2, 1992. This letter notified Presidential Committees that, inter alia, the Commission would begin requesting payment of unresolved excessive and prohibited contributions to the United States Treasury ("Treasury"). In our initial comments to the proposed Report, we noted that while disgorgement of the in-kind corporate contribution to the Treasury was proper,

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a refund to the contributor should also be permitted.^{1/} We now clarify our comments and concur with the auditors that the in-kind contribution should be paid to the Treasury.

In previous comments to another audit report, we stated that an in-kind contribution resulting from use of aircraft pursuant to 11 C.F.R. § 114.9(e) should be paid back to the corporation. Legal Comments to the Proposed Final Audit Report on Americans for Harkin (January 19, 1994) ("Harkin Legal Comments"). We noted that because "the use of sampling and the inability to identify contributors justified disgorgement to the Treasury," and because the apparent prohibited contributions of the provision of aircraft were not discovered through sampling, "refunds should be made to the corporation." Harkin Legal Comments, at 7.2/

Since the date of the Harkin Legal Comments, however, the Commission has confirmed its intention that impermissible contributions identified outside the scope of sampling be disgorged to the Treasury. See Final Audit Report on the Republican Leadership Fund, and Legal Comments (June 6, 1994). We noted in our comments to the RLF Final Audit Report that nothing in the Act, Matching Payment Act, or the Commission's regulations prevents the Commission from requesting such payments. Indeed, the June 2, 1992 letter notifies committees of the Commission policy that "all unresolved prohibited or excessive contributions" be paid to the Treasury.^{3/}

We also stated in the Harkin Legal Comments that the in-kind contribution at issue was similar to an illegal contribution arising from an unreimbursed staff advance or loan, and that refunding this in-kind contribution to the contributor (as opposed to the Treasury) was consistent with the Commission's treatment of such staff advances or loans. Id. In the Harkin committee situation, the corporation appeared to intend to be fully reimbursed and not to make an in-kind contribution to the Harkin committee. Consequently we advised in Harkin that any potential in-kind contribution be refunded to the corporation. See Harkin Legal Comments, at 7-8; and fn. 13 re. Comments to proposed Interim Audit

^{1/} The Committee did not challenge payment of this in-kind contribution to the Treasury.

^{2/} This issue was ultimately not reached, because the auditors recalculated the flight costs and concluded that no in-kind contribution arose.

^{3/} The Commission's June 2, 1992 letter does not indicate that such requests would only be made in situations where sampling was utilized or where contributors were unidentifiable.

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Memorandum to Robert J. Costa
In-Kind Contributions/ Final Audit Report
Buchanan for President Committee
LRA #441/AR #93-33)
Page 3

Report for Wilder for President (April 2, 1993).⁴ In the Buchanan audit, however, the Committee's in-kind contribution from the Marriott is not analogous to a staff advance or loan. Inasmuch as the Marriott stamped "complimentary" on its invoice for hotel accommodations to the Committee, the corporation appears to have knowingly given a prohibited in-kind contribution, in violation of 11 C.F.R. § 114.9(d). Accordingly, policy and equity support the Commission's request that the Committee pay this amount of money to the Treasury, instead of reimbursing the corporation. See SEC v. Bilzerian, 814 F. Supp. 116, 120 (D.D.C. 1993) (disgorgement is an appropriate, non-punitive remedy).

Therefore, we do not believe that "consistent treatment" with the Harkin Final Audit Report dictates that the Committee refund the prohibited in-kind contribution to the Marriott, and we concur with the auditors that such money be paid to the Treasury.

⁴ We noted therein that staff advances and loans which result in illegal contributions should not be paid to the Treasury, and instead, should be refunded to the individuals since the assumption is that these individuals did not intend to make a contribution.

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FEDERAL ELECTION COMMISSION

AK005491

October 13, 1994

Ms. Angela Buchanan, Treasurer
Buchanan for President
c/o Mr. John C. Martin
Patton, Boggs & Blow
2550 M Street, NW
Washington, DC 20037

Dear Ms. Buchanan:

Attached please find the Final Audit Report on Buchanan for President. The Commission approved this report on October 11, 1994. As noted on page 4 of this report, the Commission may pursue any of the matters discussed in an enforcement action.

In accordance with 11 CFR §9038.2(c)(1) and (d)(1), the Commission has made an initial determination that you are required to repay to the Secretary of the Treasury \$625,146 within 90 days after service of this report (January 12, 1995). In addition, the Commission determined that the Committee is required to refund to the press \$6,283 which represents amounts received in excess of the maximum amount billable.

Should the Candidate dispute the Commission's determination that a repayment is required, Commission regulations at 11 CFR §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 (November 14, 1994), legal and factual materials to demonstrate that no repayment, or a lesser repayment, is required. Further, 11 CFR §9038.2(c)(3) permits a Candidate who has submitted written materials 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

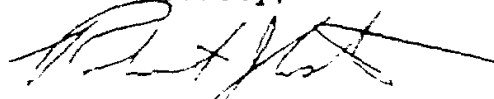
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determination within the 30 day period provided, it will be considered final.

The Commission approved Final Audit Report will be placed on the public record on October 18, 1994. Should you have any questions regarding the public release of this report, please contact Ron Harris of the Commission's Press Office at (202) 219-4155.

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

Sincerely,



Robert J. Costa
Assistant Staff Director
Audit Division

Attachment as stated

cc: John C. Martin, Esq.

95070123237



FEDERAL ELECTION COMMISSION

AK005493

October 13, 1994

Mr. Patrick J. Buchanan
Buchanan for President
c/o Mr. John C. Martin
Patton, Boggs & Blow
2550 M Street, NW
Washington, DC 20037

Dear Mr. Buchanan:

Attached please find the Final Audit Report on Buchanan for President. The Commission approved this report on October 11, 1994. As noted on page 4 of this report, the Commission may pursue any of the matters discussed in an enforcement action.

In accordance with 11 CFR §9038.2(c)(1) and (d)(1), the Commission has made an initial determination that you are required to repay to the Secretary of the Treasury \$625,146 within 90 days after service of this report (January 12, 1995). In addition, the Commission determined that the Committee is required to refund to the press \$6,283 which represents amounts received in excess of the maximum amount billable.

Should the Candidate dispute the Commission's determination that a repayment is required, Commission regulations at 11 CFR §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 (November 14, 1994), legal and factual materials to demonstrate that no repayment, or a lesser repayment, is required. Further, 11 CFR §9038.2(c)(3) permits a Candidate who has submitted written materials 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

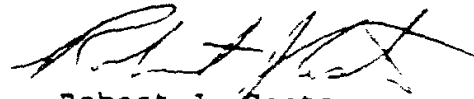
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determination within the 30 day period provided, it will be considered final.

The Commission approved Final Audit Report will be placed on the public record on October 18, 1994. Should you have any questions regarding the public release of this report, please contact Ron Harris of the Commission's Press Office at (202) 219-4155.

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

Sincerely,



Robert J. Costa
Assistant Staff Director
Audit Division

Attachment as stated

cc: John C. Martin, Esq.

95070193211

CHRONOLOGY

BUCHANAN FOR PRESIDENT

Pre-audit Inventory Commenced	10/15/92
Audit Fieldwork	11/9/92 - 4/30/93
Interim Audit Report to the Committee ^{1/}	1/13/94
Response Received to the Interim Audit Report	3/28/94
Final Audit Report Approved	10/11/94

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^{1/} Additional response time was granted after the revote and reissuance of the Interim Audit Report following the Court's decision on FEC v. NRA Political Victory Fund, et al., No. 91-5360, slip op. at 2 (D.C. Cir. Oct. 22, 1993).

Public
Records



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

DATE & TIME TRANSMITTED: FRIDAY, OCTOBER 06, 1995 12:00

BALLOT DEADLINE: THURSDAY, OCTOBER 12, 1995 4:00

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

SUBJECT: PETITION OF PATRICK J. BUCHANAN
AND BUCHANAN FOR PRESIDENT, INC.
TO STAY REPAYMENT PENDING APPEAL
(LRA #441). MEMORANDUM TO THE
COMMISSION DATED OCTOBER 5, 1995.

9507012213

- 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



FEDERAL ELECTION COMMISSION
WASHINGTON, D. C. 20543

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

OCT 5 4 00 PM '95

October 5, 1995

MEMORANDUM

TO: The Commission

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble
General Counsel

Kim Bright-Coleman
Associate General Counsel

Kenneth E. Kellner
Assistant General Counsel

Jane J. Whang
Attorney

SUBJECT: Petition of Patrick J. Buchanan, and Buchanan for
President, Inc. to Stay Repayment Pending Appeal
(LRA #441)

I. INTRODUCTION

On September 5, 1995, Patrick J. Buchanan (the "Candidate") and Buchanan for President, Inc. (the "Committee") filed a petition for review of the Commission's final repayment determinations. Attachment 1. On the same date, the Committee sent a letter petitioning the Commission to stay pending appeal the Committee's repayment of the amounts set forth in the final repayment determinations sent to the Committees on August 7, 1995. Attachment 2. See 11 C.F.R. § 9038.5(c). For the reasons set forth in this memorandum, this Office recommends that the Commission grant the petition.

II. BACKGROUND

On August 1, 1995 the Commission approved the Statement of Reasons supporting final repayment and payment determinations

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for the Committee.^{1/} Specifically, the Commission made a final determination that the Committee must repay \$293,314 to the United States Treasury, including a pro rata repayment of non-qualified campaign expenses in the amount of \$18,891 and a repayment of \$274,423 for matching funds that the Committee received in excess of its entitlement.^{2/}

III. ANALYSIS

A stay may be granted while judicial review is pending if a candidate has: 1) placed the entire amount at issue in a separate interest-bearing account pending the outcome of the appeal, with withdrawals from the account only by joint signatures of representatives of the candidate and the Commission (11 C.F.R. § 9038.5(c)(2)(i)); or 2) posted a surety bond guaranteeing payment of the entire amount at issue plus interest (11 C.F.R. § 9038.5(c)(2)(ii)).^{3/} The amount of interest due shall be calculated from the date 30 days after service of the Commission's final repayment determination under 11 C.F.R. § 9038.2(c)(4) and shall be the greater of: 1) an amount calculated in accordance with 28 U.S.C. § 1961(a) and (b); or 2) the amount actually earned on the funds set aside under this section. 11 C.F.R. § 9038.5(c)(4).

The Committee appears to be requesting a stay pursuant to the provisions at 11 C.F.R. § 9038.5(c)(2)(i). The Committee has submitted documentation indicating that it has placed \$270,000 into an interest-bearing account, and that it intends to place the remainder, \$23,314 into the account within six months of the granting of the stay.^{4/} The Committee further notes that the \$270,000 in the interest-bearing account may only be withdrawn by the joint signatures of the candidate, or

^{1/} The Statement of Reasons was hand delivered to counsel for the Committee on August 7, 1995.

^{2/} The Statement of Reasons also included a final payment determination of \$611 for stale-dated checks.

^{3/} A candidate and his or her authorized committee may also obtain a stay if: 1) the candidate demonstrates that he or she will suffer irreparable harm in the absence of a stay; 2) the candidate has made a strong showing of the likelihood of success on the merits of the judicial action; 3) such relief is consistent with the public interest; and 4) no other party interested in the proceedings would be substantially harmed by the stay. 11 C.F.R. § 9038.5(c)(2)(iii).

^{4/} The Committee states that \$270,000 "represents all funds currently available to the Committee," and that it requires six months in order to raise the necessary funds to put the full repayment amount into the escrow account. Attachment 2 at 7.

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candidate's agent, and a Commission representative. See
Attachment 2.5/

The Committee has not fully complied with the technical requirements of 11 C.F.R. § 9038.5(c)(2)(i), which requires that the full amount of the repayment determination be placed into a separate interest-bearing account. Nonetheless, this Office recommends that the Commission grant the Committee's request for a stay of the repayment determination pending appeal. The Committee has demonstrated its commitment to placing the full amount of the repayment determination into an interest-bearing account. See Attachment 2; 11 C.F.R. § 9038.5(c). Moreover, the Committee has already placed the vast majority of the repayment determination into the account. If, however, the Commission grants the stay as recommended, we also recommend that the Commission require that the Committee deposit within six months of the granting of the stay not only the remaining portion of the repayment determination, \$23,314, but also the amount of interest on the \$23,314 that would have been earned had this amount been timely deposited into the interest-bearing account, pursuant to 11 C.F.R. § 9038.5(c)(4).6/

IV. RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Grant the request of Patrick J. Buchanan, and Buchanan for President, Inc. to stay the Commission's final determination that Patrick J. Buchanan, and Buchanan for President, Inc. must repay \$293,314 pending the appeal filed in the United States Court of Appeals for the District of Columbia Circuit;

2. Require Patrick J. Buchanan, and Buchanan for President, Inc., to place within six months into the interest-bearing account in which the \$270,000 has been placed, the \$23,314 plus the amount of interest that \$23,314 would have earned in the account pursuant to 11 C.F.R. § 9038.5(c)(4); and

3. Approve the appropriate letter notifying the Committee of the Commission's decision.

5/ The Committee has enclosed with its request for stay a signature card to be executed by a Commission representative.

6/ This requirement ensures that, in the event that the Committee must make the full repayment ordered by the Commission, the Committee will pay the full interest due on the repayment. See 11 C.F.R. § 9038.5(c)(4).

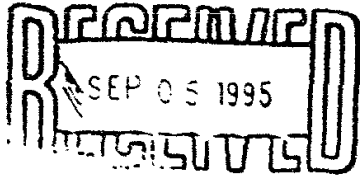
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Memorandum to The Commission
Request to Stay Repayment Pending Appeal
Buchanan for President, Inc.
(LRA #441)
Page 4

Attachments

1. Petition for Review dated September 5, 1995
2. Letter dated September 5, 1995 from John C. Martin
with attached Declaration and Memorandum in Support of Petition
for Stay of Repayment Determination

95070192117



CLERK OF THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT United States Court of Appeals For the District of Columbia Circuit

FILED SEP 05 1995

 Patrick J. Buchanan and
 Buchanan for President, Inc.,
 Petitioners
 v.
 Federal Election Commission,
 Respondent

Civil Action No. 95-1458

PETITION FOR REVIEW

Pursuant to 26 U.S.C. § 9038(b)(2), Patrick J. Buchanan and Buchanan for President, Inc. ("the Committee") hereby petition the court for review of the Order of the Federal Election Commission entered on August 7, 1995, demanding that: 1) the Committee repay \$18,891.00 to the United States Treasury pursuant to 26 U.S.C. § 9038(b)(2); and 2) the Committee repay \$274,423.00 to the United States Treasury pursuant to 26 U.S.C. 9038(b)(1).

Dated: September 5, 1995

Respectfully submitted,

John C. Martin
 Daniel R. Addison
 Patton, Boggs, L.L.P.
 2550 M Street, N.W.
 Washington, D.C. 20036
 (202) 457-6000

Attorneys for Petitioner

CERTIFICATE OF SERVICE

A copy of the foregoing Petition for Review was transmitted by hand to the Clerk for the United States Court of Appeals for the D C circuit on September 5, 1995, to be served pursuant to Rule 15(c) of the Federal Rules of Appellate Procedure upon the following:

Ms. Jane Whang
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

Daniel R. Addison

Daniel R. Addison

9507012 . 012

Writing

PATTON BOGGS, L.L.P.
2550 M STREET, N W
WASHINGTON, D C 20037 350
(202) 457 6000
FACSIMILE 202 457 633

LETTERS DIRECTOR
(202) 457-5643

September 5, 1995

Via Hand Delivery

Ms. Jane Whang
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 5 5 05 PM '95

Re: *Buchanan for President, Inc.*

Dear Jane:

Enclosed please find the Petition for Stay of Repayment Determination Pending Appeal along with the following supporting documentation:

1. Scott Mackenzie's Declaration in Support of Petition for Stay of Repayment Determination Pending Appeal
2. Memorandum in Support of Petition for Stay of Repayment Determination Pending Appeal
3. Multiple Account Signature Card
4. Copy of check and check register which further indicate that the account was opened.

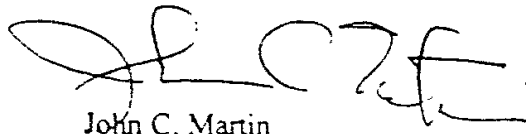
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PATTON BOGGS, L.L.P.

Ms. Jane Whang
September 5, 1995
Page 2

If you have any questions or concerns, please feel free to call at your convenience. As always, thank you for your continuing courtesy.

Sincerely,



John C. Martin

Enclosures
jcm:sch

95070190001

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 5 5 05 PM '95

In the Matter of)
)
)
 Patrick J. Buchanan and)
 Buchanan for President, Inc) (LRA 441)
)
)
 _____)

PETITION FOR STAY OF REPAYMENT DETERMINATION PENDING APPEAL

Pursuant to 11 C.F.R. 9038.5(c), Buchanan for President, Inc. ("the Committee")

hereby requests a stay of the Federal Election Commission's order dated August 7, 1995,
requiring payment of \$293,314.00 pending appeal to the United States Court of Appeals for the
District of Columbia Circuit pursuant to 26 U.S.C. 9041(a).

Enclosed to support this stay request is a declaration executed by the deputy
treasurer of the committee and a memorandum.

Respectfully submitted,



John C. Martin
Daniel R. Addison

Patton, Boggs, L L.P.
2550 M Street, N.W.
Washington, D.C. 20036
(202) 457-6000

Attorneys for Petitioner

0507019000

BEFORE THE FEDERAL ELECTION COMMISSION

_____)
 In the Matter of:)
)
 Patrick J Buchanan) (LRA 441)
 Buchanan for President, Inc.)
 _____)

DECLARATION IN SUPPORT OF PETITION FOR STAY OF REPAYMENT DETERMINATION PENDING APPEAL

I, Scott Mackenzie, being first duly sworn, hereby depose and certify as follows:

1. I am deputy treasurer of the campaign committee known as Buchanan for President, Inc. ("the Committee"). I am also treasurer of the corporate entity that goes by the same name.

2. To satisfy the requirement found in 11 C.F.R. § 9038.5(c)(2)(i), a separate interest-bearing account was opened on August, 31, 1995, and \$270,000.00 was deposited into the account. Enclosed is evidence that such an account has been opened and a signature card awaiting execution by a representative from the Federal Election Commission ("the Commission.") This account shall remain open pending the outcome of the appeal.

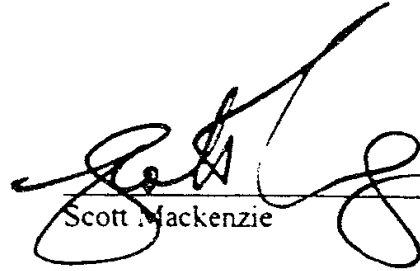
3. Upon execution of the enclosed signature card by a representative from the Commission, withdrawals may only be made with the joint signatures of the candidate or his or her agent and the representative from the Commission.

4. I further certify that the amount deposited, \$270,000.00, represents all funds currently available to Patrick J. Buchanan and Buchanan for President, Inc.

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5. Within six (6) months upon the granting of the stay by the Commission, the Committee hereby commits and promises to deposit an additional \$23,314.00 into this account.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.


Scott Mackenzie

9/5/95
Date

95070193224

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
Patrick J. Buchanan) (LRA 441)
Buchanan for President, Inc.)
_____)

MEMORANDUM IN SUPPORT OF PETITION FOR
STAY OF REPAYMENT DETERMINATION PENDING APPEAL

9507019225
On August 1, 1995, the Federal Election Commission ("the Commission") made a final determination that Patrick J. Buchanan and Buchanan for President, Inc. ("the Committee") must repay \$293,314.00 to the United States Treasury. Judicial review of the Commission's determination is available pursuant to 26 U.S.C. § 9041. The Committee has filed a petition seeking judicial review of the Commission's final determination in the United States Court of Appeals for the District of Columbia Circuit. Under the authority in 11 C.F.R. § 9038.5(c), the Committee requests a stay of the Commission's order to repay \$293,314.00 pending appeal of that repayment determination pursuant to 26 U.S.C. 9041(a).

11 C.F.R. § 9038.5(c)(2)(i) mandates that the Commission's approval of a stay will be conditioned upon the candidate's presentation of evidence in the stay request that he or she, "has placed the entire amount at issue in a separate interest-bearing account pending the outcome of the appeal and that withdrawal from the account may only be made with the joint signatures of the candidate or his or her agent and a Commission representative." Enclosed is

evidence that such an account has been opened and a signature card awaiting execution by a Commission representative. This account shall remain open pending the outcome of the appeal.

The amount deposited in the above mentioned account was \$270,000.00, which represents all funds currently available to the Committee. Within six (6) months upon the granting of the stay by the Commission, the Committee commits and promises to deposit the balance of \$23,314.00 into this account. This six month period is necessary so that the Committee will have an opportunity to raise the necessary funds.

The Committee has discussed the deposit and commitment with the Commission's office of General Counsel, and we understand that the General Counsel does not oppose granting the stay under these circumstances.

The Committee prays that a stay of repayment determination pending appeal be granted under the above-described circumstances.

Respectfully submitted,



John C. Martin
Daniel R. Addison

Patton, Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20036
(202) 457-6000

Attorneys for Petitioner

95070121008

CORPORATION

To Reorder, call CFI at 1-800-274-7280

MULTIPLE ACCOUNT SIGNATURE CARD

FOR PROFIT CORPORATION

NOT FOR PROFIT CORPORATION

Account Holder Name(s)	<u>BUCHANAN FOR PRESIDENT '92</u>
Street Address	<u>6862 Elm Street, Suite 210</u>
City, State, Zip Code	<u>McLean, VA 22101</u>
Mailing Address	
City, State, Zip Code	
Telephone Number	<u>703-848-1996</u> TTN <u>54-1606123</u>
Number of Signatures Required	<u>2</u> CIF Number

Signatures of Authorized Individuals (Please Print or Type Name & Title Below Signature)

1x Name	<i>Bay Buchanan</i>	3x Name	<i>Bay Buchanan</i>
	Bay Buchanan, Treasurer		
2x Name		4x Name	

The authorized Agent(s) signing above agree(s) that the Account Holder's Account(s) will be governed by the terms set forth in the Deposit Account Agreement and Disclosure, the Rate and Fee Schedule, the Time Certificate of Deposit Agreement (if applicable), the Funds Availability Policy Disclosure and the Electronic Funds Transfer Agreement and Disclosure if requested below, as amended by the Financial Institution from time to time. The authorized Agent(s) also acknowledge that they have received at least one copy of these deposit account documents.

- Check if Electronic Funds Transfer (EFT) services requested
 Mail all statements Hold all statements

ACCOUNT INFORMATION - FOR BANK USE ONLY

ACCOUNT TYPE				OPENED BY	
ACCOUNT NUMBER				OFFICER	
DATE OPENED	OPENING DEPOSIT	ATM	VERIFIED BY	ACCOUNT FORMERLY WITH	
DATE CLOSED	CLOSING BALANCE	CLOSED BY	STMT DISPOSITION	REASON FOR CLOSING	

ACCOUNT TYPE				OPENED BY	
ACCOUNT NUMBER				OFFICER	
DATE OPENED	OPENING DEPOSIT	ATM	VERIFIED BY	ACCOUNT FORMERLY WITH	

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DATE OPENED	CLOSING BALANCE	CLOSED BY	STATE DEPOSIT	REASON FOR CLOSING
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ACCOUNT TYPE	OPENED BY
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ACCOUNT NUMBER	OFFICER
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DATE OPENED	OPENING DEPOSIT	ATM	VERIFIED BY	ACCOUNT FORMERLY WITH
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DATE CLOSED	CLOSING BALANCE	CLOSED BY	STATE DEPOSIT	REASON FOR CLOSING
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ACCOUNT TYPE	OPENED BY
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ACCOUNT NUMBER	OFFICER
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DATE OPENED	OPENING DEPOSIT	ATM	VERIFIED BY	ACCOUNT FORMERLY WITH
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DATE CLOSED	CLOSING BALANCE	CLOSED BY	STATE DEPOSIT	REASON FOR CLOSING
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All rights reserved. #OP708 11(0293)

Account Holder Name(s) <u>BUCHANAN FOR PRESIDENT '92</u>	
Street Address <u>6862 Elm Street, Suite 210</u>	
City, State, Zip Code <u>McLean, VA 22101</u>	
Mailing Address _____	
City, State, Zip Code _____	
Telephone Number <u>703-848-1996</u> TTN <u>54-1606123</u>	
Number of Signatures Required <u>2</u> CIF Number _____	
Signatures & Titles of Authorized Agents	Account Type / Account Number
1x <i>Bay Buchanan</i> A	
2x Bay Buchanan, Treasurer B	
3x C	
4 D	

Public Disclosure
(Cooper)



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

DATE & TIME TRANSMITTED: THURSDAY, JULY 27, 1995 4:00

BALLOT DEADLINE: TUESDAY, AUG. 01, 1995 4:00

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

SUBJECT: BUCHANAN FOR PRESIDENT, INC.
PROPOSED FINAL REPAYMENT
DETERMINATION AND STATEMENT
OF REASONS (LRA #441).
MEMORANDUM TO THE COMMISSION
DATED JULY 27, 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

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FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20543

RECEIVED
FEDERAL ELECTION COMMISSION
SECRET

JUL 27 10 59 AM '95

July 27, 1995

MEMORANDUM

TO: The Commission

THROUGH: John C. Surina *CS*
Staff Director

FROM: Lawrence M. Noble *LN*
General Counsel

Kim Bright-Coleman *KBC*
Associate General Counsel

Kenneth E. Kellner *KK*
Assistant General Counsel

Jane J. Whang *JW*
Attorney

SUBJECT: Buchanan for President, Inc.
Proposed Final Repayment Determination and
Statement of Reasons (LRA #441)

On June 29, 1995, the Commission approved this Office's proposed Statement of Reasons supporting a final repayment determination for Buchanan for President, Inc. (the "Committee"), as submitted in Agenda Document #95-67, but directed this Office to make specific amendments.^{1/} Attached for the Commission's approval is an amended draft Statement of Reasons supporting the revised repayment determinations.^{2/} In addition to the specific

^{1/} The attached Statement is being circulated for the Commission's vote in order for a certification containing the final repayment determination figures to be issued.

^{2/} Attachments 1-8 to the draft Statement were circulated to the Commission with Agenda Document #95-67, and are incorporated by reference with the attached Statement. New attachments to this memorandum are the certification of the Commission's vote on June 29, 1995, and the Audit Division's revised analysis, dated July 6, 1995. See Attachments 9 and 10.

95070193232

Memorandum to the Commission
Final Determination
Buchanan for President, Inc. (LRA #441)
Page 2

changes directed by the Commission, other minor changes were made to make the draft consistent with the Commission's amendments.^{3/}

Amendments approved by the Commission on June 29, 1995 result in the final determination that the Committee must repay a total of \$293,314 to the United States Treasury (the "Treasury"). This amount includes \$274,423 in matching funds received in excess of the Candidate's entitlement, and a pro rata repayment of \$18,891 for non-qualified campaign expenses. See 26 U.S.C. §§ 9038(b)(1) and (2). Since the Committee made partial repayment in the amount of \$5,032 for a portion of its non-qualified campaign expenses, the Committee is now required to repay \$288,282.

In addition, the Commission determined that the Committee retained \$611 in outstanding stale-dated checks in its accounts. The Committee made a partial payment to the Treasury in the amount of \$200 for the outstanding stale-dated checks, but still owes \$411.

RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Make a final determination that Buchanan for President, Inc. must repay \$18,891 to the United States Treasury, pursuant to 26 U.S.C. § 9038(b)(2);
2. Make a final determination that Buchanan for President, Inc. must repay \$274,423 to the United States Treasury, pursuant to 26 U.S.C. § 9038(b)(1);
3. Make a determination that Buchanan for President, Inc., must pay to the United States Treasury \$611, pursuant to 11 C.F.R. § 9038.6.
4. Approve the attached Statement of Reasons supporting the Final Determination; and
5. Approve the appropriate letter.

Attachment
Statement of Reasons

^{3/} The attached draft is marked up to indicate where amendments have been made.

950 / 012123

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Patrick J. Buchanan, and)
Buchanan for President, Inc.)
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STATEMENT OF REASONS

On _____, the Commission made a final determination that Patrick J. Buchanan (the "Candidate"), and Buchanan for President, Inc. (the "Committee") must repay \$293,314 to the United States Treasury (the "Treasury").

This amount represents \$274,423 in matching funds received in excess of the Candidate's entitlement, and a pro rata repayment of \$18,891 for non-qualified campaign expenses.

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See 26 U.S.C. §§ 9038(b)(1) and (2). In addition, the Commission determined that the Committee shall make a payment of \$611 to the Treasury, representing outstanding stale-dated checks. See 11 C.F.R. § 9038.6.

On March 31, 1995, the Committee made a partial repayment in the amount of \$5,032, for a portion of its non-qualified campaign expenses, and a partial payment in the amount of \$200, representing outstanding stale-dated checks, to the Treasury. Therefore, the Committee is now required to repay \$288,282 (\$293,314 - \$5,032) and to pay \$411 (\$611 - \$200) to the Treasury within 30 days of receipt of this determination. See 11 C.F.R. § 9038.2(d)(2); 11 C.F.R. § 9038.6. This Statement of Reasons sets forth the factual

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and legal bases for the Commission's determinations. See 11 C.F.R. §§ 9038.2(c)(4) and 9038.6.

I. BACKGROUND

Patrick J. Buchanan was a candidate for the 1992 Republican nomination for President of the United States. Buchanan for President, Inc. was his principal campaign committee.

The Committee received a total of \$5,199,987 in matching funds from the Treasury. Pursuant to the Matching Payment Act, the Commission conducted an audit and examination of the Committee's receipts, disbursements, and qualified campaign expenses after the Candidate's date of ineligibility on August 20, 1992.^{1/} 26 U.S.C. § 9038(a); 11 C.F.R.

§ 9038.1(a)(1).

Based upon the auditors' findings, the Commission approved an Interim Audit Report on the Committee on December 20, 1992. On March 28, 1994, the Committee submitted its response to the Interim Audit Report. The Commission considered the Committee's response before approving the Final Audit Report and initial repayment determinations on October 11, 1994. See 11 C.F.R.

§ 9038.2(c)(3).

^{1/} "Matching Payment Act" refers to the Presidential Primary Matching Payment Account Act, 26 U.S.C. §§ 9031-9042. "FECA" refers to the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-451.

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The Committee submitted a written response to the Commission's initial repayment determinations on December 14, 1994.^{2/} See 11 C.F.R. § 9038.2(c)(2). With the exception of the amounts that it paid to the Treasury, the Committee disputed the Commission's repayment determinations. On January 30, 1995, the Commission granted the Committee's request to address these matters in an oral presentation. The oral presentation was held on March 2, 1995. On March 9, 1995, the Committee submitted additional information and documentation. Attachment 2.

In reaching its final repayment determination, the Commission considered all the documentation and information provided by the Committee in response to the Interim and Final Audit Reports, in addition to materials submitted following the oral presentation.

II. NON-QUALIFIED CAMPAIGN EXPENSES

A candidate shall use contributions and all matching payments to defray only qualified campaign expenses, winding down expenses, or to repay loans or otherwise restore funds (other than contributions that were received and expended to defray qualified campaign expenses), which were used to defray qualified campaign expenses. 11 C.F.R. § 9034.4(a). Qualified campaign expenses are expenditures, purchases, payments, distributions, gifts, or anything of value

^{2/} The Committee's response incorporated by reference a portion of its response to the Interim Audit Report. On December 15, 1994, the Committee also submitted a supplemental response that corrected errors in the original submission. See Attachment 1.

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"incurred by or on behalf of a candidate or his or her authorized committees . . . made in connection with his or her campaign for nomination." 11 C.F.R. § 9032.9(a). Each candidate has the burden of proving that disbursements made by the candidate or his or her authorized committee are qualified campaign expenses, as defined in 11 C.F.R. § 9032.9. 11 C.F.R. § 9033.11. The candidate and his or her committee shall obtain and furnish to the Commission on request any evidence regarding qualified campaign expenses made by the candidate, or his or her committee. Id.

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If the Commission determines that a candidate used payments made from the matching payment account for defrayal of non-qualified campaign expenses, the candidate must repay to the Treasury the portion of the non-qualified campaign expense that represents the matching fund payment. 26 U.S.C. § 9038(b)(2); 11 C.F.R. § 9038.2(b)(2). The amount of the repayment shall bear the same ratio to the total amount of the non-qualified campaign expenses as the amount of matching funds certified bears to the total amount of deposits of contributions and matching funds, as of the candidate's date of ineligibility. 11 C.F.R. § 9038.2(b)(2)(iii). The Committee's repayment ratio for non-qualified campaign expenses is 34.2317%. See Attachment 3 at 22.

The Commission made an initial determination that the Committee had incurred a total of \$73,472 in non-qualified campaign expenses, requiring a pro rata repayment of \$25,151. This amount included three separate repayment determinations

in the following amounts: (1) \$17,116, representing a pro rata portion of the Committee's payment of \$50,000 to the Candidate; (2) \$2,959, representing a pro rata portion of \$8,645 in non-qualified payments to staff member Janet Fallon; and (3) \$5,076, representing the pro rata portion of \$14,827 in non-qualified fundraising and miscellaneous expenses. See Attachment 3 at 25-31.

On March 31, 1995, based on the Commission's initial determination, the Committee repaid to the Treasury \$2,959 representing a pro rata portion of non-qualified payments totaling \$8,645 to Ms. Fallon,^{3/} and \$2,073 representing a pro rata portion of non-qualified campaign expenses.^{4/} See 26 U.S.C. § 9038(b)(2). However, the Committee challenged the remaining repayment determinations concerning the \$50,000 payment to the Candidate, and the remaining fundraising and miscellaneous non-qualified campaign expenses. See Attachment 1 at 2.

The Commission has since determined that the Committee's payment of \$50,000 to Mr. Buchanan was a qualified campaign expense, and has thus eliminated \$17,116, the pro rata portion of that amount, from the repayment determination. In addition, the Commission has determined that the Committee

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^{3/} These non-qualified campaign expenses consisted of either duplicate payments to Ms. Fallon or payments due to other individuals. See Attachment 3 at 26.

^{4/} The Committee acknowledged that certain expenditures were non-qualified campaign expenses, including payroll tax penalties, parking tickets and courier services unrelated to the campaign. See Attachment 5 at 22, 23, and 48.

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incurred more qualified campaign expenses than initially found in the Final Audit Report.^{5/} See infra at Sections III and IV. As a result of these adjustments, the Committee was also entitled to a greater amount of matching funds than initially determined.

Because the Committee was entitled to a larger amount of matching funds, the Commission has recalculated that the Committee expended all matching funds from its accounts on February 18, 1993, and not on December 14, 1992.^{6/} See Attachment 10 at 2. Consequently, the Commission has also determined that the Committee must repay to the Treasury a pro rata portion of the non-qualified campaign expenses that the Committee paid during the period from December 14, 1992 through February 18, 1993. See 26 U.S.C. § 9038(b)(2). The pro rata repayment determination for miscellaneous and fundraising non-qualified campaign expenses has increased from \$5,076 to \$15,932. See Attachment 10 at 2, 8.

Therefore, the Commission has determined that the Committee must make a repayment to the Treasury of \$18,891 (\$2,959 + \$15,932), representing a pro rata portion of \$55,187 [(\$46,542 + \$8,645) x (34.2317%)] in non-qualified

^{5/} This determination is based upon the Committee's demonstration that it will require increased future winding down expenses, in addition to its documentation that it incurred certain qualified campaign expenses.

^{6/} The Audit Division calculated the date that the Committee expended all matching funds in its accounts by deducting the matching funds on a last-in, first-out basis from all the expenditures the Committee paid after it was no longer in a deficit position. See 11 C.F.R. § 9038.2(b)(2)(iii).

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campaign expenses. See 26 U.S.C. § 9038(b)(2); 11 C.F.R. § 9038.2(b)(2)(iii); Attachment 10 at 2.

A. Payment of \$50,000 to the Candidate

In the Final Audit Report, the Commission determined that the Committee made a non-qualified payment of \$50,000 to the Candidate in August 1992. The Candidate wrote two checks to the Committee: one for \$10,000 on November 25, 1991, and another for \$40,000 on December 4, 1991. The first check contained the notation "first contribution." Attachment 3 at 22. Further, the Committee's disclosure reports described these amounts as "contributions," until October 1992, when the Committee's amendments to the reports characterized these amounts instead as "loans." Id. It appears that these contributions were only retroactively classified as loans. A committee may not refund contributions that were received and expended to defray qualified campaign expenses. See 11 C.F.R. § 9034.4(a). Therefore, the Commission made an initial determination that the Committee should repay to the Treasury \$17,116, a pro rata portion of the \$50,000 in non-qualified campaign expenses. Attachment 3 at 25.

In response to the initial repayment determination, the Committee avers that the Candidate intended to make a \$50,000 loan to the Committee, and that the \$50,000 disbursement was a repayment of the loan. The Committee also provided affidavits from Scott MacKenzie, and Angela Buchanan.^{7/} Mr.

^{7/} Mr. MacKenzie was treasurer of the Committee until March 1993, when Ms. Buchanan, Campaign Chair, assumed those duties.

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MacKenzie stated that he had not discussed the matter of the two checks with Ms. Buchanan or the Candidate, and therefore assumed that the amounts were contributions. Attachment 5 at 33. The Committee argued, however, that "the Treasurer's interpretation of the check notation" is not controlling. Attachment 2 at 13. Ms. Buchanan attested that she had intended to treat these amounts as loans if there were funds available to pay the Candidate. Attachment 5 at 31.

Following the oral presentation, the Committee provided an affidavit from the Candidate himself, in which he stated: "In November of 1991, I told my sister, Angela "Bay" Buchanan, that I would contribute up to the maximum of \$50,000 to Buchanan for President. In late 1991, I wrote two checks to Buchanan for President comprising the \$50,000." Attachment 2 at 2. The Candidate further states: "Bay told me the money would be considered a loan to the Committee and, if the Committee was not in debt at the end of the campaign, I would be repaid the full \$50,000. . . . However, the Committee would not repay me until it was clear that the Committee would not be in debt." Id.

Finally, the Committee argues that the Commission has previously permitted modifications of loan terms, and that therefore, retroactive characterization of a contribution as a loan is also permissible. See Attachment 2 at 14, citing Commission Advisory Opinion ("AO") 1986-45, 2 Fed. Election Camp. Fin. Guide (CCH) ¶ 5881 (1986).

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The Commission has determined that the \$50,000 payment to Mr. Buchanan is a qualified campaign expense, and does not require a pro rata repayment to the Treasury. All debts and obligations owed by a committee must be continuously reported until they are extinguished. 2 U.S.C. § 434(b)(12). A committee cannot recharacterize a contribution as a loan when it initially reported it as a contribution. See Advisory Opinion ("AO") 1977-58, 1 Fed. Election Camp. Fin. Guide (CCH) ¶ 5285 (1978) (Commission noted that a committee could not retroactively regard a candidate's contributions to his committee as a "debt" that the committee might then extinguish). Permitting retroactive reclassifications ~~"contravene[s] the obvious intent of § 434(b)(12) that debts and obligations be initially disclosed in a timely manner."~~ Id. Because such reclassifications are impermissible, payments to extinguish a retroactively reclassified debt are non-qualified campaign expenses. See generally 11 C.F.R. § 9034.4(b).

With the exception of the amended disclosure reports submitted nearly one year after the contributions were first reported and approximately two months after the Candidate's date of ineligibility, there is no contemporaneous evidence in the record that these amounts were intended as loans. However, the Candidate and Campaign Chair have both presented affidavits explaining that the funds from the Candidate were transferred as loans and were erroneously reported by the Committee at the time as a candidate contribution.

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Therefore, on the basis of the evidence presented, the Commission has made a final determination that the Committee's \$50,000 payment to the Candidate was a qualified campaign expense, and that the Committee need not make a repayment to the Treasury of any portion of this campaign expense. See Attachment 10 at 2.

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B. Other Non-Qualified Campaign Expenses

In the Final Audit Report, the Commission found that the Committee incurred \$48,042 in non-qualified campaign expenses after the Candidate's date of ineligibility: \$11,020 in fundraising costs after the Committee was no longer in a deficit position; and \$37,022 in costs unrelated to the winding down of the campaign. Attachment 3 at 27-32. The Commission initially determined that December 14, 1992 was the last date matching funds were present in the Committee's accounts, and that the Committee was required to repay to the Treasury \$5,076, representing a pro rata portion of \$14,827 in non-qualified miscellaneous and fundraising campaign expenses paid before December 14, 1992.^{8/} Attachment 3 at 32. In addition, the Commission determined that expenditures for

^{8/} The non-qualified campaign expenses include: (1) \$2,406 expended for fundraising; and (2) \$12,421 in miscellaneous expenses incurred after the Candidate's date of ineligibility, unrelated to the Committee's winding down. The miscellaneous unrelated expenses included telephone installation for an office rented for the Candidate's non-campaign related activities, computer expenses, parking tickets, personal courier services, and payroll tax penalties. Attachment 3 at 30, 31.

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staff bonuses and computer expenses incurred by the Committee were for non-qualified campaign expenses. Id. at 31.

As noted, see infra p. 5, the Committee has repaid to the Treasury \$2,073, a pro rata portion of some of the miscellaneous non-qualified campaign expenses, including expenditures for parking tickets, a phone and fax line, payments for a computer consultant, tax penalties, and certain courier services. See Attachment 3 at 30, 31; Attachment 1 at 2. However, the Committee also argues that it believes it will be in a deficit position until December 1996, and consequently, that its fundraising expenses are qualified campaign expenses. See infra, discussion at Section IV. The Committee specifically contends that other payments, including its payments for staff bonuses and computer expenses, were necessary for winding down the campaign. Following the oral presentation, the Committee provided additional documentation for certain of the disputed expenses. Attachment 2 at 17, 18, 34-132.

2. Analysis

Based upon the documentation that the Committee provided, the Commission has increased the amount of qualified campaign expenses (incurred and anticipated) on the Committee's NOCO statement. See infra at Sections III and IV. The Committee's revised NOCO statement contains a larger NOCO deficit, which also increases its entitlement to matching funds. Consequently, the Committee retained matching funds for longer than initially determined: the

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last date that its accounts held matching funds changed from December 14, 1992 to February 18, 1993. Attachment 10 at 2.

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Therefore, in calculating the pro rata repayment, the Commission has included those non-qualified campaign expenses paid from December 14, 1992 through February 18, 1993. The Commission has found that the Committee paid \$35,522 in non-qualified campaign expenses through February 18, 1993.

See Attachment 10 at 8. However, the Committee was able to document that a payment of \$1,500 to Gosnell Properties was a qualified campaign expenses, and this amount is deducted from the pro rata repayment determination. See Attachment 4 at 4.

Thus, the Commission has determined that the Committee incurred ~~\$46,542~~ (\$11,020 + \$35,522) in fundraising and miscellaneous non-qualified campaign expenses, requiring a pro rata repayment of \$15,932 (\$46,542 x .342317).

*New
Figures*

Attachment 10 at 8.

With exception of the \$1,500 payment to Gosnell Properties, the above determination does not change the initial findings in the Final Audit Report that the Committee paid \$37,022 in miscellaneous expenses that were non-qualified. See Attachment 3 at 58, 59; Attachment 10 at 8. The Committee's written response specifically attempted to challenge the Commission's initial determinations concerning two findings: (1) staff bonuses totaling \$17,500; and (2) computer software expenses totaling \$2,961. However,

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the Commission has determined that these payments remain non-qualified campaign expenses.^{9/}

On January 15, 1993, the Committee paid bonuses totaling \$17,500 to three staff members: \$5,000 to Janet Fallon; \$2,500 to Greg Mueller, and \$10,000 to Terry Jeffrey. Attachment 3 at 59. The Committee argues that it consulted with the Commission's Audit Staff and was told that bonuses were considered qualified campaign expenses. Attachment 5 at 22. The Commission, however, has never routinely granted approval of bonuses or severance payments to staff without documentation that evidences that these payments were made in compensation or in negotiation for the staff's employment.

See, e.g., Statement of Reasons on Final Repayment

Determination of Wilder for President Committee, at 9-19 (May 4, 1995); Final Audit Report on Clinton for President, at 63-68 (December 27, 1994). Although staff salary payments are considered qualified campaign expenses, bonuses are not a part of the legal definition of "salary," nor are they automatically qualified campaign expenses.^{10/} See 11 C.F.R. § 9032.9(a)(2). Moreover, the bonuses were paid in January

9/ The bonuses were paid before February 18, 1993, (the last date that matching funds were present in the Committee's accounts) and therefore are now included in the pro rata repayment of non-qualified campaign expenses. All of the computer software payments are also now included in the pro rata repayment. See Attachment 10 at 7, 8.

} Result of charges date

10/ Bonuses are generally not considered "salary," because of a lack of contractual or moral obligation. Reliable Life Ins. Co. v. United States, 356 F. Supp. 235, 239 (E.D. Mo. 1973); see also Hobson v. Eaton, 399 F.2d 928 (1969) (bonuses are "gratuity over and above regular salary").

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1993, at a time when two of these individuals, Mr. Jeffrey and Ms. Fallon, were no longer working for the Committee. They both began working on "non-campaign related activities" from September 1, 1992 through April 30, 1993. Attachment 5 at 50. The Committee has not provided employment contracts or other documentation to demonstrate that these bonuses were paid in compensation for these individuals' employment.

Moreover, the Committee has not provided documentation to prove that its payments for computer software, totaling \$2,961, were qualified campaign expenses.^{11/} While the Committee argues that it purchased the software to "lower the overall cost of the wind down," the Committee did not provide ~~documentation or an explanation of why it was necessary to~~ purchase new computer equipment at a time when it was winding down its activities. See Attachment 2 at 18; Attachment 5 at 23.

Therefore, the Commission has made a final determination that the Committee must repay to the Treasury \$15,932 representing a pro rata portion of \$46,542 in fundraising and other miscellaneous non-qualified campaign expenses. 26 U.S.C. § 9038(b)(2).

} New figures

^{11/} The Commission determined that the Committee spent \$4,784 on non-qualified campaign expenses of computer rental and software, see Attachment 3 at 58, 59; however, the Committee only specifically addressed the issue of its payments for computer software. See Attachment 2 at 16.

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III. DETERMINATION OF NET OUTSTANDING CAMPAIGN OBLIGATIONS

Within fifteen days after his or her date of ineligibility, a candidate must provide the Commission with a statement of net outstanding campaign obligations ("NOCO statement") including, inter alia, the total of all outstanding obligations for qualified campaign expenses and an estimate of winding down costs. 11 C.F.R. § 9034.5(a). The total of all outstanding campaign obligations shall not include accounts payable for non-qualified campaign expenses. 11 C.F.R. § 9034.5(b). The candidate bears the burden of documenting disbursements and proving that disbursements constitute qualified campaign expenses. 11 C.F.R. § 9033.11.

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The Final Audit Report contained a NOCO statement, prepared as of March 31, 1993, reflecting the Committee's net outstanding campaign obligations as of the Candidate's date of ineligibility, August 20, 1992. Attachment 3 at 33. In response to the Final Audit Report, the Committee provided documentation to show that it was entitled to a larger amount of qualified campaign expenses on its NOCO statement. Attachment 1 and 2. Accordingly, the auditors have revised the NOCO statement as of December 31, 1994, to include a greater amount of qualified campaign expenses for incurred^{13/}

^{13/} Based upon review of the Committee's disclosure reports for the period from April 1, 1993 through December 31, 1994, the auditors amended the NOCO statement to indicate the Committee actually incurred \$490,773 in qualified campaign expenses. Attachment 10 at 4, 5.

and future winding down costs. See infra at Section IV; Attachment 10.14/

Furthermore, the Commission has determined, based upon the Committee's documentation, that certain expenses initially excluded from the NOCO statement are qualified campaign expenses.^{15/} The Committee provided documentation to prove that \$11,822 of these expenditures, and a \$50,000 payment to the Candidate were actually qualified campaign expenses. See Attachment 4 at 4, and Attachment 2 at 2. The Commission has therefore now determined that \$10,322 of the Committee's undocumented expenditures were qualified campaign expenses paid to Cahon Travel. See Attachment 2 at 36-132; Attachment 4 at 4. Additionally, the Commission has determined that a \$1,500 payment to Gosnell Properties was related to the Committee's office expenses. See Attachment 2

New Language

^{14/} The December 1994 NOCO statement also contains an increased accounts receivable from \$165,076, to \$169,635, a difference of \$4,559, which is the amount the Committee reported in its accounts receivable on its October 15, 1994 quarterly report. See Attachment 10 at 4-5, 9 n.a; cf. Attachment 3 at 33.

In addition, the December 1994 NOCO statement eliminates the payment of \$4,632 for press travel profits from the accounts payable section. Cf. Attachment 10 at 4, 5 n.e, with Attachment 3 at 33. The Final Audit Report found that the Committee over-charged the press \$4,632 for administrative charges, but the Committee has since provided documentation to show that this amount was justifiably charged. Thus, no payment pursuant to 11 C.F.R. § 9034.6(d)(1) is required.

^{15/} The NOCO statement in the Final Audit Report excluded \$10,622 in undocumented expenditures as non-qualified campaign expenses, and excluded \$37,022 in expenses that were paid after the Candidate's date of ineligibility and considered unrelated to winding down the campaign. Attachment 3 at 34 n.e.

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at 34; Attachment 4 at 4.16/ Finally, the Commission has determined that the \$50,000 payment to the Candidate was a qualified campaign expense, and has removed \$50,000 from the NOCO statement's accounts receivable. See Attachment 10 at 4.

New
Language

The Commission has based its final repayment determination of matching funds in excess of entitlement upon the revised December 1994 NOCO statement.

IV. MATCHING FUNDS RECEIVED IN EXCESS OF ENTITLEMENT

After the candidate's date of ineligibility, the Commission shall determine whether a candidate has received matching funds in excess of entitlement, and shall require ~~repayment of the excessive portion to the Treasury.~~ 26

U.S.C. § 9038(b)(1), and 11 C.F.R. § 9038.2(b)(1)(i). This determination may be based upon, inter alia, the Commission's finding that after its date of ineligibility the Committee received matching funds that exceeded its net outstanding campaign obligations.^{17/} See 11 C.F.R. § 9038(b)(1)(i).

^{16/} This amount was included in the Final Audit Report as part of a pro rata repayment determination. See Attachment 3 at 58. Because the \$1,500 is now determined to be a qualified campaign expense, this amount is deducted from the pro rata repayment determination of non-qualified campaign expenses. See also infra at Section II.

^{17/} The Commission's regulations state: "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 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, i.e., the sum of contributions received on or after the date of ineligibility plus matching funds received on or after the date of ineligibility is

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1. Initial Determination

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The Committee submitted a total of 11 matching funds requests from January 27, 1992 through December 31, 1992. Attachment 3 at 7. On January 2, 1993, the Candidate received one last matching fund payment of \$151,783. Attachment 3 at 36. Following an audit and review of the Committee's accounts, the Commission initially determined that the Candidate no longer had a matching fund entitlement as of December 2, 1992, on which date it had received \$381,044 in excess of its entitlement. Attachment 3 at 36. Accordingly, the Commission made an initial determination that the Committee received \$532,827 (\$381,044 + \$151,783) in matching funds that were in excess of its entitlement and that must be repaid to the Treasury. See 26 U.S.C. § 9038(b)(1). Attachment 3 at 37.18/

The Committee contested this initial determination in its written response and at the oral presentation.

(Footnote 17 continued from previous page)
less than the candidate's net outstanding campaign obligations."
11 C.F.R. § 9034.1(b).

18/ On January 4, 1993, the Committee requested additional matching funds totaling \$75,640. Attached to the Committee's request was the required NOCO statement, which included an estimate of winding down costs for a \$100,000 "contingency," that was unspecified. Attachment 3 at 7. The Commission reviewed the NOCO statement, and determined that the Committee's January 4, 1993 NOCO estimates were "inflated." *Id.* On April 2, 1993, the Commission made a final determination that the Committee failed to substantiate its request for additional federal matching funds and rejected the request for \$75,640. See Final Determination on the Buchanan for President Committee's January 4, 1993 Request for Matching Funds (April 2, 1993).

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Attachments 1 and 2. The Committee argues that the NOCO statement in the Final Audit Report underestimates its actual and projected costs, resulting in a repayment of matching funds received in excess of its entitlement.^{19/} Specifically, the Committee contends that the Commission erroneously failed to account for \$500,000, of which \$385,000 is for legal representation, for the Committee to wind down activities during the period from October 1994 through December 1996. In supplemental materials submitted following the oral presentation, the Committee states that it has already incurred \$89,269 in winding down costs from October 1994 through January 1995, and that it may need an additional \$335,000 to \$435,000 for future legal representation in potential enforcement actions or litigation.^{20/} Attachment 2

^{19/} The Committee also asserts that in preparing the NOCO statement, the auditors erroneously relied upon an uncertified, informal budget memo submitted by Ms. Buchanan in March 1993. Attachment 1 at 11. The Committee contends that Ms. Buchanan was unaware of the potential repayment determination concerning matching funds in excess of entitlement, and that she underestimated the Committee's future costs. However, Ms. Buchanan was informed by the Commission's audit staff in February 1993 of a likely determination regarding matching funds in excess of entitlement. See Attachment 4 at 3. Contrary to the Committee's contention, the NOCO statement in the Final Audit Report was prepared based upon full review of the Committee's accounts, assets, remaining debts and obligations, as well as all the evidence provided by the Committee.

^{20/} The Committee's counsel provided an explanation of how he arrived at the estimates for legal representation: (1) 400 hours for counsel's representation of the repayment determination; (2) 400 hours to defend the Committee against potential enforcement action; (3) 350 hours to represent the Committee in potential appeals of the repayment determinations; and (4) 500 to 1,000 hours for potential litigation, including appeals deriving from possible enforcement actions. Counsel noted that he uses an average billing rate of \$200 per hour for the Committee.

at 9, 29. The Committee contends that based upon this "estimate," it is "currently in a deficit position." Attachment 2 at 4 n.5 (emphasis in original). Thus, the Committee argues, because of these large anticipated winding down costs, it is entitled to all matching funds that it has received and currently retains in its accounts.

Furthermore, the Committee challenges the Commission's use of a NOCO statement that retroactively revises NOCO estimates submitted by the Committee. The Committee argues that because it already submitted NOCO estimates that were "reviewed and approved by the Commission" in certification for matching funds, the Commission cannot subsequently ~~prepare a NOCO statement that revises these NOCO estimates.~~

Attachment 1 at 14. Further, the Committee argues that any revision of the NOCO estimates is contrary to the "statutory scheme that provides for matching fund payments based on estimates approved by the Commission." Attachment 1 at 15. For the foregoing reasons, the Committee contends that the Commission has acted arbitrarily and capriciously in basing its repayment determinations upon these revised NOCO estimates.

Finally, the Committee argues that the Commission should either require no repayment or request repayment of the excessive funds only after the Committee has fully wound down its activities. See Attachment 2 at 10-11. The Committee

(Footnote 20 continued from previous page)
Attachment 2 at 29.

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states that "[t]o the extent the Committee spends its funds on qualified expenditures, . . . the Commission has no legitimate interest in seeking the return of matching funds," and that, therefore, it should only seek repayment of funds "at the end of the process." Attachment 1 at 19.

2. Analysis

As noted, see infra Section III, the Commission has adjusted the Committee's NOCO statement to account for documented qualified campaign expenses. However, the Commission has found no reasonable basis for the Committee's contention that it needs the full estimated \$500,000 for winding down its future activities.^{21/} The Commission has ~~determined that \$160,000 is a reasonable sum for the~~ Committee to expend in winding down its remaining operations as of October 1994: \$120,000 to cover incurred and future legal costs and \$40,000 for incurred and future administrative expenses. See Attachment 9; Attachment 10 at 1; Attachment 6.

✓ Amended
figures

Winding down costs are qualified campaign expenses to the extent that they are associated with winding down the campaign and complying with the Matching Payment Act. Winding down costs include: office space rental, staff salaries and office supplies. See 11 C.F.R. § 9034.4(a)(3). Although projecting winding down costs for legal fees on a

^{21/} As of March 31, 1995, the Committee's cash-on-hand was \$356,998. As noted, the Commission has made a final determination that the Committee must repay to the Treasury \$293,314.

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NOCO statement is permissible, these fees must be reasonable and documented. See Statement of Reasons on the Reagan for President Committee Final Repayment Determination at 24, 25 (approved May 26, 1983) (Commission rejected Reagan Committee's request for \$270,250 in future legal fees as "speculative and uncertain;" instead, approving only \$30,000 for future legal fees as a reasonable amount);^{22/} see also Final Audit Report on the Mondale for President Committee, Inc., at 62, 63 (October 23, 1986) (Commission excluded Mondale Committee's estimate for \$32,000 in potential liabilities from the NOCO statement in the Final Audit Report, with the notation that "changes in estimated amounts will be made as events occur").

As noted by the Committee at the oral presentation, its remaining obligation is for legal fees.^{23/} Although the Committee declares that it has incurred \$65,658 in legal representation from October 1994 through January 1995,^{24/} the

^{22/} In the Statement of Reasons on the Reagan for President Committee, the Commission noted, "While most legal fees incurred with respect to the Commission's internal proceedings appear to fall within th[e] definition [of qualified winding down campaign expenses], it is less clear that all legal fees for challenging Commission actions are within it." Id. at 25.

^{23/} The Committee readily acknowledges that its records are now in storage, and that it no longer has staff or office-space expenses. Attachment 7 at 27.

^{24/} The Committee's disclosure reports for the period from October 1, 1994 through December 31, 1994 do not reveal payments greater than \$31.50 to the law firm, but its disclosure reports for the period from January 1, 1995 through March 31, 1995 showed that the Committee paid \$25,000 to the law firm during this period. The disclosure reports for this quarter indicate that the Committee owes an outstanding accounts payable of \$42,646 to the

Committee's own counsel concedes that the Committee's anticipated winding down legal estimates lack certainty and reliability, and notes that he does "not have great confidence in the estimates." Attachment 1 at 54. Considering that legal representation of the repayment determination before the Commission is completed, and that the Committee's own counsel is uncertain about the amount of future legal costs, there is no reasonable basis for the Committee's assertion that it needs another 1,500 hours of legal representation to wind down its activities.^{25/}

Moreover, the Buchanan Committee's NOCO estimates appear excessive in comparison to other presidential committees' winding down costs. Based upon audited NOCO statements, the Buchanan Committee will incur more in winding down a campaign than any other primary campaign for the 1992 election cycle except the Clinton for President Committee, a much larger campaign for an eventual party nominee. See Attachment 6 at 5. As indicated by the Commission's previous determinations, estimates that are speculative and uncertain should not be included on the NOCO statement. The Committee's estimates appear in this instance to be speculative and uncertain.

(Footnote 24 continued from previous page)
law firm, and that the Committee has incurred a total of \$67,646 in legal billings.

^{25/} The Committee has furnished charts that appear to show that it is "currently in a deficit position." These charts, however, are based upon tentative and uncertain estimates, and are not indicative of the Committee's current financial situation.

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Therefore, the Commission rejects the Committee's estimate of \$385,000 for legal representation during the period from October 1994 through December 1996 as unreasonable and unsupported by existing evidence.^{26/} The Commission has determined that an amount of \$120,000 for estimated legal fees for winding down the campaign as of October 1994 is reasonable and would pay for 600 hours of legal representation for the Committee.^{27/}

✓ Amended figure

The Committee's argument that the Commission lacks authority to review and revise the Committee's estimates flatly contradicts the Commission's regulations.^{28/} Although it is true that the Commission reviews a committee's ~~submissions for matching funds to ensure that these meet~~ threshold criteria, the Commission does not certify or verify the accuracy of the accompanying NOCO estimates at that time. See 11 C.F.R. § 9033.2. However, if at the time of the

^{26/} Based upon counsel's average hourly billing rate of \$200, the estimated \$250,000 to \$300,000 to wind down activities as of February 1995 would require the Committee's counsel to expend 1,500 additional hours (the equivalent of approximately thirty-eight 40-hour weeks) on legal representation for the Committee.

^{27/} Because the costs of filing quarterly disclosure reports should be minimal, the Commission believes \$40,000 is a reasonable amount to cover future administrative costs. See Attachment 4.

^{28/} The Committee also argues that such revisions are inconsistent with Generally Accepted Accounting Principles ("GAAP"). However, GAAP governs the drafting and interpretation of financial statements for business purposes, and is not applicable to the Commission's use of NOCO statements. The NOCO statement is specifically designed by the Commission for the purpose of reviewing and calculating net outstanding campaign obligations, and matching fund entitlements.

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submission request, the Commission has information indicating significant inaccuracy in any portion of a committee's NOCO statement, the Commission may decide to temporarily suspend further matching payments. 11 C.F.R. § 9034.5(g)(1).^{29/} Thus, a committee's receipt of matching funds does not entitle it to keep those funds that are later determined to be excessive. See LaRouche Democratic Campaign '88 v. FEC, 28 F.3d 137, 142 (D.C. Cir. 1994) (Court of appeals noted that the LaRouche campaign had no reasonable reliance on retaining matching funds it received, and that the committee had "acted in reliance on their misunderstanding of the regulations.")

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In order to determine whether a committee owes a ~~repayment of matching funds in excess of its entitlement~~, the Commission must conduct an audit and review of the Committee's accounts and NOCO statement. 26 U.S.C. § 9038(b). The Commission may determine that payments made to a candidate after his or her date of ineligibility were unnecessary because the candidate had no net outstanding campaign obligations. See 11 C.F.R. § 9038.2(b)(1)(i). In addition, "[s]ince the audit process can be lengthy, the analysis of a candidate's NOCO must be adjusted from time to time to reflect actual costs for expenses . . . [that] were once estimated." Statement of Reasons on Reagan for

^{29/} The Commission rejected the Committee's last matching fund request in January 1993 under this regulation. See Final Determination of the Buchanan for President Committee's January 4, 1993 Request for Matching Funds (April 2, 1993).

President Final Repayment Determination, at 23 (May 26, 1983).30/

The Commission was only able to audit, analyze, and revise the Committee's NOCO estimates in the spring of 1993, after the Committee had received all of its matching funds. Only at that time was the Commission staff able to determine that matching fund payments were made in excess of the Committee's entitlement. Therefore, the Commission did not act arbitrarily and capriciously in reviewing and revising the Committee's NOCO estimates in the NOCO statement.31/

Finally, the Committee's suggestion that the repayment be made only after completion of the winding down period poses practical difficulties. To comply with this suggestion, the Commission would have to wait for each

30/ The Committee, in fact, acknowledges in its response, that subsequent to the matching payment period, if "wind down expenses are less than estimated, the Audit Staff may seek the return of funds from the Committee." Attachment 1 at 18 n.13.

31/ The Commission regularly revises estimates in committees' NOCO statements during the final repayment determination process. See, e.g., Final Audit Report on Clinton for President Committee, at 79, 80 n.h (December 27, 1994) (Commission excluded from the NOCO statement the Clinton Committee's estimated expenses of \$1,638,543, because they appeared "unreasonable," and noted that disclosure reports would be reviewed in the future to prepare adjustments to the NOCO statement until the Clinton Committee's repayment determination was made); Final Audit Report on Brown for President, at 23, 24 n.4 (May 24, 1994) (As accounts receivable increased during audit period, the Commission increased amount of assets on Brown Committee's NOCO statement; Commission also noted that the Audit staff would adjust figures on the NOCO statement so that actual expenses are substituted for estimated ones); and Final Audit Report on Paul Simon for President, at 74 (October 22, 1991) (Commission revised the Simon Committee's NOCO statement to include documented winding down costs that exceeded original estimates).

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individual committee to wind down completely before collecting repayment, resulting in delayed audits and late issuance of repayment determinations.^{32/} Further, this arrangement creates potential abuse of the process because committees might assert they have not completed winding down activities in order to expend remaining funds rather than repaying funds received in excess of their entitlement.

In conclusion, the Commission has made a final repayment determination that the Committee must repay to the Treasury \$274,423 representing the amount of matching funds received in excess of its entitlement. See 26 U.S.C. § 9038(b)(1); 11 C.F.R. § 9038.2(b)(1); Attachment 10 at 1.

✓
Amended
figure

V. STALE-DATED CHECKS

If a committee has outstanding non-negotiated checks to contributors or creditors, the committee shall make efforts to locate the payees and have such checks negotiated. 11 C.F.R. § 9038.6. If these efforts are futile, the committee shall submit a check to the Treasury for the total amount of these outstanding checks. Id.

^{32/} A repayment determination hinges upon the Commission's audit and review of a committee's disbursements and receipts; if a committee were to wind down for several years after the process, an audit would have to be conducted much later than three years after the election cycle. Such a delay contravenes the Matching Payment Act's three year deadline for repayment notification. See 26 U.S.C. § 9038(c). Notwithstanding the Committee's argument at its oral presentation that it would waive its challenges to a Commission determination based on the three-year notification requirement, the Commission rejects the Committee's invitation to permit it to continue winding down activities ad infinitum.

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The Commission initially determined in the Final Audit Report that the Committee retained \$611 in stale-dated checks in its accounts. Attachment 3 at 42. The Committee provided evidence that \$200 of the \$611 in stale-dated checks had been negotiated. However, the Committee has yet to provide evidence that \$411 in stale-dated checks were negotiated. Therefore, the Committee must pay to the Treasury \$411 representing the amount of outstanding stale-dated checks, in compliance with 11 C.F.R. § 9038.6.

VI. CONCLUSION

For the foregoing reasons, the Commission has made a final determination that the Patrick J. Buchanan Committee owes a repayment to the Treasury of \$18,891, representing the pro rata portion of non-qualified campaign expenses. See 26 U.S.C. § 9038(b)(2). In addition, the Commission has made a final determination that the Committee received \$274,423 in matching funds in excess of entitlement, and must repay this amount to the Treasury. See 26 U.S.C. § 9038(b)(1). In sum, the Commission has determined that the Committee must repay to the Treasury \$293,314. Because the Committee has made a partial repayment of \$5,032, the Committee now owes \$288,282 to the Treasury.

✓
Amended
figures

Finally, the Commission has determined that the Committee must pay \$611 to the Treasury representing outstanding stale-dated checks, pursuant to 11 C.F.R. § 9038.6. The Committee has already made a partial payment

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in the amount of \$200 to the Treasury, and now owes a balance of \$411.

Attachments

1. Committee's Response to the Final Audit Report (December 14, 1994)
2. Committee's Supplemental Submission Pursuant to Oral Presentation (March 9, 1995)
3. Final Audit Report, approved October 11, 1994
4. Audit Division's Analysis of Committee's Supplemental Submissions (April 11, 1995)
5. Committee's Response to the Interim Audit Report (March 28, 1994) (Exhibits 1-3 omitted)
6. Audit Division's Analysis of the Committee's Response to the Final Audit Report (February 14, 1995)
7. Transcript of Oral Presentation, March 2, 1995
8. Interim Audit Report, approved December 20, 1993
9. Commission's Certification regarding Agenda Document #95-67, approved June 29, 1995.
10. Audit Division's Calculations of Changes to NOCO Statement and Repayment Amounts, Based upon Commission's Determination of the Proposed Statement of Reasons (July 6, 1995)

Additional Attachments

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
 Buchanan for President, Inc.)
 Committee - Proposed Final) Agenda Document #95-67
 Repayment Determination and)
 Statement of Reasons (LRA #441).)

AMENDED CERTIFICATION

I, Delores Hardy, recording secretary for the Federal
 Election Commission open meeting on Thursday, June 29, 1995,
 do hereby certify that the Commission decided by a vote of
 6-0 to approve the Buchanan for President, Inc. Committee -
 Proposed Final Repayment Determination and Statement of
 Reasons (LRA #441), as submitted in Agenda Document #95-67,
 subject to the following amendments:

1. Page 23:
 - a. line 10: Change \$140,000 to \$160,000.
 - b. line 12: Change \$100,000 to \$120,000.
 - c. line 13: Change the amount to \$40,000.

(continued)

9507019-2033

Federal Election Commission
Amended Certification for
Buchanan for President, Inc.
Committee
Thursday, June 29, 1995

Page 2

2. Page 10:

lines 12 through 14 should read:

"...date of ineligibility, there is no contemporaneous evidence in the record. However, the candidate and the campaign chair have both presented affidavits that the funds from the candidate were transferred as loans and were erroneously reported by the Committee at the time as a candidate contribution."

Delete the remaining language on page 10 beginning with the word "The" at line 14 through page 12 at line 4.

3. Page 12:

lines 5 through 9 should read:

Therefore, on the basis of the evidence presented, the Commission has made a final determination that the Committee's payment to the Candidate was a qualified campaign expense, and that the Committee need not make a repayment to the treasury of any portion of this campaign expense.

(continued)

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Federal Election Commission
Amended Certification for
Buchanan for President, Inc.
Committee
Thursday, June 29, 1995

Page 3

4. Direct the staff to make appropriate adjustments in the calculations based on the revisions noted above.

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the decision.

Attest:

July 10, 1995
Date

Delores Hardy
Delores Hardy
Administrative Assistant

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

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July 6, 1995

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: ~~CHANGES TO THE NOCO STATEMENT, EXCESS OF ENTITLEMENT AND NON-QUALIFIED CAMPAIGN EXPENSE CALCULATIONS RESULTING FROM THE COMMISSION'S DETERMINATION OF THE PROPOSED STATEMENT OF REASONS FOR THE BUCHANAN FOR PRESIDENT COMMITTEE (COMMITTEE) (LRA#441/AR#93-33)~~

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In accordance with the Commission's determination on June 29, 1995 regarding the Proposed Statement of Reasons, the Audit staff has prepared an updated NOCO Statement (see Attachment 1) and Excess of Entitlement and Non-qualified Campaign Expense calculations which recognize the final repayment determination as approved by the Commission.

A. NOCO Statement and Excess of Entitlement Changes

Two changes to the NOCO statement were required. First, we have added an additional \$20,000 in legal fees for winding down expenses. This raises the amount of legal fees for winding down expenses from \$100,000 to \$120,000. Second, the account receivable due from the Candidate (\$50,000) has been eliminated from the NOCO Statement (see Attachment 1).

The effect of these adjustments is to decrease the amount repayable to the U.S. Treasury to \$274,423. The chart below details the remaining repayment now due from the Committee:

Celebrating the Commission's 20th Anniversary

YESTERDAY TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

ATTACHMENT 10
Page 1 of 9

Net outstanding campaign obligations (deficit) (\$2,082,110)

Amounts received

8/21/92 - 11/3/92

Private contributions 749,482
Matching funds 1,022,591

11/4/92 - 12/2/92

Private contributions 19,760
Matching funds 12/2/92 412,917

Amount received in excess of entitlement on 12/2/92 122,640

Matching funds received on 1/2/93 151,783

Total matching funds received in excess of entitlement \$274,523

B. Fundraising and Other Non-qualified Campaign Expenses

The adjustments made to the NOCO Statement caused the date on which the Committee's accounts no longer contained Federal funds to become February 18, 1993. This resulted in more non-qualified campaign expenses to be included in a pro rata repayment amount. Thus, the total amount repayable to the U.S. Treasury is \$15,932 (see Attachment 2).

In addition, we have deleted the pro rata repayment amount regarding the Candidate loan (\$17,116). Thus, the above changes reduce the amount due the U.S. Treasury from \$35,047 to \$18,891. (\$15,932 + \$2,959 for Janet Fallon's duplicate payments.)

C. Recap of Amount Due The United States Treasury Based on the Commission's Determination of the Statement of Reasons

<u>Topic</u>	<u>Repayment Amounts</u>
Prohibited Contributions	\$8,166 <u>1/</u>

1/ On March 31, 1995 the Committee paid the full amounts for Prohibited and Excessive Contributions as well as \$2,073 for non-qualified campaign expenses, \$2,959 for its overpayments to Janet Fallon and \$200 for stale dated checks.

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Excessive Contributions	53,759 <u>1/</u>
Non-qualified Campaign Expenses	18,891 <u>1/</u>
Matching Funds Received in Excess of Entitlement	274,423
Stale Dated Checks	<u>611 1/</u>
Sub-total	355,850
Less Amount paid	<u>(67,157)</u>
Total Due U.S. Treasury	<u>\$288,693</u>

Should you have any questions, please contact Joe Stoltz
or Tom Hunter at 219-3720.

Attachments as stated

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BUCHANAN FOR PRESIDENT
STATEMENT OF NET OUTSTANDING CAMPAIGN OBLIGATIONS
AS OF AUGUST 20, 1992
(Determined at December 31, 1994)

Cash on Hand	\$380,404
Accounts Receivable	169,635 a/
Janet Fallon Account Receivable	8,645 b/c/
Patrick Buchanan Account Receivable	-0-
Deposits and Prepayments	13,574 d/
Capital Assets	<u>29,294</u>
TOTAL ASSETS	\$601,552
<u>OBLIGATIONS</u>	
Accounts Payable for Qualified Campaign Expenses (8/21/92 to 3/31/93)	676,107
Accounts Payable (3/31/93) Payable to the Press	10,000 6,283
Accounts Payable to the Treasury: Excessive Contributions Prohibited Contributions Press Travel	53,759 8,166 -0- e/
Winding Down Costs (8/20/92 - 6/30/95) Actual Expenses Paid 8/20/92 - 3/31/93	1,278,573 f/
Winding Down Expenses reported by the Committee on its disclosure reports 4/1/93 - 12/31/94	490,773 f/g/
Estimated Winding Down Costs 10/1/94 - 6/30/95	
1) Legal Fees	\$120,000
2) Administrative, accounting and compliance fees	40,000
	160,000 h/
TOTAL OBLIGATIONS	\$2,683,662
NOCO (DEFICIT)/SURPLUS	<u>(\$2,082,110)</u>

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Footnotes to the NOCO Statement

a/ The Audit staff has added \$7,763 to the accounts receivable number. This is the result of the Committee's receipt of reimbursement of non-qualified campaign expenses (\$1003), and the reporting of additional accounts receivable in the July 1993 quarterly report (\$999), April 1994 quarterly report (\$1,202) and October 15th 1994 quarterly report (\$4,559).

b/ Absent recovery from Ms. Fallon (see Finding III.B. of the Final Audit Report (FAR)) this amount is considered a non-qualified campaign expense and a pro rata repayment to the Treasury was requested in the amount of \$2,959 [\$8,645 x .342317]. The Committee paid \$2,959 to the U.S. Treasury for Ms. Fallon's expenses which were submitted twice or paid by other individuals. The repayment was made on March 31, 1995.

c/ Ms. Fallon received erroneous payments for reimbursed expenses totaling \$8,645. These result from bills being submitted twice, submission of bills which were paid by other individuals and the submission for reimbursement for a hotel room billed to the U.S. Secret Service.

d/ The deposit and prepayment number was reduced by \$505. This resulted from the Committee reporting in the April 1994 disclosure report a receipt of a deposit refund less than the amount of the initial deposit.

e/ In response to the FAR, the Committee has provided adequate documentation to support that administrative charges were incurred for its press billing operations. Thus, no repayment is being sought.

f/ This excludes fundraising expenses totaling \$11,020 which were incurred after the Committee had reached a financial position where funds were sufficient to pay all qualified campaign expenses and winding down costs. This also excludes \$35,522 in non-qualified campaign expenses which are not considered winding down costs and were paid after the Candidate's date of ineligibility. See Findings III.B and D. of the FAR. We have also excluded an undocumented expense in the amount of \$300.

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g/ The Audit staff reviewed the Committee's disclosure reports and adjusted the amounts to include only qualified campaign expenses. During the review, we noted 3 payments totaling \$8,796 which appear to have been incurred for non-qualified campaign expenses and have not included as winding down expenses on the NOCO statement.

h/ Since estimates were used in computing this amount, the Audit staff will review the Committee's disclosure reports and records to compare the actual figures with the estimates and prepare adjustments as necessary. The legal fees are from a declaration submitted by the Committee's Counsel and adjusted for reasonableness. The administrative, accounting and compliance fees were totaled and pro-rated by month by the Audit staff.

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Buchanan for President Committee
 Schedule of Fundraising and other Non Qualified Campaign Expenses

ATTACHMENT 2

ATTACHMENT 10
 Page 7 of 9

Check Number	Payee	Date Paid	Fundraising Expenses 1/	Other Expenses 1/	Amount Paid	Amount Paid	Purpose
					Through LIFO Date 1/ 2/	After LIFO Date 2/	
2786	Network Video	12/08/92	\$1,907.00		\$1,907.00		Collateral Materials-1000 VHS dupes of convention speeches
2787	Alpha Enterprises	12/08/92	\$499.00		\$499.00		Collateral Materials-1020 VHS cases
2811	JJ Mailing	12/16/92	\$3,028.00		\$3,028.00		1/ TY 2 Mailing
2812	Kimco Business Resources	12/16/92	\$250.00		\$250.00		1/ Computer Service
2814	Network Video	12/17/92	\$1,907.00		\$1,907.00		Collateral Materials-Balance of 1000 videos
2820	Rockville Printing	12/21/92	\$1,045.00		\$1,045.00		Collateral Materials-video tape covers
2838	Right Side Out	01/05/93	\$757.00		\$757.00		Collateral Materials
2870	Human Events	01/20/93	\$40.00		\$40.00		Subscription
2894	Right Side Out	02/04/93	\$572.00		\$572.00		Collateral Materials-T-shirts, Design and Consulting fees
2899	Response Unlimited	02/05/93	\$1,015.00		\$1,015.00		Collateral Materials-Telemarketing expense
Sub-total Fundraising Expenses			\$11,020.00		\$11,020.00	\$0.00	
101	Carlson's Motors	03/30/92		\$120.00	\$120.00		Parking Tickets-Cmtc agree with this
2525	Federal Express	09/03/92		\$13.00	\$13.00		Courier Services-1 shipment
2549	Federal Express	09/14/92		\$53.00	\$53.00		Courier Services-2 shipments personal nature
2563	Compu Phone, Inc	09/15/92		\$140.00	\$140.00		Interior phone work on suite 220 (foundation office)
2109	Janet Fallon	09/15/92		\$341.00	\$341.00		Wages for 9/1 through 9/15/92 4/
2114	Terry Jeffery	09/15/92		\$1,244.00	\$1,244.00		Wages for 9/1 through 9/15/92 4/
2587	C&P Telephone	09/21/92		\$245.00	\$245.00		Foundation Related-Cmtc agree with us
2611	Federal Express	10/02/92		\$35.00	\$35.00		Courier Services- 2 shipments not campaign related
2618	Compu Phone, Inc	10/02/92		\$70.00	\$70.00		Foundation Related-hook up fax machine room 220
2649	Federal Express	10/15/92		\$33.00	\$33.00		Courier Services- 2 shipments not campaign related
2647	Comet Courier	10/15/92		\$86.00	\$86.00		Courier Services- 5 shipments not campaign related
2680	Computer Consultants	10/30/92		\$400.00	\$400.00		Computers & Software-Cmtc agree with us
2690	Computer Consultants	11/03/92		\$375.00	\$375.00		Computers & Software-Cmtc agree with us
2692	SSI	11/04/92		\$1,303.00	\$1,303.00		Software upgrades
2695	Head Data Central	11/04/92		\$2,815.00	\$2,815.00		Foundation related-nexis services billed to T.Jeffery
2733	Sir Speedy	11/13/92		\$799.00	\$799.00		Copying Books
2774	American Computer Rental	12/02/92		\$45.00	\$45.00	5/	Computers & Software- new computer rental for T. Jeffery
2808	Head Data Central	12/12/92		\$2,804.00	\$2,804.00		Foundation related-nexis services billed to T.Jeffery
2822	Federal Express	12/21/92		\$27.00	\$27.00		Courier Services-2 shipments

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Buchanan for President Committee
 Schedule of Fundraising and other Non Qualified Campaign Expenses

ATTACHMENT 2

Check Number	Payee	Date Paid	Fundraising Expense 1/	Other Expense 1/	Amount Paid		Purpose
					Through LIFO	After LIFO	
2026	American Computer Rental	12/22/92	6335.00		\$335.00		Foundation Related-Computer rental for T. Jeffery
2027	Catherine Buchanan	12/22/92	5300.00		\$300.00		Phone Bills-actual bills not provided just ems generated
2028	SSI	12/23/92	\$1,650.00		\$1,650.00		Software-(Blacker, phone disk, game 166)
2030	American Computer Rental	01/06/93	\$335.00		\$335.00		Computers & Software-computer rental T. Jeffery
2045	Comat Courier	01/06/93	\$117.00		\$117.00		Courier Services-6 deliveries not emg related
2051	American Computer Rental	01/08/93	\$334.00		\$334.00		Computers & Software- rentals for T. Jeffery
2061	Teriy Jeffery	01/15/93	\$10,000.00		\$10,000.00		Bonus
2062	Janet Fallon	01/15/93	\$5,000.00		\$5,000.00		Bonus
2066	Greg Mueller	01/15/93	\$2,500.00		\$2,500.00		Bonus
2071	Head Data Central	01/20/93	\$2,770.00		\$2,770.00		Foundation Related-nexta services billed to T. Jeffery
2082	American Computer Rental	01/22/93	\$334.00		\$334.00		Computers & Software-Computer rental T. Jeffery
2210	VA Dept Tax	01/29/93	\$307.00		\$307.00		Payroll Tax Penalties-Comte agrees with us
2231	VA Dept Tax	01/29/93	\$307.00		\$307.00		Security Deposit
2902	C & P Telephone	02/05/93	\$125.00		\$125.00		Courier Services-shipments not campaign related
2905	Comat Courier	02/08/93	\$144.00		\$144.00		Purpose reported on disclosure rpt-Photography services
2970	Rodger Sandler	04/05/93	\$1,419.00		\$1,419.00	6/	Purpose reported on disclosure reports Legal Fees
3016	Partridge, Snow & Hahn	06/03/93	\$5,000.00		\$5,000.00	6/	Purpose reported on disclosure reports Legal Fees
113	Michael J. George	07/28/93	\$2,376.07		\$2,376.07	6/	Purpose reported on disclosure reports Legal Fees

Sub-total) Other Non Winding Down Expenses \$46,317.87 \$35,522.00 \$8,795.87

Total Fundraising Expense \$11,020.00
 Paid Through the LIFO date -----

Total Amt Subject to pro-rata repayment \$46,542.00
 repayment ratio 34.2317%

Total Repayment to US Treas. \$15,932 (ROUNDED)
 for MOCE's -----

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Buchanan for President Committee
 Schedule of Fundraising and other Non Qualified Campaign Expenses

ATTACHMENT 2

ATTACHMENT 10
 Page 7 of 7

Check Number	Payee	Date Paid	Fundraising Expenses 1/	Other Expenses 1/	Amount Paid	Amount Paid	Purpose
					Through LIFO Date 1/ 2/	After LIFO Date 2/	

Legend:

- 1/ The Amount paid were rounded by the Audit staff
 - 2/ Lifo Date is February 18, 1991
 - 3/ These amounts total \$3,278
 - 4/ Committee response states that these individuals were working on non-campaign related activities
 - 5/ An individual reimbursed the Committee \$1,003.20 which was applied to the first three payments to American Computer rental which totaled \$1,048.20. The difference of \$45 (\$1048.20 - \$1003.20) is considered a non qualified campaign expense.
 - 6/ Spoke with Mr. Mackenzie on 1/10/95 requesting more Documentation for these disbursements:
 - a) Photography services don't appear to be wind down costs
 - b) 2 legal fees---not Cmte's counsel
- no documentation has been received from the Cmte

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Public Disclosure
(Cover)



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

DATE & TIME TRANSMITTED: WEDNESDAY, JUNE 21, 1995 4:00

BALLOT DEADLINE: MONDAY, JUNE 26, 1995 4:00

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

SUBJECT: BUCHANAN FOR PRESIDENT, INC. COMMITTEE.
PROPOSED FINAL REPAYMENT DETERMINATION
AND STATEMENT OF REASONS (LRA #441).
MEMORANDUM TO THE COMMISSION DATED
JUNE 20, 1995.

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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



FEDERAL ELECTION COMMISSION

JUN 20 1 27 PM '95

June 20, 1995

MEMORANDUM

TO: The Commission

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble *LM*
General Counsel

Kim Bright-Coleman *KBC*
Associate General Counsel

Kenneth E. Kellner *KEK*
Assistant General Counsel

Jane J. Whang *JW*
Attorney

SUBJECT: Buchanan for President, Inc. Committee
Proposed Final Repayment Determination and
Statement of Reasons (LRA #441)

On October 11, 1994, the Commission approved the Final Audit Report on the Buchanan for President, Inc. Committee (the "Committee") and made an initial determination that the Committee incurred non-qualified campaign expenses totaling \$73,472, requiring a pro rata repayment of \$25,151. 26 U.S.C. § 9038(b)(2). The Commission further made an initial determination that the Committee received \$532,827 in matching funds that were in excess of its entitlement. 26 U.S.C. § 9038(b)(1).

On December 14, 1994, the Committee submitted a written response to the Commission's initial repayment determinations.^{1/} In its response to the Final Audit Report, the Committee also requested the opportunity for counsel to make an oral presentation to the Commission. See 11 C.F.R. § 9038.2(c)(3). On January 30, 1995, the Commission granted the Committee's request for an oral presentation. The oral presentation was held on March 2, 1995, and on March 9, 1995, the Committee submitted supplemental

^{1/} On November 14, 1994, the Commission granted the Committee's request for an extension of 30 days until December 14, 1994, to respond to the Final Audit Report.

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materials and documentation regarding matters addressed during the presentation.

The Committee demonstrated in its response to the initial repayment determinations that certain expenses totaling \$11,822 were qualified campaign expenses, and that it was entitled to more matching funds than was initially determined. Because the Committee was entitled to a larger amount of matching funds, the Committee expended all matching funds from its accounts on January 20, 1993, and not on December 14, 1992.^{2/} See Attachment 4 at 4. Consequently, the Committee must repay to the Treasury a pro rata portion of the non-qualified campaign expenses that the Committee paid during the period from December 14, 1992 through January 20, 1993. See 26 U.S.C. § 9038(b)(2). The pro rata repayment for miscellaneous and fundraising non-qualified campaign expenses has increased from \$5,076 to \$14,972. See Attachment 4 at 4. We recommend that the Commission make a final determination that the Committee make a pro rata repayment of \$35,047, representing a pro rata portion of non-qualified campaign expenses totaling \$102,382.

Furthermore, because the Committee has demonstrated that it was entitled to a greater amount of matching funds for winding down purposes, the initial determination concerning matching funds ~~in excess of its entitlement should be reduced.~~ We recommend that the Commission determine that the Committee received, and is required to repay to the Treasury \$344,423 in matching funds in excess of its entitlement.

The Office of General Counsel has prepared a draft Statement of Reasons supporting a final determination by the Commission that the Committee must repay \$379,470 (\$35,047 + \$344,423) to the Treasury. On March 31, 1995, the Committee made a partial repayment to the Treasury in the amount of \$5,032, representing a pro rata portion of the non-qualified campaign expenses, and thus owes \$374,438.

In addition, we recommend that the Commission determine that the Committee retained \$611 in outstanding stale-dated checks in its accounts. The Committee made a partial payment to the Treasury in the amount of \$200 for the outstanding stale-dated checks, but still owes \$411.

^{2/} The Audit Division calculated the date that the Committee expended all matching funds in its accounts by deducting the matching funds on a last-in, first-out basis from all the expenditures the Committee paid after it was no longer in deficit. See 11 C.F.R. § 9038.2(b)(2)(iii).

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Memorandum to the Commission
Final Determination
Buchanan for President, Inc. (LRA #441)
Page 3

RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Make a final determination that Buchanan for President, Inc. must repay \$35,047 to the United States Treasury, pursuant to 26 U.S.C. § 9038(b)(2);
2. Make a final determination that Buchanan for President, Inc. must repay \$344,423 to the United States Treasury, pursuant to 26 U.S.C. § 9038(b)(1);
3. Make a determination that Buchanan for President, Inc., must pay to the United States Treasury \$411, pursuant to 11 C.F.R. § 9038.6.
4. Approve the Statement of Reasons supporting the Final Determination; and
5. Approve the appropriate letter.

Attachment

Statement of Reasons

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Patrick J. Buchanan, and)
Buchanan for President, Inc.)
)

STATEMENT OF REASONS

On _____, 1995, the Commission made a final determination that Patrick J. Buchanan (the "Candidate"), and Buchanan for President, Inc. (the "Committee") must repay \$379,470 to the United States Treasury (the "Treasury"). This amount represents \$344,423 in matching funds received in excess of the Candidate's entitlement, and a pro rata repayment of \$35,047 for non-qualified campaign expenses.

See 26 U.S.C. §§ 9038(b)(1) and (2). In addition, the Commission determined that the Committee shall make a payment of \$611 to the Treasury, representing outstanding stale-dated checks. See 11 C.F.R. § 9038.6.

On March 31, 1995, the Committee made a partial repayment in the amount of \$5,032, for a portion of its non-qualified campaign expenses, and a partial payment in the amount of \$200, representing outstanding stale-dated checks, to the Treasury. Therefore, the Committee is now required to repay \$374,438 (\$379,470 - \$5,032) and to pay \$411 (\$611 - \$200) to the Treasury within 30 days of receipt of this determination. See 11 C.F.R. § 9038.2(d)(2); 11 C.F.R. § 9038.6. This Statement of Reasons sets forth the factual

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and legal bases for the Commission's determinations. See 11 C.F.R. §§ 9038.2(c)(4) and 9038.6.

I. BACKGROUND

Patrick J. Buchanan was a candidate for the 1992 Republican nomination for President of the United States. Buchanan for President, Inc. was his principal campaign committee.

The Committee received a total of \$5,199,987 in matching funds from the Treasury. Pursuant to the Matching Payment Act, the Commission conducted an audit and examination of the Committee's receipts, disbursements, and qualified campaign expenses after the Candidate's date of ineligibility on August 20, 1992. 1/26 U.S.C. § 9038(a); 11 C.F.R.

§ 9038.1(a)(1).

Based upon the auditors' findings, the Commission approved an Interim Audit Report on the Committee on December 20, 1992. On March 28, 1994, the Committee submitted its response to the Interim Audit Report. The Commission considered the Committee's response before approving the Final Audit Report and initial repayment determinations on October 11, 1994. See 11 C.F.R. § 9038.2(c)(3).

1/ "Matching Payment Act" refers to the Presidential Primary Matching Payment Account Act, 26 U.S.C. §§ 9031-9042. "FECA" refers to the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-451.

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The Committee submitted a written response to the Commission's initial repayment determinations on December 14, 1994.^{2/} See 11 C.F.R. § 9038.2(c)(2). With the exception of the amounts that it paid to the Treasury, the Committee disputed the Commission's repayment determinations. On January 30, 1995, the Commission granted the Committee's request to address these matters in an oral presentation. The oral presentation was held on March 2, 1995. On March 9, 1995, the Committee submitted additional information and documentation. Attachment 2.

In reaching its final repayment determination, the Commission considered all the documentation and information provided by the Committee in response to the Interim and Final Audit Reports, in addition to materials submitted following the oral presentation.

II. NON-QUALIFIED CAMPAIGN EXPENSES

A candidate shall use contributions and all matching payments to defray only qualified campaign expenses, winding down expenses, or to repay loans or otherwise restore funds (other than contributions that were received and expended to defray qualified campaign expenses), which were used to defray qualified campaign expenses. 11 C.F.R. § 9034.4(a). Qualified campaign expenses are expenditures, purchases, payments, distributions, gifts, or anything of value

^{2/} The Committee's response incorporated by reference a portion of its response to the Interim Audit Report. On December 15, 1994, the Committee also submitted a supplemental response that corrected errors in the original submission. See Attachment 1.

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"incurred by or on behalf of a candidate or his or her authorized committees . . . made in connection with his or her campaign for nomination." 11 C.F.R. § 9032.9(a). Each candidate has the burden of proving that disbursements made by the candidate or his or her authorized committee are qualified campaign expenses, as defined in 11 C.F.R. § 9032.9. 11 C.F.R. § 9033.11. The candidate and his or her committee shall obtain and furnish to the Commission on request any evidence regarding qualified campaign expenses made by the candidate, or his or her committee. Id.

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If the Commission determines that a candidate used payments made from the matching payment account for defrayal of non-qualified campaign expenses, the candidate must repay to the Treasury the portion of the non-qualified campaign expense that represents the matching fund payment. 26 U.S.C. § 9038(b)(2); 11 C.F.R. § 9038.2(b)(2). The amount of the repayment shall bear the same ratio to the total amount of the non-qualified campaign expenses as the amount of matching funds certified bears to the total amount of deposits of contributions and matching funds, as of the candidate's date of ineligibility. 11 C.F.R. § 9038.2(b)(2)(iii). The Committee's repayment ratio for non-qualified campaign expenses is 34.2317%. See Attachment 3 at 22.

The Commission made an initial determination that the Committee had incurred a total of \$73,472 in non-qualified campaign expenses, requiring a pro rata repayment of \$25,151. This amount included three separate repayment determinations

in the following amounts: (1) \$17,116, representing a pro rata portion of the Committee's payment of \$50,000 to the Candidate; (2) \$2,959, representing a pro rata portion of \$8,645 in non-qualified payments to staff member Janet Fallon; and (3) \$5,076, representing the pro rata portion of \$14,827 in non-qualified fundraising and miscellaneous expenses. See Attachment 3 at 25-31.

On March 31, 1995, based on the Commission's initial determination, the Committee repaid to the Treasury \$2,959 representing a pro rata portion of non-qualified payments totaling \$8,645 to Ms. Fallon,^{3/} and \$2,073 representing a pro rata portion of non-qualified campaign expenses.^{4/} See 26 U.S.C. § 9038(b)(2). However, the Committee challenged the remaining repayment determinations concerning the \$50,000 payment to the Candidate, and the remaining fundraising and miscellaneous non-qualified campaign expenses. See Attachment 1 at 2.

The Commission has since determined that the Committee incurred more qualified campaign expenses than initially

^{3/} These non-qualified campaign expenses consisted of either duplicate payments to Ms. Fallon or payments due to other individuals. See Attachment 3 at 26.

^{4/} The Committee acknowledged that certain expenditures were non-qualified campaign expenses, including payroll tax penalties, parking tickets and courier services unrelated to the campaign. See Attachment 5 at 22, 23, and 48.

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found in the Final Audit Report.^{5/} See infra at Sections III and IV. As a result, the Committee was also entitled to a greater amount of matching funds than initially determined.

Because the Committee was entitled to a larger amount of matching funds, the Commission has recalculated that the Committee expended all matching funds from its accounts on January 20, 1993, and not on December 14, 1992.^{6/} See Attachment 4 at 4. Consequently, the Commission has also determined that the Committee must repay to the Treasury a pro rata portion of the non-qualified campaign expenses that the Committee paid during the period from December 14, 1992 through January 20, 1993. See 26 U.S.C. § 9038(b)(2). The ~~pro rata repayment for miscellaneous and fundraising~~ non-qualified campaign expenses has increased from \$5,076 to \$14,972. See Attachment 4 at 4.

Therefore, the Commission has determined that the Committee must make a repayment to the Treasury of \$35,047 (\$17,116 + \$2,959 + \$14,972), representing a pro rata portion of \$102,383 ($\$102,383 \times 34.2317\%$) in non-qualified campaign expenses. See 26 U.S.C. § 9038(b)(2); 11 C.F.R. § 9038.2(b)(2)(iii); Attachment 4 at 7.

^{5/} This determination is based upon the Committee's demonstration that it will require increased future winding down expenses, in addition to its documentation that it incurred certain qualified campaign expenses.

^{6/} The Audit Division calculated the date that the Committee expended all matching funds in its accounts by deducting the matching funds on a last-in, first-out basis from all the expenditures the Committee paid after it was no longer in deficit. See 11 C.F.R. § 9038.2(b)(2)(iii).

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A. Payment of \$50,000 to the Candidate

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In the Final Audit Report, the Commission determined that the Committee made a non-qualified payment of \$50,000 to the Candidate in August 1992. The Candidate wrote two checks to the Committee: one for \$10,000 on November 25, 1991, and another for \$40,000 on December 4, 1991. The first check contained the notation "first contribution." Attachment 3 at 22. Further, the Committee's disclosure reports described these amounts as "contributions," until October 1992, when the Committee's amendments to the reports characterized these amounts instead as "loans." Id. It appears that these contributions were only retroactively classified as loans. A ~~committee may not refund contributions that were received and~~ expended to defray qualified campaign expenses. See 11 C.F.R. § 9034.4(a). Therefore, the Commission made an initial determination that the Committee should repay to the Treasury \$17,116, a pro rata portion of the \$50,000 in non-qualified campaign expenses. Attachment 3 at 25.

In response to the initial repayment determination, the Committee avers that the Candidate intended to make a \$50,000 loan to the Committee, and that the \$50,000 disbursement was a repayment of the loan. The Committee also provided affidavits from Scott MacKenzie, and Angela Buchanan.^{7/} Mr. MacKenzie stated that he had not discussed the matter of the two checks with Ms. Buchanan or the Candidate, and therefore

^{7/} Mr. MacKenzie was treasurer of the Committee until March 1993, when Ms. Buchanan assumed those duties.

assumed that the amounts were contributions. Attachment 5 at 33. The Committee argued, however, that "the Treasurer's interpretation of the check notation" is not controlling. Attachment 2 at 13. Ms. Buchanan attested that she had intended to treat these amounts as loans if there were funds available to pay the Candidate. Attachment 5 at 31.

Following the oral presentation, the Committee provided an affidavit from the Candidate himself, in which he stated: "In November of 1991, I told my sister, Angela "Bay" Buchanan, that I would contribute up to the maximum of \$50,000 to Buchanan for President. In late 1991, I wrote two checks to Buchanan for President comprising the \$50,000."

~~Attachment 2 at 2.~~ The Candidate further states: "Bay told me the money would be considered a loan to the Committee and, if the Committee was not in debt at the end of the campaign, I would be repaid the full \$50,000. . . . However, the Committee would not repay me until it was clear that the Committee would not be in debt." Id.

Finally, the Committee argues that the Commission has previously permitted modifications of loan terms, and that therefore, retroactive characterization of a contribution as a loan is also permissible. See Attachment 2 at 14, citing Commission Advisory Opinion ("AO") 1986-45, 2 Fed. Election Camp. Fin. Guide (CCH) ¶ 5881 (1986).

The Commission has determined that the \$50,000 payment to Mr. Buchanan is a non-qualified campaign expense,

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candidate's contributions to his committee as a "debt" that the committee might then extinguish). Permitting retroactive reclassifications "contravene[s] the obvious intent of § 434(b)(12) that debts and obligations be initially disclosed in a timely manner." Id. Because such reclassifications are impermissible, payments to extinguish a retroactively reclassified debt are non-qualified campaign expenses. See generally 11 C.F.R. § 9034.4(b).

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With the exception of the amended disclosure reports submitted nearly one year after the contributions were first reported and approximately two months after the Candidate's date of ineligibility, there is no evidence in the record, contemporaneous or otherwise, that these amounts were intended as loans. The Candidate's affidavit does not evince his intent to loan \$50,000 to the Committee. Indeed, he starkly omits any affirmative statement that his intent at the time that he wrote the checks was to make loans to the Committee. The affidavit merely states that he was told at some point by his sister that "the money would be considered a loan to the Committee" but not that he intended from the outset to make a loan. Attachment 2 at 2.

Furthermore, the Committee incorrectly cites AO 1986-45 as support for retroactively characterizing a contribution as a loan. The Commission's determination in AO 1986-45 only focused on the narrow question of whether a committee could reduce its loan interest payments to the candidate from the percentage initially reported, and did not ever address the

issue of whether a loan transaction could be reported retroactively.⁹ Further, the Commission has noted that even loan terms may be altered only within certain parameters. See AO 1991-9, 2 Fed. Election Camp. Fin. Guide (CCH) ¶¶ 6016, 6017 (May 14, 1991).¹⁰

Finally, it appears that the Candidate understood that repayment of the \$50,000 was contingent upon the availability of Committee funds, which belies the Committee's assertion that the \$50,000 was a loan. A "hallmark of a loan . . . [is] an absolute right to repayment of funds advanced." In re Bellanca Aircraft Corp., 850 F.2d 1275 (8th Cir. 1988), remanded on other grounds, 96 B.R. 913 (Bankr. D.Minn. 1989). See also, e.g., U.S. v. Investors Diversified Services, 102 F. Supp. 645, 647 (D. Minn. 1951) ("A loan . . . is an advance of money or credit upon an understanding that an equivalent is to be returned to the lender by the borrower on

⁹ Further distinguishing the transaction in AO 1986-45 from the contribution to the Buchanan Committee, is the fact that the contribution in AO 1986-45 was, from the outset, continuously reported as a loan. See AO 1986-45 at ¶ 5882. See also MUR 2535 (Treen for Congress Committee) (although federal reports did not immediately disclose the loan from federal to state committee, contemporaneous state committee reports did describe the funds at issue as loans).

¹⁰ In AO 1991-9, for example, the Commission expressly concluded that it would be impermissible for a committee to retroactively alter loan terms by imposing interest payments on a loan that was already paid, or by imposing interest on unpaid principal as of the date the loan was made, where no interest was previously reported.

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demand or within a specified time"^{11/} Thus, the Candidate and the Committee's understanding that repayment of \$50,000 was contingent upon the Committee's solvency undermines its assertion that it was a loan.

Therefore, the Commission has made a final determination that the Committee's payment to the Candidate was a non-qualified campaign expense, and that the Committee must repay to the Treasury \$17,116, representing a pro rata portion of the \$50,000 non-qualified campaign expense.

B. Other Non-Qualified Campaign Expenses

In the Final Audit Report, the Commission found that the Committee incurred \$48,042 in non-qualified campaign expenses after the Candidate's date of ineligibility: \$11,020 in fundraising costs after the Committee was no longer in a deficit position; and \$37,022 in costs unrelated to the winding down of the campaign. Attachment 3 at 27-32. The Commission initially determined that December 14, 1992 was the last date matching funds were present in the Committee's accounts, and that the Committee was required to repay to the Treasury \$5,076, representing a pro rata portion of \$14,827 in non-qualified miscellaneous and fundraising campaign

^{11/} The Commission's own regulations concerning loans also emphasize the lender's right to repayment. In cases where a committee secures loans from lending institutions, a "loan, including a line of credit, shall be considered made on a basis which assures repayment." 11 C.F.R. § 100.7(b)(11)(i). Furthermore, as noted in the regulations governing a candidate's borrowing from his or her legal and accounting compliance funds, a "candidate shall make full repayment of principal and interest on such loans from payments . . . within 15 days of receiving such payments." 11 C.F.R. § 9003.4(b)(2).

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expenses paid before December 14, 1992.^{12/} Attachment 3 at 32. In addition, the Commission determined that expenditures for staff bonuses and computer expenses incurred by the Committee were for non-qualified campaign expenses. Id. at 31.

As noted, see infra p. 5, the Committee has repaid to the Treasury \$2,073, a pro rata portion of some of the miscellaneous non-qualified campaign expenses, including expenditures for parking tickets, a phone and fax line, payments for a computer consultant, tax penalties, and certain courier services. See Attachment 3 at 30, 31; Attachment 1 at 2. However, the Committee also argues that it believes it will be in a deficit position until December 1996, and consequently, that its fundraising expenses are qualified campaign expenses. See infra, discussion at Section IV. The Committee specifically contends that other payments, including its payments for staff bonuses and computer expenses, were necessary for winding down the campaign. Following the oral presentation, the Committee provided additional documentation for certain of the disputed expenses. Attachment 2 at 17, 18, 34-132.

^{12/} The non-qualified campaign expenses include: (1) \$2,406 expended for fundraising; and (2) \$12,421 in miscellaneous expenses incurred after the Candidate's date of ineligibility, unrelated to the Committee's winding down. The miscellaneous unrelated expenses included telephone installation for an office rented for the Candidate's non-campaign related activities, computer expenses, parking tickets, personal courier services, and payroll tax penalties. Attachment 3 at 30, 31.

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2. Analysis

Based upon the documentation that the Committee provided, the Commission has increased the amount of qualified campaign expenses (incurred and anticipated) on the Committee's NOCO statement. See infra at Sections III and IV. The Committee's revised NOCO statement contains a larger NOCO deficit, which also increases its entitlement to matching funds. Consequently, the Committee retained matching funds for longer than initially determined: the last date that its accounts held matching funds changed from December 14, 1992 to January 20, 1993. Attachment 4 at 4.

Therefore, in calculating the pro rata repayment, the ~~Commission has included those non-qualified campaign expenses~~ paid from December 14, 1992 through January 20, 1993. The Commission has found that the Committee paid \$30,411 in non-qualified campaign expenses through January 20, 1993. See Attachment 3 at 58, 59. However, the Committee was able to document that a payment of \$1,500 to Gosnell Properties was a qualified campaign expense, and this amount is deducted from the pro rata repayment determination. See Attachment 4 at 4. Thus, the Commission has determined that the Committee incurred \$43,738 ($\$14,827 + \$30,411 - \$1,500$) in fundraising and miscellaneous non-qualified campaign expenses, requiring a pro rata repayment of \$14,972 ($\$43,738 \times .342317$). Attachment 4 at 7.

With exception of the \$1,500 payment to Gosnell Properties, the above determination does not change the

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initial findings in the Final Audit Report that the Committee paid \$37,022 in miscellaneous expenses that were non-qualified. See Attachment 3 at 58, 59. The Committee's written response specifically attempted to challenge the Commission's initial determinations concerning two findings: (1) staff bonuses totaling \$17,500; and (2) computer software expenses totaling \$2,961. However, the Commission has determined that these payments remain non-qualified campaign expenses.^{13/}

On January 15, 1993, the Committee paid bonuses totaling \$17,500 to three staff members: \$5,000 to Janet Fallon; \$2,500 to Greg Mueller, and \$10,000 to Terry Jeffrey.

Attachment 3 at 59. The Committee argues that it consulted with the Commission's Audit Staff and was told that bonuses were considered qualified campaign expenses. Attachment 5 at 22. The Commission, however, has never routinely granted approval of bonuses or severance payments to staff without documentation that evidences that these payments were made in compensation or in negotiation for the staff's employment. See, e.g., Statement of Reasons on Final Repayment Determination of Wilder for President Committee, at 9-19 (May 4, 1995); Final Audit Report on Clinton for President,

¹³ The bonuses were paid before January 20, 1993 (the last date that matching funds were present in the Committee's accounts) and therefore are now included in the pro rata repayment of non-qualified campaign expenses. All of the computer software payments, except for one payment in the amount of \$334 paid on January 22, 1993, are also now included in the pro rata repayment. See Attachment 3 at 59.

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at 63-68 (December 27, 1994). Although staff salary payments are considered qualified campaign expenses, bonuses are not a part of the legal definition of "salary," nor are they automatically qualified campaign expenses.^{14/} See 11 C.F.R. § 9032.9(a)(2). Moreover, the bonuses were paid in January 1993, at a time when two of these individuals, Mr. Jeffrey and Ms. Fallon, were no longer working for the Committee. They both began working on "non-campaign related activities" from September 1, 1992 through April 30, 1993. Attachment 5 at 50. The Committee has not provided employment contracts or other documentation to demonstrate that these bonuses were paid in compensation for these individuals' employment.

Moreover, the Committee has not provided documentation to prove that its payments for computer software, totaling \$2,961, were qualified campaign expenses.^{15/} While the Committee argues that it purchased the software to "lower the overall cost of the wind down," the Committee did not provide documentation or an explanation of why it was necessary to purchase new computer equipment at a time when it was winding

^{14/} Bonuses are generally not considered "salary," because of a lack of contractual or moral obligation. Reliable Life Ins. Co. v. United States, 356 F. Supp. 235, 239 (E.D. Mo. 1973); see also Hobson v. Eaton, 399 F.2d 928 (1969) (bonuses are "gratuity over and above regular salary").

^{15/} The Commission determined that the Committee spent \$4,784 on non-qualified campaign expenses of computer rental and software, see Attachment 3 at 58, 59; however, the Committee only specifically addressed the issue of its payments for computer software. See Attachment 2 at 16.

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down its activities. See Attachment 2 at 18; Attachment 5 at 23.

Therefore, the Commission has made a final determination that the Committee must repay to the Treasury \$14,972 representing a pro rata portion of \$43,738 in fundraising and other miscellaneous non-qualified campaign expenses. 26 U.S.C. § 9038(b)(2).

III. DETERMINATION OF NET OUTSTANDING CAMPAIGN OBLIGATIONS

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Within fifteen days after his or her date of ineligibility, a candidate must provide the Commission with a statement of net outstanding campaign obligations ("NOCO statement") including, inter alia, the total of all ~~outstanding obligations for qualified campaign expenses and~~ an estimate of winding down costs. 11 C.F.R. § 9034.5(a). The total of all outstanding campaign obligations shall not include accounts payable for non-qualified campaign expenses. 11 C.F.R. § 9034.5(b). The candidate bears the burden of documenting disbursements and proving that disbursements constitute qualified campaign expenses. 11 C.F.R. § 9033.11.

The Final Audit Report contained a NOCO statement, prepared as of March 31, 1993, reflecting the Committee's net outstanding campaign obligations as of the Candidate's date of ineligibility, August 20, 1992. Attachment 3 at 33. In response to the Final Audit Report, the Committee provided documentation to show that it was entitled to a larger amount of qualified campaign expenses on its NOCO statement. Attachment 1 and 2. Accordingly, the auditors have revised

the NOCO statement as of December 31, 1994, to include a greater amount of qualified campaign expenses for incurred^{16/} and future winding down costs. See infra at Section IV; Attachment 4.^{17/}

Furthermore, the Commission has determined, based upon the Committee's documentation, that certain expenses initially excluded from the NOCO statement are qualified campaign expenses.^{18/} The Committee provided documentation to prove that \$11,822 of these expenditures were actually qualified campaign expenses. See Attachment 4 at 4. The Commission has therefore now determined that \$10,322 of the Committee's undocumented expenditures were qualified campaign expenses paid to Cahan Travel. See Attachment 2 at 36-132;

^{16/} Based upon review of the Committee's disclosure reports for the period from April 1, 1993 through December 31, 1994, the auditors amended the NOCO statement to indicate the Committee actually incurred \$490,773 in qualified campaign expenses. Attachment 4 at 8.

^{17/} The December 1994 NOCO statement also contains an increased accounts receivable from \$165,076, to \$169,635, a difference of \$4,559, which is the amount the Committee reported in its accounts receivable on its October 15, 1994 quarterly report. See Attachment 4 at 8, 9 n.a; cf. Attachment 3 at 33.

In addition, the December 1994 NOCO statement eliminates the payment of \$4,632 for press travel profits from the accounts payable section. Cf. Attachment 4 at 8 n.e, with Attachment 3 at 33. The Final Audit Report found that the Committee over-charged the press \$4,632 for administrative charges, but the Committee has since provided documentation to show that this amount was justifiably charged. Thus, no payment pursuant to 11 C.F.R. § 9034.6(d)(1) is required.

^{18/} The NOCO statement in the Final Audit Report excluded \$10,622 in undocumented expenditures as non-qualified campaign expenses, and excluded \$37,022 in expenses that were paid after the Candidate's date of ineligibility and considered unrelated to winding down the campaign. Attachment 3 at 34 n.e.

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Attachment 4 at 4. Additionally, the Commission has determined that a \$1,500 payment to Gosnell Properties was related to the Committee's office expenses. See Attachment 2 at 34; Attachment 4 at 4.19/

The Commission has based its final repayment determination of matching funds in excess of entitlement upon the revised December 1994 NOCO statement.

IV. MATCHING FUNDS RECEIVED IN EXCESS OF ENTITLEMENT

After the candidate's date of ineligibility, the Commission shall determine whether a candidate has received matching funds in excess of entitlement, and shall require repayment of the excessive portion to the Treasury. 26

U.S.C. § 9038(b)(1), and 11 C.F.R. § 9038.2(b)(1)(i). This determination may be based upon, inter alia, the Commission's finding that after its date of ineligibility the Committee received matching funds that exceeded its net outstanding campaign obligations.^{20/} See 11 C.F.R. § 9038(b)(1)(i).

^{19/} This amount was included in the Final Audit Report as part of a pro rata repayment determination. See Attachment 3 at 58. Because the \$1,500 is now determined to be a qualified campaign expense, this amount is deducted from the pro rata repayment determination of non-qualified campaign expenses. See also infra at Section II.

^{20/} The Commission's regulations state: "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 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, i.e., the sum of contributions received on or after the date of ineligibility plus matching funds received on or after the date of ineligibility is less than the candidate's net outstanding campaign obligations." 11 C.F.R. § 9034.1(b).

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1. Initial Determination

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The Committee submitted a total of 11 matching funds requests from January 27, 1992 through December 31, 1992. Attachment 3 at 7. On January 2, 1993, the Candidate received one last matching fund payment of \$151,783. Attachment 3 at 36. Following an audit and review of the Committee's accounts, the Commission initially determined that the Candidate no longer had a matching fund entitlement as of December 2, 1992, on which date it had received \$381,044 in excess of its entitlement. Attachment 3 at 36. Accordingly, the Commission made an initial determination that the Committee received \$532,827 (\$381,044 + \$151,783) in ~~matching funds that were in excess of its entitlement and~~ that must be repaid to the Treasury. See 26 U.S.C. § 9038(b)(1). Attachment 3 at 37.21/

The Committee contested this initial determination in its written response and at the oral presentation. Attachments 1 and 2. The Committee argues that the NOCO statement in the Final Audit Report underestimates its actual and projected costs, resulting in a repayment of matching

21/ On January 4, 1993, the Committee requested additional matching funds totaling \$75,640. Attached to the Committee's request was the required NOCO statement, which included an estimate of winding down costs for a \$100,000 "contingency," that was unspecified. Attachment 3 at 7. The Commission reviewed the NOCO statement, and determined that the Committee's January 4, 1993 NOCO estimates were "inflated." Id. On April 2, 1993, the Commission made a final determination that the Committee failed to substantiate its request for additional federal matching funds and rejected the request for \$75,640. See Final Determination on the Buchanan for President Committee's January 4, 1993 Request for Matching Funds (April 2, 1993).

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funds received in excess of its entitlement.²² Specifically, the Committee contends that the Commission erroneously failed to account for \$500,000, of which \$385,000 is for legal representation, for the Committee to wind down activities during the period from October 1994 through December 1996. In supplemental materials submitted following the oral presentation, the Committee states that it has already incurred \$89,269 in winding down costs from October 1994 through January 1995, and that it may need an additional \$335,000 to \$435,000 for future legal representation in potential enforcement actions or litigation.²³ Attachment 2 at 9, 29. The Committee contends that based upon this "estimate," it is "currently in a deficit position."

²²/ The Committee also asserts that in preparing the NOCO statement, the auditors erroneously relied upon an uncertified, informal budget memo submitted by Ms. Buchanan in March 1993. Attachment 1 at 11. The Committee contends that Ms. Buchanan was unaware of the potential repayment determination concerning matching funds in excess of entitlement, and that she underestimated the Committee's future costs. However, Ms. Buchanan was informed by the Commission's audit staff in February 1993 of a likely determination regarding matching funds in excess of entitlement. See Attachment 4 at 3. Contrary to the Committee's contention, the NOCO statement in the Final Audit Report was prepared based upon full review of the Committee's accounts, assets, remaining debts and obligations, as well as all the evidence provided by the Committee.

²³/ The Committee's counsel provided an explanation of how he arrived at the estimates for legal representation: (1) 400 hours for counsel's representation of the repayment determination; (2) 400 hours to defend the Committee against potential enforcement action; (3) 350 hours to represent the Committee in potential appeals of the repayment determinations; and (4) 500 to 1,000 hours for potential litigation, including appeals deriving from possible enforcement actions. Counsel noted that he uses an average billing rate of \$200 per hour for the Committee. Attachment 2 at 29.

Attachment 2 at 4 n.5 (emphasis in original). Thus, the Committee argues, because of these large anticipated winding down costs, it is entitled to all matching funds that it has received and currently retains in its accounts.

Furthermore, the Committee challenges the Commission's use of a NOCO statement that retroactively revises NOCO estimates submitted by the Committee. The Committee argues that because it already submitted NOCO estimates that were "reviewed and approved by the Commission" in certification for matching funds, the Commission cannot subsequently prepare a NOCO statement that revises these NOCO estimates. Attachment 1 at 14. Further, the Committee argues that any ~~revision of the NOCO estimates is contrary to the~~ "statutory scheme that provides for matching fund payments based on estimates approved by the Commission." Attachment 1 at 15. For the foregoing reasons, the Committee contends that the Commission has acted arbitrarily and capriciously in basing its repayment determinations upon these revised NOCO estimates.

Finally, the Committee argues that the Commission should either require no repayment or request repayment of the excessive funds only after the Committee has fully wound down its activities. See Attachment 2 at 10-11. The Committee states that "[t]o the extent the Committee spends its funds on qualified expenditures, . . . the Commission has no legitimate interest in seeking the return of matching funds,"

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and that, therefore, it should only seek repayment of funds "at the end of the process." Attachment 1 at 19.

2. Analysis

As noted, see infra Section III, the Commission has adjusted the Committee's NOCO statement to account for documented qualified campaign expenses. However, the Commission has found no reasonable basis for the Committee's contention that it needs the full estimated \$500,000 for winding down its future activities.^{24/} The Commission has determined that \$140,000 is a reasonable sum for the Committee to expend in winding down its remaining operations as of October 1994: \$100,000 to cover incurred and future ~~legal costs and \$40,00 for incurred and future administrative~~ expenses. See Attachment 4 at 2-3; Attachment 6.

Winding down costs are qualified campaign expenses to the extent that they are associated with winding down the campaign and complying with the Matching Payment Act. Winding down costs include: office space rental, staff salaries and office supplies. See 11 C.F.R. § 9034.4(a)(3). Although projecting winding down costs for legal fees on a NOCO statement is permissible, these fees must be reasonable and documented. See Statement of Reasons on the Reagan for President Committee Final Repayment Determination at 24, 25 (approved May 26, 1983) (Commission rejected Reagan

^{24/} As of March 31, 1995, the Committee's cash-on-hand was \$356,998. The Commission has made a final repayment determination of \$379,470.

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Committee's request for \$270,250 in future legal fees as "speculative and uncertain;" instead, approving only \$30,000 for future legal fees as a reasonable amount);^{25/} see also Final Audit Report on the Mondale for President Committee, Inc., at 62, 63 (October 23, 1986) (Commission excluded Mondale Committee's estimate for \$32,000 in potential liabilities from the NOCO statement in the Final Audit Report, with the notation that "changes in estimated amounts will be made as events occur").

As noted by the Committee at the oral presentation, its remaining obligation is for legal fees.^{26/} Although the Committee declares that it has incurred \$65,658 in legal representation from October 1994 through January 1995,^{27/} the Committee's own counsel concedes that the Committee's anticipated winding down legal estimates lack certainty and reliability, and notes that he does "not have great

^{25/} In the Statement of Reasons on the Reagan President Committee, the Commission noted, "While most legal fees incurred with respect to the Commission's internal proceedings appear to fall within th[e] definition [of qualified winding down campaign expenses], it is less clear that all legal fees for challenging Commission actions are within it." Id. at 25.

^{26/} The Committee readily acknowledges that its records are now in storage, and that it no longer has staff or office-space expenses. Attachment 7 at 27.

^{27/} The Committee's disclosure reports for the period from October 1, 1994 through December 31, 1994 do not reveal payments greater than \$31.50 to the law firm, but its disclosure reports for the period from January 1, 1995 through March 31, 1995 showed that the Committee paid \$25,000 to the law firm during this period. The disclosure reports for this quarter indicate that the Committee owes an outstanding accounts payable of \$42,646 to the law firm, and that the Committee has incurred a total of \$67,646 in legal billings.

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confidence in the estimates." Attachment 1 at 54. Considering that legal representation of the repayment determination before the Commission is completed, and that the Committee's own counsel is uncertain about the amount of future legal costs, there is no reasonable basis for the Committee's assertion that it needs another 1,500 hours of legal representation to wind down its activities.^{28/}

Moreover, the Buchanan Committee's NOCO estimates appear excessive in comparison to other presidential committees' winding down costs. Based upon audited NOCO statements, the Buchanan Committee will incur more in winding down a campaign than any other primary campaign for the 1992 election cycle ~~except the Clinton for President Committee, a much larger~~ campaign for an eventual party nominee. See Attachment 6 at 5. As indicated by the Commission's previous determinations, estimates that are speculative and uncertain should not be included on the NOCO statement. The Committee's estimates appear in this instance to be speculative and uncertain.

Therefore, the Commission rejects the Committee's estimate of \$385,000 for legal representation during the period from October 1994 through December 1996 as

^{28/} The Committee has furnished charts that appear to show that it is "currently in a deficit position." These charts, however, are based upon tentative and uncertain estimates, and are not indicative of the Committee's current financial situation.

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unreasonable and unsupported by existing evidence.^{29/} The Commission has determined that an amount of \$100,000 for estimated legal fees for winding down the campaign as of October 1994 is reasonable and would pay for 500 hours of legal representation for the Committee.^{30/}

The Committee's argument that the Commission lacks authority to review and revise the Committee's estimates flatly contradicts the Commission's regulations.^{31/} Although it is true that the Commission reviews a committee's submissions for matching funds to ensure that these meet threshold criteria, the Commission does not certify or verify the accuracy of the accompanying NOCO estimates at that time.

See 11 C.F.R. § 9033.2. However, if at the time of the submission request, the Commission has information indicating significant inaccuracy in any portion of a committee's NOCO statement, the Commission may decide to temporarily suspend

^{29/} Based upon counsel's average hourly billing rate of \$200, the estimated \$250,000 to \$300,000 to wind down activities as of February 1995 would require the Committee's counsel to expend 1,500 additional hours (the equivalent of approximately thirty-eight 40-hour weeks) on legal representation for the Committee.

^{30/} Because the costs of filing quarterly disclosure reports should be minimal, the Commission believes \$40,000 is a reasonable amount to cover future administrative costs. See Attachment 4.

^{31/} The Committee also argues that such revisions are inconsistent with Generally Accepted Accounting Principles ("GAAP"). However, GAAP governs the drafting and interpretation of financial statements for business purposes, and is not applicable to the Commission's use of NOCO statements. The NOCO statement is specifically designed by the Commission for the purpose of reviewing and calculating net outstanding campaign obligations, and matching fund entitlements.

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further matching payments. 11 C.F.R. § 9034.5(g)(1).³² Thus, a committee's receipt of matching funds does not entitle it to keep those funds that are later determined to be excessive. See LaRouche Democratic Campaign '88 v. FEC, 28 F.3d 137, 142 (D.C. Cir. 1994) (Court of appeals noted that the LaRouche campaign had no reasonable reliance on retaining matching funds it received, and that the committee had "acted in reliance on their misunderstanding of the regulations.")

In order to determine whether a committee owes a repayment of matching funds in excess of its entitlement, the Commission must conduct an audit and review of the Committee's accounts and NOCO statement. 26 U.S.C.

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~~§ 9038(b). The Commission may determine that payments made to a candidate after his or her date of ineligibility were unnecessary because the candidate had no net outstanding campaign obligations. See 11 C.F.R. § 9038.2(b)(1)(i). In addition, "[s]ince the audit process can be lengthy, the analysis of a candidate's NOCO must be adjusted from time to time to reflect actual costs for expenses . . . [that] were once estimated." Statement of Reasons on Reagan for~~

³² The Commission rejected the Committee's last matching fund request in January 1993 under this regulation. See Final Determination of the Buchanan for President Committee's January 4, 1993 Request for Matching Funds (April 2, 1993).

President Final Repayment Determination, at 23 (May 26, 1983).33/

The Commission was only able to audit, analyze, and revise the Committee's NOCO estimates in the spring of 1993, after the Committee had received all of its matching funds. Only at that time was the Commission staff able to determine that matching fund payments were made in excess of the Committee's entitlement. Therefore, the Commission did not act arbitrarily and capriciously in reviewing and revising the Committee's NOCO estimates in the NOCO statement.34/

Finally, the Committee's suggestion that the repayment be made only after completion of the winding down period poses practical difficulties. To comply with this suggestion, the Commission would have to wait for each

33/ The Committee, in fact, acknowledges in its response, that subsequent to the matching payment period, if "wind down expenses are less than estimated, the Audit Staff may seek the return of funds from the Committee." Attachment 1 at 18 n.13.

34/ The Commission regularly revises estimates in committees' NOCO statements during the final repayment determination process. See, e.g., Final Audit Report on Clinton for President Committee, at 79, 80 n.h (December 27, 1994) (Commission excluded from the NOCO statement the Clinton Committee's estimated expenses of \$1,638,543, because they appeared "unreasonable," and noted that disclosure reports would be reviewed in the future to prepare adjustments to the NOCO statement until the Clinton Committee's repayment determination was made); Final Audit Report on Brown for President, at 23, 24 n.4 (May 24, 1994) (As accounts receivable increased during audit period, the Commission increased amount of assets on Brown Committee's NOCO statement; Commission also noted that the Audit staff would adjust figures on the NOCO statement so that actual expenses are substituted for estimated ones); and Final Audit Report on Paul Simon for President, at 74 (October 22, 1991) (Commission revised the Simon Committee's NOCO statement to include documented winding down costs that exceeded original estimates).

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individual committee to wind down completely before collecting repayment, resulting in delayed audits and late issuance of repayment determinations.^{35/} Further, this arrangement creates potential abuse of the process because committees might assert they have not completed winding down activities in order to expend remaining funds rather than repaying funds received in excess of their entitlement.

In conclusion, the Commission has made a final repayment determination that the Committee must repay to the Treasury \$344,423 representing the amount of matching funds received in excess of its entitlement. See 26 U.S.C. § 9038(b)(1); 11 C.F.R. § 9038.2(b)(1).

~~V. STALE-DATED CHECKS~~

If a committee has outstanding non-negotiated checks to contributors or creditors, the committee shall make efforts to locate the payees and have such checks negotiated. 11 C.F.R. § 9038.6. If these efforts are futile, the committee shall submit a check to the Treasury for the total amount of these outstanding checks. Id.

^{35/} A repayment determination hinges upon the Commission's audit and review of a committee's disbursements and receipts; if a committee were to wind down for several years after the process, an audit would have to be conducted much later than three years after the election cycle. Such a delay contravenes the Matching Payment Act's three year deadline for repayment notification. See 26 U.S.C. § 9038(c). Notwithstanding the Committee's argument at its oral presentation that it would waive its challenges to a Commission determination based on the three-year notification requirement, the Commission rejects the Committee's invitation to permit it to continue winding down activities ad infinitum.

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The Commission initially determined in the Final Audit Report that the Committee retained \$611 in stale-dated checks in its accounts. Attachment 3 at 42. The Committee provided evidence that \$200 of the \$611 in stale-dated checks had been negotiated. However, the Committee has yet to provide evidence that \$411 in stale-dated checks were negotiated. Therefore, the Committee must pay to the Treasury \$411 representing the amount of outstanding stale-dated checks, in compliance with 11 C.F.R. § 9038.6.

VI. CONCLUSION

For the foregoing reasons, the Commission has made a final determination that the Patrick J. Buchanan Committee owes a repayment to the Treasury of \$35,047, representing the pro rata portion of non-qualified campaign expenses. See 26 U.S.C. § 9038(b)(2). In addition, the Commission has made a final determination that the Committee received \$344,423 in matching funds in excess of entitlement, and must repay this amount to the Treasury. See 26 U.S.C. § 9038(b)(1). In sum, the Commission has determined that the Committee must repay to the Treasury \$379,470. Because the Committee has made a partial repayment of \$5,076, the Committee now owes \$374,438 to the Treasury.

Finally, the Commission has determined that the Committee must pay \$611 to the Treasury representing outstanding stale-dated checks, pursuant to 11 C.F.R. § 9038.6. The Committee has already made a partial payment

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in the amount of \$200 to the Treasury, and now owes a balance of \$411.

Attachments

1. Committee's Response to the Final Audit Report (December 14, 1994)
2. Committee's Supplemental Submission Pursuant to Oral Presentation (March 9, 1995)
3. Final Audit Report, approved October 11, 1994
4. Audit Division's Analysis of Committee's Supplemental Submissions (April 11, 1995)
5. Committee's Response to the Interim Audit Report (March 28, 1994) (Exhibits 1-3 omitted)
6. Audit Division's Analysis of the Committee's Response to the Final Audit Report (February 14, 1995)
7. Transcript of Oral Presentation, March 2, 1995
8. Interim Audit Report, approved December 20, 1993

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January 11, 1995

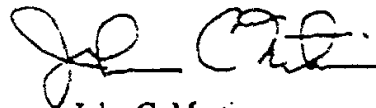
Jane Whang, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

Re: *Buchanan for President, Inc.*

Dear Jane:

Tom Hunter of the FEC Audit Division brought a typographical error on our recent submission to our attention. Specifically, on page 1, footnote 1, item (iv), of the Response to the Audit Division's Final Report, the language is inconsistent with the text. The number that reads "\$5,076" should read "\$2,072.80." While the error may be apparent from the text, we have submitted for your convenience, a revised page 1. If you have questions concerning the matter, do not hesitate to contact me.

Sincerely,



John C. Martin

cc: Scott Mackenzie

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Buchanan For President, Inc.
Response to FEC Final Audit Report

Introduction

Buchanan for President, Inc., (the "Committee") submits this response to the Federal Election Commission's (the "Commission's") *Report of the Audit Division on Buchanan for President* (approved October 11, 1994) (the "Final Report"). The Final Report concluded that, in the absence of additional information, the Commission should require the Committee to repay the United States Treasury \$625,146. On the basis of the Committee's review of the analysis contained in the Final Report and the underlying statutes and regulations, the Committee respectfully submits that (i) the Committee has not received matching funds in excess of its entitlement (ii) the Committee is not obligated either to demand return of a repayment of the candidate's loan or to return matching funds for the loan amount, (iii) advances of the Candidate and members of the staff were not excess contributions, and (iv) the Committee was not over-reimbursed by the press and (v) the Audit Staff has over-stated the miscellaneous non-qualified expenditures. The Committee does not contest the remaining findings and recommendations of the Final Report.¹

¹ Specifically, the Committee will pay (i) \$8,166 for what the Audit Staff characterizes as unresolved prohibited contributions *see* Final Report at 13, (ii) \$53,759 for apparent excessive contributions *see* Final Report at 15, and (iii) \$2,959 for overpayment of a staff member *see* Final Report at 26, (iv) \$2,072.80 for the pro rata share of non-qualified campaign expenses *see* Final Report at 31. Insofar as stale-dated checks are concerned, the Committee has received \$411 in cashed checks *see* Exhibit 1; the Committee does not contest the remaining \$200 in stale-dated checks. *See* Final Report at 41. In addition, the Committee understands that the comprehensive amendment to the 1992 reports is acceptable to the Audit Staff for resolution of the alleged misstatements of financial activity. *See* Final Report at 20.

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December 15, 1994

Via Messenger

Ms. Jane Whang
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

Re: ***Buchanan for President/Response to Audit Division's Final Report***

Dear Ms. Whang:

Per our conversation, I enclose the Buchanan for President, Inc. Response to the Audit Division's Final Report. This document corrects errors in the document that was submitted yesterday. Please replace the previous submission with this one.

Thank you again for your courtesy.

Sincerely,



John C. Martin

ATTACHMENT 1
Page 3 of 75

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12/15/94

PATTON BOGGS, L.L.P.
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December 14, 1994

Via Telecopy and Messenger

Ms. Jane Whang
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

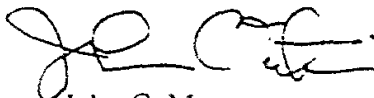
Re: ***Buchanan for President/Response to the Final Audit Report***

Dear Ms. Whang:

Enclosed the Response of the Buchanan for President, Inc. to the Final Audit Report. We were unable to obtain a signature on the appended affidavit of Ms. Angela Buchanan. Accordingly, we will provide the affidavit under separate cover tomorrow.

If you have questions regarding this submission, please contact me.

Sincerely,



John C. Martin

cc: Mr. Thomas Hunter (w enclosure)

ATTACHMENT 1
Page 1 of 2

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Before the Federal Election Commission

**Buchanan for President, Inc.
Response to Final Audit Report**

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John C. Martin
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Washington, D.C. 20037
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December 14, 1994
(Corrected on December 15, 1994)

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Buchanan For President, Inc.

Response to FEC Final Audit Report

Introduction

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Buchanan for President, Inc. (the "Committee") submits this response to the Federal Election Commission's (the "Commission's") Report of the Audit Division on Buchanan for President, approved October 11, 1994 (the "Final Report"). The Final Report concluded that, in the absence of additional information, the Commission should require the Committee to repay the United States Treasury \$625,146. On the basis of the Committee's review of the analysis contained in the Final Report and the underlying statutes and regulations, the Committee respectfully submits that (i) the Committee has not received matching funds in excess of its entitlement, (ii) the Committee is not obligated either to demand return of a repayment of the candidate's loan or to return matching funds for the loan amount, (iii) advances of the Candidate and members of the staff were not excess contributions, and (iv) the Committee was not over-reimbursed by the press and (v) the Audit Staff has over-stated the miscellaneous non-qualified expenditures. The Committee does not contest the remaining findings and recommendations of the Final Report.

Specifically, the Committee will pay (i) \$8,166 for what the Audit Staff characterizes as unresolved prohibited contributions *see* Final Report at 13, (ii) \$53,759 for apparent excessive contributions *see* Final Report at 15, and (iii) \$2,959 for overpayment of a staff member *see* Final Report at 26, (iv) \$5,076 for the pro rata share of non-qualified campaign expenses *see* Final Report at 31. Insofar as stale-dated checks are concerned, the Committee has received \$411 in cashed checks *see* Exhibit 1, the Committee does not contest the remaining \$200 in stale-dated checks. *See* Final Report at 41. In addition, the Committee understands that the comprehensive amendment to the 1992 reports is acceptable to the Audit Staff for resolution of the alleged misstatements of financial activity. *See* Final Report at 20.

any excess matching funds to be returned at the end of the wind down and by conducting audits of the expenditures. Accordingly, the Committee should have no current obligation to return matching funds

A. Background

The Committee submitted its NOCO statement within 15 days of its August 20, 1992 ineligibility date. At that time, the Committee's liabilities, consisting both of accounts payable and estimated wind down costs,³ exceeded its assets by \$561,769. The Committee updated its NOCO statement regularly and received additional matching funds up through its December 1, 1992 NOCO statement when the Committee estimated its net outstanding campaign obligations to be \$159,143 and, therefore, received matching funds in the amount of \$151,783. *See*

Exhibit 2. In each case, the Committee supplied substantial, detailed information supporting its estimates of wind down expenses prepared by Scott Mackenzie, the Committee's long-time Treasurer, who had extensive experience in Presidential campaign wind downs. Mr. Mackenzie also certified the accuracy of the information supplied. The Commission *reviewed and approved* each request for matching funds pursuant to 11 C.F.R. §9034.5(f). *See* Exhibit 6.

In January 1993, the Committee submitted an additional NOCO statement requesting more matching funds. When the Commission declined to grant this request for matching funds, the Committee determined not to appeal the Commission's decision for several reasons, including a reassessment of its financial position. Later, in March 1993, at the request of the Audit Staff for her "best guess" of the future wind down expenses, the Committee's Chair,

³ Winding down costs are qualified campaign expenses for which a campaign is entitled to receive matching funds. Winding down costs include all "[c]osts associated with the termination of political activity." 11 C.F.R. §9034.4(a)(3)(i).

Angela Buchanan, who was in the process of assuming the duties of Treasurer, submitted an uncertified, informal "budget memo" that anticipated lower winding down expenses.⁴

During the Spring of 1993, the Audit Staff analyzed actual wind down costs incurred and the Committee's financial disclosure reports through March 1993. See Final Audit at 27. Through this review, the Audit Staff determined that, as of March 31, 1993, the Committee had incurred actual winding down costs of \$1,266,751 and, based solely on Ms. Buchanan's March 1993 "budget memo," the Audit Staff estimated future winding down expenses at \$445,000. *Id.* at 32.⁵ From this figure and other adjustments,⁶ the Audit Staff calculated that, as of August 20, 1992, the Committee was in a deficit position amounting to \$1,823,706. *Id.* Based upon this figure and the dollar amount of matching funds received by the Committee following the date of ineligibility, the Audit Staff concluded that the Committee had received \$532,827 of matching funds in excess of its entitlement. *Id.* at 34-35.

The Audit Staff does not contest the good faith preparation of the Committee's NOCO statements⁷ or (with few exceptions) that expenditures were made for qualified campaign

⁴ Unlike the detailed NOCO statements that had been submitted in requests for matching funds, the March 1993 memo comprising this estimate consists of a one-page memo to the Audit Manager and is not certified. See Exhibit 3.

⁵ The Audit Staff took its figures directly from an uncertified March 11, 1993 memo from Angela Buchanan, the Committee Chair but also deducted \$100,000 that had been listed by Ms. Buchanan as "contingency/misc[ellaneous]." See Exhibit 3. Neither the Audit Staff's decision to use this informal "budget memo" rather than the figures included in the estimates provided in the previous, certified NOCO Statements nor its decision to delete the "contingency" has ever been explained. See Exhibit 7.

⁶ The Audit Staff also adjusted the NOCO Statement by adding certain accounts receivable to the assets listed, deducted alleged non-qualified expenses, and other adjustments. See Final Report at 33. These issues are addressed below.

⁷ By definition, net outstanding campaign obligations ("NOCO's") are a campaign's net

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expenses.⁸ instead, the Audit Staff argues essentially that, based on its March 1993 calculation, the Committee's estimate of winding down costs was too high and, (ii) the Committee received matching funds in excess of its NOCOs. Therefore, the Audit Staff argues, the Committee should be required to repay the excess matching funds. See Final Report at 31-36. The Committee submits that both the Audit Staff's legal and factual premises, as well as its reasoning, are seriously flawed.⁹

B. Actual Expenditures And Current Projections Confirm The Accuracy Of The Committee's NOCO Statements. The Audit Staff Repayment Calculation Understates Wind Down Costs.

The Audit Staff's estimate of the Committee's wind down costs is simply wrong. Actual costs incurred through September 1994 coupled with current projections of future wind down costs demonstrates that the costs far exceed the Audit Staff's projections. See Exhibit 4.

Moreover, this analysis demonstrates that the Committee's NOCO submissions provided an accurate estimate of total wind down expenses.

As of March 31, 1993, the Audit Staff estimates that the future winding down expenses for the Committee would be \$445,000. This estimate was to provide the Committee all of the liabilities less its net assets. See 11 C.F.R. § 9034.1. The Final Report acknowledges that a campaign is entitled to receive matching funds based upon "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. . ." Final Report at 34.

⁸ Even if one were to add to the Committee's assets the \$58,645 in non-qualified expenses that are disputed by the Audit Staff, see *infra* at 15-18, there is still no basis to conclude that the Committee has received \$532,827 in excess matching funds.

⁹ In March 1993, the Committee Chair submitted a revised estimate to a member of the Audit Staff. As it turns out, the formal, detailed December 1992 estimate that was prepared by the then current Treasurer and originally submitted with its NOCO Statement, has proved far more accurate in projecting the actual expenses of the wind down. Compare Exhibit 2 with Exhibit 4. See also Exhibit 7

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wind down expenses. Yet, an accounting of actual costs incurred over the past 20 months demonstrates that the Audit Staff estimate was too low. In fact, the Committee incurred actual expenses through September 1994 in the amount of \$2,484,027. See Exhibit 4. Moreover, current estimates of future expenditures for wind down demonstrate that the probable costs through completion of the wind down will likely be \$500,000. See Exhibit 4. For 1993, the Committee estimated expenditures of \$474,900; the actual expenditures were \$472,417. See Exhibit 5.

Thus, an accurate accounting demonstrates (i) actual costs and current projections of the wind down exceed the Audit Staff's estimate and (ii) the total wind down expense will approximate the Committee's last budget for which it received matching funds.¹⁰

C. ~~The Commission Cannot Retroactively Invalidate Its Acceptance Of The NOCO Statements On The Basis of a *Post Hoc* Revision of the Estimates.~~

To the extent that the Audit Staff intends to challenge the "validity" of the Committee's original NOCO statements, the Committee submits that the Commission has no authority and in any event, no factual basis, to find fault, *post hoc*, with the Committee's formal, documented and certified estimates of winding down costs that accompanied the Committee's matching fund submissions. No one has alleged, no less presented any evidence, that the estimates were anything other than good faith estimates of the campaign obligations. Nor does the Audit Staff deny that it processed the NOCO statements originally and approved of matching funds based upon these statements. Instead, there is the suggestion that the Audit Staff is empowered to look back on these estimates and, without pointing to any specific missteps in developing them, to

¹⁰ Indeed, the future costs are likely to place the Committee in a deficit position. See Exhibit 4.

"invalidate" them because they differ from a subsequent Audit Staff estimate and then "substitute" for the Committee's estimate the subsequent Audit Staff estimate."

1. Permitting Retroactive Invalidation Of NOCO Statements Is Inconsistent With The Regulatory Scheme And Would Have Serious Negative Policy Implications.

The Committee complied fully with the Commission's Regulations on receiving matching funds during the wind-down process. 11 C.F.R. §§ 9034 5(a), 9034 5(f)(1), 9034 1(b) Shortly after the Candidate formally withdrew from the Campaign, the Committee made a thorough review of its assets, debts and other obligations, and projected its wind down expenses. See Exhibit 6. The review showed a substantial deficit. To defray this deficit, the Committee sought additional contributions and matching funds. The Committee prepared its submissions for matching funds and accompanying NOCO statement from September 1, 1992 through December 1992. With each submission, the Treasurer certified "that the submitted statement of net outstanding campaign obligations is complete and accurately reflects the Committees financial position." Each of the certified statements and accompanying requests for matching funds was reviewed and approved by the Commission.

The Commission had every opportunity to question the submissions, to request additional information, to challenge the NOCO statements, or to reduce the amount of funds matched during the period. Indeed, when the Committee requested additional funds in January 1993, the Commission declined to provide the funds. Yet for all the previous NOCO submissions, the Commission did not contest the Committee's position. Indeed, each of the submissions for

The Audit Staff's position has even less merit here, where the Audit Staff did not produce its own formal estimate, but relied instead on an informal "budget memo" prepared by Angela Buchanan, the incoming Treasurer and sent to the Audit Staff at their request for her "best guess" as to future wind down costs. The "budget memo" was not intended to substitute for the formal estimate prepared by the former Treasurer. See Exhibit 7.

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matching funds was made in good faith, was fully substantiated, and conformed to all of the legal requirements set forth in the Commission's Regulations. Accordingly, the Commission approved each request through December 1992.

In the Final Audit Report (at 34) the Audit Staff relied on 11 CFR § 9038.2(b) to support its apparent decision to "invalidate" the Committee's previously submitted and previously approved estimates. We do not read 11 CFR § 9038.2(b) to permit the Audit Staff to revise the Committee's estimates of winding down costs after approval by the Commission, and we are not aware of any previous Commission interpretation permitting it to do so. Moreover, any such interpretation would place § 9038.2 in conflict with the regulatory and statutory scheme that provides for matching fund payments based on estimates approved by the Commission. See 26 U.S.C. §§ 9034, 9039; 11 C.F.R. §§9034, 9034.5, and subsequent recapture of matching funds at the end of the wind down period, if they are not expended on qualified campaign expenses. *i.e.* legitimate winding down expenses. See 26 U.S.C. §§ 9034, 9039; 11 C.F.R. §§ 9034.1, 9034.5.

The Audit Staff implies that its *approval* of the Committee's matching funds request, including the estimates of winding down expenses, was *pro forma*, was mandated by Commission's policy of paying Committees promptly, and, therefore, is not to be held against it. Final Report at 35 - 36. Yet, in the post campaign period, and in particular in the Committee's case, no exigent circumstances for payment existed sufficient to justify the Audit Staff's deviation from its statutory and regulatory obligations. Indeed, just a month later, for example, the Audit Staff was able to review timely and *disapprove* the Committee's last matching fund request.

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In addition, permitting a retroactive revision to approval of a request for matching funds would have grave policy implications. Like other committees, this Committee accepted the funds and obligated itself to conduct the wind down on the understanding that it would have the matching funds to pay qualified campaign expenditures. If the Audit Staff is correct, no campaign can rely on the legitimacy of its receipt of matching funds until after the audit is completed. In turn, campaign committees would not be able to complete the wind down process since they are in no position to obligate themselves to the staff or vendors necessary to complete the process. In short, the Audit Staff's position would pervert the wind down process by essentially denying campaigns access to the matching funds until after the audit is completed.

2. The Audit Staff's Retroactive Revision To The NOCO Statements Is Inconsistent With Generally Accepted Accounting Principles.

The audit staff's methodology in preparing the revised NOCO statements is inconsistent with generally accepted accounting principles. See Exhibit 10 to the Committee's Response to the Interim Report ("Interim Response"). In the Final Report, The Audit Staff dismissed this argument out of hand with the glib assertion that the Commission is not bound by generally accepted accounting principles.¹² Even if the Commission were not "bound" by generally accepted accounting principles -- and we believe it is -- it ignores them at its peril. The Commission may not act arbitrarily or capriciously or contrary to law. Generally Accepted Accounting Principles make it clear that an "estimate"-- as that term is generally understood -- must be evaluated as of the time it is made. Subsequent events may result in a revised estimate, but neither such events nor the revised estimates invalidate a prior estimate. This conclusion does not vest merely on the authority of the Financial Accounting Standards Board; it vests in

¹² For sheer arrogance, this statement has few equals in our extensive experience with administrative agencies.

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the generally understood *meaning* of the term "estimate." An "estimate" as that term is generally understood cannot be "invalidated" by subsequent events or subsequent estimates. To do so would be to act contrary to the generally accepted meaning of the term.

In its letter, Deloitte & Touche notes. "[G]enerally accepted accounting principles state that estimates are prepared by management based on information known at the time of preparation. Revisions to such information are prepared on an ongoing basis as new or additional information is obtained. *Adjustments to amounts recorded based on the estimates are current period adjustments and do not entail restating amounts reported in prior periods*" (emphasis added). Deloitte & Touche Opinion Letter, at Exhibit 10, to the Interim Response. In other words, under generally accepted accounting principles, subsequent changes to the financial status or assumptions of a Committee *cannot result in retroactive changes to prior statements. Id.*

Concludes Deloitte & Touche of the FEC's retroactive revision: "A restatement of the Committee's estimated close down expenses at August 1992, using information available to the FEC in March 1993, would not be in accordance with generally accepted accounting principles."

Id. In other words, it would not be consistent with the generally accepted meaning of "estimate." Thus, the Audit Staff's attempt to change retroactively the projected financial status of the Committee is simply arbitrary and capricious.

Of course, the Commission could challenge the Committee's NOCO winding down estimates based on contemporaneous evidence that they were not prepared in good faith, but subsequent events or even subsequent estimates made by Mr. Mackenzie would not have been such evidence and, *a fortiori*, neither are subsequent estimates made by a different person. *Id.*

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The Audit Staff's recommendations are arbitrary and capricious and must be rejected by the Commission.

D. Repayment of Matching Funds Is Not Due Until The Wind Down Is Completed.

The Audit Staff's estimate places the Committee in an absolutely untenable position. Clearly, the Committee has already incurred *actual* expenses in excess of the Audit Staff's projection. With few exceptions, the Audit Staff does not suggest that the expenditures were for non-qualified purposes. In addition, *current* estimates of future wind down expenses demonstrate that the Committee will have much higher expenses than those estimated by the Audit Staff. See Exhibit 4.

If the Committee were to return these funds, the Committee might well have no right to obtain further matching funds based on expenses that are fully qualified campaign expenses. See 11 C.F.R. § 9034.1(b).¹³ Even aside from the fact that the Committee simply does not have \$532,827, if the Committee were to pay all of its cash to the Commission, there would be no money to wind down the campaign. In addition, there might well be no recourse to obtain the additional matching funds to which the Committee is entitled.

The Committee recognizes the potential that its costs could be lower than its current estimate. And, if the wind down expenses are less than estimated, the Audit Staff may seek the return of funds from the Committee. See Report of the Audit Division on Kerry for President (approved March 3, 1994) at 27 n.B (Since estimates were used to determine the projected wind

¹³ It should come as no surprise to the Audit Staff that winding down costs can exceed its, or a committee's estimates. See Report of the Audit Division on Paul Simon for President (approved October 22, 1991) at 74. After the interim audit was released, the Simon for President Committee demonstrated that the deficit for purposes of the NOCO statement was higher than estimated by the Audit Staff "due in most part to winding down costs exceeding original estimates."

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down costs for the campaign, the Audit Staff retained the right "to review the Committee's disclosure reports and Committee records, as necessary, to compare the actual figures with the estimates and prepare adjustments as necessary."). In other words, the Commission may recover any excess funds at the end of the process; the Audit Staff need not recover the funds before the wind down is completed.

E. The Commission's Interest Is In Assuring that Matching Funds Are Not Used on Non-Qualified Expenditures; There Are Better Mechanisms To Advance This Interest.

The Committee acknowledges the Commission's legitimate interest in assuring that campaigns do not spend federal matching funds improperly. Indeed, this is among the Commission's most important functions in presidential campaigns. Yet, if requiring repayment of excess funds before completion of the wind down is intended to further this goal, the Committee submits that there are more effective, non-punitive means to achieve this end.

The most apparent mechanism is the one employed by the Commission in this proceeding: an audit of the campaign expenditures. In turn, if the Commission discerns expenditures that are non-qualified, it is empowered to seek repayment. If the Commission desires, the audit division may conduct a future audit of wind down expenses to assure itself that matching funds were expended on qualified campaign expenses. After the wind down is complete, the Commission has the regulatory authority to prepare adjustments to the NOCO statement and determine the required repayment. See 11 C.F.R. § 9038.1(a) ("The audit [of the qualified campaign expenses of a candidate] may be conducted *at any time* after the date of the candidate's ineligibility") (emphasis added).

To the extent that the Committee spends its funds on qualified expenditures, the Committee submits that the Commission has no legitimate interest in seeking the return of

matching funds. And since no one disputes that the wind down costs are qualified campaign expenses for which the Committee can pay matching funds, it follows that the Committee should be able to expend its funds, including the matching funds, on the future wind down costs. Accordingly, the Committee is not obligated to return matching funds as recommended by the Final Report. See Final Report at 36.

II. REPAYMENT OF THE CANDIDATE'S LOANS IS A QUALIFIED CAMPAIGN EXPENSE.

The Final Report concludes that repayment of two loans from the Candidate totalling \$50,000 was a non-qualified expense. Final Report at 24. The Audit Staff acknowledges that its only basis for determining that the loans were contributions is the report that the Committee has already conceded was in error and the uncontested fact that Treasurer was unaware of the agreement concerning the loans. *Id.*

The Committee provided a sworn statement from the Committee Chair recounting her personal knowledge that the transactions were loans. There is *no* contrary evidence of the parties' understanding. Indeed, the record before the Commission is devoid of any basis for the Audit Staff to conclude that the Candidate and the Committee intended otherwise. Given the uncontroverted sworn statement, the Audit Staff has no grounds to conclude that the transaction was anything other than a loan.

The Committee concedes its reporting error; its response to the Interim Report did not suggest that its initial reports of the transactions were accurate. The fact remains that the report was corrected to reflect the original intent of the transaction. See affidavits of Angela M. Buchanan, ("A. Buchanan Aff.") Exhibit 4 to Interim Response and affidavit of Scott Mackenzie ("Mackenzie Aff."), Exhibit 5 to Interim Response. The Audit Staff points to no contrary

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evidence; the Final Report simply overlooks the fact that the loan was ultimately reported accurately. Given the uncontroverted record before the Commission, the Committee respectfully submits that (i) the transactions were intended as loans, (ii) the transactions were misreported, (iii) the reports were corrected and (iv) repayment of the loans is a qualified campaign expense.

A. The Uncontroverted Record Demonstrates That The Transactions Were Intended As Loans From The Outset; There Is No Retroactive Change In The Loans' Status.

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The factual record is clear.¹⁴ The Candidate made two loans to the Committee, a \$10,000 loan on November 25, 1991, and a \$40,000 loan on December 4, 1991. A. Buchanan Aff., ¶ 3. At the time these funds were paid to the Committee, both the Candidate and the Campaign Chair, acting for the Committee, agreed that these funds were to be loans. A. Buchanan Aff., ¶¶ 2, 3. Prior to accepting these loans, Ms. Buchanan had specific conversations with the Candidate in which they agreed that any funds he provided were loans. *Id.* The agreement did not change over the course of the campaign. From the time the funds were initially transferred until they were repaid, both the Candidate and the Campaign Chair always understood that the transactions were loans to be repaid by the Committee. *See* A. Buchanan Aff., ¶ 6; Final Report at 22-26.

The Treasurer had no personal knowledge of the basis on which the Candidate was transferring the funds to the Committee and, accordingly, he listed the funds as donations in the initial reports.¹⁵ *Id.* Thus, when the Treasurer completed the required reports, he listed the loan

¹⁴ Indeed, the Final Report quotes the Committee's account of the transaction as the basis for its decision. Final Report at 22-24.

¹⁵ The Candidate's notation "First Contribution" on the November 25 check came just after the Campaign Chair explained that his loans would be subject to the \$50,000 limit on what a candidate could contribute to his campaign. A. Buchanan Aff., ¶2. The Treasurer deposited the funds in the ordinary course of the Campaign's business. The Treasurer never had a conversation with the Campaign Chair or the Candidate about the nature of the funds. Mackenzie Aff., ¶ 2. Of course, by definition the term "contribution" encompasses "loan." 2 U.S.C. § 431(8)(A)(i).

as a "Contribution" under Line 17(d), rather than a "Loan Received From or Guaranteed By Candidate" under Line 19(a). See *Id.* The Campaign Chair did not learn of the mistake until August 1992. On learning of the reporting error, she requested that the Treasurer amend the reports that mischaracterized the loan. A. Buchanan Aff., ¶ 5. The next report to the FEC properly classified the transactions as loans and, on October 5, 1992, the Treasurer corrected the mistake in the 1991 year-end report. Mackenzie Aff., ¶ 4.

Thus, there was *never* any retroactive decision made to repay a donation or gift. *Id.* A. Buchanan Aff., ¶ 6. Although the Committee's 1991 report incorrectly reported the loans as donations, the reporting mistake was corrected. The loans were proper campaign obligations and the expense of repayment constitutes a qualified campaign expenditure.

~~B. If The Contributions Were Intended As Loans And There Is No Retroactive Reclassification, Repayment Is A Qualified Campaign Expenditure.~~

The Audit Staff's legal reasoning does not give rise to a conclusion different from that of the Committee. To the contrary, the Audit Staff notes that:

[t]he [Committee's] response goes on to discuss the Committee's interpretation of the of (sic) advisory opinion 1977-58 and 1991-9. The response argues that there is a distinction because the Committee had not wound up its activities as was the case in the advisory opinion. The question of whether the Committee had wound up its activities is not relevant. *The relevant question is whether the funds contributed by the Candidate were a loan or a gift.*

Final Report at 24 (emphasis added); see also, General Counsel Memorandum at 62. Thus, to the extent that there is no contrary evidence in the record, the Final Report would suggest that the Commission should conclude that the transactions were loans.

Of course, the Commission's Regulations specifically permit repayment to a candidate of loans made to the campaign committee from the candidate's personal funds. 11 C.F.R. § 113.2(d). In FEC Advisory Opinion ("AO") 1977-58, Fed. Election Camp. Fin. Guide (CCH)

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para 5285 (1978), the Commission ruled that "transfers" of a candidate's personal funds could not be redesignated as "loans" *after the committee had wound up its activities*. There, the Commission noted that the Committee had wound up its activities following a general election and satisfied all of its debts and obligations *before* the redesignation.¹⁶ See also, FEC AO 1991-9, Fed. Elec. Campaign Fin. Guide (CCH) para. 6016 (1991) (candidate may not retroactively collect interest after repayment of loan to committee).

The General Counsel's Memorandum submitted with the Final Report synthesizes the rule enunciated in the decisions: "... any later reclassification of a contribution impermissibly creates a new debt." General Counsel Memorandum at 62. In this instance, the Audit Staff points to no evidence disputing the fact that the arrangement was intended as a loan from the outset. Hence, it follows that there was no "later reclassification" of the contribution to create new debt; the debt existed at the time the loans were originally made.

Neither the Audit Staff nor the General Counsel argue that good faith mistakes in reporting cannot be corrected or that reports conclusively dictate the treatment of receipts. Indeed, were it otherwise, there would be no mechanism to rectify such mistakes. Their only legal argument is a position that the Committee does not dispute: that the original agreement cannot be invalidated at a later time.

¹⁶ The Commission ruled that any contributions received or disbursements made after that point were, by definition, for the next election cycle. "[O]nce a candidate's principal campaign committee has properly wound up its activities following a general election, and satisfied all of its debts and obligations, it no longer has the capacity to receive contributions or make expenditures with respect to the past election." *Id* at 10.235. With the end of all activity for the election, the Commission found that the committee could not *retroactively* redesignate funds as a loan subject to repayment by the Committee. *Id*

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The Advisory Opinions do not condemn the Committee's repayment. As the Audit Staff implicitly concedes, it is the intent from the date of the transactions that governs the determination as to whether they would be considered loans. There is no dispute in the evidence bearing on the intent of the parties and the Committee was obligated to repay the loans. Accordingly, the repayment is a qualified campaign expense.

III. THE COMMITTEE WAS NOT OVER-REIMBURSED FOR PRESS BILLINGS.

The audit staff concluded that various media organizations over-reimbursed the Committee by \$6,285 for travel advances made by the Committee. The Audit Staff also asserts that the Committee collected \$4,632 in excess of the 103 percent limit on campaign reimbursement of press expenses. The audit staff claims the latter amount must be refunded to the Treasury, unless the Committee specifically documents overhead and administrative expenses in this amount. See Final Report at 40.

A. The Committee Never Received Reimbursement For Some Payments For The Press; The Unreimbursed Payments Exceed The Overcharges That The Committee Received.

The audit staff noted that the Committee overbilled certain costs relating to ferrying charges. In response to the Interim Report, the Committee reviewed, in detail, its records relating to these costs. As a result, the Committee concurred in the Audit Staff's conclusion that the Committee double-billed certain portions of travel expenses. This figure totals approximately \$6,238.

However, in the course of reviewing the expenses incurred in this area, the Committee determined that it incurred other expenses on behalf of the press, for which it sought no reimbursement. These amounts total \$8,426. The Audit Staff indicates in the Final Report that it has accounted for these expenses, however the Audit Staff takes these expenses into

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consideration only with respect to overhead. In fact, these costs represent a hold-back charge on credit card payments by members of the press corps. More specifically, several members of the press had requested that they pay by credit card and the travel agency provided this service. The travel agency then charged the Committee a hold-back of approximately nine percent of the credit card amounts.

This expense represented a real cost to the Committee for which it did not seek reimbursement. The effect of the charge was to reduce the amount of the funds received from the press by \$8,426. Therefore, in determining the Committee's billing to the press, the hold-back amount (\$8,426) must be taken into account. The following illustrates the computation of the effect of this hold-back:

Gross Press Receipts.....	\$211,481.73
Credit Card Hold-Back.....	<u>(8,426.00)</u>
Net Press Receipts.....	\$203,055.73
Press Cost plus 10%.....	<u>(205,198.64)</u>
Press over/(under) billed.....	\$2,142.91

Hence, these amounts could have been billed to the press, but were not. They offset the figure above and the net figure is actually a *deficit* owed to the Committee of \$2,142.91.

B. The Committee Did Not Charge Overhead In Excess Of The Limit.

The audit staff concluded that the Committee received as reimbursement from the press more than 103 percent of its travel costs incurred on behalf of the press. In its Interim Report, the audit staff asserted that this figure (approximately \$4,632) relates to administrative or overhead charges incurred in administering the press travel arrangements, and that this amount

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must be repaid to the Treasury unless the Committee can produce, through affidavits, timesheets, or otherwise, specific back-up documentation of this amount as overhead charges.

1. The Committee Has Provided the Requisite Documentation.

The Committee provided a detailed affidavit and schedule and a list of the personnel who incurred administrative charges in connection with the press billings. See Exhibit 5 & 11 to the Interim Report. The Committee demonstrated that it had \$23,360 in actual administrative personnel costs related to the press billing operation.

In developing the actual administrative costs associated with press billings, the Treasurer recognized that these included personnel and overhead expenses. The personnel costs were developed by using estimates of each individual's time expended on this activity over the course of several months. The overhead charges would have included a percentage of office rent, telephone, office supplies, photocopying, postage, computer equipment and software costs. These costs were not included by the Treasurer because he had appeared to have met the initial Audit Staff requirement for justifying administrative expenses in excess of three percent of net press travel costs. Therefore, the Committee believed it had satisfied the requisite documentation. The Audit Staff responded in the Final Report claiming that, "[t]he documentation did not include job descriptions, time records, or statements from individuals who performed these duties." See Final Report at 39.

First, the Committee, like most campaigns, did not keep time cards for individual employees. Nor would it be practical to locate each of the former campaign staff members and obtain a statement from them after so much time has passed. To expect this degree of documentation would impose an unrealistic burden on presidential campaigns and, to the best of

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the Committee's knowledge, there is no requirement in the existing regulations for this level of documentation.

Second, the affidavit and schedule in question were prepared by the Treasurer who supervised those who were responsible for press-related matters and had personal knowledge of the time expended by various employees concerning press-related services. There is nothing more required by the regulations and, moreover, there should be no further showing required of the Committee.

Third, even if one believes that the Treasurer did not have personal knowledge of his staff assignments and duties, surely the Audit Staff should be willing to accept the sworn statements of the Treasurer and his deputy to the extent of their *personal* duties and time expended. See Exhibit 6. If the Audit Staff were to accept *only* the dollar value of the time expended by the Treasurer himself and his deputy, the cost virtually equals the \$4,632 figure cited by the Audit Staff.¹⁷

It follows that the Committee has already provided a detailed description of that which is necessary to ascertain that some \$23,360 in administrative expenses were incurred for press-related services and, alternatively, even if one only accepts the sufficiency of the Treasurer's affidavit for his own time and duties, as well as the time and duties of his deputy, there is more than sufficient documentation to confirm that the Committee incurred administrative expenses equal to those billed to the press.

¹⁷ The value of the time expended by the Treasurer came to \$9,400. The value of his deputy's time was \$680. The total of the two is \$10,080. See Exhibit 6.

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3
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2. The Committee Complied With the Regulations.

The Regulations expressly permit campaigns to recover from the press overhead and administrative charges associated with press travel arrangements. "The total amount of reimbursements received from a media representative under this section shall not exceed the actual pro rata cost of the transportation and services made available to that media representative by more than 10%." 11 C.F.R. § 9034.6(b). Moreover, "The campaign may bill media representatives up to 110% of the pro rata cost [of providing the travel services]." See *Financial Control and Compliance Manual for Presidential Primary Candidates Receiving Public Financing* (Jan. 1992) at 34. Obviously, if no reimbursement for administrative overhead were permitted, the regulatory limit for reimbursement would be 100 percent, not 110 percent.

Section 9034.6(d)(1) makes clear that this 10 percent may include reimbursement for associated administrative overhead and charges. The Commission's cost and compliance administrative manual is in agreement: "[t]he administrative cost allowance does not allow the committee to bill media travelers, or receive reimbursements of more than 110% of actual transportation and ground costs incurred." See *Financial Control and Compliance Manual for Presidential Primary Candidates Receiving Public Financing* (Jan. 1992) at 35 (emphasis added).

The 10 percent allowance for administrative costs is authorized by the Regulations as the presumed expense of handling press travel arrangements. The Regulations fix recovery of such costs at an absolute cap of 10 percent, regardless of whether actual administrative costs are higher or lower. In effect, they establish a regulatory presumption that this level of associated administrative costs may be recovered.

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The audit staff incorrectly based its conclusions on regulatory provisions that address a totally different subject--the amount of expenditures subject to the overall expenditure limits.

Thus, 11 C F.R. § 9034.6(d)(1) relied upon by the audit staff, states:

The Committee may also deduct from the overall expenditure limitation an additional amount of reimbursements received equal to 3% of the actual cost of transportation and services provided under this section as the administrative cost to the Committee of providing such services and seeking reimbursement for them.

(Emphasis added). The issue here does not concern the Committee's overall expenditure limitations; the three percent figure cited by the audit staff is irrelevant. Rather, the issue concerns only the Committee's press billings and reimbursements, which may include the actual costs plus the 10 percent permitted for recovery of administrative costs. The audit staff cannot reverse the fixed regulatory presumption of 10 percent in administrative costs by imposing additional requirements or by disallowing all such costs unless additional back-up is provided. Thus, no repayment to the Treasury is necessary or appropriate.

IV. ADVANCES OF THE CANDIDATE AND STAFF WERE NOT EXCESSIVE CONTRIBUTIONS.

A. The Advances Are Permissible Under the Commission's Regulations.

The Committee disputes the Audit Staff's finding that delayed reimbursements of certain staff expenses gives rise to imputed excessive contributions totaling \$53,251. See Final Report at 19. The advances at issue are permissible under 2 U.S.C. § 441a (a)(1) (\$1,000 individual contributor's limit); 11 C F.R. § 116.5(b) (advances not deemed contributions), 11 C F.R. § 100.7(b)(8) (exemption for transportation expenses on candidate's behalf), and 11 C F.R. § 103.3(b)(3) (60 days to redesignate, reattribute or refund excessive contribution).⁵

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With respect to the \$1,000 exemption for unreimbursed travel expenses, 11 C.F.R. §100.7(b)(8), the Audit Staff has conceded that, with one exception, each of the individuals in question is permitted the \$1,000 exemption. Final Report at 18. The Audit Staff reasoned that, "[s]ince the expenses charged were for other individuals who traveled the travel exemption . . . does not apply. . ." The Committee takes issue with the Audit Staff's reasoning. Even if there were expenditures for others' travel, those expenses do not negate the fact that the individual is entitled to the \$1,000 exemption for personal travel.

In making the threshold determination of whether the Committee failed to reimburse transportation-related expenses within the allotted time period¹⁹ (thereby triggering a contribution subject to the contribution limits), the Audit Staff incorrectly calculated the outstanding period from the date the advance was incurred, rather than the date on which the charge was due from the candidate. This contravenes the express provisions of 11 C.F.R. § 116.5(b)(2). In its Final Report, the Audit Staff concedes that for personal travel and subsistence, the time period is properly measured from the credit card statement date but argues that there is not sufficient substantiation to demonstrate that the expenditures were credit card expenditures rather than cash payments. Final Report at 18. The Committee disputes the assertion; however, regardless of the Audit Staff's conclusion, there are records available to the Audit Staff that demonstrate which of

¹⁸ In its Final Report, the Audit Staff concedes the necessity of adjusting the calculation for the \$1,000 limit on contributions and maintains that it has included the \$1,000 allowance in its calculations. Final Report at 17. Yet, the Committee's analysis of the contributions coupled with other criteria discussed below, indicates that the \$1,000 allowance was not accounted for in the Audit Staff's calculation.

¹⁹ Advances for an individual's transportation expenses or subsistence expenses incurred while traveling on behalf of the candidate are not considered to be contributions if repaid by the committee within specified time limits. See 11 C.F.R. § 116.5(b)(1)-(2).

the expenses were credit card expenditures. While the Committee submits a detailed listing of the expense, the Committee also will make available to the Audit Staff all of the back-up documentation.

Finally, the Audit Staff contends that for all advances (other than personal travel and expense), the regulations classify expenditures as in-kind contributions regardless of a committee's reimbursement. This interpretation is unworkable. If the Audit Staff is correct and an individual who had made the maximum contribution to the committee were to make a \$100 purchase that was reimbursed the following day, the expenditure would nonetheless be an excessive contribution.²⁰ Clearly, the regulations were never intended to yield this ridiculous result.

Instead, advances should be treated like any other excessive contribution; the Committee has sixty days to reattribute, redesignate or refund the excessive portion of the contribution. See 11 C.F.R. § 103.3(b)(3).²¹ Accordingly, because the Committee reimbursed the staff and the candidate within 60 days, none of the advances are excessive contributions.

²⁰ Using the Audit Staff's view, the regulation would operate to permit reimbursement of an expenditure only if the reimbursement occurred on the very day of the expenditure. Thus, a purchase made at 9 a.m. could be reimbursed at 9 p.m. the same day without creating an excess contribution. However, if the purchase were made at 9 p.m. and not repaid until 9 a.m. the following day, there would be an excess contribution. Again, the regulations were never intended to give rise to this absurd result.

²¹ The Audit Staff's citation to the preamble for 11 C.F.R. § 116.5 does not dictate a different result. Final Report at 18. Nothing in this preamble language prevents a committee from refunding the excessive contribution. To the contrary the language only indicates that the expenditure is, in the first instance, an in-kind contribution, the preamble does not specify that the excessive portion of the contribution cannot be refunded.

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B. Even Accepting The Audit Staff's Approach To Advances, The Audit Staff Overstates The Excessive Contributions.

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The Committee has reconstructed the advances received from each of the individuals at issue. First, the Committee has reordered the expenses and their reimbursement *by due date* i.e. the expenses are listed in order of the date they are due rather than the date that they were incurred. Second, the calculation assumes, for individuals other than the candidate, there is a \$1,000 contribution limit. Third, for each expenditure for travel and subsistence, the calculation is arrayed to (i) permit 60 days for reimbursement of a credit card purchase if the date of the statement is known, (ii) permit 60 days from the date of a credit card purchase to the extent that the date of statement is unknown.²² (iii) permit 30 days from the date of other purchases if the Committee cannot determine whether the purchase was made by credit card or by cash. See Exhibit 8. To the extent that the expenses are not travel or subsistence, the calculation simply accepts the Audit Staff's position that the expenditures are in-kind contributions. Finally, the analysis also accepts the Audit Staff's position that advances to Janet Fallon are not properly travel and subsistence expenses to the extent that they were expenditures for others' travel.

The effect of reordering the expenditures according to due date is illustrated by the following examples:

²² In some instances, the Committee has credit card receipts or the like but does not have the actual credit card statement. Taking an overly conservative approach, the Committee has simply assumed for the purposes of this element of the calculation that the statement was received on the very date that the purchase was made.

Date incurred order (as per the Audit Staff)

Sequence	Type of Transaction	Date Incurred	Statement Date	Days Added	Due Date	Expense Amount	Cumulative Outstanding
1	Non-travel	4/1/92	n/a	0	4/1/92	\$650.00	\$650.00
2	Travel-Credit Card	4/15/92	4/25/92	60	6/24/94	\$900.00	\$1,550.00
3	Travel-Cash	4/30/92	n/a	30	5/30/94	\$400.00	\$1,950.00
4	Reimbursement	5/5/92	n/a	n/a	5/5/94	(\$100.00)	\$1,850.00
5	Reimbursement	6/10/92	n/a	n/a	6/10/94	(\$900.00)	\$950.00

Due Date Order (as per Committee)

Sequence	Type of Transaction	Date Incurred	Statement Date	Days Added	Due Date	Expense Amount	Cumulative Outstanding
1	Non-travel	4/1/92	n/a	0	4/1/92	\$650.00	\$650.00
4	Reimbursement	5/5/92	n/a	n/a	5/5/94	(\$100.00)	\$550.00
3	Travel-Cash	4/30/92	n/a	30	5/30/94	\$400.00	\$950.00
5	Reimbursement	6/10/92	n/a	n/a	6/10/94	(\$900.00)	\$50.00
2	Travel-Credit Card	4/15/92	4/25/92	60	6/24/94	\$900.00	\$950.00

As the example illustrates, when the expenses are arrayed by date incurred (per the Audit Staff), the outstanding balance appears to exceed the \$1,000 limit (in this example, by \$950). However, when the expenditures are placed in order of the *date that reimbursement is due* under the regulations, there is no balance over the \$1,000 limit. In this example, there would be no excess contribution since the individual was reimbursed before the outstanding balance ever exceeded the \$1,000 limit.

When one arrays the staff advances alleged in the Final Report according to the date that reimbursement is due, even accepting the Audit Staff's view of reimbursement, the excess contributions would be as follows:

Janet Fallon: The expenses incurred by Ms. Fallon, by and large, were not related to her own travel and subsistence. Instead, her expenses were primarily those billed to her American Express Card to secure travel related services for the candidate and his traveling party. In

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determining the amount of Ms. Fallon's staff advance, the committee used the date the expense was incurred as the "due date," as did the Audit Staff.

The difference between the staff advance figure calculated by the auditors and that calculated by the Committee (\$18,847.48) is primarily the result of the auditors using bad data. As previously determined by the Audit Staff, Ms. Fallon submitted expenses for which she was not entitled, and the excessive reimbursements have been categorized as non-qualified campaign expenses. Yet the auditors appear to have ignored this fact when calculating her excessive staff advance.

The Committee, on the other hand has used only those expenses actually incurred by Ms. Fallon and has applied campaign reimbursements against these actual expenses. By utilizing this methodology the committee calculated an advance to the Committee on May 31, 1992 of \$19,847.48 which is then reduced by her unused \$1,000 contribution limit.

The result is an excessive staff advance of \$18,847.48 which includes 48 charges to her credit card. These charges were outstanding for periods ranging from three (3) to twenty (20) days.

Paul Erickson: Mr. Erickson submitted expenses which included his own travel and subsistence; travel on behalf of others; candidate tour expenses; and general office expenses. The Committee adopted the Audit Staff's position, in calculating the "due date" that for those expenses relating to Mr. Erickson's own travel and subsistence: thirty (30) days would be added to the date incurred for cash expenses and sixty (60) days would be added to the date incurred for credit card expenses. For all other expenses, the date incurred would serve as the "due date."

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The difference between the staff advance figure calculated by the auditors and that calculated by the Committee (\$4,643.25) is the result of ordering Mr. Erickson's expenses in "due date" order prior to applying the campaign's reimbursements. A \$1,000 travel exemption and Mr. Erickson's unused \$1,000 contribution limit were then applied.

The result is an excessive staff advance of \$4,643.25 which includes eighteen (18) expense items. These charges were outstanding for periods ranging from three (3) to eighteen (18) days.

The Candidate: Mr. Buchanan submitted expenses for travel and subsistence of himself and his wife, while campaigning for the Republican nomination. The expenses submitted were all charged to one of Mr. Buchanan's credit cards, therefore the committee added sixty (60) days to the statement date to calculate the "due date".

The difference between the staff advance figure calculated by the auditors, and that calculated by the Committee (\$970.56) is the result of ordering Mr. Buchanan's expenses in "due date" order prior to applying the campaign's reimbursements. A \$1,000 travel exemption for the candidate and his wife (\$2,000 total) was applied to the highest outstanding balance to determine the excessive travel advance. The result is an excessive travel advance of \$970.56 which includes five (5) expense items. These charges were outstanding for a period of twenty (20) days.

Thus, the total imputed excess contributions derived from staff advances, *even accepting the Audit Staff's view on reimbursement*, is only \$24,444.24. See Exhibit 9

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In summary, the audit staff asserted that excessive contributions in the amount of \$53,251 were received by the Committee. The Committee takes issue with (i) the assertion that there was not sufficient documentation of credit card purchases, (ii) the notion that any advance of an expense other than travel or subsistence is automatically an in-kind contribution that cannot be repaid under the regulations, (iii) the Audit Staff method of calculation by which the expenditures are not ordered by due date as required in the regulations. Accordingly, the Committee submits that there are no excessive contributions. Alternatively, even if the Commission were to accept the Audit Staff's view of whether excess contributions can be reimbursed, the proper calculation of the excessive contributions is no more than \$24,444.24.

V. THE AUDIT STAFF OVERSTATES THE COMMITTEE'S NON-QUALIFIED EXPENDITURES FOR MISCELLANEOUS EXPENSES.

In its response to the Interim Audit, the Committee explained the basis for its view that no more than \$2,072.80 of the \$72,007 in expenses cited by the Audit Staff can be considered unqualified.²³ In response, the Audit Staff asserts: (i) there is insufficient documentation for some of the expenses; (ii) it disagrees with the judgment of the Committee Treasurer that certain expenses were necessary for the wind down and that certain bonuses should be paid; and (iii) that certain fund raising expenses were incurred after the Committee was no longer in a deficit position. Final Report at 26-31.

Insofar as documentation is concerned, the Committee has already documented the expenses in some detail. See Exhibits 8 & 9, Interim Response. In addition, the Committee is willing to make available to the Audit Staff, the back up documentation to further support the

²³ The Committee does not contest the inadvertent overpayments made to Ms. Janet Fallon.

expenses. The Committee reiterates the offer and would welcome a visit from the Audit Staff to provide it with the documentation supporting the expenses and their timing

With respect to expenses incurred for wind down, the Committee respectfully submits that, in its judgment, expenses such as updating software were necessary expenses of the wind down. To suggest that the Audit Staff is able to substitute its judgment for that of the Committee's management on a subject of this sort appears to go well beyond the parameters of the Audit Staff's authority. Similarly, the Committee respectfully submits that the bonuses paid to staffers were entirely justified and appropriate. See Exhibits 5, 8 & 9. Interim Response.

To the extent that the Audit Staff continues to contend that a portion of the fundraising expenses were incurred after the Committee was no longer in a deficit position, the Committee respectfully disagrees. As demonstrated above, the Committee was in a deficit position throughout the relevant period. Accordingly, the expenditures were properly incurred and are qualified campaign expenses.

Accordingly, the Committee remains firm in its belief that it is only obligated to repay a pro-rata portion of the \$2,072.80 it recognizes as non-qualified expenditures. See Exhibit 9. Interim Response.

Conclusion

The Committee respectfully submits that (i) there is no basis for the recommended repayment of matching funds, (ii) the Committee is not obligated either to demand return of a repayment of the candidate's loan or to return matching funds for the loan amount, (iii) advances of the Candidate and members of the staff were not excess contributions, (iv) the Committee

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was not over-reimbursed by the press. and (v) the Audit Staff has overstated miscellaneous, non-qualified campaign expenses. Accordingly, the Committee requests that the Commission accept the Committee's concessions and that it require no further payment of the Committee.

Request for Oral Presentation

The Committee respectfully requests the opportunity to make an oral presentation of its views to the Commission.

Respectfully submitted,



John C. Martin
Benjamin L. Ginsberg
Patton Boggs, L.L.P.
2550 M. St. N.W.
Washington, D.C. 20037
(202) 457-6032

Dated: December 14, 1994

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EXHIBITS

1. Contribution Account - Refunds.
 2. Statement of Net Outstanding Campaign Obligations (December 1, 1992).
 3. Memorandum to Valerie Conroy from Bay Buchanan (March 11, 1993).
 4. Statement of Net Outstanding Campaign Obligations (September 30, 1994)
 5. Budget vs. Actual Analysis for the Year 1993.
 6. Affidavits of Scott Mackenzie and Jamie Burke.
 7. Affidavit of Bay Buchanan.
 8. Flow Chart of "due date" determination.
 9. Staff Advances
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BUCHANAN FOR PRESIDENT
Contribution Account - Refunds

Date	Chk #	Payee	Amount	Cleared	Reissued	Outstanding	Status
5/24/93	1191	Nosko Ins. Agency, Inc	\$25.00	\$25.00	\$0.00	\$0.00	Cleared
5/24/93	1192	- Void -	\$0.00	\$0.00	\$0.00	\$0.00	void
5/24/93	1193	Bill Coats, Ltd.	\$25.00	\$25.00	\$0.00	\$0.00	Cleared
5/24/93	1194	R E. Bourke Assoc., Inc	\$35.00	\$0.00	\$0.00	\$35.00	o/s
5/24/93	1195	Casey's Corner, Inc	\$100.00	\$100.00	\$0.00	\$0.00	Cleared
5/24/93	1196	- Void -	\$0.00	\$0.00	\$0.00	\$0.00	void
5/24/93	1197	Schindler Spring Co., Inc.	\$35.00	\$35.00	\$0.00	\$0.00	Cleared
5/24/93	1198	- Void -	\$0.00	\$0.00	\$0.00	\$0.00	void
5/24/93	1199	Stanley Weston, MD, Inc.	\$100.00	\$0.00	\$0.00	\$100.00	o/s
5/24/93	1200	Engineered Data Products, Inc.	\$51.00	\$51.00	\$0.00	\$0.00	Cleared
5/24/93	1201	Robert L. Deal Co., Inc	\$10.00	\$10.00	\$0.00	\$0.00	Cleared
5/24/93	1202	Nelle Bruce	\$25.00	\$25.00	\$0.00	\$0.00	Cleared
5/24/93	1203	Fraley, Earl	\$15.00	\$0.00	\$0.00	\$15.00	o/s
5/24/93	1204	Judge, Evelyn K.S.	\$25.00	\$25.00	\$0.00	\$0.00	Cleared
5/24/93	1205	KLMG, Inc.	\$50.00	\$0.00	\$0.00	\$50.00	o/s
5/24/93	1206	Robert Christiansen, DDS, Inc.	\$15.00	\$15.00	\$0.00	\$0.00	Cleared
5/24/93	1207	Sanchez Associates, Inc.	\$100.00	\$100.00	\$0.00	\$0.00	Cleared
Totals			\$611.00	\$411.00	\$0.00	\$200.00	

ATTACHMENT
Page 1 of 1

Buchanan for President

December 1, 1992

Ms. Joan D. Aikens, Chairman
Federal Election Commission
999 E Street, NW
Washington, DC 20463

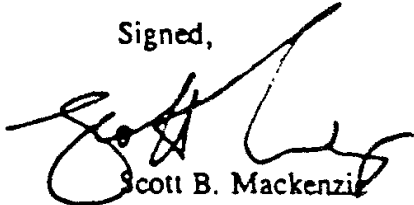
Dear Madam Chairman:

I, Scott B. Mackenzie, as Treasurer of Buchanan for President, certify that the information contained in the Committee's Matching Funds Submission #11 is complete and accurate. This submission lists contributions deposited from October 13, 1992 to November 10, 1992 as well as contributions deposited in periods covered by an earlier submission.

I further certify that the submission has been prepared in accordance with the Commission's Guideline for Presentation in Good Order. In the event the Commission's initial review estimates that less than 85% of the submitted contributions are matchable, I agree to accept its return for corrective action.

I also certify that the submitted Statement of Net Outstanding Campaign Obligations is complete and accurately reflects the Committee's financial position.

Signed,



Scott B. Mackenzie
Treasurer

Attachment

ATTACHMENT _____
Page _____ of _____

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BUCHANAN FOR PRESIDENT
Matching Funds Submission #11
Explanation of Documentation Submitted

In accordance with the Commission's Guideline for Presentation in Good Order the Committee has submitted the following:

1. A Contributor List containing all information required by and described in the Guideline;
2. Supporting documentation for the requested amounts (photocopies of Written Instruments, and where necessary, Additional Documentation Requests signed by the Contributor for whom a matching amount is being requested). The copies of the Written Instruments have been provided in Batch Order, with a Sequence Number (#1-50), used to identify each contribution within the batch. The Additional Documentation Requests (ADR's) are sequentially numbered and cross-referenced to the Contributor Sequence Number on the Submission;
3. Bank Documentation indicating that the listed contributions were deposited into a designated depository;
4. A listing of contributions returned by the bank as unpayable (NSF), together with photocopies of the contributions;
5. A listing of all contribution refunds which have been made as of the date of this submission;
6. No contributions were raised through joint fundraising efforts, however our Texas volunteers previously raised funds with the checks made payable to "Texans for Buchanan". In addition, the committee had been raising funds through a telemarketing campaign, requesting that donors make their checks payable to "Middle America Revolution" and "Anti-Congress Revolution". Some contributors have mistakenly made their checks payable to "Anti-Communist Revolution" and "Replace Liberals in Congress". None of these contributions represent donations to separate committees, and contributions are no longer being solicited in this manner;
7. No contributions were raised as a result of entertainment events; and

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8. Computerized Magnetic Media, formatted as specified at 11 CFR 9033.12.

Please call me should you have any questions concerning the documentation submitted.

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BUCHANAN for PRESIDENT
Statement of Net Outstanding Campaign Obligations
11/30/92

ASSETS

Cash-on-Hand	\$668,640
Matching Funds Receivables (S-10)	\$419,930
Furniture & Equipment	\$16,771
Deposits & Prepayments	\$12,778
Press Billings Receivable	<u>\$1,351</u>

Total Assets	<u>\$1,119,470</u>
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LIABILITIES

Accounts Payable	\$182,055
Est. Close-Down Expenses	\$1,081,558
Payroll Tax Liability	<u>\$15,000</u>

Total Liabilities	<u>(\$1,278,614)</u>
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Net Outstanding Campaign Obligations - 11/30/92	<u>(\$159,143)</u>
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BUCHANAN FOR PRESIDENT

Deposits and Prepayments

11/30/92

Rent Deposit - Gosnell Properties	\$7,978
Phone - C&P Telephone	\$2,800
Phone - MCI	<u>\$2,000</u>
 Total Deposits & Prepayments	 <u>\$12,778</u>

95070193703

BUCHANAN FOR PRESIDENT
Furniture & Equipment
11/30/92

Computer, 486 (4)	\$21,457
HP Laser Printer PCL 5	\$4,126
Computer Terminals	\$1,359
Legal File Cabinets, 4 Drawer (7)	<u>\$1,009</u>
Subtotal	\$27,951
Less: Depreciation (40%)	<u>(\$11,180)</u>
Total Furniture & Equipment	<u>\$16,771</u>

9577019374

BUCHANAN FOR PRESIDENT

Accounts Payable

11/30/92

PJB Thank You Letter -	\$55,000	
Staff Payments	\$39,500	
Tiffany Company - Gifts	\$20,796	
Mackenzie & Company	\$14,098	
Telemarketing - to be invoiced	\$10,000	
CLB - Pictures	\$10,000	
A/P Listing - small amounts	\$9,662	
Unique Personnel - to be invoiced	\$5,000	
Video Tapes	\$5,000	
Fulfillment Costs - Tape, Book, Spe	\$5,000	
Bay Buchanan - Unbilled Expenses	\$5,000	
Special Systems, Inc.	\$3,000	
Total Accounts Payable		<u>\$182,055</u>

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1/92

Buchanan for President Wind-Down Budget

	1992	Jan-92	Feb-92	Mar-92	Apr-92	May-92	Jun-92	Jul-92
Burke, June	\$1,750.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$1,750.00
Dove, Jennifer	\$415.18	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Ollbert, Justine	\$750.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Oliver, Don	\$833.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Hall, Bill	\$833.33	\$1,666.66	\$1,666.66	\$1,666.66	\$1,666.66	\$1,666.66	\$1,666.66	\$1,666.66
McCullough, Diane	\$1,041.67	\$2,083.34	\$2,083.34	\$2,083.34	\$2,083.34	\$2,083.34	\$2,083.34	\$2,083.34
Tremblay, Chris	\$1,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Zlot, Christine	\$1,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
O'Donoghue, Patrick	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal		\$11,750.00	\$11,750.00	\$11,750.00	\$11,750.00	\$11,750.00	\$11,750.00	\$11,750.00
Taxes (10%)		\$1,175.00	\$1,175.00	\$1,175.00	\$1,175.00	\$1,175.00	\$1,175.00	\$1,175.00
Total Payroll		\$12,925.00	\$12,925.00	\$12,925.00	\$12,925.00	\$12,925.00	\$12,925.00	\$12,925.00
Buchanan, Bob	\$11,250.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
MacKenzie, Scott	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
Schultz, Mark	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
Clark, Jeff (Hourly)	\$16,000.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
Headquarters		\$33,500.00	\$33,500.00	\$33,500.00	\$33,500.00	\$33,500.00	\$33,500.00	\$33,500.00
American Computer	\$350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AT&T	\$600.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
C&P Telephone	\$2,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Canon Copier	\$200.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Federal Express	\$800.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Micellaneous	\$200.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Office Rent	\$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00
Office Furniture	\$0.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
Party Cash	\$700.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Phone Bills	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00
Printing	\$1,000.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Publications	\$400.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Southern Business	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
Supplies	\$500.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Tyson's Storage	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
UPS	\$200.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Xerox	\$750.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Subtotal		\$14,300.00	\$14,300.00	\$14,300.00	\$14,300.00	\$14,300.00	\$14,300.00	\$14,300.00
Taxes (10%)		\$1,430.00	\$1,430.00	\$1,430.00	\$1,430.00	\$1,430.00	\$1,430.00	\$1,430.00
Total		\$15,730.00	\$15,730.00	\$15,730.00	\$15,730.00	\$15,730.00	\$15,730.00	\$15,730.00

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Buchanan for President
Wind-Down Budget

	Rate	Aug 93	Sep 93	Oct 93	Nov 93	Dec 93	1993 Total	Jan 94	Feb 94	Mar 94	Apr 94	May 94
Burke, Jamie	\$1,250.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$74,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dowd, Jennifer	\$415.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gilbert, Justine	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Givens, Dan	\$833.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Hall, Bill	\$833.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,999.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
McCullough, Dorene	\$1,041.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,500.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Trumbly, Chris	\$1,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ziatt, Christine	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O'Donoghue, Farwood	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal		\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$76,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Taxes(10%)		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$7,650.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Payroll		\$1,650.00	\$1,650.00	\$1,650.00	\$1,650.00	\$1,650.00	\$84,150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Buchanan, Ray		\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$81,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
MacDonald, Scott		\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$120,000.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
Schultz, Mark		\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$34,000.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$0.00
Clerical Staff - Hourly		\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$32,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Headquarters		\$21,500.00	\$21,500.00	\$21,500.00	\$21,500.00	\$21,500.00	\$107,500.00	\$11,000.00	\$11,000.00	\$11,500.00	\$11,000.00	\$11,000.00
American Computer		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AT&T		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAF Telephone		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$6,900.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Comet Courier		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Federal Express		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,500.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Miscellaneous		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,500.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Office Rent		\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$21,600.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Office Furniture		\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$21,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Petty Cash		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Money Boxes		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Postage		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$3,600.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Printing		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Publications		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Southern Business		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Supplies		\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$1,950.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Tyson's Storage		\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$7,200.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
UPS		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Xerox		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$3,900.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
		\$4,425.00	\$4,425.00	\$4,425.00	\$4,425.00	\$4,425.00	\$83,250.00	\$3,000.00	\$3,000.00	\$3,500.00	\$3,000.00	\$3,000.00

ATTACHMENT
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Buchanan for President Wind-Down Budget

	Rate	Jun 94	Jul 94	Aug 94	Sep 94	Oct 94	Nov 94	Dec 94	1994 Totals	Committee Totals
Burke, Jamie	\$1,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,500.00
Dowd, Jennifer	\$415.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,500.00
Gilbert, Justine	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,500.00
Gleason, Don	\$833.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,666.66
Hall, Bill	\$833.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,666.67
McCallough, Dierdra	\$1,041.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,583.33
Tremblay, Chris	\$1,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Zlotz, Christina	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,000.00
O'Donoghue, Farnand	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00
Subtotal		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,416.64
Taxes (10%)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,241.67
Total Payroll		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,658.31
Buchanan, Bay		\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$24,000.00	\$116,250.00
MacKenzie, Scott		\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$90,000.00	\$270,000.00
Schultz, Mark		\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$10,000.00	\$70,000.00
Cherical Staff - Hourly		\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$18,000.00	\$60,500.00
Headquarters		\$13,500.00	\$11,000.00	\$11,000.00	\$13,500.00	\$11,000.00	\$11,000.00	\$13,500.00	\$142,000.00	\$486,750.00
American Computer		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$550.00
AT&T		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,400.00
C&P Telephone		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00	\$13,100.00
Canal Courier		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00	\$7,400.00
Federal Express		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00	\$3,500.00
Miscellaneous		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00	\$2,900.00
Office Rent		\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$18,000.00	\$41,700.00
Office Furniture		\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00	\$33,000.00
Petty Cash		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,100.00
Piney Down		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,150.00
Postage		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00	\$7,000.00
Printing		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,300.00
Publications		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$350.00
Southern Business		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,650.00
Supplies		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00	\$3,050.00
Tyson's Storage		\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$7,200.00	\$14,750.00
UPS		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$800.00
Xerox		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00	\$4,450.00
		\$3,800.00	\$3,800.00	\$3,800.00	\$3,800.00	\$3,800.00	\$3,800.00	\$3,800.00	\$45,600.00	\$143,150.00
Headquarters Total										\$731,358.33
Legal Fees										\$250,000.00
Contingency (10%)										\$100,000.00
Grand Total										\$1,081,358.33

ATTACHMENT
Page 2 of 2



Memorandum

March 11, 1993

To: Valerie Conroy
 FEC Audit Manager *[Signature]*
 Fr: Bay Buchanan
 Re: Committee Close Down Expenses

In response to your memo of yesterday, concerning the Buchanan for President Committee close down expenses, I have re-calculated the Committee's budget and estimate that the costs to wind down our activities are as follows:

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Accounting/MIS	\$ 200,000
Legal Fees	150,000
Contingency/Misc	100,000
Outside Experts	50,000
Staff	30,000
Headquarters	15,000
<hr/>	
Total Estimate	<u>\$ 545,000</u>

Please let me or my staff know if there is anything further you require.

ATTACHMENT 1
 Page 1 of 1

Buchanan for President

Statement of Net Outstanding Campaign Obligations

September 30, 1994

ASSETS:

Cash on Hand @ 8/20/92		\$380,404
Receipts: 8/21/92 - 9/30/94		
Matching Funds	\$1,587,292	
Contributions	\$769,242	
Offsets (Refunds, etc.)	\$189,853	
Total Receipts		\$2,546,387
Other Assets & Adjustments		
Capital Assets	\$19,191	
Fallon Receivable	\$8,645	
Candidate Receivable	\$0	
Deposits & Prepayments	\$0	
Total Other Assets & Adjustments		\$27,836
Total Assets		\$2,954,627

OBLIGATIONS:

Obligations & Adjustments: 8/21/92 - 9/30/94		
Qualified Campaign Expenses	\$2,484,027	
Excessive Contributions	\$53,759	
Prohibited Contributions	\$8,166	
Total Obligations & Adjustments		\$2,545,952
Estimated Winding Down Expenses: 10/01/94 - 12/31/96		
Legal Fees:	\$385,000	
Audit Representation	\$80,000	
Possible MUR's	\$80,000	
Court of Appeals	\$75,000	
District Court	\$150,000	
Accounting & Compliance	\$90,000	
Administrative Expenses	\$25,000	
Total Estimated Winding Down Expenses		\$500,000
Total Obligations		(\$3,045,952)
NOCO (Deficit) Surplus		(\$91,325)

9597019330

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FAX: (202) 457-6033

WRITERS DIRECT D.A.

(202) 457-6032

December 14, 1994

The Honorable Angela Buchanan
Buchanan for President, Inc.
Suite 210
6862 Elm Street
McLean, Virginia 22101

Re: *Estimate of Future Legal Expenses*

Dear Bay:

You have asked that I provide you with an estimate of our future expenses for representation of Buchanan for President, Inc. The following summarizes the results of my evaluation of the future costs of our representation in connection with the Federal Election Commission proceedings:

- 1 For completion of FEC audit proceedings from October 1, 1994 entailing the response to the Audit Staff's Final Report through oral argument before the Commission and related efforts (\$36,417.18 fees and disbursements incurred through November)..... \$80,000.00
 - 2 For representation in connection with potential Matters Under Review before the FEC..... \$80,000.00
 - 3 For representation in connection with an appeal to the Court of Appeals for the District of Columbia Circuit of matters arising out of the audit conducted by the FEC\$75,000.00
 - 4 For representation in connection with *de novo* proceeding in the District Court for the District of Columbia arising from an appeal of violations found by the FEC (entailing discovery, motions practice, trial and potential appeal and including the expense of expert(s) for deposition & trial testimony \$100,000-200,000
- Total Estimated Costs..... \$335,000 - 435,000

ATTACHMENT /

Page 1 of 1

950/0193801

PATTON BOGGS, L.L.P.

The Honorable Angela Buchanan
December 14, 1994
Page 2

Of course, these figures are only estimates. A number of factors will affect the ultimate expense of our representation. For example, the FEC may decide to issue no MURs and the costs listed in items 2 and 4 would not be incurred. Similarly, the expenses listed in item 3 are dependent upon the Commission's determination with respect to the audit staff's Final Report. Finally, a multitude of factors could increase or decrease the actual costs of the administrative proceedings and litigation; hence, we do not have great confidence in the estimates even if all of the proceedings are necessary.

If you have further questions concerning these estimates, please contact me.

Sincerely,



John C. Martin

2050 / 0193302

Buchanan for President

Budget vs. Actual Analysis for the Year 1993

	1993 Budget	1993 Actual	Variance
<i>Personnel:</i>			
Payroll	\$84,150	\$87,858	\$3,708
Consultants	\$307,500	\$252,735	(\$54,765)
Subtotals	\$391,650	\$340,592	(\$51,058)
<i>Headquarters:</i>			
Office Rent/Storage	\$28,800	\$24,147	(\$4,654)
Telephone	\$8,700	\$6,543	(\$2,157)
Fedex & Courier	\$2,700	\$1,835	(\$865)
Furniture & Equipment	\$33,300	\$6,048	(\$27,252)
Postage, Shipping & Printing	\$5,100	\$14,381	\$9,281
Office Supplies	\$1,950	\$3,895	\$1,945
Travel & Reimb Expenses	\$0	\$24,397	\$24,397
Miscellaneous	\$2,700	\$13,442	\$10,742
Subtotals	\$83,250	\$94,687	\$11,437
<i>Other Expenses:</i>			
Legal Services	\$0	\$37,198	\$37,198
Contingency	\$0	\$0	\$0
Subtotals	\$0	\$37,198	\$37,198
<i>Total Wind-Down Expenses</i>	<u>\$474,900</u>	<u>\$472,477</u>	<u>(\$2,423)</u>
	100.0%	99.5%	-0.5%

ATTACHMENT /
Page _____ of _____

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AFFIDAVIT OF SCOTT B. MACKENZIE

Scott B. Mackenzie, being duly sworn, states as follows:

1. I served as Treasurer of the Buchanan for President Committee through March of 1993. I have served as Treasurer of one and Deputy Treasurer of two prior Presidential Campaigns, and have served as Treasurer or Consultant to a number of political committees. I have been self-employed as a Political Financial Consultant through Mackenzie & Company for the past ten (10) years. My degree is a B.B.S. in Accounting from the University of Massachusetts.

2. As the Treasurer of Buchanan for President, I submitted five Statements of Net Outstanding Campaign Obligations ("NOCO statements") which accompanied the Committee's Matching Funds requests from the period of September 1, 1992 through January 3, 1993. These NOCO statements provided the Commission with a snapshot look at the Committee's financial position and were used to justify the receipt of additional Matching Funds.

3. In preparing these Statements, I summarized the Committees assets (cash, receivables, capital assets, etc.) and liabilities (accounts payable, estimated wind down expenses, payroll taxes, etc.); then determined the deficit by subtracting the liabilities from the assets. The largest item on the statements and the most difficult to calculate was the estimated wind down expenses.

4. Having served as Treasurer to Jack Kemp's 1988 Presidential Campaign, and Deputy Treasurer to President Reagan's 1980 and 1984 Committees, I have had some experience in winding down a presidential campaign committee.

5. Budgeting for a Presidential Campaign's close down is an inexact science. One must draw upon current information, prior experience, assumptions of future activity and a projection as to future anticipated expenses. The accuracy of one's estimate cannot be confirmed until the conclusion of the audit process, usually three or more years down the road.

6. As the Commission contemplates whether the estimated wind down expenses developed in 1992 were excessive, it might be helpful to point out the following:

- a. The budgeted expenses for the year 1993 (as reflected in the December 1, 1992 NOCO'), are within one-half a percent of being exact.
- b. The Committee prepared its budget based upon a two-year close-down cycle. It now appears likely that the process could continue for at least another year or more; and
- c. There is an expense attached to the passage of time (if only the expense of storing records). In December 1992, I considered the wind down costs associated with this Committee, my previous experience indicated that the length of time necessary to close down this Presidential Campaign was lengthening, and not contracting. Specifically, the 1988 Campaign took over six (6) years to settle, and disclosure reports remain to be filed.

7. Only after the conclusion of the process can one determine whether the budgeted wind-down costs approximate the actual spending for wind down.

8. One of the functions I supervised as Treasurer of the Committee was the Press Billing Operation. This is an important function for two reasons: first, the reimbursements from the

¹ This was the last Committee wind down budget certified by the Commission for payment of Matching Funds.

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Press and Secret Service represent a significant amount of money, therefore it is critical that the Committee send out its invoices and collect these funds as quickly as possible; and second, the administration of this function has FEC Compliance ramifications.

9. For the above reasons, I devoted a significant amount of my time (particularly in the initial stages) to the Tour Plane billing process. I established the Committee's internal procedures whereby Mr. Charlie Douglas (traveling with the tour) would generate a flight manifest for each leg of the tour. These were faxed back to the Committee Headquarters and entered into a spreadsheet. The Committee's Director of Scheduling, Ms. Janet Fallon, was responsible for getting all relevant costs from Charter Services, Inc. (CSI) (the travel agency) and providing them to the Treasurer. These costs were entered into a spreadsheet and a cost/leg was determined.

Utilizing the information from the flight manifests, the Committee calculated a cost/seat, and then a markup of ten percent for the press was calculated. Invoices were then prepared and mailed to the press and Secret Service.

10. The job descriptions of those involved with the Tour Billing process, are as follows:

Scott B. Mackenzie established internal procedures, delegated and supervised tasks of others. Reviewed all costs associated with the tour; checked calculations for cost/leg and cost/seat; reviewed invoices for accuracy prior to mailing; checked accounts receivable listing; and directed subsequent actions to be taken.

Charlie Douglas traveled on the tour plane, and reported directly to the Treasurer. Responsibilities included creating a flight manifest, which listed each passenger on each of the

flight legs. In addition, he secured billing addresses for each traveler, and for those wishing to pay by credit card, he created a credit card imprint for CSI.

Amy Gates served as an administrative assistant to the Treasurer. Her responsibilities included keying in the flight manifests, the costs for each leg, and the billing information. She also prepared and mailed the invoices.

David Morse served as Deputy Director of Scheduling through May 1992, then joined the Treasurer's staff through September of 1992. From February through May 1992, he assisted Ms. Fallon in booking charters through CSI, obtaining ancillary tour costs (ferrying charges, bus rentals, food, etc.) and reconciling the credit card payments. From June through September 1992, he had the responsibility for collecting the outstanding Press reimbursements. This job included reviewing the invoices, determining what if any expenses had not been billed to the press, creating invoices, and contacting the Press by phone to collect payment.

Jamie Burke served as the Deputy to the Treasurer. Her responsibilities included working with Mr. Morse in September of 1992 and finalizing the collections process through the end of the year. She received, batched and processed payments, maintained an accounts receivable journal, and followed up on her collections phone calls.

Janet Fallon served as Director of Scheduling. In this capacity, she worked closely with the Treasurer regarding Press Billings. Ms. Fallon spent a great deal of time confirming which members of the press would be traveling with the candidate, and then contracting an appropriate chartered aircraft. Prior to departure she was required to calculate an approximate cost/trip for each of the News Agencies requesting this information.

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11. The time spent by each of these individuals was determined through conversations and contact with each during the year 1992. A schedule was prepared during the field audit which calculated the Committee's personnel expenses related to the function of Press Billing.

12. When CSI billed us for its services in connection with press travel, the company imposed a "hold back" of approximately 9.19 percent. Thus, CSI did not credit the Committee for all of the press travel reimbursements that had been paid by credit card. Instead, CSI retained this percentage. The total amount retained through this procedure was \$8,426. The Committee was never reimbursed by the press for any of this amount.

13. The information provided in Exhibit 11 of the Committee's response to the Interim Audit conducted by the Audit Division is correct and accurate to the best of my knowledge and belief. The estimates of time and effort on this subject are also based upon my personal knowledge and participation in the Press Billing effort.

14. The Commission has categorized certain fundraising as non-qualified campaign expenses; however, all fundraising activities by the Committee were undertaken in 1992, even though several payments were made in early 1993. At the time the Committee engaged in these fundraising activities, it did so to eliminate its outstanding NOCO debt.

15. In the response to the Interim Audit Report, the Committee maintained that certain expenses classified as non-qualified by the Audit Staff, were in fact qualified campaign expenses. In regards to some of these expenses (i.e., computer software, staff bonus) the auditors have sought to super-impose their judgement for that of the Committee's Management Staff. The

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information contained in Exhibit Nos. 8 and 9 of the Committee's Response to the Interim Audit Report is true and correct to the best of my information and belief.



Dated: December ~~14~~¹⁵, 1994

[Handwritten Signature]
Scott B. Mackenzie

*Given under my hand this
15 day of December, 1994*

[Handwritten Signature]
Notary Public

My Comm. Exp. 9/30 1998

950/0193339

AFFIDAVIT OF JAMIE BURKE

Jamie Burke, being duly sworn, states as follows:

1. I served as the Deputy to the Treasurer of the Buchanan for President Committee through April 1993. I have had an extensive business background, and have a B.A. degree from Virginia Tech with a concentration in Business Administration.
2. During the campaign, I reported directly to the Treasurer and, from September through December 1992, I was involved with the Press Billing operation.
3. My duties relating to the Press included the completion of the work performed by David Morse, i.e., collecting press receivables. In this capacity, I sent reminder notices, made phone calls, received payments, batched and deposited those payments, and maintained an accounts receivable journal, which I periodically reviewed with the Treasurer.
4. Between five and ten percent of my time was devoted to these activities.

Signed: Jamie T. Burke

Dated: 12/14/94

Given under my hand this 14th day of December, 1994



My Comm. Exp. 9/30 1998

William M. McElroy
Notary Public ATTACHMENT
Page 42 of 90

050/01937/0

AFFIDAVIT OF ANGELA M. BUCHANAN

Angela M. Buchanan, being duly sworn, states as follow:

1. I am the Campaign Chair of Buchanan for President, Inc. (the "Committee"), and, in March 1993, I also assumed the role of Treasurer of the Committee. I have personal knowledge of the following facts.

2. During the period extending from December 1992 through March 1993, I had meetings and conversations with members of the Federal Election Commission's (the "Commission's" or the "FEC's") audit team. In fact, during this period I had two to three meetings and several informal conversations with members of the audit team.

3. At no time during the meetings, and conversations with members of the Commission's audit team was a significant compliance problem suggested. In fact, these conversations and meetings lead me to believe that the FEC was unlikely to take material action with respect to the Committee. Thus, I did not anticipate significant expenditures for legal and accounting services.

4. When I assumed the position as Treasurer, based upon my conversations with the audit team, I believed that the wind down could be concluded in a time period shorter and at less expense than what we now anticipate.

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5. The audit team asked that I provide the auditors with an "estimate" of future costs that the Committee would incur during its wind down.

6. At the time of their request, the audit team did not tell me the purpose of their request. I was not aware that the audit team would consider this to be anything other than a "best guess" as to what I thought the Committee's future expenditures might be.


7. In preparing my memo of March 11, 1993, I did not conduct a detailed review of the costs incurred and projected expenses. Given the informal nature of the request, a far-reaching inquiry was not warranted.

8. I spent little time composing the "budget" contained in my March 11, 1993 memo. In fact, the document represented my "best guess" of future costs reflecting the cost-cutting measures and a relatively simple wind down.


9. In all of my meetings and conversations with audit team members, I was never told that the audit team would claim that the Committee had received matching funds in excess of its entitlement. Therefore, I had no basis to anticipate this issue.

10. I had anticipated that my efforts to control costs would be advantageous to the government; I did not expect that the Committee would be penalized for my efforts to reduce wind down costs.

11. I did not view this memo as anything other than an informal indication to the audit team of the Committee's future costs. I never anticipated the Commission would interpret this memo as something replacing the NOCO statements which are detailed projections of future costs that had been submitted in connection with our requests for matching funds.


Angela M. Buchanan

Dated:- December 16, 1994

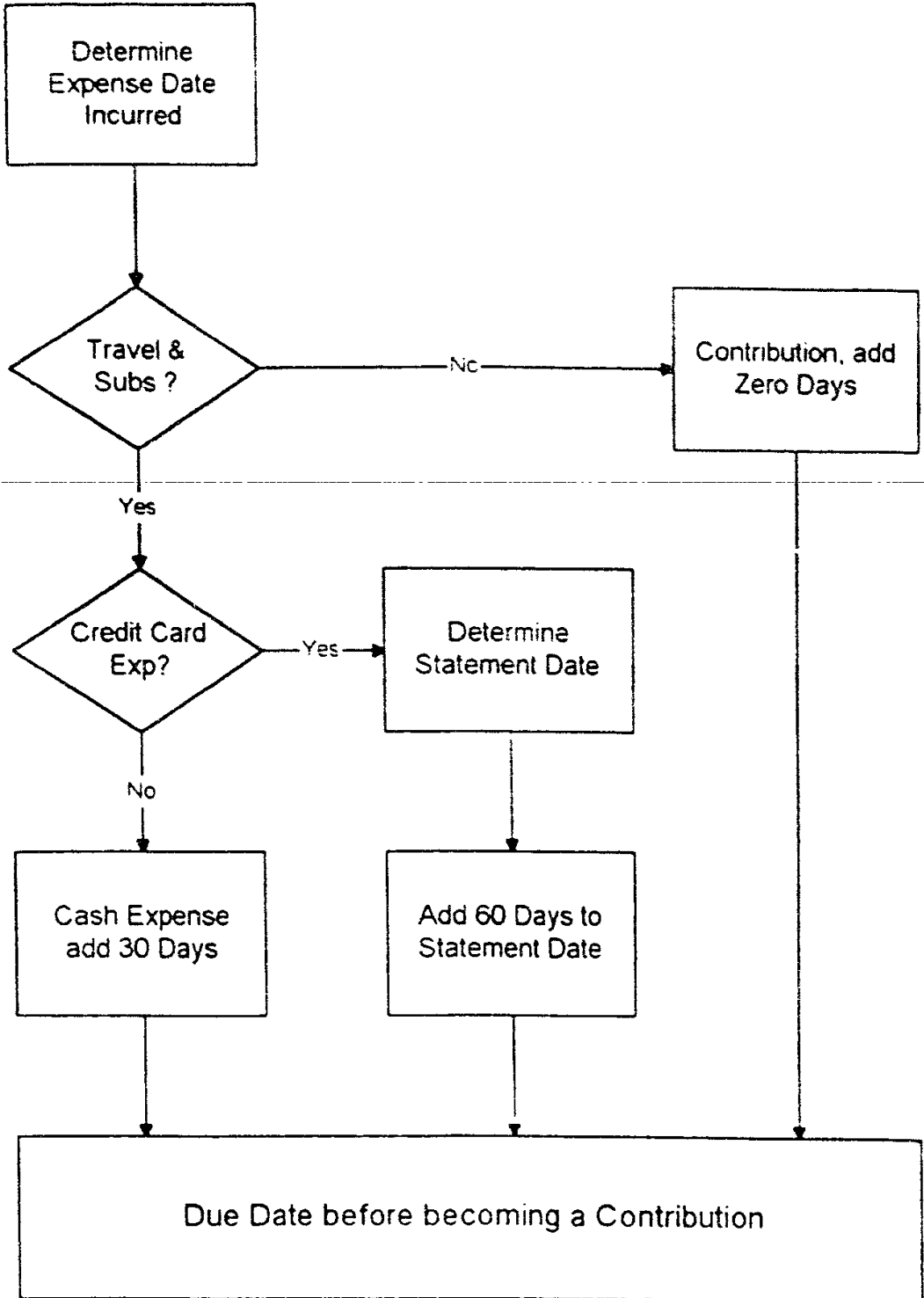

Notary Public

My Comm. Exps. 9/30 1999

Given under my hand this 16
day of December, 1994.

957701934/3

- Due Date Determination -



950/01933/4

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Buchanan for resident

Analysis of Staff Advances

Janet Fallon

Seq	Incurred Date	Transaction	Submitted Amount	Incurred Amount	Outstanding Amount	Reimb Date	Days o/s	Contrib Amount	Contribution Balance
1	12/21/91	J Fallon - E/R, 12/21/91	\$48.22	\$48.22	\$48.22	3/19/92	89	\$48.22	(\$951.78)
2	1/2/92	J Fallon - E/R, 1/2/92	\$10.00	\$0.00	\$48.22	3/19/92	n/a	\$0.00	(\$951.78)
3	1/18/92	J Fallon - E/R, 1/18/92	\$38.22	\$0.00	\$48.22	3/19/92	n/a	\$0.00	(\$951.78)
4	3/16/92	Micro-Rental - Southfield, MI	\$383.24	\$383.24	\$431.46	3/19/92	3	\$383.24	(\$568.54)
5	3/16/92	Valley Plaza - Midland, MI	\$2,676.58	\$2,676.58	\$3,108.04	3/19/92	3	\$2,676.58	\$2,108.04
6	3/19/92	Ritz Carlton - Dearborn, MI	\$9,718.50	\$9,718.50	\$12,826.54	3/19/92	0	\$0.00	\$2,108.04
		Subtotal of Expenses		\$12,826.54					
		Reimb - ck #1523	3/19/92	(\$3,733.71)					
6	3/19/92	Balance		\$9,092.83	\$9,092.83	4/2/92	14	\$9,092.83	\$8,092.83
7	3/20/92	Bay Valley Resort - Bay Valley, MI	\$505.79	\$505.79	\$9,598.62	4/2/92	13	\$505.79	\$8,598.62
8	3/24/92	Grand Plaza Hotel - Grand Rapids, MI	\$673.89	\$673.89	\$10,272.51	4/2/92	9	\$673.89	\$9,272.51
9	3/26/92	Flyte Time - Westwood, NJ	\$59.80	\$59.80	\$10,332.31	4/2/92	7	\$59.80	\$9,332.31
10	4/1/92	Sheraton - Windsor Locks, CT	\$435.17	\$435.17	\$10,767.48	4/2/92	1	\$435.17	\$9,767.48
11	4/3/92	Hyatt Regency - Milwaukee, WI	\$189.27	\$189.27	\$10,956.75	4/2/92	-1	\$0.00	\$9,767.48
12	4/3/92	Hyatt Regency - Milwaukee, WI	\$443.41	\$443.41	\$11,400.16	4/2/92	-1	\$0.00	\$9,767.48
		Subtotal of Expenses		\$11,400.16					
		Reimb - ck #1679	4/2/92	(\$11,354.86)					
12	4/3/92	Balance		\$45.30	\$45.30	5/4/92	31	\$45.30	(\$954.70)
13	4/3/92	Holiday Inn - Florida	\$261.38	\$0.00	\$45.30	5/4/92	31	\$0.00	(\$954.70)
14	4/4/92	Hyatt - Minneapolis, MN	\$716.87	\$716.87	\$762.17	5/4/92	30	\$716.87	(\$237.83)
15	4/7/92	Hyatt - Minneapolis, MN	\$164.52	\$164.52	\$926.69	5/4/92	27	\$164.52	(\$73.31)
16	4/7/92	Hyatt - Minneapolis, MN	\$918.02	\$918.02	\$1,844.71	5/4/92	27	\$918.02	\$844.71
17	4/7/92	Hyatt - Minneapolis, MN	\$1,378.43	\$1,378.43	\$3,223.14	5/4/92	27	\$1,378.43	\$2,223.14
18	4/7/92	Sheraton - Newport Bch, CA	\$762.87	\$762.87	\$3,986.01	5/4/92	27	\$762.87	\$2,986.01
19	4/7/92	North Raleigh Hilton	\$1,237.51	\$0.00	\$3,986.01	5/4/92	27	\$0.00	\$2,986.01
20	4/8/92	Four Seasons - Newport Bch, CA	\$936.17	\$936.17	\$4,922.18	5/4/92	26	\$936.17	\$3,922.18
21	4/8/92	Motel "6" - Piscataway, NJ	\$250.32	\$250.32	\$5,172.50	5/4/92	26	\$250.32	\$4,172.50
22	4/8/92	Wyndham Milwaukee Center	\$3,468.40	\$1,734.20	\$6,906.70	5/4/92	26	\$1,734.20	\$5,906.70
23	4/9/92	Minneapolis Convention Center	\$1,975.00	\$1,975.00	\$8,881.70	5/4/92	25	\$1,975.00	\$7,881.70
24	4/10/92	Avis Rent-a-Car - Minnesota	\$358.82	\$358.82	\$9,240.52	5/4/92	24	\$358.82	\$8,240.52
25	4/10/92	Twin Motor Lodge - Minneapolis, MN	\$19.42	\$19.42	\$9,259.94	5/4/92	24	\$19.42	\$8,259.94
26	4/10/92	Twin Motor Lodge - Minneapolis, MN	\$551.95	\$551.95	\$9,811.89	5/4/92	24	\$551.95	\$8,811.89

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STAFF_LS

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 Buchanan for President

Analysis of Staff Advances
 Janet Fallon

Seq	Incurred Date	Transaction	Submitted Amount	Incurred Amount	Outstanding Amount	Reimb Date	Days c/s	Contrib Amount	Contribution Balance
27	4/11/92	Avis Rent-a-Car - Minnesota	\$658.23	\$658.23	\$10,470.12	5/4/92	23	\$658.23	\$9,470.12
28	4/11/92	Budget Rent-a-Car - Vienna, VA	\$212.14	\$212.14	\$10,682.26	5/4/92	23	\$212.14	\$9,682.26
29	4/11/92	The Velvet Cloak Inn - Raleigh, NC	\$625.14	\$625.14	\$11,307.40	5/4/92	23	\$625.14	\$10,307.40
30	4/11/92	The Velvet Cloak Inn - Raleigh, NC	\$194.89	\$194.89	\$11,502.29	5/4/92	23	\$194.89	\$10,502.29
31	4/13/92	Holiday Inn - Green Bay, WI	\$70.40	\$141.00	\$11,643.29	5/4/92	21	\$141.00	\$10,643.29
32	4/15/92	Hyatt - Minneapolis, MN	\$1,512.74	\$1,512.74	\$13,156.03	5/4/92	19	\$1,512.74	\$12,156.03
33	4/16/92	Avis Rent-a-Car - Minnesota	(\$110.76)	(\$110.76)	\$13,045.27	5/4/92	18	(\$110.76)	\$12,045.27
34	4/16/92	Minneapolis Convention Center	\$230.86	\$230.86	\$13,276.13	5/4/92	18	\$230.86	\$12,276.13
		Subtotal of Expenses		\$13,276.13					
		Reimb - ck #1888	5/4/92	(\$13,160.86)					
34	4/16/92	Balance		\$115.27	\$115.27	5/12/92	26	\$115.27	(\$884.73)
35	4/16/92	The Velvet Cloak Inn - Raleigh, NC	\$672.75	\$672.75	\$788.02	5/12/92	26	\$672.75	(\$211.98)
36	4/17/92	Hyatt - Minneapolis, MN	\$184.80	\$184.80	\$972.82	5/12/92	25	\$184.80	(\$27.18)
37	4/18/92	Minneapolis Convention Center	\$150.00	\$150.00	\$1,122.82	5/12/92	24	\$150.00	\$122.82
38	4/19/92	Ritz Carlton - San Francisco, CA	\$912.47	\$912.47	\$2,035.29	5/12/92	23	\$912.47	\$1,035.29
39	4/19/92	Ritz Carlton - San Francisco, CA	\$1,533.66	\$1,533.66	\$3,568.95	5/12/92	23	\$1,533.66	\$2,568.95
40	4/20/92	Holiday Inn - Redding, CA	\$275.00	\$275.00	\$3,843.95	5/12/92	22	\$275.00	\$2,843.95
41	4/20/92	Residence Inn - Raleigh, NC	\$926.69	\$926.69	\$4,770.64	5/12/92	22	\$926.69	\$3,770.64
42	4/24/92	Century Plaza - Los Angeles, CA	\$620.00	\$620.00	\$5,390.64	5/12/92	18	\$620.00	\$4,390.64
43	4/25/92	Residence Inn - Raleigh, NC	\$725.07	\$725.07	\$6,115.71	5/12/92	17	\$725.07	\$5,115.71
44	4/25/92	Residence Inn - Raleigh, NC	\$823.39	\$823.39	\$6,939.10	5/12/92	17	\$823.39	\$5,939.10
45	4/25/92	Residence Inn - Raleigh, NC	\$597.69	\$597.69	\$7,536.79	5/12/92	17	\$597.69	\$6,536.79
46	4/28/92	Cellular Phone Rental	\$1,790.81	\$1,790.81	\$9,327.60	5/12/92	14	\$1,790.81	\$8,327.60
47	4/28/92	Holiday Inn - Redding, CA	(\$66.00)	(\$66.00)	\$9,261.60	5/12/92	14	(\$66.00)	\$8,261.60
48	4/29/92	Radisson - Charlotte, NC	\$78.91	\$78.91	\$9,340.51	5/12/92	13	\$78.91	\$8,340.51
49	4/29/92	Radisson - Charlotte, NC	\$622.91	\$622.91	\$9,963.42	5/12/92	13	\$622.91	\$8,963.42
50	4/30/92	Columbia Club - Indianapolis, IN	\$774.37	\$774.37	\$10,737.79	5/12/92	12	\$774.37	\$9,737.79
51	4/30/92	Columbia Club - Indianapolis, IN	\$271.78	\$271.78	\$11,009.57	5/12/92	12	\$271.78	\$10,009.57
52	4/30/92	Embassy Suites - Greensboro, NC	\$565.31	\$565.31	\$11,574.88	5/12/92	12	\$565.31	\$10,574.88
53	4/30/92	Residence Inn - Raleigh, NC	\$596.85	\$596.85	\$12,171.73	5/12/92	12	\$596.85	\$11,171.73
54	4/30/92	Residence Inn - Raleigh, NC	\$978.03	\$978.03	\$13,149.76	5/12/92	12	\$978.03	\$12,149.76
55	5/1/92	Cellular Phone Rental	\$1,282.25	\$1,282.25	\$14,432.01	5/12/92	11	\$1,282.25	\$13,432.01

ATTACHMENT

25070193377

Buchanan for resident Analysis of Staff Advances Janet Fallon

Seq	Incurred Date	Transaction	Submitted Amount	Incurred Amount	Outstanding Amount	Reimb Date	Days o/s	Contrib Amount	Contribution Balance
		Subtotal of Expenses		\$14,432.01					
		Reimb - ck #2010	5/12/92	(\$13,977.80)					
55	5/1/92	Balance		\$454.21	\$454.21	5/14/92	13	\$454.21	(\$545.79)
56	5/1/92	Radisson - Charlotte, NC	\$78.91	\$78.91	\$533.12	5/14/92	13	\$78.91	(\$466.88)
57	5/1/92	Radisson - Charlotte, NC	\$622.91	\$622.91	\$1,156.03	5/14/92	13	\$622.91	\$156.03
58	5/2/92	Howard Johnsons - Statesville, NC	\$684.95	\$684.95	\$1,840.98	5/14/92	12	\$684.95	\$840.98
59	5/3/92	Embassy Suites - Greensboro, NC	\$549.77	\$549.77	\$2,390.75	5/14/92	11	\$549.77	\$1,390.75
60	5/4/92	Holiday Inn - Goldsboro, NC	\$88.10	\$88.10	\$2,478.85	5/14/92	10	\$88.10	\$1,478.85
61	5/4/92	Holiday Inn - Goldsboro, NC	\$50.00	\$50.00	\$2,528.85	5/14/92	10	\$50.00	\$1,528.85
62	5/4/92	North Raleigh Hilton, Raleigh, NC	\$545.34	\$545.34	\$3,074.19	5/14/92	10	\$545.34	\$2,074.19
63	5/4/92	Radisson - Charlotte, NC	\$573.67	\$573.67	\$3,647.86	5/14/92	10	\$573.67	\$2,647.86
64	5/5/92	Days Inn - Salisbury, NC	\$320.21	\$320.21	\$3,968.07	5/14/92	9	\$320.21	\$2,968.07
65	5/6/92	Cellular Phone Rental	\$1,300.26	\$1,300.26	\$5,268.33	5/14/92	8	\$1,300.26	\$4,268.33
66	5/6/92	Cellular Phone Rental	(\$491.51)	(\$491.51)	\$4,776.82	5/14/92	8	(\$491.51)	\$3,776.82
67	5/8/92	Century Plaza - Los Angeles, CA	\$883.13	\$883.13	\$5,659.95	5/14/92	6	\$883.13	\$4,659.95
68	5/8/92	Ritz Carlton - San Francisco, CA	\$769.00	\$769.00	\$6,428.95	5/14/92	6	\$769.00	\$5,428.95
69	5/9/92	Cellular Phone Rental	\$1,213.07	\$1,213.07	\$7,642.02	5/14/92	5	\$1,213.07	\$6,642.02
70	5/9/92	Cellular Phone Rental	\$2,311.64	\$2,311.64	\$9,953.66	5/14/92	5	\$2,311.64	\$8,953.66
71	5/9/92	Cellular Phone Rental	\$632.91	\$632.91	\$10,586.57	5/14/92	5	\$632.91	\$9,586.57
72	5/9/92	Residence Inn - Raleigh, NC	\$344.69	\$344.69	\$10,931.26	5/14/92	5	\$344.69	\$9,931.26
73	5/9/92	Residence Inn - Raleigh, NC	\$1,036.68	\$1,036.68	\$11,967.94	5/14/92	5	\$1,036.68	\$10,967.94
74	5/9/92	Ritz Carlton - Marina Del Ray, CA	\$284.47	\$284.47	\$12,252.41	5/14/92	5	\$284.47	\$11,252.41
75	5/9/92	Ritz Carlton - Marina Del Ray, CA	\$726.18	\$726.18	\$12,978.59	5/14/92	5	\$726.18	\$11,978.59
76	5/11/92	Residence Inn - Raleigh, NC	\$1,327.42	\$1,327.42	\$14,306.01	5/14/92	3	\$1,327.42	\$13,306.01
77	5/11/92	Residence Inn - Raleigh, NC	\$297.13	\$297.13	\$14,603.14	5/14/92	3	\$297.13	\$13,603.14
78	5/11/92	Triangle Rent-a-Car - Raleigh, NC	\$620.00	\$620.00	\$15,223.14	5/14/92	3	\$620.00	\$14,223.14
79	5/12/92	Radisson - Cincinnati	\$592.36	\$0.00	\$15,223.14	5/14/92	2	\$0.00	\$14,223.14
80	5/13/92	Columbia Club - Indianapolis, IN	\$28.75	\$28.75	\$15,251.89	5/14/92	1	\$28.75	\$14,251.89
81	5/14/92	Hilton - Woodcliff Lake, NJ	\$555.98	\$555.98	\$15,807.87	5/14/92	0	\$0.00	\$14,251.89
82	5/14/92	Radisson Inn - Florence, KY	\$592.36	\$592.36	\$16,400.23	5/14/92	0	\$0.00	\$14,251.89
		Subtotal of Expenses		\$16,400.23					
		Reimb - ck #2044	5/14/92	(\$16,224.02)					

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Analysis of Staff Advances
 Janet Fallon

Seq	Incurred Date	Transaction	Submitted Amount	Incurred Amount	Outstanding Amount	Reimb Date	Days o/s	Contrib Amount	Contribution Balance
82	5/14/92	Balance		\$176.21	\$176.21	6/3/92	20	\$176.21	(\$823.79)
83	5/14/92	Ritz Carlton - Marina Del Ray, CA	\$231.31	\$231.31	\$407.52	6/3/92	20	\$231.31	(\$592.48)
84	5/14/92	The Buttes - Tempe, AZ	\$0.00	\$5.46	\$412.98	6/3/92	20	\$5.46	(\$587.02)
85	5/14/92	The Buttes - Tempe, AZ	\$473.22	\$473.22	\$886.20	6/3/92	20	\$473.22	(\$113.80)
86	5/15/92	Hilton - Lynchburg, VA	\$196.00	\$176.00	\$1,062.20	6/3/92	19	\$176.00	\$62.20
87	5/16/92	Federal Express	\$328.25	\$328.25	\$1,390.45	6/3/92	18	\$328.25	\$390.45
88	5/17/92	Federal Express	\$67.50	\$67.50	\$1,457.95	6/3/92	17	\$67.50	\$457.95
89	5/18/92	Federal Express	\$312.75	\$312.75	\$1,770.70	6/3/92	16	\$312.75	\$770.70
90	5/18/92	Holiday Inn - Glendale, CA	\$119.58	\$119.58	\$1,890.28	6/3/92	16	\$119.58	\$890.28
91	5/19/92	Four Seasons - Newport Bch, CA	\$948.54	\$948.54	\$2,838.82	6/3/92	15	\$948.54	\$1,838.82
92	5/19/92	Marrriott - San Diego, CA	\$1,110.37	\$1,110.37	\$3,949.19	6/3/92	15	\$1,110.37	\$2,949.19
93	5/19/92	Ritz Carlton - Marina Del Ray, CA	\$1,216.85	\$1,216.85	\$5,166.04	6/3/92	15	\$1,216.85	\$4,166.04
94	5/19/92	Ritz Carlton - Marina Del Ray, CA	\$30.50	\$30.50	\$5,196.54	6/3/92	15	\$30.50	\$4,196.54
95	5/20/92	Beverly Hilton - Los Angeles, CA	\$463.39	\$463.39	\$5,659.93	6/3/92	14	\$463.39	\$4,659.93
96	5/20/92	Beverly Hilton - Los Angeles, CA	\$27.06	\$27.06	\$5,686.99	6/3/92	14	\$27.06	\$4,686.99
97	5/20/92	Beverly Hilton - Los Angeles, CA	\$378.56	\$378.56	\$6,065.55	6/3/92	14	\$378.56	\$5,065.55
98	5/20/92	Federal Express	\$15.50	\$15.50	\$6,081.05	6/3/92	14	\$15.50	\$5,081.05
99	5/20/92	Ritz Carlton - Marina Del Ray, CA	\$1,404.01	\$1,404.01	\$7,485.06	6/3/92	14	\$1,404.01	\$6,485.06
100	5/21/92	Federal Express	\$15.50	\$15.50	\$7,500.56	6/3/92	13	\$15.50	\$6,500.56
101	5/21/92	Hilton - Ontario, CA	\$510.11	\$510.11	\$8,010.67	6/3/92	13	\$510.11	\$7,010.67
102	5/22/92	Century Plaza - Los Angeles, CA	\$1,196.44	\$0.00	\$8,010.67	6/3/92	12	\$0.00	\$7,010.67
103	5/22/92	Federal Express	\$133.00	\$133.00	\$8,143.67	6/3/92	12	\$133.00	\$7,143.67
104	5/22/92	Hilton - Ontario, CA	\$571.16	\$571.16	\$8,714.83	6/3/92	12	\$571.16	\$7,714.83
105	5/22/92	Holiday Inn - Glendale, CA	\$129.80	\$129.80	\$8,844.63	6/3/92	12	\$129.80	\$7,844.63
106	5/22/92	Century Plaza - Los Angeles, CA	\$1,214.44	\$1,214.44	\$10,059.07	6/3/92	12	\$1,214.44	\$9,059.07
107	5/23/92	Golden Sails - Long Bch, CA	\$196.58	\$196.58	\$10,255.65	6/3/92	11	\$196.58	\$9,255.65
108	5/24/92	Federal Express	\$513.25	\$513.25	\$10,768.90	6/3/92	10	\$513.25	\$9,768.90
109	5/24/92	Ritz Carlton - San Francisco, CA	\$1,810.19	\$1,810.19	\$12,579.09	6/3/92	10	\$1,810.19	\$11,579.09
110	5/25/92	Federal Express	\$138.00	\$138.00	\$12,717.09	6/3/92	9	\$138.00	\$11,717.09
111	5/26/92	Beverly Hilton - Los Angeles, CA	\$212.13	\$212.13	\$12,929.22	6/3/92	8	\$212.13	\$11,929.22
112	5/26/92	Century Plaza - Los Angeles, CA	\$452.96	\$452.96	\$13,382.18	6/3/92	8	\$452.96	\$12,382.18
113	5/26/92	Century Plaza - Los Angeles, CA	\$2,335.42	\$0.00	\$13,382.18	6/3/92	8	\$0.00	\$12,382.18

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 Buchanan for Resident

Analysis of Staff Advances
 Janet Fallon

Seq	Incurred Date	Transaction	Submitted Amount	Incurred Amount	Outstanding Amount	Reimb Date	Days o/s	Contrib Amount	Contribution Balance
114	5/27/92	Federal Express	\$41.50	\$41.50	\$13,423.68	6/3/92	7	\$41.50	\$12,423.68
115	5/27/92	Radisson - Manhattan Beach, CA	\$707.60	\$707.60	\$14,131.28	6/3/92	7	\$707.60	\$13,131.28
116	5/27/92	Sheraton - Hasbrouck Hghts, NJ	\$203.80	\$203.80	\$14,335.08	6/3/92	7	\$203.80	\$13,335.08
117	5/28/92	Four Seasons - Newport Bch, CA	\$635.44	\$635.44	\$14,970.52	6/3/92	6	\$635.44	\$13,970.52
118	5/28/92	Ramada - E Brunswick, NJ	\$45.74	\$45.74	\$15,016.26	6/3/92	6	\$45.74	\$14,016.26
119	5/28/92	Ramada Ren - E Brunswick, NJ	\$823.64	\$823.64	\$15,839.90	6/3/92	6	\$823.64	\$14,839.90
120	5/29/92	Federal Express	\$158.75	\$158.75	\$15,998.65	6/3/92	5	\$158.75	\$14,998.65
121	5/29/92	Holiday Inn - San Diego, CA	\$189.01	\$189.01	\$16,187.66	6/3/92	5	\$189.01	\$15,187.66
122	5/29/92	Marmott - Salt Lake City, UT	\$221.01	\$221.01	\$16,408.67	6/3/92	5	\$221.01	\$15,408.67
123	5/29/92	Marmott - Salt Lake City, UT	\$178.28	\$178.28	\$16,586.95	6/3/92	5	\$178.28	\$15,586.95
124	5/30/92	Century Plaza - Los Angeles, CA	\$2,557.13	\$2,557.13	\$19,144.08	6/3/92	4	\$2,557.13	\$18,144.08
125	5/30/92	Four Seasons - Newport Bch, CA	(\$174.40)	(\$174.40)	\$18,969.68	6/3/92	4	(\$174.40)	\$17,969.68
126	5/30/92	Ritz Carlton - Marina Del Ray, CA	\$627.40	\$627.40	\$19,597.08	6/3/92	4	\$627.40	\$18,597.08
127	5/30/92	Ritz Carlton - Marina Del Ray, CA	\$24.09	\$24.09	\$19,621.17	6/3/92	4	\$24.09	\$18,621.17
128	5/31/92	Federal Express	\$77.75	\$77.75	\$19,698.92	6/3/92	3	\$77.75	\$18,698.92
129	5/31/92	Le Meridien - Newport Bch, CA	\$148.56	\$148.56	\$19,847.48	6/3/92	3	\$148.56	\$18,847.48
		Subtotal of Expenses		\$19,847.48					
		Reimb - ck #2132	6/3/92	(\$19,731.19)					
129	5/31/92	Balance		\$116.29	\$116.29	6/18/92	18	\$116.29	(\$883.71)
130	5/31/92	Le Meridien - Newport Bch, CA	\$301.80	\$301.80	\$418.09	6/18/92	18	\$301.80	(\$581.91)
131	5/31/92	Le Meridien - Newport Bch, CA	\$74.11	\$74.11	\$492.20	6/18/92	18	\$74.11	(\$507.80)
132	5/31/92	Le Meridien - Newport Bch, CA	\$148.53	\$148.53	\$640.73	6/18/92	18	\$148.53	(\$359.27)
133	6/1/92	Ritz Carlton - Marina Del Ray, CA	\$1,775.58	\$1,775.58	\$2,416.31	6/18/92	17	\$1,775.58	\$1,416.31
134	6/2/92	Federal Express	\$24.50	\$24.50	\$2,440.81	6/18/92	16	\$24.50	\$1,440.81
135	6/2/92	Ritz Carlton - Marina Del Ray, CA	\$710.72	\$710.72	\$3,151.53	6/18/92	16	\$710.72	\$2,151.53
136	6/3/92	Ritz Carlton - San Francisco, CA	\$501.15	\$501.15	\$3,652.68	6/18/92	15	\$501.15	\$2,652.68
137	6/3/92	Ritz Carlton - San Francisco, CA	\$1,296.47	\$1,296.47	\$4,949.15	6/18/92	15	\$1,296.47	\$3,949.15
138	6/4/92	Radisson - Charlotte, NC	(\$622.91)	(\$622.91)	\$4,326.24	6/18/92	14	(\$622.91)	\$3,326.24
139	6/4/92	Radisson - Charlotte, NC	(\$78.91)	(\$78.91)	\$4,247.33	6/18/92	14	(\$78.91)	\$3,247.33
140	6/5/92	Audio Visual - Rancho Dominguez, CA	\$216.50	\$216.50	\$4,463.83	6/18/92	13	\$216.50	\$3,463.83
141	6/5/92	Four Seasons - Newport Bch, CA	\$9.48	\$9.48	\$4,473.31	6/18/92	13	\$9.48	\$3,473.31
142	6/5/92	Hyatt - Phoenix, AZ	\$912.08	\$912.08	\$5,385.39	6/18/92	13	\$912.08	\$4,385.39

STAFF ADVANCES
 JANET FALLON
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 Buchanan to President
 Analysis of Staff Advances
 Janet Fallon

Seq	Incurred Date	Transaction	Submitted Amount	Incurred Amount	Outstanding Amount	Reimb Date	Days o/s	Contrib Amount	Contribution Balance
143	6/8/92	Cellular Phone Rental	\$3,953.83	\$3,953.83	\$9,339.22	6/18/92	10	\$3,953.83	\$8,339.22
144	6/8/92	Cellular Phone Rental	\$199.24	\$199.24	\$9,538.46	6/18/92	10	\$199.24	\$8,538.46
145	6/8/92	Holiday Inn - Manchester, NH	\$860.29	\$860.29	\$10,398.75	6/18/92	10	\$860.29	\$9,398.75
146	6/11/92	Howard Johnsons - Salt Lake, UT	\$50.00	\$50.00	\$10,448.75	6/18/92	7	\$50.00	\$9,448.75
147	6/14/92	Federal Express	\$15.50	\$15.50	\$10,464.25	6/18/92	4	\$15.50	\$9,464.25
148	6/20/92	J W Marriott - Washington, DC	\$545.17	\$545.17	\$11,009.42	6/18/92	-2	\$0.00	\$9,464.25
149	6/21/92	Federal Express	\$16.50	\$16.50	\$11,025.92	6/18/92	-3	\$0.00	\$9,464.25
150	6/22/92	Cellular Phone Rental	\$743.79	\$743.79	\$11,769.71	6/18/92	-4	\$0.00	\$9,464.25
151	6/25/92	Ritz Carlton - Marina Del Ray, CA	(\$710.72)	(\$710.72)	\$11,058.99	6/18/92	-7	\$0.00	\$9,464.25
152	7/6/92	Cellular Phone Rental	(\$155.03)	(\$155.03)	\$10,903.96	6/18/92	-18	\$0.00	\$9,464.25
153	7/6/92	Cellular Phone Rental	\$1,630.41	\$1,630.41	\$12,534.37	6/18/92	-18	\$0.00	\$9,464.25
154	7/6/92	Cellular Phone Rental	\$1,539.44	\$1,539.44	\$14,073.81	6/18/92	-18	\$0.00	\$9,464.25
155	7/6/92	Cellular Phone Rental	\$681.18	\$681.18	\$14,754.99	6/18/92	-18	\$0.00	\$9,464.25
156	7/6/92	Cellular Phone Rental	\$48.60	\$48.60	\$14,803.59	6/18/92	-18	\$0.00	\$9,464.25
157	7/6/92	Cellular Phone Rental	\$658.58	\$658.58	\$15,462.17	6/18/92	-18	\$0.00	\$9,464.25
		Subtotal of Expenses		\$15,462.17					
		Reimb - ck #2255	6/18/92	(\$15,294.15)					
157	7/6/92	Balance		\$168.02	\$168.02	7/24/92	18	\$168.02	(\$831.98)
158	7/17/92	Twins Motor Inn - St Paul, MN	\$52.35	\$52.35	\$220.37	7/24/92	7	\$52.35	(\$779.63)
159	7/31/92	Hotel Concord - Houston, TX	\$325.43	\$325.43	\$545.80	7/24/92	-7	\$0.00	(\$779.63)
160	8/2/92	Ritz Carlton - Houston, TX	\$1,380.00	\$1,380.00	\$1,925.80	7/24/92	-9	\$0.00	(\$779.63)
161	8/6/92	Ritz Carlton - Houston, TX	\$276.00	\$276.00	\$2,201.80	7/24/92	-13	\$0.00	(\$779.63)
162	8/13/92	American Airlines - Bay Buchanan	\$175.00	\$175.00	\$2,376.80	7/24/92	-20	\$0.00	(\$779.63)
163	8/24/92	Hobby Airport Hilton - Houston, TX	(\$16,339.20)	(\$16,339.20)	(\$13,962.40)	7/24/92	-31	\$0.00	(\$779.63)
164	8/14/92	Hobby Airport Hilton - Houston, TX	\$16,339.20	\$16,339.20	\$2,376.80	7/24/92	-21	\$0.00	(\$779.63)
165	8/15/92	MobileComm - Ridgeland, MS	\$1,093.50	\$1,093.50	\$3,470.30	7/24/92	-22	\$0.00	(\$779.63)
166	8/16/92	Pappadeaux Rest. - Houston, TX	\$138.08	\$138.08	\$3,608.38	7/24/92	-23	\$0.00	(\$779.63)
167	8/17/92	J Fallon - I/R, Travel	\$30.00	\$30.00	\$3,638.38	7/24/92	-24	\$0.00	(\$779.63)
168	8/18/92	Hyatt Regency - Houston, TX	\$897.00	\$897.00	\$4,535.38	7/24/92	-25	\$0.00	(\$779.63)
169	8/18/92	Hyatt Regency - Houston, TX	\$897.00	\$897.00	\$5,432.38	7/24/92	-25	\$0.00	(\$779.63)
170	8/18/92	Hyatt Regency - Houston, TX	\$897.00	\$897.00	\$6,329.38	7/24/92	-25	\$0.00	(\$779.63)
171	8/18/92	Hyatt Regency - Houston, TX	\$832.60	\$832.60	\$7,161.98	7/24/92	-25	\$0.00	(\$779.63)

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Analysis of Staff Advances
 Janet Fallon

Seq	Incurred Date	Transaction	Submitted Amount	Incurred Amount	Outstanding Amount	Reimb Date	Days o/s	Contrib Amount	Contribution Balance
172	8/18/92	Hvatt Regency - Houston, TX	\$3,466.95	\$3,466.95	\$10,628.93	7/24/92	-25	\$0.00	(\$779.63)
		Subtotal of Expenses		\$10,628.93					
		Reimb - ck #2384	7/24/92	(\$7,320.66)					
172	8/18/92	Balance		\$3,308.27	\$3,308.27	9/29/92	42	\$3,308.27	\$2,308.27
173	8/18/92	Tony's Restaurant - Houston, TX	\$813.58	\$813.58	\$4,121.85	9/29/92	42	\$813.58	\$3,121.85
174	8/19/92	Armando's Rest. - Houston, TX	\$320.93	\$320.93	\$4,442.78	9/29/92	41	\$320.93	\$3,442.78
175	8/19/92	Four Seasons - Houston, TX	\$83.10	\$83.10	\$4,525.88	9/29/92	41	\$83.10	\$3,525.88
176	8/22/92	Brennan's Rest. - Houston, TX	\$585.00	\$585.00	\$5,110.88	9/29/92	38	\$585.00	\$4,110.88
177	8/24/92	Hobby Airport Hilton, Houston, TX	\$285.07	\$211.93	\$5,322.81	9/29/92	36	\$211.93	\$4,322.81
178	8/26/92	Plants for Accent - Mary Summa	\$68.25	\$68.25	\$5,391.06	9/29/92	34	\$68.25	\$4,391.06
179	9/22/92	Cellular Phone Rental	\$1,813.40	\$1,813.40	\$7,204.46	9/29/92	7	\$1,813.40	\$6,204.46
180	9/23/92	J Fallon - E/R, MCI calls	\$90.98	\$90.98	\$7,295.44	9/29/92	6	\$90.98	\$6,295.44
181	10/1/92	Cellular Phone Rental	\$47.21	\$47.21	\$7,342.65	9/29/92	-2	\$0.00	\$6,295.44
182	10/27/92	Hobby Airport Hilton, Houston, TX	\$511.00	\$511.00	\$7,853.65	9/29/92	-28	\$0.00	\$6,295.44
183	11/3/92	National Car Rental - Minneapolis, MN	\$1,122.99	\$1,122.99	\$8,976.64	9/29/92	-35	\$0.00	\$6,295.44
184	11/14/92	Enterprise Rent-a-Car	\$108.95	\$108.95	\$9,085.59	9/29/92	-46	\$0.00	\$6,295.44
185	11/18/92	Hobby Airport Hilton, Houston, TX	(\$151.48)	(\$151.48)	\$8,934.11	9/29/92	-50	\$0.00	\$6,295.44
186	11/21/92	Enterprise Rent-a-Car	\$217.89	\$217.89	\$9,152.00	9/29/92	-53	\$0.00	\$6,295.44
187	11/25/92	Enterprise Rent-a-Car	(\$65.37)	(\$65.37)	\$9,086.63	9/29/92	-57	\$0.00	\$6,295.44
		Subtotal of Expenses		\$9,086.63					
		Reimb - ck #2602	9/29/92	(\$16,858.98)					
		Balance		(\$7,772.35)					
		Reimb - ck #2677	10/28/92	(\$2,193.52)					
		Reimb - ck #2706	11/6/92	(\$359.52)					
		Total Amount Overpaid		(\$10,325.39)					

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Buchanan for President

Staff Advances

Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Inc Amt	o/s Amt	Reimb Date	Days o/s	Contr Amt
Committee Calculations (FIFO Basis)											
1	1	12/4/91	0	12/4/91	Faxes & Copies		\$7.64	\$7.64	1/6/92	33	\$7.64
2	3	12/10/91	0	12/10/92	Dinner		\$180.00	\$187.64	1/6/92	27	\$180.00
3	5	12/13/91	0	12/13/91	Office Supplies		\$23.33	\$210.97	1/6/92	24	\$23.33
4	8	12/19/91	0	12/19/92	Breakfast, NH (#10) - Staff	M/C	\$81.28	\$292.25	1/6/92	18	\$81.28
5	15	12/26/91	0	12/26/91	Photocopies		\$26.07	\$318.32	1/6/92	11	\$26.07
6	17	12/28/91	0	12/28/91	Office Supplies		\$46.34	\$364.66	1/6/92	9	\$46.34
7	19	12/31/91	0	12/31/91	Sodas for PJB & SSB		\$5.00	\$369.66	1/6/92	6	\$5.00
8	20	12/31/91	0	12/31/91	Sandwichs for PJB & SSB		\$19.04	\$388.70	1/6/92	6	\$19.04
9	21	1/1/92	0	1/1/92	Dinner, NH (#21) - Staff		\$34.83	\$423.53	1/6/92	5	\$34.83
10	23	1/4/92	0	1/4/92	Office Supplies		\$6.17	\$429.70	1/6/92	2	\$6.17
11	28	1/5/92	0	1/5/92	Gasoline (#26) - Staff		\$19.25	\$448.95	1/6/92	1	\$19.25
12	30	1/6/92	0	1/6/92	Office Supplies		\$7.17	\$456.12	1/6/92	0	\$0.00
13	31	1/7/92	0	1/7/92	Candidates Breakfast	M/C	\$36.43	\$492.55	1/6/92	-1	\$0.00
14	35	1/9/92	0	1/9/92	Lodging, PJB & SSB		\$250.82	\$743.37	1/6/92	-3	\$0.00
15	36	1/10/92	0	1/10/92	PJB Breakfast	M/C	\$7.43	\$750.80	1/6/92	-4	\$0.00
16	4	12/12/91	30	1/11/92	Gasoline		\$15.00	\$765.80	1/6/92	-5	\$0.00
17	41	1/11/92	0	1/11/92	Party Gift		\$32.92	\$798.72	1/6/92	-5	\$0.00
18	42	1/11/92	0	1/11/92	Dinner, NH (#40) - Chuck	M/C	\$17.96	\$816.68	1/6/92	-5	\$0.00
19	43	1/12/92	0	1/12/92	Breakfast for C. Douglas		\$6.35	\$823.03	1/6/92	-6	\$0.00
20	44	1/13/92	0	1/13/92	Makeup for PJB		\$25.00	\$848.03	1/6/92	-7	\$0.00
21	46	1/14/92	0	1/14/92	Meal, NH (#50) - Staff		\$33.90	\$881.93	1/6/92	-8	\$0.00
22	47	1/14/92	0	1/14/92	Staff Party		\$169.02	\$1,050.95	1/6/92	-8	\$0.00
23	48	1/14/92	0	1/14/92	Photocopies		\$3.00	\$1,053.95	1/6/92	-8	\$0.00
24	49	1/14/92	0	1/14/92	Office Supplies		\$6.61	\$1,060.56	1/6/92	-8	\$0.00
25	52	1/15/92	0	1/15/92	Office Supplies		\$2.25	\$1,062.81	1/6/92	-9	\$0.00
26	54	1/16/92	0	1/16/92	Makeup for PJB		\$25.00	\$1,087.81	1/6/92	-10	\$0.00
27	9	12/19/91	30	1/18/92	Gasoline		\$40.50	\$1,128.31	1/6/92	-12	\$0.00
28	55	1/18/92	0	1/18/92	Breakfast, NH (#56) - Staff		\$12.18	\$1,140.49	1/6/92	-12	\$0.00
29	11	12/20/91	30	1/19/92	Parking - Dulles		\$20.00	\$1,160.49	1/6/92	-13	\$0.00

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Buchai for President

Staff Advances

Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Inc Amt	o/s Amt	Reimb Date	Days o/s	Contr Amt
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Committee Calculations (FIFO Basis)

30	57	1/19/92	0	1/19/92	Office Supplies		\$10.38	\$1,170.87	1/6/92	-13	\$0.00
31	13	12/24/91	30	1/23/92	Mileage		\$58.00	\$1,228.87	1/6/92	-17	\$0.00
32	59	1/23/92	0	1/23/92	PJB Dinner, Rally	M/C	\$145.93	\$1,374.80	1/6/92	-17	\$0.00
33	60	1/23/92	0	1/23/92	Lodging, Bay	M/C	\$86.61	\$1,461.41	1/6/92	-17	\$0.00
34	14	12/25/91	30	1/24/92	Gasoline		\$17.77	\$1,479.18	1/6/92	-18	\$0.00
35	62	1/25/92	0	1/25/92	Dinner, NH (#64) - Staff	M/C	\$49.38	\$1,528.56	1/6/92	-19	\$0.00
36	16	12/27/91	30	1/26/92	Mileage		\$29.00	\$1,557.56	1/6/92	-20	\$0.00
37	66	1/29/92	0	1/29/92	PJB Sporting Club Fees	M/C	\$60.00	\$1,617.56	1/6/92	-23	\$0.00
38	67	1/30/92	0	1/30/92	Dinner, PJB & SSB	M/C	\$21.50	\$1,639.06	1/6/92	-24	\$0.00
39	68	1/30/92	0	1/30/92	PJB Sporting Club Fees		\$12.00	\$1,651.06	1/6/92	-24	\$0.00
40	69	1/30/92	0	1/30/92	PJB Sporting Club Fees	M/C	\$24.00	\$1,675.06	1/6/92	-24	\$0.00
41	22	1/1/92	30	1/31/92	Dinner, NH (#22) - Paul		\$11.60	\$1,686.66	1/6/92	-25	\$0.00
42	71	2/1/92	0	2/1/92	Lodging, NH - PJB & Staff	M/C	\$351.62	\$2,038.28	1/6/92	-26	\$0.00
					Subtotal Expenses		\$2,038.28				
					Check #1110	1/6/92	(\$2,000.00)				
42	71	2/1/92	0	2/1/92	Balance		\$38.28	\$38.28	1/24/92	-8	\$0.00
43	24	1/4/92	30	2/3/92	Taxi - Dulles to Arl.		\$50.00	\$88.28	1/24/92	-10	\$0.00
44	26	1/5/92	30	2/4/92	Gasoline (#28) - Paul		\$19.25	\$107.53	1/24/92	-11	\$0.00
45	27	1/5/92	30	2/4/92	Parking, NH		\$5.00	\$112.53	1/24/92	-11	\$0.00
46	32	1/7/92	30	2/6/92	Gasoline, NH		\$2.65	\$115.18	1/24/92	-13	\$0.00
47	33	1/7/92	30	2/6/92	Gasoline, NH		\$12.50	\$127.68	1/24/92	-13	\$0.00
48	2	12/9/91	60	2/7/92	Airfare	M/C	\$468.00	\$595.68	1/24/92	-14	\$0.00
49	75	2/7/92	0	2/7/92	PJB Reception	M/C	\$75.00	\$670.68	1/24/92	-14	\$0.00
50	37	1/10/92	30	2/9/92	Taxi, Dulles to Arl.		\$50.00	\$720.68	1/24/92	-16	\$0.00
51	39	1/10/92	30	2/9/92	Gasoline, NH		\$10.00	\$730.68	1/24/92	-16	\$0.00
52	77	2/9/92	0	2/9/92	PJB Room Service	M/C	\$21.78	\$752.46	1/24/92	-16	\$0.00
53	45	1/13/92	30	2/12/92	Taxi, Dulles to Arl.		\$50.00	\$802.46	1/24/92	-19	\$0.00
54	50	1/14/92	30	2/13/92	Meal, NH (#46) - Paul		\$8.48	\$810.94	1/24/92	-20	\$0.00
55	51	1/14/92	30	2/13/92	Parking, NH		\$2.50	\$813.44	1/24/92	-20	\$0.00

ATTACHMENT 2-1

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Buchanan for President

Staff Advances

Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Inc Amt	o/s Amt	Reimb Date	Days o/s	Contr Amt
Committee Calculations (FIFO Basis)											
56	80	2/13/92	0	2/13/92	Office Supplies		\$4.95	\$818.39	1/24/92	-20	\$0.00
57	6	12/16/91	60	2/14/92	Lodging - Holiday Inn, NH	M/C	\$1,489.20	\$2,307.59	1/24/92	-21	\$0.00
					Subtotal Expenses		\$2,307.59				
					Check #1207	1/24/92	(\$982.39)				
57	6	12/16/91	60	2/14/92	Balance		\$1,325.20	\$1,325.20	3/4/92	19	\$1,325.20
58	53	1/15/92	30	2/14/92	Parking, NH		\$4.00	\$1,329.20	3/4/92	19	\$4.00
59	81	2/14/92	0	2/14/92	Airport Limo, L. Rockwell	M/C	\$161.00	\$1,490.20	3/4/92	19	\$161.00
60	82	2/14/92	0	2/14/92	Press Confr. Copies		\$25.00	\$1,515.20	3/4/92	19	\$25.00
61	83	2/14/92	0	2/14/92	Airfare, Bay Buchanan	M/C	\$296.00	\$1,811.20	3/4/92	19	\$296.00
62	7	12/18/91	60	2/16/92	Airfare	M/C	\$810.00	\$2,621.20	3/4/92	17	\$810.00
					Subtotal Expenses		\$2,621.20				
					Check #1449	3/4/92	(\$2,000.00)				
62	7	12/18/91	60	2/16/92	Balance		\$621.20	\$621.20	3/5/92	18	\$621.20
63	84	2/16/92	0	2/16/92	Office Supplies		\$17.05	\$638.25	3/5/92	18	\$17.05
64	10	12/19/91	60	2/17/92	Breakfast, NH (#8) - Paul	M/C	\$40.64	\$678.89	3/5/92	17	\$40.64
65	56	1/18/92	30	2/17/92	Breakfast, NH (#55) - Paul		\$6.09	\$684.98	3/5/92	17	\$6.09
66	12	12/20/91	60	2/18/92	Rent-a-Car	M/C	\$380.70	\$1,065.68	3/5/92	16	\$380.70
67	58	1/19/92	30	2/18/92	Gasoline, NH		\$20.50	\$1,086.18	3/5/92	16	\$20.50
68	88	2/20/92	0	2/20/92	Office Supplies		\$9.59	\$1,095.77	3/5/92	14	\$9.59
69	93	2/24/92	0	2/24/92	Lodging, PJB	M/C	\$123.12	\$1,218.89	3/5/92	10	\$123.12
70	94	2/24/92	0	2/24/92	Staff Room	M/C	\$136.23	\$1,355.12	3/5/92	10	\$136.23
71	95	2/24/92	0	2/24/92	Press Room	M/C	\$145.30	\$1,500.42	3/5/92	10	\$145.30
72	96	2/24/92	0	2/24/92	Lodging, G. Mueller	M/C	\$117.09	\$1,617.51	3/5/92	10	\$117.09
73	97	2/24/92	0	2/24/92	Candidate Papers		\$5.70	\$1,623.21	3/5/92	10	\$5.70
74	99	2/25/92	0	2/25/92	Office Supplies		\$19.12	\$1,642.33	3/5/92	9	\$19.12
75	18	12/28/91	60	2/26/92	Airfare - Upgrade	M/C	\$78.00	\$1,720.33	3/5/92	8	\$78.00
76	65	1/27/92	30	2/26/92	Gasoline, NH		\$33.59	\$1,753.92	3/5/92	8	\$33.59
77	100	2/27/92	0	2/27/92	Office Supplies		\$12.36	\$1,766.28	3/5/92	7	\$12.36
78	70	2/1/92	30	3/2/92	Housekeeping Services		\$20.00	\$1,786.28	3/5/92	3	\$20.00

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Buchanan for President

Staff Advances

Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Inc Amt	o/s Amt	Reimb Date	Days o/s	Contr Amt
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Committee Calculations (FIFO Basis)

79	101	3/2/92	0	3/2/92	Check #1451, Opr a/c		\$4,856.97	\$4,856.97	3/5/92	3	\$4,856.97
					Subtotal Expenses			\$6,643.25			
					Check #1451	3/5/92		(\$4,865.97)			
79	101	3/2/92	0	3/2/92	Balance		\$1,777.28	\$1,777.28	3/6/92	4	\$1,777.28
80	102	3/2/92	0	3/2/92	Candidate Newspapers		\$6.36	\$1,783.64	3/6/92	4	\$6.36
81	25	1/4/92	60	3/4/92	Airfare	M/C	\$75.00	\$1,858.64	3/6/92	2	\$75.00
82	73	2/3/92	30	3/4/92	Gasoline, NH		\$26.18	\$1,884.82	3/6/92	2	\$26.18
83	74	2/5/92	30	3/6/92	Out of Town Phone Calls	Phone	\$159.56	\$2,044.38	3/6/92	0	\$0.00
84	108	3/7/92	0	3/7/92	No supporting back-up	\$413.18	\$413.18	\$2,457.56	3/6/92	-1	\$0.00
85	34	1/8/92	60	3/8/92	Lunch, NH	M/C	\$32.50	\$2,490.06	3/6/92	-2	\$0.00
86	76	2/8/92	30	3/9/92	Gasoline, NH		\$18.00	\$2,508.06	3/6/92	-3	\$0.00
					Subtotal Expenses			\$2,508.06			
					Check #1462	3/6/92		(\$2,500.00)			
86	76	2/8/92	30	3/9/92	Balance		\$8.06	\$8.06	4/2/92	24	\$8.06
87	111	3/9/92	0	3/9/92	Candidate Newspapers		\$4.49	\$12.55	4/2/92	24	\$4.49
88	112	3/9/92	0	3/9/92	Candidate Newspapers		\$3.12	\$15.67	4/2/92	24	\$3.12
89	38	1/10/92	60	3/10/92	Rent-a-Car	M/C	\$270.42	\$286.09	4/2/92	23	\$270.42
90	78	2/9/92	30	3/10/92	Newspapers, NH		\$3.00	\$289.09	4/2/92	23	\$3.00
91	114	3/10/92	0	3/10/92	PJB Make-up		\$80.00	\$369.09	4/2/92	23	\$80.00
92	115	3/10/92	0	3/10/92	No supporting back-up	\$975.00	\$975.00	\$1,344.09	4/2/92	23	\$975.00
93	40	1/11/92	60	3/11/92	Dinner, NH (#42) - Paul	M/C	\$17.96	\$1,362.05	4/2/92	22	\$17.96
94	79	2/11/92	30	3/12/92	Gasoline, NH		\$20.00	\$1,382.05	4/2/92	21	\$20.00
95	117	3/12/92	0	3/12/92	Airport Limo, MI		\$122.00	\$1,504.05	4/2/92	21	\$122.00
96	119	3/14/92	0	3/14/92	Newspapers, PJB		\$5.00	\$1,509.05	4/2/92	19	\$5.00
97	123	3/15/92	0	3/15/92	Lock		\$3.61	\$1,512.66	4/2/92	18	\$3.61
98	125	3/17/92	0	3/17/92	Rally Supplies		\$20.56	\$1,533.22	4/2/92	16	\$20.56
99	126	3/17/92	0	3/17/92	Bus Rental		\$4,100.00	\$5,633.22	4/2/92	16	\$4,100.00
					Subtotal Expenses			\$5,633.22			
					Check #1677	4/2/92		(\$5,000.00)			

Buchan for President

Staff Advances

Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Inc Amt	o/s Amt	Reimb Date	Days o/s	Contr Amt
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Committee Calculations (FIFO Basis)

99	126	3/17/92	0	3/17/92	Balance		\$633.22	\$633.22	4/10/92	24	\$633.22
100	127	3/17/92	0	3/17/92	Band, MI Rally		\$400.00	\$1,033.22	4/10/92	24	\$400.00
101	128	3/17/92	0	3/17/92	Rally Expenses		\$1,200.00	\$2,233.22	4/10/92	24	\$1,200.00
102	87	2/20/92	30	3/21/92	Parking, Dulles		\$21.00	\$2,254.22	4/10/92	20	\$21.00
103	90	2/23/92	30	3/24/92	Taxi, Arl. to Dulles		\$55.00	\$2,309.22	4/10/92	17	\$55.00
104	92	2/23/92	30	3/24/92	Parking, Dulles		\$4.00	\$2,313.22	4/10/92	17	\$4.00
105	63	1/25/92	60	3/25/92	Meal, NH	M/C	\$30.00	\$2,343.22	4/10/92	16	\$30.00
106	64	1/25/92	60	3/25/92	Dinner, NH (#62) - Paul	M/C	\$16.46	\$2,359.68	4/10/92	16	\$16.46
107	72	2/1/92	60	4/1/92	Lodging, NH - Paul	M/C	\$60.48	\$2,420.16	4/10/92	9	\$60.48
108	103	3/2/92	30	4/1/92	Gasoline, GA		\$5.25	\$2,425.41	4/10/92	9	\$5.25
109	135	4/3/92	0	4/3/92	Cash Adv. to P. Mancuso		\$100.00	\$2,525.41	4/10/92	7	\$100.00
110	110	3/8/92	30	4/7/92	Gasoline		\$10.50	\$2,535.91	4/10/92	3	\$10.50
111	116	3/11/92	30	4/10/92	Rent-a-Car, MI		\$71.66	\$2,607.57	4/10/92	0	\$0.00
112	118	3/12/92	30	4/11/92	Taxi, MI		\$22.00	\$2,629.57	4/10/92	-1	\$0.00
113	120	3/14/92	30	4/13/92	Airport Limo, MI		\$27.00	\$2,656.57	4/10/92	-3	\$0.00
114	121	3/14/92	30	4/13/92	Gasoline		\$20.00	\$2,676.57	4/10/92	-3	\$0.00
115	122	3/14/92	30	4/13/92	Newspapers, Paul		\$5.00	\$2,681.57	4/10/92	-3	\$0.00
116	124	3/15/92	30	4/14/92	Gasoline, MI		\$5.00	\$2,686.57	4/10/92	-4	\$0.00
117	141	4/16/92	0	4/16/92	Meal, NC (#142) - Staff		\$39.65	\$2,726.22	4/10/92	-6	\$0.00
118	129	3/18/92	30	4/17/92	Taxi, MI		\$38.00	\$2,764.22	4/10/92	-7	\$0.00
119	143	4/17/92	0	4/17/92	Meal, NC (#145) - Staff		\$30.80	\$2,795.02	4/10/92	-7	\$0.00
120	144	4/17/92	0	4/17/92	Cash Adv. - Martin/Giles		\$100.00	\$2,895.02	4/10/92	-7	\$0.00
121	146	4/18/92	0	4/18/92	Office Supplies		\$5.50	\$2,900.52	4/10/92	-8	\$0.00
122	85	2/19/92	60	4/19/92	Holiday Inn, NH	M/C	\$73.05	\$2,973.57	4/10/92	-9	\$0.00
123	86	2/19/92	60	4/19/92	Gasoline, NH	M/C	\$18.25	\$2,991.82	4/10/92	-9	\$0.00
124	130	3/20/92	30	4/19/92	Taxi, NJ		\$62.00	\$3,053.82	4/10/92	-9	\$0.00
125	89	2/20/92	60	4/20/92	Rent-a-Car	M/C	\$844.05	\$3,897.87	4/10/92	-10	\$0.00
126	131	3/21/92	30	4/20/92	Parking, Dulles		\$11.00	\$3,908.87	4/10/92	-10	\$0.00
127	132	3/21/92	30	4/20/92	Taxi, Nat'l to Dulles		\$53.00	\$3,961.87	4/10/92	-10	\$0.00

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Buchanan for President

Staff Advances

Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Inc Amt	o/s Amt	Reimb Date	Days o/s	Contr Amt
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Committee Calculations (FIFO Basis)

128	147	4/21/92	0	4/21/92	Meal, NC (#149) - Staff		\$23.51	\$3,985.38	4/10/92	-11	\$0.00
129	148	4/21/92	0	4/21/92	Meal, NC (#150) - Staff		\$13.78	\$3,999.16	4/10/92	-11	\$0.00
					Subtotal Expenses		\$3,999.16				
					Check #1730	4/10/92	(\$4,000.00)				
					Balance		(\$0.84)	(\$0.84)			
130	91	2/23/92	60	4/23/92	Airfare	M/C	\$779.00	\$778.16	4/10/92	-13	\$0.00
131	98	2/24/92	60	4/24/92	Lodging, Paul	M/C	\$260.49	\$1,038.65	4/10/92	-14	\$0.00
132	153	4/24/92	0	4/24/92	Office Supplies		\$5.60	\$1,044.25	4/10/92	-14	\$0.00
133	133	3/28/92	30	4/27/92	Taxi, Dulles		\$17.00	\$1,061.25	4/10/92	-17	\$0.00
134	154	4/28/92	0	4/28/92	PJB Dinner		\$83.42	\$1,144.67	4/10/92	-18	\$0.00
135	155	4/29/92	0	4/29/92	Meal, NC (#156) - Staff		\$84.27	\$1,228.94	4/10/92	-19	\$0.00
136	156	4/29/92	0	4/29/92	Meal, NC (#155) - Paul		\$28.09	\$1,257.03	4/10/92	-19	\$0.00
137	157	4/30/92	0	4/30/92	Breakfast, PJB & SSB		\$8.37	\$1,265.40	4/10/92	-20	\$0.00
138	158	4/30/92	0	4/30/92	Cash Adv. - Ring/Trig/Howard		\$300.00	\$1,565.40	4/10/92	-20	\$0.00
139	104	3/2/92	60	5/1/92	Rent-a-Car, GA	M/C	\$197.60	\$1,763.00	4/10/92	-21	\$0.00
140	160	5/5/92	0	5/5/92	Paul's Phone Charges	Phone	\$253.87	\$2,016.87	4/10/92	-25	\$0.00
					Subtotal Expenses		\$2,016.87				
					Check #1729	4/10/92	(\$2,000.00)				
					Balance		\$16.87	\$16.87	5/6/92	1	\$0.00
141	162	5/6/92	0	5/6/92	PJB Newspapers/Mags		\$10.38	\$27.25	5/6/92	0	\$0.00
142	163	5/6/92	0	5/6/92	Meal, CA (#165) - Staff		\$15.82	\$43.07	5/6/92	0	\$0.00
143	109	3/8/92	60	5/7/92	Rent-a-Car, LA	M/C	\$85.88	\$128.95	5/6/92	-1	\$0.00
144	166	5/7/92	0	5/7/92	Airfare, Trigg	M/C	\$70.00	\$198.95	5/6/92	-1	\$0.00
145	167	5/7/92	0	5/7/92	Airfare, Howard	M/C	\$70.00	\$268.95	5/6/92	-1	\$0.00
146	113	3/10/92	60	5/9/92	Rent-a-Car, MI	M/C	\$382.64	\$651.59	5/6/92	-3	\$0.00
147	138	4/10/92	30	5/10/92	Parking		\$6.00	\$657.59	5/6/92	-4	\$0.00
148	176	5/12/92	0	5/12/92	Rent-a-Car, CA - Staff	M/C	\$76.46	\$734.05	5/6/92	-6	\$0.00
149	177	5/12/92	0	5/12/92	Rent-a-Car, CA - Staff	M/C	\$76.46	\$810.51	5/6/92	-6	\$0.00
150	178	5/12/92	0	5/12/92	Rent-a-Car, CA - Staff	M/C	\$76.46	\$886.97	5/6/92	-6	\$0.00

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Buchanan for President

Staff Advances

Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Inc Amt	o/s Amt	Reimb Date	Days o/s	Contr Amt
Committee Calculations (FIFO Basis)											
151	180	5/12/92	0	5/12/92	Cash Advance - Howard		\$120.00	\$1,006.97	5/6/92	-6	\$0.00
152	186	5/12/92	0	5/12/92	Airfare, Ring	M/C	\$70.00	\$1,076.97	5/6/92	-6	\$0.00
153	139	4/13/92	30	5/13/92	Taxi, Nat'l to Arl.		\$12.50	\$1,089.47	5/6/92	-7	\$0.00
154	187	5/13/92	0	5/13/92	Meal, CA (#188) - Staff		\$11.66	\$1,101.13	5/6/92	-7	\$0.00
155	190	5/15/92	0	5/15/92	Airfare, Trigg		\$49.00	\$1,150.13	5/6/92	-9	\$0.00
156	191	5/15/92	0	5/15/92	PJB Make-up		\$70.00	\$1,220.13	5/6/92	-9	\$0.00
157	142	4/16/92	30	5/16/92	Meal, NC (#141) - Paul		\$7.90	\$1,228.03	5/6/92	-10	\$0.00
158	145	4/17/92	30	5/17/92	Meal, NC (#143) - Paul		\$7.70	\$1,235.73	5/6/92	-11	\$0.00
159	149	4/21/92	30	5/21/92	Meal, NC (#147) - Paul		\$2.94	\$1,238.67	5/6/92	-15	\$0.00
160	150	4/21/92	30	5/21/92	Meal, NC (#148) - Paul		\$6.89	\$1,245.56	5/6/92	-15	\$0.00
161	151	4/21/92	30	5/21/92	Gasoline, NC		\$11.63	\$1,257.19	5/6/92	-15	\$0.00
162	152	4/22/92	30	5/22/92	Taxi		\$23.50	\$1,280.69	5/6/92	-16	\$0.00
163	197	5/23/92	0	5/23/92	No Supporting Back-up	\$399.50	\$399.50	\$1,680.19	5/6/92	-17	\$0.00
164	198	5/26/92	0	5/26/92	Books - PJB & SSB		\$30.15	\$1,710.34	5/6/92	-20	\$0.00
165	200	5/27/92	0	5/27/92	PJB Food		\$25.15	\$1,735.49	5/6/92	-21	\$0.00
166	201	5/28/92	0	5/28/92	Meal, AZ (#202) - Staff		\$26.36	\$1,761.85	5/6/92	-22	\$0.00
167	203	5/29/92	0	5/29/92	Cash Adv - Ring/Trigg/Howard		\$300.00	\$2,061.85	5/6/92	-23	\$0.00
168	164	5/6/92	30	6/5/92	Taxi, Arl.		\$23.00	\$2,084.85	5/6/92	-30	\$0.00
169	165	5/6/92	30	6/5/92	Meal, CA (#163) - Paul		\$7.91	\$2,092.76	5/6/92	-30	\$0.00
170	169	5/7/92	30	6/6/92	Taxi, LAX		\$18.50	\$2,111.26	5/6/92	-31	\$0.00
171	172	5/9/92	30	6/8/92	Gasoline, CA		\$19.00	\$2,130.26	5/6/92	-33	\$0.00
172	174	5/11/92	30	6/10/92	Gasoline, CA		\$12.00	\$2,142.26	5/6/92	-35	\$0.00
173	175	5/11/92	30	6/10/92	Gasoline, CA		\$20.00	\$2,162.26	5/6/92	-35	\$0.00
174	182	5/12/92	30	6/11/92	Taxi, CA		\$10.00	\$2,172.26	5/6/92	-36	\$0.00
175	183	5/12/92	30	6/11/92	Taxi, CA		\$8.00	\$2,180.26	5/6/92	-36	\$0.00
176	184	5/12/92	30	6/11/92	Gasoline, CA		\$25.15	\$2,205.41	5/6/92	-36	\$0.00
177	185	5/12/92	30	6/11/92	Taxi, CA		\$17.00	\$2,222.41	5/6/92	-36	\$0.00
178	188	5/13/92	30	6/12/92	Meal, CA (#187) - Paul		\$5.83	\$2,228.24	5/6/92	-37	\$0.00
179	140	4/15/92	60	6/14/92	Rent-a-Car, NC	M/C	\$99.08	\$2,327.32	5/6/92	-39	\$0.00

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Buchar for President

Staff Advances

Paul Erickson

WS	FEC	Days to	Due	Expense		Reimb	Days	Contr			
Seq	Seq	Inc Date	Reimb	Date	Description	Comment	Inc Amt	o/s Amt	Date	o/s	Amt

Committee Calculations (FIFO Basis)

180	192	5/15/92	30	6/14/92	Rent-a-Car, L.A. - Paul		\$142.57	\$2,469.89	5/6/92	-39	\$0.00
181	193	5/15/92	30	6/14/92	Gasoline, CA		\$12.00	\$2,481.89	5/6/92	-39	\$0.00
182	194	5/15/92	30	6/14/92	Airfare, Paul		\$49.00	\$2,530.89	5/6/92	-39	\$0.00
183	195	5/16/92	30	6/15/92	Rent-a-Car, AZ - Paul		\$159.54	\$2,690.43	5/6/92	-40	\$0.00
184	199	5/26/92	30	6/25/92	Taxi, Arl.		\$18.50	\$2,708.93	5/6/92	-50	\$0.00
185	202	5/28/92	30	6/27/92	Meal, AZ (#201) - Paul		\$8.79	\$2,717.72	5/6/92	-52	\$0.00
186	206	6/1/92	30	7/1/92	Parking		\$6.00	\$2,723.72	5/6/92	-56	\$0.00
187	159	5/3/92	60	7/2/92	Rent-a-Car, NC	M/C	\$638.45	\$3,362.17	5/6/92	-57	\$0.00
188	208	6/3/92	30	7/3/92	Parking, Dulles		\$13.00	\$3,375.17	5/6/92	-58	\$0.00
189	168	5/7/92	60	7/6/92	Airfare, Paul	M/C	\$70.00	\$3,445.17	5/6/92	-61	\$0.00
190	170	5/8/92	60	7/7/92	Lodging, CA (#171)	M/C	\$244.56	\$3,689.73	5/6/92	-62	\$0.00
191	171	5/8/92	60	7/7/92	Lodging, CA (#170)	M/C	\$81.52	\$3,771.25	5/6/92	-62	\$0.00
192	173	5/11/92	60	7/10/92	Lodging, CA	M/C	\$457.75	\$4,229.00	5/6/92	-65	\$0.00
					Subtotal Expenses		\$4,229.00				
					Check #1922	5/6/92	(\$4,000.00)				
192	173	5/11/92	60	7/10/92	Balance		\$229.00	\$229.00	5/22/92	-49	\$0.00
193	179	5/12/92	60	7/11/92	Airfare, Paul	M/C	\$70.00	\$299.00	5/22/92	-50	\$0.00
194	181	5/12/92	60	7/11/92	Rent-a-Car, CA - Paul	M/C	\$76.46	\$375.46	5/22/92	-50	\$0.00
195	189	5/13/92	60	7/12/92	Rent-a-Car, San Diego - PE	M/C	\$225.63	\$601.09	5/22/92	-51	\$0.00
196	204	5/29/92	60	7/28/92	Rent-a-Car, L.A.	M/C	\$146.03	\$747.12	5/22/92	-67	\$0.00
197	205	5/31/92	60	7/30/92	Rent-a-Car, AZ	M/C	\$139.46	\$886.58	5/22/92	-69	\$0.00
198	207	6/3/92	60	8/2/92	Rent-a-Car, NH	M/C	\$43.44	\$930.02	5/22/92	-72	\$0.00
					Subtotal Expenses		\$930.02				
					Check #2084	5/22/92	(\$1,000.00)				
					Balance		(\$69.98)	(\$69.98)			
					Expense Reimbursement	Ck #1110	(\$2,000.00)	(\$2,000.00)	1/6/92	0	\$0.00

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050/0195020
Buchanan f resident

Staff Advances
Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Days o/s	Contr Amt	Travel Balance	Net	Contribution Balance
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Committee Calculations (FIFO Basis)

1	1	12/4/91	0	12/4/91	Faxes & Copies		33	\$7.64	(\$1,000.00)	\$7.64	(\$992.36)
2	3	12/10/91	0	12/10/92	Dinner		27	\$180.00	(\$1,000.00)	\$180.00	(\$812.36)
3	5	12/13/91	0	12/13/91	Office Supplies		24	\$23.33	(\$1,000.00)	\$23.33	(\$789.03)
4	8	12/19/91	0	12/19/92	Breakfast, NH (#10) - Staff	M/C	18	\$81.28	(\$1,000.00)	\$81.28	(\$707.75)
5	15	12/26/91	0	12/26/91	Photocopies		11	\$26.07	(\$1,000.00)	\$26.07	(\$681.68)
6	17	12/28/91	0	12/28/91	Office Supplies		9	\$46.34	(\$1,000.00)	\$46.34	(\$635.34)
7	19	12/31/91	0	12/31/91	Sodas for PJB & SSB		6	\$5.00	(\$1,000.00)	\$5.00	(\$630.34)
8	20	12/31/91	0	12/31/91	Sandwichs for PJB & SSB		6	\$19.04	(\$1,000.00)	\$19.04	(\$611.30)
9	21	1/1/92	0	1/1/92	Dinner, NH (#21) - Staff		5	\$34.83	(\$1,000.00)	\$34.83	(\$576.47)
10	23	1/4/92	0	1/4/92	Office Supplies		2	\$6.17	(\$1,000.00)	\$6.17	(\$570.30)
11	28	1/5/92	0	1/5/92	Gasoline (#26) - Staff		1	\$19.25	(\$1,000.00)	\$19.25	(\$551.05)
57	6	12/16/91	60	2/14/92	Balance - Holiday Inn, Lodging	M/C	19	\$1,325.20	\$325.20	\$325.20	(\$674.80)
58	53	1/15/92	30	2/14/92	Parking, NH		19	\$4.00	\$0.00	\$4.00	(\$670.80)
59	81	2/14/92	0	2/14/92	Airport Limo, L. Rockwell	M/C	19	\$161.00	\$0.00	\$161.00	(\$509.80)
60	82	2/14/92	0	2/14/92	Press Confr. Copies		19	\$25.00	\$0.00	\$25.00	(\$484.80)
61	83	2/14/92	0	2/14/92	Airfare, Bay Buchanan	M/C	19	\$296.00	\$0.00	\$296.00	(\$188.80)
62	7	12/18/91	60	2/16/92	Airfare	M/C	17	\$810.00	\$0.00	\$810.00	\$621.20
62	7	12/18/91	60	2/16/92	Balance - Airfare	M/C	18	\$621.20	(\$378.80)	\$0.00	(\$1,000.00)
63	84	2/16/92	0	2/16/92	Office Supplies		18	\$17.05	(\$378.80)	\$0.00	(\$1,000.00)
64	10	12/19/91	60	2/17/92	Breakfast, NH (#8) - Paul	M/C	17	\$40.64	(\$338.16)	\$0.00	(\$1,000.00)
65	56	1/18/92	30	2/17/92	Breakfast, NH (#55) - Paul		17	\$6.09	(\$332.07)	\$0.00	(\$1,000.00)
66	12	12/20/91	60	2/18/92	Rent-a-Car	M/C	16	\$380.70	\$48.63	\$48.63	(\$951.37)
67	58	1/19/92	30	2/18/92	Gasoline, NH		16	\$20.50	\$0.00	\$20.50	(\$930.87)
68	88	2/20/92	0	2/20/92	Office Supplies		14	\$9.59	\$0.00	\$9.59	(\$921.28)
69	93	2/24/92	0	2/24/92	Lodging, PJB	M/C	10	\$123.12	\$0.00	\$123.12	(\$798.16)
70	94	2/24/92	0	2/24/92	Staff Room	M/C	10	\$136.23	\$0.00	\$136.23	(\$661.93)

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257019371
Buchanan f resident

Staff Advances

Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Days o/s	Contr Amt	Travel Balance	Net	Contribution Balance
Committee Calculations (FIFO Basis)											
71	95	2/24/92	0	2/24/92	Press Room	M/C	10	\$145.30	\$0.00	\$145.30	(\$516.63)
72	96	2/24/92	0	2/24/92	Lodging, G. Mueller	M/C	10	\$117.09	\$0.00	\$117.09	(\$399.54)
73	97	2/24/92	0	2/24/92	Candidate Papers		10	\$5.70	\$0.00	\$5.70	(\$393.84)
74	99	2/25/92	0	2/25/92	Office Supplies		9	\$19.12	\$0.00	\$19.12	(\$374.72)
75	18	12/28/91	60	2/26/92	Airfare - Upgrade	M/C	8	\$78.00	\$0.00	\$78.00	(\$296.72)
76	65	1/27/92	30	2/26/92	Gasoline, NH		8	\$33.59	\$0.00	\$33.59	(\$263.13)
77	100	2/27/92	0	2/27/92	Office Supplies		7	\$12.36	\$0.00	\$12.36	(\$250.77)
78	70	2/1/92	30	3/2/92	Housekeeping Services		3	\$20.00	\$0.00	\$20.00	(\$230.77)
79	101	3/2/92	0	3/2/92	Misc. Expenses #1451, Opr a/c		3	\$4,856.97	\$0.00	\$4,856.97	<u>\$4,626.20</u>

79	101	3/2/92	0	3/2/92	Balance - Misc. Expenses		4	\$1,777.28	(\$1,000.00)	\$1,777.28	\$777.28
80	102	3/2/92	0	3/2/92	Candidate Newspapers		4	\$6.36	(\$1,000.00)	\$6.36	\$783.64
81	25	1/4/92	60	3/4/92	Airfare	M/C	2	\$75.00	(\$925.00)	\$0.00	\$783.64
82	73	2/3/92	30	3/4/92	Gasoline, NH		2	\$26.18	(\$898.82)	\$0.00	\$783.64

86	76	2/8/92	30	3/9/92	Balance - Gasoline, NH		24	\$8.06	(\$991.94)	\$0.00	(\$1,000.00)
87	111	3/9/92	0	3/9/92	Candidate Newspapers		24	\$4.49	(\$991.94)	\$4.49	(\$995.51)
88	112	3/9/92	0	3/9/92	Candidate Newspapers		24	\$3.12	(\$991.94)	\$3.12	(\$992.39)
89	38	1/10/92	60	3/10/92	Rent-a-Car	M/C	23	\$270.42	(\$721.52)	\$0.00	(\$992.39)
90	78	2/9/92	30	3/10/92	Newspapers, NH		23	\$3.00	(\$718.52)	\$0.00	(\$992.39)
91	114	3/10/92	0	3/10/92	PJB Make-up		23	\$80.00	(\$718.52)	\$0.00	(\$992.39)
92	115	3/10/92	0	3/10/92	No supporting back-up	\$975.00	23	\$975.00	(\$718.52)	\$0.00	(\$992.39)
93	40	1/11/92	60	3/11/92	Dinner, NH (#42) - Paul	M/C	22	\$17.96	(\$700.56)	\$17.96	(\$974.43)
94	79	2/11/92	30	3/12/92	Gasoline, NH		21	\$20.00	(\$680.56)	\$20.00	(\$954.43)
95	117	3/12/92	0	3/12/92	Airport Limo, MI		21	\$122.00	(\$558.56)	\$0.00	(\$954.43)
96	119	3/14/92	0	3/14/92	Newspapers, PJB		19	\$5.00	(\$558.56)	\$5.00	(\$949.43)
97	123	3/15/92	0	3/15/92	Lock		18	\$3.61	(\$558.56)	\$3.61	(\$945.82)
98	125	3/17/92	0	3/17/92	Rally Supplies		16	\$20.56	(\$558.56)	\$20.56	(\$925.26)

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Buchanan f resident

Staff Advances
Paul Erickson

WS Seq	FEC Seq	Inc Date	Days to Reimb	Due Date	Expense Description	Comment	Days o/s	Contr Amt	Travel Balance	Net	Contribution Balance
Committee Calculations (FIFO Basis)											
99	126	3/17/92	0	3/17/92	Bus Rental		16	\$4,100.00	(\$558.56)	\$4,100.00	\$3,174.74
99	126	3/17/92	0	3/17/92	Balance - Bus Rental		24	\$633.22	(\$1,000.00)	\$633.22	(\$366.78)
100	127	3/17/92	0	3/17/92	Band, MI Rally		24	\$400.00	(\$1,000.00)	\$400.00	\$33.22
101	128	3/17/92	0	3/17/92	Rally Expenses		24	\$1,200.00	(\$1,000.00)	\$1,200.00	\$1,233.22
102	87	2/20/92	30	3/21/92	Parking, Dulles		20	\$21.00	(\$979.00)	\$0.00	\$1,233.22
103	90	2/23/92	30	3/24/92	Taxi, Arl. to Dulles		17	\$55.00	(\$924.00)	\$0.00	\$1,233.22
104	92	2/23/92	30	3/24/92	Parking, Dulles		17	\$4.00	(\$920.00)	\$0.00	\$1,233.22
105	63	1/25/92	60	3/25/92	Meal, NH	M/C	16	\$30.00	(\$890.00)	\$0.00	\$1,233.22
106	64	1/25/92	60	3/25/92	Dinner, NH (#62) - Paul	M/C	16	\$16.46	(\$873.54)	\$0.00	\$1,233.22
107	72	2/1/92	60	4/1/92	Lodging, NH - Paul	M/C	9	\$60.48	(\$813.06)	\$0.00	\$1,233.22
108	103	3/2/92	30	4/1/92	Gasoline, GA		9	\$5.25	(\$807.81)	\$0.00	\$1,233.22
109	135	4/3/92	0	4/3/92	Cash Adv. to P. Mancuso		7	\$100.00	(\$807.81)	\$100.00	\$1,333.22
110	110	3/8/92	30	4/7/92	Gasoline		3	\$10.50	(\$797.31)	\$0.00	\$1,333.22

62	7	12/18/91	60	2/16/92	Airfare	M/C	17	\$810.00	\$0.00	\$810.00	\$621.20
79	101	3/2/92	0	3/2/92	Misc. Expenses #1451, Opr a/c		3	\$4,856.97	\$0.00	\$4,856.97	\$4,626.20
79	101	3/2/92	0	3/2/92	Balance - Misc. Expenses		4	\$1,777.28	(\$1,000.00)	\$1,777.28	\$777.28
80	102	3/2/92	0	3/2/92	Candidate Newspapers		4	\$6.36	(\$1,000.00)	\$6.36	\$783.64
	126	3/17/92	0	3/17/92	Bus Rental		16	\$4,100.00	(\$558.56)	\$4,100.00	\$3,174.74
	127	3/17/92	0	3/17/92	Band, MI Rally		24	\$400.00	(\$1,000.00)	\$400.00	\$33.22
	128	3/17/92	0	3/17/92	Rally Expenses		24	\$1,200.00	(\$1,000.00)	\$1,200.00	\$1,233.22
	135	4/3/92	0	4/3/92	Cash Adv. to P. Mancuso		7	\$100.00	(\$807.81)	\$100.00	\$1,333.22

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Buchanan for President

Staff Advances

Patrick J. Buchanan

Seq	Inc Date	Statement Date	Days to Reimb	Due Date	Expense Description	Comment	Amount Incurred	o/s Amt	Reimb Date	Days o/s	Contr Amt
1	11/25/91		n/a	n/a	Candidate Loan	Loan	\$10,000.00	\$10,000.00	n/a	n/a	\$10,000.00
3	12/4/91		n/a	n/a	Candidate Loan	Loan	\$40,000.00	\$50,000.00	n/a	n/a	\$40,000.00
2	12/4/91	1/5/92	60	3/5/92	Hunan Lion	Amex	\$105.00	\$50,105.00	3/25/92	20	\$105.00
4	12/7/91	1/5/92	60	3/5/92	Four Seasons Hotel	Amex	\$161.00	\$50,266.00	3/25/92	20	\$161.00
5	12/9/91	1/5/92	60	3/5/92	Primi Piatti	Amex	\$103.00	\$50,369.00	3/25/92	20	\$103.00
6	12/13/91	1/5/92	60	3/5/92	Carlyle Grand Cafe	Amex	\$91.00	\$50,460.00	3/25/92	20	\$91.00
7	12/14/91	1/5/92	60	3/5/92	Hunan Lion	Amex	\$96.00	\$50,556.00	3/25/92	20	\$96.00
8	12/17/91	1/5/92	60	3/5/92	American Airlines	Amex	\$253.00	\$50,809.00	3/25/92	20	\$253.00
9	12/17/91	1/5/92	60	3/5/92	Velvet Cloak Inn	Amex	\$267.05	\$51,076.05	3/25/92	20	\$267.05
10	12/17/91	1/5/92	60	3/5/92	American Airlines	Amex	\$253.00	\$51,329.05	3/25/92	20	\$253.00
11	12/17/91	1/5/92	60	3/5/92	American Airlines	Amex	\$253.00	\$51,582.05	3/25/92	20	\$253.00
12	12/18/91	1/5/92	60	3/5/92	Eastern Mountain	Amex	\$120.53	\$51,702.58	3/25/92	20	\$120.53
13	12/21/91	1/5/92	60	3/5/92	Hunan Lion	Amex	\$45.00	\$51,747.58	3/25/92	20	\$45.00
15	12/30/91	1/5/92	60	3/5/92	Omni Biltmore - RI	Amex	\$923.98	\$52,671.56	3/25/92	20	\$923.98
16	12/30/91	1/5/92	60	3/5/92	Ritz Carlton	Amex	\$47.00	\$52,718.56	3/25/92	20	\$47.00
17	1/2/92	1/5/92	60	3/5/92	Primi Piatti	Amex	\$137.00	\$52,855.56	3/25/92	20	\$137.00
18	1/5/92	1/5/92	60	3/5/92	George's Four Seasons	Amex	\$65.00	\$52,920.56	3/25/92	20	\$65.00
19	1/5/92	1/5/92	60	3/5/92	George's Four Seasons	Amex	\$50.00	\$52,970.56	3/25/92	20	\$50.00
14	12/29/91	2/5/92	60	4/5/92	Hunan Lion	Amex	\$246.85	\$53,217.41	3/25/92	-11	\$0.00
20	1/5/92	2/5/92	60	4/5/92	Dolphin Striker	Amex	\$220.00	\$53,437.41	3/25/92	-11	\$0.00
21	1/6/92	2/5/92	60	4/5/92	Sheraton - Portsmouth	Amex	\$72.56	\$53,509.97	3/25/92	-11	\$0.00
22	1/6/92	2/5/92	60	4/5/92	Hampton Inn Hotel	Amex	\$142.12	\$53,652.09	3/25/92	-11	\$0.00
23	1/6/92	2/5/92	60	4/5/92	Sheraton - Portsmouth	Amex	\$392.81	\$54,044.90	3/25/92	-11	\$0.00
24	1/7/92	2/5/92	60	4/5/92	Copley Plaza Hotel	Amex	\$345.00	\$54,389.90	3/25/92	-11	\$0.00
25	1/7/92	2/5/92	60	4/5/92	Copley Plaza Hotel	Amex	\$185.54	\$54,575.44	3/25/92	-11	\$0.00
26	1/7/92	2/5/92	60	4/5/92	Copley Plaza Hotel	Amex	\$218.94	\$54,794.38	3/25/92	-11	\$0.00
27	1/9/92	2/5/92	60	4/5/92	Josso's	Amex	\$64.00	\$54,858.38	3/25/92	-11	\$0.00
28	1/10/92	2/5/92	60	4/5/92	Quigley's	Amex	\$40.00	\$54,898.38	3/25/92	-11	\$0.00
29	1/10/92	2/5/92	60	4/5/92	George's Four Seasons	Amex	\$185.00	\$55,083.38	3/25/92	-11	\$0.00
30	1/14/92	2/5/92	60	4/5/92	Waterfront	Amex	\$109.00	\$55,192.38	3/25/92	-11	\$0.00

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Buchanan Jr President

Staff Advances

Patrick J. Buchanan

Seq	Inc Date	Statement Date	Days to Reimb	Due Date	Expense Description	Comment	Amount Incurred	o/s Amt	Reimb Date	Days o/s	Contr Amt
Committee Calculations											
31	1/16/92	2/5/92	60	4/5/92	Cafe Pavone	Amex	\$65.00	\$55,257.38	3/25/92	-11	\$0.00
32	1/20/92	2/5/92	60	4/5/92	Ritz Carlton - SF	Amex	\$575.00	\$55,832.38	3/25/92	-11	\$0.00
33	1/21/92	2/5/92	60	4/5/92	American Airlines	Amex	\$1,174.00	\$57,006.38	3/25/92	-11	\$0.00
34	1/21/92	2/5/92	60	4/5/92	American Airlines	Amex	\$1,174.00	\$58,180.38	3/25/92	-11	\$0.00
35	1/21/92	2/5/92	60	4/5/92	Century Plaza - L.A.	Amex	\$508.09	\$58,688.47	3/25/92	-11	\$0.00
36	1/22/92	2/5/92	60	4/5/92	Primi Piatti	Amex	\$88.00	\$58,776.47	3/25/92	-11	\$0.00
37	1/23/92	2/5/92	60	4/5/92	George's Four Seasons	Amex	\$50.00	\$58,826.47	3/25/92	-11	\$0.00
38	1/31/92	2/5/92	60	4/5/92	Holiday Inn - NII	Amex	\$3,086.52	\$61,912.99	3/25/92	-11	\$0.00
39	1/31/92	3/6/92	60	5/5/92	B Mae's Resort	Amex	\$101.52	\$62,014.51	3/25/92	-41	\$0.00
40	2/7/92	3/6/92	60	5/5/92	George's Four Seasons	Amex	\$100.00	\$62,114.51	3/25/92	-41	\$0.00
41	2/19/92	3/6/92	60	5/5/92	Lo Steak	Amex	\$80.00	\$62,194.51	3/25/92	-41	\$0.00
42	2/20/92	3/6/92	60	5/5/92	Quigley's	Amex	\$112.00	\$62,306.51	3/25/92	-41	\$0.00
43	2/20/92	3/6/92	60	5/5/92	Sheraton Hotel - Bedford	Amex	\$1,055.37	\$63,361.88	3/25/92	-41	\$0.00
44	2/24/92	3/6/92	60	5/5/92	Sheraton Hotel - Bedford	Amex	\$5,000.00	\$68,361.88	3/25/92	-41	\$0.00
45	2/24/92	3/6/92	60	5/5/92	Sheraton Hotel - Bedford	Amex	\$5,000.00	\$73,361.88	3/25/92	-41	\$0.00
46	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$196.06	\$73,557.94	3/25/92	-41	\$0.00
47	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$541.57	\$74,099.51	3/25/92	-41	\$0.00
48	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$1,660.85	\$75,760.36	3/25/92	-41	\$0.00
49	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$163.18	\$75,923.54	3/25/92	-41	\$0.00
50	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$604.18	\$76,527.72	3/25/92	-41	\$0.00
51	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$1,099.01	\$77,626.73	3/25/92	-41	\$0.00
					Subtotal Expenses		\$77,626.73				
					Check #1567	3/25/92	(\$26,850.37)				
51	3/1/92	3/6/92	60	5/5/92	Balance		\$50,776.36	\$50,776.36	5/6/92	1	\$50,776.36
52	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$2,007.09	\$52,783.45	5/6/92	1	\$2,007.09
					Subtotal Expenses		\$52,783.45				
					Check #1924	5/6/92	(\$1,878.27)				
52	3/1/92	3/6/92	60	5/5/92	Balance		\$50,905.18	\$50,905.18	5/14/92	9	\$50,905.18
53	3/3/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$1,272.00	\$52,177.18	5/14/92	9	\$1,272.00
					Subtotal Expenses		\$52,177.18				

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Staff Advances

Patrick J. Buchanan

Seq	Inc Date	Statement Date	Days to Reimb	Due Date	Expense Description	Comment	Amount Incurred	o/s Amt	Reimb Date	Days o/s	Contr Amt
					Check #2042	5/14/92	(\$2,004.33)				
53	3/3/92	3/6/92	60	5/5/92	Balance		\$50,172.85	\$50,172.85	8/12/92	99	\$50,172.85
					Check #	8/12/92	(\$50,000.00)				
53	3/3/92	3/6/92	60	5/5/92	Balance		\$172.85	\$172.85	10/29/92	177	\$172.85
54	3/3/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	\$37.10	\$209.95	10/29/92	177	\$37.10
55	3/4/92	4/5/92	60	6/4/92	Holiday Inn - LA	Amex	\$1,523.06	\$1,733.01	10/29/92	147	\$1,523.06
56	3/12/92	4/5/92	60	6/4/92	Ritz Carlton	Amex	\$220.21	\$1,953.22	10/29/92	147	\$220.21
57	3/19/92	4/5/92	60	6/4/92	Hunan Lion	Amex	\$79.00	\$2,032.22	10/29/92	147	\$79.00
59	3/27/92	4/5/92	60	6/4/92	Ritz Carlton - FL	Amex	\$122.29	\$2,154.51	10/29/92	147	\$122.29
60	4/3/92	5/5/92	60	7/4/92	Hyatt - MN	Amex	\$528.37	\$2,682.88	10/29/92	117	\$528.37
61	4/5/92	5/5/92	60	7/4/92	Maders Restr.	Amex	\$183.00	\$2,865.88	10/29/92	117	\$183.00
62	4/6/92	5/5/92	60	7/4/92	Ciatti's	Amex	\$4.66	\$2,870.54	10/29/92	117	\$4.66
63	4/6/92	5/5/92	60	7/4/92	Ciatti's	Amex	\$74.00	\$2,944.54	10/29/92	117	\$74.00
64	4/9/92	5/5/92	60	7/4/92	George's Four Seasons	Amex	\$25.00	\$2,969.54	10/29/92	117	\$25.00
65	4/10/92	5/5/92	60	7/4/92	Ritz Carlton	Amex	\$304.25	\$3,273.79	10/29/92	117	\$304.25
66	4/10/92	5/5/92	60	7/4/92	Le Steak	Amex	\$76.10	\$3,349.89	10/29/92	117	\$76.10
67	4/14/92	5/5/92	60	7/4/92	Ritz Carlton	Amex	\$216.00	\$3,565.89	10/29/92	117	\$216.00
68	4/15/92	5/5/92	60	7/4/92	The Blue Fox	Amex	\$221.00	\$3,786.89	10/29/92	117	\$221.00
69	4/16/92	5/5/92	60	7/4/92	The Buchanan Grill	Amex	\$97.00	\$3,883.89	10/29/92	117	\$97.00
70	4/21/92	5/5/92	60	7/4/92	The Station Grill	Amex	\$29.95	\$3,913.84	10/29/92	117	\$29.95
71	4/22/92	5/5/92	60	7/4/92	Banana Boat - FL	Amex	\$85.00	\$3,998.84	10/29/92	117	\$85.00
72	4/24/92	5/5/92	60	7/4/92	Arturo	Amex	\$91.00	\$4,089.84	10/29/92	117	\$91.00
73	4/30/92	5/5/92	60	7/4/92	The Pepper Mill	Amex	\$69.00	\$4,158.84	10/29/92	117	\$69.00
74	5/2/92	6/6/92	60	8/5/92	Hunan Lion	Amex	\$121.35	\$4,280.19	10/29/92	85	\$121.35
75	5/4/92	6/6/92	60	8/5/92	The Grill	Amex	\$231.00	\$4,511.19	10/29/92	85	\$231.00
77	5/13/92	6/6/92	60	8/5/92	Chart House Restr.	Amex	\$111.58	\$4,622.77	10/29/92	85	\$111.58
78	5/13/92	6/6/92	60	8/5/92	Alta Mira Hotel	Amex	\$64.00	\$4,686.77	10/29/92	85	\$64.00
79	5/13/92	6/6/92	60	8/5/92	Antonello Restr.	Amex	\$87.00	\$4,773.77	10/29/92	85	\$87.00
81	5/16/92	6/6/92	60	8/5/92	Madam Wu's Restr.	Amex	\$82.00	\$4,855.77	10/29/92	85	\$82.00
82	5/17/92	6/6/92	60	8/5/92	Rosa's Restaurant	Amex	\$89.80	\$4,945.57	10/29/92	85	\$89.80

Committee Calculations

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Buchanan for President

Staff Advances
Patrick J. Buchanan

Seq	Inc Date	Statement Date	Days to Reimb	Due Date	Expense Description	Comment	Amount Incurred	o/s Amt	Reimb Date	Days o/s	Contr Amt
Committee Calculations											
83	5/19/92	6/6/92	60	8/5/92	Yankee Tavern	Amex	\$260.00	\$5,205.57	10/29/92	85	\$260.00
84	5/21/92	6/6/92	60	8/5/92	Scoma's	Amex	\$240.00	\$5,445.57	10/29/92	85	\$240.00
85	5/22/92	6/6/92	60	8/5/92	Hunan Lion	Amex	\$73.00	\$5,518.57	10/29/92	85	\$73.00
86	5/27/92	6/6/92	60	8/5/92	Chanteclair	Amex	\$488.00	\$6,006.57	10/29/92	85	\$488.00
87	5/30/92	6/6/92	60	8/5/92	Chili's	Amex	\$46.00	\$6,052.57	10/29/92	85	\$46.00
88	5/30/92	6/6/92	60	8/5/92	Scoma's	Amex	\$277.89	\$6,330.46	10/29/92	85	\$277.89
89	6/2/92	6/6/92	60	8/5/92	Cafe Pavone	Amex	\$284.52	\$6,614.98	10/29/92	85	\$284.52
90	6/29/92	7/5/92	60	9/3/92	Primi Piatti	Amex	\$153.30	\$6,768.28	10/29/92	56	\$153.30
91	7/21/92	8/4/92	60	10/3/92	Morton's	Amex	\$47.00	\$6,815.28	10/29/92	26	\$47.00
92	7/22/92	8/4/92	60	10/3/92	Continental Airlines	Amex	\$620.00	\$7,435.28	10/29/92	26	\$620.00
93	7/22/92	8/4/92	60	10/3/92	Continental Airlines	Amex	\$620.00	\$8,055.28	10/29/92	26	\$620.00
94	7/23/92	8/4/92	60	10/3/92	Hunan Lion	Amex	\$126.00	\$8,181.28	10/29/92	26	\$126.00
95	7/30/92	8/4/92	60	10/3/92	Delta Airlines	Amex	\$370.00	\$8,551.28	10/29/92	26	\$370.00
96	7/30/92	8/4/92	60	10/3/92	Delta Airlines	Amex	\$370.00	\$8,921.28	10/29/92	26	\$370.00
97	7/30/92	8/4/92	60	10/3/92	American Airlines	Amex	\$540.00	\$9,461.28	10/29/92	26	\$540.00
99	7/30/92	8/4/92	60	10/3/92	American Airlines	Amex	\$540.00	\$10,001.28	10/29/92	26	\$540.00
98	7/30/92	9/4/92	60	11/3/92	Hunan Lion	Amex	\$140.00	\$10,141.28	10/29/92	-5	\$0.00
100	8/11/92	9/4/92	60	11/3/92	Clydes	Amex	\$107.00	\$10,248.28	10/29/92	-5	\$0.00
102	8/21/92	9/4/92	60	11/3/92	Creek Dallas	Amex	\$262.00	\$10,510.28	10/29/92	-5	\$0.00
103	8/21/92	9/4/92	60	11/3/92	Fairmont Hotel	Amex	\$12.00	\$10,522.28	10/29/92	-5	\$0.00
104	8/21/92	9/4/92	60	11/3/92	Fairmont Hotel	Amex	\$281.07	\$10,803.35	10/29/92	-5	\$0.00
105	8/22/92	9/4/92	60	11/3/92	American Airlines	Amex	\$570.00	\$11,373.35	10/29/92	-5	\$0.00
106	8/22/92	9/4/92	60	11/3/92	American Airlines	Amex	\$570.00	\$11,943.35	10/29/92	-5	\$0.00
107	8/22/92	9/4/92	60	11/3/92	American Airlines	Amex	\$570.00	\$12,513.35	10/29/92	-5	\$0.00
108	8/25/92	9/4/92	60	11/3/92	Fitzgerald's	Amex	\$126.00	\$12,639.35	10/29/92	-5	\$0.00
					Subtotal Expenses		\$12,639.35				
					Check #2679	10/29/92	(\$12,639.35)				
					Balance		\$0.00	\$0.00			

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Staff Advances
Patrick J. Buchanan

Seq	Inc Date	Statement Date	Days to Reimb	Due Date	Expense Description	Comment	Days o/s	Contrib Amount	Travel Balance	Net	Contrib Balance
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Committee Calculations

1	11/25/91		n/a	n/a	Candidate Loan	Loan	n/a	\$10,000.00	n/a	\$10,000.00	(\$40,000.00)
3	12/4/91		n/a	n/a	Candidate Loan	Loan	n/a	\$40,000.00	n/a	\$40,000.00	\$0.00
2	12/4/91	1/5/92	60	3/5/92	Hunan Lion	Amex	20	\$105.00	(\$1,895.00)	\$0.00	\$0.00
4	12/7/91	1/5/92	60	3/5/92	Four Seasons Hotel	Amex	20	\$161.00	(\$1,734.00)	\$0.00	\$0.00
5	12/9/91	1/5/92	60	3/5/92	Primi Piatti	Amex	20	\$103.00	(\$1,631.00)	\$0.00	\$0.00
6	12/13/91	1/5/92	60	3/5/92	Carlyle Grand Cafe	Amex	20	\$91.00	(\$1,540.00)	\$0.00	\$0.00
7	12/14/91	1/5/92	60	3/5/92	Hunan Lion	Amex	20	\$96.00	(\$1,444.00)	\$0.00	\$0.00
8	12/17/91	1/5/92	60	3/5/92	American Airlines	Amex	20	\$253.00	(\$1,191.00)	\$0.00	\$0.00
9	12/17/91	1/5/92	60	3/5/92	Velvet Cloak Inn	Amex	20	\$267.05	(\$923.95)	\$0.00	\$0.00
10	12/17/91	1/5/92	60	3/5/92	American Airlines	Amex	20	\$253.00	(\$670.95)	\$0.00	\$0.00
11	12/17/91	1/5/92	60	3/5/92	American Airlines	Amex	20	\$253.00	(\$417.95)	\$0.00	\$0.00
12	12/18/91	1/5/92	60	3/5/92	Eastern Mountain	Amex	20	\$120.53	(\$297.42)	\$0.00	\$0.00
13	12/21/91	1/5/92	60	3/5/92	Hunan Lion	Amex	20	\$45.00	(\$252.42)	\$0.00	\$0.00
15	12/30/91	1/5/92	60	3/5/92	Omni Biltmore - RI	Amex	20	\$923.98	\$671.56	\$671.56	\$671.56
16	12/30/91	1/5/92	60	3/5/92	Ritz Carlton	Amex	20	\$47.00	\$0.00	\$47.00	\$718.56
17	1/2/92	1/5/92	60	3/5/92	Primi Piatti	Amex	20	\$137.00	\$0.00	\$137.00	\$855.56
18	1/5/92	1/5/92	60	3/5/92	George's Four Seasons	Amex	20	\$65.00	\$0.00	\$65.00	\$920.56
19	1/5/92	1/5/92	60	3/5/92	George's Four Seasons	Amex	20	\$50.00	\$0.00	\$50.00	<u>\$970.56</u>
51	3/1/92	3/6/92	60	5/5/92	Balance		1	\$50,776.36	(\$2,000.00)	\$50,776.36	\$776.36
52	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	1	\$2,007.09	\$7.09	\$7.09	\$783.45
52	3/1/92	3/6/92	60	5/5/92	Balance		9	\$50,905.18	(\$1,094.82)	\$50,000.00	\$0.00
53	3/3/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	9	\$1,272.00	\$177.18	\$177.18	\$177.18
53	3/3/92	3/6/92	60	5/5/92	Balance		99	\$50,172.85	(\$1,827.15)	\$50,000.00	\$0.00

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Buchanan President

Staff Advances

Patrick J. Buchanan

Seq	Inc Date	Statement Date	Days to Reimb	Due Date	Expense Description	Comment	Days o/s	Contrib Amount	Travel Balance	Net	Contrib Balance
-----	----------	----------------	---------------	----------	---------------------	---------	----------	----------------	----------------	-----	-----------------

Committee Calculations

15	12/30/91	1/5/92	60	3/5/92	Omni Biltmore - RI	Amex	20	\$923.98	\$671.56	\$671.56	\$671.56
16	12/30/91	1/5/92	60	3/5/92	Ritz Carlton	Amex	20	\$47.00	\$0.00	\$47.00	\$718.56
17	1/2/92	1/5/92	60	3/5/92	Primi Piatti	Amex	20	\$137.00	\$0.00	\$137.00	\$855.56
18	1/5/92	1/5/92	60	3/5/92	George's Four Seasons	Amex	20	\$65.00	\$0.00	\$65.00	\$920.56
19	1/5/92	1/5/92	60	3/5/92	George's Four Seasons	Amex	20	\$50.00	\$0.00	\$50.00	\$970.56
51	3/1/92	3/6/92	60	5/5/92	Balance		1	\$50,776.36	(\$2,000.00)	\$50,776.36	\$776.36
52	3/1/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	1	\$2,007.09	\$7.09	\$7.09	\$783.45
53	3/3/92	3/6/92	60	5/5/92	Atlanta Airport Hilton	Amex	9	\$1,272.00	\$177.18	\$177.18	\$177.18

ATTACHMENT
Page 11 of 41

PATTON BOGGS, L.L.P.
2550 M STREET, N W
WASHINGTON, D C 20037-1350
(202) 457-6000
FAX # 202-457-6355

WRITER'S DIRECT D.A.

(202) 457-6032

March 15, 1995

Via Hand Delivery

Ms. Jane Whang
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

FILED
MAR 15 1995
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

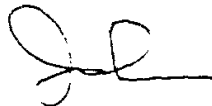
Re: ***Buchanan for President, Inc.***

Dear Jane:

Enclosed for addition to the administrative record in the Buchanan for President matter is the affidavit of Patrick J. Buchanan. Please let me know if there are any problems in substituting this signed and notarized version of the affidavit for the one that was submitted on March 9, 1995.

Thank you for your continuing courtesy.

Sincerely,



John C. Martin

cc: The Honorable Angela M. Buchanan
Scott Mackenzie

ATTACHMENT 2
Page 1 of 132

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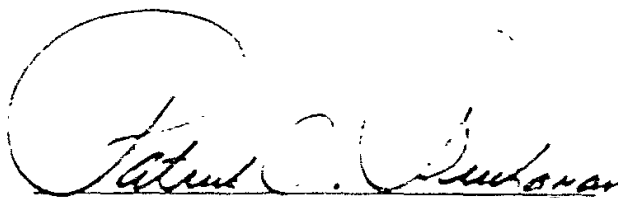
AFFIDAVIT OF PATRICK J. BUCHANAN

MAR 15 02 11 '95

1 In November of 1991, I told my sister, Angela "Bay" Buchanan, that I would contribute up to the maximum of \$50,000 to Buchanan for President (the "Committee") to make the campaign a success. In late 1991, I wrote two checks to Buchanan for President comprising the \$50,000.

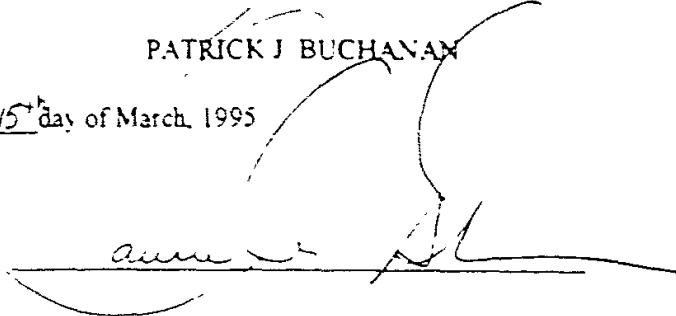
2. Bay told me the money would be considered a loan to the Committee and, if the Committee was not in debt at the end of the campaign, I would be repaid the full \$50,000. Repeatedly, during the campaign, Bay and I discussed repayment of these loans. We both understood that the loans would be repaid if possible. However, the Committee would not repay me until it was clear that the Committee would not be in debt. In August 1992, I was repaid the \$50,000.

Executed on March 15, 1995



PATRICK J. BUCHANAN

Subscribed to and sworn before me this 15th day of March, 1995



(Seal):

My Commission expires on 12/31, 1995

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PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6333

WRITERS DIRECT DIA.
(202) 457-6032

March 9, 1995

Via Hand Delivery

Ms. Jane Whang
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

Re: ***Buchanan for President, Inc.***

Dear Jane:

Enclosed for filing with the Federal Election Commission is the "Buchanan for President, Inc. Supplemental Response to Final Audit Report." Please see that it is filed with the Commission.

I have included, as an exhibit to this document, an affidavit from the candidate. The candidate has approved the language in the affidavit but, due to travel, he has been unable to sign the original document. Thus, we have provided a copy of the affidavit signed by mechanical means and we will replace this version with the original as soon as the candidate is able to sign the document and return the original to us.

If you have questions concerning this filing, please contact me. Thank you for your continuing courtesy.

Sincerely,



John C. Martin

cc: The Honorable Angela M. Buchanan
Mr. Scott Mackenzie

ATTACHMENT 2
Page 3 of 132

050/0193491

Before the Federal Election Commission

Buchanan For President, Inc.
Supplemental Response to Final Audit Report

John C. Martin
Benjamin L. Ginsberg
Patton Boggs, L.L.P.
2550 M. St. N.W.
Washington, D.C. 20037
(202) 457-6032

March 9, 1995

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Buchanan For President, Inc.

Supplemental Response to FEC Final Audit Report

Introduction

Buchanan for President, Inc. (the "Committee") submits, following its March 2, 1995 oral presentation, this supplemental response to the Federal Election Commission's *Report of the Audit Division on Buchanan for President* (approved October 11, 1994) (the "*Final Report*") and the February 23, 1995 General Counsel *Memorandum to the Commission on Oral Presentation - Buchanan for President, Inc. Committee (LRA #441) - March 2, 1995* (the "*Memorandum*") analyzing the Committee's *Response to Final Audit Report* (December 14, 1994, corrected December 15, 1994) (the "*Response*").

The Committee respectfully submits that (i) there is no basis for the recommended repayment of matching funds, (ii) the Committee is not obligated either to demand return of a repayment of the candidate's loan or to return matching funds for the loan amount, (iii) advances of the candidate and members of the staff were not excessive contributions, and (iv) the Audit Staff has overstated miscellaneous non-qualified campaign expenses.

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Discussion

I. THE COMMITTEE HAS NOT RECEIVED MATCHING FUNDS IN EXCESS OF ITS ENTITLEMENT.

The Audit Staff does not contest that the Committee was entitled to receive matching funds "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" ("NOCO's"). 11 C.F.R. § 9034.1(b). Nor does the Audit Staff dispute that the costs of winding down the campaign are considered future obligations for which a campaign is entitled to receive matching funds. See 11 C.F.R. § 9034.4(c)(2). Indeed, the graveman of the Audit Staff's complaint is simply that its estimates are better than the estimates the Committee provided in its NOCO statements.¹

A. The Commission Should Not Substitute One of The Audit Staff's Estimates of Wind Down Expenses For That of The Committee.

In the *Final Report*, the Audit Staff referred to its own estimate of future wind down expenses and concluded that the Committee had received \$532,827 in matching funds when it was no longer in a deficit position. See *Final Report* at 30-36. Yet, the facts demonstrate that the Committee's NOCO statement accurately estimated its wind down expenses, and that

Neither the General Counsel nor the Audit Staff appears to contest the legitimacy and legality of the original NOCO statements. As the Audit Staff noted, "... balances appearing on the NOCO statements, particularly those prepared shortly after the candidate's date of ineligibility, are expected to vary significantly from actual expenditures. These estimates are only as good as a campaign's knowledge of future events. As the wind down period proceeds and better information becomes available, refined estimates are made or estimates are replaced with actual expenditures. Repayment amounts, if any, are adjusted accordingly. **Disputing the accuracy of the original estimates at this stage of the process accomplishes nothing.**" See *Audit Staff's Analysis of the Committee's Response to the Final Audit Report on Buchanan for President* (LRA #441 AR #93-33) (February 14, 1995) (the "Analysis") (emphasis added)

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the Audit Staff's did not.² Indeed if one compares the Committee's estimate to *actual costs incurred* through the end of 1994, the wind down had consumed roughly 70 percent of the original estimate. By contrast, the actual costs through 1994 actually exceeded the Audit Staff's estimate for this part of the wind down by *over \$265,000*. See "*Budgeted Wind Down Expenses*" (attached as Exhibit 2).

Following the *Response*, the Audit Staff revised its estimate. See *Analysis* at Attachment 1. First, the Audit Staff examined actual costs through the end of September 1994 and then recalculated its estimate of future wind down costs. See *Memorandum* at 6. Second, the Audit Staff concluded, without explanation, that the wind down will be completed by the end of June, 1995. *Id.* at 4.³ Projecting minimal FEC investigation and enforcement, the Audit Staff estimated that the Committee would expend only \$120,000 between October 1994 and June

² The last NOCO statement for which the Committee received matching funds was dated December 2, 1992. See Exhibit 2 to the *Response*. The Audit Staff asserts, without any accompanying documentation, that it made a "formal" request of the Committee for a revised budget and that it informed the Committee of its excessive matching funds in February 1993. Neither assertion is supported and each is specifically contradicted by the affidavit of Angela Buchanan. See *Affidavit of Angela M. Buchanan* (March 9, 1995) (attached as Exhibit 1).

³ Thus, the actual costs for this portion of the wind down exceeded the Audit Staff total estimated costs by *over 64 percent*.

⁴ The Audit Staff determined that June 30, 1995 would be the final date for compensable wind down costs because that is the date by which it estimates that the repayment issues in the Final Audit Report will be concluded. *Analysis* at 4. It is not clear how the Audit Staff determined this date, given potential litigation emanating from repayment matters or the Commission's historical practice of filing Matters Under Review after the conclusion of the audit process. The Committee believes that the wind down may not be completed until approximately December 1996. See *Statement of Net Outstanding Obligations* (Exhibit 5 to the *Response* and attached hereto as Exhibit 3)

1995.⁴ Accordingly, the "Audit Division's revised analysis reduces the Committee's receipt of excess matching funds from \$532,827 to \$399,521." *Memorandum* at 6.

This revision demonstrates the risk inherent in accepting the Audit Staff estimate. If the Committee had tendered a check for \$532,827⁵ to the Treasury -- based on the Audit Staff's original claim of excess matching funds received -- the Committee would be, even according to the Audit Staff's latest estimates, without \$133,106 in matching funds to which it is entitled by **statute**.

Moreover, the Audit Staff's wind down budget is clearly insufficient to meet the wind down costs which the Committee will incur. From October 1, 1994 through December 31, 1994, the Committee had wind down costs of \$89,269. See "*Revised Wind Down Budget*" (attached as Exhibit 5).⁶ If the Committee were functioning under the constraints of the Audit Staff's budget, it would have had, as of January 1, 1995, the Audit Staff's budget would have left the Committee only \$30,731 (or 26%) to complete its wind down. See "*Audit Staff Proposed Spending*" (attached as Exhibit 6).

Furthermore, in January and February the Committee incurred, in legal expenses alone, additional wind down costs of \$11,830. See Declaration of John C. Martin at ¶6(A) ("*Martin*

⁴ The Committee has presented good faith estimates showing that it has budgeted wind down costs from October 1994 until December 1996 of up to \$500,000. See *Response* at Exhibit 5. Indeed, the Committee estimate demonstrates that the Committee is *currently* in a deficit position. See "*Proposed Spending*" (attached as Exhibit 4).

⁵ The Committee does not, and did not at the time of the release of the Final Report, have \$532,827 in cash-on-hand.

⁶ The bills for the December expenses were received by the Committee as accounts payable in January 1995.

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Decl. attached as Exhibit 7. Therefore, prior to the Committee's incurring any wind down costs related to completing the process of repayment determination, enforcement matters or possible litigation, the Audit Staff's estimate leaves the Committee with less than \$19,000 (\$30,731 - \$11,830 = \$18,901) to complete the entire wind down. Therefore, even if the wind down were to be completed within the Audit Staff's estimated three months, this amount is clearly insufficient to meet the legitimate financial needs of the Committee.⁵

Finally, the Committee's estimated wind down costs contained in its September 30, 1994 Statement of Net Outstanding Campaign Obligations (Exhibit 2) were done in good faith and are reasonable and documented. For example, the majority of the \$500,000 in estimated wind down costs -- \$385,000 -- are associated with legal fees to be incurred by the Committee. In response to the General Counsel's inquiry at the oral presentation, the Committee submits a declaration further detailing the basis for the estimates of legal fees. See Martin Decl. So far, the estimate appears accurate or, perhaps, understated. The Committee's legal counsel estimated that the Committee would incur \$80,000 of legal fees from October 1, 1994 to the end of this FEC audit procedure. From October 1, 1994 until February 28, 1995 -- two days before the oral argument or the preparation of this response, legal fees from this audit procedure amounted to \$65,658.20.

Id. at ¶6(A)

B. The Commission Should Either Require No Repayment Or Determine the Repayment After the Wind Down Is Completed.

Commissioner Elliott's comment during the oral presentation accurately portrayed the Committee's untenable position. Should the Audit Staff's judgment be substituted for the Committee's and winding down costs are greater than the Audit Staff estimate, the Committee

⁵ If only the Matters Under Review were completed, the legal expenses alone are estimated at four times the remaining sum. See Martin Decl at ¶6(b)

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could be unable to pay qualified campaign expenses for which it had received matching funds. Indeed, the Committee would be unable to mount a legal defense or simply pay the remaining vendor and consultant expenses.

On the other hand, if the Committee's projections are accepted and, after the wind down is completed, it turns out that the Committee has overestimated the wind down costs, the Committee will repay the excess matching funds to United States Treasury. See *Analysis* at Attachment 1, p. 3. The Audit Staff will review the Committee's disclosure reports and records to compare the actual figures with the estimates and prepare adjustments as necessary": see also Report of the Audit Division on Kerry for President (approved March 3, 1994) at 27 n.B. The Audit Staff maintains the right "to review the Committee's disclosure reports and Committee records, as necessary, to compare the actual figures with the estimates and prepare adjustments as necessary."⁹ In short, the Commission loses nothing in revenue and maintains its control over disbursements to assure that matching funds are expended only on qualified campaign expenses.

Thus, in order to ensure an orderly wind down the Commission should (i) accept the Committee's projections and require no repayment of matching funds at this time or (ii) make the repayment determination after the wind down is complete. This approach would further the Commission's legitimate goals without the defects described by Commissioner Elliott.

Pursuant to 26 U.S.C. § 9038(b) and 11 C.F.R. § 9038.2(c)(4), the Commission is required to make a final repayment determination within three years of the end of the candidate's matching payment period. 26 U.S.C. § 9038(c). The Committee acknowledges that the Commission's findings in the *Report of the Audit Division on Buchanan for President* (December 20, 1993) (the "Interim Audit Report") were provided within three years after the candidate's matching period payment ended and constitute the required notification. See 11 C.F.R. §9038.2(a)(2).

II. REPAYMENT OF THE CANDIDATE LOAN IS A QUALIFIED CAMPAIGN EXPENSE.

The Candidate loaned the Committee \$50,000. *See Response* at 15. The Audit Staff has disputed the Committee's repayment of the loan because the Treasurer mistakenly reported the loan as a donation on the Committee's 1991 report. *See Final Report* at 22.

Commissioner Thomas noted that the Committee's evidentiary case would be augmented by an affidavit from the candidate himself. Accordingly, the Committee has provided an affidavit from the candidate confirming the Chair's prior sworn statement that she and the candidate intended the checks as a loan to the Committee. *See Affidavit of Patrick J. Buchanan* (the "*Candidate Aff.*") (attached as Exhibit 8). The Committee therefore respectfully submits that there simply is no question that the \$50,000 contribution was from the outset a loan.

The General Counsel concedes that the intention of the Committee and the Candidate governs the proper classification of the loan. *See Memorandum* at 10. Yet, the uncontroverted evidence shows that the \$50,000 contribution was intended as a loan to be repaid by the

The Audit Staff is seeking to have the Committee repay, as a result of the loan, *more* than the total of the loan. First, the Audit Staff claims that the loan repayment to the candidate was a non-qualified campaign expense with the amount repayable to the United States Treasury equal to \$17,116. *See Final Report* at 24. Additionally, however, the Audit Staff also determined that the repayment is an "account receivable." *Id.* at 32-33. This decreases the Committee's deficit, resulting in an decrease in the amount of matching funds the Committee can receive by \$50,000, thereby requiring another \$50,000 to be repaid to the United States Treasury. *Id.* at 22. In other words, the Audit Staff is seeking the impermissible -- a \$67,000 repayment for a \$50,000 loan. *See John Glenn Presidential Comm v FEC*, 822 F.2d 1097, 1099 (D.C. Cir. 1987) ("[I]f the Commission determines that matching fund payments were used for unqualified purposes, the Commission is to order repayment of the amount of matching funds -- and *only* the amount of *matching funds* -- so used.") (emphasis in original). The Audit Staff is also seeking a double payment for the \$8,645 account receivable from Janet Fallon. *See Analysis* at Attachment 1.

Committee. See *Candidate Aff.* see also *Response* at pp. 14-16. *Buchanan for President Inc. Response to FEC Interim Audit Report* (March 28, 1994) (the "*Interim Response*") Exhibit 4 (*Affidavit of Angela M. Buchanan*) ("*Buchanan Aff.*") at ¶¶ 2, 3, 6 at ¶ 2. Prior to making the loans, the Campaign Chair and the Candidate agreed that funds contributed by the candidate to start the campaign would constitute loans to be repaid by the Committee if it had funds available. *Candidate Aff.* *Buchanan Aff.* at ¶¶ 2, 3. The arrangement was confirmed in several conversations. *Candidate Aff.* The Treasurer, who had no prior conversations with either the Campaign Chair or the candidate about the nature of the funds, mistakenly reported the loan as a donation. *Buchanan Aff.* at ¶ 6, and after learning of the mistake, he corrected the error. See *Buchanan Aff.* at ¶ 5. Accordingly, the Treasurer amended the forms to accurately classify the \$50,000 contribution as a loan. See *Interim Response*, Exhibit 5 (*Affidavit of Scott Mackenzie*) ("*Mackenzie Aff.*") at ¶¶ 2, 4. Thus, it is clear that *from the outset* the parties intended to treat the \$50,000 contribution as a loan.¹²

The General Counsel would transform the loan into a gift on the basis of the Treasurer's interpretation of the check notation. Yet, focusing on the Treasurer's interpretation of the notation misses the point: the controlling understanding here is that between the Committee and the Candidate. Furthermore, the notation's use of "contribution" is consistent with the statutory

¹ The loan was not in writing. However, there simply is no requirement in Commission regulations that loans be reduced to writing.

² The General Counsel characterizes the erroneous report as "contemporaneous evidence." See *Memorandum* at 10. Yet, the best "contemporaneous evidence" of the nature of the transaction is the actual participants' belief when they entered into the arrangement, as reflected in sworn testimony of the Committee Chair and the Candidate.

definition which encompasses a loan. See 2 U.S.C. § 4315 (A), 11 C.F.R. 100.7(a)(1)(iii).

The General Counsel's focus on the Committee's erroneous reports is equally misplaced. Again, the Treasurer's mistake cannot transform the loan into a donation any more than any other reporting error could alter the subject reported. In fact, it is not unusual for Committees to correct reports and the Commission understandably encourages corrections to avoid perpetuating mistaken information.¹⁴

If reports were etched in stone as the Audit Staff implies, the Commission would not have permitted subsequent modifications of loan terms in FEC Advisory Opinion ("A0") 1986-45, Fed. Election Camp. Fin. Guide (CCH) ¶ 5881 (1986). There, the Commission was presented with a request from Jeff Bingaman for U.S. Senate Committee ("Bingaman Committee") to determine the appropriateness of paying interest on loans from the candidate which admittedly did not require interest payment.¹⁵ The Commission permitted the Bingaman

¹⁴ Given that the notation was made shortly after a discussion of the \$50,000 limit on a candidate's contribution under the Matching Funds Act, use of the term is completely understandable.

¹⁵ The inference also ignores the fact that the Commission has allowed subsequent amendments to reports in order to reflect the true intent of a committee and a candidate. See e.g. FEC Advisory Opinion ("A0") 1986-45, Fed. Election Camp. Fin. Guide (CCH) ¶ 5881 (1986) (discussed *infra*).

¹⁶ When the candidate made the loans to the Bingaman Committee, they were not memorialized in any written instruments. While reported as loans, the Bingaman Committee and the candidate did not agree on interest payments. The decision to pay interest on the loans was made after staff discussions during the course of the campaign. Consequently, the Bingaman Committee Treasurer began reporting the loans as interest paying obligations at 13 percent (a rate which the Bingaman Committee apparently considered a reporting error). Three years after the loans were made, the Bingaman Committee and the candidate agreed to begin making interest payments at 9 percent. This agreement was memorialized in a promissory note given by the Bingaman Committee to the Candidate

Committee to make interest payments to the candidate based on a rate different from that reflected on the amended reports. Thus, while the amended report contained what is concededly a reporting error, the Committee clearly is not bound by its mistaken report. In fact, to allow the Committee to amend its report would appear more justified since, unlike the Bingaman Committee, the Committee is attempting to carry out its actual understanding rather than modifying its original intention.¹⁶

III. THE STAFF ADVANCES ARE NOT EXCESSIVE CONTRIBUTIONS.

Over the course of the campaign, the staff and the Candidate advanced monies to the campaign. The Audit Staff concluded that allegedly delayed reimbursement by the Committee of advances from the staff and the Candidate resulted in excessive campaign contributions. See *Final Report* at 16. **The Committee takes issue with the Audit Staff.**

Advances are to be treated like any other excessive contribution: the Committee has sixty days to reattribute, redesignate or refund the excessive portion of the contribution. See 11 C.F.R. § 103.3 (b)(3). To do otherwise is inconsistent and yields ridiculous results (i.e. a \$100 advance reimbursed the following morning might be an excessive contribution). Accordingly, because the Committee reimbursed the staff and Candidate within sixty days, none of the advances are excessive.

Similar reasoning makes the General Counsel's continued reliance on FEC Advisory Opinion ("AO") 1977-58, Fed. Election Camp Fin. Guide (CCH) ¶ 5285 (1977), misplaced. It was clear in that opinion that the committee attempted to change its original intent after the committee wound down its activities. AO 1977-58 would apply if the Committee initially intended that the \$50,000 contribution represented something other than a loan. That, however, is not the case here. From the outset, the Committee understood the \$50,000 contribution to be a loan. Nothing suggests that the Committee changed its intention as was the case in AO 1977-58.

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Contrary to the Audit Staff's view, an individual is entitled to the \$1,000 exemption for unreimbursed travel expenses under 11 C.F.R. § 100.7(b)(8) notwithstanding that the expenditures were for others' travel.¹⁷ In addition, the Audit Staff's understanding that the outstanding period of advances is determined by the date incurred, rather than the due date, contravenes the express provisions of 11 C.F.R. § 116.5(b)(2). In instances where the Audit Staff agreed to use the due dates, the Committee has furnished sufficient documentation to show that the expenditures were paid by credit card.

When arrayed according to their due date, even accepting the Audit Staff's view of reimbursement, the Committee's calculations¹⁸ show that the excessive staff advances were primarily charges to credit cards that remained outstanding for less than the 60 day reimbursement period.

Janet Fallon: In its calculations, the Committee used only those expenses Ms. Fallon actually incurred¹⁹ primarily by billing her American Express to secure travel related services for the candidate and his traveling party. After deducting her personal \$1,000 exemption, Ms. Fallon's excessive staff advance totaled \$18,847.48 which included 48 charges to her credit card that remained outstanding from 3 to 20 days.

¹⁷ There are \$1,000 exemptions both for contributions and for travel expenses. The Audit Staff did not account for both exemptions in its calculation.

¹⁸ The model which the Committee followed is set out in detail in the *Response* at 26

The Audit Staff used bad data in its determinations because it appears that the Audit Staff failed to account for Ms. Fallon's expenses, which it previously categorized as non-qualified expenses

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Paul Erickson: The Committee calculated Mr. Erickson's staff advance based on expenses for personal travel and subsistence, travel on behalf of others, candidate tour expenses and general office expenses. After properly ordering the due date² of Mr. Erickson's expenses and subtracting his \$1,000 personal exemption, the Committee placed Mr. Erickson's excessive staff advance at \$4,463.25. This total included 18 expense items that remained outstanding from 3 to 18 days.

Candidate: The Committee determined the candidate's staff advance figure based on travel and subsistence expenses for himself and his wife, all of which were charged to one of the candidate's credit cards. After subtracting \$2,000 as personal exemption (\$1,000 each for the candidate and his wife), from the highest outstanding balance, the Committee found \$970.56 of excessive staff advances. ~~This amount included 5 expense items that were outstanding for 20 days.~~

Thus, the total imputed excess contributions derived from staff advances, *even accepting the Audit Staff's view on reimbursement*, is only \$24,444.24. See *Response* at Exhibit 9.

In summary, because the advances can be reimbursed within sixty days, there are no excessive contributions. However, even if one accepts the Audit Staff's view, the Audit Staff miscalculated the reimbursement.

IV. THE AUDIT STAFF OVERSTATES THE COMMITTEE'S NON-QUALIFIED EXPENDITURES FOR MISCELLANEOUS EXPENSES

The Committee has previously 1) documented the expenses in detail and offered all back up documentation to the Audit Staff, *see Interim Response* at Exhibits 8-9, *Response* at 30; 2)

3) The due date for Mr. Erickson's travel and subsistence were as follows: 30 days added to the date incurred for cash expenses; 60 days added to the date incurred for credit card expenses; for all other expenses, date incurred used as the due date.

demonstrated that expenses such as software costs and staff bonuses were appropriately reported as wind down expenses. *see Interim Response* at Exhibits 5, 8 & 9, *Response* at 31, and that 3) fundraising costs which were allegedly incurred after the campaign was out of its deficit opinion were, due to the Committee's position on winding down costs. *see supra* at 2 - 7, qualified campaign expenses. *See Response* at 31

For example, in the *Interim Response* at Exhibit 9, the Committee detailed the alleged non-qualified expenses. Among these expenses were such costs as a \$1500 qualified payment to Grosnell Properties. Grosnell Properties was the property manager for the office space rented by the Committee from December 1, 1991 - May 31, 1993. During the early part of the rental period, the Committee asked Grosnell Properties to upgrade the electrical outlets in its office space to accommodate the Committee's computer equipment. Eventually, in 1992, an audit of Grosnell revealed that the Committee had not been billed for the upgrade cost. Thereafter, Grosnell delivered an invoice for the upgrade dated November 1, 1992 which was then paid by the Committee. *See Grosnell Properties, Inc. Invoice and Committee's Expense Authorization Request* (attached as Exhibit 9).

Additionally, the Committee determined that it needed to improve its computer software in order to conduct the wind down. Therefore, the Committee ordered software upgrades from Special Systems, Inc. in the amount of \$2,960.95. *See Interim Response* at Exhibit 9. The Committee used its business judgment in an effort to lower the overall cost of the wind down,²¹ yet the Audit Staff has arbitrarily refused to recognize this expense as qualified. *See, e.g. Final Report* at 26. The Audit Staff, once again, substituted its judgment for that of the Committee.

²¹ If the software had not been purchased, the Committee would have needed to purchase a new hard drive, the cost of which would have exceeded the purchase price of the software

refusing to qualify the expense merely because, in its opinion, "a committee which is winding down its activities should have no further need to purchase additional computer software." *Id.* at 27. The Committee respectfully disagrees.

Finally, there are wind down expenses amounting to \$10,622 which the Audit Staff will not consider qualified because the expenses are allegedly undocumented. *See Interim Audit Report* at 17-18 n. C. Of these undocumented expenses, \$10,322 related to payment made to Cahan Travel Management, Inc. of McLean, Virginia ("Cahan Travel"), the Committee's travel agency. Specifically, the auditors have not been able to match four payments to specific invoices. These four payments are:

Check #2645	10/15/92	\$2,025
Check #2668	10/27/92	\$4,892
Check #2776	12/02/92	\$1,675
Check #2943	3/12/93	\$1,730
		(total amount of check = \$5,765)

Attached as Exhibit 10 is a reconciliation of the Committee's payments to Cahan Travel as well as Cahan Travel Management Inc.'s invoices to the Committee from 12/01/91 to 03/31/93. The application of the four payments is demonstrated on pages 8 & 9 of the reconciliation. The reconciliation demonstrates that, at the end of March 1993, the Committee had an outstanding balance with Cahan Travel²² of \$2,393. In other words, the reconciliation shows that, as of March 31, 1993, each of the Committee's payment was applied to a Cahan Travel invoice and that Cahan Travel was not overpaid.

²² At this time, Cahan Travel has been paid in full.

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Conclusion

The Committee respectfully submits that (i) there is no basis for the recommended repayment of matching funds, (ii) the Committee is not obligated either to demand return of a repayment of the candidate's loan or to return matching funds for the loan amount, (iii) advances of the candidate and members of the staff were not excessive contribution, and (iv) the Audit Staff has overstated miscellaneous non-qualified campaign expenses. Accordingly, the Committee therefore requests that the Commission accept the Committee's previous concessions and require no further repayment of the Committee. The Committee respectfully submits that a contrary decision would contravene the statute and constitute an arbitrary and capricious decision.

Respectfully submitted.



John C. Martin
 Benjamin L. Ginsberg
 Patton Boggs, L.L.P.
 2550 M. St. N.W.
 Washington, D.C. 20037
 (202) 457-6032

Dated March 9, 1995

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EXHIBIT LIST

1. Affidavit of Angela M. Buchanan (March 9, 1995)
 2. Chart: Budgeted Wind Down Expenses
 3. Statement of Net Outstanding Campaign Obligations Dated 9/30/94
 4. Chart: Proposed Spending
 5. Chart: Revised Wind Down Budget
 6. Chart: Audit Staff Proposed Spending
 7. Declaration of John C. Martin (March 9, 1995)
 8. Affidavit of Patrick J. Buchanan (March 9, 1995)
 9. Grosnell Properties, Inc. November 1, 1992 Invoice and Committee Expense Authorization Request
-
10. Reconciliation and Cahon Travel Invoices

9 5 9 7 0 1 2 3 4 1 2

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AFFIDAVIT OF ANGELA M. BUCHANAN

Angela M. Buchanan, being duly sworn, states as follows:

1. I am the Campaign Chair of Buchanan for President, Inc. ("the Committee"), and, in March 1993, I also assumed the role of Treasurer of the Committee. I have personal knowledge of the following facts.

2. During the period extending from December 1992 through March 1993, I had meetings and conversations with personnel from the Audit Division of the Federal Election Commission (the "Commission") who were conducting an audit of the Committee.

3. I am familiar with the assertion by the Audit Division contained in the documents recently submitted to the Commission that members of this audit team made a "formal" request for a budget of future expenses.

4. I do not recall ever receiving a "formal" document from the Audit Division or the Commission requesting a new budget of future wind down expenses. Indeed, I do not recall the auditors providing me with a document that would even approximate that description.

5. I am also familiar with the Audit Division's recent assertion that the auditors informed me of "the excessive entitlement finding" in February 1993.

6. While I spoke to the auditors on a number of occasions, I am certain I was never told during the 1993 audit that the auditors had determined that the Committee had received excessive matching funds.

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7. My first recollection of hearing of this concern was at the exit meeting, well after I had prepared the budget at issue.

Further Affiant sayeth not:

Angela M. Buchanan
Angela M. Buchanan

County of Fairfax)
) ss.
State of Virginia)

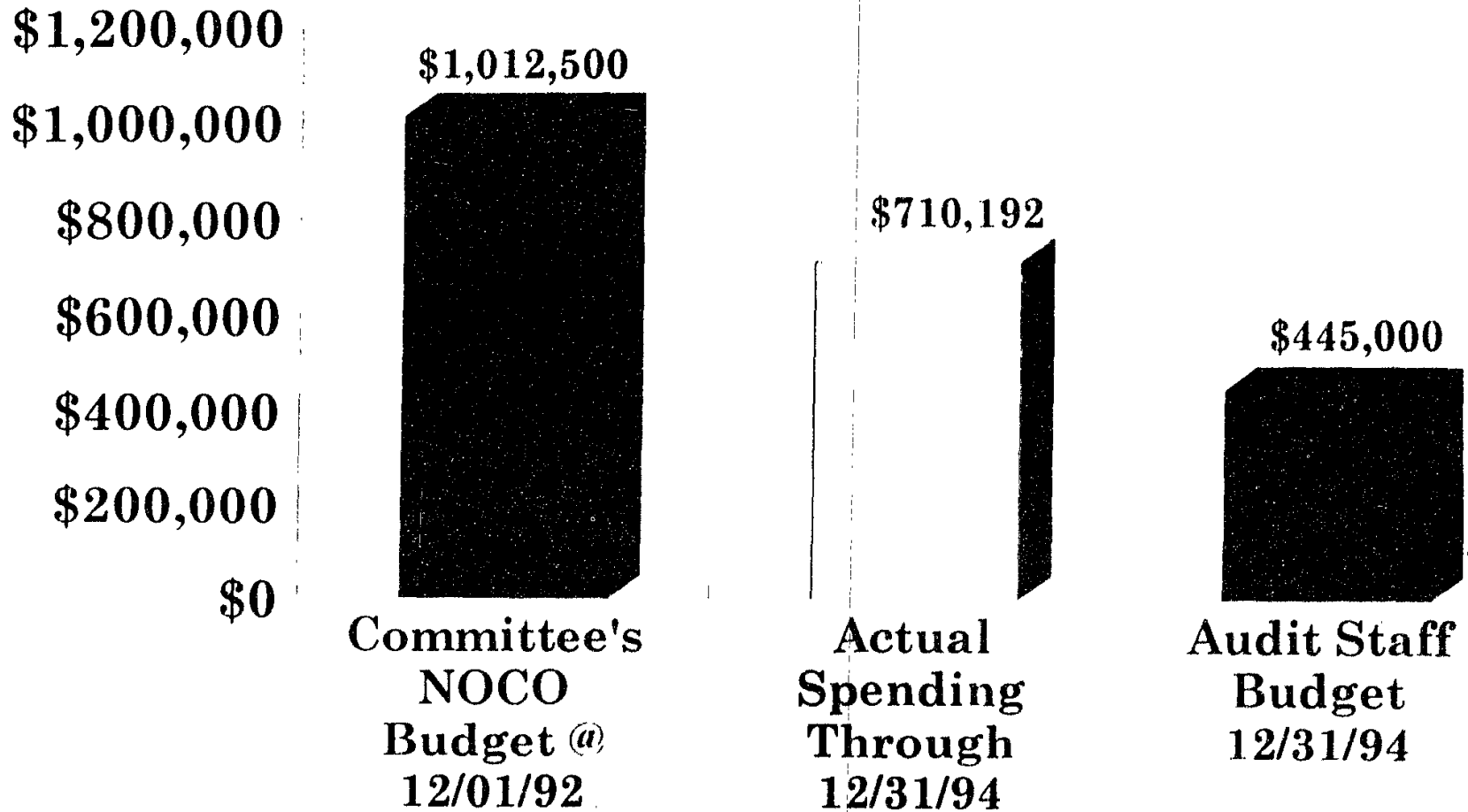
Subscribed and sworn to before me this 9th day of March, 1995, by Angela M. Buchanan.

Notary Public

My Commission Expires: 12/31/95

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Budgeted Wind Down Expenses



Buchanan for President

Statement of Net Outstanding Campaign Obligations

September 30, 1994

ASSETS:

Cash on Hand @ 8/20/92		\$380,404
Receipts: 8/21/92 - 9/30/94		
Matching Funds	\$1,587,292	
Contributions	\$769,242	
Offsets (Refunds, etc.)	\$189,853	
Total Receipts		\$2,546,387
Other Assets & Adjustments		
Capital Assets	\$19,191	
Fallon Receivable	\$8,645	
Candidate Receivable	\$0	
Deposits & Prepayments	\$0	
Total Other Assets & Adjustments		\$27,836
Total Assets		\$2,954,627

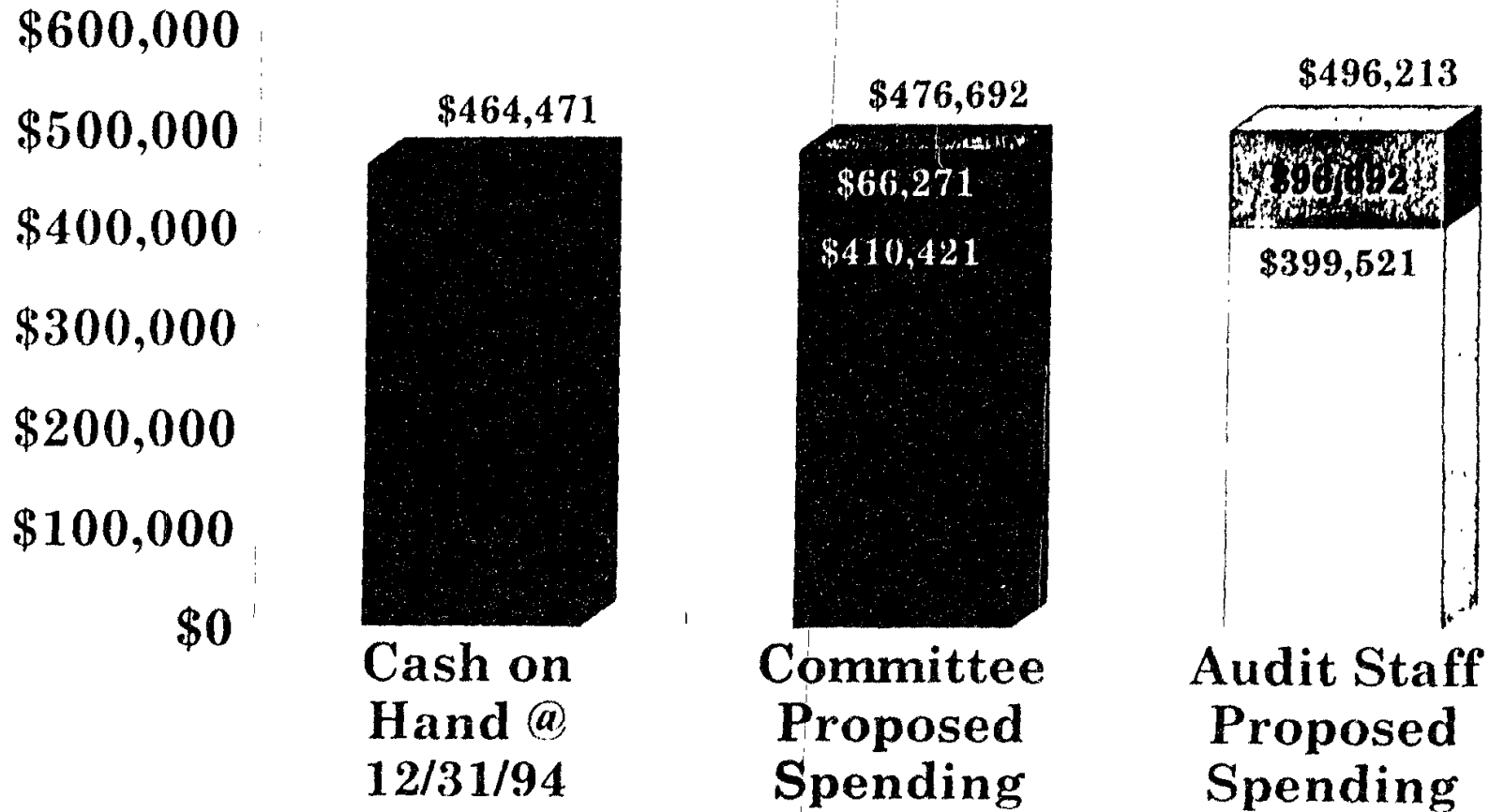
OBLIGATIONS:

Obligations & Adjustments: 8/21/92 - 9/30/94		
Qualified Campaign Expenses	\$2,484,027	
Excessive Contributions	\$53,759	
Prohibited Contributions	\$8,166	
Total Obligations & Adjustments		\$2,545,952
Estimated Winding Down Expenses: 10/01/94 - 12/31/96		
Legal Fees:	\$385,000	
Audit Representation	\$80,000	
Possible MUR's	\$80,000	
Court of Appeals	\$75,000	
District Court	\$150,000	
Accounting & Compliance	\$90,000	
Administrative Expenses	\$25,000	
Total Estimated Winding Down Expenses		\$500,000
Total Obligations		(\$3,045,952)
NOCO (Deficit)/Surplus		(\$91,325)

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Proposed Spending

(1/01/95 - End of Process)



■ Budget

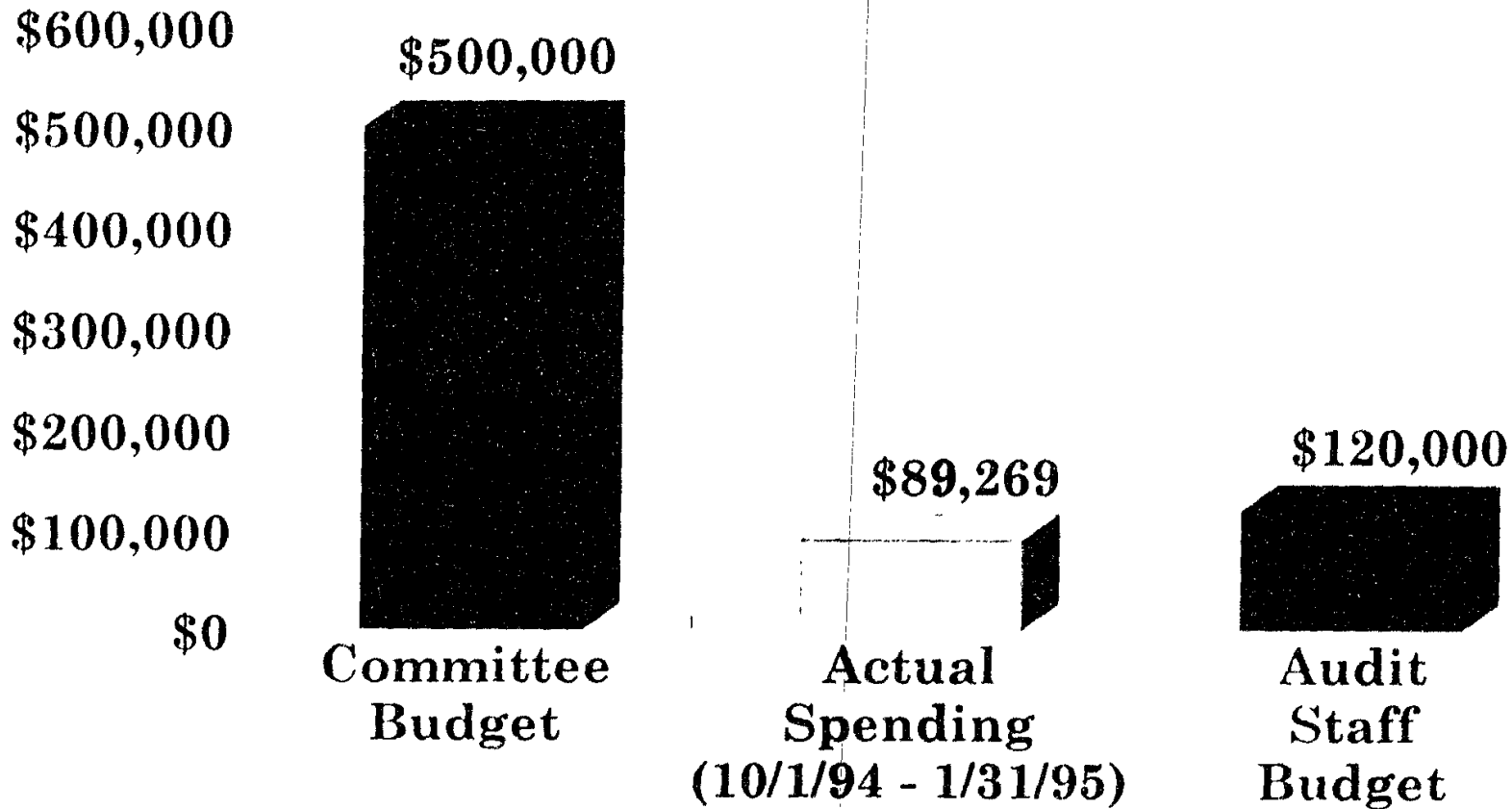
■ Accounts Payable @ 12/31/94

□ Excessive Matching Funds

■ Remaining Wind Down Budget (1/1-6/30/95)

Revised Wind Down Budget

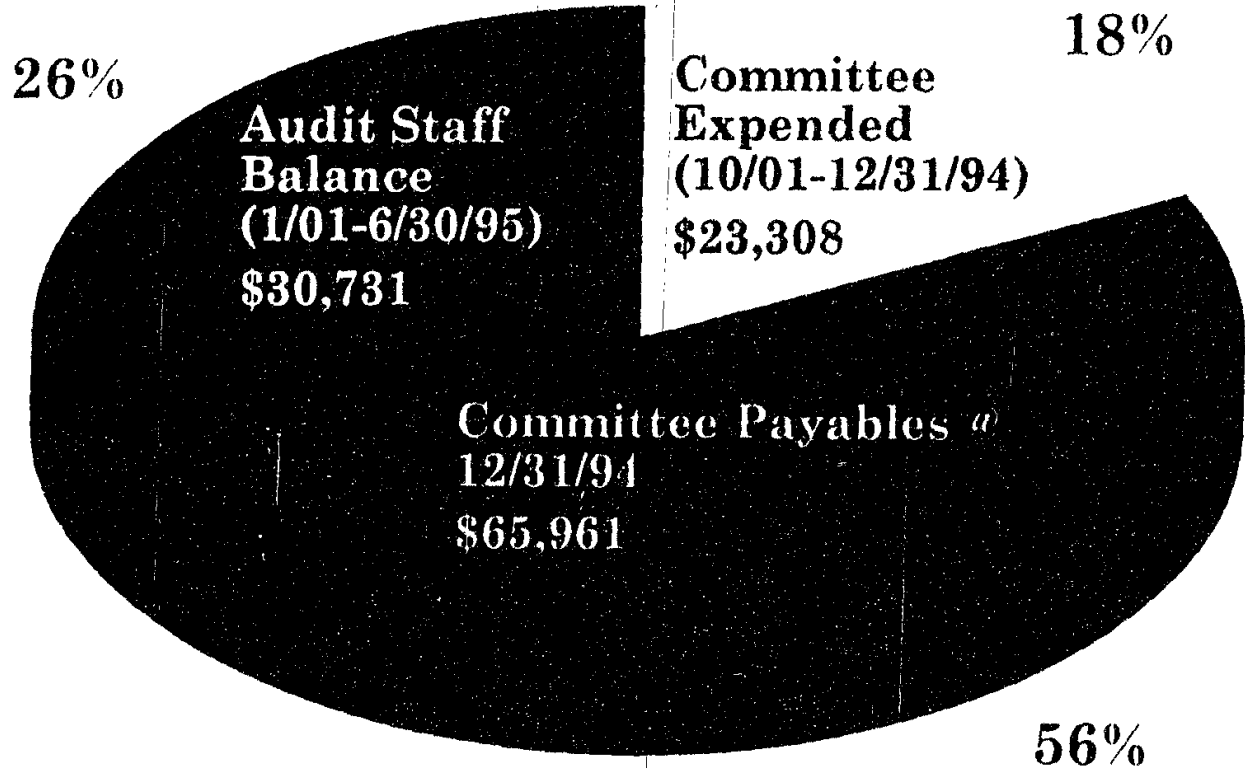
(10/01/94 - End of Process)



ATTACHMENT
Page 27 of 132

Audit Staff Proposed Spending

(10/01/94 - End of Process)



DECLARATION OF JOHN C. MARTIN

1. I am a partner in the law firm of Patton Boggs, L.L.P., the firm which represents Buchanan for President, Inc. (the "Committee") in these proceedings

2. In December of 1994 I was informed by the Committee that it was preparing a Statement of Net Outstanding Campaign Obligations (the "Statement") for inclusion in its Response to the FEC's Final Audit Report. As part of this Statement, the Committee needed to estimate its wind-down costs including a projection of future legal expenses, from October 1, 1994 until the end of the wind-down period. Therefore, Angela Buchanan, Chair of the Committee asked that I prepare this projection for inclusion in the Statement.

3. On December 14, 1994 I presented to the Committee the firm's *Estimate of Future Legal Expenses* which showed that, based on our experience, the Committee could expect to incur between \$335,000 - \$435,000 in legal fees depending on certain future events. See Attachment A.

4. During the course of the Committee's March 2, 1995 oral presentation before the Federal Election Commission (the "FEC"), Mr. Lawrence Noble, the FEC General Counsel, inquired as to the basis for the estimates I provided. This declaration is offered to impart a more detailed summary of the estimate and to elaborate on my oral explanation of the basis for the estimate

5. The final projection was arrived at using the following criteria. First, I determined, based upon the firm's billing rates, that I would use an estimated blended billing rate of \$200 per hour for attorneys' time. My present hourly rate is \$235 per hour. My partner Benjamin Ginsberg's rate is \$295 per hour. Associate rates for those associates expected to work on the matters detailed in the *Estimate of Future Legal Expenses* ranged from \$130-\$170 per

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hour. In addition, the firm charges \$50 per hour for the services of the legal assistant assigned to this matter. Disbursement charges include photocopying, messengers, postage, long distance telephone expenses and the like.

6. Based upon my previous experience and that of my colleagues, I analyzed the potential future proceedings to complete the wind down. I divided the proceedings into the general tasks associated with each proceeding. I then estimated the time needed for each step. I reached the following general conclusions:

- A. Representation in connection with FEC repayment matters. As of November 30, 1994, the Committee had incurred \$36,417.18 in fees and disbursements relating to the FEC repayment matters. The time required to complete the process after November 30 was over 200 hours, which consisted of:
- i. 130 hours to respond to the final audit,
 - ii. 45 hours to prepare for the oral presentation, and
 - iii. 40 hours to file a supplementary response.

This calculation resulted in an estimate for the repayment matters of $\$36,417.18 - (215 \div 200) =$ (approx.) \$80,000. As of the end of February 1995, prior to either the oral presentation or preparation of the supplementary response, the Committee has incurred legal bills relating to the repayment determination in the amount of \$65,658.20. Of this figure, \$53,828.20 was incurred for services performed from October 1, 1994 through December 31, 1994; \$11,830 was incurred for services rendered during January and February 1995. Thus, the total cost for this effort may exceed \$80,000.

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B. Representation in connection with potential matters under review ("MUR"). We have estimated approximately 400 hours. This estimate was derived from the following breakdown:

- i. Investigation and pre-probable cause conciliation
 - a. Research legal and factual defenses, determine negotiation position - 100 hours
 - b. Discovery - 100 hours
 - c. Depositions - 100 hours
 - d. Negotiation - 10 hours
- ii. Probable Cause Response Brief - 50 hours
- iii. Conciliation Period - 30 hours

Taking the conservative estimate, I concluded that the MUR process would take approximately 400 hours at a cost of \$80,000. Again, disbursements and legal assistant charges would likely increase this cost.

C. Representation in connection with a potential appeal arising out of repayment issues.

- i. Prepare Petitioners Brief, Reply Brief and oral argument - 375 hours
375 hours at a blended rate of \$200/hour results in an estimated appeal cost of \$75,000.

D. For representation in proceedings arising from litigation of the MUR findings.

- i. Pre-trial work
 - a. Discovery - 100-150 hours
 - b. Motion Practice - 100-200 hours
- ii. Trial Preparation
 - a. Evidentiary Issues - 25-50 hours
 - b. Expert Costs - \$30,000
 - c. Trial - 100-200 hours
- iii. Potential Appeal - 300 hours

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Of course, disbursements and legal assistant time would be added to the attorney costs. From these estimates I concluded that as a low projection, the de novo proceedings with no appeal would cost \$100,000. The costs could be much higher. With an appeal, the total litigation costs for this element could easily exceed \$200,000.

I believe that these estimates reflect fair and reasonable attorneys' fees and costs. The estimates were made in good faith based upon the firm's experience with similar matters.

8. The actual costs could be much much less if any of the tasks is eliminated or if the proceedings are settled. The actual costs could also be higher if the proceedings are complex or lengthy.

I declare under penalty of perjury that the foregoing is true and correct.



JOHN C. MARTIN

Executed on: March 9, 1995

ATTACHMENT 2
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959/019340

AFFIDAVIT OF PATRICK J. BUCHANAN

1 In November of 1991, I told my sister, Angela "Bay" Buchanan, that I would contribute up to the maximum of \$50,000 to Buchanan for President (the "Committee") to make the campaign a success. In late 1991, I wrote two checks to Buchanan for President comprising the \$50,000.

2. Bay told me the money would be considered a loan to the Committee and, if the Committee was not in debt at the end of the campaign, I would be repaid the full \$50,000. Repeatedly, during the campaign, Bay and I discussed repayment of these loans. We both understood that the loans would be repaid if possible. However, the Committee would not repay me until it was clear that the Committee would not be in debt. In August 1992, I was repaid the \$50,000.

Executed on March 9, 1995



PATRICK J. BUCHANAN

Subscribed to and sworn before me this ___ day of March, 1995

(Seal)

My Commission expires on _____, 199__

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V# 30

21

To: Bay Buchanan
From: Treasurer's Office
Date: 11-23-92

*****USE FOR ALL EXPENSES*****

I request approval to commit the following funds:

Vendor:

Gosnell Properties Inc.
8130 Boone Blvd.
Vienna, VA 22182

Amount: \$1,500.00

Date to be Paid: 11-23-92

Purpose: Electrical work

Signature: [Signature]

CHAIRMAN

____ Approved

____ Disapproved

Signature: _____

Date: _____

TREASURER

____ Approved

____ Disapproved

Signature: _____

Date: _____

*****TREASURER'S OFFICE USE*****

CHECK # 2754

CHECK AMOUNT: \$1,500.00

CHECK DATE: 11-23-92

EXPENSE ALLOCATION

VENDOR INFORMATION

Expense Account	Amount	Invoice #	Amount
_____	↓ _____	_____	↓ _____
_____	↓ _____	_____	↓ _____
_____	↓ _____	_____	↓ _____
_____	↓ _____	_____	↓ _____
_____	↓ _____	_____	↓ _____

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ATTACHMENT 2

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050/0193442

GOSNELL PROPERTIES, INC.

8130 BOONE BOULEVARD

VIENNA, VIRGINIA 22182

ACROSS FROM TYSON'S CORNER CENTER

870-1221

INVOICE

TO: Buchanan For President
FROM: Gosnell Properties, Inc.
DATE: November 1, 1992
RE: SUITE 110

Electrical repairs/add dedicated outlets to suite 110 per your request to accomodate computer usage.

Amount Due: \$1,500.00

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Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seq	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
88	1	12/11/91	331403	\$ 153.00			\$ 153.00
88	2	12/11/91	331404	\$ 153.00			\$ 306.00
88	3	12/12/91	331405	\$ 911.50			\$ 1,217.50
1	4	1/3/92	332381	\$ 478.00	1061	\$ 1,000.00	\$ 695.50
1	5	1/3/92	332382	\$ 478.00	1079	\$ 1,000.00	\$ 173.50
1	6	1/3/92	332384	\$ 478.00	1082	\$ 956.00	\$ (304.50)
1	7	1/3/92	332385	\$ 478.00			\$ 173.50
1	8	1/8/92	332783	\$ 301.50			\$ 475.00
2	9	1/8/92	332784	\$ 301.50	1122	\$ 1,382.00	\$ (605.50)
2	10	1/8/92	332791	\$ 478.00			\$ (127.50)
2	11	1/8/92	332792	\$ 301.50			\$ 174.00
2	12	1/10/92	332938	\$ 628.00			\$ 802.00
2	13	1/10/92	332964	\$ 478.00			\$ 1,280.00
2	14	1/10/92	332965	\$ 478.00			\$ 1,758.00
2	15	1/10/92	332966	\$ 478.00			\$ 2,236.00
3	16	1/10/92	332967	\$ 478.00	1153	\$ 3,018.00	\$ (304.00)
3	17	1/10/92	332968	\$ 478.00			\$ 174.00
3	18	1/15/92	333282	\$ 478.00			\$ 652.00
3	19	1/15/92	333283	\$ 478.00			\$ 1,130.00
3	20	1/15/92	333306	\$ (239.00)			\$ 891.00
3	21	1/15/92	333308	\$ (478.00)			\$ 413.00
4	22	1/16/92	333361	\$ 563.00	1153	\$ 956.00	\$ 20.00
4	23	1/17/92	333454	\$ 465.00	1159	\$ 2,100.00	\$ (1,615.00)
4	24	1/17/92	333458	\$ 263.00			\$ (1,352.00)
4	25	1/17/92	333463	\$ 362.00			\$ (990.00)
4	26	1/17/92	333508	\$ 614.50			\$ (375.50)
4	27	1/17/92	333515	\$ 86.00			\$ (289.50)
4	28	1/17/92	333516	\$ 478.00			\$ 188.50
5	29	1/17/92	333517	\$ 478.00	1167	\$ 4,935.00	\$ (4,268.50)
5	30	1/17/92	333524	\$ 478.00			\$ (3,790.50)
5	31	1/17/92	333544	\$ 1,050.00			\$ (2,740.50)
5	32	1/17/92	333546	\$ 1,050.00			\$ (1,690.50)
5	33	1/17/92	333549	\$ 1,315.00			\$ (375.50)
5	34	1/22/92	333798	\$ 301.50			\$ (74.00)
5	35	1/22/92	333799	\$ 301.50			\$ 227.50
5	36	1/22/92	333800	\$ 301.50			\$ 529.00
6	37	1/23/92	333882	\$ 478.00	1190	\$ 478.00	\$ 529.00
6	38	1/23/92	333913	\$ 550.00	1203	\$ 2,902.50	\$ (1,823.50)
6	39	1/24/92	334008	\$ 732.00			\$ (1,091.50)
6	40	1/24/92	334009	\$ 479.50			\$ (612.00)
6	41	1/24/92	334010	\$ 479.50			\$ (132.50)
6	42	1/24/92	334011	\$ 479.50			\$ 347.00
6	43	1/24/92	334012	\$ 732.00			\$ 1,079.00
7	44	1/31/92	334553	\$ (301.50)			\$ 777.50
7	45	1/31/92	334554	\$ (301.50)			\$ 476.00
7	46	1/31/92	334556	\$ (239.00)			\$ 237.00
7	47	1/31/92	334558	\$ (1,229.00)			\$ (992.00)
7	48	1/31/92	334559	\$ (301.50)			\$ (1,293.50)
7	49	1/31/92	334560	\$ (479.50)			\$ (1,773.00)
7	50	1/31/92	334562	\$ (479.50)			\$ (2,252.50)
8	51	1/31/92	334563	\$ (479.50)			\$ (2,732.00)

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Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seq	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
8	52	1/31/92	334566	\$ 479.50			\$ (2,252.50)
8	53	1/31/92	334568	\$ 478.00			\$ (1,774.50)
9	54	2/3/92	334643	\$ 469.00			\$ (1,305.50)
9	55	2/3/92	334665	\$ 469.00			\$ (836.50)
9	56	2/6/92	334936	\$ 576.50			\$ (260.00)
9	57	2/6/92	334954	\$ 417.50			\$ 151.50
9	58	2/7/92	335044	\$ 495.50			\$ 647.00
9	59	2/7/92	335045	\$ 555.50			\$ 1,202.50
10	60	2/7/92	335046	\$ 555.50	1271	\$ 1,000.00	\$ 758.00
10	61	2/7/92	335096	\$ 484.00	1285	\$ 2,345.00	\$ (1,103.00)
10	62	2/11/92	335349	\$ 650.00			\$ (453.00)
10	63	2/12/92	335362	\$ 425.00			\$ (28.00)
10	64	2/12/92	335400	\$ 677.00			\$ 649.00
10	65	2/12/92	335407	\$ 486.50			\$ 1,135.50
11	66	2/12/92	335408	\$ 555.50	1314	\$ 1,775.50	\$ (84.50)
11	67	2/12/92	335409	\$ 495.50			\$ 411.00
11	68	2/12/92	335410	\$ 469.00			\$ 880.00
11	69	2/13/92	335481	\$ 239.00			\$ 1,119.00
11	70	2/13/92	335510	\$ 297.00			\$ 1,416.00
11	71	2/13/92	335511	\$ 297.00			\$ 1,713.00
12	72	2/13/92	335512	\$ 297.00	1323	\$ 239.00	\$ 1,771.00
14	73	2/18/92	335797	\$ (538.00)			\$ 1,233.00
14	74	2/18/92	335798	\$ (239.00)			\$ 994.00
14	75	2/21/92	336100	\$ 468.00			\$ 1,462.00
14	76	2/21/92	336148	\$ 503.00			\$ 1,965.00
14	77	2/21/92	336223	\$ 564.00			\$ 2,529.00
14	78	2/21/92	336225	\$ 533.50			\$ 3,062.50
14	79	2/21/92	336229	\$ 262.00			\$ 3,324.50
13	80	2/24/92	336231	\$ 1,068.00	1372	\$ 8,000.00	\$ (3,607.50)
13	81	2/24/92	336269	\$ 370.00			\$ (3,237.50)
13	82	2/24/92	336435	\$ 493.00			\$ (2,744.50)
13	83	2/26/92	336475	\$ 732.00			\$ (2,012.50)
13	84	2/26/92	336500	\$ (230.00)			\$ (2,242.50)
13	85	2/26/92	336502	\$ (297.00)			\$ (2,539.50)
15	86	2/26/92	336503	\$ (297.00)			\$ (2,836.50)
15	87	2/26/92	336504	\$ (297.00)			\$ (3,133.50)
15	88	2/27/92	336522	\$ 732.00			\$ (2,401.50)
15	89	2/27/92	336547	\$ (1,068.00)			\$ (3,469.50)
15	90	2/27/92	336564	\$ 479.00			\$ (2,990.50)
15	91	2/28/92	336668	\$ 352.00			\$ (2,638.50)
16	92	2/28/92	336670	\$ 334.00			\$ (2,304.50)
16	93	2/28/92	336826	\$ 687.00			\$ (1,617.50)
17	94	3/2/92	336810	\$ 490.00			\$ (2,107.50)
17	95	3/2/92	336830	\$ 715.00			\$ (1,392.50)
17	96	3/2/92	336832	\$ 715.00			\$ (677.50)
17	97	3/3/92	336922	\$ 324.00			\$ (353.50)
17	98	3/3/92	336938	\$ 688.00			\$ 334.50
17	99	3/4/92	336964	\$ 461.00			\$ 795.50
18	100	3/4/92	336975	\$ 1,104.00	1446	\$ 1,104.00	\$ 795.50
18	101	3/6/92	337156	\$ 142.00	1461	\$ 4,000.00	\$ (3,062.50)
18	102	3/6/92	337211	\$ 936.00			\$ (2,126.50)

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Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seq	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
18	103	3/6/92	337215	\$ 333.00			\$ (1,793.50)
18	104	3/6/92	337234	\$ 106.00			\$ (1,687.50)
18	105	3/6/92	337293	\$ 480.00			\$ (1,207.50)
19	106	3/6/92	337294	\$ 423.50			\$ (784.00)
19	107	3/6/92	337295	\$ 428.00			\$ (356.00)
19	108	3/6/92	337296	\$ 419.00			\$ 63.00
19	109	3/6/92	337297	\$ 552.00			\$ 615.00
19	110	3/6/92	337299	\$ 1,226.00			\$ 1,841.00
19	111	3/9/92	337352	\$ 632.00			\$ 2,473.00
19	112	3/9/92	337353	\$ 632.00			\$ 3,105.00
20	113	3/10/92	337363	\$ 632.00	1481	\$ 4,600.00	\$ (863.00)
20	114	3/10/92	337419	\$ 316.00			\$ (547.00)
20	115	3/10/92	337420	\$ 632.00			\$ 85.00
20	116	3/10/92	337438	\$ 545.00			\$ 630.00
20	117	3/11/92	337492	\$ 281.00			\$ 911.00
20	118	3/12/92	337599	\$ 632.00			\$ 1,543.00
21	119	3/13/92	337718	\$ 316.00			\$ 1,859.00
22	120	3/16/92	337824	\$ 632.00	1499	\$ 2,379.00	\$ 112.00
22	121	3/16/92	337876	\$ 779.00			\$ 891.00
22	122	3/16/92	337898	\$ 351.00			\$ 1,242.00
22	123	3/16/92	337899	\$ 351.00			\$ 1,593.00
22	124	3/16/92	337900	\$ 316.00			\$ 1,909.00
22	125	3/16/92	337901	\$ 316.00			\$ 2,225.00
23	126	3/16/92	337902	\$ 351.00	1505	\$ 1,685.00	\$ 891.00
23	127	3/18/92	338023	\$ 341.00	1508	\$ 2,277.00	\$ (1,045.00)
23	128	3/18/92	338025	\$ 341.00			\$ (704.00)
23	129	3/18/92	338027	\$ 391.00			\$ (313.00)
23	130	3/18/92	338028	\$ 341.00			\$ 28.00
23	131	3/18/92	338029	\$ 547.00			\$ 575.00
24	132	3/18/92	338035	\$ 332.00	1515	\$ 806.00	\$ 101.00
24	133	3/18/92	338074	\$ 474.00			\$ 575.00
24	134	3/19/92	338154	\$ 477.00			\$ 1,052.00
24	135	3/19/92	338155	\$ 477.00			\$ 1,529.00
24	136	3/19/92	338195	\$ 477.00			\$ 2,006.00
24	137	3/19/92	338199	\$ 411.00			\$ 2,417.00
25	138	3/20/92	338244	\$ 367.00	m/c	\$ 700.00	\$ 2,084.00
25	139	3/20/92	338248	\$ 188.00	1528	\$ 2,385.00	\$ (113.00)
25	140	3/20/92	338268	\$ 700.00	1534	\$ 188.00	\$ 399.00
25	141	3/20/92	338314	\$ 185.10			\$ 584.10
25	142	3/23/92	338370	\$ 1,121.00			\$ 1,705.10
26	143	3/23/92	338371	\$ 1,121.00	1549	\$ 2,242.00	\$ 584.10
26	144	3/23/92	338393	\$ 938.00	1552	\$ 938.00	\$ 584.10
26	145	3/23/92	338408	\$ (311.00)			\$ 273.10
26	146	3/23/92	338409	\$ (316.00)			\$ (42.90)
26	147	3/27/92	338888	\$ 1,168.00			\$ 1,125.10
27	148	3/27/92	338904	\$ 739.00	1582	\$ 4,669.00	\$ (2,804.90)
27	149	3/27/92	338905	\$ 1,063.00			\$ (1,741.90)
27	150	3/30/92	338920	\$ 601.00			\$ (1,140.90)
28	151	3/30/92	338962	\$ 1,049.00			\$ (91.90)
27	152	3/30/92	338968	\$ 2,568.00			\$ 2,476.10
27	153	3/30/92	338969	\$ 2,568.00			\$ 5,044.10

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Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seq	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
27	154	3/30/92	338977	\$ 1,670.00			\$ 6,114.10
28	155	3/31/92	339061	\$ 2,223.00	1591	\$ 5,136.00	\$ 3,201.10
28	156	3/31/92	339062	\$ 1,840.00			\$ 5,041.10
29	157	4/2/92	339333	\$ 414.00	1595	\$ 5,133.00	\$ 322.10
29	158	4/2/92	339335	\$ 601.00			\$ 923.10
29	159	4/6/92	339499	\$ 258.00			\$ 1,181.10
29	160	4/6/92	339500	\$ 258.00			\$ 1,439.10
29	161	4/6/92	339501	\$ 258.00			\$ 1,697.10
29	162	4/6/92	339516	\$ 267.00			\$ 1,964.10
30	163	4/6/92	339519	\$ 935.00	1693	\$ 3,901.00	\$ (1,001.90)
30	164	4/6/92	339524	\$ (188.00)			\$ (1,189.90)
30	165	4/7/92	339568	\$ 516.00			\$ (673.90)
30	166	4/9/92	339765	\$ 597.00			\$ (76.90)
30	167	4/13/92	340000	\$ 440.00			\$ 363.10
30	168	4/13/92	340001	\$ 440.00			\$ 803.10
31	169	4/13/92	340044	\$ 2,241.00	1736	\$ 7,823.00	\$ (4,778.90)
31	170	4/13/92	340045	\$ 2,241.00			\$ (2,537.90)
31	171	4/13/92	340046	\$ 2,241.00			\$ (296.90)
31	172	4/13/92	340047	\$ 660.00			\$ 363.10
31	173	4/15/92	340293	\$ 423.00			\$ 786.10
31	174	4/15/92	340374	\$ 166.00			\$ 952.10
32	175	4/15/92	340380	\$ 302.50			\$ 1,254.60
33	176	4/16/92	340387	\$ 1,185.00	1806	\$ 1,739.00	\$ 700.60
33	177	4/17/92	340486	\$ 89.00			\$ 789.60
33	178	4/17/92	340495	\$ 705.00			\$ 1,494.60
33	179	4/17/92	340496	\$ 50.00			\$ 1,544.60
33	180	4/17/92	340497	\$ 705.00			\$ 2,249.60
33	181	4/17/92	340498	\$ 440.00			\$ 2,689.60
34	182	4/17/92	340499	\$ 340.00	1828	\$ 3,134.00	\$ (104.40)
34	183	4/17/92	340500	\$ 50.00	JG 563	\$ 63.50	\$ (117.90)
34	184	4/17/92	340501	\$ 50.00			\$ (67.90)
34	185	4/17/92	340502	\$ 705.00			\$ 637.10
34	186	4/21/92	340874	\$ 225.00			\$ 862.10
66	187	4/21/92	no entry	\$ -	563	\$ 63.50	\$ 798.60
34	188	4/23/92	341043	\$ 372.00			\$ 1,170.60
35	189	4/23/92	341044	\$ 372.00	1852	\$ 744.00	\$ 798.60
35	190	4/24/92	341211	\$ 718.00	1849	\$ 1,000.00	\$ 516.60
35	191	4/24/92	341265	\$ 278.00			\$ 794.60
35	192	4/27/92	341268	\$ 395.00			\$ 1,189.60
35	193	4/27/92	341276	\$ 410.00			\$ 1,599.60
35	194	4/27/92	341342	\$ 150.00			\$ 1,749.60
36	195	4/28/92	341348	\$ 410.00	1859	\$ 2,365.00	\$ (205.40)
36	196	4/30/92	341646	\$ 253.00	1861	\$ 560.00	\$ (512.40)
36	197	4/30/92	341647	\$ 253.00			\$ (259.40)
36	198	4/30/92	341648	\$ 253.00			\$ (6.40)
37	199	5/1/92	341743	\$ 705.00	1869	\$ 1,374.00	\$ (675.40)
37	200	5/1/92	341763	\$ 678.00			\$ 2.60
37	201	5/1/92	341906	\$ 1,425.00			\$ 1,427.60
37	202	5/1/92	341907	\$ 725.00			\$ 2,152.60
37	203	5/1/92	341909	\$ 350.00			\$ 2,502.60
38	204	5/1/92	341910	\$ 415.00			\$ 2,917.60

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Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seg	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
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38	205	5/1/92	341911	725.00			\$ 3,442.60
38	206	5/1/92	341913	644.00			\$ 4,286.60
38	207	5/4/92	341920	1,464.00			\$ 5,750.60
38	208	5/4/92	341923	349.00			\$ 6,099.60
38	209	5/4/92	341924	349.00			\$ 6,448.60
39	210	5/4/92	341925	250.00			\$ 6,698.60
39	211	5/4/92	341927	1,464.00			\$ 8,162.60
39	212	5/4/92	341928	364.00			\$ 8,526.60
39	213	5/5/92	342040	195.00			\$ 8,721.60
39	214	5/5/92	342049	375.00			\$ 9,096.60
39	215	5/5/92	342050	2,553.00			\$ 11,649.60
40	216	5/5/92	342056	560.00	1920	\$ 5,048.00	\$ 1,161.60
40	217	5/5/92	342057	560.00			\$ 721.60
40	218	5/5/92	342058	805.00			\$ 8,526.60
40	219	5/5/92	342064	(180.00)			\$ 8,346.60
40	220	5/6/92	342117	725.00			\$ 9,071.60
40	221	5/7/92	342300	360.00			\$ 9,431.60
41	222	5/8/92	342465	1,240.00			\$ 10,671.60
41	223	5/8/92	342466	840.00			\$ 11,511.60
41	224	5/8/92	342467	840.00			\$ 12,351.60
41	225	5/8/92	342468	700.00			\$ 13,051.60
41	226	5/8/92	342480	325.00			\$ 13,376.60
41	227	5/11/92	342613	105.00			\$ 13,481.60
41	228	5/11/92	342614	454.00			\$ 13,935.60
42	229	5/11/92	342615	454.00	1973	\$ 1,397.00	\$ 12,992.60
42	230	5/11/92	342616	384.00	1958	\$ 3,945.00	\$ 9,431.60
42	231	5/12/92	342735	95.00	1070	\$ 360.00	\$ 9,166.60
42	232	5/14/92	342930	805.00			\$ 9,971.60
42	233	5/15/92	343207	205.00			\$ 10,176.60
43	234	5/15/92	no entry		no entry		\$ 10,176.60
44	235	5/19/92	343301	129.00	2021	\$ 805.00	\$ 9,500.60
44	236	5/19/92	343302	303.00	2068	\$ 2,541.00	\$ 7,262.60
44	237	5/19/92	343303	2,109.00			\$ 9,371.60
44	238	5/20/92	343423	233.00			\$ 9,604.60
44	239	5/20/92	343424	233.00			\$ 9,837.60
45	240	5/20/92	343440	636.00			\$ 10,473.60
45	241	5/20/92	343441	318.00			\$ 10,791.60
45	242	5/20/92	343442	318.00			\$ 11,109.60
45	243	5/20/92	343443	318.00			\$ 11,427.60
45	244	5/21/92	343493	820.00			\$ 12,247.60
45	245	5/21/92	343494	820.00			\$ 13,067.60
45	246	5/22/92	343655	1,210.00			\$ 14,277.60
46	247	5/22/92	343656	1,210.00			\$ 15,487.60
46	248	5/22/92	343657	170.00			\$ 15,657.60
46	249	5/22/92	343658	690.00			\$ 16,347.60
46	250	5/22/92	343659	290.00			\$ 16,637.60
46	251	5/22/92	343660	480.00			\$ 17,117.60
46	252	5/22/92	343669	1,098.00			\$ 18,215.60
47	253	5/26/92	343688	460.00	2077	\$ 1,640.00	\$ 17,035.60
47	254	5/26/92	343696	454.00	2082	\$ 5,148.00	\$ 11,433.60
47	255	5/26/92	343697	1,252.00	2087	\$ 2,050.00	\$ 9,131.60

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Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seq	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
47	256	5/26/92	343699	\$ 38.00			\$ 9,093.60
47	257	5/26/92	343700	\$ 38.00			\$ 9,055.60
47	258	5/26/92	343701	\$ 239.00			\$ 8,816.60
47	259	5/26/92	343702	\$ 519.00			\$ 8,297.60
48	260	5/27/92	343838	\$ 839.00			\$ 9,136.60
48	261	5/27/92	343840	\$ 839.00			\$ 9,975.60
48	262	5/27/92	343842	\$ 698.00			\$ 10,673.60
48	263	5/28/92	343909	\$ 230.00			\$ 10,443.60
48	264	5/28/92	343910	\$ 359.00			\$ 10,084.60
48	265	5/28/92	343944	\$ 74.00			\$ 10,158.60
49	266	5/28/92	343947	\$ 123.00			\$ 10,281.60
49	267	5/28/92	343952	\$ 598.00			\$ 10,879.60
49	268	5/28/92	343955	\$ 874.00			\$ 11,753.60
49	269	5/28/92	343968	\$ 598.00			\$ 12,351.60
49	270	5/28/92	343993	\$ 175.00			\$ 12,176.60
49	271	5/28/92	343994	\$ 228.00			\$ 11,948.60
50	272	5/28/92	343995	\$ 228.00			\$ 11,720.60
50	273	5/28/92	343996	\$ 228.00			\$ 11,492.60
50	274	5/29/92	344059	\$ 480.00			\$ 11,972.60
50	275	5/29/92	344628	\$ 273.00			\$ 12,245.60
50	276	5/29/92	344629	\$ 455.00			\$ 12,700.60
50	277	5/29/92	344682	\$ 485.00			\$ 13,185.60
51	278	5/31/92	no entry	\$ -			\$ 13,185.60
52	279	6/1/92	344537	\$ 460.00			\$ 13,645.60
52	280	6/1/92	344539	\$ 460.00			\$ 14,105.60
52	281	6/1/92	344541	\$ 460.00			\$ 14,565.60
52	282	6/1/92	344543	\$ 460.00			\$ 15,025.60
52	283	6/1/92	344545	\$ 530.00			\$ 15,555.60
52	284	6/1/92	344547	\$ 530.00			\$ 16,085.60
53	285	6/1/92	344570	\$ 530.00	amex	\$ 460.00	\$ 16,155.60
53	286	6/1/92	344666	\$ 460.00	2102	\$ 2,267.00	\$ 14,348.60
53	287	6/2/92	344851	\$ 555.00	2097	\$ 2,376.00	\$ 12,527.60
53	288	6/3/92	345147	\$ 185.00	2117	\$ 4,642.00	\$ 8,069.60
53	289	6/3/92	345148	\$ 185.00			\$ 8,254.60
54	290	6/3/92	345149	\$ 185.00			\$ 8,439.60
54	291	6/3/92	345179	\$ 480.00			\$ 8,919.60
54	292	6/4/92	345408	\$ 455.00			\$ 8,464.60
54	293	6/4/92	345409	\$ 49.00			\$ 8,415.60
54	294	6/5/92	345883	\$ 690.00			\$ 9,105.60
54	295	6/5/92	345884	\$ 510.00			\$ 9,615.60
55	296	6/5/92	345885	\$ 615.00			\$ 10,230.60
55	297	6/5/92	345886	\$ 615.00			\$ 10,845.60
55	298	6/5/92	345914	\$ 795.00			\$ 11,640.60
55	299	6/8/92	345923	\$ 850.00			\$ 12,490.60
55	300	6/8/92	345924	\$ 850.00			\$ 13,340.60
55	301	6/9/92	346145	\$ 653.00			\$ 12,687.60
56	302	6/9/92	346146	\$ 455.00	2189	\$ 5,480.00	\$ 6,752.60
56	303	6/9/92	346147	\$ 455.00	2208	\$ 5,000.00	\$ 1,297.60
56	304	6/10/92	346244	\$ 435.00	amex	\$ 435.00	\$ 1,297.60
57	305	6/19/92	346875	\$ 740.00			\$ 2,037.60
57	306	6/19/92	346876	\$ 354.00			\$ 2,396.60

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Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seq	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
57	307	6/22/92	346945	\$ (3,526.00)			\$ (1,129.40)
57	308	6/22/92	346993	\$ (293.00)			\$ (1,422.40)
57	309	6/22/92	346994	\$ (293.00)			\$ (1,715.40)
57	310	6/22/92	346995	\$ (293.00)			\$ (2,008.40)
58	311	6/22/92	347342	\$ 345.00			\$ (1,663.40)
59	312	7/2/92	347791	\$ 365.00			\$ (1,298.40)
59	313	7/8/92	348124	\$ (316.00)			\$ (1,614.40)
59	314	7/8/92	348126	\$ (435.00)			\$ (2,049.40)
59	315	7/13/92	348491	\$ 1,430.00			\$ (619.40)
59	316	7/15/92	348642	\$ (300.00)			\$ (919.40)
59	317	7/15/92	348643	\$ (154.10)			\$ (1,073.50)
60	318	7/15/92	no entry	\$ -			\$ (1,073.50)
61	319	7/17/92	348834	\$ 690.00			\$ (383.50)
61	320	7/17/92	348835	\$ 690.00			\$ 306.50
61	321	7/17/92	348931	\$ 854.00			\$ 1,160.50
61	322	7/17/92	348934	\$ 600.00			\$ 1,760.50
61	323	7/24/92	349261	\$ 1,440.00			\$ 3,200.50
61	324	7/24/92	349328	\$ 193.00			\$ 3,393.50
62	325	7/24/92	349334	\$ (293.00)			\$ 3,100.50
62	326	7/29/92	349570	\$ 147.00			\$ 3,247.50
62	327	7/29/92	349571	\$ 147.00			\$ 3,394.50
62	328	7/29/92	349572	\$ 147.00			\$ 3,541.50
62	329	7/29/92	349573	\$ 147.00			\$ 3,688.50
62	330	7/29/92	349574	\$ 290.00			\$ 3,978.50
63	331	7/29/92	349575	\$ 820.00			\$ 4,798.50
63	332	7/29/92	349580	\$ 75.00			\$ 4,873.50
63	333	7/29/92	349586	\$ (665.00)			\$ 4,208.50
63	334	7/30/92	349666	\$ 370.00			\$ 4,578.50
63	335	7/30/92	349668	\$ 984.00			\$ 5,562.50
63	336	7/30/92	349669	\$ 820.00			\$ 6,382.50
64	337	7/30/92	349670	\$ 720.00			\$ 7,102.50
64	338	7/30/92	349674	\$ 820.00			\$ 7,922.50
64	339	7/30/92	349677	\$ 720.00			\$ 8,642.50
64	340	7/30/92	349678	\$ 820.00			\$ 9,462.50
64	341	7/30/92	349680	\$ 740.00			\$ 10,202.50
64	342	7/30/92	349683	\$ 740.00			\$ 10,942.50
64	343	7/30/92	349684	\$ 720.00			\$ 11,662.50
65	344	7/30/92	349703	\$ 784.00	2404	\$ 12,738.50	\$ (292.00)
65	345	7/30/92	349705	\$ 720.00			\$ 428.00
65	346	7/30/92	349706	\$ 720.00			\$ 1,148.00
66	347	7/31/92	2404	\$ 720.00	ct cash	\$ 720.00	\$ 1,148.00
65	348	7/31/92	349775	\$ 720.00			\$ 1,868.00
67	349	8/3/92	349826	\$ (578.00)			\$ 1,290.00
67	350	8/3/92	349881	\$ (301.50)			\$ 988.50
67	351	8/3/92	349882	\$ (301.50)			\$ 687.00
67	352	8/3/92	349883	\$ (770.00)			\$ (83.00)
67	353	8/3/92	349884	\$ (825.00)			\$ (908.00)
67	354	8/3/92	349885	\$ (825.00)			\$ (1,733.00)
68	355	8/3/92	349886	\$ (829.00)			\$ (2,562.00)
68	356	8/4/92	349973	\$ 720.00			\$ (1,842.00)
68	357	8/5/92	350037	\$ 238.00			\$ (1,604.00)

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Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seq	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
68	358	8/5/92	350065	\$ 870.00			\$ 774.00
68	359	8/5/92	350066	\$ 705.00			\$ (29.00)
68	360	8/5/92	350067	\$ 705.00			\$ 676.00
69	361	8/7/92	350257	\$ 710.00			\$ 1,386.00
69	362	8/7/92	350258	\$ 710.00			\$ 2,096.00
69	363	8/7/92	350356	\$ 705.00			\$ 2,801.00
69	364	8/13/92	350771	\$ 755.00			\$ 3,556.00
69	365	8/14/92	350881	\$ (592.50)			\$ 2,963.50
69	366	8/14/92	350970	\$ 655.00			\$ 3,618.50
70	367	8/14/92	350978	\$ 1,265.00			\$ 4,883.50
71	368	8/17/92	351002	\$ 460.00			\$ 5,343.50
71	369	8/19/92	351246	\$ 99.00			\$ 5,442.50
71	370	8/24/92	351545	\$ 490.00			\$ 5,932.50
72	371	9/2/92	352566	\$ (440.00)			\$ 5,492.50
72	372	9/10/92	353085	\$ 1,440.00			\$ 6,932.50
72	373	9/10/92	353176	\$ (592.50)			\$ 6,340.00
72	374	9/11/92	353376	\$ 845.00			\$ 7,185.00
72	375	9/14/92	353407	\$ 770.00			\$ 7,955.00
73	376	9/17/92	353630	\$ (1,415.00)	2585	\$ 2,696.00	\$ 3,844.00
73	377	9/18/92	353785	\$ 129.00			\$ 3,973.00
73	378	9/18/92	353787	\$ 368.00			\$ 4,341.00
73	379	9/18/92	353851	\$ 750.00			\$ 5,091.00
73	380	9/18/92	353852	\$ 750.00			\$ 5,841.00
73	381	9/24/92	354150	\$ (715.00)			\$ 5,126.00
74	382	9/25/92	354313	\$ 620.00			\$ 5,746.00
74	383	9/25/92	354315	\$ 620.00			\$ 6,366.00
75	384	10/5/92	354905	\$ 138.00			\$ 6,504.00
75	385	10/7/92	355123	\$ 302.50			\$ 6,806.50
75	386	10/9/92	355298	\$ 423.00			\$ 7,229.50
75	387	10/9/92	355300	\$ 423.00			\$ 7,652.50
75	388	10/9/92	355307	\$ 332.50			\$ 7,985.00
75	389	10/9/92	355366	\$ 488.00			\$ 8,473.00
76	390	10/12/92	355377	\$ 380.00			\$ 8,853.00
76	391	10/12/92	355383	\$ 380.00			\$ 9,233.00
77	392	10/19/92	356027	\$ 720.00	2645	\$ 2,025.00	\$ 7,928.00
77	393	10/19/92	356028	\$ 720.00			\$ 8,648.00
77	394	10/29/92	356791	\$ 1,700.00			\$ 10,348.00
78	395	11/6/92	357391	\$ (398.00)	2668	\$ 4,892.00	\$ 5,058.00
78	396	11/6/92	357393	\$ (398.00)			\$ 4,660.00
78	397	11/11/92	357857	\$ 1,700.00			\$ 6,360.00
78	398	11/12/92	357968	\$ (595.00)			\$ 5,765.00
78	399	11/12/92	357969	\$ (595.00)			\$ 5,170.00
79	400	11/12/92	357973	\$ (4,990.00)			\$ 180.00
79	401	11/12/92	357977	\$ (1,137.50)			\$ (1,137.50)
79	402	11/13/92	358131	\$ 1,040.00			\$ 97.50
80	403	11/16/92	358175	\$ 850.00			\$ 752.50
80	404	11/20/92	358663	\$ (1,375.00)			\$ 922.50
80	405	11/24/92	358842	\$ 2,122.50			\$ 1,200.00
81	406	12/8/92	no entry	\$ -	2776	\$ 1,675.00	\$ (475.00)
82	407	12/23/92	360458	\$ 1,092.00			\$ 527.00
82	408	12/23/92	360459	\$ 1,002.00			\$ 1,529.00

050701934

Cahan Travel Reconciliation - 12/01/91 - 03/31/93

Sheet	Seq	Date	Inv num	Inv amt	Chk num	Chk amt	Balance
82	409	12/23/92	360489	\$ 348.00			\$ 1,877.00
82	410	12/23/92	360506	\$ 270.00			\$ 2,147.00
84	411	12/23/92	361962	\$ (1,002.00)	2879	\$ 2,035.00	\$ (890.00)
84	412	12/23/92	361964	\$ (1,002.00)			\$ (1,892.00)
85	413	1/6/93	360877	\$ 2,300.00	gm 868	\$ 50.00	\$ 358.00
85	414	1/12/93	361183	\$ 2,035.00			\$ 2,393.00
85	415	1/14/93	361353	\$ 118.00			\$ 2,511.00
85	416	1/14/93	361354	\$ 118.00			\$ 2,629.00
85	417	2/3/93	362486	\$ 2,000.00	amex	\$ 1,460.00	\$ 3,169.00
85	418	2/8/93	362683	\$ 1,460.00	amex	\$ 1,460.00	\$ 3,169.00
85	419	2/8/93	362684	\$ 1,460.00			\$ 4,629.00
86	420	2/17/93	363117	\$ 2,035.00	amb 2244	\$ 236.00	\$ 6,428.00
86	421	2/25/93	363741	\$ 2,000.00			\$ 8,428.00
87	422	3/12/93	no entry	\$ -	1152	\$ 270.00	\$ 8,158.00
87	423	3/12/93	no entry	\$ -	2943	\$ 5,765.00	\$ 2,393.00

FEC Problem w/ \$1,1730 of this check

Totals \$ 174,236.50 \$ 171,843.50

05070193402

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

An operating company of the Cahan Group, Inc

BUCHANAN FOR PRESIDENT
ATTN: JANEY FALOW
8133 BOONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JAN 92	1	4,532.50

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31DEC91		BALANCE FORWARD			5,337.00
2JAN92		CHECK # 1061 PMT ON ACCOUNT AIR TIKTS		1,000.00	4,337.00
3JAN92	332381	05JAN IAD MHT IAD 7289826727 MUELLER/GREG	478.00		4,815.00
3JAN92	332382	05JAN IAD MHT IAD 7289826728 ERICKSON/PAUL	478.00		5,293.00
3JAN92	332384	05JAN IAD MHT IAD 7289826729 BUCHANAN/PAT	478.00		5,771.00
3JAN92	332385	05JAN IAD MHT IAD 7289826730 BUCHANAN/SHELLY	478.00		6,249.00
6JAN92		CHECK # 1079 PMT ON ACCT AIRLINE TIKTS		1,000.00	5,249.00
10JAN92		CHECK # 1082 PMT ON ACCT AIRLINE TIKTS		950.00	4,299.00
10JAN92	332388	10JAN BDC IAD 7290535002 BUCHANAN/PA	30.00		4,269.00

Attachment 2
Page 45 of 132

Vertical text on the left margin: 6448, 6448, 6448, 3, 3, 9, 5, 9, 9, REGISTERED MAIL

95019341

CUSTOMER

BUCHANAN FOR PRESIDENT
 ATTN: JANET FALLON
 1000 ONE EIGHT FOUR
 WASHINGTON DC 20540

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JAN 92	2	4,532.50

8201

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
8JAN92	332784	10JAN BOS IAD 7290935027 BUCHANAN/SHELLY	301.50		4,896.00
8JAN92	332791	19JAN MHT IAD MHT 7290935031 DOUGLAS/CHUCK	478.00		5,374.00
8JAN92	332792	10JAN BOS IAD 7290935032 MUELLER/GREG	301.50		5,675.50
9JAN92		CHECK # 1122 PMT ON ACCT AIRLINE TKTS		1,382.00	4,293.50
10JAN92	332938	10JAN BOS IAD 8552591738 BUCHANAN/PAT	628.00		4,921.50
10JAN92	332964	13JAN IAD MHT IAD 7290935197 MUELLER/GREG	478.00		5,399.50
10JAN92	332965	13JAN IAD MHT IAD 7290935198 MACKENZIE/SCOTT	478.00		5,877.50
10JAN92	332966	13JAN IAD MHT IAD 7290935199 BUCHANAN/SHELLY	478.00		6,355.50

STANDARD REGISTER FORM NO. 6115

TO ORDER (VOID HERE)

Attachment 2
 Page 46 of 132
 CONTINUED

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon receipt of your remittance. We appreciate your cooperation.

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3600

DO NOT DATE FROM RECEIPT - An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN FOR PRESIDENT
 MRS. JANET FALLOU
 8130 BOONE BLVD. - #111
 VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JAN 92	3	4,532.50
	SEQ#	4	

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
10JAN92	332967	13JAN IAD MHT IAD 7290935201 BUCHANAN/PAT	478.00		6,833.50
10JAN92	332968	13JAN IAD MHT IAD 7290935202 ERICKSON/PAUL	478.00		7,311.50
14JAN92		CHECK # 1133 PMT ON ACCT AIRLINE TKT		3,018.00	4,293.50
15JAN92	333282	16JAN IAD MHT IAD 7290935478 BUCHANAN/BAY	478.00		4,771.50
15JAN92	333283	16JAN IAD MHT IAD 7290935479 WEINSCHEL/IAN	478.00		5,249.50
15JAN92	333306	MHT IAD REF ORIG INV#332981 3JAN 7289826727 MUELLER/GREG	239.00-		5,010.50
15JAN92	333308	13JAN IAD MHT IAD REF ORIG INV#332965 10JAN 7290935198 MACKENZIE/...	478.00-		4,532.50

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STATEMENT

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-3667

DUPLICATE - DAYS FROM RECEIPT An operating company of the Cahan Group, Inc.

CUSTOMER: 1 9 5 9 7 0 8 4 9 6 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

BUCHANAN FOR REBILLING
 ATTN: JANET FARELDA
 8130 BOONE BLVD. - 3110
 VIENNA, VA. 22181

ACCT. NO.	DATE	PAGE	BALANCE DUE
920	31 JAN 92	1	2,345.00
4	82.04	5	

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15JAN92		BALANCE FORWARD			4,532.50
16JAN92	333361	16JAN IAD BOS MHT IAD 8552591748 BUCHANAN/BAY	563.00		5,095.50
16JAN92		CHECK # 1153		956.00	4,139.50
17JAN92	333454	25JAN TUL STL ATL STL TUL 7290935806 CARPENTER/MIKE	465.00		4,604.50
17JAN92	333458	25JAN RNA ATL RNA 7290935610 SIMPSON/LYLE	263.00		4,867.50
17JAN92	333463	25JAN TPA ATL TPA 7290935614 HINES/TOM	362.00		5,229.50
17JAN92	333508	25JAN IAD ATL MSY IAD 7290935644 HAWKINS/BRUCE	614.50		5,844.00
17JAN92		CHECK # 1159		2,100.00	3,744.00
17JAN92	333515	19JAN SFO LAX 7290935844 NEFF/HOON	86.00		3,830.00
17JAN92	333516	23JAN IAD MHT 7290935850 BUCHANAN/BAY			3,830.00

CAHAN TRAVEL MANAGEMENT
CUMI

6700 Cahan Street • McLean, Virginia 22101 • Phone: 703-891-2044 • Fax: 703-893-1446

CAHAN TRAVEL MANAGEMENT is an operating company of The Cahan Group, Inc.

STANDARD
SYSTEMS
CORPORATION
4300
RIVERCHASE
AVENUE
SUITE 400
MEMPHIS
TN 38117

BUCHANAN FOR PROSIDENT
ATTN: JANET FALLEN
3100 BOONE BLVD # 4111
VIENNA VA 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 JAN 92	2	2,345.00

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
17JAN92	333517	23JAN IAD MHT IAD 7290935651 BUCHANAN/PAT	478.00		4,786.00
17JAN92	333524	23JAN IAD MHT IAD 7290935656 MUELLER/GREG	478.00		5,264.00
17JAN92	333544	18JAN IAD SFO LAX 7290935672 BUCHANAN/SHELLY	1,050.00		6,314.00
17JAN92	333546	18JAN IAD SFO LAX 7290935673 BUCHANAN/PAT	1,050.00		7,364.00
17JAN92	333549	19JAN IAD SFO LAX IAD 7290935676 KIMBLE/RICHARD	1,315.00		8,679.00
21JAN92		CHECK # 1157		4,935.00	3,744.00
22JAN92	333798	25JAN BOS DCA 7292281878 BUCHANAN/SHELLEY	301.50		4,045.50
22JAN92	333799	25JAN BOS DCA 7292281879 BUCHANAN/PAT	301.50		4,347.00
22JAN92	333801	25JAN BOS DCA 7292281880 MUELLER/GREG	301.50		4,648.50

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

STATEMENT

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 897-3000

DUE 7 DAYS FROM RECEIPT An operating company of the Cahan Group, Inc

CUSTOMER

BUCHANAN TOP FLEET/INT
 ATTN: JANE FALLON
 2137 BOONE BLVD. - #110
 VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
B20	31 JAN 92	3	2,345.00

SEQ# 5

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
23JAN92	333882	23JAN IAD MHT IAD 7292281927 BUCHANAN/BAY	478.00		5,126.50
23JAN92	333913	25JAN TUL.STL ATL.STL TUL 7292281946 CARPENTER/HIRE	550.00		5,676.50
24JAN92	334008	25JAN ATL IAD ATL 7292282031 FROST/BRANIT	732.00		6,408.50
24JAN92	334009	27JAN IAD MHT BOS IAD 7292282032 BUCHANAN/SHELLEY	479.50		6,888.00
24JAN92	334010	27JAN IAD MHT BOS IAD 7292282033 BUCHANAN/PAT	479.50		7,367.50
24JAN92	334011	27JAN IAD MHT BOS IAD 7292282034 MUELLER/GREG	479.50		7,847.00
24JAN92	334012	25JAN ATL IAD ATL 7292282035 HAWKINS/BRUCE	732.00		8,579.00
27JAN92		CHECK # 1099		478.00	8,101.00
27JAN92		CHECK # 1003		2,992.50	5,108.50

ATTACHMENT 2
 Page 50 of 132

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 REGISTER FORM ADS 88115 TO ORDER (V) (U) (B) (A)

OUR TRAVEL FROM THE... An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN, SUE
 ATTN: JANET
 8130 BOONE BLVD. - #111
 VIENNA, VA.

ACCT. NO.	DATE	PAGE	BALANCE DUE
020	31 JAN 92	4	2,345.00

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

950 / 0
 HARD REGISTER FOR ADS 8515
 250 ORDER INVOICE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31 JAN 92	334553	10 JAN BOS IAD REF ORIG INV#332783 8 JAN 7290935026 BUCHANAN/PAT	301.50-		4,897.00
31 JAN 92	334554	10 JAN BOS IAD REF ORIG INV#332784 8 JAN 7290935027 BUCHANAN/SHELLY	301.50-		4,595.50
31 JAN 92	334554	MHT IAD REF ORIG INV#333524 17 JAN 7290935656 MUELLER/GREG	239.00-		4,356.50
31 JAN 92	334555	IAD SFO LAX IAD REF ORIG INV#333549 17 JAN 7290935676 KIMBLE/RICHARD	1,229.00-		3,127.50
31 JAN 92	334559	25 JAN BOS DCA REF ORIG INV#333800 22 JAN 7292281880 MUELLER/GREG	301.50-		2,826.00
31 JAN 92	334560	27 JAN IAD MHT BOS IAD REF ORIG INV#334009 24 JAN 7292282032 BUCHANAN/SHELLEY	479.50-		2,346.50
31 JAN 92	334561	27 JAN IAD MHT BOS IAD REF ORIG INV#334110 24 JAN 7292282033 BUCHANAN/PAT	479.50-		1,867.00

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

STATEMENT



6721 Curran Street • McLean, Virginia 22103 • Tel. 893-2040 • Fax (703) 893-3666

PLEASE PRINT NAME FROM RECEIPT An operating company of the Cahan Group, Inc.

SUN SHAN FOM PRESIDENT
 101 JANET FALLON
 2100 BOONE BLVD. - #110
 VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
B20	31 JAN 92	5	2,345.00

4 SEQ# 5

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31 JAN 92	334563	27 JAN IAD MHT BOS IAD REF ORIG INV#334011 24 JAN 7292282034 MUELLER/GREG	479.50-		1,387.50
31 JAN 92	334566	02 FEB IAD MHT BOS IAD 7292282458 MUELLER/GREG	479.50		1,867.00
31 JAN 92	334568	02 FEB IAD MHT IAD 7292282459 BUCHANAN/BAY	478.00		2,345.00

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100
 CUSTOMER
 TO ORDER (VOT/IB/BB)
 CUSTR FORM ADS 88115

ATTACHMENT 2
 Page 52 of 132

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • Tel: 899-2040 • Fax: (703) 891-3666
 An operating company of the Cahon Group, Inc.

CUSTOMER

REVENUE TRAVEL AGENCY
 ATTN: JANET FALLON
 8130 BOWNE BLVD. - #110
 NEWTON, MA 02459

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 FEB 92	1	5,697.50

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31 JAN 92		BALANCE FORWARD			2,345.00
3 FEB 92	334643	03 FEB IAD MHT. BOS DCA 7292282525 BEYER/BROOKE	469.00		2,814.00
3 FEB 92	334665	04 FEB DCA. BOS MHT. POS DCA 7292282545 BOZELL/BRENT	469.00		3,283.00
6 FEB 92	334936	08 FEB IAD MHT BOS IAD 7292282746 JEFFREY/TERRY	570.50		3,853.50
6 FEB 92	334954	13 FEB IAD MHT BOS IAD 7292282764 MACKENZIE/SCOTT ME	417.50		4,271.00
7 FEB 92	335044	08 FEB IAD MHT BOS IAD 7292282839 MUELLER/GREG	495.50		4,766.50
08 FEB 92	335047	08 FEB DCA POS IAD 7292282844 BUCHANAN/SHARON	120.00		4,886.50

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An operating company of the Cahan Group, Inc.

REMO-TIS-00

BUCHANAN, BOB PRESIDENT
 8131 JANET FALLON
 8131 SOONE BLVD. - #111
 VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
620	15 FEB 92	2	5,890.50

SEP# 8

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
7FEB92	335046	08FEB DCA BOS IAD 7292282841 BUCHANAN/PAT	555.50		5,877.50
7FEB92	335095	10FEB PHL MHT PHL 7292282885 LUNTZ/FRANK	484.00		6,361.50
10FEB92		CHECK # 1271		1,000.00	5,361.50
10FEB92		CHECK # 1285		2,345.00	3,016.50
11FEB92	335349	18MAR IAD LAX SNA LAX IAD 7293264096 BUCHANAN/ANGELA	650.00		3,666.50
12FEB92	335352	16FEB DCA BOS MHT BOS DCA 7293264109 FALLON/JANET	425.00		4,091.50
12FEB92	335400	15FEB IAD ATL IAD 7293264141 HAWKINS/BRUCE	677.00		4,768.50
12FEB92	335407	13FEB DCA BOS MHT BOS IAD 7293264149 BUCHANAN/BOB	486.50		5,255.00

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
 Page 54 of 132

STANDARD RECEIPT FORM 404 5-81 (SEE INSTRUCTIONS)

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

An operating company of the Cahan Group, Inc.

DATE: 02/15/92 FROM: 02/15/92

CUSTOMER

BUCHANAN FOR PRESIDENT
ATTN: JANET FALLON
913 ROONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 FEB 92	3	5,890.50

3501

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
12FEB92	335408	14FEB IAD BOS IAD 7293264150 BUCHANAN/JAMES	555.50		5,810.50
12FEB92	335409	16FEB IAD MHT BOS IAD 7293264151 BUCHANAN/THOMAS	495.50		6,306.00
12FEB92	335410	13FEB DCA BOS MHT BOS DCA 7293264152 BOZELL/BRENT	469.00		6,775.00
13FEB92	335481	13FEB IAD MHT 7293264216 BUCHANAN/BAY	239.00		7,014.00
13FEB92		CHECK # 1314		1,775.50	5,238.50
13FEB92	335511	20FEB IAD BOS 7293264230 BUCHANAN/SHELLEY	297.00		5,535.50
13FEB92	335511	20FEB IAD BOS 7293264230 BUCHANAN/BAY	297.00		5,832.50

ATTACHMENT 2

Page 55 of 132

FORM 400, REV. 11/70 (11/70) (M/F)

An operating company of the Cahan Group, Inc.

CUSTOMER

SUTHERLAND, J. W.
 1000 JAMES ST.
 1000 JAMES ST.
 VIENNA, VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 FEB 92		5,890.50

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
13FEB92	335512	20FEB IAD GSP 7293264240 MUELLER/GREG MR	297.00		6,124.50
14FEB92		CHECK # 1708		237.00	5,890.50
<p>TOTALS THIS PERIOD FOR ACCT. 820</p> <p>CHARGED TO YOUR ACCOUNT: 5,995.00</p> <p>CHARGED TO CREDIT CARDS: 0.00</p> <p>NET CASH PAYMENTS: 1,359.50</p>					

THANK YOU

The items shown above represent an immediate transfer of funds from our agents to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

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STANDARD REGISTER FORM 405 (REV. 8-11-84) 4-70 ORDER (VICTOR/BBS)

CTM

CAHAN TRAVEL MANAGEMENT

CTM

6721 Curran Street • McLean, Virginia 22101 • Tel: 893-2040 • Fax: 703-551-3067

DUE TO TAKE FROM RECEIPT An operating company of the Caham Group, Inc.

CUSTOMER

BUCHANAN FOR PRESIDENT
 2011 WALKER FALLON
 1100 WILSON BLVD. - 400
 WASHINGTON, DC 20005

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	29 FEB 92	2	2,502.00

SEQ# 7

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
24FEB92	336231	26FEB MSY DEN ATL 7293264804 DOUGLAS/CHARLIE	1,068.00		8,512.00
24FEB92	336269	24FEB GRR DTH IAD 8552591789 RYAN/EROL	370.00		-8,882.00
24FEB92		CHECK # 1372		8,000.00	982.00
26FEB92	336435	26FEB MSY CVG IAD 8552591793 KIMBLE/RICHARD	493.00		1,375.00
26FEB92	336475	26FEB DCA ATL DCA 7293265006 ERICKSON/PAUL	732.00		2,107.00
26FEB92	336500	04FEB MHT. BOS DCA REF ORIG INV334665 3FEB 7292282545 BOZELL/BRENT	230.00		1,877.00
26FEB92	336511	20FEB IAD DCA REF ORIG INVOICE 334665 3FEB 7293264839 BUCHANAN/SHELLE	25.00		1,852.00

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1700 Corporate Center • Newark, New Jersey 07102 • Tel: 973-991-0041 • Fax: 973-991-1666

UNITED MILEAGE PLUS PROGRAM RECEIPT An operating company of the United Group, Inc.

CUSTOMER

BUCHANAN TOUR FACILITIES
 47101 MARKET FALLS LN
 1100 BOUND BROOK RD - #110
 BOUND BROOK, NJ 07003

ACCT. NO.	DATE	PAGE	BALANCE DUE
826	29 FEB 92	1	2,500.00

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FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15FEB92		BALANCE FORWARD			5,890.50
18FEB92	335797	REF ORIG INV333361 BUCHANAN/BAY	539.00-		5,352.50
18FEB92	335798	REF ORIG INV333283 WEINSCHEL/IAN	239.00-		5,113.50
21FEB92	336100	21FEB IAD MCO 7293264691 KIMBLE/RICHARD	462.00		5,581.50
21FEB92	336148	23FEB MHT IAD MHT 8552591783 GALLUZZO/JUDY	503.00		6,084.50
21FEB92	336223	23FEB MHT.PHL JAX 8552591779 DOUGLAS/CHARLIE	564.00		6,648.50
21FEB92	336225	23FEB BOS.ATL TLH 8552591779 DOUGLAS/CHARLIE	533.50		7,182.00
21FEB92	336224	24FEB BOS DCA 8552591779 TARGONE/DAVID	511.00		7,693.00

STANDARD REGISTER FORM NO. 65114

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2

Page 58 of 132

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CAHAN TRAVEL MANAGEMENT

5701 Curran Street • McLean, Virginia 22101 • Tel: 8-1-3640 • Fax: 703-491-3666

TRIP TO DENVER FROM MEMPHIS An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN, PETER
3114 JANE
MEMPHIS, TN 38114
DNR

ACCT. NO.	DATE	PAGE	BALANCE DUE
	29 FEB 92	3	2400.00

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
26FEB92	336503	20FEB IAD GSP REF ORIG INV335511 13FEB 7293264239 BUCHANAN/PAT	297.00-		1,293.00
26FEB92	336504	20FEB IAD GSP REF ORIG INV335512 13FEB 7293264240 MUELLER/GREG MR	297.00-		906.00
27FEB92	336527	27FEB IAD ATL IAD 7293265042 KILGANNON/TOM MR	732.00		1,718.00
27FEB92	336547	26FEB MSY DEN ATL REF ORIG INV336231 24FEB 7293264804 DOUGLAS/CHARLIE	1,068.00-		650.00
27FEB92	336564	27FEB ATL TUL 8552591795 HAWKINS/BRUCE	479.00		1,129.00
28FEB92	336566	29FEB TUL DEN MR 8552591797 HAWKINS/BRUCE	350.00		1,479.00

ATTACHMENT 2
Page 19 of 137

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 891-1000
An operating company of the Cahán Group, Inc.

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BUCHANAN, P...
W...
8130 BOONE BLVD. - #110
VIENNA, VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 MAR 92	1	5,978.50

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
29FEB92		BALANCE FORWARD			2,500.00
2MAR92	336810	REF ORIG INV336223 DOUGLAS/E	490.00		2,010.00
2MAR92	336830	02MAR IAD GSF ATL IAD 7293330677 BUCHANAN/BAY	715.00		1,295.00
2MAR92	336832	02MAR IAD GSF ATL IAD 7293330679 BUCHANAN/TOMMY	715.00		580.00
3MAR92	336922	04MAR BTR DFW 8552680104 HOWARD/KYLE	324.00		256.00
3MAR92	336938	06MAR DCA SDF INP INC 7293330769 BEYER/PROBIE	600.00		356.00
3MAR92	336940	06MAR ATL DFW 7293330770 BUCHANAN/TOMMY	600.00		356.00



5720 Canyon Street • McLean, Virginia 22102 • 703-843-2644 • Fax: 703-843-3666

United Mileage Plus is an operating company of the United Group, Inc.

050 / 001 9 3 4 0

MEMO-HUCO

UNITED MILEAGE PLUS
ATTENTION: JANE CALLOU
8100 BONE BRIDGE RD
VIENNA, VA 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 MAR 92	2	5,978.50

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
4MAR92	336975	05MAR DCA DFW DCA 7293330797 BOZELL/BRENT	1,104.00		6,019.00
6MAR92	337156	06MAR OKC MSY 8552680102 TRIGG/DON	142.00		6,161.00
6MAR92		CHECK # 1446		1,104.00	5,057.00
6MAR92	337211	06MAR DCA STL MSY STL DCA 7293330984 ERICKSON/PAUL	938.00		5,993.00
6MAR92	337215	06MAR SAT MEM MSY 8552680114 RING/KEVIN	333.00		6,326.00
6MAR92	337234	07MAR BFW MSY 8552680123 HOWARD/KYLE	105.00		6,432.00
9MAR92		CHECK # 1451		4,000.00	2,432.00
6MAR92	337235	08MAR DCA MEM MSY 8552680116 DOHANE/PAUL	481.00		2,912.00

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2

Page 62 of 132

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

DUE 7 DAYS FROM RECEIPT An operating company of the Canan Group, Inc.

BUCHANAN FOR PRESIDENT
 ATTN: JANET FALLON
 8130 BOONE BLVD. - #110
 VIENNA, VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
B20	15 MAR 92	3	5,978.50
4	SEQ#	8	

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
6MAR92	337294	08MAR BOS DTH 8552680115 TRIGG/DON	423.50		3,335.50
6MAR92	337295	08MAR ATL DTH MSY ATL DTH 8552680117 TRIGG/DON	428.00		3,763.50
6MAR92	337296	09MAR PVD DTH 8552680118 RING/KEVIN	419.00		4,182.50
6MAR92	337297	07MAR MSY BOS 8552680113 RING/KEVIN	552.00		4,734.50
6MAR92	337298	07MAR DCA BOS DCA 8552680103 MANCUSO/P & VONRAAB/W	1,218.00		5,952.50
9MAR92	337352	10MAR DCA DTH : A 7294654289 BUCHANAN/PAI	632.00		6,584.50
9MAR92	337353	10MAR DCA DTH : A 7294654290 ERICKSON/PAUL	632.00		7,216.50

ATTACHMENT 2
 Page 63 of 137

CUSTOMER
 050/193
 TO ORDER (VENDOR)
 ORDER FORM ADS

CAHAN TRAVEL MANAGEMENT

CUM

1700 Columbia Ave. • McLean, VA 22102 • Tel: (703) 441-1122 • Fax: (703) 441-1123
 An operating company of the Cahan Group, Inc.

CASH ON HAND

ATTENTION FOR RECEIPTS
 MRS JANET HALLON
 817 W BOONE BLVD. - #1110
 WASHINGTON, DC

ACCT. NO.	DATE	PAGE	BALANCE DUE
100	15 MAR 92	4	5,974.50

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
10MAR92	337363	10MAR DCA DTW DCA 7294654299 RYAN/EARL	632.00		7,656.50
10MAR92		CHECK # 1481		4,600.00	3,256.50
10MAR92	337415	11MAR DTW DCA 7294654356 MUELER/GREG MR	316.00		3,572.50
10MAR92	337429	10MAR IAD DTW IAD 7294654357 KILGANNON/TOM	632.00		4,204.50
10MAR92	337438	11MAR MSY IAD 8552690129 HAWKINS/BRUCE	545.00		4,749.50
11MAR92	337492	11MAR DTW ORD 8552680130 DORMINEY/BLAIRE	281.00		5,030.50
12MAR92	337599	12MAR DCA DTW DCA 7294654505 ERIC LEON/PAUL	332.00		5,362.50

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the carriers upon issuance of tickets. Your prompt remittance will be appreciated.



5721 Curran Street • McLean, Virginia 22101 • Tel: 893-2644 • Fax: 703-841-1966

ONE OF OUR FROM SECRET - An operating company of the Cahan Group, Inc

JOHANNAN F. H. TRAVELER
ATTN: JANET WELLS
6180 BOONE BLVD. - #110
VIENNA, VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 MAR 92	5	5,978.50

4 SER# 8

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
13MAR92	337718	14MAR DCA DTH 7294654591 MUELLER/GREG	316.00		5,978.50

05070

05070

REGISTERED MAIL TO ORDER (720) (11/88)

PLEASE ADVISE US IF YOU PREFER TO BE BILLED TO YOUR ACCOUNT OR TO CREDIT CARD. WE WILL ACCEPT PAYMENTS BY CREDIT CARD.

CAMAN TRAVEL MANAGEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-2000

An operating company of the Camani Group, Inc.

DIMZOHSC0

BUCHANAN - DE
ATTN: JANE FALLON
SING SING
GENERAL

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 MAR 92	1	9,169.60

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15MAR92		BALANCE FORWARD			5,978.50
16MAR92	337824	16MAR IAD DTW IAD 7294654677 BUCHANAN/BAY	632.00		6,610.50
16MAR92		CHECK # 1499		2,379.00	4,231.50
16MAR92	337876	18MAR IAD LAX SNA LAX IAD 7294654716 BUCHANAN JACKSON/BILLY C09	779.00		5,010.50
16MAR92	337898	18MAR DTW IAD 7294654736 BUCHANAN/PAT	351.00		5,361.50
16MAR92	337899	18MAR DTW IAD 7294654737 MUELLER/GREG	351.00		5,712.50
16MAR92	337900	18MAR DTW IAD 7294654738 ONEILL/AMY	316.00		6,028.50
16MAR92	337901	18MAR DTW IAD 7294654739 ONEILL/AMY	316.00		6,344.50

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2

Page 66 of 132

STANDARD REGISTRATION AND BILLING TO ORDER (VOL 10/92)

CTM CAHAN TRAVEL MANAGEMENT CTM

6701 Curran Street • McLean, Virginia 22101 • Tel: 893-2640 • Fax: 893-3666

DUE 7 DAYS FROM DATE - An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN, FOR REE TURN
AT THE LAND FILL IN
WISCONSIN BOUND BY THE
VIENNA, VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
B20	31 MAR 92	2	9,160.00

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PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

95070
 TO ORDER (VENDOR)
 CUSTOMER

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
16MAR92	337902	18MAR DTW IAD 7294654740 BUCHANAN/SHELLEY	351.00		6,695.50
17MAR92		CHECK # 1505		1,685.00	5,010.50
17MAR92		CHECK # 1508		2,277.00	2,733.50
18MAR92	338023	18MAR DTW IAD 8552680146 DORMINEY/BLAIR	341.00		3,074.50
18MAR92	338025	18MAR DTW IAD 8552680145 KILGANNON/TOM	341.00		3,415.50
18MAR92	338027	18MAR DTW BDL 8552680143 RING/KEVIN	391.00		3,806.50
18MAR92	338028	18MAR DTW IAD 8552680144 TREMPLAY/CHRIS	341.00		4,147.50
18MAR92	338029	18MAR DTW DVE 107 MPT 8552680147 HOWARD/JOE MF	54.00		4,201.50

CUSTOMER

BUCHANAN, JIM - RESERVE V
 ATTN: JANICE F. L. OW
 C/O TRIGG/DON MR
 MEMPHIS, TN 38102

ACCT. NO.	DATE	PAGE	BALANCE DUE
B20	31 MAR 92	3	9,150.50

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
18MAR92	338035	18MAR DTW CUG MCI 8552680139 TRIGG/DON MR	332.00		5,026.50
18MAR92	338074	19MAR DCA BDL IAD 7294654884 TARGONSKI/DAVID	474.00		5,500.50
18MAR92		CHECK # 1515		806.00	4,694.50
19MAR92	338154	20MAR DCA EWR BDL IAD 7294654953 BUCHANAN/PAT	477.00		5,171.50
19MAR92	338155	20MAR DCA EWR BDL IAD 7294654954 BUCHANAN/SHELLEY	477.00		5,648.50
19MAR92	338195	20MAR IAD EWR BDL IAD 7294654980 ERICKSON/PAUL	477.00		6,125.50
19MAR92	338199	21MAR DCA EWR BDL IAD 7294654981 MUELLER/GREG	411.00		6,536.50

THANK YOU

The items shown above represent an immediate transfer of funds from our agents to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2

Page 68 of 132

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STATEMENT



6721 Curtan Street • McLean, Virginia 22101 • 703-893-2040 • Fax 703-893-3666

An operating company of the Cahan Group, Inc.

ACCT. NO.	DATE	PAGE	BALANCE DUE
920	31 MAR 92	4	9,160.60

SEQ# 9

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
20MAR92	338244	20MAR DCA EWR WAS 7294655011 KIMBLE/RICHARD	367.00		6,903.50
20MAR92	338248	21MAR DCA EWR DCA 7294655014 BUCHANAN/BAY	188.00		7,091.50
20MAR92	338268	21MAR IAD LAX IAD 7294655030 GLYNN/STEVE MASTERCARD #5329021370011016	700.00		7,791.50
				700.00	7,091.50
20MAR92		CHECK # 1528 PMT on ACCOUNT		2,385.00	4,706.50
20MAR92		CHECK # 1534 PMT on ACCOUNT		188.00	4,518.50
20MAR92	338314	21MAR DCA EWR DCA 8552680140 BUCHANAN/BAY	185.10		4,703.50
20MAR92	338370	20MAR IAD FLL PMT DCA 7294655121 BUCHANAN/BAY	1,120.00		5,923.50

CUSTOMER
 95070934
 TO ORDER (VOTU/NT)
 SYSTEM FOR

U.S. AIRWAYS

675 ... An operating company of the ... Group, Inc.

CUSTOMER

BUCHANAN / SHELLEY MFS
24MAR IAD FLL FBI DCA
7294655122

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 MAR 92	5	9,160.60

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PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
23MAR92	338371	24MAR IAD FLL FBI DCA 7294655122 BUCHANAN/SHELLEY MFS	1,121.00		6,945.60
23MAR92	338393	24MAR DCA FBI DCA 7294655145 KIMBLE/RICHARD	938.00		7,883.60
23MAR92		CHECK # 1549		2,242.00	5,641.60
23MAR92		CHECK # 1552		938.00	4,703.60
23MAR92	338408	11MAR ATL IAD REF ORIG INV337400 12FEB 7293264141 HAWKINS/BRUCE	311.00-		4,392.60
23MAR92	338409	DTH IAD IAD REF ORIG INV337400 10MAR 7294654357 NILGANNON/TOM	310.00-		4,082.60
27MAR92	338593	28MAR DCA DCA MFS 7294672108 TARGONSKI/DAVID	1,168.00		5,244.60

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT

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Page 7 of 132

CTM CAHAN TRAVEL MANAGEMENT CTM

6721 Curran Street • McLean, Virginia 22101 • Tel: 703 261 2040 • Fax: 703 261 3000
An operating company of the Cahan Group, Inc.

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REGISTERED MAIL ADS 83115 TO ORDER BY (01/01/81)

BUCHANAN FOR PRESIDENT
ATTN: JANET FALLON
9130 BOONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
920	31 MAR 92	6	9,160.60

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FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
27MAR92	338904	29MAR MCI MSP MCI 8552680173 TRIGG/DON	739.00		5,983.60
27MAR92	338905	29MAR BDL MSP BDL 8552680175 RING/KEVIN	1,063.00		7,046.60
30MAR92	338920	30MAR MSP HKE MSP 8552680176 RING/KEVIN	601.00		7,647.60
30MAR92		CHECK # 1582		4,669.00	2,978.60
30MAR92	338968	30MAR DCA MKE MSP LAY MKE MSP.ORD ROU 7294672168-169 BUCHANAN/PAT	2,568.00		5,546.60
30MAR92	338969	30MAR DCA MNE MSP LAY MNE MSP.ORD ROU 7294672170-171 MUELLER/GREG	2,568.00		8,114.60
30MAR92	338977	02APR IAH LAX DN- RM WEN IAH 7294672179-180 MACKENZIE-SCOTT	1,070.00		9,184.60

An operating company of the Canam Group, Inc.

MEMO-14500

JANUARY 1992
JANUARY 1992
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JANUARY 1992

ACCT. NO.	DATE	PAGE	BALANCE DUE
000	31 MAR 92		9,160.00

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
30MAR92		CHECK # 1521		5,136.00	4,048.00
31MAR92	339061	02APR IAD LAX H&E REF. 759 RDU 7294672243-244 BUCHANAN/SHELLS	2,223.00		6,271.00
31MAR92	339060	02APR IAD LAX LAM 7294672245 BUCHANAN/BAY	1,840.00		8,111.00
30MAR92	338960	30MAR LBB.DFW MSP.DFW LBB 8552680178 HOWARD/KYLE	1,049.00		9,160.00

TOTAL THIS PERIOD FOR ACCT. 000
 DEBIT TO YOUR ACCOUNT: 2,223.00
 CREDIT: 5,136.00
 PAYMENTS: 5,136.00

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
72 of 132

0507
TO ORDER (FURNISH)

STANDARD REGISTERED TRADE MARKS



672 Curran Street • Norfolk, Virginia 23502 • Tel: 404-204-1000 • Fax: 757-897-1800

An operating company of the Cahan Group, Inc.

BUCHANAN, PAT A
ATTN: JANET FALLON
1133 TRINITY DRIVE
MURFREESBORO, TN 37130

ACCT. NO.	DATE	PAGE	BALANCE DUE
730	15 APR 92	1	5,374.10

SEP 1

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31 MAR 92		BALANCE FORWARD			9,160.60
1 APR 92		CHECK # 1595		5,133.00	4,027.60
2 APR 92	339333	03 APR MSP MKE GRB 8552680188 RING/KEVIN	414.00		4,441.60
2 APR 92	339335	03 APR MSP MKE MSP 8552680187 TRIGG/DON	601.00		5,042.60
6 APR 92	339499	08 APR RDU IAD 7295705606 BUCHANAN/PAT	258.00		5,300.60
6 APR 92	339500	08 APR RDU IAD 7295705607 BUCHANAN/SHELLY	258.00		5,558.60
6 APR 92	339501	08 APR RDU IAD 7295705608 MUELLER/GREG	258.00		5,816.60
6 APR 92	339511	06 APR GRB MSP 8552680188 RING/KEVIN	258.00		6,074.60

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT

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REMO-CUSTOMER
950
TO ORDER (C/D NUMBER)
STANDARD REG. FORM 438 (REV. 8/81)

STATEMENT



6701 Collier Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-3666

DUPLICATE FROM ORIGINAL An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN, BUCHANAN
 11111 JANET FALLON
 6130 ADONE BL
 VIENNA, VA 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 APR 92	2	5,354.10

+ 350 10

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
6APR92	339519	07APR MSP PIT RDU 8552680192 RING/KEVIN	935.00		7,018.60
6APR92	339524	21MAR DCA EWR DCA REF ORIG INV338248 20MAR 7294655014 BUCHANAN/BAY	189.00-		6,830.60
7APR92	339568	07APR DCA RDU DCA 7295705652 BUCHANAN/BAY	516.00		7,346.60
7APR92		CHECK # 1693		3,901.00	3,445.60
9APR92	339765	09APR MSP SMF 8552680197 HOWARD/KYLE	597.00		4,042.60
13APR92	340000	13APR DCA RDU DCA 7295861391 ERICHSON/PAUL	440.00		4,482.60
13APR92	340000	13APR DCA RDU DCA 7295861391 GALLAGHER/JOHN	440.00		4,922.60

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 TO ORDER / CREDITED
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An operating unit of the Delta Group, Inc.

MEMORANDUM FOR THE DIRECTOR
- CIVIL AIRPORTS DIVISION
350 BOONE AVENUE - 41100
HERNDON, VA. 22061

ACCT. NO.	DATE	PAGE	BALANCE DUE
830	15 APR 92	3	5,374.10

SEE

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
13APR92	340044	14APR IAD SFO RDD SFO IAD 7295861431 BUCHANAN/SHELLEY	2,241.00		7,163.60
13APR92	340045	14APR IAD SFO RDD SFO IAD 7295861432 BUCHANAN/PAT	2,241.00		9,404.60
13APR92	340046	14APR IAD SFO RDD SFO IAD 7295861433 MUELLER/GREG	2,241.00		11,645.60
13APR92	340047	17APR SMF.DFW LBB.DFW IND 7295861434 HOWARD/KYLE	660.00		12,305.60
14APR 92		CHECK # 1736		7,823.00	4,482.60
15APR92	340293	16APR SFO RDD SFO 8554823903 NEFF/RICHARD	423.00		4,905.60
15APR92	340374	02JAN.PHL.WAS.PHL 7295861732 MANCUSO/PAT	166.00		5,071.60

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to ATTACHMENT 2 upon issuance of tickets. Your prompt remittance will be appreciated.

MEMORANDUM
STANDARD FORM NO. 64
TO DIRECTOR (41100)
050 / 019 / 004 / 03

STATEMENT

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-1000
An operating company of the Cahon Group, Inc.

THE FOLLOWING IS FROM RE...

WILLIAM F. ...
...
3130 ...
MICHIGAN ...

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 APR 92	4	5,374.10

4 350 10

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
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15APR92	340380	22APR RDU. IAD BOS. IAD RDU 7295861737 GALUZZO/JUDY	302.50		5,374.10
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050/01934/M
RMMO-10500

(CAHAN TRAVEL MANAGEMENT)



6721 Curran Street • McLean, Virginia 22101 • Tel: 897 2041 • Fax: 703 893 3666
An operating company of the Cahan Group, Inc.

STANDARD REGIST
FORM ADS 85115
TO ORDER (VOT/WEB)
63 507 2004 9 03 40
B3340

CUSTOMER

BUCHANAN FOR PRESIDENT
MRS. JANET BUCHANAN
130 MOORE BLVD. - #110
DENVER, CO. 80202

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	30 APR 92	1	4,176.60

REQ# 11

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15APR92		BALANCE FORWARD			5,374.10
16APR92	340387	16APR MSY ATL RDU ATL MSY 8554823906 MARTIN/RICHARD	1,185.00		6,559.10
16APR92		CHECK # 1806		1,739.00	4,820.10
17APR92	340486	19APR, WAS, PHL, WAS 7295861832 MANCUSO/PAT	89.00		4,909.10
17APR92	340495	20APR PHL IND DCA 7295861839 BUCHANAN/SHELLEY	705.00		5,614.10
17APR92	340496	20APR, WAS, PHL 7295861840 MUELLER/GREG	50.00		5,664.10
17APR92	340497	20APR PHL IND DCA 7295861841 MUELLER/GREG	705.00		6,369.10
17APR92	340498	20APR IAH, MTH, DEN, DEN, IAH 7295861842 RING/KEVIN	440.00		6,809.10

ATTACHMENT INUEDI

Page 22-132

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon

CTM

CAHAN TRAVEL MANAGEMENT

CTM

6721 Cuman Street • McLean, Virginia 22101 • (703) 891-2040 • Fax (703) 893-3666

An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN FOR PRESIDENT
 ATTN: JANET FALLON
 1131 DOONE BLVD. - #1111
 STIENNA, VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	30 APR 92	2	4,176.60

520# 11

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
17APR92	340499	20APR DCA RDU DCA 7295861843 ERICKSON/PAUL	340.00		7,149.10
17APR92	340500	20APR WAS,PHL 7295861844 BUCHANAN/SHELLEY	50.00		7,199.10
17APR92	340501	20APR WAS,PHL 7295861845 BUCHANAN/PAT	50.00		7,249.10
17APR92	340502	20APR PHL IND DCA 7295861846 BUCHANAN/PAT	705.00		7,954.10
17APR92		CHECK # 1828		3,134.00	4,820.10
21APR92		CHECK # 567 GALLUZO CHR. ON ACCT		63.50	4,736.60
21APR92	340874	22APR IND CVG RDU 8554823916 HOWARD/KYLE	225.00		4,981.60
23APR92	341043	26APR FBI CLT 7295862223 BUCHANAN/PAT	372.00		5,353.60

TO ORDER (VENDOR)

CANAN MANAGEMENT

4703 Curran Street • McLean, Virginia 22101 • Tel: 893 2040 • Fax: 703 591 3666

An operating company of the Canan Group, Inc

CUSTOMER

BUCHANAN/BOB
ATTN: WANE FALL
417 22ND BLVD
BOSTON MA

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	30 APR 92	3	4,176.60

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FILE 007

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
23APR92	341044	26APR FBI CLT 7295862224 BUCHANAN/SHELLE	372.00		5,725.60
24APR92		CHECK # 1952		744.00	4,981.60
24APR92		CHECK # 1949		1,000.00	3,981.60
24APR92	341211	26APR DCA CLT 850 DCA 850 CLT DCA 7295862346-347 MUELLER/GREG	718.00		4,699.60
24APR92	341265	26APR DCA CLT 8554823911 TARGONSKI/DAVID	278.00		4,977.60
27APR92	341268	27APR DCA CLT 850 DCA 8554823918 JEFFREY/TERRY	395.00		5,372.60
27APR92	341276	28APR DCA RDU DCA 7295862396 BUCHANAN/BAY	410.00		5,782.60
27APR92	341311	29APR GSO DCA 7701231251 BUCHANAN/BAY	170.00		5,952.60

CONTINUE

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT
Page 79 of 132

STANDARD BY
TO ORDER (VENDOR USE)

CTM CAHAN TRAVEL MANAGEMENT CTM

6721 Cohan Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

An operating company of the Cahan Group, Inc

INVOICE TO ORDER (VOT) ONLY

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CUSTOMER

CAHAN TRAVEL MANAGEMENT
ATTN: JANE BROWN
10000 BURNING TREE DRIVE
FARMERSVILLE, VA 22434

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	30 APR 92	4	4,176.60

SEQ# 11

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
27APR92		CHECK # 1859		2,365.00	3,567.60
28APR92	341348	28APR DCA RDU DCA 7701231261 ERICKSON/PAUL	410.00		3,977.60
30APR92		CHECK # 1861		560.00	3,417.60
30APR92	341646	04MAY CLT DCA 7701231512 BUCHANAN/PAT	253.00		3,670.60
30APR92	341647	04MAY CLT DCA 7701231513 BUCHANAN/SHELLEY	253.00		3,923.60
30APR92	341648	04MAY CLT DCA 7701231514 MUELLER/GREG	253.00		4,176.60

TOTAL DUE THIS STATEMENT 4,176.60
 PREVIOUS BALANCE 0.00
 TOTAL DUE TO CREDITORS 4,176.60



6701 Cuman Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-3666

An operating company of the Cahan Group, Inc.

UNITED MILEAGE PLUS

CUSTOMER

BUCHANAN, F. H.
P.O. BOX 1000
9400 BOULDER BLVD
MILPITAS, CA 95035

ACCT. NO.	DATE	PAGE	BALANCE DUE
829	15 MAY 92	1	5,835.00

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

9507079387

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
30APR92		BALANCE FORWARD			4,176.60
1MAY92	341743	01MAY RDU DFW LBB DFW SLC SMF 8554823930 HOWARD/KYLE	705.00		4,881.60
1MAY92	341763	05MAY FAT SFO SMF FAT LAX FAT 7701231606-607 NEFF/HOODY	678.00		5,559.60
4MAY92		CHECK # 1869		1,374.00	4,185.60
1MAY92	341906	03MAY IAD LAX 8554823919 BUCHANAN/FAT & SHELLY	1,425.00		5,610.60
1MAY92	341907	03MAY IAD LAX IAD 8554823936 MUELER/GREG	725.00		6,335.60
1MAY92	341909	03MAY RDU CLT LAX 8554823935 RING/NEVIN	350.00		6,685.60

STANDARD REGISTER FORM ADS 95115 TO ORDER (VOT/MBR)

ATTACHMENT 2

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

An operating company of the Cahan Group, Inc

DATE FROM TO

TO: HANDEL, J. P. JR.
 10000 WOODBURN ROAD
 SUITE 2000
 WASHINGTON, VA 22190

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 MAY 92	2	5,835.60

SED# 12

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
1MAY92	341910	03MAY CLT LAX 8554823934 TRIGG/DONALD	415.00		7,100.60
1MAY92	341911	03MAY DCA LAX IAD 8554823920 ERICKSON/PAUL	725.00		7,825.60
1MAY92	341913	03MAY FAT LAX 8554823933 NEFF/WOODY	644.00		8,469.60
4MAY92	341920	05MAY LAX SFO SMF FAT LAX IAD 8554823944 BUCHANAN/SHELLEY	1,464.00		9,933.60
4MAY92	341923	08MAY IAD LYH IAD 8554823942 BUCHANAN/SHELLY	349.00		10,282.60
4MAY92	341924	08MAY IAD LYH IAD 8554823940 BUCHANAN/PAUL	349.00		10,631.60

CUSTOMER REMITTANCE TO ORDER #101934



6700 Courthouse Square • McLean, Virginia 22101 • 703-893-3244 • Fax 703-893-1666
 An operating company of the Cohen Group, Inc.

CASH ON HAND

ACCT. NO.	DATE	PAGE	BALANCE DUE
MDA	15 MAY 92	7	5,070.60

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
4MAY92	341925	05MAY LAX SFO 8554823946 NEFF/WOODY	250.00		10,861.60
4MAY92	341927	05MAY LAX SFO SMF FAT LAX IAD 8554823943 BUCHANAN/FAT	1,464.00		12,345.60
4MAY92	341928	06MAY SMF FAT LAX 8554823945 HOWARD/NYLE	364.00		12,709.60
5MAY92		CHECK # 1905		8,524.00	4,185.60
5MAY92	342040	06MAY RDU DCA 8554823950 TARGONSKI/DAVE	195.00		4,380.60
5MAY92	342049	05MAY LAX IAD 8554823951 MUELLER/GREG	375.00		4,755.60
5MAY92	342050	05MAY LAX SFO SMF FAT LAX IAD 8554823952 MUELLER/GREG	2,553.00		7,308.60

STANDARD REG. TO ORDER (AGENCY USE ONLY)

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to **ATL-CLEVELAND** carriers upon issuance of tickets. Your prompt remittance will be appreciated.

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3600
 An operating company of the Caham Group, Inc.

CUSTOMER

ACCT. NO.	DATE	PAGE	BALANCE DUE
826	15 MAY 92	4	5,835.60

SEQ# 12

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
5MAY92	342056	08MAY BWI.ORD PHX BWI 7701231815 BUCHANAN/RACHEL	560.00		7,868.60
5MAY92	342057	09MAY BWI.ORD PHX BWI 7701231816 BUCHANAN/STEPHANIE	560.00		8,428.60
5MAY92	342059	07MAY LAX.ORD SYR.FIT LUG SAN 7701231817-818 RING/KEVIN	505.00		9,233.60
5MAY92	342064	29APR RIU IDA REF ORIG INV3-1127-02-9 7295862396 BUCHANAN/BAY	180.00		9,053.60
6MAY92		CHECK # 1924		5,048.00	4,005.60
6MAY92	342117	06MAY IAD LAX IAD 9554823937 BUCHANAN/BAY	725.00		4,730.60

TO ORDER (V/G) (UR/RF)

ENTER FROM ADS 85115

Urban Street • McLean, Virginia 22101
An operating company of the Cahan Group, Inc.

CUSTOMER

ATTN: JANE FALLON
BUCHANAN/BAY

ACCT. NO.	DATE	PAGE	BALANCE DUE
801	10 MAY 92	5	5,835.60

REP# 11
FILE 008

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

STANDARD REG. FORM AND BILLS TO ORDER (OPTIONAL) 5010-108-01

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
8MAY92	342465	11MAY DCA CVG SAN LAX IAD 7701232151 BUCHANAN/BAY	1,240.00		6,330.60
8MAY92	342466	11MAY DCA CVG SAN 7701232152 BUCHANAN/SHELLEY	840.00		7,170.60
8MAY92	342467	11MAY DCA CVG SAN 7701232153 BUCHANAN/FAT	840.00		8,010.60
8MAY92	342468	10MAY DCA SAN DCA 7701232154 MUELLER/GREG	700.00		8,710.60
8MAY92	342490	11MAY FAT SAN FAT 8554823955 NEFF/WOODY	325.00		9,035.60
11MAY92	342613	13MAY SAN LAX 7701232268 BUCHANAN/BAY	105.00		9,140.60
11MAY92	342614	13MAY SAN LAX 7701232269 BUCHANAN/SHELLEY	150.00		9,290.60

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
Page 85 of 132

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

THE TRIP IS FROM HERE. An operating company of the Cahan Group, Inc

CUSTOMER

BUCHANAN FOR PRESIDENT
 ATTN: JANE BULLOCK
 100 BOONE BLVD. - 4110
 ALENNA, VA. 22152

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 MAY 92	6	5,835.60

+ 580# 12

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
11MAY92	342615	13MAY SAN LAX PHX TUS LAX 7701232270 BUCHANAN/PAT	454.00		10,048.60
11MAY92	342616	13MAY SAN LAX PHX TUS LAX 7701232271 ERICKSON/PAUL	384.00		10,432.60
12MAY92		CHECK # 1973		1,397.00	9,035.60
12MAY92		CHECK # 1958		3,945.00	5,090.60
12MAY92		CHECK # 1070		360.00	4,730.60
12MAY92	342735	13MAY SAN LAX 8554823966 HOWARD/NYLE	95.00		4,825.60
14MAY92	342930	15MAY DCA, IFLA, PHX, LOS, LAX DCA, IFLA 7701255111 MUELLER/BOB	805.00		5,630.60
15MAY92	3432	16MAY IFLA, PHX, LOS, LAX 855-... TRIG...	205.00		5,835.60

ATTACHMENT 2
 Page 86 of 132

959 / 0
 TO ORDER (COURTESY)
 ADS 8515

6721 Curran Street • McLean, Virginia 22101
 An operating company of the Canan Group, Inc.

0100-1000

ACCT. NO.	DATE	PAGE	BALANCE DUE
01	15 MAY 87		\$1,109.00

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
TOTALS THIS PERIOD FOR ACCT. 01					
		CHARGED TO YOUR ACCOUNT:	22,807.00		
		CHARGED TO CREDIT CARDS:	0.00		
		NET CASH PAYMENTS:	20,648.00		

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the **ACKNOWLEDGMENT** issuer upon issuance of tickets. Your prompt remittance will be appreciated.

CAHAN TRAVEL MANAGEMENT

6720 Canyon Blvd • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666
 An operating company of the Cahan Group, Inc.

CUSTOMER

ACCT. NO.	DATE	PAGE	BALANCE DUE
800	31 MAY 92	1	8,844.60

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15MAY92		BALANCE FORWARD			5,835.60
19MAY92	343301	20MAY BUR SFO 8554823985 HOWARD/KYLE	129.00		5,964.60
19MAY92	343302	20MAY SNA SFO SNA 8554823984 RING/KEVIN	303.00		6,267.60
19MAY92	343303	20MAY BUR SFO IAD 8554823981 BUCHANAN/PAT	2,109.00		8,376.60
19MAY92		CHECK # 2021		805.00	7,571.60
19MAY92		CHECK # 2058		2,541.00	5,030.60
20MAY92	343423	22MAY SFO BUR 8554823987 HOWARD/KYLE	233.00		5,263.60
20MAY92	343424	20MAY BUR SFO BUR 8554823988 TRIGG/DON	233.00		5,496.60

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHED

STANDARD RECEIPT FORM 400-805115 TO ORDER (VENDOR USE)

CTM CAHAN TRAVEL MANAGEMENT CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN, DR. EXECUTIVE
 11111 WOODBURN ROAD
 SUITE 2000
 ENN... VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 MAY 92	2	8,844.60

+ SEQ# 13

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

PAGE 00

9507072300

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
20MAY92	343440	01JUL IAD LAX IAD 7709713975 BUCHANAN/BAY	636.00		6,132.60
20MAY92	343441	01JUL IAD LAX 7709713976 BUCHANAN/STUART MSTR	318.00		6,450.60
20MAY92	343442	01JUL IAD LAX 7709713977 BUCHANAN/THOMAS MSTR	318.00		6,768.60
20MAY92	343443	01JUL IAD LAX 7709713978 BUCHANAN/WILLIAM MSTR	318.00		7,086.60
21MAY92	343493	26MAY IAD SLC IAD 7709714021 BUCHANAN/BAY	820.00		7,906.60
21MAY92	343494	26MAY IAD SLC IAD 7709714022 JEFFREY/TERRY	820.00		8,726.60
22MAY92	343495	25MAY IAD SLC IAD 7709714139-10 BUCHANAN/BAY	1,210.00		9,936.60

REGISTER ADD. \$315 TO ORDER (VOLUME 87)

C U S T O M E R
 S E R V I C E
 1 8 0 0 5 5 0 1 1 0



6721 Curtin Street • McLean, Virginia 22101 • (703) 893 2400 • Fax (703) 893 3666
 An operating company of the Canan Group, Inc.

BUCHANAN, FREDERICK
 401 N. MAIN ST. FALLON,
 NV 89401

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 MAY 92	3	8,844.60

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
22MAY92	343856	25MAY IAD EWR FHL.MEM BHM .ATL LAX 7709714140-141 BUCHANAN/SHELLEY	1,210.00		11,146.60
22MAY92	343857	26MAY FHL DCA 7709714142 MANCUSO/PAT	170.00		11,316.60
22MAY92	343858	26MAY IAD SLC LAX 7709714143 MUELLER/GREG	690.00		12,006.60
22MAY92	343859	25MAY IAD EWR FHL DCA 7709714144 TREMPLAY/CHRIS	290.00		12,296.60
22MAY92	343860	27MAY DCA DCA DCA 7709714145 MACKENDIE/SCOTT	480.00		12,776.60
22MAY92	343861	26MAY DCA.ATL FHL.ATL LAX PHX LAX. MEM DCA 7709714147-148 ERICKSON/PAUL	1,098.00		13,874.60

CONTINUED

ATTACHMENT 2

STATEMENT



6701 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

An operating company of the Cahan Group, Inc

DUE DATE: OPEN RECEIPT

BUCHANAN FOR PRESIDENT
ATTN: JANET FALLON
8130 BODNE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 MAY 92	4	8,844.60

4 SEQ# 13

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILL IN

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
26MAY92	343688	02JUN IAD MHT IAD 7709714164 ERICKSON/PAUL	460.00		14,334.60
26MAY92		CHECK # 2077		1,640.00	12,694.60
26MAY92		CHECK # 2082		5,148.00	7,546.60
26MAY92	343696	REF ORIG INV338962 HOWARD/KYLE	454.00-		7,092.60
26MAY92	343697	REF ORIG INV342480 NEFF/W	252.00-		6,840.60
26MAY92	343699	REF ORIG INV337299 VONRAAB/W	38.00-		6,802.60
26MAY92	343700	REF ORIG INV337299 MANCUSO	38.00-		6,764.60
26MAY92	343701	REF ORIG INV336149 GALLUZO/J	239.00-		6,525.60
26MAY92	343702	REF ORIG INV338905 RING/K	519.00-		6,006.60
27MAY92		CHECK # 2087		2,050.00	

ATTACHMENT 2
Page 21 of 132

CUSTOMER
01900
TO ORDER (VENDOR)
REGISTER FOR SALES



6701 Camino Real • Miami, Florida 33196 • Tel. 305-894-2244 • Fax: 703-894-3666
An operating company of the Caran Group, Inc.

CASH ON HAND
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STANDARD REGISTER FORM A-93 (REV. 12-1-83)

BUCHANAN, PAT
ATLANTA, GA

ACCT. NO.	DATE	PAGE	BALANCE DUE
.820	31 MAY 92	5	8,844.60

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
27MAY92	343838	28MAY SAN LAX PHX SFO IAD SFO IAD 8554823997 BUCHANAN/SHELLEY	839.00		4,795.60
27MAY92	343840	28MAY SAN LAX PHX SFO IAD SFO IAD 8554823998 BUCHANAN/PAT	839.00		5,634.60
27MAY92	343842	28MAY SAN LAX PHX SFO IAD 8554823999 MUELLER/GREG	698.00		6,332.60
28MAY92	343909	214 BOS MHT REF ORIG INV335407 7293264149 BUCHANAN/BAY	230.00-		6,102.60
28MAY92	343918	13MAY SAN LAX PHX SFO IAD REF ORIG INV34067 7701231271 ERICKSON PAUL	359.00-		5,743.60
28MAY92	343944	20MAY LAX PHX 8553977912 TRIGG/JOY	74.00		5,817.60

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the carrier upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
Page 92 of 132

CTM CAHAN TRAVEL MANAGEMENT CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3000
 An operating company of the Caham Group, Inc

CUSTOMER

BUCHANAN FOR PRESIDENT
 ATTN: JANET FALLON
 2130 BOONE BLVD. - #110
 TENNAP, VA. 22180

ACCT NO.	DATE	PAGE	BALANCE DUE
820	31 MAY 92	6	8,844.60

+ SEQ# 13

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
28MAY92	343947	28MAY LAX PHX 8553953901 HOWARD/KYLE	123.00		5,940.60
28MAY92	343952	29MAY IAD,DFW PHX,PHL DCA 7709279191 JEFFRIES/TERRY	598.00		6,538.60
28MAY92	343955	29MAY IAD,DFW PHX SFO IAD 7709279193 BUCHANAN/BAY	874.00		7,412.60
28MAY92	343968	29MAY DCA PHX,PHL DCA 7709279197 TREMBLAY/CHRIS	598.00		8,010.60
28MAY92	343993	05MAY CLT DCA REF ORIG INV341211 20APR 7295862347 MUELLER/GREG	175.00-		7,835.60
28MAY92	343994	04MAY CLT DCA REF ORIG INV340540 20APR 7701231510 BUCHANAN/PAT	228.00-		7,607.60

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 TO ORDER BY (OT/BRF)
 ADS 85115

1-800-4-AIRWAYS • MUeller Group • 20101 • 703-853-2040 • Fax: 703-853-1555
A Subsidiary of American International Group, Inc.

REMOTEC

ACCT. NO.	DATE	PAGE	BALANCE DUE
B20	31 MAY 92	7	8,844.60

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
28MAY92	343995	04MAY CLT DCA REF ORIG INV341647 30APR 7701231513 BUCHANAN/SHELLEY	228.00-		7,379.60
28MAY92	343996	04MAY CLT DCA REF ORIG INV341648 30APR 7701231514 MUELLER/GREG	228.00-		7,151.60
29MAY92	344059	05JUN DCA DLE DCA 7709279255 MACKENZIE/SCOTT	480.00		7,631.60
29MAY92	344060	30MAY PHX DFW LBB 8554023999 HOWARD/KYLE	273.00		7,904.60
29MAY92	344619	31MAY PHX HNL HNL 8557053410 RING BENJN	455.00		8,359.60
29MAY92	344620	01JUN PHX DCA 8554023999 MUELLER/GREG	485.00		8,844.60

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the operating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

05069193
STANDARD REGISTERED FORM ADS 8475
TO ORDER (703) 853-1555

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

100 - DAYS FROM RECEIPT An operating company of the Cahlan Group, Inc.

CUSTOMER

BUCHANAN FOR PRESIDENT
ATTN: JANET FLEMMING
8130 BOONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 MAY 92	8	8,844.60

SEQ# 13

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

PH COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
TOTALS THIS PERIOD FOR ACCT. 820					
CHARGED TO YOUR ACCOUNT:			15,193.00		
CHARGED TO CREDIT CARDS:			0.00		
NET CASH PAYMENTS:			12,184.00		

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TER FORM ADS TO ORDER (V/O) (M/B)



6720 Cahoon Street • McLean, Virginia 22101 • 703/893-0740 • Fax: 703/893-3462

An operating company of the Cahoon Group, Inc.

CUSTOMER

MEMORANDUM FOR THE DIRECTOR
FROM JANEY FARR
SUBJECT: ...

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JUN 92	1	3,043.40

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31MAY92		BALANCE FORWARD			8,844.60
1JUN92	344537	02JUN IAD MHT IAD 7709312944 JEFFRIES/TERRY	460.00		9,304.60
1JUN92	344539	02JUN IAD MHT IAD 7709312946 TREMBLAY/CHIS	460.00		9,764.60
1JUN92	344541	02JUN IAD MHT IAD 7709312948 MACKENZIE/SCOTT	460.00		10,224.60
1JUN92	344543	02JUN IAD MHT IAD 7709312950 MUELLER/GREG	460.00		10,684.60
1JUN92	344545	02JUN IAD MHT IAD 7709312952 BUCHANAN/SHELLEY	530.00		11,214.60
1JUN92	344547	02JUN IAD MHT IAD 7709312954 BUCHANAN/BEAT	530.00		11,744.60

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating centers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
Page 96 of 130

950412374
STANDARD REGISTER 1 3001 400 0011

CTM CAHAN TRAVEL MANAGEMENT CTM

6721 Cuman Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

An operating company of the Cahan Group, Inc

107 BAY STREET

CUSTOMER

BUCHANAN, JAMES
27701 JANET FALLON
1037 FIDONE BLVD # 111
ALEXANDRIA, VA 22304

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JUN 92	2	3,043.40

+ SEQ# 14

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
1JUN92	344570	02JUN IAD MHT IAD 7709312969 BUCHANAN/BAY	530.00		12,274.60
1JUN92	344666	02JUN IAD MHT IAD 7709313058 FALLON/JANET AMERICAN EXPRES #371389834832006	460.00	460.00	12,734.60 12,274.60
2JUN92	344851	02JUN IAD MHT IAD 8553953912 BUCHANAN/JAMES	555.00		12,829.60
3JUN92		CHECK # 2102		2,267.00	10,562.60
3JUN92		CHECK # 2097		2,376.00	8,186.60
3JUN92		CHECK # 2117		4,643.00	3,543.60
3JUN92	345147	01JUL IAD LAX IAD 7709313512 BUCHANAN/STUART MSTP	185.00		3,728.60
3JUN92	346146	01JUL IAD LAX IAD 7709313513 BUCHANAN/THOMAS MHT	185.00		3,913.60

950700192

TO ORDER (VOIDS) AND REGISTER TO

An operating company of the Caran Group, Inc.

CUSTOMER

BUCHANAN, WILLIAM M
 1100 BOWNE DRIVE
 VIENNA, VA 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JUN 92	3	3,043.40

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
3JUN92	345149	01JUL IAD LAX IAD 7709313514 BUCHANAN/WILLIAM MSTP	185.00		4,098.60
3JUN92	345179	05JUN DCA CLE DCA 7709313543 MACKENZIE/SCOTT	480.00		4,578.60
4JUN92	345408	27MAY DCA CLE DCA REF ORIG INV343660 22MAY 7709714145 MACKENZIE/SCOTT	455.00		4,123.60
4JUN92	345409	30MAY PHX LAX REF ORIG INV343660 22MAY 7709714148 ERICKSON/PAUL	49.00		4,074.60
5JUN92	345883	14AUG DCA IAH DCA 7709987584 ERICKSON/PAUL	690.00		4,764.60
5JUN92	345884	09AUG DCA IAH DCA 7709987585 MUELLER/GREG	510.00		5,274.60

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT

Page 98 of 132

95-1019-31005

STANDARD REGISTER FORM 409-B (REV. 11/70)

STATEMENT

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666
 An operating company of the Caham Group, Inc.

BUCHANAN FOR PRESIDENT
 PTIN: JANET FALLON
 4130 BODNE BLVD. - #110
 VIENNA, VA 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JUN 92	4	3,043.40

+ SER# 14

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE 174

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
5JUN92	345885	08AUG DCA IAH DCA 7709987586 BUCHANAN/RACHAEL	615.00		5,889.60
5JUN92	345886	08AUG DCA IAH DCA 7709987587 JEFFRIES/TERRY	615.00		6,504.60
5JUN92	345914	16AUG DCA IAH DCA 7709987615 MACKENZIE/SCOTT	795.00		7,299.60
8JUN92	345923	17AUG IAD IAH DCA 7709987624 BUCHANAN/FAT	850.00		8,149.60
8JUN92	345924	17AUG IAD IAH DCA 7709987625 BUCHANAN/SHC...	850.00		8,999.60
9JUN	46145	05MAY FAT SPD SHF FAT LAY FAT REF ORIG INV 6-17-92 1MAY 7701231-06-8-92 NEFF 4017	653.00		8,346.60

CUSTOMER
 19507059
 TO ORDER BY (YOUR NAME)
 FROM ADV. 85115



8720 Capital Square • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666
 An operating company of the Cahan Group, Inc.

52

CUSTOMER
 9 5 0 / 6 0 1 1 9
 STANDARD REGISTERED FORM NO. 6311-S
 TO ORDER BY (TWA/US/BA)

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JUN 92	5	3,043.40

SEQ# 14

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
9 JUN 92	346146	05JUN DCA CLE DCA REF ORIG INV344059 29MAY 7709279285 MACKENZIE/SCOTT	455.00-		7,891.60
9 JUN 92	346147	05JUN DCA CLE DCA REF ORIG INV345179 3JUN 7709313543 MACKENZIE/SCOTT	455.00-		7,436.60
10 JUN 92		CHECK # 2189		5,480.00	1,956.60
10 JUN 92		CHECK # 2208		5,000.00	3,043.40
10 JUN 92	346244	02JUN IAD MHT IAD REF ORIG INV344666 1JUN 7709313058 FALLON/JANET	435.00-		3,478.40
		AMERICAN EXPRESS #371389834852006		435.00-	3,043.40

TOTALS THIS PERIOD FOR ACCT. 820
 CHARGED TO YOUR ACCOUNT: 7,878.00
 CHARGED TO CREDIT CARDS: 25.00
 NET CASH PAYMENTS: 19,766.00

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
 Page 100 of 132

CAHAN TRAVEL MANAGEMENT



610 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-3666
 An operating company of the Cahan Group, Inc.

CUSTOMER

INVOICE FOR PAYMENT
 DATE: JUN 30 1992
 AMOUNT: \$6,004.40

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	30 JUN 92	1	6,004.40

FORM 15
 FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15JUN92		BALANCE FORWARD			3,043.40
19JUN92	346875	23JUN IAD LAX IAD 7709988375 MACKENZIE/SCOTT	740.00		2,303.40
19JUN92	346876	21AUG IAH SFO IAD 7709988376 JEFFREY/TERRY	359.00		1,944.40
22JUN92	346945	REF ORIG INV3419201 BUCHANAN/FAT/SHELLY INV 341920-23-24-27	3,526.00-		5,470.40
22JUN92	346993	01JUL IAD LAX REF ORIG INV343441 20MAY 7709713976 BUCHANAN/STUART MSTR	293.00-		5,763.40
22JUN92	346994	01JUL IAD LAX REF ORIG INV343442 20MAY 7709713977 BUCHANAN/THOMAS MSTR	293.00-		6,056.40
22JUN92	346995	01JUL IAD LAX REF ORIG INV343443 20MAY 7709713978 BUCHANAN WILLIAM MSTR	293.00-		6,349.40

CONTINUED
 ATTACHMENT 2

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participant's carriers upon 132

STANDARD REGS. ORM ADV. 08/15 TO ORDER (V) (F) (M) (S) (C) (E) (R) (I) (N) (G) (E) (S)

FORM 15

CTM CAHAN TRAVEL MANAGEMENT CTM

6721 Courthouse Square • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-3666
An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN FOR PRESIDENT
ATTN: JANET FALLON
2130 BOONE BLVD. - #110
MEMPHIS, TN 38120

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	30 JUN 92	2	6,004.40

SEQ# 15

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

SEE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
26 JUN 92	347342	09 AUG DCA IAH 7710007347 JEFFREY/TERRY	345.00		6,004.40

TOTALS THIS PERIOD FOR ACCT. 820
 CHARGED TO YOUR ACCOUNT: 2,961.00-
 CHARGED TO CREDIT CARDS: 0.00
 NET CASH PAYMENTS: 0.00

ATTACHMENT

122 of 132

TO ORDER (V/O) (H/B/F) AND REGISTER FORM ADS 8811'S

STATEMENT

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666
 An operating company of the Cahan Group, Inc.

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CUSTOMER

BUCHANAN FOR PRESIDENT
 AGEN: JANET FALLON
 2157 BOONE BLVD. #1117
 WASHINGTON, DC 20007

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JUL 92	1	5,414.50

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
30 JUN 92		BALANCE FORWARD			6,004.40
2 JUL 92	347791	09AUG DCA IAH BOS 7715005535 DDONOGHUE/RANDY	365.00		5,639.40
8 JUL 92	348124	DTH DCA REF ORIG INV337363 10MAR 7294654299 RYAN/EARL	316.00		5,955.40
8 JUL 92	348126	02JUN IAD MHT IAD REF ORIG INV344541 1JUN 7709312948 MACKENZIE/SCOTT	435.00		6,390.40
13 JUL 92	348491	17JUL LGA. ORD SNA. DEW IAD 7715617943 BUCHANAN/BAY	1,430.00		4,960.40
15 JUL 92	348642	REF ORIG INV34 907 MUELLEN B	300.00		5,260.40
15 JUL 92	348647	REF ORIG INV34 907 NEFFER	154.10		5,414.50

CUSTOMER

...
... JANE T. ...
...
... MA. ...

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JUL 92	2	5,414.50

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
TOTALS THIS PERIOD FOR ACCT. 820					
		CHARGED TO YOUR ACCOUNT:	589.90		
		CHARGED TO CREDIT CARDS:	0.00		
		NET CASH PAYMENTS:	0.00		

TO ORDER (0000000000) / 10 89 33

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

STATEMENT

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6720 Claman Street • McLean, Virginia 22101 • Tel: 703-893-2040 • Fax: 703-893-3000

An operating company of the Caham Group, Inc.

DATE OF BILL: 07/15/92

9592701918
 ORDER RECEIVED
 07/15/92

CUSTOMER

BUCHANAN FOR PRESIDENT
 HETTING ANDERSON
 815 BOONE BLVD. - #110
 WICHITA, KS 67202

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 JUL 92	1	2,478.00

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FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15JUL92		BALANCE FORWARD			5,414.50
17JUL92	348834	16AUG DCA IAH DCA 7715618231 BUCHANAN/JAMES	690.00		4,724.50
17JUL92	348835	16AUG DCA IAH DCA 7715618232 BUCHANAN/KAROLE	690.00		4,034.50
17JUL92	348931	11AUG DCA,DFW IAH,SLT HHH DCA 7715618306-307 FALLON/JANET	854.00		3,180.50
17JUL92	348934	09AUG DCA IAH DCA 7715618311 VONRABB/WILLIAM	600.00		2,580.50
24JUL92	349031	29JUL DCA,DFW IAH,SLT HHH 7715618306-307 BUCHANAN/JAMES	888.00		1,692.50
31JUL92	349131	29JUL DCA,DFW IAH,SLT HHH 7715618306-307 BUCHANAN/JAMES	888.00		804.50

CUSTOMER

BUCHANAN, JAMES
 11111 WHEAT ROAD
 3RD FLOOR
 VIENNA, VA 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 JUL 92	2	2,473.00

820 31 JUL 92 2

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
24 JUL 92	349334	15 JUL LAX IAD REF ORIG INU343440 20MAY 7709713975 BUCHANAN/BAY	293.00-		1,240.50
29 JUL 92	349570	01 AUG SNA SMF SNA 7715671606 BUCHANAN/BAY MRS	147.00		1,093.50
29 JUL 92	349571	01 AUG SNA SMF SNA 7715671607 BUCHANAN/THOMAS	147.00		946.50
29 JUL 92	349572	01 AUG SNA SMF SNA 7715671608 BUCHANAN/HILLIAM	147.00		799.50
29 JUL 92	349573	01 AUG SNA SMF SNA 7715671609 BUCHANAN/STUART	147.00		652.50
29 JUL 92	349574	17 AUG ONT IAH ONT 7715671610 MACKENZIE JASON	290.00		362.50

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

STANDARD REGISTER FORM #106-85115 TO ORDER BY TELEPHONE

STATEMENT



6731 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3000

An operating company of the Cahan Group Inc

DUE DATE FROM RECEIPT

SUCHANAN FOR PRESIDENT
ATTN: JANET FALLON
8130 BOONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 JUL 92	3	2,473.00

4 SER# 17

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
29 JUL 92	349575	09AUG DCA IAH OMT 7715671611 MACKENZIE/SCOTT	820.00		457.50
29 JUL 92	349580	09AUG DCA IAH BOS 7715671615 ODONOGHUE/RANDY	75.00		532.50
29 JUL 92	349586	14AUG DCA IAH DCA REF ORIG INV345883 5JUN 7709987584 ERICKSON/PAUL	665.00-		132.50
30 JUL 92	349666	09AUG DCA IAH DCA 7715671669 MORSE/DAVID	370.00		237.50
30 JUL 92	349668	09AUG DCA IAH DCA 7715671671 FALLON/JANET	984.00		1,221.50
30 JUL 92	349669	09AUG DCA IAH DCA 7715671672 DEBOLD/TOM	820.00		2,041.50

ATTACHMENT 2
Page 107 of 132

CUSTOMER SERVICE 1-800-4-A-TRAVEL

CAHAN TRAVEL MANAGEMENT



5721 Corner Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-1666

CAHAN TRAVEL MANAGEMENT - An operating company of the Cahana Group, Inc.

60

CUSTOMER

WINDING TOP FREEDOM
ATTN: JANET FALLOTT
8150 BOONE BLVD. - 1110
VIENNA, VA. 22181

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 JUL 92	-	2,473.00

5503

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
30 JUL 92	349670	13AUG DCA.DTW HDU IAH DCA 7715671673 SHANNON/RICHARD	720.00		2,761.50
30 JUL 92	349674	09AUG DCA IAH DCA 7715671677 GIROUX/DAN	820.00		3,581.50
30 JUL 92	349677	13AUG DCA.DTW HDU IAH DCA 7715671680 GARRON/ANDY	720.00		4,301.50
30 JUL 92	349678	09AUG DCA IAH DCA 7715671681 MANCUSO/FAT	820.00		5,121.50
30 JUL 92	349680	09AUG SNA IAH SNA 7715671683 BUCHANAN/BA	740.00		5,861.50
30 JUL 92	349683	16AUG SNA IAH SNA 7715671686 BUCHANAN/BA	740.00		6,601.50
30 JUL 92	349684	16AUG DCA.DTW HDU IAH DCA 7715671687 ZEITZ/CHRISTY	720.00		7,321.50

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2

Page 108 of 132

STANDARD REGISTER FORM 405, 6/11/81

STATEMENT

CTM
CAHAN TRAVEL MANAGEMENT
CTM

6721 Corrae Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-0368

An operating company of the Caham Group, Inc.

PLEASE PRINT NAME FROM RECEIPT

EUCHANKA FOR [unclear] AND
 HE [unclear] NET [unclear]
 9130 BOONE BLVD. # [unclear]
 VIENNA, VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 JUL 92	5	2,473.00

8094 17

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
30 JUL 92	349703	09AUG DCA IAH DFW DCA 7715671702 HALL/BILL	784.00		8,105.50
30 JUL 92	349705	16AUG DCA.DFW HOU IAH DCA 7715671704 HIGBEE/MATT	720.00		8,825.50
30 JUL 92	349706	16AUG DCA.DFW HOU IAH DCA 7715671705 MCCULLOUGH/DIERDRA	720.00		9,545.50
31 JUL 92		CHECK # 2404		12,736.5	3,193.00
31 JUL 92	349775	14AUG DCA.DTH HOU IAH DCA 7715671785 TREMBLAT/CHRIS	720.00		2,473.00

TOTALS THIS STATEMENT FOR ALL
 CHARGES TO YOUR ACCOUNT
 CHARGED TO CREDIT CARD
 NO. CASH PAYMENTS

CUSTOMER REMITTANCE
 REGISTER FORM
 TO ORDER (VOIDING)
 050700E
 93

DUE 7 DAYS FROM RECEIPT An operating company

CUSTOMER

BUCHANAN FOR PRESIDENT
ATTN: JANET FELLON
8130 BOONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
920	31 JUL 92	6	2,473.00

4 SER# 17

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
21 APR 92	563	OPEN ITEM RECAP GALLUZO CHK ON ACCT	ORIG AMT	63.50	OPEN AMT 63.50
				90 DAYS TOTAL	63.50
31 JUL 92	2404 349775	TREMBLAY/CHRIS	720.00	12,738.50	1,860.00 170.50
				CURRENT TOTAL	1,689.50
TOTAL					1,753.00
LESS UNAPPLIED CASH					720.00
BALANCE					2,473.00

SEE ORDER TO ORDER (7/8/92)

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2

Page 110 of 137

6721 Curran Street • McLean, Virginia 22101 • (703) 441-2200 • FAX (703) 441-2201
An operating company of the Cahan Group, Inc.

C
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R

2000 WOODBURN DRIVE
SUITE 100
DUBLIN, CA 94568
415/835-1100

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 AUG 92	1	542.50

SEP#

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
3AUG92	349886	11AUG DCA.DFW IAH.CLT HHH DCA REF ORIG INV348931 17JUL 7715618306-307 FALLON/JANET	829.00-		6,903.00
4AUG92	349973	14AUG DCA.DTW HOU IAH DCA 7717745129 TREMBLAY/CHRIS	720.00		6,183.00
5AUG92	350037	13AUG DCA IAH BOS 7717745193 PETERSON/ROBERT III	238.00		5,945.00
5AUG92	350063	09AUG DCA IAH DCA 7717745208 MUELLER/GREG	870.00		5,075.00
5AUG92	350068	15AUG DCA IAH DCA 7717745209 SMITH/JACK	705.00		4,370.00
5AUG92	350067	15AUG DCA IAH DCA 7717745210 FIFE/MICHAEL	705.00		3,665.00

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
Page 12 of 152

STANDARD REGISTRATION FOR AIRLINES
TO ORDER (5/20/92/BBE)

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666
An operating company of the Cahon Group, Inc

STATEMENT FROM RECEIPT

BUCHANAN FOR PRESIDENT
ATTN: JANET FALLON
5137 ROONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 AUG 92	3	542.50

SEP 18

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
7AUG92	350257	21AUG IAH DFW DCA 7717745362 BUCHANAN/PAT	710.00		2,955.00
7AUG92	350259	21AUG IAH DFW DCA 7717745363 BUCHANAN/SHELLEY	710.00		2,245.00
7AUG92	350356	10AUG MHT ORD HOU ORD MHT 8554119319 NAGY/PAUL	705.00		1,540.00
13AUG92	350771	15AUG DCA IAH DCA 7717745812 TREMBLAY/CHRIS	755.00		785.00
14AUG92	350861	14AUG DCA DFW HOU IAH DCA REF ORIG IN0349775 31JUL 7715671765 TREMBLAY/CHRIS	592.50-		1,877.50
14AUG92	350901	16AUG RDU MIA HO DFW DCA 8554119336 LEASURE/CHARLES	655.00		722.50

Customer Reference
TO ORDER (BY OTHERS)
DATE

DISCO-1030

SUBHANGI, P. PRESIDENT
ATTN: JANEY HALLAM
3150 BOONE BLVD. - 4110
VIENNA, VA. 22181

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 AUG 92	4	542.50

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
14AUG92	350978	16AUG DCA.CVG HOU.CVG DCA 8554119337 KADOH/BRIAN & KEVIN	1,265.00		542.50

TOTALS THIS PERIOD FOR ACCT. 820
 CHARGED TO YOUR ACCOUNT: 3,015.50
 CHARGED TO CREDIT CARDS: 0.00
 NET CASH PAYMENTS: 0.00

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

STANDARD REGISTER FORM ADS 85115
950 / 0319312

DUPLICATE FROM FILE

CUSTOMER

HUGHANAN FOR PRESIDENT
ATTN: IANL FALCON
8130 BOONE BLVD. - #110
VIENNA VA 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	31 AUG 92	1	1,591.50

SEQ# 18

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15AUG92		BALANCE FORWARD			542.50
17AUG92	351002	21AUG IAH DCA 7717745976 VONRABB/WILLIAM	460.00		1,002.50
19AUG92	351246	21AUG IAH DFW 7717788203 MUELLER/GREG	99.00		1,101.50
24AUG92	351545	25AUG SNA SMF SFO IAD 8554119360 MACKENZIE/SCOTT	490.00		1,591.50

TOTALS THIS PERIOD FOR ACCT. 820
 CHARGED TO YOUR ACCOUNT: 1,049.00
 CHARGED TO CREDIT CARDS: 0.00
 NET DUES & PAYMENTS: 0.00

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
Page 115 of 132

Continental Airlines, Inc. An operating company of the Canadian Group, Inc.

CUSTOMER

INVOICE FOR...
ADDRESS...
PHONE...
CITY...

ACCT. NO.	DATE	PAGE	BALANCE DUE
510	15 SEP 90	1	3,000.00

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE 000

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31AUG90		BALANCE FORWARD			1,291.50
25SEP90	352581	25AUG SNA SMF SEP 791 REF ORIG INV351545 2-90 8554119360 MACKENZIE/SCOTT	440.00-		1,151.50
10SEP90	353085	13SEP LAX IAD LAX 7718833970 BUCHANAN/BAY	1,440.00		2,591.50
10SEP90	353176	14AUG DCA.DTI: HDU IAD DCA REF ORIG INV349973 4-90 7717745129 TREMBLAY/CHRIS	592.50-		1,999.00
11SEP90	353376	13SEP SNA.SLC IAD 8554119397 BUCHANAN/BAY	845.00		2,844.00
14SEP90	353401	17SEP IAD.DFW SNA 7720144613 BUCHANAN/BAY	770.00		3,614.00
TOTALS THIS PERIOD FOR ACCT. 510					
DEBITED TO YOUR ACCOUNT:			2,402.50		
CREDIT CARRIED OVER:					
NET AMOUNT DUE:					

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

STANDARD REGISTER FORM ADS 84115
9 5 0 / 9
40 ORDER (1/10/1981)



4701 Curtis Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-1999

An operating company of the Cahan Group, Inc.

CUSTOMER

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	30 SEP 92		2,696.00

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15SEP92		BALANCE FORWARD			3,614.00
17SEP92	353830	13SEP LAX IAD LAX REF ORIG INV353085 10SEP 7719833970 BUCHANAN/BAY	1,415.00-		2,199.00
18SEP92	353785	23SEP MDW DTH 7721541517 BUCHANAN/PAT	129.00		2,328.00
18SEP92	353787	21SEP ORD SPI ORD 7721541519 BUCHANAN/PAT	360.00		2,696.00
18SEP92	353851	21SEP DC4 ORD DCA IL 7721541521 BUCHANAN/SHELLE	750.00		3,446.00
18SEP92	353852	21SEP DC4 ORD DCA IL 7721541522 BUCHANAN/PAT	750.00		4,196.00
20SEP92		CHECK # 125		2,696.00	1,500.00
04SEP92	35419	16AUG SNA IAH SNA REF ORIG INVT 35419 JUL 7715871680 BUCHANAN/BAY	795.00-		795.00

CONTINUED

THANK YOU

The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
Page 117 of 130

HARD COPY FOR AGENTS TO ORDER/AGENTS

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

DUE 7 DAYS FROM RECEIPT An operating company of the Cahan Group, Inc

MELISSA BUCHANAN
ATTN: JANET FAULON
3130 BOONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	30 SEP 92	2	2,025.00

REV# 21

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
25SEP92	354313	29SEP DFW SFO 7721553552 BUCHANAN/FAT	620.00		1,405.00
25SEP92	354315	29SEP DFW SFO 7721553553 BUCHANAN/SHELLEY	620.00		2,025.00

CUSTOMER

FORM 408-BLTS TO ORDER (1/10/91) (RBT)

PLEASE PRINT THIS PERIOD FOR ACCT. CHANGES TO YOUR ACCOUNT: CREDIT CARDS: ...

1-1-1992

ATTACHMENT 2
Page 118 of 132

CAHAN TRAVEL MANAGEMENT

25

6721 Curran Street • McLean, Virginia 22101 • (703) 893-2041 • Fax: (703) 893-3668

FROM: PEPPER - An operating company of the Cahan Group, Inc.

CUSTOMER

WILLIAM BUCHANAN
 JANE E. FALLON
 1330 BOONE BLVD. - #100
 WASHINGTON, VA 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
520	15 OCT 92	1	4,892.00

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
30SEP92		BALANCE FORWARD			2,025.00
5OCT92	354905	07OCT ONT SMF ONT 7721554049 BUCHANAN/BAY	138.00		2,163.00
7OCT92	355123	16OCT DCA BOS DCA 7721554253 MACKENZIE/SCOTT	302.50		2,465.50
9OCT92	355299	14OCT LGA BNA 7721554387 BUCHANAN/SHELLEY	423.00		2,888.50
9OCT92	355300	14OCT LGA BNA 7721554389 BUCHANAN/PAT	423.00		3,311.50
9OCT92	355307	18OCT BOS DCA 7721554396 BUCHANAN/SHELLEY	332.50		3,644.00
9OCT92	355366	11OCT ROC EWR ROC 8555359454 MUELLER/GREG	488.00		4,132.00

*Request
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THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

ATTACHMENT 2
 Page 119 of 132

CTM CAHAN TRAVEL MANAGEMENT CTM

6721 Colman Street • McLean, Virginia 22101 • (703) 893-2640 • Fax (703) 893-3666

LETTER DATED FROM RECEIPT IS AN operating company of the Cahan Group, Inc.

DMSO-15000

BUCHANAN
BUCHANAN/SHELLEY
BUCHANAN/FAT

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 OCT 92	0	4,892.00

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
1200T92	355377	14OCT DCA BNA 7721554445 BUCHANAN/SHELLEY	380.00		4,512.00
1200T92	355383	14OCT DCA BNA 7721554456 BUCHANAN/FAT	380.00		4,892.00

95070130

TO ORDER BY/DATE

TO ORDER BY/DATE

STATEMENT

CAHAN TRAVEL MANAGEMENT

6721 Curran Street • McLean, Virginia 22101 • (703) 897-2040 • Fax (703) 893-3606

An operating company of the Cahan Group, Inc.

DATE: 10/31/92

BUCHANAN, PAT
BUCHANAN, SHELLEY
2200 CURE PHX
7721783021
VIENNA, VA. 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
825	31 OCT 92	1	6,007.00

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15OCT92		BALANCE FORWARD			4,892.00
16OCT92		CHECK # 2645		2,025.00	2,867.00
19OCT92	356027	22OCT CUG PHX 7721783021 BUCHANAN/PAT	720.00		3,567.00
19OCT92	356028	22OCT CUG PHX 7721783022 BUCHANAN/SHELLEY	720.00		4,307.00
29OCT92	356781	04NOV LAI IAR,DFW SNA 7721783728 BUCHANAN/BAY	1,700.00		6,007.00

CUSTOMER

TO ORDER (CUSTOMER)

IF FIRM ACCOUNTS

FOR ALL...
FOR ALL...
FOR ALL...

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-0640 • Fax (703) 893-4668
An operating company of the Cahan Group, Inc.

DUPLICATE COPY OF STATEMENT

CUSTOMER

BUCHANAN, RICHARD
11111 WOODBINE FALLS
11111 WOODBINE FALLS
MCLEANS, VA. 22102

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 NOV 92	1	3,789.50

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31OCT92		BALANCE FORWARD			6,007.00
3NOV92		CHECK # 2540		4,822.00	1,185.00
3NOV92		CHECK # 2548 TRANS TO RNC FOR MUELLE		549.00	1,734.00
6NOV92	357391	14OCT LGA BNA REF ORIG INV355298 9007 7721554387 BUCHANAN/SHELLEY	398.00		1,336.00
6NOV92	357393	14OCT LGA BNA REF ORIG INV355300 9007 7721554389 BUCHANAN/PAT	398.00		938.00
11NOV92	357857	16NOV SNA.DFW IAH.DFW SNA 7723853892 BUCHANAN/BAY	1,700.00		2,638.00
12NOV92	357857	DFW SFO REF ORIG INV355301 9007 7721553551 BUCHANAN/BAY	595.00		2,043.00
12NOV92	357857	DFW SFO REF ORIG INV355302 9007 7721553551 BUCHANAN/BAY	595.00		1,448.00

TO ORDER REVENUE

670 - Curran Street - New York

An operating company of the Canam Group, Inc.

CUSTOMER

ACCT. NO.	DATE	PAGE	BALANCE DUE
02	15 NOV 70	2	3,789.50

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
12NOV62	357973	REF BUCHANAN MISC. PERRONA	4,990.00-		3,512.00
12NOV62	357977	REF BUCHANAN MISC INVOICE:	1,317.50-		4,829.50
13NOV62	358131	16NOV SNA DEN TAD NEW SNA 8555480010 BUCHANAN/BAY	1,040.00		3,789.50

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TO ORDER BY/THRU/REF

FORM 44-1 (REV. 5-64)

FAH/DA/DE/11

PLEASE RETURN TO THE OFFICE OF THE
DIRECTOR OF THE BUREAU OF AIR FORCE
OPERATIONS, WASHINGTON, D.C. 20330
FOR CREDIT OF YOUR ACCOUNT

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon receipt of tickets. Your prompt remittance is appreciated.

CUSTOMER
 05019
 ORDER NUMBER

BUCHANAN FOR FUEL
 ATTN: JANET FREEMAN
 810 3078 11
 VIENNA VA 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
800	30 NOV 92	1	2,492.00

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15NOV92		BALANCE FORWARD			3,789.50
16NOV92	358175	20NOV IAD.DFW SNA 7723854154 BUCHANAN/BAY	850.00		2,939.50
20NOV92	358663	16NOV SNA.DFW IAD.DFW SNA REF ORIG INV357857 11NOV 7723853892 BUCHANAN/BAY	1,675.00-		4,614.50
24NOV92	358842	03DEC SNA.ORD BOS DCA IAD .DFW SNA 7723854720-721 BUCHANAN/BAY	2,122.50		2,492.00

TOTALS THIS PERIOD FOR ACCT.
 CHARGED TO YOUR ACCOUNT: 1,027.50
 CHARGED TO CREDIT CARD: 0.00
 NET CASH PAYMENTS: 0.00

ATTACHMENT 2

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the parties to whom they are due.

CTM CAHAN TRAVEL MANAGEMENT CTM

6720 Clarran Street • McLean, Virginia 22101 • 703-893-2040 • Fax 703-893-3666
An operating company of the Cahan Group, Inc.

STATEMENT FOR PERIOD

W. HANAN
ATTN: JANE F. HANAN
11501 DOWNS BLVD
VIENNA, VA 22180

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 DEC 92	1	4,167.00

4 SEQ# 26 FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
30NOV92		BALANCE FORWARD			2,492.00
BDEC92		CHECK # 2776		1,675.00	4,167.00

CUSTOMER

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950701

MAINT. BILLS TO ORDER (VIO/THURSDAY)

TOTAL THIS PERIOD FOR ACCT. NO. 820
CHARGED TO YOUR ACCOUNT:
CHARGED TO CREDIT CARD/PAYMENT:

ATTACHMENT 2
125 132

An operating company of the Canam Group, Inc.

CUSTOMER REMITTANCE

BUCHANAN/PAT 28 DEC 92
7724890046
BUCHANAN/SHELLY 23 DEC 92
7724890047
MACKENZIE/SCOTT 07 JAN 93
7724890068
MCDONALD/RICHARD 30 DEC 92
7724890091
PERSONAL

ACCT. NO.	DATE	PAGE	BALANCE DUE
800	31 DEC 92	1	1,545.00

9274

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15DEC92		BALANCE FORWARD			4,167.00
23DEC92	360458	28DEC DCA FLL FBI DCA 7724890046 BUCHANAN/PAT	1,002.00		3,165.00
23DEC92	360459	28DEC DCA FLL FBI DCA 7724890047 BUCHANAN/SHELLY	1,002.00		2,163.00
23DEC92	360489	07JAN IAD LAX IAD 7724890068 MACKENZIE/SCOTT	348.00		1,815.00
23DEC92	360506	30DEC DCA CLT SAV 7724890091 MCDONALD/RICHARD PERSONAL	270.00		1,545.00

TOTALS THIS PERIOD FOR ACCT. NO. 800
CHARGED TO YOUR ACCOUNT: 2,762.00
CHANGES TO CREDIT CARDS: _____
NET CASH PAYMENTS: _____

ATTACHMENT 2
Page 156 of 132

THANK YOU: Payments shown here represent an immediate transfer of funds from our agency to the participating carriers upon

0 5 0 0 1 2 3 4 5 6 7 8 9
STANDARD REGISTER FOR ADS, BILLS TO ORDER (VENDOR)

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax: (703) 893-3000

An operating company of the Cahay Group, Inc.

DUPLICATE FROM SOURCE

BUCHANAN FOR PERIOD
ATTN: RANDY HANSON OF
8130 BOONE BLVD. - #110
VIENNA, VA. 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 JAN 93	1	3,076.00

4 8289 18

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31DEC92		BALANCE FORWARD			1,545.00
6JAN93	360877	24JAN LAX.ATL CAE.CLT IAD .DFW SNA 7725422040-041 BUCHANAN/BAY	2,300.00		755.00
11JAN93		CHECK # 1 G MUELLER PTA REF DN B69		50.00-	805.00
12JAN93	361183	13JAN SNA DFW IAD DFW SNA 8555480085 BUCHANAN/BAY	2,035.00		2,840.00
14JAN93	361353	04FEB SNA SFO SNA 1319338420 BUCHANAN/BAY	115.00		2,958.00
14JAN93	361354	04FEB SNA SFO SNA 1319338421 BUCHANAN/WILLIAM	115.00		3,076.00

TOTAL DUE TO YOU FOR ACCT. NO. 820
PLEASE PAY TO YOUR ACCOUNT
BY DEPOSIT OR CHECK

ATTACHMENT 2
139 of 132

05010500

19 3 0 7 0 5

TO ORDER (10/10/10/10/10)

IN ADV

CUSTOMER

BUCHANAN / PAT
7724890046
BUCHANAN / SHELLY
7724890047

ACCT. NO.	DATE	PAGE	BALANCE DUE
800	31 JAN 93	1	983.00

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15JAN93		BALANCE FORWARD			3,076.00
23DEC92	361962	28DEC DCA FLL FBI DCA 7724890046 BUCHANAN/PAT	1,002.00-		2,074.00
23DEC92	361964	28DEC DCA FLL FBI DCA 7724890047 BUCHANAN/SHELLY	1,002.00-		1,072.00
25JAN93		CHECK # 2879		2,035.00	983.00

TOTAL DEDUCTIONS FOR THIS PERIOD FOR AGENCY: \$0.00
CHARGED TO YOUR ACCOUNT: \$0.00
CHARGED TO CREDIT BALANCE: \$0.00
NET CASH PAYMENTS: \$0.00

ATTACHMENT 2
Page 138 of 132

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon

950123
STANDARD REGISTER FORM AND BILLS TO ORDER (VOLUME 1)

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CUSTOMER

BUCHANAN / BAY
1322774737
BUCHANAN / BAY

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 FEB 93	1	1,037.00

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
31 JAN 93		BALANCE FORWARD			963.00
3 FEB 93	362486	08 FEB SNA.DFW IAD.DFW SNA 1322774737 BUCHANAN/BAY	2,000.00		1,037.00
8 FEB 93	362683	16 FEB DCA.DFW SAT.ATL DCA 1322774910 BUCHANAN/SHELLEY	1,460.00		2,497.00
		AMERICAN EXPRES #372844335111019		1,460.00	1,037.00
8 FEB 93	362684	16 FEB DCA.DFW SAT.ATL DCA 1322774911 BUCHANAN/PATRICK	1,460.00		2,497.00
		AMERICAN EXPRES #372844336111019		1,460.00	1,037.00

TOTALS THIS PERIOD FOR AGENCY:

CHG. DEB. TO YOUR ACCOUNT: 2,000.00

CHG. DEB. TO CREDIT CARDS: 2,920.00

NET CASH PAYMENTS: 1,460.00

ATTACHMENT 2 of 152

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon issuance of tickets. Your prompt remittance will be appreciated.

STANDARD REC. FORM ADV. 83113 (REV. 10/79)

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 493-3666
An operating company of the Cahan Group, Inc.

CUSTOMER

BUCHANAN OF PRESIDENT
ATTN: RANDY O'DONOHUE
6130 WOODBINE BLVD. - #110
MIAMI, FL. 33181

ACCT. NO.	DATE	PAGE	BALANCE DUE
B20	28 FEB 93	1	4,836.00

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
15FEB93		BALANCE FORWARD			1,037.00
17FEB93	363117	17FEB SNA DFW SNA DFW IAD DFW SNA 8557028617 BUCHANAN/BAY	2,035.00		3,072.00
24FEB93		CHECK # 2244 CHK FROM BAY BUCHANAN		236.00	2,836.00
25FEB93	363741	07MAR SNA DFW IAD DFW SNA 1325967735 BUCHANAN/BAY	2,000.00		4,836.00

0 1 2 3 4 5 6 7 8 9

MADE BY: TO ORDER (BY/THRU)

PLEASE PRINT NAME AND ADDRESS OF ACCOUNT HOLDER
YOUR ACCOUNT NUMBER
CREDIT CARD NUMBER



670 Canton Street • McLean, Virginia 22101 • 703-893-2040 • Fax 703-893-3669

An operating company of the Cahon Group, Inc.

CUSTOMER

McMEANAN R. J. 4555 ONE
 1200 N. MAN. T. BONDING 18
 8127 0018
 WASHINGTON DC

ACCT. NO.	DATE	PAGE	BALANCE DUE
600	15 MAR 93	1	1,199.00

SE - 30

FILE COPY

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
28FEB93		BALANCE FORWARD			4,856.00
12MAR93		CHECK # 1152 PMT-INV# 360506		270.00	4,566.00
12MAR93		CHECK # 2943 PMT INV'S 03FEB to 25FEB		5,765.00	1,199.00

TOTAL BILL PERIOD FOR ACCT. CHARGED TO YOUR ACCOUNT
 CHARGED TO CREDIT CARD
 NOT CASH PAYMENTS

ATTACHMENT 2

Page 131 of 132

THANK YOU The items shown above represent an immediate transfer of funds from our agency to the participating carriers upon

STATEMENT



6721 Curran Street • McLean, Virginia 22101 • (703) 893-2040 • Fax (703) 893-3666

DUE 7 DAYS FROM RECEIPT An operating company of the Cahan Group, Inc

BUCHANAN FOR AGENCY
ATTN: RANDI WILSON
313 BOONE BLVD. #310
VIENNA, VA 22182

ACCT. NO.	DATE	PAGE	BALANCE DUE
820	15 DEC 91	1	1,217.50

4 SEQ# 1

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

FILE COPY

DATE	INVOICE NUMBER	DESCRIPTION	INVOICES DEBIT/CREDIT	PAYMENTS	BALANCE
10DEC91		BALANCE FORWARD			0.00
11DEC91	331403	15DEC DCA LGA DCA 7288403352 JOSEPH/PATRICK MR	153.00		153.00
11DEC91	331404	15DEC DCA LGA DCA 7288403353 JOSEPH/SHELLEY MRS	153.00		306.00
12DEC91	331405	12DEC BOS DCA 8552591703 BUCHANAN/PAT	911.50		1,217.50

CUSTOMER REFERENCE

950 / 0193

TO ORDER (703) 893-2040

NO PERIOD FOR ADJ.

1,217.50

REPORT OF THE AUDIT DIVISION
ON

Buchanan for President

Approved October 11, 1994



FEDERAL ELECTION COMMISSION

999 E STREET, N.W.
WASHINGTON, D.C.

ATTACHMENT

Page 1 of 74

3

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BUCHANAN FOR PRESIDENT

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FEDERAL ELECTION COMMISSION

FINAL AUDIT REPORT
ON
BUCHANAN FOR PRESIDENT

EXECUTIVE SUMMARY

Buchanan for President ("the Committee") registered with the Federal Election Commission on December 26, 1991. The Committee was the principal campaign committee of Patrick J. Buchanan, a candidate for the 1992 Republican presidential nomination.

The audit was conducted pursuant to 26 U.S.C. §9038(a), which requires the Commission to audit committees that receive matching funds. The Committee received \$5.2 million in matching funds.

The findings were presented to the Committee at an exit conference held at the conclusion of audit fieldwork (May 20, 1993) and in the Interim Audit Report ratified by the Commission on December 20, 1993. The Committee responded to the findings contained in the Interim Audit Report on March 28, 1994. The comments and other information received from the Committee have been included in this report.

The Final Audit Report required the Committee to pay \$625,146 to the U.S. Treasury and \$6,283 to the Press.

The findings contained in the Final Audit Report are summarized below.

Unresolved Prohibited Contributions - 2 U.S.C §441b(a), 11 CFR §100.7(a)(1)(iii), 11 CFR §103.3(b). The Committee is required to pay the U.S. Treasury \$8,166, in prohibited contributions. The Committee disputed a portion of the amount (\$5,152) resulting from a sample review of contributions^{1/}. The

^{1/} On May 5, 1992, the Commission adopted a policy of using sampling techniques to project the amount of prohibited and excessive contributions and, based on the projection, to require payments to the Treasury. The Committee was notified of this policy by letter dated June 2, 1992.

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Committee argued that the Commission's use of the sampling technique without notice and comment is a violation of the Administrative Procedures Act. The Committee also argued that the auditor's method of sampling was invalid. The Commission did not find the arguments persuasive.

Apparent Excessive Contributions - 2 U.S.C. §441a(a)(1), 11 CFR 100.7, 11 CFR 110.1(k), and 11 CFR 103.3. The Committee was required to pay the U.S. Treasury \$53,759, in excessive contributions. The Committee disputed a part of that amount (\$17,279) resulting from a sample review of contributions. The Committee objected for the same reasons noted with respect to prohibited contributions. The Commission again did not find the arguments persuasive.

Excessive Contributions Resulting from Staff Advances - 2 U.S.C. §441a(a) and 11 CFR §116.5(b). The Committee received \$53,251 in excessive contributions in the form of staff advances from three individuals. The Committee presented a number of arguments in an attempt to show that no excessive contributions were received; however, the arguments were not accepted.

Misstatement of Financial Activity - 2 U.S.C. §434(b)(1), (2), and (4). The Committee understated its 1992 receipts and disbursements by \$26,494 and \$140,661 respectively. The misstatements largely resulted from the Committee's failure to report all transactions in its state bank accounts. In response to the Interim Audit Report, the Committee filed amended disclosure reports to correct the errors.

Apparent Non-qualified Campaign Expenses - 11 CFR §9032.9(a) and 11 CFR §9034.4(a)(1). The Committee was required to repay \$25,151 for incurring non-qualified campaign expenses.

1. Patrick J. Buchanan - The Committee was required to repay \$17,116, the pro rata share of \$50,000 in contributions returned to the Candidate. Claiming that the \$50,000 was originally loaned by the Candidate but erroneously reported as contributions, the Committee said that the payments were loan repayments (which are qualified campaign expenses) rather than the return of contributions (which are not). The Committee provided affidavits from Committee officials stating these transactions were loans but no other evidence was provided.

2. Over Payment to a Staff Member - The Committee also had to repay \$2,959, the pro rata share of an \$8,645 overpayment of a reimbursement to a staff member for expenses incurred on her credit cards. The Committee's response states they have decided not to seek a refund from the staff member.

3. Other Non-qualified Campaign Expenses - 11 CFR §9032.9(a)(2), 11 CFR 9034.4, 11 CFR §9038.2(b)(2)(iii) and 11 CFR §9038.3(c)(2). The Committee was required to repay \$5,076,

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the pro rata share of non-qualified campaign expenses totaling \$14,827. The non-qualified expenses include \$2,406 in fundraising expenses incurred after the Committee had no remaining debt and \$12,421 in various other expenses.

Matching Funds in Excess of Entitlement - 26 U.S.C. §9038(b)(1). The Committee was required to repay, to the U.S. Treasury, \$532,827 in matching funds received in excess of the Candidate's entitlement, based on an analysis of the Committee's Statement of Net Outstanding Campaign Obligations and receipts. In addition, the Commission previously refused to certify the Committee's final matching fund request in the amount of \$75,640 citing inflated estimates of winding down costs.

Apparent Excessive Press Reimbursements - 11 CFR §9034.6 The Committee was required to make \$6,283 in refunds to the press for overcharges of travel services provided to media representatives. Also, the Committee earned \$4,632 in profits on travel services and had to pay that amount to the U.S. Treasury.

Stale-dated Committee Checks - 11 CFR §9038.6. Finally, the Committee was required to pay the U.S. Treasury \$611, representing the value of stale-dated Committee checks still uncashed.



REPORT OF THE AUDIT DIVISION
ON
BUCHANAN FOR PRESIDENT

I. Background

A. Audit Authority

This report is based on an audit of Buchanan 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, November 26, 1991, through September 30, 1992. During this period, the Committee's disclosure reports reflect an opening cash balance of \$-0-, total receipts of \$12,961,454, total disbursements of \$12,416,833 and a closing cash balance of \$428,544.1/ In addition, a limited review of the Committee's transactions and disclosure reports filed through March 31, 1994 was conducted for purposes of determining the Committee's remaining matching fund entitlement based on its financial position.

1/ Does not foot, see Finding II.C. All amounts have been rounded to the nearest dollar.

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C. Campaign Organization

The Committee registered with the Federal Election Commission on December 26, 1991. The Treasurer of the Committee, was Mr. Scott B. Mackenzie from inception until March 1, 1993, when Ms. Angela M. Buchanan assumed those duties. The Committee's current offices are located in McLean, Virginia.

To manage its financial activity, the campaign maintained 28 bank accounts (7 headquarters and 21 state) at various times. From these accounts, the Committee issued approximately 4,780 checks in payment for goods and services. The Committee received approximately 193,617 contributions, from approximately 116,973 individuals, totaling \$7,113,604. The Committee also received 26 contributions from political committees totaling \$38,800.

The Candidate was determined eligible to receive matching funds on January 27, 1992. The campaign received \$5,199,987 in matching funds from the United States Treasury as of January 2, 1993. This amount represents 37.65% of the \$13,810,000 maximum entitlement that any candidate could receive and 94% of the amount requested. Through December 31, 1992, the campaign made a total of 11 matching funds requests totaling \$5,539,814.

On January 4, 1993 the Committee submitted a request for additional matching funds totaling \$75,640. Accompanying the submission, as required by Section 9034.5(f)(1) of Title 11 of the Code of Federal Regulations, was a statement of the Committee's Net Outstanding Campaign Obligations ("NOCO Statement") which reflected a remaining entitlement of \$96,184. According to the NOCO Statement the Committee's assets totaled \$1,193,925 of which \$1,011,242 or 85%, was cash on hand. The Committee's liabilities totaled \$1,290,109, which consisted of estimated winding down costs totaling \$1,209,100 or 94% of total liabilities. One item included in the estimate of winding down costs was a \$100,000 "contingency" for which the Committee provided no documentation.

After review of the NOCO Statement by the Audit Division and the Office of General Counsel, the Commission made an initial determination that the January 4, 1993 NOCO Statement included inflated estimates of winding down costs. The Committee did not respond to the Commission's initial determination. On April 2, 1993 the Commission made a final determination that the Committee failed to adequately substantiate its need for additional federal matching funds and rejected the January 4, 1993 request for the additional \$75,640 (See Finding III.D., Receipt of Matching Funds in Excess of Entitlement).

For matching fund purposes, the Commission determined that Mr. Buchanan's candidacy ended August 20, 1992, the date the Republican Party nominated its candidate for President of the United States.

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

D. Audit Scope and Procedures

In addition to a review of the Committee's expenditures to determine the qualified and non-qualified campaign expenses incurred by the campaign (see Finding III.B.), the audit covered the following general categories:

1. Compliance with statutory limitations with respect to the receipt of contributions or loans (see Findings II.B. and III.B.);
2. compliance with the statutory requirements regarding the receipt of contributions from prohibited sources, such as those from corporations or labor organizations (see Finding II.A.);
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;
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;
6. the accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records (see Finding II.C.);
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 Findings III.C. and III.D.);
9. compliance with spending limitations; and
10. other audit procedures that were deemed necessary.

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Unless specifically discussed below, no material non-compliance with Statutory and Regulatory requirements was detected. It should be noted that the Commission may pursue any of the matters discussed in this report in an enforcement action. Finally, the Interim Audit Report constituted notice of potential Federal funds repayment pursuant to 11 CFR §9038.2(a)(2).

As part of the Commission's standard audit process, an inventory of the Committee's records was conducted October 15 - 26, 1992 to determine if the records were materially complete and in an auditable condition. At the end of the inventory the Committee was notified of the specific records we had identified as missing. The Committee was given 30 days to obtain the records. At the end of the 30 day period (November 24, 1992) the Committee had not yet provided the workpapers detailing the allocation of expenditures to states, or bank records for the Committee's Mississippi state depository. On December 23, 1992, the Commission approved subpoenas to the Committee, Hancock Bank in Mississippi, and the individual responsible for maintaining the account. Hancock Bank and the individual maintaining the account responded to the subpoenas on January 22 and 25, 1993 respectively. The Committee's initial response to the subpoena was received on February 9, and a supplemental response was provided on February 10, 1993. We reviewed the responses and determined the records provided were materially complete.

II. Findings and Recommendations - Non-Repayment Matters

A. Apparent Unresolved Prohibited Contributions

Section 441b(a) of Title 2 of the United States Code states, in relevant part, that it is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office.

Section 100.7(a)(1)(iii) of Title 11 of the Code of Federal Regulations states that the term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value. The term "anything of value" includes all in-kind contributions. Unless specifically exempted under 11 CFR §100.7(b), the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution.

Section 103.3(b) of Title 11 of Code of Federal Regulations states, the treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limitation of 11 CFR 110.1 or 110.2.

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Contributions that present genuine questions as to whether they were made by corporations, may be, within ten days of the treasurer's receipt, either deposited into a campaign depository under 11 CFR §103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. The treasurer shall make at least one written or oral request for evidence of the legality of the contribution. Such evidence includes, but is not limited to, a written statement from the contributor explaining why the contribution is legal, or a written statement by the treasurer memorializing an oral communication explaining why the contribution is legal. If the contribution cannot be determined to be legal, the treasurer shall, within thirty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

Any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

Although the Committee did not maintain a separate depository pursuant to 11 CFR §103.3(b) its policy was to maintain sufficient funds with which to make a refund if necessary. Our review of the book balance used by the Committee and the actual cash on hand per the bank statements supports that sufficient cash on hand was maintained to make the refunds of prohibited or excessive portions of contributions.

The Commission notified the Committee by letter dated June 2, 1992, that a sampling technique would be used to determine, in whole or in part, the amount of excessive and prohibited contributions received by the Committee. That letter states, in part, Commission regulations provide committees with 30 days in which to refund contributions which appear to be prohibited, and 60 days in which to seek the reattributions, redesignation or refund of excessive contributions. 11 CFR §103.3(b)(1), (2), and (3). Contributions resolved by committees outside these time periods are considered untimely and in violation of the Commission's regulations. The Commission will no longer recognize any untimely refunds, redesignations or reattributions made more than 60 days following a candidate's date of ineligibility or after the date of receipt of this letter, whichever is later. After this deadline, the Commission will request that all unresolved prohibited or excessive contributions be paid to the United States Treasury.

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Our review of contributions identified apparent unresolved prohibited contributions totaling \$8,166. This amount was derived from a comprehensive review of the Committee's 21 state bank accounts and of refunds posted to the Committee's receipts data base (\$900), an apparent in-kind contribution of (\$864), and a projection based upon a sample review of the remaining contributions (\$6,402).

The Committee did attempt to resolve one of the prohibited contributions noted above; however, the refund check was dated November 5, 1992, which is outside of the 60 days subsequent to the candidate's date of ineligibility and is considered to be unresolved.

The in-kind contribution was identified on an invoice from the Tampa Airport Marriott bearing the notation "complimentary". This matter was discussed with the Treasurer who stated either 5 or 6 rooms were utilized for one night. No other information with respect to these rooms has been provided. The Audit staff has determined that the customary charge for a room at the Tampa Airport Marriott is \$144 per night. Therefore, we have calculated the amount of the contribution to be \$864 [6 rooms X \$144/night].

The contributions that were not included in the comprehensive reviews discussed above were tested on a sample basis. The sample projected that \$6,402 represents prohibited contributions.

At the exit conference the Committee was provided with various schedules detailing the apparent prohibited contributions noted above.

The Interim Audit Report recommended that the Committee either provide evidence that the contributions are not from prohibited sources, or make a payment to the United States Treasury in the amount of \$8,166.

In response to the Interim Audit Report, the Committee accepted the Audit staff's recommendation that the prohibited contributions totaling \$3,014 [\$900 + \$864 + \$1,000 + \$250] be paid to the United States Treasury. This represents the sum of the identified prohibited contributions including those contained in the sample. However the Committee objects to the remaining \$5,152 which is based on the sample.

The response includes a letter from an accounting firm concerning the sampling technique. The letter states in part that:

"The sampling technique used by the FEC, known as dollar unit sampling, which is a form of attribute sampling, is equivalent to techniques used by most financial auditors. This type of sampling is used to

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determine an error rate in a population which allows auditors to evaluate whether such error has a material effect on the population. Dollar unit sampling can also be used to estimate the rate of occurrence of deviations. An example of attribute sampling would be to estimate how many transactions involve incorrect calculations."

The letter goes on to state the opinion that an Estimation sample would be more appropriate and deviations found in a dollar unit sample are not usually used to record an audit adjustment. Finally, it is stated that the firm found the definition of our thresholds levels to be inconsistent and that they appeared to be very low.

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With respect to the technique, the Audit and Accounting Guide entitled Audit Sampling prepared by the American Institute of Certified Public Accountants notes that "attributes sampling is generally used to reach a conclusion about a population in terms of a rate of occurrence. Variables sampling is generally used to reach conclusions about a population in terms of a dollar amount. PPS (Probability Proportionate to Size or Dollar Unit Sampling) is a hybrid method that uses attributes sampling theory to express a conclusion in dollar amounts rather than as a rate of occurrence." In a footnote the same audit guide states that "[a] PPS sampling approach can be used to obtain evidence of compliance with internal accounting control procedures. A PPS sampling approach would provide evidence in terms of dollar amounts of transactions containing deviations rather than rates of deviation. In that case the feature of interest is compliance deviations rather than substantive errors."

It is also noted that the sampling technique employed is the same as the one used by the Commission to evaluate matching fund submissions and determine the dollar amount to be paid. That technique was recommended to the Commission by the accounting firm Ernst and Whinney (now Ernst and Young) in an extensive study undertaken to find the most appropriate sampling technique to determine the amount of matchable contributions, or conversely the non-matchable amount, in a group of contributions. The Audit staff believes that the evaluation of a group of contributions to determine an estimate of prohibited or excessive contributions contained therein is indistinguishable from the matching fund evaluation.

With respect to the thresholds used in the sampling process, they are contained in the Commission's materiality thresholds and were therefore not available for the Committee's or accounting firm's review.

The Committee also argues that the use of sampling without notice and comment violates the Administrative Procedures Act. On the contrary, agencies are required to comply with the Administrative Procedures Act's notice and comment provisions for "legislative rules" it issues. However an exemption from these requirements is created for "interpretive rules, general statements of policy, or rules of agency organization, procedure or practice." An agency makes a general policy statement if the announcement either acts prospectively or leaves the agency and its decision-makers free to exercise discretion.

The 1992 letter to presidential committees falls within the interpretive rule exemption. It does not substantially alter the Committee's rights or interests. Rather, it is interpreting a current regulation. Section 9038.1(a)(2) of Title 11 of the Code of Federal Regulations allows the Commission to conduct examinations and audits "as it deems necessary to carry out the provisions of this subchapter." The letter informed the Committee that sampling would be used as a technique for reviewing excessive and prohibited contributions, which is a necessary part of the audit and examination process. Further, the letter was defining the audit method that would be employed to conduct an examination of the Committee's contributions. Since the letter notified the committees of the future intent to "make more extensive use of statistical sampling," it was prospective.

The requirement that the Committee disgorge unlawfully retained contributions to the Treasury is not a new policy which significantly affects committees' rights or interests. A policy statement does not "alter the rights or interest of parties, although it may alter the manner in which parties present themselves or their viewpoints to the agency." American Hospital Ass'n, 834 F.2d at 1047 (citing Batterton v. Marshall, 648 F.2d, 707 (D.C. Cir. 1980)). The Committees' rights and interests have not been affected here. Their duty with respect to illegal contributions is to redesignate, reattribute or refund these contributions within either 30 or 60 days, pursuant to 11 CFR §103.3. Therefore, the Committee has a general duty to relinquish unlawfully retained contributions. The 1992 letter does not alter this duty; it only notifies committees that all such untimely unresolved contributions must be paid to the United States Treasury.

Since the Committee has not provided any additional information concerning the prohibited contributions identified in either the 100% or sample review, no change to the Interim Audit Report calculation is warranted.

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Recommendation #1

The Audit staff recommends that the Committee be required to make a payment to the United States Treasury in the amount of \$8,166 representing the value of unresolved prohibited contributions.

B. Apparent Excessive Contributions

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

Section 100.7(a)(1)(iii) of Title 11 of the Code of Federal Regulations states that the term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value. The term "anything of value" includes all in-kind contributions. Unless specifically exempted under 11 CFR §100.7(b), the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods and services is a contribution.

Section 110.1(k) of Title 11 of the Code of Federal Regulations states, in part, that any contribution made by more than one person, except for contributions made by a partnership, shall include the signature of each contributor on the check, money order, or other negotiable instrument or in a separate writing. A contribution made by more than one person that does not indicate the amount to be attributed to each contributor shall be attributed equally to each contributor. If a contribution to a candidate on its face or when aggregated with other contributions from the same contributor exceeds the limitations on contributions, the treasurer may ask the contributor whether the contribution was intended to be a joint contribution by more than one person. A contribution shall be considered to be reattributed to another contributor if the treasurer of the recipient political committee asks the contributor whether the contribution is intended to be a joint contribution by more than one person, and informs the contributor that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution; and within sixty days from the date of the treasurer's receipt of the contribution, the contributors provide the treasurer with a written reattribution of the contribution, which is signed by each contributor, and which indicates the amount to be attributed to each contributor if equal attribution is not intended.

Section 103.3(b)(3) of Title 11 of the Code of Federal Regulations states, in part, that contributions which exceed the contribution limitation may be deposited into a campaign depository. If any such contribution is deposited, the treasurer

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may request redesignation or reattribution of the contribution by the contributor in accordance with 11 CFR §§110.1(b) and 110.1(k), as appropriate. If a redesignation or reattribution is not obtained, the treasurer shall, within 60 days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

Section 103.3(b)(4) of Title 11 of the Code of Federal Regulations states, in part, that any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

Sections 110.1(k)(1), (3), and (5) of Title 11 of the Code of Federal Regulations state, in part, that if a political committee receives a written reattribution of a contribution to a different contributor, the treasurer shall retain the written reattribution signed by each contributor. If a political committee does not retain the written records concerning reattribution as required, the reattribution shall not be effective, and the original attribution shall control.

As noted in Finding II.A., above, the Commission notified the Committee by letter dated June 2, 1992, that a sampling technique would be used, in whole or in part, to determine the amount of excessive and prohibited contributions received by the Committee. Additionally, the Committee maintained sufficient cash on hand to make refunds of any excessive contributions.

1. Excessive Contributions from Individuals

Our review of contributions from individuals identified apparent unresolved excessive contributions totaling \$53,909. This amount was derived from a comprehensive review of the Committee's 21 state bank accounts; a comprehensive review of selected contributions, and contribution refunds posted to the Committee's receipts data base; and a projection based upon a sample review of the remaining contributions from individuals.

a. Comprehensive Review

Based upon a comprehensive review of selected transactions in the Committee's receipts data base along with contributions deposited into the Committee's state bank accounts, 105 individuals were identified who made excessive contributions totaling \$35,630 which are considered unresolved.

The Committee issued refund checks totaling \$7,340 in an attempt to resolve 20 excessive contributions; however, the refund checks have not been negotiated.

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In addition, the Committee obtained 5 reattributions of excessive amounts totaling \$1,175 and issued 2 additional contribution refund checks totaling \$75; however, the dates of the reattributions and refunds were neither timely nor within 60 days subsequent to Mr. Buchanan's date of ineligibility and are also considered unresolved.

In the Interim Audit Report, the Audit staff recommended that the Committee provide evidence that the contributions in question are not excessive; evidence that the 20 refund checks issued by the Committee have been negotiated; or, make a payment to the United States Treasury in the amount of \$53,909.

In response to the Interim Audit Report, the Committee provided documentation that one individual was returning unspent funds which were advanced by the campaign to the Arizona State account and which were erroneously recorded as contributions by the Committee. The amount included in the excessive contribution total for these transactions was \$150. Accordingly, the Audit staff has reduced the amount of excessive contributions from the comprehensive review to \$35,480 [\$35,630 - \$150]. For the remaining excessive contributions identified in the comprehensive reviews, the Committee accepts the recommendation to pay the amounts to the United States Treasury. No payment was submitted with the response.

b. Sample Review

The contributions that were not included in the comprehensive reviews discussed above were tested on a sample basis. The sample projected that \$18,279 represents unresolved excessive contributions.

The Committee's response makes the same arguments with respect to the sample projection for excessive contributions as for prohibited contributions (see Finding II.A. above.) The Committee does, however, acknowledge the \$1,000 excessive contribution identified among the sample contributions and accepts the requirement that the amount of that contribution be paid to the United States Treasury. For the same reasons stated in Finding II.A., other than the \$150 discussed above, no change in the Interim Audit Report calculation is warranted.

Recommendation #2

The Audit staff recommends that the Committee be required to make a payment to the United States Treasury in the amount of \$53,759 representing the amount of unresolved excessive contributions.

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2. Excessive Contributions Resulting from Staff Advances

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 a political committee is a contribution unless the payment is exempted from the definition of contribution under 11 CFR §100.7(b)(8). If the payment is not exempted under 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 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 expenses incurred for staff travel and subsistence not reimbursed within the time limits provided, as well as expenses incurred for non-travel expenses or travel expenses for individuals other than the person paying the charges. The Interim Audit Report concluded that these payments resulted in 5 individuals making excessive contributions totaling \$63,086. In order to calculate the amount of a contribution resulting from an advance made by an individual, payments made by the Committee were applied against those expenses that had been incurred the earliest. The amount included in the excessive contributions total was the largest amount that was outstanding at any time, less an individual's remaining contribution limitation. The number of days outstanding before reimbursement ranged between 1 and 159 days.

Included in the above excessive amount is \$37,646 which was incurred by Janet Fallon, the Committee's Scheduler. Her duties included arranging lodging for the candidate and campaign staff. In many cases she charged the expenses of the traveling party on her various credit cards. The Committee would later reimburse Ms. Fallon for these charges.

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The Committee was made aware of the excessive contributions during fieldwork and at the exit conference. Schedules detailing the individuals and amounts considered excessive contributions have been provided to the Committee.

The Interim Audit Report recommended the Committee provide evidence to demonstrate that the staff advances noted above are not excessive contributions or offer any other information that is believed to be relevant to the issue.

In response to the Interim Audit Report the Committee stated in part:

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"... the [Audit] staff did not apply the correct contribution limits since it did not allow each individual a \$1,000 limit to the Candidate... and the \$1,000 exemption for unreimbursed travel expenses [was not applied]. ...Second, in making the threshold determination of whether the Committee failed to reimburse transportation-related expenses within the allotted time period ... the audit staff incorrectly calculated the outstanding period from the date the advance was incurred (i.e., the date the charge was made), rather than the date on which the charge was due from the candidate (i.e., the statement due date for the credit card). This contravenes the express provisions of 11 CFR 116.5(b)(2). Third, in calculating repayment of credit card expenses, the staff ... used the shorter 30 day limit applicable to non-credit card charges. ... Fourth, once a staff advance reached a level of an excessive contribution, that amount should have been treated like any other excessive contribution with the campaign having sixty days to reattribute, redesignate or refund the excessive portion of the contribution ..."

The Committee concludes that only \$11,906 in excessive contributions occurred and that when the 60 day period for the refund of excessive contributions is considered, no excessive contributions resulted.

The Audit staff reviewed the analyses of reimbursed expenses for the individuals included in the Interim Audit Report in light of the Committee's response. With respect to the first statement the Committee is incorrect. The audit calculation automatically allows for the \$1,000 contribution limit, with monetary contributions posted where appropriate.

The Audit staff calculations did not allow for the \$1,000 unreimbursed travel expenses pursuant to 11 CFR §100.7(b)(8). Subsequent to the issuance of the Interim Audit Report, the Commission determined in the Kerrey for President audit that the \$1,000 exemption would be allowed. Accordingly, the Audit staff has made an adjustment in all but one of the

individuals in question. That individual, Ms. Janet Fallon, was the Committee's Scheduler who charged expenses of other individuals traveling on behalf of the Candidate. Since the expenses charged were for other individuals who traveled the travel exemption at 11 CFR §100.7(b)(8) does not apply to Ms. Fallon.

The Committee's second point is, in part, correct. In many instances, the Committee did not provide the audit staff with each individual's credit card statements. When this occurred and the expense was for an individual's own travel and/or subsistence, the Audit staff calculated from the incurrence date. When a credit card statement was available and the expense was incurred for the individual's own travel and subsistence, the statement closing date was used pursuant to §116.5(b)(2). Absent additional records, the Audit staff is unable to make any further adjustments.

The third point made by the Committee appears to have been correct in some instances, although many of the expenditures incurred by the individuals in question were incurred for other than their own travel and subsistence and became immediate contributions. In those instances where the longer reimbursement period is appropriate, adjustments have been made.

The Committee's fourth point is incorrect. The regulations provide committees with a time frame for reimbursing advances made by committee personnel for their travel and subsistence expenses. These types of contributions are specifically addressed in the Regulations as having their own set of time frames. Further, the Explanation and Justification for 11 CFR 116.5, 55 Fed. Reg. 26383 (June 27, 1989) states, in part, that "an in-kind contribution will result if an individual pays the transportation or subsistence expenses of others or pays other types of campaign expenses, such as the costs of meeting rooms or telephone services, regardless of how long reimbursement, if any takes [place]." Thus, the regulations do not provide for an individual to advance funds for any amount of time for campaign expenses other than for personal travel and subsistence. In the cases of an individual's personal travel and subsistence, the Regulations provide a reasonable time period for the Committee to make a reimbursement without a contribution occurring.

In addition to the arguments discussed above, the response to the Interim Audit Report addressed each individual separately. With respect to the Candidate and Ms. Fallon the response dealt primarily with the 60 day period provided to reimburse credit card charges for an individual's personal travel and subsistence. The Committee apparently applied this

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time period regardless of the nature of the charge. The Audit staff properly applied the 60 day period only to those charges that represented the traveler's personal travel and subsistence expenses.

With respect to a third individual the Committee states that the Audit staff failed to apply two reimbursements and improperly included four charges. Although the Committee did not submit any documentation or identification of the transactions, they were identified by comparing the Committee's analysis with the audit analysis and researching the audit work papers for the supporting documentation. The "reimbursements" consist of one check bearing a memo line notation of salary advance, and another made payable to a different individual. The four expenses were apparently incurred by the individual, submitted for reimbursement and paid by the Committee. No adjustments for these transactions were made.

As a result of the review of the analyses presented in the Interim Audit Report, two of the five individuals have been excluded from the final calculation. However, many of the arguments submitted by the Committee with respect to the remaining individuals are not persuasive. Therefore, three individuals made excessive advances totaling \$53,251 (see Attachment 2.)

C. Misstatement of Financial Activity

Sections 434(b)(1), (2) and (4) of Title 2 of the United States Code state, in part, that each report shall disclose the amount of cash on hand at the beginning of each reporting period, the total amount of all receipts, and the total amount of all disbursements for the period and calendar year.

The Audit staff's reconciliation of the Committee bank accounts to its disclosure reports filed from inception through September 30, 1992, indicated a material misstatement of financial activity in 1992. Between January 1, 1992 and September 30, 1992, reported receipts were understated by \$26,494; reported disbursements were understated by \$140,661; and reported cash on hand was understated by \$2,534.

The misstatement of receipts occurred as a result of the Committee not reporting receipts totaling \$19,201 deposited into 11 state bank accounts; not reporting a \$6,553 refund from the New York Times; reporting interaccount transfers totaling \$1,694 as receipts; not reporting a \$1,084 in-kind contribution; addition and reporting errors totaling \$1,361; and a \$11 reconciling item.

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The misstatement of disbursements occurred as the result of the Committee not reporting \$95,773 in disbursements from 7 state bank accounts; under reporting disbursements of \$65,785 from 13 state bank accounts; duplicate reporting of disbursements totaling \$13,382 from 4 state bank accounts; reporting of voided checks totaling \$14,590; not reporting disbursements from the operating account of \$4,499; not reporting disbursements from the contribution account of \$1,203; not reporting a \$1,084 in-kind contribution; reporting a \$909 interaccount transfer as a disbursement; addition and reporting errors totaling \$1,219; and a \$21 reconciling item.

The Committee was provided with schedules detailing the misstatements during audit fieldwork, and again at the exit conference.

The Interim Audit Report recommended the Committee file a comprehensive amendment for 1992 correcting the errors noted above and itemizing on schedules A-P and B-P those transactions which require itemization. In response the Committee filed a comprehensive amendment for 1992 which materially corrected the errors discussed 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 fund payment account was used for any purpose other than to defray the qualified campaign expenses with respect to which such 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 9038.2(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 amount of deposits of contributions and matching funds, as of the candidate's date of ineligibility.

Pursuant to 11 CFR §9033.5(a), the Commission determined Mr. Buchanan'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:

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Total Matching Funds Certified Through
The Date of Ineligibility - August 20, 1992
Total Deposits Through the Date of Ineligibility

\$3,612,696
\$10,553,670 - .342317

Thus, the repayment ratio for non-qualified campaign expenses is 34.2317%.

B. Apparent Non-qualified Campaign Expenses

Section 9032.9(a) of Title 11 of the Code of Federal Regulations defines a qualified campaign expense as one incurred by or on behalf of the candidate from the date the individual became a candidate through the last day of the candidate's eligibility; made in connection with his or her campaign for nomination; and neither the incurrence 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 9034.4(a)(1) of Title 11 of the Code of Federal Regulations states that all contributions received by an individual from the date he or she becomes a candidate and all matching payments received by the candidate shall be used only to defray qualified campaign expenses or to repay loans or otherwise restore funds (other than contributions which were received and expended to defray qualified campaign expenses) which were used to defray qualified campaign expenses.

1. Patrick J. Buchanan

The Committee reported on its Year End 1991 disclosure report contributions from the Candidate totaling \$50,000. The check supporting Mr. Buchanan's first contribution of \$10,000, dated November 25, 1991, contained the notation "First Contribution." The check for the second contribution of \$40,000, dated December 4, 1991, did not contain a memo entry notation. Both amounts were itemized on Schedule A-P and reported on FEC Form 3P page 2 Detailed Summary of Receipts and Disbursements, Line 17d as contributions from the candidate.

On August 12, 1992 the Committee issued Mr. Buchanan a \$50,000 check bearing the memo line notation "Loan Repayment." This payment is disclosed on Line 27a of FEC Form 3P, page 2 as a repayment of a loan made by the candidate.

On October 5, 1992, the Committee filed an amended disclosure report for Year End 1991 disclosing the \$50,000 received from Mr. Buchanan as a loan. When questioned about the loan agreement during the inventory of Committee

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records, conducted October 15 - 26, 1992, the Treasurer^{2/} stated that no loan agreement existed and originally he was under the impression that it was a contribution. He further stated that he was informed in August 1992 by Ms. Angela Buchanan, the campaign manager, that now was the time to repay the loan.

The Commission considered a similar issue in Advisory Opinion 1977-58 and concluded that a non-presidential candidate could not retroactively regard moneys received from a candidate as a debt owed to the candidate, therefore, creating a debt that could be extinguished with additional contributions. Though this case differs in that the Committee was in a deficit position at the Candidate's date of ineligibility, the retroactive reclassification of the contributions as loans results in a larger deficit, which in turn increases the amount of matching funds the Candidate may receive.

Given the initial reporting of the candidate's funds as contributions, the memo entry on the first check "first contribution", the Treasurer's understanding of the transactions when they occurred, and the fact that no loan agreement was provided to support that the \$50,000 was in fact a loan, the Audit staff concluded in the Interim Audit Report that the repayment of the funds to the candidate constituted a non-qualified campaign expense, subject to a ratio repayment. Further, the amount was considered an account receivable from the Candidate and was included on the NOCO Statement. It was also noted that if the funds were recovered from the Candidate, the ratio repayment would be unnecessary.

In the Interim Audit Report, the Audit staff recommended that the Committee submit documentation which demonstrated that the \$50,000 in contributions from the Candidate was a loan at the time of the transactions.

In response, the Committee submitted affidavits from the Campaign Chair and the Treasurer. The response states in part:

"... The Candidate made two loans to the Committee, a \$10,000 loan on November 25, 1991, and a \$40,000 loan on December 4, 1991. At the time these funds were paid to the Committee, both the Candidate and the Campaign Chair, acting for the Committee, agreed that these funds were to be loans. Prior to accepting and making these loans, Ms. Buchanan had specific conversations with the Candidate in which they discussed the basis on which the

2/ Mr. Scott B. Mackenzie was Treasurer from the Committee's inception until March 1, 1993, when Ms. Angela M. Buchanan assumed the position.

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Candidate would start the financing of his campaign. They agreed that any funds he provided would constitute loans, and would be repaid by the Committee, if the Committee had the funds to do so. The agreement did not change over the course of the campaign. From the time the funds were initially transferred until they were repaid, both the Candidate and the Campaign Chair always understood that the transactions were loans to be repaid by the Committee.

Shortly after these discussions, the Treasurer received the first check. The Candidate delivered the funds, in the form of a check, directly to the Treasurer. The Treasurer had not participated in the conversations between the Candidate and Campaign Chair reflecting the agreement that the funds would be a loan. He had no personal knowledge of the particular basis on which the Candidate was transferring the funds to the Committee, only that the Candidate was providing money to get the Campaign started.

The Candidate's placing the notation "First Contribution" on the November 25 check came just after the Campaign Chair explained that his loans would be subject to the \$50,000 limit on what a candidate could contribute to his campaign. The Treasurer deposited the funds in the ordinary course of the Campaign's business. The Treasurer never had a conversation with the Campaign Chair or the Candidate about the nature of the funds. The Treasurer assumed incorrectly (in part because of the notation on the check) that the Candidate's check should be treated as a gift rather than a loan. Thus, when the Treasurer completed the required reports, he listed the loan as a "Contribution" under Line 17(d), rather than a "Loan Received From or Guaranteed By Candidate" under Line 19(a). The Campaign Chair never checked the reports to discover the error. The Treasurer was inadvertently never told at the time of the arrangement that these funds constituted a Candidate loan."

"Although the Campaign Chair was directly involved in the original loan transactions, she did not learn until later that the loan had been incorrectly reported. When she did learn of this fact, she requested that the

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Treasurer amend any reports that mischaracterized the loan. The Treasurer corrected the mistake by submitting an amended report on October 5, 1992."

"The Candidate and the Campaign Chair had agreed prior to the first transaction that the funds to be supplied would constitute loans. There was never [emphasis in original] any retroactive decision made to repay a donation or gift. The funds loaned were repaid during the campaign. Although the Committee's reports incorrectly reported the loan as a contribution, the reporting mistake was corrected. Because the transactions were understood prior to their commencement to be loans, they constituted a proper campaign obligation, and the expense of repayment constitutes a qualified campaign expenditure."

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The response goes on to discuss the Committee's interpretation of the of advisory opinion 1977-58 and 1991-9. The response argues that there is a distinction because the Committee had not wound up its activities as was the case in the advisory opinion. The question of whether the Committee had wound up its activities is not relevant. The relevant question is whether the funds contributed by the Candidate were a loan or a gift. With the exception of the statements of the Campaign Chairman the Committee did not provide any evidence to establish that these contributions were meant to be loans. On the contrary, the lack of a loan agreement, the notation on the first check, the understanding of the Treasurer that he originally thought it was a contribution, and the original reporting of the transactions support the conclusion that these were contributions and as such could not be refunded with the refund considered a qualified campaign expense.

Recommendation #3

The Audit staff recommends that the Commission make an initial determination that the \$50,000 payment to the Candidate is a non-qualified campaign expense and subject to repayment. The amount repayable to the United States Treasury is \$17,116 (\$50,000 x .342317) pursuant to 11 CFR §9038.2(b)(2). Should the funds be recovered from the Candidate, the repayment would not be necessary.

2. Janet Fallon

Ms. Janet Fallon held the position of Scheduler and was reimbursed by the Committee for expenses incurred with her credit cards. The Committee over paid Ms. Fallon in the amount of \$8,645. These over payments were composed of:

- ° reimbursements for bills submitted twice;
- ° bills which were paid by another individual; and
- ° payment for a hotel room billed to the U.S. Secret Service.

The Audit staff considered these payments to be non-qualified campaign expenses. Additionally, the amount has been included on the Committee's NOCO Statement as a receivable from Ms. Fallon. Should the amount be recovered the ratio repayment would be unnecessary.

The Committee was provided with a schedule detailing the over payments during fieldwork and at the exit conference.

The Interim Audit Report recommended that the Committee provide evidence to demonstrate that these expenses are qualified campaign expenses or offer any other information that is believed to be relevant to the issue. Absent such evidence and unless the amount is recovered, the \$8,645 payment is a non-qualified campaign expense and subject to repayment.

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The Committee responded by stating in part, "... the Committee had reviewed the situation and made a determination that it would not seek to recover these sums from the staff member. ... The Committee's reviewing staff inadvertently failed to catch these errors at the time. When the matter came to the Committee's attention, it made a business decision... after assessing the cost and feasibility of collecting from the former employee... not to seek repayment. ...It decided to treat these payments to Ms. Fallon as in the nature of income." In addition, the Committee hired an independent accounting firm to evaluate the Committee's treatment. The accounting firm concluded that, "the Committee's choice to classify the payment as compensation is an acceptable choice considering the various options available to the Committee." The Committee concluded by stating ... "[the] treatment fully conforms to the standard steps taken by commercial enterprises under similar circumstances. Thus, these payments should be treated as authorized campaign expenses."

The Committee's arguments are not persuasive. These over-reimbursements are not qualified campaign expenses. The Committee stated they "failed to catch these errors." Although the Committee has made a decision not to seek reimbursement, this does not release the burden of proving the expenditures were qualified campaign expenses pursuant to 11 CFR §9032.9. Further, the accounting firm's report is not relevant to the question of whether the over payments are qualified campaign expenses. The standard for a qualified

campaign expense is established by the Commission in its regulations. Whether the accounting firm believes that not seeking reimbursement is an acceptable business decision does not change the regulation.

Recommendation #4

The Audit staff recommends that the Commission make an initial determination the the Committee repay to the United States Treasury \$2,959 ($\$8,645 \times .342317$) pursuant to 11 CFR §9038.2(b)(2). Should the funds be recovered from Ms. Fallon, the repayment would not be necessary.

3. Non-Qualified Campaign Expenses - Other

Section 9034.4(a)(3) of the Code of Federal Regulations states that costs associated with the termination of political activity, such as the costs of complying with the post election requirements of the Act and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries and office supplies, shall be considered qualified campaign expenses.

Section 9034.4(b)(3) of Title 11 of the Code of Federal Regulations states that any expenses incurred after a candidate's date of ineligibility under 11 CFR 9033.5, are not qualified campaign expenses except to the extent permitted under 11 CFR 9034.4(a)(3).

Section 9038.2(b)(2)(iii) of Title 11 of the Code of Federal Regulations states, in part, that 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.

Our review of Committee expenditures paid between the Candidate's date of ineligibility and March 31, 1993 identified \$108,592^{3/} in payments which were not considered winding down expenses. Included in this amount were fundraising expenses totaling \$72,007 paid after the Committee appeared to have had sufficient funds to pay all qualified obligations and

3/ In the Interim Audit Report this figure was \$110,093. In reviewing the Committee's response some minor errors in the original calculations were discovered and corrected. As a result minor adjustments to the various categories of expenses discussed below have also been made.

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various other non-winding down expenses totaling \$36,585. None of these payments were included on the NOCO Statement presented in the Interim Audit Report. Additionally, \$54,764 of the total amount was expended prior to the date on which the last matching fund payment to which the Candidate appeared to have been entitled was expended (December 14, 1992). Discussed below is the \$54,764 subject to a pro rata repayment under 11 CFR §9038.2(b)(2).

The Committee spent \$42,808 in fundraising expenses prior December 14, 1992. Since the NOCO Statement no longer reflected a deficit position such fundraising expenses may not be defrayed with Federal funds (see Finding III.D.)

Also identified were payments totaling \$7,908 which appear to be related to Mr. Buchanan's foundation The American Cause. During audit fieldwork the Foundation's offices were located in Suite 220 of the building occupied by the Committee. Such payments were for "interior phone work for Suite 220" and "FAX line for Suite 220" and the installation of the Fax machine (\$455) in Suite 220; payment for computer rental and Nexis services utilized by the Foundation's Executive Director (\$5,953); and electrical repairs for an unidentified office space.

The remaining payments identified were related to the purchase of additional computer software, an Intro to Word computer class, and rental of an additional computer, and a laser printer from October 1992 to April 1993 (\$2,792); courier services for deliveries that appeared to be of a personal nature (\$432) to a bank in Santa Monica California, and the Department of Housing and Urban Development; payments for the photocopying of books by an outside vendor (\$798); and parking tickets in Massachusetts (\$120).

The Audit staff concluded that, absent additional information, a committee which is winding down its activities should have no further need to purchase additional computer software or rent additional computers. Also, some of these expenses appear to be personal expenses of Committee officials rather than campaign expenses.

In the Interim Audit Report, the Audit staff recommended the Committee provide evidence to demonstrate these expenses are qualified campaign expenses. Absent such evidence it would be recommended that the Commission make an initial determination that a pro rata repayment to the United States Treasury is required.

The Committee's response groups the expenses into fundraising and other expenses. Each group is discussed separately below.

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a. Fundraising (\$72,007)

In response to the fundraising expenses discussed above the Committee stated in part, "...[our] detailed review shows that these expenses either (1) were not related to fundraising or (2) if related to fundraising were incurred during a period when the Committee was clearly authorized to raise funds due to its deficit position... Accordingly none of these charges should be disallowed." The Committee provided a list of explanations discussing the reasons the Committee believes the expenditures in question should be considered qualified campaign expenses. The Committee's response did not provide any additional documentation relating to any of the expenditures in question. The Committee stated that two expenditures are not fundraising expenses. The first expenditure the Committee contends "...was for list maintenance work ordered by the Treasurer during the audit period to ensure that the file was in proper condition prior to the audit receipts trace." The Audit staff has reviewed this invoice (\$2,994) and agrees with the Committee. The repayment calculations and NOCO Statement have been adjusted accordingly.

For the second expense the Committee asserted that this was for an "...unpaid bill remaining from the Georgia phone bank operation in March 1992." Since no supporting documentation was supplied, the Audit staff reviewed the Committee's disclosure reports which indicated on Schedule D-P that this expense was incurred during the October 15 through November 23, 1992 (Post General Election) report period. Hence, it appears that this expenditure was not incurred during March of 1992.

The Committee stated the Candidate had incurred \$47,721 in direct mail expenses and \$2,256 in telemarketing expenses prior to November 3, 1992, the date that the Interim Audit Report concluded that the Committee received a matching fund payment that provided sufficient funds to pay all qualified obligations. With respect to the direct mail expenses it was stated that "[T]he Committee incurred expenses for its last house file mailing, which occurred in October 1992. In the ordinary course of business, these invoices were not presented to the Committee for payment until after November 3." Although the Committee submitted no documentation in support of their statement, the Committee's former treasurer was able to identify one of the mailings that occurred. The Audit staff was able to locate an example of the mailing in the audit files and associate certain costs with the mailing. The mailing was a thank you letter to supporters mailed on November 27, 1992 and not a solicitation. As such, the associated expenses (\$44,444) are allowable winding down expenses.

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The Audit staff also reviewed the documentation relating to the telemarketing expense. Although the billing period was from November 1 through November 30, 1992, the charges appear to be follow-up work on an earlier activity. Therefore, the Audit staff agrees with the Committee with respect to the items discussed above and has adjusted the repayment calculations and NOCO Statement accordingly.

As a result of these adjustments, the Committee's NOCO Statement indicates that the Committee remained in a deficit position until the December 2, 1992 matching fund payment, rather than the November 3, 1992 payment as calculated in the Interim Audit Report. Therefore, amounts for fundraising incurred prior to December 2, are permissible winding down expenses. Of the amounts discussed above all but \$3,278 was incurred or paid prior to December 2, with none paid before the Committee expended the final matching fund payment to which the candidate was entitled (December 14, 1992).

Furthermore, the Committee stated the Candidate spent \$19,521 (the Interim Audit Report and the Committee's response overstated this amount by \$1,500, the correct amount is \$18,021) on fundraising expenses for ads which ran in three November issues of a magazine. After the adjustments to the Committee's NOCO Statement noted above, only \$7,742 remains as paid after the Committee received sufficient funds to pay all qualified obligations (December 2, 1992) and only \$2,406 was paid before the Committee expended the last matching fund payment to which the Candidate was entitled. These amounts were for collateral materials (video tapes, hats, and T-shirts) which the Committee states were used in connection with earlier fundraising efforts. No documentation to support that statement has been provided.

Of the \$72,007 questioned in the Interim Audit Report, there remains \$11,020 (\$3,278 + \$7,742) that appears to be fundraising after the Committee had no remaining net debt. This amount has been excluded from the NOCO Statement shown below. Of that amount, \$2,406 was paid prior to the date on which the Committee expended the last matching fund payment to which the Candidate was entitled, and is therefore a non-qualified campaign expense (see Attachment 3.)

b. Other Expenses (\$36,585)

For the other non-winding down expenses, the Committee has accepted the Audit staff's determination for the following expenditures; parking tickets (\$120); phone work and a fax line for suite 220 (\$455); and payments to a computer consultant (\$775). The Committee also accepted the Audit staff determination that the payroll tax penalties are not winding down expenses. In response to the courier services which did not appear to be related to winding down, the Committee stated

that certain shipments were necessary to deliver consulting fees and expense reimbursements to a campaign official. Accordingly, we have reduced the amount in question by \$145 and have added this amount as a winding down expense.

Furthermore, the Committee stated that several disbursements which the Audit staff had considered non-qualified campaign expenses were reimbursed to the Committee. These total \$11,706. The Committee submitted no evidence to support this assertion, however, the Audit staff has reviewed disclosure reports filed by the Committee to determine if these reimbursements had been reported. It appears the only reimbursement itemized was for the computer rental in the amount of \$2,006. However, the Committee also reported an expense in the amount of \$1,003 for an overpayment of a refund. Hence, only the net amount \$1,003 (\$2,006-\$1,003) has been treated as a reimbursement to the Committee.

Finally, the Committee response stated that two individuals " ... were working on non-campaign related activities from September 1, 1992 [through] April 30, 1993." The Audit staff has noted two payroll disbursements totaling \$1,585 for work performed between September 1 through September 15, 1992. These payments have been included in the non-qualified campaign expense total shown below.

For the remaining disbursements in question, the Committee provided the following explanations. During the wind down phase the Committee paid bonuses totaling \$17,500. The response states, in part, "...the Committee checked with the Audit staff and was told that the Commission had routinely approved bonuses paid to campaign staff for work performed, even when such bonuses are paid during the wind-down period." The Audit staff did not give any approval for these payments nor has the Commission routinely approved bonuses paid to campaign staff. For the computer software purchases by Committee the response stated in part "[The] computer software was obtained by the Committee because, in the exercise of the officers' judgment, such software would improve the efficiency of the Committee and the operation of its current equipment. In the experience of the Committee, the wind-down phase ... often lasts years after a election, and maintaining accurate computer records, as well as software and equipment is necessary ... In similar situations, it has been seen that out of date software can lead to a loss of data and inability to access necessary material during the wind-down phase." These arguments are not persuasive given no additional documentation and no adjustment has been made to the Interim Audit Report for these expenses.

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There remains \$37,022 in other non-qualified campaign expenses, including \$1,585 in salary payments not included in the Interim Audit Report figure, which are not considered winding down expenses. Included in this amount are payments totaling \$12,421 made prior to the date on which the last matching fund to which the Candidate was entitled was expended (see Attachment 3.)

Recommendation #5

The Audit staff recommends that the Commission make an initial determination that the Committee repay the United States Treasury \$5,076 (($\$12,421 + \$2,406$) x .342317) pursuant to 11 CFR 9038.2(b)(2).

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 after 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.

Mr. Buchanan's date of ineligibility was August 20, 1992. The Audit staff reviewed the Committee's financial activity through March 31, 1993, analyzed winding down costs, reviewed disclosure reports through March 31, 1994, and prepared the NOCO Statement as of August 20, 1992, which appears below.

Additional fieldwork may be required to assess the impact of future financial activity on the NOCO Statement.

057/0193

BUCHANAN FOR PRESIDENT
STATEMENT OF NET OUTSTANDING CAMPAIGN OBLIGATIONS
AS OF AUGUST 20, 1992
(Determined at March 31, 1993)

Cash on Hand	\$380,404	
Accounts Receivable	165,076	a/
Janet Fallon Account Receivable	8,645	b/c/
Patrick Buchanan Account Receivable	50,000	b/
Deposits and Prepayments	13,574	d/
Capital Assets	<u>29,294</u>	
TOTAL ASSETS		\$646,992

OBLIGATIONS

Accounts Payable for Qualified Campaign Expenses (8/21/92 to 3/31/93)	\$676,107	
Accounts Payable (3/31/93) Payable to the Press	10,000 6,283	
Accounts Payable to the Treasury:		
Excessive Contributions	53,759	
Prohibited Contributions	8,166	
Press Travel	4,632	
Winding' Down Costs (8/20/92 - 12/31/94)		
Actual Expenses Paid 8/20/92 - 3/31/93	1,266,751	e/
Estimated Winding Down f/ 4/1/93 - 12/31/94		
Accounting/Computer Services	200,000	
Legal	150,000	
Contingency Misc.	-0-	g/
Outside Experts	50,000	
Staff	30,000	
Headquarters	15,000	

TOTAL OBLIGATIONS		<u>\$2,470,698</u>
NOCO (DEFICIT)/SURPLUS		<u>(\$1,823,706)</u>

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Footnotes to NOCO

- 937012
- a/ The Audit staff has added \$3,204 to the accounts receivable number. This is the result of the Committee's receipt of reimbursement of non-qualified campaign expenses (\$1003), and the reporting of additional accounts receivable in the July 1993 quarterly report (\$999) and April 1994 quarterly report (\$1,202).
 - b/ Absent recovery from Ms. Fallon and Mr. Buchanan (see Finding III.B.) these amounts will be considered non-qualified campaign expenses and a pro rata repayment to the Treasury will be requested in the amount of \$20,075 $(\$8,645 + \$50,000) \times .342317$. The Committee disagrees that the \$50,000 is due from the Candidate, and has decided not to pursue the amount due from Ms. Fallon.
 - c/ Ms. Fallon received erroneous payments for reimbursed expenses totaling \$8,645. These result from bills being submitted twice, submission of bills which were paid by other individuals and the submission for reimbursement for a hotel room billed to the U.S. Secret Service.
 - d/ ~~The deposit and prepayment number was reduced by \$505. This resulted from the Committee reporting in the April 1994 disclosure report a receipt of a deposit refund less than the amount of the initial deposit.~~
 - e/ This excludes fundraising expenses totaling \$11,020 which were incurred after the Committee had reached a financial position where funds were sufficient to pay all qualified campaign expenses and winding down costs. This also excludes \$37,022 in non-qualified campaign expenses which are not considered winding down costs and were paid after the Candidate's date of ineligibility. See Findings III.B and D. We have also excluded undocumented expenses totaling \$10,622. In the Committee's response to the Interim Audit Report the undocumented expenses were addressed by stating that the Committee disagreed and that documentation was available for review in the Committee's offices. Nothing was submitted.
 - f/ Since estimates were used in computing this amount, the Audit staff will review the Committee's disclosure reports and records to compare the actual figures with the estimates and prepare adjustments as necessary.
 - g/ The Committee has included an unsupported \$100,000 contingency in its NOCO Statement. The Audit staff has not included the amount as part of winding down.

D. Receipt of Matching Funds in Excess of Entitlement

Section 9034.1(b) of Title 11 of the Code of Federal Regulations states that if on the date of ineligibility a candidate has net outstanding campaign obligations as defined under 11 CFR 9034.5, 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, i.e., the sum of the contributions received on or after the date of ineligibility plus matching funds received on or after the date of ineligibility is less than the candidate's net outstanding campaign obligations. This entitlement will be equal to the lesser of (1) the amount of contributions submitted for matching; or (2) the remaining net outstanding campaign obligations.

Section 9038.2(b)(1)(i) of Title 11 of the Code of Federal Regulations states that the Commission may determine that certain portions of the payments made to a candidate from the matching payment account were in excess of the aggregate amount of payments to which such candidate was entitled. Examples of such excessive payments include payments made to the candidate after the candidate's date of ineligibility where it is later determined that the candidate had no net outstanding campaign obligations as defined in 11 CFR 9034.5.

As previously noted, the adjusted NOCO Statement prepared by the Audit staff reflects a deficit position as of August 20, 1992. We reviewed the Committee's bank statements and financial activity through March 31, 1993 and disclosure reports through March 31, 1994, to determine if the Candidate had received matching funds in excess of his entitlement.

Net Outstanding Campaign Obligations (Deficit)	(\$1,823,706)
Amounts Received	
<u>08/21/92 - 11/3/92</u>	
Private Contributions	749,482
Matching Funds	1,022,591
<u>11/4/92 - 12/2/92</u>	
Private Contributions	19,760
12/02/92 Matching Funds	<u>412,917</u>
Amount Received in Excess of Entitlement as of 12/2/92	<u>\$381,044</u>

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As of December 2, 1992 the Candidate had no remaining matching fund entitlement and had received matching funds in the amount of \$381,044 in excess of entitlement. After that date the Candidate received one matching fund payment in the amount of \$151,783 on January 2, 1993. Therefore the amount of matching received in excess of entitlement totals \$532,827 (\$381,044 + \$151,783).

In the Interim Audit Report it was recommended that the Committee submit documentation to demonstrate that the Candidate had not received matching funds in excess of his entitlement. It was also stated that absent that documentation, it would be recommended that the Commission make an initial determination that a repayment was due.

The majority of the repayment amount calculated above is the result of a reduction in the winding down estimate compared to the NOCO Statements submitted with the Committee's matching fund submissions. The reduced estimates are, except as noted with respect to the \$100,000 contingency, revised estimates obtained from the Committee and actual expenses incurred through March 31, 1993.

The Committee's response to the Interim Audit Report presents two arguments as to why no repayment is due. First, the Committee argues that all of its NOCO Statements contained wind down estimates that were made in good faith at the time submitted. They further state that the audit report does not challenge the accuracy of those estimates at the time they were submitted, and that the Commission had every opportunity to challenge the estimates at the time and found no need to do so. Therefore, the Committee concludes that the Commission has no basis to challenge the estimates after the fact.

The Committee is incorrect for a number of reasons. The Commission's regulations at 11 CFR §9038.2(b)(1) state that one basis upon which the Commission may conclude that a Candidate received matching funds in excess of entitlement is a situation where payments are certified after the date of ineligibility and it is later determined that the Candidate had no Net Outstanding Campaign Obligations. That is precisely what occurred in this situation. The NOCO statements that are submitted are not audited by the Commission until after the fact thereby allowing timely payment to the candidates. Thus, the regulations clearly provide for adjustments based either on changes in the figures by the Candidate, or based upon the Commission's audit.

The statement that the wind down estimates were accurate when submitted and the Commission failed to challenge them is also incorrect. The Committee's response fails to note that the Committee applied for an additional matching payment in January of 1993. The NOCO Statement accompanying that request reflected winding down cost estimates of \$1.2 million

with total liabilities of approximately \$1.3. Assets were \$1.2 million, with \$1 million of that in cash. The Commission refused to certify the additional payment due to the inflated winding down estimates and the Committee did not contest the determination. Also, as noted by the Committee in its response, the revised estimates used in the NOCO Statement presented above were obtained from the Committee. Although not necessary to a repayment determination, the Commission did challenge the accuracy of the Committee's winding down estimates and, by not contesting the Commission's refusal to certify their final matching fund request, and re-estimating its winding down figures, the Committee has acknowledged the inaccuracies in the original estimates.

The Committee's second argument is equally flawed. Again the Committee submits a letter from an accounting firm that states that the correction of the wind down estimates is not in accordance with Generally Accepted Accounting Principles with respect to the recording of prior period adjustments. First, the Statement of Net Outstanding Campaign Obligations is wholly a creation of the Commission's regulations with its sole purpose being the determination of further matching fund entitlement or the amount of any campaign surplus. As such, the provisions of Generally Accepted Accounting Principles with respect to the financial statements that report the results of operations and financial condition of a business or other entity, are irrelevant. Further, when the financial statements of an organization are audited by an independent auditor and do not fairly state the results of operations or financial condition of the organization, those statements must either be corrected or the auditor must offer a qualified, disclaimer or adverse opinion on the statements.

Recommendation #6

The Audit staff recommends that the Commission make an initial determination that the Committee repay \$532,827 to the United States Treasury pursuant to 11 CFR §9038.2(b)(1).

E. Press Billings

Sections 9034.6(a), (b) and (d) of Title 11 of the Code of Federal Regulations state, in part, if an authorized committee incurs expenditures for transportation, ground services and facilities (including air travel, ground transportation, housing, meals, telephone service, and typewriters) made available to media personnel, secret service personnel or national security staff, such expenditures will be considered qualified campaign expenses. If reimbursement for such expenditures is received by a committee, the amount of such reimbursement for each media representative shall not exceed the media representatives pro rata share of the actual cost of the transportation and services made available. A media representative's pro rata share shall be calculated by dividing

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the total cost of the transportation and services by the total number of individuals to whom such transportation and services are made available. For purposes of this calculation, the total number of individuals shall include committee staff, media personnel, secret service personnel, national security staff and any other individuals to whom such transportation and services are made available. The total amount of reimbursements received from a media representative under this section shall not exceed the actual pro rata cost of the transportation and services made available to that media representative by more than 10%.

The committee may deduct from the amount of expenditures subject to the overall expenditure limitation of 11 CFR §9035.1(a) the amount of reimbursements received in payment for the actual cost of transportation and services. This deduction shall not exceed the amount the committee expended for the actual cost of transportation and services provided. The committee may also deduct from the overall expenditure limitation an additional amount of reimbursements received equal to 3% of the actual cost of transportation and services provided under this section as the administrative cost to the committee of providing such services and seeking reimbursement for them. If the committee has incurred higher administrative costs in providing these services, the committee must document the total cost incurred for such services in order to deduct a higher amount of reimbursements received from the overall limitation. Amounts reimbursed that exceed the amount actually paid by the committee for transportation and services provided under paragraph (a) of this section plus the amount of administrative costs permitted by this section up to the maximum amount that may be received under paragraph (b) shall be repaid to the Treasury. Amounts paid by the committee for transportation, services and administrative costs for which no reimbursement is received will be considered qualified campaign expenses subject to the overall expenditure limitation.

For purposes of this section, "administrative costs" shall include all costs incurred by the committee for making travel arrangements and for seeking reimbursements, whether performed by committee staff or independent contractors.

The Committee utilized Charter Services Inc. to arrange its aircraft charters. Charter Services Inc. arranged 54 flight legs for the Committee between February 21 and May 20, 1992. They performed the following services; arranging the chartered aircraft, arranging catering services, and in some instances collection services relative to credit card payments which were applied to the Committee's account. The Committee was responsible for collecting the remaining payments from press personnel.

For our review, the Committee provided copies of flight manifests, documentation of the cost per flight leg and invoices from Charter Services Inc.. In addition, the Committee provided its reconciliation of the flight costs. The Committee used its reconciliation to bill and collect payments from the press personnel.

From the information above, the Audit staff independently calculated total cost per flight leg, number of passengers per leg, and cost per seat. The Audit staff calculated the total cost to the press of \$205,199, including a 10% markup. The total amount collected from the press through March 31, 1994 was \$211,482. This indicates that the Committee has over collected in the amount of \$6,283 [211,482 - 205,199].

Based upon our review, it appears that the over collection is due to a double billing of ferrying costs by the Committee. The Committee billed these charges on leg 1 through leg 14 as well as leg 15 through leg 23. Charter Service's invoices indicate that these charges were incurred on leg 15 through 23 only.

The Committee is required to refund to the press the \$6,283 received in excess of the maximum amount billable.

As previously noted, the Committee may deduct from the overall limitation the amount of reimbursements received in payment for the actual cost of the transportation and services made available to the press plus an amount equal to 3% of cost as an administrative cost to the Committee for providing such transportation and services. A larger administrative allowance (i.e., in excess of the 3% but not to exceed the 10% maximum allowance) may be taken only if the Committee provides sufficient documentation to support that the excess amounts were actually incurred.

The Committee provided documentation to the Audit staff detailing the cost of the actual transportation and services provided plus administrative charges totaling \$205,199. Such documentation included a schedule allocating a percentage of various individual's time and salary to press travel administration. However, the documentation provided did not include job descriptions, time records, or statements from the individuals who performed those duties.

Absent such documentation the Audit staff has recalculated the amount of the travel and services provided plus the administrative allowance to be \$200,565, resulting in an excess charge of \$4,632 which must be repaid to the U.S. Treasury.

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The Interim Audit Report recommended that the Committee provide evidence that it did not over collect from the press and document the administrative charges actually paid. Such documentation is to include time sheets, job descriptions and affidavits from individuals describing work performed. Absent such evidence refund to the Press \$6,283 and make a repayment to the United States Treasury in the amount of \$4,632.

In response, the Committee agreed with the Audit staff that it double billed ferrying costs to the press in the amount of \$6,283 but the Committee contends it had incurred an additional \$8,426 for which it sought no reimbursement. The additional costs referred to by the Committee are accepted, however, these costs were documented prior to the preparation of the Interim Audit Report and were taken into consideration in the figures presented therein. The total amount collected from the press through March 31, 1994 was \$211,482. As stated in the Interim Audit Report this amount exceeds 110% of the Committee's cost by \$6,283 and must, therefore, be refunded to the press.

In regard to the amount calculated as due to the U.S. Treasury, the Committee contends, "it has complied with the Commission's regulations and has already provided specific documentary back-up to [the Audit staff]."

As stated above, the Committee provided a schedule allocating a percentage of various individuals' time and salary to press administration. The documentation did not include job descriptions, time records, or statements from individuals who performed those duties. In response to the Interim Audit Report the Committee has provided the Audit staff with an affidavit from the former Treasurer which states:

"As Treasurer, I directly supervised the billing of press-related expenses. I supervised four staff members, (Ms. Jamie Burke, Mr. David Morse, Ms. Amy Gates, Mr. Charles Douglas). I also worked closely with the Director of Scheduling, Janet Fallon."

The affidavit goes on to describe each individual's duties and the percentage of the person's time that the former Treasurer estimates was spent on the press travel program. As with the Committee's earlier presentations, no documentation is supplied to support the estimates. The affidavit also refers to an exhibit to the response. That exhibit is the same listing presented earlier and discussed in the Interim Audit Report. The Committee did not provide time sheets or affidavits from the individuals describing the work performed as requested in the Interim Audit Report. No adjustment to the Interim Audit Report calculation is warranted.

Finally, the Committee states that the Interim Audit Report incorrectly applied the Commission's regulation. In the response to the Interim Audit Report the Committee writes:

"The 10% allowance for administrative costs is authorized by the Regulations as the presumed expense of handling press travel arrangements. The regulations fix recovery of such costs at an absolute cap of 10% regardless of whether actual administrative costs are higher or lower.

"The audit staff incorrectly based its conclusion on regulatory provisions that address a totally different subject--the amount of expenditures subject to the overall expenditure limits."

The Committee's reading of the Commission's regulation take into account only selected sections of the relevant regulations. The Committee is correct that 11 CFR §9034.6(b) establishes a maximum reimbursement that a Committee may receive as 110% of the actual cost of transportation and other services provided regardless of the amount of administrative cost incurred. It does not however establish a presumption that administrative costs are 10% of direct costs.

The Committee is also correct that 11 CFR §9034.6(d)(1) addresses the amount that may be offset against expenditures subject to the spending limitation. This section also establishes that the presumed administrative cost is 3% of the actual cost of providing the transportation and other services unless a greater cost is documented. The Committee fails to note the remainder of the section that explains that the difference between the actual cost plus allowed administrative cost and the amounts received by the Committee, up to the maximum allowable reimbursement (110% of cost), shall be paid to the U.S. Treasury. This recognizes that reimbursements from the media may cover actual transportation costs and the cost of administering the program, but should not result in the Committee making a profit.

Recommendation #7

The Audit staff recommends that the Commission determine that the Committee is required to refund \$6,283 to the press and make a payment to the United States Treasury in the amount of \$4,632 pursuant to 11 CFR §9034.6.

F. Stale-Dated Checks

Section 9038.6 of Title 11 of the Code of Federal Regulations states, if the committee has checks outstanding to creditors or contributors that have not been cashed, the committee shall notify the Commission. The committee shall inform the Commission of its efforts to locate the payees, if

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such efforts have been necessary, and its efforts to encourage the payees to cash the outstanding checks. The committee shall also submit a check for the total amount of such outstanding checks, payable to the United States Treasury.

With respect to contribution refunds, 14 contributors were issued refund checks in the amount of \$611 that had not cleared the bank.

The Committee was made aware of this matter during fieldwork and at the exit conference. A schedule detailing the individuals and amounts was provided to the Committee.

In response to the Interim Audit Report, the Committee provided a Schedule which detailed the stale-dated checks. The response states that 14 of the checks have been reissued and that 10 of the 14 have cleared the bank (\$411). The Committee did not provide any supporting documentation for the 10 checks that have reportedly cleared (i.e., copies of the front and back of the negotiated refund checks) as requested in the Interim Audit Report. The Committee states that the remaining 4 reissued checks totaling \$200 are still outstanding. The Committee has agreed to repay the \$200 to the United States Treasury.

~~Absent the submission of evidence that any of these checks have been negotiated (copies of both sides of the canceled checks) no change to the Interim Audit Report calculation has been made.~~

Recommendation #8

The Audit staff recommends that the Commission make an initial determination that the Committee is required to make a payment to the U.S. Treasury in the amount of \$611 (\$411 + \$200) pursuant to 11 CFR §9038.6.

IV. Recap of Amount Due to the United States Treasury

Shown below is a recap of amounts due the United States Treasury as discussed in this report.

<u>Finding</u>	<u>Topic</u>	<u>Repayment Amount</u>
II.A.	Prohibited Contributions	\$ 8,166
II.B.	Excessive Contributions	53,759
III.B.	Non-qualified Campaign Expenses	25,151
III.D.	Matching Funds Received In Excess of Entitlement	532,827

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III.E.	Excessive Amount Collected From the Press	4,632
III.F.	Stale Dated Checks	<u>611</u>
	TOTAL	<u>\$625,146</u>

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(through June 30, 1994)

	Federal Matching Funds	Individual Contributions Minus Refunds	PAC's and Other Cmte Contrib Minus Refunds	Contributions from the Candidate	Candide Loans Minus Repayments	Other Loans Minus Repayments	Other Receipts	Adjusted Total Receipts
Democrats								
Larry Agran	\$269,691	\$331,631	\$0	\$500	\$3,000	\$1,029	\$3,001	\$608,852
Jerry Brown	\$4,239,345	\$5,178,338	\$0	\$0	\$0	\$0	\$4,693	\$9,420,374
Bill Clinton	\$12,518,130	\$24,983,688	\$2,429	\$0	\$0	\$1	\$27,037	\$37,531,285
Tom Harkin	\$2,103,352	\$3,080,208	\$415,570	\$0	\$0	\$0	\$14,910	\$5,614,038
Bob Kerrey	\$2,198,284	\$3,913,332	\$349,757	\$0	\$0	(\$1,225)	\$5,931	\$6,466,079
Lyndon LaRouche	\$568,434	\$1,604,065	\$0	\$0	\$0	\$0	\$2,924	\$2,175,423
Paul Tsongas	\$3,039,388	\$5,072,689	\$3,568	\$0	\$45,000	(\$9,575)	\$0	\$8,151,068
Doug Wilder	\$289,028	\$508,519	\$750	\$0	\$0	\$0	\$1,039	\$799,334
Total Democrats	\$25,225,650	\$44,670,466	\$772,072	\$500	\$48,000	(\$9,770)	\$59,535	\$70,766,453
Republicans								
Patrick Buchanan	\$4,999,983	\$7,157,808	\$24,750	\$0	\$0	\$0	\$34,708	\$12,217,249
George Bush	\$10,658,513	\$27,088,825	\$44,250	\$0	\$0	\$0	\$222,413	\$38,014,001
David Duke*	\$0	\$220,715	\$0	\$0	\$1,000	\$0	\$0	\$271,815
Total Republicans	\$15,658,496	\$34,467,348	\$69,000	\$0	\$1,000	\$0	\$257,121	\$50,503,085
Other Party								
Andre Marrou*	\$0	\$562,770	\$181	\$116	\$15,000	\$0	\$0	\$578,067
Lenora Fulani*	\$1,935,524	\$2,201,490	\$0	\$325	(\$1,258)	\$1,200	\$0	\$4,137,281
John Hagelin	\$353,160	\$583,800	\$449	\$0	\$0	\$5,630	\$5,316	\$928,355
Total Other Party	\$2,288,684	\$3,328,060	\$630	\$441	\$13,742	\$6,830	\$5,316	\$5,643,703
Grand Total	\$43,172,830	\$82,465,874	\$841,702	\$941	\$62,742	(\$2,940)	\$321,972	\$126,913,221
Perot	\$0	\$3,905,594	\$0	\$65,438,390	\$2,058,371	\$0	\$5,807	\$71,406,162

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**Adjusted Disbursements
(Through June 30, 1994)**

	Operating Expenditures Minus Offsets	Exempt Fundraising Minus Offsets	Exempt Legal/Accounting Minus Offsets	Other Disburse	Adjusted Total Disbursements	Expenditures Subject to Limit	Latest Cash On Hand	Debts Owed By the Campaign
Democrats								
Larry Agran	\$609,111	\$0	\$0	\$95	\$609,206	\$616,223	\$47	\$3,170
Jerry Brown	\$8,316,287	\$2,278,938	\$308,613	\$108,584	\$9,012,402	\$8,688,482	\$142,313	\$0
Bill Clinton	\$25,342,688	\$5,524,000	\$3,450,743	\$0	\$34,317,431	\$25,342,687	\$798,358	\$180,817
Tom Harkin	\$4,022,904	\$1,144,008	\$198,833	\$35,316	\$5,400,859	\$3,138,112	\$181,416	\$143,389
Bob Kerrey	\$5,181,458	\$1,076,978	\$179,911	\$23,404	\$6,461,751	\$6,050,481	\$9,862	\$0
Lyndon LaRouche	\$1,550,659	\$0	\$127,710	\$0	\$1,678,369	\$1,520,353	\$505,904	\$0
Paul Tsongas	\$6,807,437	\$754,978	\$189,540	\$0	\$7,751,955	\$7,001,566	\$10,052	\$164,472
Doug Wilder	\$803,145	\$6,568	\$39	\$0	\$809,752	\$803,627	\$4,417	\$0
Total Democrats	\$50,633,669	\$10,785,468	\$4,455,189	\$167,399	\$66,041,725	\$51,161,531	\$1,632,189	\$491,848
Republicans								
Patrick Buchanan	\$11,817,884	\$0	\$0	\$0	\$11,817,884	\$11,817,888	\$488,808	\$0
George Bush	\$27,428,818	\$5,526,322	\$4,932,967	\$70,319	\$37,958,426	\$27,428,822	\$3,529	\$0
David Duke	\$353,838	\$0	\$0	\$1,000	\$354,838	\$0	\$0	\$29,250
Total Republicans	\$39,600,540	\$5,526,322	\$4,932,967	\$71,319	\$50,131,148	\$39,246,710	\$492,335	\$29,250
Other Party								
Andre Marrou*	\$415,576	\$180,219	\$0	\$0	\$575,795	\$0	\$0	\$0
Lenora Fulani*	\$4,204,009	\$0	\$0	\$3,235	\$4,207,244	\$4,204,555	\$2,970	\$0
John Hagain	\$695,550	\$91,458	\$52	\$90,293	\$877,353	\$695,549	\$57	\$0
Total Other Party	\$5,315,135	\$251,677	\$52	\$93,528	\$5,660,392	\$4,900,104	\$3,027	\$0
Grand Total	\$95,549,344	\$18,563,467	\$9,388,208	\$332,248	\$121,833,265	\$95,308,345	\$2,127,531	\$521,098
Perot	\$69,049,025	\$0	\$0	\$5,388	\$69,054,413	\$0	\$973,344	\$1,938,407

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W/S Name	Verh No	W/S Cont	Calc	W/S Dte	W/S Cont	Inc Amt	O/S Amt	Exp Cde	W/S Relmb	Day	O/S	W/S Cont	Cont Bal	W/S Excess	W/S calc
PATRICK J MICHIANAN															
	4	03/19/92	04/05/92		79.00		82765.19	6	08/12/92	129	0	79.00	8885.38	8885.38	
	11	03/25/92	03/25/92		-26850.37		55914.82	1			0	0.00	5914.82	5914.82	
	4	03/27/92	04/05/92		122.29		56037.11	6	08/12/92	129	0	122.29	6037.11	6037.11	
	5	04/03/92	05/05/92		528.37		56565.48	6	08/12/92	99	0	528.37	6565.48	6565.48	
	5	04/05/92	05/05/92		183.00		56748.48	6	08/12/92	99	0	183.00	6748.48	6748.48	
	5	04/06/92	05/05/92		4.66		56753.14	6	08/12/92	99	0	4.66	6753.14	6753.14	
	5	04/06/92	05/05/92		74.00		56827.14	6	08/12/92	99	0	74.00	6827.14	6827.14	
	5	04/09/92	05/05/92		25.00		56852.14	6	08/12/92	99	0	25.00	6852.14	6852.14	
	5	04/10/92	05/05/92		304.25		57156.39	6	08/12/92	99	0	304.25	7156.39	7156.39	
	5	04/10/92	05/05/92		76.10		57232.49	6	08/12/92	99	0	76.10	7232.49	7232.49	
	5	04/14/92	05/05/92		216.00		57448.49	6	08/12/92	99	0	216.00	7448.49	7448.49	
	5	04/15/92	05/05/92		221.00		57669.49	6	08/12/92	99	0	221.00	7669.49	7669.49	
	5	04/16/92	05/05/92		97.00		57766.49	6	08/12/92	99	0	97.00	7766.49	7766.49	
	5	04/21/92	05/05/92		29.95		57796.44	6	08/12/92	99	0	29.95	7796.44	7796.44	
	5	04/22/92	05/05/92		85.00		57881.44	6	08/12/92	99	0	85.00	7881.44	7881.44	
	5	04/24/92	05/05/92		91.00		57972.44	6	08/12/92	99	0	91.00	7972.44	7972.44	
	5	04/30/92	05/05/92		69.00		58041.44	6	08/12/92	99	0	69.00	8041.44	8041.44	
	6	05/02/92	05/06/92		121.35		58162.79	6	08/12/92	67	0	121.35	8162.79	8162.79	
	6	05/04/92	05/06/92		231.00		58393.79	6	08/12/92	67	0	231.00	8393.79	8393.79	
	11	05/06/92	05/06/92		-1878.27		56515.52	1			0	0.00	6515.52	6515.52	
	6	05/11/92	06/06/92		111.58		56627.10	6	08/12/92	67	0	111.58	6627.10	6627.10	
	6	05/13/92	06/06/92		64.00		56691.10	6	08/12/92	67	0	64.00	6691.10	6691.10	
	6	05/13/92	06/06/92		87.00		56778.10	6	08/12/92	67	0	87.00	6778.10	6778.10	
	10	05/15/92	05/15/92		-2004.33		54773.77	1			0	0.00	4773.77	4773.77	
	6	05/16/92	06/06/92		82.00		54855.77	6	08/12/92	67	0	82.00	4855.77	4855.77	
	6	05/17/92	06/06/92		89.80		54945.57	6	08/12/92	67	0	89.80	4945.57	4945.57	
	6	05/19/92	06/06/92		260.00		55205.57	6	08/12/92	67	0	260.00	5205.57	5205.57	
	6	05/21/92	06/06/92		240.00		55445.57	6	08/12/92	67	0	240.00	5445.57	5445.57	
	6	05/22/92	06/06/92		73.00		55518.57	6	08/12/92	67	0	73.00	5518.57	5518.57	
	6	05/27/92	06/06/92		488.00		56006.57	6	08/12/92	67	0	488.00	6006.57	6006.57	
	6	05/30/92	06/06/92		46.00		56052.57	6	08/12/92	67	0	46.00	6052.57	6052.57	
	6	05/30/92	06/06/92		277.89		56330.46	6	08/12/92	67	0	277.89	6330.46	6330.46	
	6	05/30/92	06/06/92		284.52		56614.98	6	08/12/92	67	0	284.52	6614.98	6614.98	
	7	06/29/92	07/05/92		153.31		56768.29	6	08/12/92	38	0	0.00	6614.98	6614.98	
	8	07/21/92	08/04/92		47.00		56815.29	6	08/12/92	8	0	0.00	6614.98	6614.98	
	8	07/22/92	08/04/92		620.00		57435.29	6	08/12/92	8	0	0.00	6614.98	6614.98	
	8	07/22/92	08/04/92		620.00		58055.29	6	08/12/92	8	0	0.00	6614.98	6614.98	
	8	07/23/92	08/04/92		126.00		58181.29	6	08/12/92	8	0	0.00	6614.98	6614.98	
	8	07/30/92	08/04/92		370.00		58551.29	6	08/12/92	8	0	0.00	6614.98	6614.98	
	8	07/30/92	08/04/92		370.00		58921.29	6	08/12/92	8	0	0.00	6614.98	6614.98	
	8	07/30/92	08/04/92		540.00		59461.29	6	08/12/92	8	0	0.00	6614.98	6614.98	
	9	07/30/92	09/04/92		140.00		59601.29	6	08/12/92	0	0	0.00	6614.98	6614.98	
	9	07/30/92	08/04/92		540.00		60141.29	6	08/12/92	8	0	0.00	6614.98	6614.98	
	9	08/11/92	09/04/92		107.00		60248.29	6	08/12/92	0	0	0.00	6614.98	6614.98	
	11	08/17/92	08/12/92		-50000.00		10248.29	1			0	0.00	0.00	0.00	
	9	08/21/92	09/04/92		262.00		10510.29	6	08/12/92	0	0	0.00	0.00	0.00	
	9	08/21/92	09/04/92		12.00		10522.29	6	08/12/92	0	0	0.00	0.00	0.00	
	9	08/21/92	09/04/92		281.07		10803.36	6	08/12/92	0	0	0.00	0.00	0.00	
	9	08/22/92	09/04/92		570.00		11373.36	6	08/12/92	0	0	0.00	0.00	0.00	
	9	08/22/92	09/04/92		570.00		11943.36	6	08/12/92	0	0	0.00	0.00	0.00	
	9	08/25/92	09/04/92		126.00		12639.36	6	08/12/92	0	0	0.00	0.00	0.00	
	10	10/29/92	10/29/92		-12689.35		-49.99	1			0	0.00	0.00	0.00	

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W/S	no	Vch No	W/S Cont Inc Date	W/S Cont Calc Dte	W/S Cont Inc Amt	O/S Amt	Reimb	O/S	Ants	Conts	Amount	...
PAUL ERICKSON	25	12/04/91	12/04/91	7.64	7.64	01/06/92	33	7.64	-992.36			
	25	12/09/91	12/09/91	460.00	475.64	01/06/92	28	0.00	-992.36			
	26	12/10/91	12/10/91	180.00	655.64	01/06/92	27	180.00	-812.36			
	26	12/12/91	12/12/91	15.00	670.64	01/06/92	25	0.00	-812.36			
	26	12/13/91	12/13/91	23.33	693.97	01/06/92	24	23.33	-789.03			
	28	12/16/91	12/16/91	1489.20	2183.17	01/24/92	39	0.00	-789.03			
	28	12/18/91	12/18/91	810.00	2993.17	03/04/92	77	10.78	-778.25			
	28	12/19/91	12/19/91	81.28	3074.45	03/04/92	76	81.28	-696.97			
	28	12/19/91	12/19/91	40.50	3114.95	03/04/92	76	40.50	-656.47			
	28	12/19/91	12/19/91	40.64	3155.59	03/04/92	76	40.64	-615.83			
	28	12/20/91	12/20/91	20.00	3175.59	03/04/92	75	20.00	-595.83			
	28	12/20/91	12/20/91	380.70	3556.29	03/04/92	75	380.70	-215.13			
	27	12/24/91	12/24/91	58.00	3614.29	03/04/92	71	58.00	-157.13			
	27	12/25/91	12/25/91	17.77	3632.06	03/04/92	70	17.77	-139.36			
	27	12/26/91	12/26/91	26.07	3658.13	03/04/92	69	26.07	-113.29			
	27	12/27/91	12/27/91	29.00	3687.13	03/04/92	68	29.00	-84.29			
	27	12/28/91	12/28/91	46.34	3733.47	03/04/92	67	46.34	-37.95			
	27	12/28/91	12/28/91	78.00	3811.47	03/04/92	67	78.00	40.05	40.05		
	29	12/31/91	12/31/91	5.00	3816.47	03/04/92	64	5.00	45.05	45.05		
	29	12/31/91	12/31/91	19.04	3835.51	03/04/92	64	19.04	64.09	64.09		
	29	01/01/92	01/01/92	34.83	3870.34	03/04/92	63	34.83	98.92	98.92		
	29	01/01/92	01/01/92	11.60	3881.94	03/04/92	63	11.60	110.52	110.52		
	5	01/04/92	01/04/92	6.17	3888.11	03/04/92	60	6.17	116.69	116.69		
	29	01/04/92	01/04/92	50.00	3938.11	03/04/92	60	50.00	166.69	166.69		
	5	01/04/92	01/04/92	75.00	4013.11	03/04/92	60	0.00	166.69	166.69		
	5	01/05/92	01/05/92	19.25	4032.36	03/04/92	59	19.25	185.94	185.94		
	5	01/05/92	01/05/92	5.00	4037.36	03/04/92	59	5.00	190.94	190.94		
	5	01/05/92	01/05/92	19.25	4056.61	03/04/92	59	0.00	190.94	190.94		
	99	01/06/92	01/06/92	-2000.00	2056.61		1	0.00	-20.03			
	5	01/06/92	01/06/92	7.17	2063.78	03/04/92	58	7.17	-12.86			
	5	01/07/92	01/07/92	36.43	2100.21	03/04/92	57	36.43	23.57	23.57		
	5	01/07/92	01/07/92	2.65	2102.86	03/04/92	57	2.65	26.22	26.22		
	5	01/07/92	01/07/92	12.50	2115.36	03/04/92	57	12.50	38.72	38.72		
	5	01/08/92	01/08/92	32.50	2147.86	03/04/92	56	32.50	71.22	71.22		
	5	01/09/92	01/09/92	250.82	2398.68	03/04/92	55	250.82	322.04	322.04		
	5	01/10/92	01/10/92	7.43	2406.11	03/04/92	54	7.43	329.47	329.47		
	5	01/10/92	01/10/92	50.00	2456.11	03/04/92	54	50.00	379.47	379.47		
	5	01/10/92	01/10/92	10.00	2466.11	03/04/92	54	10.00	389.47	389.47		
	2	01/10/92	01/10/92	270.42	2736.53	03/04/92	54	0.00	389.47	389.47		
	5	01/11/92	01/11/92	32.92	2769.45	03/04/92	53	32.92	422.39	422.39		
	5	01/11/92	01/11/92	17.96	2787.41	03/04/92	53	17.96	440.35	440.35		
	5	01/11/92	01/11/92	17.96	2805.37	03/04/92	53	0.00	440.35	440.35		
	5	01/12/92	01/12/92	6.35	2811.72	03/04/92	52	6.35	446.70	446.70		
	5	01/13/92	01/13/92	25.00	2836.72	03/04/92	51	25.00	471.70	471.70		
	5	01/13/92	01/13/92	50.00	2886.72	03/04/92	51	50.00	521.70	521.70		
	5	01/14/92	01/14/92	33.90	2920.62	03/04/92	50	33.90	555.60	555.60		
	5	01/14/92	01/14/92	169.02	3089.64	03/05/92	51	169.02	724.62	724.62		
	5	01/14/92	01/14/92	3.00	3092.64	03/05/92	51	3.00	727.62	727.62		
	5	01/14/92	01/14/92	6.61	3099.25	03/05/92	51	6.61	734.23	734.23		
	5	01/14/92	01/14/92	8.48	3107.73	03/05/92	51	8.48	742.71	742.71		
	5	01/14/92	01/14/92	2.50	3110.23	03/05/92	51	2.50	745.21	745.21		
	5	01/15/92	01/15/92	2.25	3112.48	03/05/92	50	2.25	747.46	747.46		
	5	01/15/92	01/15/92	4.00	3116.48	03/05/92	50	4.00	751.46	751.46		
	5	01/16/92	01/16/92	25.00	3141.48	03/05/92	49	25.00	776.46	776.46		
	5	01/18/92	01/18/92	12.18	3153.66	03/05/92	47	12.18	788.64	788.64		
	5	01/18/92	01/18/92	6.09	3159.75	03/05/92	47	6.09	794.73	794.73		

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W/S Name	W/S Cont	W/S Cont	W/S Cont	W/S	Exp	Wave	Day	W/S	Cont	W/S	Cont	W/S	Cont	W/S	Cont
No	Inc	Date	Calc	Use	Relmb	O/S	Day	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
PAUL ERICKSON															
4	01/19/92	01/19/92													
4	01/19/92	01/19/92	10.38					10.38							
4	01/23/92	01/23/92	20.50					0.00							
4	01/23/92	01/23/92	145.93					145.93							
4	01/23/92	01/23/92	86.61					86.61							
99	01/24/92	01/24/92	-982.39					0.00							
4	01/25/92	01/25/92	49.38					49.38							
4	01/25/92	01/25/92	30.00					0.00							
4	01/25/92	01/25/92	16.46					0.00							
6	01/27/92	01/27/92	33.59					0.00							
6	01/29/92	01/29/92	60.00					0.00							
6	01/30/92	01/30/92	21.50					21.50							
6	01/30/92	01/30/92	12.00					12.00							
6	01/30/92	01/30/92	24.00					24.00							
6	02/01/92	02/01/92	20.00					20.00							
6	02/01/92	02/01/92	351.62					351.62							
6	02/01/92	02/01/92	60.48					0.00							
7	02/03/92	02/03/92	26.18					0.00							
7	02/05/92	02/05/92	159.56					159.56							
7	02/07/92	02/07/92	75.00					75.00							
7	02/08/92	02/08/92	18.00					0.00							
8	02/09/92	02/09/92	21.78					21.78							
8	02/09/92	02/09/92	3.00					0.00							
8	02/11/92	02/11/92	20.00					0.00							
8	02/11/92	02/11/92	4.95					4.95							
8	02/14/92	02/14/92	161.00					161.00							
8	02/14/92	02/14/92	25.00					25.00							
8	02/14/92	02/14/92	296.00					296.00							
9	02/16/92	02/16/92	17.05					17.05							
9	02/19/92	02/19/92	73.05					73.05							
9	02/19/92	02/19/92	18.25					0.00							
9	02/20/92	02/20/92	21.00					21.00							
9	02/20/92	02/20/92	9.59					9.59							
9	02/20/92	02/20/92	844.05					0.00							
10	02/23/92	02/23/92	55.00					0.00							
10	02/23/92	02/23/92	4.00					0.00							
10	02/23/92	02/23/92	779.00					0.00							
11	02/24/92	02/24/92	123.12					123.12							
11	02/24/92	02/24/92	136.23					136.23							
11	02/24/92	02/24/92	145.30					145.30							
11	02/24/92	02/24/92	117.09					117.09							
10	02/24/92	02/24/92	5.70					5.70							
11	02/24/92	02/24/92	260.49					0.00							
10	02/25/92	02/25/92	19.12					19.12							
10	02/27/92	02/27/92	12.36					12.36							
60	03/02/92	03/02/92	4856.97					4856.97							
12	03/02/92	03/02/92	6.36					6.36							
12	03/02/92	03/02/92	5.25					5.25							
12	03/02/92	03/02/92	197.60					0.00							
99	03/04/92	03/04/92	-2000.00					0.00							
99	03/05/92	03/05/92	-4865.97					0.00							
99	03/05/92	03/05/92	-2500.00					0.00							
99	03/05/92	03/05/92	413.18					413.18							
13	03/08/92	03/08/92	10.50					0.00							
13	03/08/92	03/08/92	85.88					0.00							
13	03/09/92	03/09/92	4.49					4.49							
13	03/09/92	03/09/92	3.12					3.12							

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W/S Name	Vch No	W/S Cont Inc	Cont Date	W/S Cont Calc Dia	W/S Cont Inc Amt	W/S Amt	Exp Cde	W/S Date	Reliab	Day	W/S Cont Amt	W/S Hun Cont	W/S Cont Amt	W/S Cont Amt	W/S Cont Amt
PAUL ERICKSON	21	05/07/92	05/07/92		18.50	-2482.40	5	05/06/92	0	0	0.00	-1000.00			
	21	05/07/92	05/07/92		70.00	-2412.40	6	05/06/92	0	0	0.00	-1000.00			
	21	05/08/92	05/08/92		244.56	-2167.84	6	05/06/92	0	0	0.00	-1000.00			
	21	05/08/92	05/08/92		81.52	-2086.32	6	05/06/92	0	0	0.00	-1000.00			
	21	05/09/92	05/09/92		19.00	-2067.32	5	05/06/92	0	0	0.00	-1000.00			
	22	05/11/92	05/11/92		12.00	-2055.32	5	05/06/92	0	0	0.00	-1000.00			
	22	05/11/92	05/11/92		20.00	-2035.32	5	05/06/92	0	0	0.00	-1000.00			
	22	05/11/92	05/11/92		457.75	-1577.57	6	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		76.46	-1501.11	4	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		76.46	-1424.65	4	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		70.00	-1348.19	4	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		120.00	-1278.19	4	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		10.00	-1158.19	4	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		10.00	-1148.19	5	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		8.00	-1140.19	5	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		25.15	-1115.04	5	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		17.00	-1098.04	5	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		76.46	-1021.58	6	05/06/92	0	0	0.00	-1000.00			
	22	05/12/92	05/12/92		70.00	-951.58	6	05/06/92	0	0	0.00	-1000.00			
	22	05/13/92	05/13/92		11.66	-939.92	4	05/06/92	0	0	0.00	-1000.00			
	22	05/13/92	05/13/92		5.83	-934.09	5	05/06/92	0	0	0.00	-1000.00			
	22	05/13/92	05/13/92		225.63	-708.46	6	05/06/92	0	0	0.00	-1000.00			
	22	05/15/92	05/15/92		70.00	-638.86	4	05/06/92	0	0	0.00	-1000.00			
	22	05/15/92	05/15/92		142.57	-495.89	5	05/06/92	0	0	0.00	-1000.00			
22	05/15/92	05/15/92		12.00	-483.89	5	05/06/92	0	0	0.00	-1000.00				
22	05/15/92	05/15/92		49.00	-434.89	5	05/06/92	0	0	0.00	-1000.00				
22	05/15/92	05/15/92		49.00	-385.89	6	05/06/92	0	0	0.00	-1000.00				
22	05/16/92	05/16/92		159.54	-226.35	5	05/06/92	0	0	0.00	-1000.00				
99	05/22/92	05/22/92		-1000.00	-1226.35	1					0.00	-1000.00			
80	05/23/92	05/23/92		399.50	-826.85	4	05/22/92	0	0	0.00	-1000.00				
21	05/26/92	05/26/92		30.15	-796.70	4	05/22/92	0	0	0.00	-1000.00				
21	05/26/92	05/26/92		18.50	-778.20	5	05/22/92	0	0	0.00	-1000.00				
21	05/27/92	05/27/92		25.15	-753.05	4	05/22/92	0	0	0.00	-1000.00				
21	05/28/92	05/28/92		26.37	-726.68	4	05/22/92	0	0	0.00	-1000.00				
21	05/28/92	05/28/92		8.79	-717.89	5	05/22/92	0	0	0.00	-1000.00				
21	05/29/92	05/29/92		300.00	-417.89	4	05/22/92	0	0	0.00	-1000.00				
21	05/29/92	05/29/92		146.03	-271.86	6	05/22/92	0	0	0.00	-1000.00				
24	05/31/92	05/31/92		139.46	-137.40	6	05/22/92	0	0	0.00	-1000.00				
24	06/01/92	06/01/92		6.00	-126.40	5	05/22/92	0	0	0.00	-1000.00				
24	06/03/92	06/03/92		13.00	-113.40	5	05/22/92	0	0	0.00	-1000.00				
24	06/03/92	06/03/92		43.44	-69.96	6	05/22/92	0	0	0.00	-1000.00				

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W/S Name	Veh No	W/S Cont Inc Date	W/S Cont Calc Dte	W/S Contr Inc Amt	W/S O/S Amt	Exp Code	W/S Date Reimb	Day O/S	W/S Contr Amt	W/S Run Contr Bal	W/S Excess Amount	W/S Exc Bal Alt Reimb
Janet Fallon	88	04/04/92	04/04/92	916.17	7358.18	4	05/04/92	30	916.17	6358.18	6358.18	
	88	04/04/92	04/04/92	255.95	7614.13	4	05/04/92	30	255.95	6614.13	6614.13	
	88	04/05/92	04/05/92	70.40	7684.53	4	05/04/92	29	70.40	6684.53	6684.53	
	88	04/05/92	04/05/92	212.14	7896.67	4	05/04/92	29	212.14	6896.67	6896.67	
	88	04/06/92	04/06/92	250.32	8146.99	4	05/04/92	28	250.32	7146.99	7146.99	
	13	04/06/92	04/06/92	1714.20	9881.19	4	05/04/92	28	1714.20	8881.19	8881.19	
	32	04/06/92	04/06/92	70.40	9951.59	4	05/04/92	28	70.40	8951.59	8951.59	
	88	04/06/92	04/06/92	1734.20	11685.79	4	05/04/92	28	1734.20	10685.79	10685.79	
	32	04/06/92	04/06/92	141.00	11826.79	4	05/04/92	28	141.00	10826.79	10826.79	
	88	04/07/92	04/07/92	1237.51	13064.30	4	05/04/92	27	1237.51	12064.30	12064.30	
	88	04/08/92	04/08/92	2355.86	15420.16	4	05/11/92	33	2355.86	14420.16	14420.16	
	88	04/08/92	04/08/92	358.82	15778.98	4	05/11/92	33	358.82	14778.98	14778.98	
	88	04/08/92	04/08/92	194.89	15973.87	4	05/11/92	33	194.89	14973.87	14973.87	
	88	04/08/92	04/08/92	625.14	16599.01	4	05/11/92	33	625.14	15599.01	15599.01	
	88	04/09/92	04/09/92	547.47	17146.48	4	05/11/92	32	547.47	16146.48	16146.48	
	10	04/09/92	04/09/92	1512.74	18659.22	4	05/11/92	32	1512.74	17659.22	17659.22	
	88	04/11/92	04/11/92	672.75	19331.97	4	05/11/92	30	672.75	18331.97	18331.97	
	10	04/16/92	04/16/92	209.00	19540.97	4	05/11/92	25	209.00	18540.97	18540.97	
	10	04/17/92	04/17/92	926.69	20467.66	4	05/11/92	24	926.69	19467.66	19467.66	
	10	04/17/92	04/17/92	271.78	20739.44	4	05/11/92	24	271.78	19739.44	19739.44	
	10	04/17/92	04/17/92	912.47	21651.91	4	05/11/92	24	912.47	20651.91	20651.91	
	10	04/17/92	04/17/92	774.37	22426.28	4	05/11/92	24	774.37	21426.28	21426.28	
	10	04/17/92	04/17/92	1533.66	23959.94	4	05/11/92	24	1533.66	22959.94	22959.94	
	10	04/22/92	04/22/92	725.07	24685.01	4	05/11/92	19	725.07	23685.01	23685.01	
	10	04/22/92	04/22/92	597.69	25282.70	4	05/11/92	19	597.69	24282.70	24282.70	
	10	04/22/92	04/22/92	823.39	26106.09	4	05/11/92	19	823.39	25106.09	25106.09	
	44	04/27/92	04/27/92	596.85	26702.94	4	05/11/92	14	596.85	25702.94	25702.94	
	44	04/27/92	04/27/92	978.03	27680.97	4	05/15/92	18	978.03	26680.97	26680.97	
	44	04/27/92	04/27/92	622.91	28303.88	4	05/15/92	18	622.91	27303.88	27303.88	
	44	04/27/92	04/27/92	78.91	28382.79	4	05/15/92	18	78.91	27382.79	27382.79	
	44	04/28/92	04/28/92	684.95	29067.74	4	05/15/92	17	684.95	28067.74	28067.74	
	44	04/29/92	04/29/92	205.18	29272.92	4	05/15/92	16	205.18	28272.92	28272.92	
	44	04/29/92	04/29/92	565.31	29838.23	4	05/15/92	16	565.31	28838.23	28838.23	
	44	04/29/92	04/29/92	101.42	29939.65	4	05/15/92	16	101.42	28939.65	28939.65	
	44	04/29/92	04/29/92	238.74	30178.39	4	05/15/92	16	238.74	29178.39	29178.39	
	44	04/30/92	04/30/92	88.10	30266.49	4	05/15/92	15	88.10	29266.49	29266.49	
	44	04/30/92	04/30/92	50.00	30316.49	4	05/15/92	15	50.00	29316.49	29316.49	
	44	05/01/92	05/01/92	549.77	30866.26	4	05/15/92	14	549.77	29866.26	29866.26	
	44	05/02/92	05/02/92	573.67	31439.93	4	05/15/92	13	573.67	30439.93	30439.93	
	44	05/02/92	05/02/92	320.21	31760.14	4	05/15/92	13	320.21	30760.14	30760.14	
	99	05/04/92	05/04/92	-33160.86	18599.28	1		0	0.00	17599.28	17599.28	
	84	05/04/92	05/04/92	202.77	18802.05	4	05/15/92	11	202.77	17802.05	17802.05	
	88	05/04/92	05/04/92	1810.64	20632.69	4	05/15/92	11	1830.64	19632.69	19632.69	
	84	05/04/92	05/04/92	52.50	20685.19	4	05/15/92	11	52.50	19685.19	19685.19	
	55	05/05/92	05/05/92	22.50	20707.69	4	05/15/92	10	22.50	19707.69	19707.69	
	44	05/05/92	05/05/92	589.08	21296.77	4	05/15/92	10	589.08	20296.77	20296.77	
	44	05/05/92	05/05/92	842.07	22138.84	4	05/15/92	10	842.07	21138.84	21138.84	
	55	05/05/92	05/05/92	111.25	22250.09	4	05/15/92	10	111.25	21250.09	21250.09	
	44	05/05/92	05/05/92	41.06	22291.15	4	05/15/92	10	41.06	21291.15	21291.15	
	44	05/06/92	05/06/92	769.00	23060.15	4	05/15/92	9	769.00	22060.15	22060.15	
	32	05/06/92	05/06/92	632.91	23693.06	4	05/15/92	9	632.91	22693.06	22693.06	
	44	05/06/92	05/06/92	1036.68	24729.74	4	05/15/92	9	1036.68	23729.74	23729.74	
	32	05/06/92	05/06/92	2220.13	26949.87	4	05/15/92	9	2220.13	25949.87	25949.87	
	55	05/06/92	05/06/92	15.50	26965.37	4	05/15/92	9	15.50	25965.37	25965.37	
	32	05/06/92	05/06/92	1282.25	28247.62	4	05/15/92	9	1282.25	27247.62	27247.62	
	32	05/06/92	05/06/92	1300.26	29547.88	4	05/15/92	9	1300.26	28547.88	28547.88	
	44	05/06/92	05/06/92	344.69	29892.57	4	05/15/92	9	344.69	28892.57	28892.57	
	32	05/06/92	05/06/92	1233.07	31105.64	4	06/03/92	28	1213.07	30105.64	30105.64	

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W/S Name	Vrh No	W/S Cont Inc Date	W/S Cont Calc Dtn	W/S Contr Inc Amt	W/S O/S Amt	Exp Cde	W/S Date Reimb	Day O/S	W/S Contr Amt	W/S Run Contr Bal	W/S Excess Amount	W/S ... Bal Aft Reimb
Janet Fallon	32	05/16/92	05/16/92	207.41	14190.26	4	06/03/92	18	207.41	13190.26	13190.26	
	55	05/18/92	05/18/92	15.50	14205.76	4	06/03/92	16	15.50	13205.76	13205.76	
	55	05/18/92	05/18/92	15.50	14221.26	4	06/03/92	16	15.50	13221.26	13221.26	
	55	05/18/92	05/18/92	15.50	14236.76	4	06/03/92	16	15.50	13236.76	13236.76	
	32	05/18/92	05/18/92	1400.01	15636.77	4	06/03/92	16	1400.01	14636.77	14636.77	
	84	05/18/92	05/18/92	15.50	15652.27	4	06/03/92	16	15.50	14652.27	14652.27	
	84	05/18/92	05/18/92	30.00	15682.27	4	06/03/92	16	30.00	14682.27	14682.27	
	55	05/18/92	05/18/92	11.50	15693.77	4	06/03/92	16	11.50	14693.77	14693.77	
	10	05/18/92	05/18/92	19.42	15713.19	4	06/03/92	16	19.42	14713.19	14713.19	
	2	05/18/92	05/18/92	52.35	15765.54	4	06/03/92	16	52.35	14765.54	14765.54	
	10	05/18/92	05/18/92	551.95	16317.49	4	06/03/92	16	551.95	15317.49	15317.49	
	44	05/18/92	05/18/92	620.00	16937.49	4	06/03/92	16	620.00	15937.49	15937.49	
	55	05/19/92	05/19/92	15.50	16952.99	4	06/03/92	15	15.50	15952.99	15952.99	
	32	05/19/92	05/19/92	129.80	17082.79	4	06/03/92	15	129.80	16082.79	16082.79	
	55	05/19/92	05/19/92	11.50	17094.29	4	06/03/92	15	11.50	16094.29	16094.29	
	55	05/19/92	05/19/92	15.50	17109.79	4	06/03/92	15	15.50	16109.79	16109.79	
	55	05/19/92	05/19/92	9.00	17118.79	4	06/03/92	15	9.00	16118.79	16118.79	
	32	05/19/92	05/19/92	571.16	17689.95	4	06/03/92	15	571.16	16689.95	16689.95	
	32	05/19/92	05/19/92	510.11	18200.06	4	06/03/92	15	510.11	17200.06	17200.06	
	55	05/19/92	05/19/92	10.50	18210.56	4	06/03/92	15	10.50	17210.56	17210.56	
	55	05/19/92	05/19/92	15.50	18226.06	4	06/03/92	15	15.50	17226.06	17226.06	
	55	05/19/92	05/19/92	11.50	18237.56	4	06/03/92	15	11.50	17237.56	17237.56	
	55	05/19/92	05/19/92	32.50	18270.06	4	06/03/92	15	32.50	17270.06	17270.06	
	13	05/20/92	05/20/92	1207.67	19477.73	4	06/03/92	14	1207.67	18477.73	18477.73	
	55	05/20/92	05/20/92	24.25	19501.98	4	06/03/92	14	24.25	18501.98	18501.98	
	13	05/20/92	05/20/92	1602.07	21104.05	4	06/18/92	29	1602.07	20104.05	20104.05	
	55	05/20/92	05/20/92	15.50	21119.55	4	06/18/92	29	15.50	20119.55	20119.55	
	13	05/20/92	05/20/92	699.34	21818.89	4	06/18/92	29	699.34	20818.89	20818.89	
	32	05/20/92	05/20/92	288.08	22106.97	4	06/18/92	29	288.08	21106.97	21106.97	
	55	05/20/92	05/20/92	11.50	22118.47	4	06/18/92	29	11.50	21118.47	21118.47	
	13	05/20/92	05/20/92	155.03	22273.50	4	06/18/92	29	155.03	21273.50	21273.50	
	55	05/20/92	05/20/92	190.00	22463.50	4	06/18/92	29	190.00	21463.50	21463.50	
	55	05/20/92	05/20/92	15.50	22479.00	4	06/18/92	29	15.50	21479.00	21479.00	
	32	05/20/92	05/20/92	347.36	22826.36	4	06/18/92	29	347.36	21826.36	21826.36	
	55	05/21/92	05/21/92	15.50	22841.86	4	06/18/92	28	15.50	21841.86	21841.86	
	55	05/21/92	05/21/92	22.50	22864.36	4	06/18/92	28	22.50	21864.36	21864.36	
	55	05/21/92	05/21/92	15.50	22879.86	4	06/18/92	28	15.50	21879.86	21879.86	
	55	05/21/92	05/21/92	15.50	22895.36	4	06/18/92	28	15.50	21895.36	21895.36	
	55	05/21/92	05/21/92	22.50	22917.86	4	06/18/92	28	22.50	21917.86	21917.86	
	55	05/21/92	05/21/92	15.50	22933.36	4	06/18/92	28	15.50	21933.36	21933.36	
	13	05/21/92	05/21/92	289.71	23223.07	4	06/18/92	28	289.71	22223.07	22223.07	
	55	05/21/92	05/21/92	15.50	23238.57	4	06/18/92	28	15.50	22238.57	22238.57	
	55	05/22/92	05/22/92	42.50	23281.07	4	06/18/92	27	42.50	22281.07	22281.07	
	84	05/22/92	05/22/92	25.50	23306.57	4	06/18/92	27	25.50	22306.57	22306.57	
	55	05/22/92	05/22/92	25.50	23332.07	4	06/18/92	27	25.50	22332.07	22332.07	
	84	05/22/92	05/22/92	10.50	23342.57	4	06/18/92	27	10.50	22342.57	22342.57	
	84	05/22/92	05/22/92	10.50	23353.07	4	06/18/92	27	10.50	22353.07	22353.07	
	32	05/22/92	05/22/92	53.00	23406.07	4	06/18/92	27	53.00	22406.07	22406.07	
	32	05/22/92	05/22/92	1757.19	25163.26	4	06/18/92	27	1757.19	24163.26	24163.26	
	84	05/22/92	05/22/92	11.50	25174.76	4	06/18/92	27	11.50	24174.76	24174.76	
	32	05/25/92	05/25/92	203.80	25378.56	4	06/18/92	24	203.80	24378.56	24378.56	
	84	05/26/92	05/26/92	15.50	25394.06	4	06/18/92	23	15.50	24394.06	24394.06	
	32	05/26/92	05/26/92	823.64	26217.70	4	06/18/92	23	823.64	25217.70	25217.70	
	84	05/26/92	05/26/92	17.00	26234.70	4	06/18/92	23	17.00	25234.70	25234.70	
	84	05/26/92	05/26/92	24.25	26258.95	4	06/18/92	23	24.25	25258.95	25258.95	
	84	05/27/92	05/27/92	45.74	26304.69	4	06/18/92	22	45.74	25304.69	25304.69	
	13	05/27/92	05/27/92	627.40	26932.09	4	06/18/92	22	627.40	25932.09	25932.09	
	11	05/27/92	05/27/92	24.09	26956.18	4	06/18/92	22	24.09	25956.18	25956.18	

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Janet Fallon	W/S	NO	W/S Cont	W/S Cont	W/R Cont	W/S	W/S	W/S Date	Day	W/S Cont	W/S Run	W/S Excess	W/S Ex. Net
	Inc	Inc	Inc	Inc	Inc	Inc	Inc	Reimb	O/S	Amts	Cont	Amnt	Net
13	05/27/92	05/27/92	221.01	27177.19	4	06/18/92	22	221.01	26177.19	26177.19	750.66		
84	05/27/92	05/27/92	9.00	27186.19	4	06/18/92	22	9.00	26186.19	26186.19	4225.61		
84	05/27/92	05/27/92	216.50	27402.69	4	06/18/92	22	216.50	26402.69	26402.69	5122.61		
84	05/27/92	05/27/92	36.25	27438.94	4	06/18/92	22	36.25	26438.94	26438.94	6019.61		
84	05/28/92	05/28/92	178.26	27617.22	4	06/18/92	22	178.26	26617.22	26617.22	7054.69		
13	05/28/92	05/28/92	24.50	27641.72	4	06/18/92	21	24.50	26641.72	26641.72	7887.29		
13	05/28/92	05/28/92	189.01	27830.73	4	06/18/92	21	189.01	26830.73	26830.73	8472.29		
13	05/29/92	05/29/92	1775.58	29606.31	4	06/18/92	20	1775.58	28606.31	28606.31	8492.29		
13	05/29/92	05/29/92	148.53	29754.84	4	06/18/92	20	148.53	28754.84	28754.84	8575.39		
13	05/29/92	05/29/92	74.11	29828.95	4	06/18/92	20	74.11	28828.95	28828.95	8595.39		
13	05/29/92	05/29/92	301.80	30130.75	4	06/18/92	20	301.80	29130.75	29130.75			
13	05/29/92	05/29/92	148.56	30279.31	4	06/18/92	20	148.56	29279.31	29279.31			
13	05/31/92	05/31/92	452.02	30731.33	4	06/18/92	18	452.02	29731.33	29731.33			
13	05/31/92	05/31/92	844.85	31575.78	4	06/18/92	18	844.85	30575.78	30575.78			
13	06/01/92	06/01/92	501.15	32076.93	4	06/18/92	17	501.15	31076.93	31076.93			
13	06/01/92	06/01/92	25.00	32201.93	4	06/18/92	17	25.00	31101.93	31101.93			
84	06/01/92	06/01/92	710.72	32812.65	4	06/18/92	17	710.72	31812.65	31812.65			
13	06/01/92	06/01/92	5.75	32818.40	4	06/18/92	17	5.75	31818.40	31818.40			
55	06/02/92	06/02/92	82.08	32900.48	4	06/18/92	16	82.08	31900.48	31900.48			
55	06/02/92	06/02/92	912.08	33812.56	4	06/18/92	16	912.08	32812.56	32812.56			
84	06/02/92	06/02/92	69.78	33891.82	4	06/18/92	16	69.78	32891.82	32891.82			
55	06/02/92	06/02/92	9.48	33895.64	4	06/18/92	16	9.48	32895.64	32895.64			
99	06/03/92	06/03/92	-19711.09	14164.55	1	06/18/92	0	0.00	11164.55	11164.55			
55	06/03/92	06/03/92	115.18	14279.73	4	06/18/92	15	115.18	11279.73	11279.73			
55	06/03/92	06/03/92	241.35	14527.08	4	06/18/92	15	241.35	11527.08	11527.08			
55	06/03/92	06/03/92	208.02	14735.10	4	06/18/92	15	208.02	11735.10	11735.10			
55	06/03/92	06/03/92	17.92	14753.02	4	06/18/92	15	17.92	11753.02	11753.02			
55	06/03/92	06/03/92	91.65	14844.67	4	06/18/92	15	91.65	11844.67	11844.67			
13	06/08/92	06/08/92	94.27	14938.94	4	06/18/92	15	94.27	11938.94	11938.94			
84	06/09/92	06/09/92	15.50	15104.44	4	06/18/92	9	15.50	14104.44	14104.44			
84	06/15/92	06/15/92	22.00	15126.44	4	06/18/92	3	22.00	14126.44	14126.44			
84	06/17/92	06/17/92	743.79	15870.23	4	07/24/92	37	743.79	14870.23	14870.23			
99	06/18/92	06/18/92	-15294.15	576.08	1	07/24/92	0	0.00	-423.92	-423.92			
84	07/06/92	07/06/92	658.58	1234.66	4	07/24/92	18	658.58	234.66	234.66			
2	07/06/92	07/06/92	1539.44	2774.10	4	07/24/92	18	1539.44	1774.10	1774.10			
2	07/06/92	07/06/92	48.60	2822.70	4	07/24/92	18	48.60	1822.70	1822.70			
2	07/06/92	07/06/92	681.18	3503.88	4	07/24/92	18	681.18	2503.88	2503.88			
2	07/06/92	07/06/92	1630.41	5134.29	4	07/24/92	18	1630.41	4134.29	4134.29			
99	07/24/92	07/24/92	-7320.66	-2186.37	1	07/24/92	0	0.00	-1000.00	-1000.00			
84	07/24/92	07/24/92	243.00	-1943.37	4	07/24/92	0	-1943.37	-1000.00	-1000.00			
2	07/29/92	07/29/92	175.00	-1768.37	4	07/24/92	0	0.00	-1000.00	-1000.00			
2	07/29/92	07/29/92	325.43	-1442.94	4	07/24/92	0	0.00	-1000.00	-1000.00			
2	08/01/92	08/01/92	1380.00	-62.94	4	07/24/92	0	0.00	-1000.00	-1000.00			
2	08/05/92	08/05/92	276.00	213.06	4	09/29/92	55	213.06	-786.94	-786.94			
13	08/12/92	08/12/92	1545.60	1758.66	4	09/29/92	46	1545.60	758.66	758.66			
2	08/14/92	08/14/92	1466.95	5225.61	4	09/29/92	46	1466.95	4225.61	4225.61			
2	08/15/92	08/15/92	897.00	6122.61	4	09/29/92	45	897.00	5122.61	5122.61			
2	08/15/92	08/15/92	897.00	7019.61	4	09/29/92	45	897.00	6019.61	6019.61			
2	08/15/92	08/15/92	897.00	7916.61	4	09/29/92	45	897.00	6916.61	6916.61			
2	08/15/92	08/15/92	138.08	8054.69	4	09/29/92	45	138.08	7054.69	7054.69			
2	08/15/92	08/15/92	832.60	8887.29	4	09/29/92	45	832.60	7887.29	7887.29			
2	08/16/92	08/16/92	20.00	9472.29	4	09/29/92	44	20.00	8472.29	8472.29			
2	08/17/92	08/17/92	83.10	9575.39	4	09/29/92	43	83.10	8575.39	8575.39			
13	08/17/92	08/17/92	20.00	9595.39	4	09/29/92	43	20.00	8595.39	8595.39			

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W/S Name	W/S No	W/S Cont Inc Date	W/S Cont Calc Dte	W/S Contr Inc Amt	W/S O/S Amt	Exp Cdn	W/S Date Reimb	Day O/S	W/S Contr Amls	W/S Run Contr Bal	W/S Excess Amount	W/S Est Bal Aft Reimb
Janet Fallon	2	08/18/92	08/18/92	811.58	10408.97	4	09/29/92	42	811.58	9408.97	9408.97	
	77	08/18/92	08/18/92	285.07	10694.04	4	09/29/92	42	285.07	9694.04	9694.04	
	77	08/21/92	08/21/92	10.00	10704.04	4	09/29/92	39	10.00	9704.04	9704.04	
	2	08/21/92	08/21/92	1093.50	11797.54	4	09/29/92	39	1093.50	10797.54	10797.54	
	2	08/21/92	08/21/92	320.93	12118.47	4	09/29/92	39	320.93	11118.47	11118.47	
	13	08/21/92	08/21/92	10.00	12128.47	4	09/29/92	39	10.00	11128.47	11128.47	
	13	08/21/92	08/21/92	10.82	12139.29	4	09/29/92	39	10.82	11139.29	11139.29	
	2	08/25/92	08/25/92	68.25	12207.54	4	09/29/92	35	68.25	11207.54	11207.54	
	77	09/22/92	09/22/92	1813.40	14020.94	4	09/29/92	7	1813.40	13020.94	13020.94	
	13	09/23/92	09/23/92	1.17	14022.11	4	09/29/92	6	1.17	13022.11	13022.11	
	13	09/23/92	09/23/92	0.98	14023.09	4	09/29/92	6	0.98	13023.09	13023.09	
	13	09/23/92	09/23/92	1.01	14024.10	4	09/29/92	6	1.01	13024.10	13024.10	
	13	09/23/92	09/23/92	0.97	14025.07	4	09/29/92	6	0.97	13025.07	13025.07	
	13	09/23/92	09/23/92	0.96	14026.03	4	09/29/92	6	0.96	13026.03	13026.03	
	13	09/23/92	09/23/92	1.17	14027.20	4	09/29/92	6	1.17	13027.20	13027.20	
	13	09/23/92	09/23/92	1.01	14028.21	4	09/29/92	6	1.01	13028.21	13028.21	
	13	09/23/92	09/23/92	0.96	14029.17	4	09/29/92	6	0.96	13029.17	13029.17	
	13	09/23/92	09/23/92	0.96	14030.13	4	09/29/92	6	0.96	13030.13	13030.13	
	13	09/23/92	09/23/92	2.25	14032.38	4	09/29/92	6	2.25	13032.38	13032.38	
	13	09/23/92	09/23/92	2.03	14034.41	4	09/29/92	6	2.03	13034.41	13034.41	
	13	09/23/92	09/23/92	1.57	14035.98	4	09/29/92	6	1.57	13035.98	13035.98	
	13	09/23/92	09/23/92	1.22	14037.20	4	09/29/92	6	1.22	13037.20	13037.20	
	13	09/23/92	09/23/92	1.39	14038.59	4	09/29/92	6	1.39	13038.59	13038.59	
	13	09/23/92	09/23/92	1.39	14039.98	4	09/29/92	6	1.39	13039.98	13039.98	
	13	09/23/92	09/23/92	1.39	14041.37	4	09/29/92	6	1.39	13041.37	13041.37	
	13	09/23/92	09/23/92	0.96	14042.33	4	09/29/92	6	0.96	13042.33	13042.33	
	13	09/23/92	09/23/92	1.16	14043.49	4	09/29/92	6	1.16	13043.49	13043.49	
	13	09/23/92	09/23/92	10.63	14054.12	4	09/29/92	6	10.63	13054.12	13054.12	
	13	09/23/92	09/23/92	3.31	14057.43	4	09/29/92	6	3.31	13057.43	13057.43	
	13	09/23/92	09/23/92	2.77	14060.20	4	09/29/92	6	2.77	13060.20	13060.20	
	13	09/23/92	09/23/92	3.04	14063.24	4	09/29/92	6	3.04	13063.24	13063.24	
	13	09/23/92	09/23/92	2.89	14066.13	4	09/29/92	6	2.89	13066.13	13066.13	
	13	09/23/92	09/23/92	2.46	14068.59	4	09/29/92	6	2.46	13068.59	13068.59	
	13	09/23/92	09/23/92	6.12	14074.71	4	09/29/92	6	6.12	13074.71	13074.71	
	13	09/23/92	09/23/92	5.47	14080.18	4	09/29/92	6	5.47	13080.18	13080.18	
	13	09/23/92	09/23/92	1.16	14081.34	4	09/29/92	6	1.16	13081.34	13081.34	
	13	09/23/92	09/23/92	6.26	14087.60	4	09/29/92	6	6.26	13087.60	13087.60	
	13	09/23/92	09/23/92	0.96	14088.56	4	09/29/92	6	0.96	13088.56	13088.56	
	13	09/23/92	09/23/92	6.02	14094.58	4	09/29/92	6	6.02	13094.58	13094.58	
	13	09/23/92	09/23/92	3.32	14097.90	4	09/29/92	6	3.32	13097.90	13097.90	
	13	09/23/92	09/23/92	5.35	14103.25	4	09/29/92	6	5.35	13103.25	13103.25	
	13	09/23/92	09/23/92	4.82	14108.07	4	09/29/92	6	4.82	13108.07	13108.07	
	13	09/23/92	09/23/92	2.68	14110.75	4	09/29/92	6	2.68	13110.75	13110.75	
	13	09/23/92	09/23/92	1.16	14111.91	4	09/29/92	6	1.16	13111.91	13111.91	
	99	09/29/92	09/29/92	-16858.98	-2747.07	1		0	0.00	-1000.00		
	77	09/30/92	09/30/92	14.59	-2732.48	4	09/29/92	0	0.00	-1000.00		
	77	10/01/92	10/01/92	12.62	-2699.86	4	09/29/92	0	0.00	-1000.00		
	6	10/25/92	10/25/92	511.00	-2188.86	4	09/29/92	0	0.00	-1000.00		
	6	10/25/92	10/25/92	151.48	-2037.38	4	09/29/92	0	0.00	-1000.00		
	99	10/28/92	10/28/92	-2193.52	-4230.90	1		0	0.00	-1000.00		
	77	10/28/92	10/28/92	17.84	-4213.06	4	09/29/92	0	0.00	-1000.00		
	99	11/06/92	11/06/92	-159.52	-4572.58	1		0	0.00	-1000.00		

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Buchanan for President Committee
 Schedule of Fundraising and other Non Qualified Campaign Expenses
 file name: MTDON_NOCES.WG

Check Number	Payee	Date Paid	Fundraising Expenses 1/	Other Expenses 1/	Amount Paid	Amount Paid	Purpose
					Through LIPO Date 1/ 2/	After LIPO Date 2/	
7786	Network Video	12/08/92	\$1,907.00		\$1,907.00		Collateral Materials
7787	Alpha Enterprises	12/08/92	\$499.00		\$499.00		Collateral Materials
2811	JJ Mailing	12/16/92	\$3,028.00			\$3,028.00 3/	TY 2 Mailing
2812	Kinco Business Resources	12/16/92	\$250.00			\$250.00 3/	Computer Service
2814	Network Video	12/17/92	\$1,907.00			\$1,907.00	Collateral Materials
2820	Rockville Printing	12/21/92	\$1,045.00			\$1,045.00	Collateral Materials
2838	Right Side Out	01/05/93	\$757.00			\$757.00	Collateral Materials
2870	Hansen Events	01/20/93	\$40.00			\$40.00	Subscription
2894	Right Side Out	02/04/93	\$572.00			\$572.00	Collateral Materials
2899	Response Unlimited	02/05/93	\$1,015.00			\$1,015.00	Collateral Materials
Sub-total Fundraising Expenses			\$11,020.00		\$2,406.00	\$8,614.00	
101	Carlson's Motors	03/30/92		\$120.00	\$120.00		Parking Tickets
2525	Federal Express	09/03/92		\$13.00	\$13.00		Courier Services
2549	Federal Express	09/14/92		\$53.00	\$53.00		Courier Services
2563	Cmpu Phone, Inc	09/15/92		\$140.00	\$140.00		Foundation Related
2109	Janet Fallon	09/15/92		\$341.00	\$341.00		Meals for 9/1 through 9/15/92
2114	Terry Jeffery	09/15/92		\$1,244.00	\$1,244.00		Meals for 9/1 through 9/15/92
2587	C/P Telephone	09/21/92		\$245.00	\$245.00		Foundation Related
2611	Federal Express	10/02/92		\$35.00	\$35.00		Courier Services
2618	Cmpu Phone, Inc	10/02/92		\$70.00	\$70.00		Foundation Related
2649	Federal Express	10/15/92		\$33.00	\$33.00		Courier Services
2647	Omnet Courier	10/15/92		\$86.00	\$86.00		Courier Services
2680	Computer Consultants	10/30/92		\$400.00	\$400.00		Computers & Software
2690	Computer Consultants	11/03/92		\$375.00	\$375.00		Computers & Software
2692	SSI	11/04/92		\$1,303.00	\$1,303.00		Software upgrades
2695	Mead Data Central	11/04/92		\$2,815.00	\$2,815.00		Foundation related
2733	Sir Speedy	11/13/92		\$799.00	\$799.00		Copying Books
2754	Cornell Properties	11/23/92		\$1,500.00	\$1,500.00		Foundation Related
2774	American Computer Rental 4/	12/02/92		\$45.00	\$45.00		Computers & Software
2808	Mead Data Central	12/12/92		\$2,804.00	\$2,804.00		Foundation related
2822	Federal Express	12/21/92		\$27.00		\$27.00	Courier Services
2826	American Computer Rental	12/22/92		\$335.00		\$335.00	Foundation Related

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Buchanan for President Committee
 Schedule of Purchasing and other Non-Qualified Campaign Expenses
 File name: RTD01_NQES.M03

Check Number	Payee	Date Paid	Purchasing Expense	Other Expense	Amount Paid Through LIFO	Amount Paid After LIFO	Purpose
2827	Overline Buchanan	12/22/92		\$300.00		\$300.00	Phone Bills
2828	SSI	12/23/92		\$1,658.00		\$1,658.00	Software
2830	American Computer Rental	01/06/93		\$335.00		\$335.00	Computers & Software
2845	Courier	01/06/93		\$117.00		\$117.00	Courier services
2853	American Computer Rental	01/08/93		\$334.00		\$334.00	Computers & Software
2862	Jenck Pulliam	01/15/93		\$5,000.00		\$5,000.00	Bonus
2866	Greg Mueller	01/15/93		\$2,500.00		\$2,500.00	Bonus
2861	Terry Jeffery	01/15/93		\$10,000.00		\$10,000.00	Bonus
2871	Paul Data Central	01/20/93		\$2,778.00		\$2,778.00	Foundation Related
2882	American Computer Rental	01/22/93		\$334.00		\$334.00	Computers & Software
2230	VA Dept. Tax	01/29/93		\$307.00		\$307.00	Payroll Tax Penalties
2231	VA Dept. Tax	01/29/93		\$307.00		\$307.00	Payroll Tax Penalties
2902	C & P Telephone	02/05/93		\$125.00		\$125.00	Security Deposit
2905	Courier	02/08/93		\$144.00		\$144.00	Courier Services

Sub-total Other Non-Writing Down Expenses \$37,022.00 \$12,421.00 \$24,601.00

Total Purchasing Expenses \$2,406.00

Paid Through the LIFO date \$14,827.00

- 1/ The amount paid were rounded by the Audit staff
- 2/ LIFO Date is December 14, 1992
- 3/ These amounts total \$3,278 see finding III. 3a for detail
- 4/ An individual reimbursed the Committee \$1,003.20 which was applied to the first three payments to American Computer rental which totaled \$1,048.20. The difference of \$45 (\$1048.20 - \$1003.20) is considered a non-qualified campaign expense.

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FEDERAL ELECTION COMMISSION

July 18, 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

Kenneth E. Kellner
Assistant General Counsel

Jane J. Whang
Attorney

SUBJECT: Proposed Final Audit Report on the Buchanan for
President Committee (LRA #441/AR #93-33)

The Office of General Counsel has reviewed the proposed Final Audit Report on the Buchanan for President Committee ("the Committee") submitted to this Office on May 24, 1994.1/ We concur with a number of findings which are not discussed separately in the following memorandum: II.B.2., II.C., III.A., III.B.3., III.C., III.D., and III.F. If you should have any questions concerning our comments, please contact Jane Whang, the attorney assigned to this audit.

1/ Since the proposed Final Audit Report does not include 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. Parenthetical references are to the placement of the findings in the proposed report. Throughout our comments, "FECA" refers to the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-455, and "Matching Payment Act" refers to the Presidential Primary Matching Payment Account Act, 26 U.S.C. §§ 9031-9042.

950/0193970

I. APPARENT UNRESOLVED PROHIBITED & EXCESSIVE
CONTRIBUTIONS (II.A. & II.B.1.)

The proposed Final Audit Report identified \$8,166 in unresolved prohibited contributions, and \$53,909 in unresolved excessive contributions that should be paid back to the United States Treasury. The amounts were based upon a comprehensive review of the Committee's receipts data base, a projection upon a sample review of remaining contributions and, for the prohibited contributions, a review of an in-kind contribution.

The Committee accepts the Audit findings based upon the comprehensively reviewed amounts of prohibited and excessive contributions, and does not dispute that these amounts shall be paid to the U.S. Treasury. The Committee also accepts the auditors' view that the dollar amount of the in-kind contribution from the Marriott was payable to the Treasury. Although nothing in the Act or Commission regulations prohibits such disgorgement, we noted in our comments to the Final Audit Report on Americans for Harkin, that in-kind contributions were not anticipated under the Commission's disgorgement policy. See Legal Comments to the Proposed Final Audit Report on Americans for Harkin (January 19, 1994) ("Harkin Legal Comments") (Recommending that in-kind excessive contributions be refunded to the contributors). Therefore, for consistent treatment, the Committee should be permitted to refund the prohibited in-kind contribution back to the Marriott.

The Committee disputes the remaining amounts which were projected from sample populations. The Committee argues two points with respect to the sample estimates of illegal contributions: (1) the sampling technique is inapplicable for estimating the number of prohibited contributions; and (2) proper rulemaking notice was not given for the Audit Division's use of sampling in violation of the Administrative Procedure Act.

The Committee's arguments with respect to sampling are not persuasive. Generally, the Supreme Court has held that agency use of accounting rules should only be overturned where it is "so entirely at odds with fundamental principles of correct accounting . . . as to be the expression of whim rather than an exercise of judgment." American Telephone & Telegraph Co. v. United States, 299 U.S. 232, 236-37 (1936). Further, sampling techniques have been upheld by courts in various instances. See Michigan Dep't of Educ. v. U.S. Dep't of Educ., 875 F.2d 1196, 1205 (6th Cir. 1989) (statistical sampling "well recognized as reliable and acceptable evidence in determining adjudicative facts"); State of Georgia v. Califano, 446 F. Supp. 404, 409 (N.D. Ga. 1977) (statistical sampling upheld and "recognized as a valid audit technique"). Within the Commission, the sampling technique has been used

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to evaluate matching fund submissions. 11 C.F.R.
§ 9036.4(b); see also Guideline for Presentation in Good
Order, at 36 (rev'd 1991).

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The proposed Final Audit Report includes the language of our Office's legal comments in the Final Audit Report on Harkin with respect to the issue of whether the use of sampling requires formal notice and comment, pursuant to the Administrative Procedure Act ("APA"). See 5 U.S.C. § 553. Therefore, we will not repeat those comments here. See Harkin Legal Comments. Contrary to the Committee's assertion, the use of accounting methodologies does not always require formal notice and comment rule-making. See Committee's Response at 5, citing Alvarado Parkway Institute, Inc. v. Mendez, 789 F. Supp. 1190 (D.D.C. 1992). Rather, notice and comment is only mandated where the methodology "grant[s] rights, impose[s] obligations, or produce[s] other significant effects on private interests." Alvarado, 789 F. Supp. at 1195, quoting Batterton v. Marshall, 648 F.2d 694, 701-702 (D.C. Cir. 1980). We disagree with the Committee's argument that since the estimates provide the basis upon which the Commission may pursue enforcement civil penalties, sampling affects the Committee's rights. The Committee has a continuing duty to keep illegal contributions out of its accounts, and this duty is not changed by sampling. Pursuant to 2 U.S.C. § 437g(a)(6)(A), the ultimate decision of whether civil penalties will be awarded to the Commission will be made by a district court, based upon the reasonableness of the sampling analysis. The Committee may raise any objections it may have to the Commission's accounting methodology in that forum. Furthermore, the Commission's 1992 letter does not state that such a methodology would be exclusively used, but only that it would be increasingly used. Therefore, because sampling was to be used prospectively at the Commission's discretion and does not affect committee rights, duties or interests, its use does not necessarily require notice and comment, pursuant to the APA.

II. REPAYMENT -- APPARENT NON-QUALIFIED EXPENSES
(III.B.1., and 2.)

1. Patrick Buchanan Loan

The proposed Final Audit Report finds that the candidate made a contribution of \$50,000 to the Committee, which was later reclassified as a loan and repaid to the candidate. The Audit Division has therefore classified this payment as a nonqualified campaign expense, pursuant to 11 C.F.R. § 9034.4. The Report recommends that the Committee obtain repayment of the \$50,000 from the candidate, or in the alternative, pay to the U.S. Treasury \$17,116 (\$50,000 x .342317) pursuant to 11 C.F.R. § 9038.2(b)(2)✓.

This Office concurs with the proposed Report's recommendation. The Committee reported the candidate's \$50,000 as a contribution in its Year-End 1991 disclosure report. On August 12, 1992, the Committee issued the candidate a check with the notation, "loan repayment," and thereafter in October of 1992 filed an amended disclosure report for the Year-End 1991 Report characterizing the \$50,000 as a loan. Section 434(b)(8) of Title 2 of the United States Code requires that debts and obligations be initially disclosed in a timely manner, and continuously reported thereafter until extinguished. The Committee reported the money as a contribution, and only attempted to repay it as a loan just prior to the wind-down period. The Committee's contention that the candidate intended for the money to be a loan all along is not supported by the documentation or by the Committee's own reports.

We note that the Commission has stated in one situation that a committee was not allowed to retroactively reclassify contributions made by their candidates. See Advisory Opinion ("AO") 1977-58 (Commission determined that candidate could not characterize his contribution to his committee as a loan after the committee had wound up all activities). Cf. AO 1991-9 (Commission determined that committee could not retroactively pay interest on loans already repaid). The instant case cannot be distinguished from AO 1977-58 by arguing that AO 1977-58 was only applicable to the period after wind-down. The AO states the general proposition that any later reclassification of a contribution impermissibly creates a new debt. In the instant case, the Committee's retroactive characterization of the contribution creates new debt, and ultimately results in a greater entitlement to federal matching funds. See 11 C.F.R. § 9034.5(g)(3).

2. Janet Fallon

The proposed Audit Report found that the Committee overpaid Ms. Fallon \$8,645 in double-payments, payments for other person's bills, and payments for a hotel room billed to the U.S. Secret Service. The Committee does not dispute these overpayments. Instead, the Committee responded that when this was brought to its attention, it decided "not to seek repayment . . . [and] to treat these payments to Ms. Fallon as in the nature of income." The Committee further references a letter from the accounting firm of Deloitte & Touche, which notes that it is acceptable to treat the overpayments as "additional compensation."

This Office concurs with the Report that the payments of \$8,645 to Ms. Fallon are nonqualified, and that the Committee should pay to the U.S. Treasury \$2,959 [\$8,645 x .342317]. However, we also recommend that the Report be revised to note that if the Committee recovers the amount of

\$8,645 from Ms. Fallon, no such payment to the Treasury is required. The overpayments are nonqualified, since the only payments to staff members which are qualified are those incurred legitimately in connection with the campaign, such as staff salaries. See 11 C.F.R. §§ 9032.9(a), and 9034.4(a)(3). These additional overpayments to Ms. Fallon were not intended or negotiated to be payments of income. Ms. Fallon was regularly paid income by the Committee. The retroactive classification of these erroneous payments to Ms. Fallon as income indicates that there were no actual services or consideration given by Ms. Fallon in exchange for these monies. It is irrelevant to this analysis whether the overpayments may be treated as "additional compensation" for federal income tax purposes. As nonqualified campaign expenses, the Committee should pay back the portion that is public funds. See 11 C.F.R. § 9038.2(a). Therefore, in the event that Ms. Fallon does not reimburse the Committee for these erroneous payments, \$2,959 [$\$8,645 \times .342317$] of these nonqualified expenses should be paid to the Treasury.

3. Other Non-qualified Campaign Expenses

b. Other Expenses

The proposed Report also determined that the Committee had made other non-campaign related expenditures in the amount of \$12,421 before it had spent its last entitled matching funds. Included in this amount were payments made to individuals who were not working for the campaign, bonus payments to staff, and computer software purchases. This Office concurs with the recommendation that the public funds portion of this amount be paid to the United States Treasury.

We note specifically that the bonuses paid to the campaign staff are not qualified campaign expenses unless they were contractual and part of the staff's "salary." See 11 C.F.R. § 9032.9(a)(2) (staff salary paid in connection with the campaign are considered qualified expenses).^{2/} Without documentation supporting the assertion that these bonuses were in fact part of a contract, or negotiated in exchange for the staff's services, committees might abuse the use of excess public funds.

Therefore, we agree with the auditors that the Committee needs to show documentation that these staff bonuses are qualified.

^{2/} See also Hobson v. Eaton, 399 F.2d 781, 785 (6th Cir. 1968), cert. denied, 394 U.S. 928 (1969) (bonuses are "gratuity over and above regular salary"); Reliable Life Ins. Co. v. U.S., 356 F. Supp. 235, 239 (E.D. Mo. 1973) (bonuses are not salary, because there is no contractual or moral obligation).

expenses, either by showing that they were part of a contract or negotiated agreement.

III. REPAYMENT -- PRESS BILLINGS (III.E.)

The proposed Audit Report finds that \$6,283 was over-collected by the Committee from the press, and this amount should be refunded to the press. Further, the Report finds that \$4,632 excessively charged to the press, without adequate documentation of administrative costs, should be repaid to the U.S. Treasury, pursuant to 11 C.F.R. § 9034.6(d)(1). We concur with the Report's recommendations.

Expenses incurred in connection with a presidential primary election campaign for transportation, air travel, and ground services for media personnel are qualified campaign expenses, subject to the expenditure limitation. 11 C.F.R. § 9034.6(a). The regulations permit committees to be reimbursed by the media for up to 110% of the actual pro rata cost of the transportation and services.^{3/} 11 C.F.R. § 9034.6(b). Any amounts collected by a committee greater than 110% of the actual costs shall be required to be paid back to the media personnel on a pro rata basis. Explanation & Justification for 11 C.F.R. § 9034.6(d), 56 Fed. Reg. 35,906 (July 29, 1991).^{4/} The Committee in this instance collected \$211,482 from the press, while Audit's calculation of 110% of its actual costs was \$205,199. Therefore, the Committee collected greater than 110% of its actual costs from the press, and is required to reimburse the press the excess amount of \$6,283 [\$211,482-\$205,199].

The regulations also permit committees to deduct from their overall expenditure limitation 100% of these travel costs, in addition to 3% of these costs, for administrative expenses. Id. at (d)(1). However, if a committee wishes to deduct more than 3% from its expenditure limitation, the committee must provide documentation of its actual administrative costs. Therefore, any amount that a committee collects between 103% and 110% of its costs, (without adequate documentation of administrative costs being greater than 103%), must be returned to the Treasury. 11 C.F.R. § 9034.6(d)(1); see Explanation & Justification for

^{3/} The regulations allow up to 110% of the actual costs to be billed because of the administrative difficulties of providing a major transportation program while also running a campaign. Explanation & Justification for 11 C.F.R. § 9034.6(b), 56 Fed. Reg. 35,906 (July 29, 1991).

^{4/} See Legal Comments to the Final Audit Report on Bush-Quayle '88 (August 2, 1991) (Commission decided that general election campaign must refund to the Press any amounts it collected greater than 110% of the actual travel costs).

Memorandum to Robert J. Costa
Proposed Final Audit Report on
the Buchanan for President Committee
(LRA #441/AR #93-33)
Page 7

11 C.F.R. § 9034.6(d)(1), 56 Fed. Reg. 35,906 (July 29, 1991). The regulations require this because such press reimbursements "should not result in a primary candidate's committee['s] making a profit." Id. In this instance, the Auditors calculated the actual administrative and travel costs of the Committee to be \$200,565. As noted, Audit calculated 110% of the Committee's actual costs to be \$205,199. Thus, the Committee over-collected \$4,632 [\$205,199-\$200,565], and this amount should be repaid to the U.S. Treasury.

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

August 19, 1994

MEMORANDUM

TO: Robert J. Costa
Assistant Staff Director
Audit Division

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble *LMN by JRB*
General Counsel

Kim Bright-Coleman *KBC by JRB*
Associate General Counsel

Kenneth E. Kellner *KEK*
Assistant General Counsel

Jane J. Whang *JW*
Attorney

SUBJECT: In-Kind Contribution Finding/
Proposed Final Audit Report on the Buchanan
for President Committee (LRA #441/AR #93-33)

This memorandum supplements our legal comments, dated July 18, 1994, to the Proposed Final Audit Report ("Report") on the Buchanan for President Committee ("Committee"); and concerns the in-kind contribution to the Committee from a corporation, the Marriott. See Report on the Committee, Section II.A.

The proposed Report requests payment of an in-kind corporate contribution from the Marriott (complimentary hotel accommodations worth \$864) to the Treasury, pursuant to the Commission's letter, dated June 2, 1992. This letter notified Presidential Committees that, *inter alia*, the Commission would begin requesting payment of unresolved excessive and prohibited contributions to the United States Treasury ("Treasury"). In our initial comments to the proposed Report, we noted that while disgorgement of the in-kind corporate contribution to the Treasury was proper,

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a refund to the contributor should also be permitted.^{1/} We now clarify our comments and concur with the auditors that the in-kind contribution should be paid to the Treasury.

In previous comments to another audit report, we stated that an in-kind contribution resulting from use of aircraft pursuant to 11 C.F.R. § 114.9(e) should be paid back to the corporation. Legal Comments to the Proposed Final Audit Report on Americans for Harkin (January 19, 1994) ("Harkin Legal Comments"). We noted that because "the use of sampling and the inability to identify contributors justified disgorgement to the Treasury," and because the apparent prohibited contributions of the provision of aircraft were not discovered through sampling, "refunds should be made to the corporation." Harkin Legal Comments, at 7.2/

Since the date of the Harkin Legal Comments, however, the Commission has confirmed its intention that impermissible contributions identified outside the scope of sampling be disgorged to the Treasury. See Final Audit Report on the Republican Leadership Fund, and Legal Comments (June 6, 1994). We noted in our comments to the RLF Final Audit Report that nothing in the Act, Matching Payment Act, or the Commission's regulations prevents the Commission from requesting such payments. Indeed, the June 2, 1992 letter notifies committees of the Commission policy that "all unresolved prohibited or excessive contributions" be paid to the Treasury.^{3/}

We also stated in the Harkin Legal Comments that the in-kind contribution at issue was similar to an illegal contribution arising from an unreimbursed staff advance or loan, and that refunding this in-kind contribution to the contributor (as opposed to the Treasury) was consistent with the Commission's treatment of such staff advances or loans. Id. In the Harkin committee situation, the corporation appeared to intend to be fully reimbursed and not to make an in-kind contribution to the Harkin committee. Consequently we advised in Harkin that any potential in-kind contribution be refunded to the corporation. See Harkin Legal Comments, at 7-8; and fn. 13 re. Comments to proposed Interim Audit

^{1/} The Committee did not challenge payment of this in-kind contribution to the Treasury.

^{2/} This issue was ultimately not reached, because the auditors recalculated the flight costs and concluded that no in-kind contribution arose.

^{3/} The Commission's June 2, 1992 letter does not indicate that such requests would only be made in situations where sampling was utilized or where contributors were unidentifiable.

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Report for Wilder for President (April 2, 1993).^{4/} In the Buchanan audit, however, the Committee's in-kind contribution from the Marriott is not analogous to a staff advance or loan. Inasmuch as the Marriott stamped "complimentary" on its invoice for hotel accommodations to the Committee, the corporation appears to have knowingly given a prohibited in-kind contribution, in violation of 11 C.F.R. § 114.9(d). Accordingly, policy and equity support the Commission's request that the Committee pay this amount of money to the Treasury, instead of reimbursing the corporation. See SEC v. Bilzerian, 814 F. Supp. 116, 120 (D.D.C. 1993) (disgorgement is an appropriate, non-punitive remedy).

Therefore, we do not believe that "consistent treatment" with the Harkin Final Audit Report dictates that the Committee refund the prohibited in-kind contribution to the Marriott, and we concur with the auditors that such money be paid to the Treasury.

^{4/} We noted therein that staff advances and loans which result in illegal contributions should not be paid to the Treasury, and instead, should be refunded to the individuals since the assumption is that these individuals did not intend to make a contribution.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20541

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October 13, 1994

Ms. Angela Buchanan, Treasurer
Buchanan for President
c/o Mr. John C. Martin
Patton, Boggs & Blow
2550 M Street, NW
Washington, DC 20037

Dear Ms. Buchanan:

Attached please find the Final Audit Report on Buchanan for President. The Commission approved this report on October 11, 1994. As noted on page 4 of this report, the Commission may pursue any of the matters discussed in an enforcement action.

In accordance with 11 CFR §9038.2(c)(1) and (d)(1), the Commission has made an initial determination that you are required to repay to the Secretary of the Treasury \$625,146 within 90 days after service of this report (January 12, 1995). In addition, the Commission determined that the Committee is required to refund to the press \$6,283 which represents amounts received in excess of the maximum amount billable.

Should the Candidate dispute the Commission's determination that a repayment is required, Commission regulations at 11 CFR §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 (November 14, 1994), legal and factual materials to demonstrate that no repayment, or a lesser repayment, is required. Further, 11 CFR §9038.2(c)(3) permits a Candidate who has submitted written materials 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

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ATTACHMENT 3
Page 70 of 74

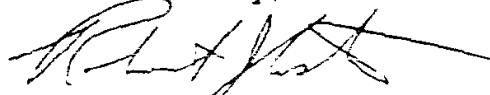
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determination within the 30 day period provided, it will be considered final.

The Commission approved Final Audit Report will be placed on the public record on October 18, 1994. Should you have any questions regarding the public release of this report, please contact Ron Harris of the Commission's Press Office at (202) 219-4155.

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

Sincerely,



Robert J. Costa
Assistant Staff Director
Audit Division

Attachment as stated

cc: John C. Martin, Esq.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

AK005493

October 13, 1994

Mr. Patrick J. Buchanan
Buchanan for President
c/o Mr. John C. Martin
Patton, Boggs & Blow
2550 M Street, NW
Washington, DC 20037

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

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April 11, 1995

MEMORANDUM

TO: Lawrence M. Noble
General Counsel

THROUGH: John C. Surina
Staff Director

FROM: Robert J. Costa *AK*
Assistant Staff Director
Audit Division

SUBJECT: Analysis of the Committee's Supplemental Response to
Buchanan for President (LRA #441/AR#93-33)

As requested by your memorandum, dated March 15, 1995, the Audit staff has reviewed the supplemental response submitted by the Buchanan for President Committee (Committee) on March 9, 1995. Our analysis of these documents is presented below. In addition, the Audit staff has attached a revised NOCO Statement based on the Committee's response. See Attachment 1.

The Committee's supplemental response addresses the following matters as presented in the Final Audit Report (FAR):

- Receipt of Matching Funds in Excess of Entitlement (Finding III.D.);
- Apparent Non-Qualified Campaign Expenses in regard to Patrick J. Buchanan (Finding III.B.1.), and Fundraising and Other Expenses (Finding III.B.3.);
- Apparent Excessive Contributions from Staff Advances (Finding II.B.2.).

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A. Receipt of Matching Funds in Excess of Entitlement-Finding III.D.

The Committee's supplemental response states several reasons why it has not received matching funds in excess of entitlement. The Committee contends "the Commission should not substitute one of the Audit staff's estimates of wind down expenses for that of the Committee... and the Audit staff's wind down budget is clearly insufficient to meet the wind down costs which the Committee will incur ... even if the wind down were to be completed within the Audit staff's estimated three months..." The response goes on to state the Committee has incurred \$89,269 in winding down costs from October 1, 1994 through December 31, 1994. Apparently, the Committee believes we should use its estimated winding down figures of \$500,000^{1/} from October 1, 1994 until December 31, 1996 instead of the estimated winding down costs totaling \$120,000 used by the Audit staff from October 1, 1994 through June 30, 1995.

It is our opinion that the winding down estimates submitted by the Committee are inflated. If we were to accept the position of the Committee there would be little justification for leaving any legal expenses on the NOCO Statement because the Committee would not have to litigate any of the issues which remain to be resolved in the FAR. In that case, the legal fees presumably would not be incurred and a repayment would again be necessary.

The Committee has already conceded and made the requisite payments to the U.S. Treasury for two of the three issues referred to your office. For the third issue, 11 CFR \$116.5 excessive staff advances the Committee has made the same arguments in its response to both the FAR and in this response. We find these arguments are not persuasive. Thus the Committee's contention that it may incur \$385,000 in legal fees is highly speculative.

We do recognize the Committee will incur more than \$80,000 in legal fees that was allowed for in our February 14, 1995 memo to your office.^{2/} We have added an additional

^{1/} The Committee contends for the winding down period through December 31, 1996 it will incur \$385,000 in legal fees and \$115,000 in administrative, accounting and compliance costs.

^{2/} The declaration from the Committee's law firm states as of the end of February 1995, the firm has incurred \$65,658 in legal fees on behalf of the Committee. This amount was prior to either the oral presentation or preparation of this response.

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\$20,000 in legal fees which should adequately complete the winding down phase given the relatively minor referral matters. The Committee's law firm bills out at \$200 per hour and the additional \$20,000 amounts to another 100 billable hours. Thus, it is the Audit staff's opinion that a total amount of \$100,000 in legal fees will allow the Committee to wind down its operations. See Attachment 1 for the updated NOCO Statement.

The Committee also submitted an affidavit from Angela M. Buchanan which states in part, "...[that she] was never told during the 1993 audit that the auditors had determined that the Committee had received excessive matching funds. [Her] first recollection of hearing ...this ... was at the exit meeting..." The Audit staff has documentation in regard to a February 12, 1993 meeting at which Ms. Buchanan was informed of this issue.

The Committee's last argument is the Commission should either require no repayment or determine the repayment after the wind down is completed. This is essentially the same argument as in the Committee's response to the FAR. See page 5 of the Audit staff's analysis of the Committee's response to the FAR. Again, this argument is not persuasive. We have carried forward the NOCO Statement through the latest disclosure report figures and added reasonable amounts for future winding down expenses, therefore, no other adjustments are necessary.

In summary, the effect of the Committee's response is to decrease the amount repayable to the U.S. Treasury to \$344,423 based upon the adjustments the Audit staff has made to the NOCO Statement. The chart below details the remaining repayment now due from the Committee:

Net outstanding campaign obligations (deficit)	(\$2,012,110)
Amounts received	
<u>8/21/92 - 11/3/92</u>	
Private contributions	749,482
Matching funds	1,022,591
<u>11/4/92 - 12/2/92</u>	
Private contributions	19,760
Matching funds 12/2/92	<u>412,917</u>

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Amount received in excess
of entitlement on 12/2/92 192,640

Matching funds received on
1/2/93 151,783

Total matching funds received
in excess of entitlement \$344,423

B. Fundraising and Other Non-qualified Campaign
Expenses-Finding III.B.3.

The Committee contends that it had already documented the expenses in detail and offered all back up documentation to the Audit staff and that certain expenditures are winding down expenses. The expenditures which are in question are non-qualified because they were either related to the foundation established by the Candidate, were for fundraising expenses after the Committee became solvent or were for other expenses which were not valid winding down expenses.

As part its supplemental response, the Committee has submitted copies of invoices and an account reconciliation to support its position. One of these invoices detailed a payment to Gosnell Properties in the amount of \$1,500 for electrical repairs. This expense was questioned because the Committee had not identified which office the work was performed on, either the Committee's office or the foundation's office. Now, for the first time, this invoice details that the work was for the Committee's office. Thus, we agree with the Committee and have reduced the repayment calculations and adjusted the NOCO Statement accordingly.

Also, the account reconciliation and copies of invoices relate to \$10,322 in previously undocumented expenditures that were not included on the NOCO Statement but were not addressed in a finding in the FAR. After reviewing the documentation provided, we agree with the Committee and have adjusted the NOCO Statement accordingly.

Finally, with the adjustments made to the NOCO Statement this caused the date on which the Committee's accounts no longer contained Federal funds to become January 20, 1993. This caused more non-qualified campaign expenses to be included in a prorated repayment amount. Thus, the total amount repayable to the U.S. Treasury is \$14,972.

In summary, except for the changes discussed above no other adjustments need to be made to the repayment obligations.

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C. Non-qualified Campaign Expenses-Patrick Buchanan-Finding III.B.1.

The Committee's supplemental response states the payment made to the Candidate should be considered a qualified campaign expense. The Committee's position is essentially the same as it was in its prior responses. See our analysis of the FAR on pages 21 through 24 and your legal analysis dated July 18, 1994. In addition, the Committee has submitted an affidavit from the Candidate which the Committee contends supports its position that the transactions were intended to be loans from the onset.

The affidavit states in part that, "In November of 1991 ... I told ... Angela "Bay" Buchanan that I would contribute up to the maximum of \$50,000 to Buchanan for President..." The affidavit goes on to state that "...Bay told me the money would be considered a loan to the Committee and, if the Committee was not in debt at the end of the campaign, I would be repaid the full \$50,000."

In discussions with members from your staff it was concluded the affidavit from the Candidate appears to indicate that the Candidate intended to contribute the money and that at some later point Ms. Buchanan persuaded the candidate that the transactions would be considered a loan. Therefore, no change to the FAR is necessary.

D. Excessive Contributions Resulting from Staff Advances-Finding II.B.2.

The Committee's supplemental response restates several arguments as to why staff advances are not excessive contributions. First, the Committee believes it has sixty days to reattribute, redesignate or refund the excessive portion of the contribution per 11 CFR §103.3(B)(3). As stated in the FAR on page 18, this argument is not persuasive. The regulations at 11 CFR §116.5 do not provide for an individual to advance funds for any amount of time for campaign expenses other than for personal travel and subsistence. In the cases of an individual's personal travel and subsistence, the regulations provide a reasonable time period for the Committee to make a reimbursement without a contribution occurring.

Second, the Committee argues that the \$1,000 travel exemption under 11 CFR §100.7(b)(8) applies to all individuals in question even though the expenditures were for others travel. The travel exemption has been appropriately applied for two of the three individuals in question. The third individual, Janet Fallon, incurred expenses for others

and did not travel with the possible exception of a trip to the Republican National Convention at a point in time after the amount presented in the FAR was determined and is, therefore, not entitled to the \$1,000 travel exemption.

Third, the Committee contends that the expenditures should be arranged in a due date order. The date due order is calculated from the date the expense was incurred plus a number of days until the expense becomes a contribution and applies reimbursements to the oldest outstanding contributions rather than the oldest outstanding expense as in the Commission approved Audit staff analysis. As stated in the Audit staff's analysis of the Committee's response to the FAR on page 9, this argument is not persuasive for several reasons. First, a reimbursement is due when it is incurred not when it becomes a contribution. Second, we have consistently used a Commission approved guideline and believe no adjustments are needed in the calculations.

Again, the Committee has addressed each individual separately. The arguments presented are the same as in the Committee's response to the FAR. See page 9 for the Audit staff's analysis of these arguments.

Thus, the Committee's arguments for the staff advances are not persuasive and no changes need to be made to our analysis.

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E. Recap of Amount Due The United States
Treasury-Based on the Committee's Supplemental
Response to the Final Audit Report

<u>Topic</u>	<u>Repayment Amounts</u>
Prohibited Contributions	\$8,166 <u>3/</u>
Excessive Contributions	53,759 <u>3/</u>
Non-qualified Campaign Expenses	35,047 <u>3/</u>
Matching Funds Received in Excess of Entitlement	344,423
Stale Dated Checks	<u>611</u> <u>3/</u>
Sub-total	442,006
Less Amount paid	<u>(67,157)</u>
Total Due U.S. Treasury	<u>\$374,849</u>

Should you have any questions, please contact Joe Stoltz
or Tom Hunter at 219-3720.

Attachment as stated

3/ On March 31, 1995 the Committee paid the full amounts
for Prohibited and Excessive Contributions as well as \$2,073
for non-qualified campaign expenses, \$2,959 for its
overpayments to Janet Fallon and \$200 for stale dated checks.

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BUCHANAN FOR PRESIDENT
STATEMENT OF NET OUTSTANDING CAMPAIGN OBLIGATIONS
AS OF AUGUST 20, 1992
(Determined at December 31, 1994)

Cash on Hand	\$380,404
Accounts Receivable	169,635 a/
Janet Fallon Account Receivable	8,645 b/c/
Patrick Buchanan Account Receivable	50,000 b/
Deposits and Prepayments	13,574 d/
Capital Assets	<u>29,294</u>
TOTAL ASSETS	\$651,552
<u>OBLIGATIONS</u>	
Accounts Payable for	
Qualified Campaign Expenses	676,107
(8/21/92 to 3/31/93)	
Accounts Payable (3/31/93)	10,000
Payable to the Press	6,283
Accounts Payable to the Treasury:	
Excessive Contributions	53,759
Prohibited Contributions	8,166
Press Travel	-0- e/
Winding Down Costs (8/20/92 - 6/30/95)	
Actual Expenses Paid	
8/20/92 - 3/31/93	1,278,573 f/
Winding Down Expenses reported by	
the Committee on its disclosure reports	
4/1/93 - 12/31/94	490,773 f/g/
Estimated Winding Down Costs	
10/1/95 - 6/30/95	
1) Legal Fees	\$100,000
2) Administrative, accounting	
and compliance fees	40,000
	140,000 h/
TOTAL OBLIGATIONS	<u>\$2,663,662</u>
NOCO (DEFICIT)/SURPLUS	<u>(\$2,012,110)</u>

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Footnotes to the NOCO Statement

a/ The Audit staff has added \$7,763 to the accounts receivable number. This is the result of the Committee's receipt of reimbursement of non-qualified campaign expenses (\$1003), and the reporting of additional accounts receivable in the July 1993 quarterly report (\$999), April 1994 quarterly report (\$1,202) and October 15th 1994 quarterly report (\$4,559).

b/ Absent recovery from Ms. Fallon and Mr. Buchanan (see Finding III.B.) these amounts are considered non-qualified campaign expenses and a pro rata repayment to the Treasury was requested in the amount of \$20,075 [(\$8,645 + \$50,000) x .342317]. The Committee disagrees that the \$50,000 is due from the Candidate. In response to the FAR, the Committee agreed to pay \$2,959 to the U.S. Treasury for Ms. Fallon's expenses which were submitted twice or paid by other individuals. The repayment was made on March 31, 1995.

c/ Ms. Fallon received erroneous payments for reimbursed expenses totaling \$8,645. These result from bills being submitted twice, submission of bills which were paid by other individuals and the submission for reimbursement for a hotel room billed to the U.S. Secret Service.

d/ The deposit and prepayment number was reduced by \$505. This resulted from the Committee reporting in the April 1994 disclosure report a receipt of a deposit refund less than the amount of the initial deposit.

e/ In response to the FAR, the Committee has provided adequate documentation to support that administrative charges were incurred for its press billing operations. Thus, no repayment is being sought.

f/ This excludes fundraising expenses totaling \$11,020 which were incurred after the Committee had reached a financial position where funds were sufficient to pay all qualified campaign expenses and winding down costs. This also excludes \$37,022 in non-qualified campaign expenses which are not considered winding down costs and were paid after the Candidate's date of ineligibility. See Findings III.B and D. of the FAR. We have also excluded an undocumented expense in the amount of \$300.

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g/ The Audit staff reviewed the Committee's disclosure reports and adjusted the amounts to include only qualified campaign expenses. During the review, we noted 3 payments totaling \$8,796 which appear to have been incurred for non-qualified campaign expenses and have not included as winding down expenses on the NOCO statement.

h/ Since estimates were used in computing this amount, the Audit staff will review the Committee's disclosure reports and records to compare the actual figures with the estimates and prepare adjustments as necessary. The legal fees are from a declaration submitted by the Committee's Counsel and adjusted fro reasonableness. The administrative, accounting and compliance fees were totaled and pro-rated by month by the Audit staff.

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Rec'd in Audit
3/28/94 MJF

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March 28, 1994

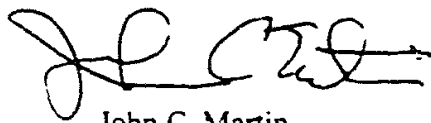
Joseph Stoltz
Audit Division
Federal Election Commission
999 E Street NW 7th Floor
Washington, D.C. 20036

Re: Buchanan For President, Inc.

Dear Mr. Stoltz:

Enclosed for submission is the response for the Buchanan For President, Inc. to the Audit Division's Interim Audit Report. If there are questions concerning this submission please contact me.

Sincerely,



John C. Martin

JCM

950/0193713

BUCHANAN FOR PRESIDENT, INC.

RESPONSE TO FEC INTERIM AUDIT REPORT

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March 28, 1994

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LIST OF EXHIBITS

- Exhibit 1. Letter of Deloitte & Touche re Dollar Unit Sampling
- Exhibit 2. Schedule of Excessive Contributions
- Exhibit 3. Schedule of Staff Advances
- Exhibit 4. Affidavit of Angela M Buchanan
- Exhibit 5. Affidavit of Scott B Mackenzie
- Exhibit 6. Schedule of Reimbursements to Janet Fallon
- Exhibit 7. Letter of Deloitte & Touche regarding Janet Fallon
- Exhibit 8. Schedule of Alleged Non-Qualified Campaign Expenses Relating to Fundraising
- Exhibit 9. Schedules and Documentation Concerning Alleged Non-Qualified/Undocumented Expenses
- Exhibit 10. Letter of Deloitte & Touche regarding Retroactive Restatement of Statements of Net Outstanding Campaign Obligations
- Exhibit 11. Schedules Relating to Press Billings
- Exhibit 12. Schedule of Stale Dated Checks

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BUCHANAN FOR PRESIDENT, INC.

RESPONSE TO FEC INTERIM AUDIT REPORT

I INTRODUCTION

This constitutes the Buchanan for President, Inc. ("Committee") Response to the Federal Election Commission ("Commission") Audit Division's post-campaign audit of the Committee. This Response addresses the ten recommendations included in the Audit Division's Interim Report and is supported by exhibits including Affidavits from Angela M. Buchanan ("Campaign Chair" from December 1991 to March 1993), and Scott M. Mackenzie, ("Treasurer" from December 1991 to March 1993); opinion letters from the certified public accounting firm of Deloitte & Touche on pertinent issues; and specific schedules, spreadsheets and other back-up documentation.

The Interim Report concluded that, in the absence of additional information, the Committee should be required to make repayments to the Treasury totaling \$678,955. Based on the Committee's own review of the Interim Report and the underlying facts, the additional information provided, and the Deloitte & Touche letters demonstrating that the Audit Division's assertions and methodologies are incorrect in certain key areas, the Committee respectfully submits that there is no factual or legal basis to support the recommended repayment of \$678,955.

II. ANALYSIS

A Apparent Unresolved Prohibited Contributions (Recommendation No. 1)

The audit staff identified certain corporate contributions it argued were prohibited by 2 U.S.C. § 441b(a). The staff requested either confirmation that the contributions were not prohibited, or repayment in the amount of \$8,166. Of this amount, \$5,152 is not based on any actual prohibited contributions, but solely on a computer sampling technique employed by the audit staff. An opinion letter from Deloitte & Touche, attached as Exhibit 1, demonstrates that

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this sampling technique used by the audit staff is inconsistent with accepted accounting principles for this purpose and, therefore, does not support the recommended repayment. Moreover, there is no legal basis for predicating a repayment determination on a technique that does not identify actual prohibited contributions. The Committee is therefore unable to accept \$5,152 of the recommended repayments proposed by the Interim Report. The Committee would accept a repayment recommendation with respect to those specific contributions identified by the audit staff which remain unresolved (\$3,014)

1. Specific Prohibited Contributions

During the campaign, the Committee employed procedures to assure that only permissible contributions were deposited. Each contribution was subjected to a five-point check audit as part of this process. The Committee received most of its contributions during an intense three-month period (January-March 1992), creating an extremely large workload for the trained and closely supervised volunteer staff.

In the context of a campaign which received approximately 194,000 separate contributions, the amount of corporate contributions inadvertently accepted by the Committee is minuscule. After reviewing contributions from Gary Davidson Pro Group (\$250), Sullivan Inc. (\$200), Glen M. Kidder (\$200), Teen & Junior Fashions, (\$250), and Tampa Airport Marriott (\$864), and in light of the small number of identified contributions, the Committee accepts the audit staff's recommendation that these contributions totaling \$1,764 be refunded to the Treasury.

2. Use of Sampling to Predict Prohibited Contributions

The audit staff also recommended that the Committee make a repayment of \$6,402, not because the audit staff was able to identify actual prohibited contributions in that amount, but because it used a sampling technique to predict that prohibited contributions would be received in this amount. Using such predictions to conclude that the Committee actually accepted prohibited contributions violates generally accepted accounting principles and is legally insupportable.

The analysis set forth in this Section applies equally to the audit staff's use of statistical

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a. The Audit Staff Misapplied the Sampling Technique

The Committee engaged the accounting firm of Deloitte & Touche to review the appropriateness of the sampling performed by the audit staff. Deloitte & Touche concluded that the Commission's sampling technique is fundamentally flawed as applied in this situation Exhibit 1

The audit staff used the "dollar unit sampling" method to reach conclusions for which this technique was never intended. Attribute sampling, such as dollar unit sampling, is accepted for use in estimating error rates in a total population from which the sample is taken. It is properly used to draw general conclusions about the maximum amount of misstatements in a sample population, depending upon the number of deviations determined in the sample. However, the deviations are not used to record an audit adjustment of the entire population. Rather, the sampling is only used to make a judgmental decision concerning the likelihood that the total population is misstated. See Deloitte & Touche Letter, at Exhibit 1.

The audit staff misapplied the dollar unit sampling technique by purporting to find a specific number of predicted prohibited contributions that should be refunded, beyond the actual number it was able to identify in the sample. As Deloitte & Touche concluded: "The only financial statement adjustment recorded is for actual errors found during testing." See Deloitte & Touche Letter, at Exhibit 1. Audit adjustments, such as disallowing certain contributions, should not be based on attribute sampling, such as dollar unit sampling. See Deloitte & Touche Letter, at Exhibit 1. Thus, the audit staff's recommended repayments based upon the dollar unit sampling are not supportable.

Moreover, even if the audit staff intended to contravene ordinary accounting limitations on the use of attribute sampling by employing it to require monetary repayments, the staff's application of its sampling was also questionable. The staff's own guidelines provide that if the sampled violations are not in excess of pre-set thresholds, no further action is to be taken. In the

sampling in reviewing alleged excessive contributions. See pp. 6-7, *infra*. While 11 C.F.R. § 9036.4(b) permits the use of statistical sampling techniques to determine the matchability of payments during the primary campaign process, there is no authority to use statistical sampling techniques for the purposes cited here and, even if there were authority, the audit staff has misapplied the technique in this context. See Exhibit 1.

present case, the thresholds were not clearly defined. Moreover, the thresholds are unusually low when compared to other statistical applications. See Deloitte & Touche Letter, Exhibit 1. Under these circumstances, the Committee does not believe that the audit staff properly extrapolated the sample deviations to the population as a whole.

b. The Use of Sampling Without Notice and Comment Violates the Administrative Procedure Act

Principles of fundamental fairness and law do not allow for the use of statistical sampling in the manner used here by the audit staff. Alleged violations should be based upon documented administrative findings, not agency prediction.

The assessment of repayment obligations due to alleged prohibited and excessive contributions, based solely on a sampling technique misapplied by the Commission, would violate the Administrative Procedure Act, 5 U.S.C. §§ 551-559 (1982) ("APA"). Oftentimes, the Commission's audit findings are used as a basis for initiating formal Matters Under Review ("MURs") in which civil penalties are assessed. Since the Commission's decision to assess repayment obligations through its use of this sampling technique is binding substantive law, the Commission's methodology must be subjected to the notice and comment procedures of the APA.² The rationale behind APA procedures is to provide those affected by the change with an opportunity to participate in the rule making process.³ The statistical sampling technique used

See McLouth Steel Products v. Thomas, 838 F.2d 1317, 1320 (D.C. Cir. 1988). Ohio Dep't of Human Services v. HHS, 862 F.2d 1228, 1233 (6th Cir. 1988). To comply with the APA, an agency rulemaking requires publication of the proposed rule in the Federal Register, a public comment period, and publication of the final rule with a statement of basis and purpose.

See Ohio Dep't of Human Services v. HHS, 862 F.2d 1228, 1233 (6th Cir. 1988). National Ass'n of Home Health Agencies v. Schweiker, 690 F.2d 932 (D.C. Cir. 1982), cert. denied, 459 U.S. 1205, 103 S. Ct. 1193, 75 L. Ed. 438 (1983).

A "rule making" is any "agency process for formulating, amending or repealing a rule." 5 U.S.C. § 551(5). The APA defines a rule as:

the whole or a part of an agency statement of general or particular applicability and future effect designed to implement, interpret or prescribe law or policy or describing the organization, procedure or practice requirements of an agency and includes the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances,

to calculate prohibited and excessive contributions is clearly a statement of applicability designed to prescribe law or policy regarding valuations, costs, or accounting. The Commission's explanation for imposing this audit policy was that it decided "to implement this approach to save time and money for all concerned in the audit process without sacrificing the essential accuracy of the audit findings." EEC Record, Vol. 18, No. 8, p. 5, Aug. 1991. The Commission's explanation, however, apparently fails to recognize that sampling by its very nature is imperfect and capable of inaccurate results.

With regard to the present audit, the Commission has used statistical sampling for purposes for which it was never designed. See Exhibit 1. Because the Commission's process has never been exposed to public comment, and because those who will be regulated by the sampling and subjected to its conclusions have never been able to make suggestions, errors such as those made by the audit staff here are more likely. If the APA had been observed as required, it is probable that the sampling process could have been more fairly designed. Since the Commission has attempted to make findings that could result in substantial monetary penalties absent the notice and comment procedures of the APA, none of the liability attributable to the statistical sampling technique is a valid exercise of Commission authority.

c. Conclusion--Actual Contributions Identified in Sample

The Commission identified only two actual prohibited contributions through its hypothetical sampling technique. These were a contribution by The Rea Company (\$1,000) and Baubles & Beads Marketing Corp. (\$250). Under the clear weight of the generally accepted statistical sampling guidelines, as well as substantive law, the Committee should not be required to make repayments of funds not shown by the Commission to have been actual prohibited

services or allowances therefor or of valuations, costs, or accounting, or practices bearing on any of the foregoing.

5 U.S.C. § 551(4). Specifically, the district court for the District of Columbia has found that the use of an accounting methodology necessitates notice and comment under the APA. Cf. Alvarado Parkway Institute, Inc. v. Mendez, 789 F. Supp. 1190, 1195 (D.D.C. 1992).

contributions. Accordingly, the Committee accepts the recommendation to repay the amount of \$1,250, plus \$1,764 in specific prohibited contributions, see p.2 supra. for a total of \$3,014

B. Apparent Excessive Contributions

1. Contributions Received From Individuals (Recommendation No. 2)

The audit staff identified certain contributions that apparently exceeded the individual contribution limits. Based on these conclusions, the staff requested confirmation that the contributions were not excessive, or in the alternative, repayment of the contributions in the amount of \$53,909. Of this amount, \$35,630 was based on specific contributions reviewed by the audit staff and \$18,279 was based on dollar unit sampling projections without any actual evidence of violations in this amount.

The Committee objects to the audit staff using a sampling technique as the basis for concluding that an additional \$18,279 should be repaid. The Committee's review of the underlying records shows that one contributor making two contributions totaling \$1,150 was found to be a reimbursement and not an excessive contribution. Moreover, Deloitte & Touche determined the sampling technique to be erroneous and not supportive of any repayment beyond the actual unresolved contributions identified by the sampling. See Exhibit 1. Accordingly, of the total recommended repayments associated with unresolved excessive contributions (\$53,909), the Committee disputes any repayment of more than \$36,480.

a. Specific Alleged Excessive Contributions

The Committee has reviewed in detail the list of alleged excessive contributions. This review shows that \$150 of this amount were not excessive contributions (from Jim Crosby). See Exhibit 2. Consequently, only \$35,480 is subject to payment to the Treasury as unresolved transactions.²

² In the Interim Report, the audit staff noted that the Committee had previously issued refund checks totaling \$7,340, which had apparently not been cashed by the contributors, and requested confirmation that these checks had been negotiated. In addition, the audit staff identified five other reattributions of excessive amounts (totaling \$1,175), as well as two additional refund checks (totaling \$75), that were allegedly untimely and, therefore, unresolved.

b. Excessive Contributions Based on Sample Review

The Commission's use of dollar unit sampling could turn up only one excessive contribution totaling \$1,000. The Committee objects to this one error being extrapolated to the population of contributions to arrive at a figure of \$18,279. The Committee does not believe that this sampling technique can be used to require any repayment of the predicted violations. See Exhibit 1, pp 2-5, supra. Accordingly, the Committee does not accept the repayment recommendation insofar as it is based on transactions not specifically identified as excessive. However, the sampling analysis did identify \$1,000 in excessive contributions that the Committee is willing to repay.

Therefore, at this time, the Committee would accept the repayment recommendation in the amount of \$36,480.

2. Imputed Excessive Contributions--Advances (Recommendation No. 3)

The Commission's regulations provide that advances of certain goods and services by those affiliated with the Committee are contributions subject to the maximum contribution limits, unless these advances meet specified criteria. 11 C.F.R. § 116.5(b). The audit staff calculated that five individuals made excessive contributions totaling \$63,086, due to certain alleged advances.

The Committee disputes the audit staff's finding that delayed reimbursements by the Committee of certain staff expenses resulted in imputed excessive contributions totaling \$63,086 by the staff members. The Committee believes the Regulations require a reclassification of no more than \$11,916.03 in excessive contributions due to staff advances.

According to the Interim Report, the audit staff calculated a running balance of advances made by each staff member, applying Committee reimbursements against those expenses in order of the earliest expense. To determine whether an excessive contribution due to an advance

These items remain outstanding, and therefore remain unresolved. However, these items require no additional repayment by the Committee since they are included in the \$35,480 discussed above.

had occurred. the audit staff took the largest total outstanding at any one time. and subtracted the individual's remaining contribution limit.

The Committee has analyzed in detail the audit staff's computation of these supposed excess staff advances. Although the audit staff's worksheets are somewhat unclear, it is apparent that the audit staff has failed to follow the applicable regulations in four key respects. First, the staff did not apply the correct contribution limits since it did not allow each individual a \$1,000 limit to the candidate, 11 C.F.R. § 110.1(b)(1), and the \$1,000 exemption for unreimbursed travel expenses, 11 C.F.R. § 100.7(b)(8). Second, in making the threshold determination of whether the Committee failed to reimburse transportation-related expenses within the allotted time period (thereby triggering a contribution subject to the excessive contribution limits), the audit staff incorrectly calculated the outstanding period from the date the advance was incurred (i.e., the date a credit card charge was made), rather than the date on which the charge was due from the candidate (i.e., the statement due date for the credit card). This contravenes the express provisions of 11 C.F.R. § 116.5(b)(2). Third, in calculating repayment of credit card expenses, the staff mistakenly used the shorter 30-day limit applicable to non-credit card charges. See 11 C.F.R. § 116.5(b)(2). Fourth, once a staff advance reached the level of an excessive contribution, that amount should have been treated like any other excessive contribution with the campaign having sixty days to reattribute, redesignate or refund the excessive portion of the contribution. See 11 C.F.R. § 103.3(b)(3). As a result, the audit staff mistakenly concluded that excessive contributions had been made. The correct calculation of possible excessive contributions due to staff advances is discussed below.

a. Regulatory Restrictions on Calculation of Possible Excessive Contributions From Advances

Much of the total cited by the audit staff is, in fact, permissible under 2 U.S.C. § 441a (a)(1) (\$1,000 individual contributor's limit), 11 C.F.R. § 116.5(b) (advances not deemed contributions), and 11 C.F.R. § 100.7(b)(8) (exemption for transportation expenses on candidate's behalf), and 11 C.F.R. § 103.3(b)(3) (60 days to redesignate, reattribute or refund excessive contribution).

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Advances for an individual's transportation expenses or subsistence expenses incurred while traveling on behalf of the candidate are not considered to be contributions if repaid by the committee within specified time limits. See 11 C.F.R. § 116.5(b)(1)-(2). Under Section 116.5(b)(2), such staff advances made by credit card must be repaid within 60 days of the closing date on the statement, staff advances made by other means (e.g., cash or check) must be repaid within 30 days of the date the expense is incurred.

The Committee's analysis of the advances listed by the audit staff as being excessive contributions under the applicable statutes and Regulations shows that the audit staff reached incorrect conclusions as to each of the purported excessive staff advances. See, generally Exhibit 3.

b Advances--Candidate

The staff concluded that the Candidate made excessive advances in the amount of \$8,885.38. While the staff correctly attributed the Candidate's charges to the correct statements, it did not follow the approach it said it had adopted in its Interim Report because it did not apply each reimbursement to the oldest outstanding expense.⁵ As a result, the audit staff miscalculated the amount of staff advances subject to the limitation. The Committee recalculated the Candidate's advances with this correction. A chart listing these is at Exhibit 3.

Second, the audit staff miscalculated the period within which reimbursement had to be made before the advance would be deemed to be a contribution. The audit staff assumed, incorrectly, that the expenses had to be reimbursed within 30 days, even though the vast majority were credit card charges, and therefore subject to reimbursement within 60 days. In addition, the repayment deadlines were triggered by the statement's closing dates, not the dates the charges were incurred. See 11 C.F.R. § 116.5(b)(2). In summary, the Candidate cannot be deemed to have made more than \$4,614.98 in excessive contributions, and with the 60 days provided by 11 C.F.R. § 103.3(b)(3) to refund excessive contributions, there were no advances that became unresolved excessive contributions.

The Commission staff stated in the interim report that "payments made by the Committee were applied against those that had been incurred the earliest." See Interim Report, p. 10.

c. Advances -- Staff

Paul Erickson -- The audit staff concluded that Committee staff member Paul Erickson made late-reimbursed travel advances resulting in an excessive contribution of \$9,038.88. These advances were not correctly calculated since many of his advances were treated as cash expenses, instead of credit card charges. See Exhibit 3. Other adjustments must also be made to assess correctly whether any excessive contributions resulted. For instance, the audit staff failed to take into account two reimbursements received by Mr. Erickson. Id. In addition, the audit staff mistakenly included four expense payments as having been made to Mr. Erickson. As Exhibit 3 shows, Mr. Erickson did not provide advances that became contributions.

Richard Neff -- The audit staff identified advances to Mr. Neff of \$570.96. However, the amounts used by the audit staff included advances incurred and repaid to Mr. Neff within 15 to 21 days. See Exhibit 3. They should not be included.

Janet Fallon -- The audit staff concluded that Janet Fallon's late-reimbursed advances resulted in excessive contributions of \$39,463.12. The audit staff's underlying calculations are flawed. The Committee has reviewed, in detail, all of Ms. Fallon's expense reimbursement records. The audit staff did not correctly compute the time period for reimbursements, giving only thirty days rather than sixty days from the date in which credit charges were incurred. The Committee's calculations at Exhibit 3 show excessive contributions of no more than \$4,391.06 attributable to her advances. Once the staff advances reached the level of an excessive contribution they should have been treated like any other excessive contribution -- the Regulations permit the Committee to repay such amounts within a 60-day time period without penalty, resulting in no excessive contributions. See 11 C.F.R. §§103.3(b)(3).

Kevin A. Ring -- The audit staff concluded that Mr. Ring had made advances resulting in excessive contributions of \$6,944.38. As with other staff members, the audit staff reached this result based on incorrect assumptions and a misreading of the Regulations. First, the audit staff treated many of Mr. Ring's advances as having been made by cash, instead of by credit card. Those credit card charges incorrectly treated as cash charges by the audit staff are listed at Exhibit 3.

Certain other adjustments must also be made. Five reimbursements received by Mr. Ring were ignored by the audit staff. In addition, three expense payments were attributed to Mr. Ring which were never made by Mr. Ring (these are attributable to reimbursement requests which were not adequately supported, and therefore which were never paid). Exhibit 3.

When the advances are correctly listed, computed against the applicable reimbursement deadlines, and credit is given for those which are exempt under 11 C.F.R. § 100.7(b)(8), Mr. Ring cannot be deemed to have made more than \$2,909.99 in imputed excessive contributions. See Exhibit 3. Furthermore, including the 60 days provided by 11 C.F.R. § 103.3(b)(3), there were no advances that became contributions.

d. Summary

The audit staff asserted that excessive contributions in the amount of \$63,086 were received by the Committee. In reaching this conclusion, the audit staff failed to follow its own Regulations and the analysis it set forth in its Interim Report. When the calculations are correctly made, no more than \$11,906.03 is attributable to staff advances. And once the 60 days to refund excessive contributions permitted by 11 C.F.R. § 103.3(b)(3) is included, no excessive contributions resulted.

C Possible Misstatements of Financial Activity (Recommendation No. 4)

During the course of the audit, the Commission's audit staff brought to the attention of the Committee certain minor inaccuracies in various disclosure reports for its state offices, including statements of receipts, disbursements and cash on hand, and other similar matters. After the audit exit conference, the Committee promptly corrected these entries. On October 2, 1992, the Committee submitted a comprehensive report making these corrections.

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D. Apparent Non-Qualified Campaign Expenses

1. Contributions by Candidate (Recommendation No. 5)

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The Committee strongly disagrees with the audit staff's opinion that a \$10,000 loan and a \$40,000 loan made by the Candidate to the Committee, and subsequently repaid by the Committee, should be characterized as a non-qualified campaign expense. These transactions were understood to be loans when made by the Candidate and accepted by the Committee. The Committee is not attempting retroactively to convert these gifts into loans. The affidavits of Angela M. Buchanan, ("A. Buchanan Aff.") Exhibit 4, and Scott Mackenzie (Mackenzie Aff."), Exhibit 5, demonstrate that these funds were intended to be loans by the Candidate, and were repaid as loans consistent with the understanding of the Candidate and Committee Chair reached at the outset of the campaign. Although, the Committee inadvertently did not initially report these loans properly, its reporting errors do not support the audit staff's opinion that the funds should not have been repaid. In response to the audit's staff's recommendation, the Committee is providing additional material documenting that the transactions were loans at the time they were made, explaining the misreporting of the loans (including the notation on the first check and the report descriptions), and, finally, confirming the prior Treasurer's mistaken understanding of the nature of these transactions.

Given the facts as established by this documentation (as opposed to the audit staff's conjecture), the Commission's applicable rulings dictate that these transactions should be treated as loans. Because a Committee's repayment of loans is a qualified campaign expense, there is no basis for a pro-rata repayment.

a. Factual Background of Loans

The facts are clear and uncontroverted. The Candidate made two loans to the Committee, a \$10,000 loan on November 25, 1991, and a \$40,000 loan on December 4, 1991. A. Buchanan Aff., ¶ 3. At the time these funds were paid to the Committee, both the Candidate and the Campaign Chair, acting for the Committee, agreed that these funds were to be loans. A. Buchanan Aff., ¶ 2.3. Prior to accepting and making these loans, Ms. Buchanan had specific

conversations with the Candidate in which they discussed the basis on which the Candidate would start the financing of his campaign. Id. They agreed that any funds he provided would constitute loans, and would be repaid by the Committee, if the Committee had the funds to do so. Id. The agreement did not change over the course of the campaign. From the time the funds were initially transferred until they were repaid, both the Candidate and the Campaign Chair always understood that the transactions were loans to be repaid by the Committee. See A Buchanan Aff., ¶ 6.

Shortly after these discussions, the Treasurer received the first check. Mackenzie Aff., ¶ 2. The Candidate delivered the funds, in the form of a check, directly to the Treasurer. Id. The Treasurer had not participated in the conversations between the Candidate and Campaign Chair reflecting the agreement that the funds would be a loan. Id. He had no personal knowledge of the particular basis on which the Candidate was transferring the funds to the Committee, only that the Candidate was providing money to get the Campaign started. Id.

The Candidate's placing the notation "First Contribution" on the November 25 check came just after the Campaign Chair explained that his loans would be subject to the \$50,000 limit on what a candidate could contribute to his campaign. A. Buchanan Aff., ¶ 2. The Treasurer deposited the funds in the ordinary course of the Campaign's business. The Treasurer never had a conversation with the Campaign Chair or the Candidate about the nature of the funds. Mackenzie Aff., ¶ 2. The Treasurer assumed incorrectly (in part because of the notation on the check) that the Candidate's check should be treated as a gift rather than a loan. Mackenzie Aff., ¶ 3. Thus, when the Treasurer completed the required reports, he listed the loan as a "Contribution" under Line 17(d), rather than a "Loan Received From or Guaranteed By Candidate" under Line 19(a). See id. The Campaign Chair never checked the reports to discover the error. A. Buchanan Aff., ¶ 4. The Treasurer was inadvertently never told at the time of the arrangement that these funds constituted a Candidate loan. A. Buchanan Aff., ¶ 4. Mackenzie Aff., ¶ 3.

Although the Campaign Chair was directly involved in the original loan transactions, she did not learn until later that the loan had been incorrectly reported. A. Buchanan Aff., ¶ 4. 5. When she did learn of this fact, she requested that the Treasurer amend any reports that

mischaracterized the loan. A. Buchanan Aff., ¶ 5. The Treasurer corrected the mistake by submitting an amended report on October 5, 1992. Mackenzie Aff., ¶ 4.

The Candidate and the Campaign Chair had agreed prior to the first transaction that the funds to be supplied would constitute loans. A. Buchanan Aff., ¶¶ 2, 3. There was never any retroactive decision made to repay a donation or gift. Id. A. Buchanan Aff., ¶ 6. The funds loaned were repaid during the campaign. Although the Committee's reports incorrectly reported the loan as a contribution, the reporting mistake was corrected. Because the transactions were understood prior to their commencement to be loans, they constituted a proper campaign obligation, and the expense of repayment constitutes a qualified campaign expenditure.

b. Legal Analysis

Nothing in the Commission's Regulations or Advisory Opinions suggests a different result. The Commission's Regulations specifically permit the repayment to a candidate of loans made to the campaign committee from the candidate's personal funds. 11 C.F.R. § 113.2(d). In FEC Advisory Opinion ("AO") 1977-58, Fed. Election Camp. Fin. Guide (CCH) para. 5285 (1978), referenced in the Interim Report, the Commission ruled that "transfers" of a candidate's personal funds could not be redesignated as "loans" after the committee had wound up its activities. The Commission noted that the Committee had wound up its activities following a general election and satisfied all of its debts and obligations before the redesignation. It ruled that any contributions received or disbursements made after that point were, by definition, for the next election cycle. "[O]nce a candidate's principal campaign committee has properly wound up its activities following a general election, and satisfied all of its debts and obligations, it no longer has the capacity to receive contributions or make expenditures with respect to the past election." Id. at 10.235. With the end of all activity for the election, the Commission found that the committee could not retroactively redesignate funds as a loan subject to repayment by the Committee. Id.

The Commission applied similar reasoning more recently in FEC AO 1991-9, Fed. Elec. Campaign Fin. Guide (CCH) para. 6016 (1991). In that matter, a candidate sought to have his campaign committee pay him interest on a loan he made to the campaign after the loan had

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already been repaid. The Commission refused to approve this retroactive change to the agreement between the candidate and his committee. Because the loan had been non-interest bearing at the time it was made and repaid, the candidate could not later change it into an interest-bearing obligation.

Neither of these Advisory Opinions conflict with the Committee's repayment in this case. The Committee had a fortiori not wound up its activities from the 1992 election cycle when the loan was repaid on August 12, 1992. At the time the repayment took place, the campaign was still active and receiving contributions. Moreover, it was the campaign's intent from the date these checks were written that they would be considered loans. This case is not like those addressed in the Commission's Advisory Opinions where the terms on which the money was received were retroactively changed long after the campaign had concluded. The Committee's decision to repay Mr. Buchanan only treated the transaction as it was originally intended. Consequently, there is no basis for treating the repayment as an unqualified campaign expense.

2. Reimbursement of Staff Expenses--Janet Fallon (Recommendation No. 6)

The audit staff concluded that \$8,645 in inadvertent reimbursements to a staff member, Janet Fallon, represented non-qualified campaign expenditures. It requested additional information, or, in the alternative, recommended a pro-rata repayment of \$2,959. Prior to the issuance of the Interim Report, the Committee had reviewed the situation and made a determination that it would not seek to recover these sums from the staff member. The report of the Committee's independent accounting firm, Deloitte & Touche, confirms that the Committee's handling of these reimbursements was fully consistent with standard business practices. Exhibit 7. Accordingly, no repayment finding is justified.

Ms. Fallon, head of the Committee's scheduling operations, submitted various expense reimbursement requests as she incurred campaign-related expenses. These reimbursement requests were reviewed for accuracy prior to payment. However, certain expenses were apparently submitted improperly by Ms. Fallon. The Committee's reviewing staff inadvertently failed to catch these errors at the time.

When the matter came to the Committee's attention, it made a business decision concerning whether it would seek repayment of these amounts, after assessing the cost and feasibility of collection from the former employees. The Committee determined (prior to the issuance of the Commission's initial report) not to seek repayment. Instead, it decided to treat these payments to Ms. Fallon as in the nature of a loan. The Committee has revised its records accordingly and has so informed Ms. Fallon. Consequently, throughout the Committee has reported these amounts as income on its records and has provided the corresponding tax forms to Ms. Fallon. See Exhibit 6.

The Committee asked its independent accountants, Deloitte & Touche, to evaluate the Committee's treatment of these over-advances. Deloitte & Touche has concluded that the Committee acted properly and consistently with the applicable accounting principles. See Exhibit 7. Such accounting principles do not compel an organization to seek repayment if it determines that is not in the best interests of the organization. The Committee's treatment fully conforms to the standard steps taken by commercial enterprises under similar circumstances. Id. Thus, these payments should be treated as unauthorized campaign expenditures and no repayment or other recommendation is necessary or appropriate.

3. Other Potentially Non-qualifying Campaign Expenses
(Recommendation No. 7)

The audit staff identified certain expenses incurred during the wind-down period (after the Date of Ineligibility) as non-qualified campaign expenses. The staff requested information showing that the expenses were qualified under 11 C.F.R. § 9034.4(a)(3), or, in the alternative, recommended a \$19,293 repayment to the Treasury of a pro-rata portion of these funds. The Committee's review shows the vast majority of these items represented qualified expenditures under the Regulations. No more than \$20,728.00 can be considered unqualified.

An analysis of Section 9034.4 shows that the audit staff has taken an unjustifiably restrictive interpretation of this section. Moreover, on their face each of the challenged expenses is certainly qualified. Section 9034.4(a)(3) defines the nature of qualified campaign expenditures after the date of ineligibility to include costs associated with the orderly winding up of the campaign. Titled, in relevant part, "winding down costs," the section permits recovery of

"[c]osts associated with the termination of political activity, such as the costs of complying with the post election requirements of the Act and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries, and office supplies" 11 C.F.R. § 9034.4(a)(3)(i) (emphasis added). Thus, "a candidate may receive and use matching funds for these purposes" after the date of ineligibility. Id.

a. Discussion of Alleged Nonqualified Fundraising Expenses

Of the \$73,507 which the audit staff treated as unqualified fundraising expenses, the Committee's detailed review shows that these expenses either (1) were not related to fundraising, or (2) if related to fundraising, were incurred during a period when the Committee was clearly authorized to raise funds due to its deficit position -- even by the audit staff's flawed analysis. These charges are discussed in Exhibit 8. Accordingly, none of these charges should be disallowed.

b. Discussion of Alleged Other Non-Qualified Campaign Expenses (\$36,586)

The audit staff lumped together certain charges totaling \$36,586, concluding that these were non-qualified. As set forth below, there was no basis for this determination. Many of these expenditures were, in fact, previously reimbursed to the Committee. For instance, the charges for American Computer Rental (\$2,385.80), Mead Data Central (\$8,396.91), and photocopying expenses (\$798.38), were all reimbursed to the Committee by third parties. Because the Committee did not incur any net expenditure with respect to these charges, there is no basis for disallowing these expenses. See Exhibit 9.

Another portion of this challenged amount (\$17,500) consists of bonuses paid to campaign staff. These bonuses were paid to valued officers of the Committee for work they performed. The three top officers (the Campaign Chairman, Treasurer and Political Director) did not authorize bonuses to themselves. A. Buchanan Aff., ¶ 7. Prior to paying the bonuses, the Committee checked with the audit staff and was told that the Commission had routinely approved bonuses paid to campaign staff for work performed, even when such bonuses were paid during the wind-down period. Mackenzie Aff., ¶ 7. The audit staff did not inform the Committee

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that it was under any restrictions concerning the payment of such bonuses. Id. Consequently, these bonuses should not now be disallowed as nonqualified campaign expenses.

The audit staff would disallow certain computer-related expenditures, including updated computer software and printers. This amount totals \$2,792. As set forth in Exhibit 9, this amount consists of \$1,502.95 in software for Special Systems, Inc., payments to Computer Consultants (\$775.00), and two charges from American Computer Rental (\$379.40 and \$334.40). Id. The American Computer Rental charges were reimbursed to the Committee; they were included in the foregoing discussion. The Committee would accept the repayment of the \$775.00 charge to Computer Consultants. The charges for Special Systems Software, Inc. upgrades are clearly qualified campaign expenditures, as discussed below:

This computer software was obtained by the Committee because, in the exercise of its officers' judgment, such software would improve the efficiency of the Committee and the operation of its current equipment. In the experience of the Committee, the wind-down phase of a campaign often lasts years after the election, and maintaining accurate computer records, as well as the software and equipment necessary to use such records, is vital. In similar situations, it has been seen that out-of-date software can lead to loss of data and inability to access necessary materials during the wind-down phase. The audit staff has no grounds to second-guess these proper business decisions by the Committee. See Exhibit 9

The audit staff's report would disallow various costs relating to a separate entity, totaling \$7,908. These costs, and the balance of the costs noted in the Interim Report, are specifically addressed, in detail, in Exhibit 9. The Committee's costs were all fully qualified, with the exception of \$2,072.80. Consequently, the Committee would only accept a pro-rata payment for the Treasury based on that amount.

E. Alleged Receipt of Excess Matching Funds (Recommendation No. 8)

The audit staff has recommended that the Committee be required to repay \$572,269, representing all of the matching funds that the Committee received after November 3, 1992. The audit staff's recommendation rests on its conclusion that the Committee was not in a deficit position after November 3, 1992, and consequently, was not eligible for matching fund

payments. The audit staff's conclusion should be rejected for several reasons. First, it is wrong. The Committee was in deficit position on November 3, 1992 and the audit staff's proposed adjustments are inaccurate. Second, the audit staff's retroactive redesignation is a fundamentally flawed methodology that, according to Deloitte & Touche, violates generally accepted accounting principles.

I The Committee Was in a Deficit Position and
Audit Staff's Proposed Adjustments to the NOCO
Statements Have No Basis.

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The audit staff's conclusion that the Committee was not in a deficit position on November 3, 1992, contradicts the Committee's contemporaneous estimates for winding-down expenses submitted with each of the Committee's matching fund requests. But the audit staff fails to challenge any of these estimates with any evidence that the correctness of the Committee's estimates were flawed at the time they were made. Rather, the repayment amount appears to rest solely on the audit staff's unjustified application of the Committee's March 1993 estimate of winding-down expenses to November 3, 1992. Since the Committee's estimates of wind-down expenses are accurate and uncontroverted by any evidence in the audit staff's report, the Committee was in a deficit position.

The Committee complied fully with the Commission's Regulations on receiving matching funds during the wind-down process. 11 C.F.R. §§ 9034.5(a), 9034.5(f)(1), 9034.11(b). Shortly after the Candidate formally withdrew from the Campaign, the Committee made a thorough review of its assets, debts and other obligations. The review, made by individuals experienced in presidential campaigns and their wind-down phase, showed a substantial deficit. In light of this deficit, the Committee sought matching funds in order to help defray the expenses following the date of ineligibility. The Committee submitted its applications for matching funds and accompanying NOCO statement from September 1, 1992 through December 1992. Each was approved by the Commission. In addition, the Treasurer certified to the Commission the accuracy of each of the statements.

The Commission received and reviewed each Net Outstanding Campaign Obligations ("NOCO") statement, and each detailed budget upon which such statements were based. The

Commission had every opportunity to question the submissions, to request additional information, to challenge the NOCO statements, or to reduce the amount of funds matched during the period. The Commission found no need to do so, because each of the submissions for matching funds was made in good faith, was fully substantiated, and conformed to all of the legal requirements set forth in the Commission's Regulations. Accordingly, the Commission duly approved each request through December 1992.

The Committee relied on these approvals in conducting its business. The audit staff now takes the position, more than a year later, that the matching funds should never have been granted. Its sole rationale is based on undocumented, unilateral retroactive revisions of the previously-approved NOCO statements and budgets. The audit staff's calculations of the Committee's obligations are incorrect, and there is no basis for the repayment recommendations.

Thus, none of these elements should be deleted from the NOCO statement because each represents a true obligation. The Committee was in a deficit position on November 3, 1992.

2. The Audit Staff's Retroactive Revision Violates Generally Accepted Accounting Principles.

The Committee's estimates of winding down expenses submitted with its requests for matching funds showed it to be in a deficit position at the time these requests were made. Since the audit staff has presented no basis for challenging these estimates, there is no basis for any repayment recommendation. In a fitting irony, even the audit staff acknowledges that its own conclusions would be subject to adjustment based on actual experience (i.e. "additional field work" on "future financial activity"). See Interim Report at 18, n. d. In addition, the reality proves the accuracy of the Committee's NOCO statements since it remained in a deficit position as of December 31, 1993.

The audit staff further admitted in its report that it had "reviewed the Committee's financial activity through March 31, 1993" and had "analyzed winding down costs" in order to "prepare the NOCO Statement as of August 20, 1992." (emphasis added). See Interim Report, page 16. Indeed, the very title of the audit staff's statement demonstrates its inconsistent approach: "Statement of [NOCO] as of August 20, 1992 (determined at March 31, 1993)." The

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audit staff provides no justification for its retroactive revision of the very NOCO statements and budgets that the Commission had previously approved, and none exists.

The audit staff's methodology in preparing the revised NOCO statements is inconsistent with generally accepted accounting principles. Deloitte & Touche Opinion Letter, at Exhibit 12 In its letter, Deloitte & Touche notes "[G]enerally accepted accounting principles state that estimates are prepared by management based on information known at the time of preparation. Revisions to such information are prepared on an ongoing basis as new or additional information is obtained. Adjustments to amounts recorded based on the estimates are current period adjustments and do not entail restating amounts reported in prior periods." (emphasis added). Deloitte & Touche Opinion Letter, at Exhibit 12. In other words, under generally accepted accounting principles, subsequent changes to the financial status or assumptions of a Committee cannot result in retroactive changes to prior statements. *Id.* Thus, the audit staff's attempt to change retroactively the financial status of the Committee on November 2 by reliance on subsequent events or the March 3 revised estimate of winding down expenses is totally flawed. *Id.* Since no factual basis for challenging the Committee's estimates of winding-down costs exists, the audit staff's recommendations should be rejected by the Commission.

F Press Billings (Recommendation No. 9)

The audit staff concluded that various media organizations over-reimbursed the Committee by \$6,283 for travel advances made by the Committee. The audit staff also asserts that the Committee collected \$4,632 in excess of the 103% limit on campaign reimbursement of press expenses. The audit staff claims the latter amount must be refunded to the Treasury, unless the Committee specifically documents overhead and administrative expenses in this amount.

I. Inadvertent Overbillings

The audit staff noted that the Committee overbilled certain costs relating to ferrying charges. The Committee has reviewed in detail its records relating to these costs. The audit staff appears to be correct, in that the Committee inadvertently double billed certain portions of travel expenses. This figure totals approximately \$ 6,238

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However, in the course of reviewing the expenses incurred in this area, the Committee has determined that it incurred other expenses on behalf of the press, for which it inadvertently sought no reimbursement. These amounts total \$ 8,426. These amounts should have been reimbursed by the press, but were not. They offset the figure above. The net figure is actually a deficit owed to the Committee of \$2,188. A schedule of these offsetting press billings is attached at Exhibit 12.

2 Overhead Administrative Charges Allegedly in Excess of 103% Limit

The audit staff concluded that the Committee received as reimbursement from the press more than 103% of its travel costs incurred on behalf of the press. The audit staff asserted that this figure (approximately \$4,632) relates to administrative or overhead charges incurred in administering the press travel arrangements, and that this amount must be repaid to the Treasury unless the Committee can produce, through affidavits, timesheets, or otherwise, specific back-up documentation of this amount as overhead charges.

The audit staff's position on this issue is incorrect. The Committee complied with the Commission's regulations and has already provided specific documentary back-up to the Commission. There is neither a factual nor a legal basis upon which to base any repayment recommendation.

a. The Committee Has Already Provided Documentary Back-Up Supporting the Administrative Charges

In response to the prior suggestions of the audit staff, the Committee has reviewed and documented a list of the administrative charges incurred in connection with the press billings. Exhibit 12 demonstrates that the Committee had \$23,360 in actual administrative costs related to the press billing operation. These costs (\$ 23,360) exceed the \$4,632 repayment figure. Therefore, the Committee has satisfied the requisite documentation.

b. The Committee Complied With the Regulations

The Regulations expressly permit campaigns to recover from the press overhead and administrative charges associated with press travel arrangements. "The total amount of reimbursements received from a media representative under this section shall not exceed the actual pro rata cost of the transportation and services made available to that media representative by more than 10%." 11 C.F.R. § 9034.6(b). Moreover, "The campaign may bill media representatives up to 110% of the pro rata cost [of providing the travel services]" See Financial Control and Compliance Manual for Presidential Primary Candidates Receiving Public Financing (Jan. 1992) at page 34. Obviously, if no reimbursement for administrative overhead were permitted, the regulatory limit for reimbursement would be 100%, not 110%.

Section 9034.6(d)(1) makes clear that this 10% may include reimbursement for associated administrative overhead and charges. The Commission's cost and compliance administrative manual is in agreement: "The administrative cost allowance does not allow the committee to bill media travelers, or receive reimbursements of more than 110% of actual transportation and ground costs incurred." See Financial Control and Compliance Manual for Presidential Primary Candidates Receiving Public Financing (Jan. 1992) at p. 35 (emphasis added).

The 10% allowance for administrative costs is authorized by the Regulations as the presumed expense of handling press travel arrangements. The Regulations fix recovery of such costs at an absolute cap of 10%, regardless of whether actual administrative costs are higher or lower. In effect, they establish a regulatory presumption that this level of associated administrative costs may be recovered.

The audit staff incorrectly based its conclusions on regulatory provisions that address a totally different subject—the amount of expenditures subject to the overall expenditure limits. Thus, 11 C.F.R. § 9034.6(d)(1) relied upon by the audit staff, states:

The Committee may also deduct from the overall expenditure limitation an additional amount of reimbursements received equal to 3% of the actual cost of transportation and services provided under this section as the administrative cost to the Committee of providing such services and seeking reimbursement for them.

(Emphasis added). The issue here does not concern the Committee's overall expenditure limitations, meaning the 3% figure cited by the audit staff is irrelevant. Rather, the issue here concerns only the Committee's press billings and reimbursements, which may include the actual costs plus the 10% permitted for recovery of administrative costs. The Committee is in compliance with 11 C.F.R. § 9034.6(b). The audit staff cannot reverse the fixed regulatory presumption of 10% in administrative costs by imposing additional requirements or by disallowing all such costs unless additional back-up is provided. Thus, no repayment to the Treasury is necessary or appropriate.

G. Stale Dated Checks (Recommendation No. 10)

At the audit exit conference, the audit staff requested that the Committee reissue certain refund checks, totaling \$611, that had not yet been cashed. The Committee did so.

The Report requests payment to the Treasury of any amounts not cashed. Of these checks, a total of \$200 have not been cashed. See Exhibit 12. Thus, the Committee accepts the recommendation to repay this amount to the Treasury.

H. Other Matters

The Committee stands ready to submit such additional information concerning any of the foregoing matters as the Commission or its audit staff may request.

None of the Committee's stated acceptances of any of the recommendation's contained in the Interim Report are intended as, or may be construed as, an admission that the Committee has not complied with any applicable laws, regulations, or other controlling guidelines. The Committee fully reserves all of its rights with respect to any subsequent proceedings, including any enforcement proceedings that may be initiated by the Commission.⁶

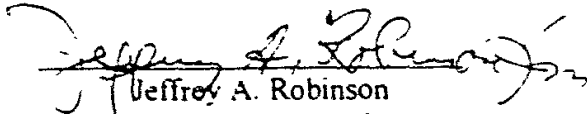
⁶ The United States Court of Appeals for the District of Columbia Circuit has recently ruled that the Commission's statutory charter, and consequently its underlying authority, is constitutionally defective. See *Federal Election Commission v. NRA Political Victory Fund*, 6 F.3d 821 (D.C. Cir. 1993). Therefore, further proceedings by the Commission against the Committee lack any authority and are void.

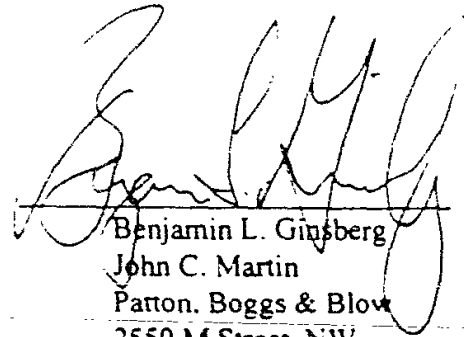
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IV. CONCLUSION

The Committee has provided a detailed response to each of the matters raised in the Interim Report. The Committee's analysis is fully supported by the factual affidavits of its officers, the presentation of detailed back-up information, and the expert opinions of certified accountants. Accordingly, the Committee respectfully submits that each of the conclusions noted above should be adopted by the Commission.

Respectfully Submitted,


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(202)457-6000

March 28, 1994

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AFFIDAVIT OF ANGELA M. BUCHANAN

1. I served as the Campaign Chair of the Buchanan for President, Inc. (the "Committee"), from its inception through approximately March 1, 1993. Thereafter I assumed the duties of Treasurer of the Committee.

2. In November 1992, I discussed with the candidate, Patrick J. Buchanan, the need for funds to begin the campaign for the presidency. We specifically agreed that the funds he planned to give would be loans to be repaid by the Committee. We also agreed that he would provide the loans in stages as necessary for the campaign. I also explained that his loans would be subject to the overall \$50,000 candidate contribution limit.

3. The candidate provided two checks to the Committee: an initial check for \$10,000 in November 1992 and a subsequent check for \$40,000 in December 1991. I always understood these sums to be loans to the Committee.


4. I never actually saw the checks. Inadvertently, I did not inform Scott Mackenzie, the Treasurer of the Committee, that the checks represented loans to the Committee. I was not aware of the fact that the sums were initially listed as contributions on the Committee's reports to the Federal Election Commission.

5. Later, after I became aware of the fact that the sums from the candidate had inadvertently been reported as contributions rather than as loans, I informed the Treasurer that the sums were loans and should not be reported as contributions. Subsequently, the erroneous report was amended.

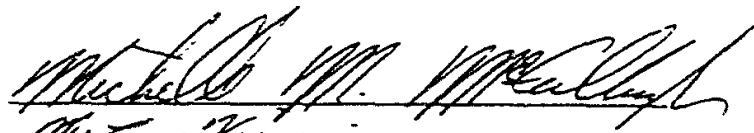
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6. The Committee and I always considered the sums provided in the two checks to be loans. We never believed them to be donations. There was never any attempt to redesignate retroactively the checks as loans.

7. During 1992, the Committee paid bonuses totalling \$17,500 to campaign staff. None of the top three officers, the Campaign Chairman, the Treasurer, and the Political Director, received bonuses. I believed that the recipients of these bonuses had been very valuable to the Committee and that the bonuses were well-deserved.


ANGELA M. BUCHANAN

Subscribed to and sworn before me this 28th day of March, 1994.


Michael M. Malloy
Metairie, Louisiana

(Seal)

My Commission expires on September 30, 1998.

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Exhibit - 15
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AFFIDAVIT OF SCOTT B. MACKENZIE

1. I served as the Treasurer of Buchanan for President, Inc. (the "Committee") from its inception through approximately March 1, 1993. From March 1, 1993 to the present, I have been engaged as a consultant to the Committee to assist in financial matters and compliance with election laws and related issues. I have assisted the Committee in preparing its response to the Federal Election Commission's Interim Audit Report.

2. During late November 1991, I received a check for \$10,000 directly from the candidate, Patrick J. Buchanan. Later, in December 1991, the Committee received a second check for \$40,000. I did not discuss with the candidate or the Committee's Chair whether these checks represented loans or gifts to the Committee.

3. I had no personal knowledge of the particular basis on which Mr. Buchanan was transferring funds to the Committee. I only knew that Mr. Buchanan was providing money to get the campaign started. I mistakenly assumed that the candidate intended to donate the sums to the campaign and, consequently, I reported both checks as contributions rather than loans.

4. Later, I was told that the sums were intended as a loan. Consequently, I submitted an amended report correcting the reporting error.

5. No one at the Committee, at any time, ever said or even suggested that the funds were donated as opposed to having been loaned.

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7. During 1992, the Committee paid bonuses totaling \$17,500 to campaign staff. None of the top three officers, the Campaign Chairman, the Treasurer, and the Political Director received bonuses. I conferred with members of the Federal Election Commission staff before the Committee approved the bonuses and I understood from our conversations that this practice would not violate applicable regulations.

8 As Treasurer, I directly supervised the billing of press-related expenses. I supervised four staff members. (Ms. Jamie Burke, Mr. David Morse, Ms. Amy Gates, Mr. Charles Douglas). I also worked closely with the Director of Scheduling, Janet Fallon.

(a) Ms. Gates prepared invoices for press-billings based on information which I provided for her; in addition, she performed related clerical and administrative duties including typing manifests. Between March 1992 and April 1992 approximately 75% of her time was devoted to these administrative activities.

(b) Mr. Morse acted as liaison to Charter Services, Inc.; he was also responsible to coordinate credit card payments with Charter Services, Inc.; in addition, he was assigned the task of collecting the outstanding press reimbursements during the period of July through September 1992. Approximately 50% of his time was devoted to these activities between February and March 1992; 15% in April 1992 and May 1992; 50% in June 1992; and 85% from July -September 1992.

(c) Ms. Burke was my deputy. She worked on preparing and processing press billings. Between September and December 1992 she attempted to collect payments; received, batched and processed payments, and kept track of the payment status on each

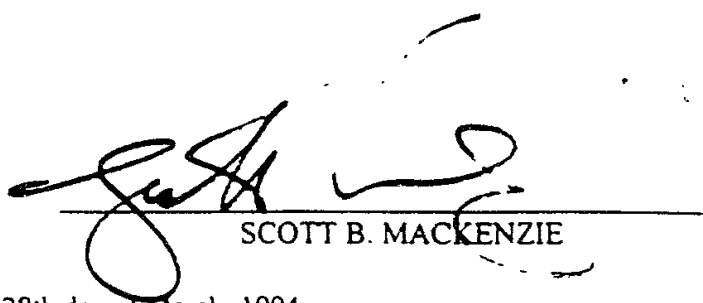
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account. During this four month period, between 5-10% of her time was devoted to press billings.

(d) Mr. Douglas traveled on the tour plane during the month of March 1992. He was responsible for obtaining and creating flight manifests, obtaining billing addresses, and confirming receipt of credit card payments. During this period he spent approximately 100 % of his time on these matters

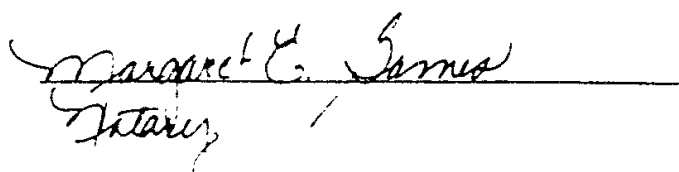
(e) Janet Fallon was involved in the press-related aspects of scheduling from February through June 1992. During this time I spoke with her about press reimbursements. Based on these discussions, I believe that she spent approximately 50% of her time on these matters in February and March 1992; 15 % in April 1992; 10% in May 1992; and 5% in June 1992. A schedule of these services together with the salary costs associated with press activities is attached as an exhibit to the Committee's Response to the Interim Audit Report. See Exhibit (I). "Press Billing Administrative Costs".

9507019347


SCOTT B. MACKENZIE

District of Columbia: ss

Subscribed to and sworn before me this 28th day of March, 1994.


Margaret E. James
Notary

(Seal)

My Commission Expires September 14, 1995

My Commission expires on _____, 199_.

Exh. 6.6. + #16

Buchanan for President net Fallon's Expense Reimbursement Summary

9507019363

Code	Check Date	Check #	Over/(Under) Paid
A	03/19/92	1523	\$0.00
B	04/02/92	1679	\$635.60
C	05/04/92	1888	\$4,451.20
D	05/14/92	2044	\$2,942.32
E	05/12/92	2010	\$558.86
F	06/03/92	2132	\$924.09
G	06/18/92	2255	\$700.58
H	07/24/92	2384	\$5,970.65
I	09/29/92	2602	(\$1.00)
J	10/28/92	2677	\$0.00
K	11/06/92	2706	\$0.00
Z	12/31/92	Not Submitted	(\$5,856.91)
Totals			\$10,325.39

Buchanan for President

Janet Fallon's Expense Reimbursements

Detail

Transaction	Reimbursed Amount	Check	Posting Date	Notes	Adjusted Amount
Grand Plaza Hotel - Grand Rapids, MI	\$673.89	A	3/24/92	p.5	\$673.89
Valley Plaza - Midland, MI	\$2,676.58	A	3/16/92	p.5	\$2,676.58
Micro-Rental - Southfield, MI	\$383.24	A	3/16/92	p.18	\$383.24
Totals	\$3,733.71				\$3,733.71
Sheraton - Windsor Locks, CT	\$435.17	B	4/1/92	p.5	\$435.17
Hilton - Woodcliff Lake, NJ	\$640.51	B	n/a	Not Amex	\$0.00
Flyte Time - Westwood, NJ	\$59.80	B	3/26/92	p.9	\$59.80
Bay Valley Resort - Bay Valley, MI	\$505.79	B	3/20/92	p.5	\$505.79
Ritz Carlton - Dearborn, MI	\$9,713.59	B	3/19/92	p.5, Adj - add: \$5.00	\$9,718.50
Totals	\$11,354.86				\$10,719.26
North Raleigh Hilton	\$1,237.51	C	n/a	Not Amex	\$0.00
Grandtham Milwaukee Center	\$1,734.20	C	4/8/92	p.5	\$1,734.20
Waukegan Milwaukee Center	\$1,734.20	C	n/a	Double Billing	\$0.00
Four Seasons	\$936.17	C	4/8/92	p.5	\$936.17
Holiday Inn - Green Bay, WI	\$70.40	C	4/13/92	p.5, Adj - s/b \$141.00	\$141.00
Holiday Inn - Highland Bch, FL	\$261.38	C	n/a	Not Amex - R. Kimble	\$0.00
Hyatt Regency - Milwaukee, WI	\$676.73	C	4/3/92	p.5, Double counted \$44.05	\$632.68
Century Plaza - Los Angeles, CA	\$1,196.44	C	n/a	Not Amex	\$0.00
Budget Rent-a-Car - Vienna, VA	\$212.14	C	4/11/92	p.4	\$212.14
Fallon - E/R, 12/21/91	\$48.22	C	12/21/92	Not Amex	\$48.22
Fallon - E/R, 1/2/92	\$10.00	C	n/a	Duplicate Reimbursement	\$0.00
Fallon - E/R, 1/18/92	\$38.22	C	n/a	Duplicate Reimbursement	\$0.00
The Velvet Cloak Inn - Raleigh, NC	\$1,492.78	C	4/11/92	p.5	\$1,492.78
Avis Rent-a-Car - Minnesota	\$906.29	C	4/10/92	p.4	\$906.29
Minneapolis Convention Center	\$2,355.86	C	4/9/92	p.18	\$2,355.86
Hotel "6" - Piscataway, NJ	\$250.32	C	4/8/92	p.5	\$250.32
Totals	\$13,160.86				\$8,709.66
Ritz Carlton - San Francisco, CA	\$769.00	D	5/8/92	p.6	\$769.00
The Buttes - Tempe, AZ	\$473.22	D	5/14/92	p.6, Adj - s/ add: \$5.46	\$478.68
Ritz Carlton - Marina Del Ray, CA	\$1,241.96	D	5/9/92	p.6	\$1,241.96
Residence Inn - Raleigh, NC	\$4,580.80	D	5/9/92	p.6	\$4,580.80
North Raleigh Hilton, Raleigh, NC	\$545.34	D	5/4/92	p.6	\$545.34
Embassy Suites - Greensboro, NC	\$1,115.08	D	4/30/92	p.6	\$1,115.08
Triangle Rent-a-Car - Raleigh, NC	\$620.00	D	5/11/92	p.4	\$620.00
Hotel Inn - Goldsboro, NC	\$138.10	D	5/4/92	p.6	\$138.10

Buchanan for President

Janet Fallon's Expense Reimbursements

Detail

Transaction	Reimbursed Amount	Check	Posting Date	Notes	Adjusted Amount
Days Inn - Salisbury, NC	\$320.21	D	5/5/92	p.6	\$320.21
Howard Johnsons - Statesville, NC	\$684.95	D	5/2/92	p.6	\$684.95
Hilton - Lynchburg, VA	\$196.00	D	5/15/92	p.6, Adj - Addition error	\$176.00
Radisson - Cincinnati, OH	\$592.36	D	n/a	Not Amex	\$0.00
Radisson - Charlotte, NC	\$1,275.49	D	5/1/92	p.6	\$1,275.49
Century Plaza - Los Angeles, CA	\$883.13	D	5/8/92	p.6	\$883.13
Century Plaza - Los Angeles, CA	\$452.96	D	5/26/92	p.7	\$452.96
Century Plaza - Los Angeles, CA	\$2,335.42	D	n/a	Not Amex - Neff, Ring, Lobbeck	\$0.00
Totals	\$16,224.02				\$13,281.70
Hyatt - Minneapolis, MN	\$5,249.44	E	4/3/92	p.5, Adj - less: PJB charge \$558.87	\$4,690.58
Ritz Carlton - San Francisco, CA	\$2,446.13	E	4/19/92	p.5	\$2,446.13
Century Plaza - Los Angeles, CA	\$620.00	E	4/24/92	p.5	\$620.00
Columbia Club - Indianapolis, IN	\$1,046.15	E	4/30/92	p.6	\$1,046.15
idence Inn - Raleigh, NC	\$3,072.84	E	4/20/92	p.5	\$3,072.84
Holiday Inn - Redding, CA	\$209.00	E	4/20/92	p.5	\$209.00
Twin Motor Lodge - Minneapolis, MN	\$571.37	E	4/10/92	p.5	\$571.37
Sheraton - Newport Bch, CA	\$762.87	E	4/7/92	p.5	\$762.87
Totals	\$13,977.80				\$13,418.94
Four Seasons - Newport Bch, CA	\$635.44	F	5/28/92	p.7	\$635.44
Ramada Ren - E. Brunswick, NJ	\$823.64	F	5/28/92	p.7	\$823.64
Ritz Carlton - San Francisco, CA	\$1,810.19	F	5/24/92	p.7	\$1,810.19
Sheraton - Hasbrouck Hghts, NJ	\$203.80	F	5/27/92	p.7	\$203.80
Beverly Hilton - Los Angeles, CA	\$675.52	F	5/20/92	p.7	\$675.52
Holiday Inn - Glendale, CA	\$249.38	F	5/18/92	p.7	\$249.38
The Buttes - Tempe, AZ	\$857.49	F	n/a	Not Amex	\$0.00
Hilton - Ontario, CA	\$1,081.27	F	5/21/92	p.7	\$1,081.27
Ritz Carlton - Marina Del Ray, CA	\$2,647.36	F	5/19/92	p.7, Adj - s/ add: \$4.00	\$2,651.36
Hilton - Woodcliff Lake, NJ	\$555.98	F	5/14/92	p.6	\$555.98
Golden Sails - Long Bch, CA	\$196.58	F	5/23/92	p.7	\$196.58
Cellular Phone Rental	\$8,039.43	F	4/28/92	p.13	\$8,039.43
Marrion - San Diego, CA	\$1,110.37	F	5/19/92	p.7	\$1,110.37
Four Seasons - Newport Bch, CA	\$774.14	F	5/19/92	p.7	\$774.14
Holiday Inn - Green Bay, WI	\$70.60	F	n/a	p.5, Adj on chk "C"	\$0.00
Totals	\$19,731.19				\$18,807.10
Marrion - Washington, DC	\$545.17	G	6/20/92	p.8	\$545.17

Buchanan for President

Janet Fallon's Expense Reimbursements

Detail

Transaction	Reimbursed Amount	Check	Posting Date	Notes	Adjusted Amount
Beverly Hilton - Los Angeles, CA	\$405.62	G	5/20/92	p.7	\$405.62
Federal Express	\$1,523.75	G	5/6/92	p.18-20	\$1,523.75
Hyatt - Phoenix, AZ	\$912.08	G	6/5/92	p.8	\$912.08
Ritz Carlton - Marina Del Ray, CA	\$627.40	G	5/30/92	p.7	\$627.40
Ritz Carlton - Marina Del Ray, CA	\$1,799.67	G	5/30/92	p.8	\$1,799.67
The Buttes - Tempe, AZ	\$470.56	G	n/a	Not Amex - K. Ring's Amex	\$0.00
Radisson - Manhattan Beach, CA	\$717.85	G	5/27/92	p.7, Adj - less: cr \$10.25	\$707.60
Holiday Inn - San Diego, CA	\$189.01	G	5/29/92	p.7	\$189.01
Marmott - Salt Lake City, UT	\$549.29	G	5/29/92	p.7, Adj - less: \$150.00	\$399.29
Ritz Carlton - San Francisco, CA	\$1,797.62	G	6/3/92	p.8	\$1,797.62
Le Meridien - Newport Bch, CA	\$673.00	G	5/31/92	p.8	\$673.00
Holiday Inn - Manchester, NH	\$930.07	G	6/8/92	p.8, Adj - less: \$69.78	\$860.29
Cellular Phone Rental	\$4,153.06	G	6/8/92	p.14	\$4,153.07

Totals \$15,294.15

\$14,593.57

Federal Express	\$334.50	H	5/25/92	p.20-21, 31	\$334.50
Century Plaza - Los Angeles, CA	\$202.77	H	n/a	Not Amex	\$0.00
Century Plaza - Los Angeles, CA	\$255.95	H	n/a	Not Amex	\$0.00
Audio Visual - Rancho Dominguez, CA	\$216.50	H	6/5/92	p.14	\$216.50
Four Seasons - Newport Bch, CA	\$9.48	H	6/5/92	p.8	\$9.48
Ritz Carlton - Marina Del Ray, CA	\$710.72	H	n/a	p.8, Debit & Credit = \$0.00	\$0.00
Samada - E. Brunswick, NJ	\$45.74	H	5/28/92	p.7	\$45.74
Cellular Phone Rental	\$1,539.44	H	n/a	p.14, Duplicate Billing (see "I")	\$0.00
Cellular Phone Rental	\$681.18	H	n/a	p.14, Duplicate Billing (see "I")	\$0.00
Cellular Phone Rental	\$97.20	H	n/a	Not Amex	\$0.00
Cellular Phone Rental	\$658.58	H	n/a	p.14, Duplicate Billing (see "I")	\$0.00
Cellular Phone Rental	\$48.60	H	n/a	p.14, Duplicate Billing (see "I")	\$0.00
Cellular Phone Rental	\$48.60	H	n/a	p.14, Duplicate Billing (see "I")	\$0.00
Cellular Phone Rental	\$48.60	H	n/a	p.14, Duplicate Billing (see "I")	\$0.00
Cellular Phone Rental	\$48.60	H	n/a	p.14, Adj - Invoice has Zero Balance	\$0.00
Cellular Phone Rental	\$1,630.41	H	n/a	p.14, Adj - Invoice has Zero Balance	\$0.00
Cellular Phone Rental	\$743.79	H	7/6/92	p.14	\$743.79

Totals \$7,320.66

\$1,350.01

ony's Restaurant - Houston, TX	\$813.58	I	8/18/92	p.12	\$813.58
obby Airport Hilton - Houston, TX	\$0.00	I	n/a	p.8, p.9, Debit & Credit = \$0.00	\$0.00
obileComm - Ridgeland, MS	\$1,093.50	I	8/15/92	p.21	\$1,093.50
rennan's Rest. - Houston, TX	\$585.00	I	8/22/92	p.12	\$585.00
r Seasons - Houston, TX	\$83.10	I	8/19/92	p.9	\$83.10

Buchanan for President

Janet Fallon's Expense Reimbursements

Detail

Transaction	Reimbursed Amount	Check	Posting Date	Notes	Adjusted Amount
Plants for Accent - Mary Summa	\$68.25	I	8/26/92	p.15	\$68.25
Armando's Rest. - Houston, TX	\$320.01	I	8/19/92	p.12, Adj - add: \$0.92	\$320.93
Cellular Phone Rental	\$1,630.41	I	7/6/92	p.14	\$1,630.41
Cellular Phone Rental	\$1,539.44	I	7/6/92	p.14	\$1,539.44
Cellular Phone Rental	\$48.60	I	7/6/92	p.14	\$48.60
Cellular Phone Rental	\$681.18	I	7/6/92	p.14	\$681.18
Cellular Phone Rental	\$658.58	I	7/6/92	p.14	\$658.58
American Airlines - Bay Buchanan	\$175.00	I	8/13/92	p.4	\$175.00
Pappadeaux Rest. - Houston, TX	\$138.00	I	8/16/92	p.12	\$138.08
Hyatt Regency - Houston, TX	\$897.00	I	8/18/92	p.8	\$897.00
Hyatt Regency - Houston, TX	\$897.00	I	8/18/92	p.8	\$897.00
Hyatt Regency - Houston, TX	\$832.60	I	8/18/92	p.8	\$832.60
Hyatt Regency - Houston, TX	\$897.00	I	8/18/92	p.8	\$897.00
Hyatt Regency - Houston, TX	\$3,466.95	I	8/18/92	p.9	\$3,466.95
Hotel Concord - Houston, TX	\$325.43	I	7/31/92	p.8	\$325.43
Carlton - Houston, TX	\$1,380.00	I	8/2/92	p.8	\$1,380.00
Kitz Carlton - Houston, TX	\$276.00	I	8/6/92	p.8	\$276.00
Twins Motor Inn - St. Paul, MN	\$52.35	I	7/17/92	p.8	\$52.35
Totals	\$16,858.98				\$16,859.98
Fallon - E/R, MCI calls	\$90.98	J	n/a	Not Amex	\$90.98
Cellular Phone Rental	\$47.21	J	10/1/92	p.15	\$47.21
Fallon - E/R, Travel	\$30.00	J	8/17/92	Not Amex	\$30.00
Hobby Airport Hilton, Houston, TX	\$211.93	J	8/24/92	p.9, as \$285.07	\$211.93
Cellular Phone Rental	\$1,813.40	J	9/22/92	p.15	\$1,813.40
Totals	\$2,193.52				\$2,193.52
Hobby Airport Hilton, Houston, TX	\$511.00	K	10/27/92	p.9	\$511.00
Hobby Airport Hilton, Houston, TX	(\$151.48)	K	10/27/92	p.9	(\$151.48)
Totals	\$359.52				\$359.52
National Car Rental - Minneapolis, MN	\$0.00	Z	11/3/92	p.4	\$1,122.99
Enterprise Rent-a-Car	\$0.00	Z	11/14/92	p.23	\$108.95
Enterprise Rent-a-Car	\$0.00	Z	11/21/92	p.23	\$217.89
Enterprise Rent-a-Car	\$0.00	Z	11/25/92	p.23	(\$65.37)
Hyatt - Minneapolis, MN	\$0.00	Z	4/17/92	p.5	\$184.80
Columbia Club - Indianapolis, IN	\$0.00	Z	5/13/92	p.6	\$28.75
Misson Inn - Florence, KY	\$0.00	Z	5/14/92	p.6	\$592

Buchanan for President

Janet Fallon's Expense Reimbursements

Detail

Transaction	Reimbursed Amount	Check	Posting Date	Notes	Adjusted Amount
Century Plaza - Los Angeles, CA	\$0.00	Z	5/22/92	p.7	\$1,214.44
Century Plaza - Los Angeles, CA	\$0.00	Z	5/30/92	p.8	\$2,557.13
Howard Johnsons - Salt Lake, UT	\$0.00	Z	6/11/92	p.8	\$50.00
Cellular Phone Rental	\$0.00	Z	7/6/92	p.14	(\$155.03)
Totals	\$0.00				\$5,856.91

05070193655

Deloitte & Touche



1900 M Street NW
Washington, DC 20036-3564

Telephone (202) 955-4000
Facsimile (202) 955-4294

Exhibit #7

March 28, 1994

Mr. John C. Martin
Patton, Boggs & Blow
2550 M Street, N.W.
Washington, D.C. 20037

Mr. Jeffrey A. Robinson
Counsel to Buchanan for President, Inc.
2010 Main Street, Suite 400
Irvine, California 92714

Dear Sirs:

We have been engaged to report on the appropriate application of generally accepted accounting principles to the specific transaction described below. This report is being issued to the Buchanan for President, Inc. (the Committee) for assistance in evaluating accounting principles for the described specific transaction. Our engagement has been conducted in accordance with standards established by the American Institute of Certified Public Accountants.

Description of Transaction:

Certain reimbursement payments were made to Janet Fallon and classified as various expenses. Subsequently it was determined that she was over reimbursed. The Committee's reviewing staff inadvertently failed to catch these errors at the time reimbursements were made. The Committee considered various options in handling this matter and concluded that the amounts should be treated as additional compensation. The Committee reclassified these payments as compensation to Janet Fallon.

Appropriate Accounting Principles:

Statement of Financial Accounting Concepts No 5 "Recognition and Measurement in Financial Statements of Business Enterprises" indicates recognition of expense and loss is intended to recognize consumption of economic benefits or occurrence or discovery of loss of future benefits during a period.

Deloitte Touche
Tohmatsu
International

ATTACHMENT 5
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05319304

Mr. John C. Martin
Mr. Jeffrey A. Robinson
March 28, 1994
Page 2

The ultimate responsibility for the appropriate application of generally accepted accounting principles for an actual transaction rests with the preparers (the Committee) of financial statements. Our judgment on the appropriate application of generally accepted accounting principles for the described specific transaction is based solely on the facts provided to us as described above, should these facts and circumstances differ, our conclusion may change.

Conclusion:

The Committee's recognition of the Fallon payment as an expense is consistent with Concept Statement 5. The Committee's choice to classify the expense as compensation is an acceptable choice considering the various options available to the Committee.

Yours truly,

Deloitte & Touche

b6p_gbb2

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Exh. 48

Buchanan for President
FEC Listing of Non Qualified Campaign Expenses
Fundraising Expenses

SEQ	ACCT	CK #	Incurred	DATE	PAYEE	AMOUNT	DESCRIPTION
1	OPR	2687	prior to 11/3/92	11/03/92	Network Video	\$1,825.00	Convention Speech Videos
2	OPR	2688	prior to 11/3/92	11/03/92	Alpha Enterprises	\$498.75	VHS Cases
3	OPR	2700	prior to 11/3/92	11/05/92	Harbinger	\$49.80	Human Events Ad
4	OPR	2701	prior to 11/3/92	11/05/92	Four Star Packaging	\$244.92	Poly Bags & Padded Envelopes
5	OPR	2719		11/10/92	Network Video	\$2,023.21	Video Tapes
6	OPR	2731		11/13/92	CLB Publishing	\$1,000.00	Video Cassette Covers
7	OPR	2698		11/14/92	Joseph Paquet	\$1,044.00	Create B&W Ad
8	OPR	2705		11/16/92	Right Side Out	\$299.30	T-Shirts
9	OPR	2734		11/16/92	CLB Publishing	\$650.05	Cassette Covers - Balance
12	OPR	2758		11/24/92	Harbinger	\$25.12	B&W Glossy for Ad
13	OPR	2685		11/29/92	Ira Wexler	\$500.00	Merchandise Photo for Ad
14	OPR	2775		12/02/92	Right Side Out	\$55.00	T-Shirts
15	OPR	2770		12/02/92	Right Side Out	\$828.00	Baseball Caps
16	OPR	2769		12/02/92	Human Events	\$1,500.00	Nov '92 Issue Ad
17	OPR	2767		12/03/92	Human Events	\$1,500.00	Nov '92 Issue Ad
18	OPR	2786		12/08/92	Network Video	\$1,907.25	Add'l Video Tapes
19	OPR	2787		12/08/92	Alpha Enterprises	\$498.75	VHS Cases
25	OPR	2814		12/17/92	Network Video	\$1,907.00	Add'l Video Tapes - Balance
26	OPR	2820		12/21/92	Rockville Printing	\$1,044.85	Video Tape Covers
27	OPR			01/01/93	Right Side Out	\$756.80	Collateral Materials
28	OPR			01/01/93	Human Events	\$40.00	Subscription ??
29	OPR	2894		02/01/93	Right Side Out	\$573.00	Collateral Materials
31	OPR	2920		02/01/93	Human Events	\$750.00	Ad ??
						\$19,520.80	

ATTACHMENT 5
 Page 44 of 58

Buchanan for President
FEC Listing of Non Qualified Campaign Expenses
Fundraising Expenses

ATTACHMENT 5
 45 of 58
 Page

SEQ	ACCT	CK #	Incurred	DATE	PAYEE	AMOUNT	DESCRIPTION
32	OPR		prior to 11/3/92	01/01/93	Saturn Corp	\$2,993.73	List Maintenance
10	OPR	2742	prior to 11/3/92	11/19/92	JJ Mailing	\$29,580.00	Last House File
11	OPR	2755	prior to 11/3/92	11/23/92	Rockville Printing	\$279.30	Return Envelopes
20	OPR	2811	prior to 11/3/92	12/16/92	JJ Mailing	\$6,117.00	Direct Mail Expense
21	OPR	2810	prior to 11/3/92	12/16/92	Catterton Printing	\$6,699.00	Direct Mail Expense
22	OPR	2809	prior to 11/3/92	12/16/92	Right Concepts	\$4,795.56	Direct Mail Expense
23	OPR	2812	prior to 11/3/92	12/16/92	Kimco	\$250.00	Direct Mail Expense
						<u>\$47,720.86</u>	
30	OPR	2899	prior to 11/3/92	02/01/93	Response Unlimited	\$1,014.70	List Rental Invoice (GA)
24	TLM	1020	prior to 11/3/92	12/16/92	JVI Consulting	\$2,256.00	Telemarketing Fee
					Total Fundraising	<u>\$73,506.09</u>	

/ 26 1 0 7 3 9 6

Exhibit 8 -- Schedules and Documentation Concerning Alleged Non-Qualified/Undocumented Expenses

The audit staff has identified \$73,507 in fundraising expenses incurred after November 3, 1992. After reviewing these expenses, it is apparent that not all of these items are related to fundraising and most of the fundraising expenses were incurred prior to November 3, 1994.

A. Non-Fundraising Charges

The expenses determined not to be fundraising include:

Saturn Corporation	\$2,993.73
Response Unlimited	\$1,014.70
Total Non-Fundraising	\$4,008.43

Saturn Corporation: This Saturn invoice does not relate to fundraising. This is an invoice for list maintenance work ordered by the Treasurer during the audit period to ensure that the file was in proper condition prior to the audit receipts trace.

Response Unlimited: During the primary season, the Committee rented lists from Response Unlimited for political mailings and telephone bank operations. The invoice in question pertains to an unpaid bill remaining from the Georgia phone bank operation in March 1992.

B. Fundraising Expense Incurred During Deficit Period.

The fundraising expenses incurred prior to the November 3, 1992 date include:

Direct Mail Expenses	\$47,721.75
Teleoperations Fees	\$2,256.00
Pre-Nov 3rd Expenses	\$49,977.75

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Direct Mail Expenses: The Committee incurred expenses for its last house file mailing, which occurred in October 1992. In the ordinary course of business, these invoices were not presented to the Committee for payment until after November 3. Therefore, the following should not be included in the audit staff's analysis:

JJ Mailing	\$29,580.00
JJ Mailing	\$ 6,117.89
Caterton Printing	\$ 6,699.00
Right Concepts	\$ 4,795.56
Rockville Printing	\$ 279.30
Kinko's	\$ 250.00
<hr/>	
	\$47,721.75

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Telemarketing Expenses: The Committee contracted with JVL Consulting to perform telemarketing fundraising to retire its debts after the date of ineligibility. The Treasurer asked that the program be concluded by October 10, 1992. JVL Consulting stopped making phone calls after the first week in October. The bill for this was for its fee on contributions received in the month of November 1992. It related solely to work performed prior to the third of November. Consequently, the JVL Consulting invoice for \$2,256 should not be included.

Human Events Magazine Ad: The Committee spent \$19,521 on a fundraising ad which ran in two November issues of Human Events Magazine. The cost includes the production of the ad, the cost of running the ad, and the cost of the collateral materials sold in the ad. Because some of these charges were incurred prior to November 3, 1992, the audit staff was not justified in concluding that the expenses were not qualified as wind down costs. Moreover, as set forth in the Response, the audit staff's retroactive statement of the Committee's NOCO statement violates generally accepted accounting principles. Therefore, in the event these costs were incurred after November 3, 1993, they were still valid because the Committee remained in a deficit position.

Exhibit 9

Buchanan for President

FEC Listing of Non Qualified Campaign Expenses Summary

Vendor	Total	Qualified	NQCE
American Computer Rental ✓	\$2,385.80	\$2,385.80	\$0.00
C & P Telephone	\$370.30	\$125.00	\$245.30
Carlson's Motors	\$120.00	\$0.00	\$120.00
Catherine Buchanan	\$300.00	\$300.00	\$0.00
Comet Courier	\$348.00	\$348.00	\$0.00
CompuPhone	\$210.00	\$0.00	\$210.00
Computer Consultants	\$775.00	\$0.00	\$775.00
Federal Express	\$306.25	\$197.75	\$108.50
Gosnell Properties	\$1,500.00	\$1,500.00	\$0.00
Mead Data Central	\$8,396.91	\$8,396.91	\$0.00
Sir Speedy ✓	\$798.38	\$798.38	\$0.00
Special Systems, Inc	\$2,960.95	\$2,960.95	\$0.00
VA Dept of Taxation	\$614.00	\$0.00	\$614.00
Bonuses	\$17,500.00	\$17,500.00	\$0.00
Totals	\$36,585.59	\$34,512.79	\$2,072.80

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Buchanan for President

Non-Qualified Campaign Expenses

- Undocumented Expenses -

The audit staff has identified \$10.622 in expenses as being unsupported by appropriate documentation. The Committee disagrees, and invites the auditors to come out to the campaign office to review the documentation.

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Buchanan for President

Non-Qualified Campaign Expenses

American Computer Rental: These expenses for Terry Jeffrey's computer. Mr. Jeffrey was not involved with the campaign wind down efforts at the time the Committee was paying for his rented computer. Consequently, Mr. Jeffrey has fully reimbursed the Committee for these costs.

C&P Telephone: The Committee accepts the auditor's determination on the Fax line for Suite 220 (were Terry Jeffrey and Janet Fallon were working on non-campaign related activities, 9/01/92 - 4/30/93). However, the Committee disputes the \$125 security deposit for the phone line in suite 220, since that deposit was returned by C&P.

Carlson's Motors: The committee accepts the auditor's determination. These charges related to parking tickets billed to the Committee by the rental car agency.

Catherine Buchanan: This was a \$300 reimbursement for the telephone expenses of Bay Buchanan while staying at her mother's home in Bethesda. The auditors would reject this reimbursement for lack of documentation. However, this is Ms. Buchanan's best estimate as to the added cost to her mother's phone bill attributable to Ms. Buchanan's Committee work. Since Ms. Buchanan stayed with her mother, as opposed to a hotel, thereby generating a savings for the Committee, this reasonable estimate should be accepted on its face as a qualified expense.

Comet Courier: During the close down period, Scott Mackenzie was also involved with the Jack Kemp for President Committee and had numerous packages messengered back and forth between offices. The auditors have located these items on the Committee's courier bills and identified them as non-qualified. The portions of the bills which are unrelated to the Committee however, were paid directly to Comet Courier by Scott Mackenzie or the Jack Kemp for President Committee.

CompuPhone: The Committee accepts the auditor's determination.

Computer Consultants: The Committee accepts the auditor's determination.

Federal Express: The auditors have identified Fedex shipments made or accepted by Dan Giroux, Matt Higbee and Paul Erickson which do not appear to be related to the wind down. These expenses total \$108.50, and the Committee accepts the auditor's determination. In addition, they have also identified \$184.75 in shipments to Ron Makela and \$13.00 to Robert Peterson. The Robert Peterson expense was reimbursed by staffer Randy O'Donohue. The Ron Makela shipments were necessary to deliver consulting fees and expense reimbursement checks to Bay Buchanan's account in California. These expenses were incurred as part of the Committee's ordinary business operations. Accordingly, they are qualified campaign expenses. ^{\$145}

Gosnell Properties: During the first few months of the campaign, the Committee's computer operations overloaded the electrical outlets. The Committee asked the property manager, Gosnell Properties, to upgrade the outlets to eliminate this problem. Gosnell complied by doing the work. An audit by Gosnell's auditors (in early 1993) revealed that the Committee had never paid for the work. Consequently, the Committee paid for the work.

Mead Data Central: These were Nexus/Lexis expenses incurred by Terry Jeffrey after the date of ineligibility. Mr. Jeffrey reimbursed the Committee for these expenses.

Sir Speedy: This is a photocopy expense which was reimbursed to the committee by Mr. Buchanan.

Special Systems, Inc.: The Committee Treasurer, Scott Mackenzie, ordered software upgrades on MicroSoft Windows, Word and Excel totaling \$1,302.95. The software was obtained by the Committee to improve efficiency and the operation of its current equipment. For instance the Treasurer ordered an information management program (PackRat 5.0) and a data compression program (Stacker 5.0) to free up much needed space on

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the Committee's computer hard drive storage units. This was a cost savings to the Committee as a new hard drive would have exceeded the cost of the software. In addition, the Committee was concerned that the failure to upgrade the software could result in the loss of data or an inability at a future date to access necessary computer files.

VA Department of Taxation: The Committee accepts the auditor's determination.

Staff Bonuses: The committee paid bonuses totaling \$17,500 to three of its campaign personnel: Janet Fallon (Director of Scheduling), Terry Jeffrey (Research Director) and Greg Mueller (Press Secretary). The bonuses were paid in January 1993. Before approving the bonuses, the Committee consulted the audit staff and received an affirmative response to the question of issuing staff bonuses. The committee believes these to be qualified campaign expenses.

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ATTACHMENT 5
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Exhibit #10

March 28, 1994

Mr. John C. Martin
Patton, Boggs & Blow
2550 M Street, N.W.
Washington, D.C. 20037

Mr. Jeffrey A. Robinson
Counsel to Buchanan for President, Inc
2010 Main Street, Suite 400
Irvine, California 92714

Dear Sirs:

We have been engaged to report on the appropriate application of generally accepted accounting principles to the specific transaction described below. This report is being issued to the Buchanan for President, Inc. (the Committee) for assistance in evaluating accounting principles for the described specific transaction. Our engagement has been conducted in accordance with standards established by the American Institute of Certified Public Accountants.

Description of Transaction:

The facts, circumstances, and assumptions relevant to the specific transaction as provided to us by the Campaign are as follows:

Candidate Pat Buchanan was determined to be eligible to receive matching funds from the Federal Elections Commission (FEC) on January 27, 1992. For matching fund purposes, the FEC determined Mr. Buchanan's candidacy ended on August 20, 1992, the date the Republican Party nominated its candidate for President of the United States.

Section 9034.5(a) of Title 11 of the Code of Federal Regulations requires that within fifteen days after 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.

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Mr. John C. Martin
Mr. Jeffrey A. Robinson
March 28, 1994
Page 2

The Committee filed NOCO statements on a monthly basis with the FEC from October 1, 1992 through January 1, 1993, with the supporting wind down budgets. These budgets included estimates by the Committee's management of the cost that will be incurred to wind down the campaign operations.

Management was responsible for making the accounting estimates included in the aforementioned budgets and reports. The estimates were based on subjective, as well as objective factors and, as a result, judgment was required to estimate an amount at the date of each NOCO statement filing and budget submission. Management's judgment was based on its knowledge and experience about past and current events and its assumptions about conditions it expects to exist and courses of action it expects to take in the future.

These wind down budgets are estimates which were modified by management as time passed based upon new information. This resulted in a change to the original estimates. This change in estimate has been presented, by the Committee, on a prospective basis.

The FEC restated in its report dated December 20, 1993, the estimated close down expenses as of August 20, 1992 by using the sum of the actual expenses paid through March 31, 1993 and a new estimate of the remaining wind down costs.

Appropriate Accounting Principles:

According to the Handbook of Accounting and Auditing, Second Edition, an estimate is defined as follows:

A non-exact measurement used to assign an amount to the effects of business transactions and events. Estimates resting on expectations of the future are often needed, but their major use, especially of those formally incorporated in financial statements, is to measure financial effects of past transactions or events or the present status of an asset or liability.

According to APB Opinion No. 20, "Accounting Changes":

A change in an estimate should not be accounted for by restating amounts reported in financial statements of prior periods or by reporting pro forma amounts for prior periods.

The ultimate responsibility for the appropriate application of generally accepted accounting principles for an actual transaction rests with the preparers (the Committee) of

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Mr. John C. Martin
Mr. Jeffrey A. Robinson
March 28, 1994
Page 3

financial statements. Our judgment on the appropriate application of generally accepted accounting principles for the described specific transaction is based solely on the facts provided to us as described above; should these facts and circumstances differ, our conclusion may change.

Conclusion:

In summary, generally accepted accounting principles state that estimates are prepared by management based on information known at the time of preparation. Revisions to such estimates are prepared on an ongoing basis as new or additional information is obtained. Adjustments to amounts recorded based on the estimates are current period adjustments and do not entail restating amounts reported in prior periods. A restatement of the Committee's estimated close down expenses at August 1992, using information available to the FEC at March 1993, would not be in accordance with generally accepted accounting principles.

Yours truly,

Deloitte + Touche

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Exhibit 11 p 142

Buchanan for President Press Billing Administrative Costs

ATTACHMENT 5
Page 56 of 58

	Feb-92	Mar-92	Apr-92	May-92	Jun-92	Jul-92	Aug-92	Sep-92	Oct-92	Nov-92	Dec-92	Totals
Staff Costs												
Scott Mackenzie Treasurer	\$1,200 20%	\$1,200 20%	\$1,200 20%	\$300 5%	\$500 5%	\$2,000 20%	\$1,000 10%	\$500 5%	\$500 5%	\$500 5%	\$500 5%	\$9,400
Jamie Burke Dpty Treasurer	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$250 10%	\$125 5%	\$125 5%	\$125 5%	\$625
Janet Fallon Scheduler	\$1,318 50%	\$1,318 50%	\$395 15%	\$264 10%	\$132 5%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$3,427
David Morse Admin Asst.	\$600 50%	\$600 50%	\$180 15%	\$120 10%	\$60 5%	\$1,403 85%	\$1,615 85%	\$1,573 85%	\$0 0%	\$0 0%	\$0 0%	\$6,150
Amy Gates Treas. Asst	\$0 0%	\$900 75%	\$598 75%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$1,498
Charlie Douglas Tour Plane	\$0 0%	\$1,050 100%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$1,050
Payroll Burden (9.5%)	\$182	\$367	\$111	\$36	\$18	\$133	\$153	\$173	\$12	\$12	\$12	\$1,211
Staff Totals	\$3,300	\$5,435	\$2,484	\$720	\$710	\$3,536	\$2,768	\$2,496	\$637	\$637	\$637	\$23,360

Exhibit 11

Page

Buchanan for President Press Billings

	Committee	FEC
--	-----------	-----

Amount Due To/From Press:

Net Press Travel Costs		\$186,544.22		\$186,544.22
Administration Mark-up	10%	<u>\$18,654.42</u>	10%	<u>\$18,654.42</u>
Travel Costs plus Mark-up		\$205,198.64		\$205,198.64
Other Costs - Credit Card Fees		<u>\$8,426.00</u>		<u>\$0.00</u>
Total Press Costs w/ Mark-up		\$213,624.64		\$205,198.64
Less: Amount Collected from Press		<u>(\$211,481.73)</u>		<u>(\$211,481.73)</u>
Amount Under/(Over) Billed		<u><u>\$2,142.91</u></u>		<u><u>(\$6,283.09)</u></u>

Administrative Costs:

Net Press Travel Costs		\$186,544.22		\$186,544.22
Administration Mark-up	Actual	<u>\$23,360.00</u>	3%	<u>\$5,596.33</u>
Travel Costs plus Mark-up		\$209,904.22		\$192,140.55
Other Costs - Credit Card Fees		<u>\$8,426.00</u>		<u>\$8,426.00</u>
Total Press Costs w/ Mark-up		\$218,330.22		\$200,566.55
Less: Travel Costs plus Mark-up		<u>(\$205,198.64)</u>		<u>(\$205,198.64)</u>
Amount Under/(Over) Billed		<u><u>\$13,131.58</u></u>		<u><u>(\$4,632.10)</u></u>

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BUCHANAN FOR PRESIDENT
Contribution Account - Refunds

Encl. #12

Date	Chk #	Payee	Amount	Cleared	Reissued	Outstanding	Status
5/24/93	1191	Nosko Ins. Agency, Inc.	\$25.00	\$25.00	\$0.00	\$0.00	Cleared
5/24/93	1192	- Void -	\$0.00	\$0.00	\$0.00	\$0.00	void
5/24/93	1193	Bill Coats, Ltd.	\$25.00	\$25.00	\$0.00	\$0.00	Cleared
5/24/93	1194	R.E. Bourke Assoc., Inc.	\$35.00	\$0.00	\$0.00	\$35.00	o/s
5/24/93	1195	Casey's Corner, Inc	\$100.00	\$100.00	\$0.00	\$0.00	Cleared
5/24/93	1196	- Void -	\$0.00	\$0.00	\$0.00	\$0.00	void
5/24/93	1197	Schindler Spring Co., Inc.	\$35.00	\$35.00	\$0.00	\$0.00	Cleared
5/24/93	1198	- Void -	\$0.00	\$0.00	\$0.00	\$0.00	void
5/24/93	1199	Stanley Weston, MD, Inc.	\$100.00	\$0.00	\$0.00	\$100.00	o/s
5/24/93	1200	Engineered Data Products, Inc.	\$51.00	\$51.00	\$0.00	\$0.00	Cleared
5/24/93	1201	Robert L. Deal Co., Inc.	\$10.00	\$10.00	\$0.00	\$0.00	Cleared
5/24/93	1202	Nelle Bruce	\$25.00	\$25.00	\$0.00	\$0.00	Cleared
5/24/93	1203	Fraley, Earl	\$15.00	\$0.00	\$0.00	\$15.00	o/s
5/24/93	1204	Judge, Evelyn K.S.	\$25.00	\$25.00	\$0.00	\$0.00	Cleared
5/24/93	1205	KLMG, Inc.	\$50.00	\$0.00	\$0.00	\$50.00	o/s
5/24/93	1206	Robert Christiansen, DDS, Inc.	\$15.00	\$15.00	\$0.00	\$0.00	Cleared
5/24/93	1207	Sanchez Associates, Inc.	\$100.00	\$100.00	\$0.00	\$0.00	Cleared
Totals			\$611.00	\$411.00	\$0.00	\$200.00	

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

AK005990

February 14, 1995

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: ANALYSIS OF THE COMMITTEE'S RESPONSE TO THE FINAL
AUDIT REPORT ON BUCHANAN FOR PRESIDENT
(LRA #441/AR#98-33)

As requested by your memorandum, dated December 20, 1994, the Audit staff has reviewed the response to the Final Audit Report (FAR) submitted by the Buchanan for President Committee (Committee) on December 15, 1994. Our analysis of these documents is presented below. In addition, the Audit staff has attached a revised NOCO Statement based on the Committee's response and disclosure reports filed to date (see Attachment 1).

The Committee's response addresses the following matters as presented in the FAR^{1/}:

- Receipt of Matching Funds in Excess of Entitlement (Finding III.D.);

1/ The Committee stated in its response, it agreed to pay \$8,166 for unresolved prohibited contributions (Finding II.A.), \$53,759 for excessive contributions (Finding II.B.), \$2,959 for overpayment to Janet Fallon (Finding III.B.2.), \$2,073 for non-qualified campaign expenses-other (Finding III.B.3.) and \$200 of the \$611 in Stale Dated Checks (Finding III.F.). No payment was received with the Committee's response to the FAR.

ATTACHMENT 6

- ° Apparent Non-Qualified Campaign Expenses in regard to Patrick J. Buchanan (Finding III.B.1.), Fundraising and Other Expenses (Finding III.B.3.), Press Billings (Finding III.E.) and Stale Dated Checks (Finding III.F.); and
- ° Apparent Excessive Contributions from Staff Advances (Finding II.B.2.).

A. Receipt of Matching Funds in Excess of Entitlement-Finding III.D.

The Committee's response presents several arguments as to why no repayment is due. First, the Committee asserts that its analysis of actual costs incurred and projected exceed the Audit staff's projections. Specifically, the Committee objects to the Audit staff's use of revised winding down estimates provided by the Committee and adjusted by the Audit staff. The Committee asserts it incurred expenses beyond its estimates and projects winding down cost from October 1, 1994 through December 31, 1996 totaling \$500,000. However, the Audit staff analysis indicates that with the exception of legal costs, the estimates in the FAR were close to the reported actual expenses through September 30, 1994.^{2/}

An affidavit by Angela Buchanan^{3/}, stated that she had several meetings with the Audit staff and based on these meetings, she was never told that the Committee had received matching funds in excess of its entitlement, and she was lead to believe that the FEC was unlikely to take material action with respect to the Committee and thus did not anticipate significant expenditures for legal and accounting services. Based upon the above, Ms. Buchanan provided the auditors with what the Committee's response claims was an "informal budget memo" and a "best guess" of winding down costs.

This argument is not persuasive. The Audit staff met with Ms. Buchanan on February 12, 1993 when she requested that she be brought up-to-date on the status of the audit. At this meeting she was informed of the excessive entitlement

2/ The Audit staff made the following changes to the NOCO statement based on the Committee's response to the FAR. We replaced estimated wind down expenses (\$445,000) with expenses incurred through 9/30/94 (\$467,498), increased accounts receivable by \$4,559, reduced the amount due the U.S. Treasury for press travel from \$4,632 to -0- and added legal and other fees through 6/30/95 totaling \$120,000. See Attachment 1 for the updated NOCO statement.

3/ Ms. Buchanan assumed the duties of treasurer on March 1, 1993.

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finding. This was approximately one month before she gave the Audit staff her budget memo. This revised winding down estimate was formally requested by the Audit staff after the Committee changed treasurers and in light of the Commission's refusal to certify a matching fund payment due to inflated wind down estimates. What was given to the Audit staff was a memo that stated that the winding down costs were re-calculated by the Committee. Therefore, the winding down estimates were re-calculated after Ms. Buchanan was informed of the excess of entitlement response, after the Committee was informed that its last matching fund request was rejected because of its inflated winding down estimates, and in response to the Audit staff's formal request of an updated winding down estimate after the Committee changed treasurers.

The Committee's second argument contends that it will incur winding down expenses totaling \$500,000 from the period of 10/1/94 through 12/31/96. Three hundred eighty five thousand of the \$500,000 are for legal fees. In a memorandum provided by the Committee's Counsel, the legal fees are for completion of audit proceedings to include the oral argument before the Commission of the Final Report (\$80,000), representation with MUR's (\$80,000), representation in connection with an appeal to the Court of Appeals (\$75,000), representation in connection with de novo proceeding in the District Court of the District of Columbia (\$100,000 - \$200,000).

It is the opinion of the Audit staff, these winding down estimates are inflated. For instance, only three matters in the FAR have been referred to the Office of General Counsel and the Committee has conceded two of these matters.^{4/} Thus, it is reasonable to assume that the Committee won't incur significant costs for MUR proceedings. Further, the sums for the District Court proceeding are speculative at this point. In addition, the memorandum submitted by the Committee's law firm states that "... a multitude of factors could increase or decrease the actual costs of the administrative proceedings and litigation; hence we do not have great confidence in the estimates even if all of the proceedings are necessary." Therefore, the legal expenses could be lower for any category. Also, if the Commission were to accept the position of the Committee, there would be little justification for leaving any legal

^{4/} The matters that were referred to the Office of General Counsel, in a memorandum dated October 28, 1994, are Staff Advances, Apparent Unresolved Prohibited Contributions and Apparent Unresolved Excessive Contributions. The Committee's response to the Final Report accepts the Audits Staff's findings for both the Apparent Unresolved Prohibited and Excessive Contributions.

expenses on the NOCO because the Committee would not have to litigate any of the issues which remain to be resolved in the FAR. In that case, the legal fees presumably would not be incurred and a repayment would again be necessary.

The Audit staff does believe that \$80,000^{5/} for the completion of audit proceedings thorough oral arguments and any other FECA matters is a reasonable estimate and has added this amount to the NOCO statement (see Attachment 1).

The remaining projected winding down costs submitted by the Committee's response totaling \$115,000 consist of accounting and compliance costs and administrative expenses through December 31, 1996. The Audit staff believes the issues discussed in the FAR will be resolved by June 30, 1995. Hence, we have pro-rated the costs through June 30, 1995 and have included an adjusted amount on the NOCO Statement (see Attachment 1). In addition, the Audit staff has reviewed actual costs incurred through September 30, 1994 and revised the NOCO statement to reflect the costs that the Audit staff considers to be qualified campaign expenses (see Attachment 1).

The Committee's third argument states that the Commission cannot retroactively invalidate its acceptance of the NOCO statements on the basis of a post hoc revision of its estimates. The Committee's response goes on to state that the Audit staff has no authority to review the Committee's estimates and adjust them when appropriate. The Committee apparently, believes that its winding down estimates accompanying the matching fund submissions cannot be adjusted because they were approved by the Commission during the matching fund process. This argument is incorrect. NOCO statements that are submitted with matching funds are not audited by the Commission until after the fact thereby allowing for timely payment to the candidates. Only in the most egregious cases such as the Committee's final matching fund submission, are unaudited NOCO statements challenged. Thus, the regulations clearly provide for adjustments either based on changes in the figures by the Candidate or based on the Commission audit.

In addition, as stated in the FAR on page 35, the Commission's regulations at 11 CFR §9038.2(b)(1) state that one basis upon which the Commission may conclude that a Candidate received matching funds in excess of entitlement is a situation where payments are certified after the date of ineligibility and it is later determined that the Candidate had no Net Outstanding Campaign Obligations. This is

5/ The memorandum from the Committee's lawyers states that \$36,417 have been incurred through November 1994 entailing the response to the FAR.

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precisely what occurred in this situation. Furthermore, a recent opinion by the U.S. Court of Appeals for the District of Columbia in Lyndon H. LaRouche and LaRouche Democratic Campaign '88 v. Federal Election Commission concluded that once a candidate had past the date of ineligibility the provisions of 11 CFR §9034.1 are applicable and consistent with the statutory scheme.

The Committee's fourth argument, states that the Audit staff's retroactive revision to the NOCO statements is inconsistent with generally accepted accounting principles. Again this is not persuasive. This argument was presented in the Committee's response to the Interim Audit Report. The Audit staff's analysis can be found on page 36 of the FAR.

The Committee's fifth argument, the repayment of matching funds is not due until the winding down is completed, is not correct. The Audit staff has made appropriate adjustments to the NOCO statement and carried forward to what we believe are reasonable estimates for the completion of the issues discussed in the FAR. If the Commission does not attempt to estimate a reasonable time and wind down amount, Committee's could be encouraged to continue the wind down process until all Federal funds are expended. In the case at hand, of the \$500,000 in winding down costs, \$475,000 or 95% are for either legal fees or accounting and compliance fees. Therefore, what remains to be paid are not campaign vendors but professionals for their services where, in most cases, the services have not yet been rendered and the need for which is highly speculative. It is also noted that in the 1992 election cycle, only one primary campaign, Clinton for President, incurred more in wind down costs than Buchanan for President.^{6/} Thus, it is the opinion of the Audit staff that since winding down estimates have been carried forward to September 30, 1994, the date of the last available disclosure reports, and since reasonable estimates have been made for future winding down costs, no other adjustments to the NOCO statement are necessary.

Regardless of the Committee's arguments, balances appearing on the NOCO statements, particularly those prepared shortly after the candidate's date of ineligibility are expected to vary significantly from actual expenditures. These estimates are only as good as a campaign's knowledge of future events. As the wind down period proceeds and better information becomes available, refined estimates are made or

6/ Based on each Committee's audited NOCO statement, Clinton for President will incur 3.14 million dollars in wind down costs through 7/15/95 and Buchanan for President Committee will incur 1.85 million dollars in wind down costs through 6/30/95.

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estimates are replaced with actual expenditures. Repayment amounts, if any, are adjusted accordingly. Disputing the accuracy of the original estimates at this stage of the process accomplishes nothing.

In summary, the effect of the Committee's response is to decrease the amount repayable to the U.S. Treasury to \$399,521 based upon the adjustments the Audit staff has made to the NOCO statement. The chart below details the remaining repayment now due from the Committee:

Net Outstanding Campaign Obligations (Deficit) (\$1,957,012)

Amounts received
8/21/92 -11/3/92
Private contributions 749,482
Matching Funds 1,022,591

11/4/92 - 12/2/92
Private contributions 19,760
Matching Funds 12/2/92 412,917

Amount received in excess of Entitlement on 12/2/92 247,738

Matching Funds received on 1/2/93 151,783

Total Matching Funds received in Excess of entitlement \$399,521

B. Fundraising and Other Non-Qualified Campaign Expenses-Finding III.B.3.

The Committee's response states that it is obligated to pay only \$2,073 (rounded) in non-qualified campaign expenditures. The Committee submitted no documentation to support this claim but stated "it disagrees with the Audit staff's analysis of our arguments presented in the FAR". See pages 26 through 31 of the FAR for the Audit staff's analysis of the this issue.

Part of the Committee's response states that it documented the expenses in detail and referred to two exhibits presented in its response to the Interim Audit Report. These exhibits provide only brief descriptions of what the expense was for. The Committee has not provided any additional evidence that would justify the expenditures in question are qualified campaign expenses. Further, the

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Committee contends that certain expenses which were incurred during the wind down period were justified but it did not present any documentation to support this claim. Neither of these responses is persuasive.

Finally, The Committee response asserts that fundraising expenses were incurred during a period in which the Committee was in a deficit position and, therefore, are qualified campaign expenses. This assertion is based on the Committee's use of its inflated winding down estimates and excluding the amount shown as receivable from the Candidate which, if allowed, would put the Committee in a deficit position through December 31, 1996. Based on the Audit staff's analysis of winding down costs discussed above, we are using lower estimates which in our opinion are reasonable. Therefore, with the adjustments made to the NOCO statement, this caused the date on which the Committee's accounts no longer contained Federal funds to become January 5, 1993. This caused more non-qualified campaign expenses to be included in a prorated repayment amount. Thus, the total amount payable to the U.S. Treasury is \$8,261.

C. Non-Qualified Campaign Expenses-Patrick Buchanan-Finding III.B.1.

The Committee's response states the payment made to the Candidate should be considered a qualified campaign expense. This issue is essentially the same response as was presented by the Committee in its response to the Interim Audit Report. The Audit staff's analysis can be found on pages 21 through 24 of the FAR and in your legal analysis dated July 18, 1994. No changes to the FAR are necessary.

D. Press Billings-Finding III.E.

The Committee's response presents two arguments. First the Committee contends it had incurred an additional amount of \$8,426 for which it sought no reimbursement which represents a hold-back charge on credit card payments by members of the press corps. These costs represent the fee charged for processing the Committee's transactions. Such expenses are clearly an administrative cost that the Committee has incurred and are treated as such by the Audit staff. As noted in the FAR, the Audit staff has taken these costs into consideration and, therefore, no adjustments to the FAR is warranted. It should be noted that the Committee presented the \$8,426 as additional direct costs in its response to the Interim Audit Report. Now, the Committee has subtracted this amount from the total revenue collected to arrive at its conclusion in response to the FAR. Nonetheless, the Committee's argument is not persuasive. The

credit card fees are administrative costs and have been treated as such by the Audit staff. Thus, no changes are needed and the Committee still owes \$6,283 to various press organizations.

The Committee's second argument in regard to the Press Billings, is that it provided adequate documentation in administrative costs associated with press billings and that a repayment to the U.S. Treasury in the amount of \$4,632 is not necessary. The Committee provided an affidavit from the deputy to the treasurer which detailed her duties and provided an approximate percentage of her time spent on the press billings. In addition, the former treasurer also provided an affidavit of his duties and an approximate amount of time spent on the press billings. Upon review of this information, the Audit staff believes that the over head costs are adequately documented and that no repayment to the U.S. Treasury is necessary. This amount has been eliminated as a payable on the NOCO statement (see Attachment 1).

E. Excessive Contributions Resulting From Staff Advances-Finding II.B.2.

Although this issue has no repayment implications, the Committee made several arguments its response to the FAR. First, the Committee contends that the \$1,000 contribution allowance was not accounted for in the Audit staff's calculations. This is incorrect. This allowance is automatically adjusted for in the calculations presented in the FAR.

The second argument is that the Audit staff should have included the \$1,000 travel exemption for Janet Fallon even though she did not travel and the expenses incurred by her were for the travel of others. This argument is not persuasive. The individual did not travel, with the possible exception of a trip to the Republican National Convention at a point in time after the amount presented in the FAR was determined and is, therefore, not entitled to the \$1,000 travel exemption.

The third argument states that the Audit staff incorrectly calculated the outstanding period from the date the advance was incurred rather than the date on which the charge was due from the candidate. The Committee contends that payments made from credit cards should have been calculated from the statement date not the date incurred. The Committee stated it has the records available for review but submitted nothing. The Audit staff did use the credit card statements when available and relevant. Thus, this argument is not persuasive.

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The fourth argument states that the advances should be treated like any other advances pursuant to 11 CFR §103.3(b)(3). This is the same argument as presented in the FAR. See page 18 of the FAR for the Audit staff's analysis of this issue.

In addition to the above arguments, the Committee has presented in the FAR a staff advance analysis for each individual in question. For several of the analyses, the Committee has reordered the expenses and put them in a date due order. The date due order is calculated from the date the expense was incurred plus a number of days until the expense becomes a contribution and applies reimbursements to the oldest outstanding contributions rather than the oldest outstanding expense as in the Audit staff's analysis.

The Audit staff takes issue with performing the analysis in the date due order for several reasons. First, a reimbursement is due when it is incurred not when it becomes a contribution. Second, the Audit staff has consistently used a Commission approved guideline and believes no adjustments are needed in the calculations.

In addition to the above arguments, the Committee has addressed each individual separately in its response. For Janet Fallon, the Committee contends that the Audit staff has used "bad data" apparently because of expenses submitted by Ms. Fallon which have been categorized as non-qualified campaign expenses. The Committee submitted no documentation to support its claim. The Audit staff has already made adjustments in the FAR. Absent any additional evidence submitted by the Committee, no adjustments need to be made.

For Paul Erickson, the Committee arranged the expenses in a due date order. As stated above, the Audit staff does not agree with this analysis, thus, no adjustments are necessary.

Finally, for the Candidate, the Committee contends that an additional travel exception should apply because the candidate's wife traveled with him and the Committee had arranged the analysis in a due date order. These assertions are not persuasive for several reasons. First, all of the expenses were charged on the Candidate's personal credit card. Second, the regulations at 11 CFR §100.7(b)(8) are only for the individual incurring the expenses and, finally, the Audit staff does not accept the Committee's analysis based on the due date. Thus, no adjustments need to be made.

In summary, the Committee's argument for the staff advances are not persuasive and no changes need to be made to the Audit staff's analysis.

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F. Stale Dated Checks-Finding III.F.

The Committee's response is the same as it was in the FAR. See the FAR at page 41 for the Audit staff's analysis. The Committee has agreed to repay \$200 of the \$611 in question but has failed to submit negotiate check copies (Front and Back) for our review. In a conversation with the former Treasurer on January 10, 1995 regarding this issue, he stated that he was not able to locate the negotiated checks and will have to order them from the Committee's bank account. Because of the lack of negotiated checks submitted by the Committee, the Audit staff maintains our position that no change to the FAR is necessary.

H. Recap of Amount Due the United States Treasury-Based on the Committee's Response to the Final Audit Report

<u>Topic</u>	<u>Repayment Amounts</u>
Prohibited Contributions	\$8,166
Excessive Contributions	53,759
Non-Qualified Campaign Expenses	28,336
Matching Funds Received in Excess of Entitlement	399,521
Stale dated Checks	<u>611</u>
Total Due U.S. Treasury	<u>\$490,393</u>

Should you have any question, please contact Joe Stoltz or Tom Hunter at 219-3720.

Attachment as stated

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BUCHANAN FOR PRESIDENT
STATEMENT OF NET OUTSTANDING CAMPAIGN OBLIGATIONS
AS OF AUGUST 20, 1992
(Determined at September 30, 1994)

Cash on Hand	\$380,404	
Accounts Receivable	169,635	a/
Janet Fallon Account Receivable	8,645	b/c/
Patrick Buchanan Account Receivable	50,000	b/
Deposits and Prepayments	13,574	d/
Capital Assets	<u>29,294</u>	
TOTAL ASSETS		\$651,552
<u>OBLIGATIONS</u>		
Accounts Payable for Qualified Campaign Expenses (8/21/92 to 3/31/93)	676,107	
Accounts Payable (3/31/93) Payable to the Press	10,000 6,283	
Accounts Payable to the Treasury: Excessive Contributions	53,759	
Prohibited Contributions	8,166	
Press Travel	-0-	e/
Winding Down Costs (8/20/92 - 6/30/95) Actual Expenses Paid 8/20/92 - 3/31/93	1,266,751	f/
Winding Down Expenses reported by the Committee on its disclosure reports 4/1/93 - 9/30/94	467,498	f/g/
Estimated Winding Down Costs 10/1/94 - 6/30/95		
1) Legal Fees	\$80,000	
2) Administrative, accounting and compliance fees	40,000	120,000 h/
TOTAL OBLIGATIONS		\$2,608,564
NOCO (DEFICIT)/SURPLUS		<u>(\$1,957,012)</u>

Footnotes to the NOCO Statement

a/ The Audit staff has added \$7,763 to the accounts receivable number. This is the result of the Committee's receipt of reimbursement of non-qualified campaign expenses (\$1003), and the reporting of additional accounts receivable in the July 1993 quarterly report (\$999), April 1994 quarterly report (\$1,202) and October 15th 1994 quarterly report (\$4,559).

b/ Absent recovery from Ms. Fallon and Mr. Buchanan (see Finding III.B.) these amounts will be considered non-qualified campaign expenses and a pro rata repayment to the Treasury will be requested in the amount of \$20,075 [(\$8,645 + \$50,000) x .342317]. The Committee disagrees that the \$50,000 is due from the Candidate. In response to the FAR, the Committee agreed to pay \$2,959 to the U.S. Treasury for Ms. Fallon's expenses which were submitted twice or paid by other individuals. No payment was submitted with the Committee's response.

c/ Ms. Fallon received erroneous payments for reimbursed expenses totaling \$8,645. These result from bills being submitted twice, submission of bills which were paid by other individuals and the submission for reimbursement for a hotel room billed to the U.S. Secret Service.

d/ The deposit and prepayment number was reduced by \$505. This resulted from the Committee reporting in the April 1994 disclosure report a receipt of a deposit refund less than the amount of the initial deposit.

e/ In response to the FAR, the Committee has provided adequate documentation to support that administrative charges were incurred for its press billing operations. Thus, no repayment is being sought.

f/ This excludes fundraising expenses totaling \$11,020 which were incurred after the Committee had reached a financial position where funds were sufficient to pay all qualified campaign expenses and winding down costs. This also excludes \$37,022 in non-qualified campaign expenses which are not considered winding down costs and were paid after the Candidate's date of ineligibility. See Findings III.B and D. of the FAR. We have also excluded undocumented expenses totaling \$10,622. In the Committee's response to the Interim Audit Report the undocumented expenses were addressed by stating that the Committee disagreed and that documentation was available for review in the Committee's offices. Nothing was submitted.

g/ The Audit staff reviewed the Committee's disclosure reports and adjusted the amounts to include only qualified campaign expenses. During the review, we noted 3 payments totaling \$8,796 which appear to have been incurred for non-qualified campaign expenses and have not included as winding down expenses on the NOCO statement.

h/ Since estimates were used in computing this amount, the Audit staff will review the Committee's disclosure reports and records to compare the actual figures with the estimates and prepare adjustments as necessary. The legal fees are from a memorandum submitted by the Committee's Counsel for the preparation of the response to the FAR and its preparation of oral arguments. The administrative, accounting and compliance fees were totaled and pro-rated by month by the Audit staff.

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UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

ORAL PRESENTATION:)
) Agenda Document 95-22
BUCHANAN FOR PRESIDENT, INC.) LRA No. 441
COMMITTEE)

Thursday,
March 2, 1995

Federal Election Commission
999 E Street, N.W.
Washington, D.C.

The above-entitled matter came on for hearing,
pursuant to notice, at 2:00 p.m.

MEMBERS PRESENT:

DANNY LEE MCDONALD, Chairman
LEE ANN ELLIOTT, Vice-Chairman
JOAN D. AIKENS
JOHN WARREN MCGARRY
TREVOR POTTER
SCOTT E. THOMAS

COMMISSION STAFF:

JOHN C. SURINA, Staff Director
LAWRENCE M. NOBLE, General Counsel
JANE WHANG, Office of General Counsel
ROBERT COSTA, Audit Division
WILLIAM STOLTZ, Audit Division

ON BEHALF OF THE BUCHANAN FOR PRESIDENT, INC. COMMITTEE:

ANGELA BAY BUCHANAN
SCOTT MACKENZIE
JOHN MARTIN, ESQ.

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P R O C E E D I N G S

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CHAIRMAN MCDONALD: Good afternoon. The afternoon session of the Federal Election Commission on March 2nd will come to order. I was stalling a moment or two because I am looking for a couple of my colleagues, but I think I will proceed because our guests are here and are ready. I will make just a very brief comment, if I may, to kind of outline where we are. As slow as I talk, surely my two colleagues will be here by then.

This is a special open meeting of the Federal Election Commission, and our agenda this afternoon is an oral presentation by the Buchanan for President, Inc. Committee. The Committee has requested this opportunity to address the Commission in open session concerning the Commission's initial repayment determination contained in its final audit report approved on October 11, 1994. In the final audit report, the Commission made an initial determination that the Committee must repay \$557,978 to the United States Treasury. This amount includes repayments of, one, \$17,116, which represents the matching funds portion of the \$50,000 in apparent non-qualified campaign expenses to the candidate; second is \$2,959 representing the matching funds portion of \$8,645 in non-qualified campaign expenses to staff member Janet Fallon; and third, \$5,076 representing

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1 the matching fund portion of \$14,827 in non-qualified
2 fundraising and miscellaneous expenses. It also includes
3 the repayment of \$532,827 for matching funds received in
4 excess of the Committee's entitlement.

5 The Committee responded to the initial repayment
6 determination on December 14, 1994. The audit division's
7 analysis of the Committee's response would reduce the
8 Committee's initial determination of funds received in
9 excess of entitlement to \$399,521 and would increase the
10 amount of non-qualified campaign expenses to \$28,336. Thus,
11 the total repayment amount would be reduced to \$427,857.

12 The sole purpose of the meeting today is to give
13 the Committee an opportunity to address this Commission.
14 This is not an adversarial or trial-like hearing. The
15 Committee has 30 minutes and certainly if it needs more, it
16 can have more to make its initial remarks. At the
17 conclusion of the Committee's presentation, each
18 commissioner will have an opportunity to ask questions and
19 then I'll ask the General Counsel and the audit division if
20 they would like to do the same.

21 After this hearing, the Committee will have five
22 days to submit additional materials to the Commission for
23 consideration, and the Commission will then make a final
24 determination and issue a statement of reasons in support of
25 that determination. Today, we have here John Martin,

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1 representing the Committee; Angela Bay Buchanan; and Scott
2 MacKenzie. We're glad you all are here; please proceed. As
3 I say, you have 30 minutes. If you would like longer, you
4 can certainly have that as well. Welcome.

5 MR. MARTIN: Thank you, Mr. Chairman.

6 First, I'd like to express our appreciation to the
7 Commission and to the other members who work here for the
8 FEC and all of their cooperative attitude that they've shown
9 to the Committee so far. As you mentioned, Mr. Chairman, I
10 have with me today Ms. Angela Buchanan and Scott MacKenzie
11 to participate in our presentation today. Ms. Buchanan is
12 the present chair and the present treasurer of the
13 Committee. Mr. MacKenzie is the past treasurer and is
14 serving as a consultant to the Committee at the present
15 time.

16 We intend to confine our remarks to two different
17 issues. The first issue, of course, is the matching funds
18 issue, and the second issue is the candidate loan issue. In
19 the course of our presentation today, I'd very much welcome
20 the questions. If there's a point in time when you have a
21 question about something that we're presenting, we'd be more
22 than pleased to respond to the question.

23 CHAIRMAN MCDONALD: John, I apologize for
24 interrupting you. I think what the staff director's going
25 to try to do is to fix your microphone just a little bit so

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ATTACHMENT 7
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1 they can pick you up a little better.

2 MR. MARTIN: Thank you.

3 CHAIRMAN MCDONALD: Thank you.

4 MR. MARTIN: Can you hear me now?

5 CHAIRMAN MCDONALD: Thanks.

6 MR. MARTIN: So we'd very much appreciate any
7 questions that you might have, so that we can perhaps
8 clarify things as we go.

9 As I said, the first issue is the matching funds
10 issue. There are a number of places where I think we and
11 the audit division actually agree, and perhaps the starting
12 point is the February 14th memorandum that the audit

13 division prepared for this proceeding. There is a place on
14 pages 5 and 6 of that memorandum where the audit division
15 points out, and I'll quote: "Estimates are only as good as
16 a campaign's knowledge of future events. As the wind-down
17 period proceeds and better information becomes available,
18 refined estimates are made or estimates are replaced with
19 actual expenditures. Repayment amounts, if any, are
20 adjusted accordingly."

21 Disputing the accuracy of the original estimates
22 at this stage of the process accomplishes nothing, and
23 indeed, there are a number of estimates that we have been
24 dealing with in this process. I think the first chart that
25 we have is something that, perhaps, ought to be the starting

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1 point in terms of our analysis of some of the estimates that
2 we have dealt with. Can everybody see this chart? Perhaps
3 we ought to move it here a little bit.

4 CHAIRMAN MCDONALD: I am forever grateful that you
5 made it big enough that even I can see it. This is
6 encouraging.

7 MR. MARTIN: Let me see if I can explain some of
8 what's on this chart. First, if you'll notice here in the
9 blue bar on the far left side, there is an account of the
10 Committee's NOCO budget. And as you can see, the
11 Committee's NOCO budget is roughly million dollars. Now
12 that, of course, is for that period beginning in 1993 to
13 what we estimated would be the end of the process. By
14 contrast the audit staff, in March of 1993, devised its
15 budget for the same period, and the expenses that they
16 anticipated for the entire wind-down was \$445,000. The
17 middle bar here illustrates the actual spending: roughly
18 \$700,000, approximately 70 percent of the original estimate.
19 And this, by the way, is actual spending through the end of
20 1994. As I say, roughly 70 percent of the \$1 million that
21 we estimated in the first place and approaching two times
22 the estimate of the audit staff.

23 Those are some of the initial estimates that I
24 think are perhaps a useful beginning point for our analysis.
25 Given those estimates, what I would like to do is frame the

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1 issue and, Mr. Chairman, as you described, we now have a
2 final audit report. That final audit report indicates that
3 roughly \$532,000 ought to be repaid by way of excess
4 matching funds. The audit staff more recently, on February
5 14th, revised its estimate, reduced that number by
6 approximately \$132,000, so that at this point in time the
7 audit staff's position is that the Campaign owes roughly
8 \$400,000 by way of excess matching funds that the Campaign
9 Committee allegedly received.

10 Of course, the audit staff's position, even at
11 this point in time, is based upon an estimate. Our position
12 is based upon a different estimate. We're the first to
13 recognize that that's all it is. Nobody can conclusively
14 say, at this point in time, what the real numbers are. And
15 for that reason, it's the position of the Committee that
16 before a repayment determination can be made, we should
17 complete the wind-down process so that one will know
18 precisely how much money is owed by way of back matching
19 funds.

20 There are some other things that we agree upon.
21 Lori, if we could have the next chart?

22 One of the things that I think is apparent at this
23 time is how much money has been spent by the Committee over
24 the course of time. Using numbers that were apparent from
25 the quarterly reports submitted by the Committee, the audit

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1 division has recognized how much money has been expended up
2 through September of 1994, i.e. the third quarter of 1994.
3 The audit division took those numbers, analyzed them,
4 considered what was necessary for the future of the wind-
5 down, and then devised an estimate for completion of the
6 wind-down. There are, of course, differences between
7 ourselves and the audit division at this point in time, and
8 more precisely, we have differences in terms of what we
9 project as the potential cost of the wind-down from what the
10 audit division projects.

11 I'd like to, if I may, go through some of those
12 numbers. As things stand right now, the audit staff has
13 suggested that roughly \$120,000 will be necessary to
14 complete the wind-down. Now I should be a bit more precise
15 here, because that figure is based upon the period of time
16 beginning on October 1, 1994 until completion of the
17 process. The audit division believes that this process is
18 going to be completed as of June 1995. This projection,
19 \$120,000, is expected to take us through that period, June
20 1995, and the audit division projects that this entire
21 process will be completed at that point in time.

22 By contrast, the Committee has budgeted roughly
23 \$500,000 for completing the wind-down. The Committee is
24 quick to say that, of course, these are only estimates and
25 they're based upon a number of contingencies. This is what

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1 we say it will cost if many of these contingencies come to
2 pass. We're not pretending to know precisely what that
3 figure is. We do know at this point in time, and I suspect
4 there's going to be agreement very shortly, on how much
5 money has been spent up through January 1995. That figure
6 is roughly \$90,000.

7 If we could have the next chart please, Lori?

8 So, of the \$120,000 that the audit staff has
9 projected for completion of the entire wind-down process
10 from October 1 through what they say is the end-point, that
11 is June of 1995, roughly \$90,000 has already been expended.
12 This pie chart is an analysis of that budget that was
13 provided by the audit staff. What we have here is a dollar
14 figure that's apparent from the fourth quarter report; it's
15 already part of the administrative record. It's a report
16 that was submitted to the FEC only a short time ago.
17 \$23,000 has already been spent through 12/31/94.

18 There are accounts payable in the sum of roughly
19 \$66,000. These are for services that were rendered in 1994
20 but for which the Committee has yet to pay. So of the
21 \$120,000 that the audit staff projects for completing this
22 entire process, we have roughly \$31,000 remaining for the
23 wind-down of this campaign. Twenty-six percent of the
24 budget remains.

25 Now I should qualify that. I said that there were

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1 roughly \$31,000 remaining of that budget. That's really not
2 quite accurate. That dollar figure applied as of January 1.
3 Since that time, there have been services rendered. We've
4 participated in preparing for this oral argument. Mr.
5 MacKenzie has participated as a consultant. There have been
6 other expenses incurred. So at this very point in time, on
7 March 2, 1995, the dollar figure that remains for completing
8 this process is much smaller than the \$31,000 that's
9 indicated on this chart.

10 We have some points, I think, where we agree, even
11 further points. The audit staff and we recognize that we're
12 going to incur expenses in this wind-down. The audit staff
13 acknowledges, of course, that we're going to have staff and
14 administrative expenses, they say until June of 1995. We
15 hope they're correct; we don't know that. We're going to
16 have storage expenses that will last until at least that
17 point in time. They recognize that we must incur the cost
18 of preparing for this oral argument. They recognize, I
19 suspect, that we have to incur the costs of preparing our
20 written response to the documents that we just received from
21 the audit division and the general counsel's office, and I
22 think everyone acknowledges that we must expend some amount
23 of money with respect to the enforcement proceedings that
24 may be brought by the FEC at a later point in time.
25 Everyone acknowledges that we're going to incur those

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1 expenses.

2 It's at this point, I think, where the Committee
3 parts company with the audit division. Specifically, we see
4 at least the potential that this process could last longer
5 than three months from now, June 1995. There may be more
6 enforcement matters than what the audit staff projects, and
7 I should say in this connection that at one point last week,
8 I asked the general counsel's office whether or not they
9 were in a position to commit as to precisely how many
10 enforcement matters would be recommended and of course
11 understandably the general counsel's office is not in a
12 position where it can commit to say exactly how many are
13 going to be recommended.

14 One really doesn't know at this point in time how
15 much we'll have to do with respect to the enforcement
16 matters that may be brought before the Commission. It may
17 be a lengthy proceeding; it may be something that's very,
18 very short. There could be an appeal of the repayment
19 determination that's made by this body. That's a potential
20 that we have to allow for; it's a possibility. It's also
21 possible that after the conclusion of the FEC's enforcement
22 proceedings, that we're going to be required to actually go
23 through a district court hearing, that we might have to go
24 through litigation on those matters and again, that will be
25 the incurrence of a greater expense on the part of the

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1 Committee.

2 I should hasten to add again, once more, that the
3 Committee sincerely hopes that we don't have to incur these
4 expenses. The fact remains that there is a sincere
5 potential that we could incur these expenses, and we have to
6 allow for that sort of thing when we budget. The one thing
7 that I think we can say at this point in the process is that
8 the \$31,000 remaining as of January 1, 1995, is simply
9 insufficient to complete the wind-down process. There are
10 other ways I think we can analyze the proposed spending.

11 And if we could have the next chart, please?

12 I think we can begin with examining the cash on
13 hand that the Committee had as of the end of 1994. As you
14 can see from this chart, the cash on hand at the end of 1994
15 was roughly \$464,000. The Committee's projected wind-down
16 to complete the process as of January 1 going forward is
17 roughly \$410,000. By contrast, the audit staff suggests
18 that the excessive matching funds payment should be roughly
19 \$400,000, and I think we can break down these numbers a bit
20 more and give you a little more information on them.

21 Could we have the last chart please?

22 Again we begin with our cash on hand. The
23 Committee has \$464,000. I mentioned to you that our
24 projected cost based upon our budget with all of the
25 contingencies is roughly \$410,000 going forward. In

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1 addition to that, of course, roughly \$66,000 is already
2 committed at this point in time. That's an account payable
3 based upon services that were received in 1994. The total,
4 from the Committee's perspective, is \$476,000. The result,
5 of course, is that even as we speak and more precisely on
6 January 1, 1995, we were in a deficit position.

7 I'd like to contrast that with the audit staff's
8 position--again, I hope everybody can see this. As I
9 mentioned in the previous chart, the audit staff has
10 suggested that roughly \$400,000 should be expended by way of
11 a return of the excess matching funds. In addition to that,
12 if you look at what they budgeted, that is their numbers,
13 for concluding this process, for completing the wind-down,
14 an additional \$96,000 or \$97,000 is necessary to complete
15 the process. The result, of course, is that we have almost
16 \$500,000 having gone out, and yet we only have cash on hand
17 of \$464,000.

18 With due respect to the audit division, we'll
19 respectfully submit that that's an absurd result. The
20 position that we take on a summary basis is simply put that
21 the audit staff--the audit division is wrong in terms of its
22 projections and its analysis of the expenses that we're
23 likely to incur. \$31,000 for completing this process is
24 simply wrong. Second and perhaps more importantly, it's our
25 view that the repayment decision should only be made after

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1 we've completed the process. I'd like to contrast two
2 things. First, let's assume for the moment that the audit
3 division is correct, that this process is completed in three
4 months. If the process is completed in three months as they
5 project, in June of 1995, then of course the Committee's
6 going to be in the position where it will return a
7 significant sum of money to the United States Treasury, and
8 we sincerely hope that's the case.

9 If, in fact, the Committee is correct in its
10 projection and some of these contingencies come to pass,
11 then we would have a sufficient sum of money so that we
12 could complete the wind-down in an orderly fashion. We
13 could honor our commitments to vendors, to staff, and to
14 consultants. We would have the funds that are necessary for
15 a legal defense, and perhaps most importantly, we would be
16 able to retain the matching funds to which we are entitled
17 by statute.

18 Indeed, if that process is followed, the
19 Commission loses nothing. The Commission can assure that
20 the money is not expended on non-qualified expenses; all it
21 need do is simply audit what it is that we've expended money
22 on to discern whether or not that money has been spent on
23 non-qualified expenses. Indeed, we believe that the
24 alternative, that is to impose the audit staff budget, is
25 both arbitrary and capricious and contrary to the statute.

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1 That is a summary of our position with respect to
2 the matching funds. What I'd like to do next is deal with--
3 Ms. Buchanan just pointed out that perhaps what we ought to
4 do at this point is take questions with respect to the
5 matching funds issue. Does the Commission or any of the
6 others have questions?

7 CHAIRMAN MCDONALD: I think that's a very good
8 suggestion. Anyone want to--Commissioner Potter, would you
9 like to take a crack at that?

10 COMMISSIONER POTTER: Yes, thanks.

11 The chart that you have there shows the \$66,000 in
12 remaining payables. I note in the materials that you have
13 from the audit staff, they state that there are no payables
14 remaining at this point.

15 MR. MARTIN: You know, I'm not sure how it was
16 that the audit staff drew that conclusion, but, how it was
17 that they determined that there were absolutely no payables,
18 but I should point out in fairness to the audit staff that
19 they don't have, at this point in time, a record of those
20 payables. What happened is that the bill for services which
21 were rendered in 1994 in this instance was not received
22 until the first part of January. Hence, they were not part
23 of the fourth quarter report, which was the last point at
24 which the audit staff analyzed these dollar figures. So I
25 think that's perhaps the best explanation.

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1 MS. BUCHANAN: Commissioner, these were
2 predominantly legal fees for January and some other expenses
3 from November and December, which we don't receive that bill
4 until January, and so they would not have been on the
5 report.

6 COMMISSIONER POTTER: Would those legal fees be
7 amongst those included in the estimates attached to your
8 response?

9 MR. MARTIN: Yes. That's correct.

10 Commissioner Potter, when we estimated \$500,000,
11 we took out of that estimate the dollar figures for which we
12 had already billed at that point in time, and the \$66,000
13 would be part of the estimated expenses.

14 COMMISSIONER POTTER: Right. I just couldn't
15 figure out if they were being double-counted, and your
16 answer is no?

17 MR. MARTIN: No, they're clearly not.

18 CHAIRMAN MCDONALD: At this point, if I might, Bob
19 Costa, would you like to comment on this, you or Joe either
20 one? Well, I think it might be instructive for everyone so
21 we'll be on the same page.

22 MR. STOLTZ: I understand your figures here with
23 respect to your cash position versus your projected budget.
24 Of course, one of the differences that we are likely to have
25 is that in the NOCO calculation, there are certain expenses

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1 that have not been included because of the question of
2 qualified campaign expenses, and there are also certain
3 assets involved that are not cash assets that appear on the
4 NOCO statement. So comparing your cash on hand with this
5 projection is not going to give us exactly the analysis that
6 the regulation calls for.

7 MR. MARTIN: Mr. Stoltz, I agree that there is
8 that difference, and I understand your point. The dollar
9 value of that difference, I guess, would be interesting.

10 MR. MACKENZIE: One of the problems we have,
11 though, is that some of the expenses that are deemed non-
12 qualified campaign expenses are related to fundraising,
13 correct?

14 MR. STOLTZ: Correct.

15 MR. MACKENZIE: And the Committee is in the
16 position--if we take the audit staff's view--that we would
17 have to raise money in order to meet just the obligations
18 set forth by the audit staff, but at the same time,
19 fundraising expenses would be deemed non-qualified campaign
20 expenses. There's kind of a Catch-22 there.

21 MR. STOLTZ: Except that the calculation shows,
22 for NOCO purposes, for matching and entitlement purposes--
23 which is not necessarily the same as a cash projection--that
24 the Committee is solvent. Now, that could change depending
25 on how some of these other estimates play out, that could

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1 change.

2 MR. MACKENZIE: And I think the big difference
3 that we have is not that excessive funds at the end of the
4 process would be returned to the Treasury; it's just at what
5 point in time do you calculate those? And the audit staff
6 has made the determination early in the audit process that
7 there were excessive funds. Our contention all along has
8 been let's wait until we get to the end. When it's all
9 over, then we'll add up how much is in excess and make the
10 repayments.

11 CHAIRMAN MCDONALD: Just for the purposes of the
12 stenographer, do you need the parties identified? I gather
13 you do. You're squared away on who they are? Oh, I'm so
14 delighted.

15 [Laughter.]

16 Commissioner Thomas?

17 COMMISSIONER THOMAS: Thank you. Just first of
18 all, one technical question. Does your cash on hand balance
19 as of 12/31/94 on that last chart include as part of the
20 cash on hand the \$50,000 which we are, at least at this
21 point, suggesting be returned to the Committee from Mr.
22 Buchanan?

23 MR. MARTIN: Indeed it does.

24 MR. MACKENZIE: Excuse me. That's a point of
25 contention.

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1 MS. BUCHANAN: You're right.

2 MR. MARTIN: Mr. Thomas, I understood your
3 question to be asking whether or not we had subtracted
4 \$50,000 from the cash on hand in anticipation of paying back
5 the \$50,000, and the short answer to that question is no, we
6 have not, and the cash on hand figure that you see is the
7 figure that we reported to the FEC without subtracting the
8 \$50,000.

9 COMMISSIONER THOMAS: So if, for some reason, you
10 were to concede on the \$50,000 issue, your cash on hand
11 figure, in theory, would go up by \$50,000?

12 MR. MARTIN: That's correct.

13 COMMISSIONER THOMAS: In theory. Thanks.

14 Your argument is a very good one, and I think it
15 gets to the heart of the difficulty of administering this
16 statute and dealing with this concept of entitlement in the
17 post date through ineligibility phase. I'm sure you're
18 aware of the three-year limitation--

19 MR. MARTIN: Indeed we are.

20 COMMISSIONER THOMAS: Well we run up against. If
21 we were to somehow go along with the argument that we should
22 wait until the end of the process to figure out what the
23 NOCO situation is and whether or not you received excessive
24 funds for entitlement purposes, that might take us past our
25 three-year limitation provision depending on how it's

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1 construed by the courts. I'm wondering what your view of
2 that is, I'm wondering whether the Committee is in a
3 position to state whether or not it would be willing to
4 waive the three-year limitation provision for purposes of
5 the kind of analysis that you're hoping we would accept and
6 if you have any other views in that regard?

7 MR. MARTIN: Indeed we do. Mr. Thomas, we take
8 the view that was espoused by the FEC in our interim audit
9 that we received notice when we received the interim audit
10 report. We will waive any argument with respect to that
11 three-year limit. We've never thought that was an issue
12 that we could advance. We will accept the FEC's position
13 with respect to the three-year limit.

14 COMMISSIONER THOMAS: There's an argument on
15 Monday on that issue in the Court of Appeals. I was
16 assuming you would say you don't want to give an answer on
17 that right now. I suppose you would like us to waive any
18 opportunity to undertake further proceedings past June of
19 1995 as well or July of 1995? I'm not willing to waive that
20 on behalf of the Commission at this point, but your argument
21 is a very interesting argument and does point out again, as
22 I said, the great difficulty in this area.

23 CHAIRMAN MCDONALD: Before I turn to my other
24 colleagues, I must apologize. Bob Costa wanted to be
25 recognized previously. Bob?

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1 MR. COSTA: Thank you, Mr. Chairman.

2 Just to sort of simplify the issue, I would like
3 to try to see if there are points that we can agree.
4 Obviously, one of the things at issue is about \$400,000 in
5 what we say is excess entitlement repayable to the U.S.
6 Treasury. I take it your position would be that you are
7 entitled to disburse \$385,000 for legal fees for potential
8 legal battles with the Commission for either litigation or
9 whatever; that would be a component of your wind-down, how
10 you would intend to spend your money from the point of
11 ineligibility until you shut the lights off and lock the
12 doors basically?

13 MR. MARTIN: Indeed that's correct, Mr. Costa.

14 MR. COSTA: Okay.

15 MR. MARTIN: We believe we are entitled to spend
16 it on legal defense.

17 MR. COSTA: I understand. And you also would
18 agree that you're saying that roughly, for accounting and
19 administrative support, that you would disburse another
20 \$115,000 or so; roughly your disbursements are to the tune
21 of about \$500,000?

22 MR. MARTIN: Well, Mr. Costa, now I'm not sure
23 exactly for what time you're projecting these numbers.

24 MR. COSTA: I took that from your response,
25 basically. You were indicating that in your analysis of the

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1 NOCO that accounting and administrative support expenses
2 would be somewhere on the order of \$115,000; that's roughly
3 \$500,000.

4 MR. MARTIN: Mr. Costa?

5 MR. COSTA: Yes.

6 MR. MARTIN: If your projection is from October
7 1st to completion of the process, the answer is yes.

8 MR. COSTA: Okay. So I guess basically our set-
9 aside was that in our best guess, \$80,000 would be a
10 reasonable legal fee disbursement from this point until
11 shutting the lights off.

12 MR. MARTIN: It's from October 1st.

13 MR. COSTA: And another \$40,000 would be available
14 for accounting fees, et cetera, total of \$120,000. So I
15 guess the question is, at what point do you recapture excess
16 payments? I mean, that's really what's at issue here.

17 MR. MARTIN: And indeed, I agree.

18 MR. COSTA: Okay. Just wanted to clarify the
19 record.

20 CHAIRMAN MCDONALD: Thank you.

21 MR. MARTIN: Any other questions on this?

22 CHAIRMAN MCDONALD: Who would like to speak next?
23 John?

24 MR. MARTIN: Any other questions on this subject?

25 CHAIRMAN MCDONALD: Commissioner Aikens?

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1 COMMISSIONER AIKENS: Thank you, Mr. Chairman.
2 Mr. Martin, you talked about the audit budget
3 deadline being June of 1995?

4 MR. MARTIN: Yes.

5 COMMISSIONER AIKENS: Am I correct in assuming
6 from what we have received that your projected deadline is
7 the end of 1996?

8 MR. MARTIN: Well, I should qualify that by saying
9 that we concede readily that we don't know. We're
10 estimating that the wind-down, if it entails the elements
11 that we included in our budget, may well consume 1996.
12 That's a projection. We're not wedded to the notion that we
13 will incur all of these expenses or for that matter that the
14 wind-down will, in fact, entail all of that time period. We
15 sincerely hope that the wind-down will be completed by June
16 of 1995.

17 COMMISSIONER AIKENS: Well, I mean, going beyond
18 that for our purposes, the purposes of this Commission and
19 the matching fund process, it's inconceivable to me that we
20 could even consider going another whole year and a half in
21 this process. It has got to be brought to an end, and I
22 think the Commission is going to be forced to say this is
23 the date it's got to end, because we can't go on giving you
24 entitlement to matching funds through five years after the
25 election. I mean, I'm trying to reach a time agreement with

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1 you as well as a dollar agreement.

2 MR. MARTIN: I understand the point. Ms. Aikens,
3 two different points, and one is that we don't see anything
4 in the statute that would prevent us from conducting the
5 wind-down for a longer period of time. Indeed, for the 1988
6 campaigns, as we all know, there are a number of those
7 matters that remain in the wind-down process and the
8 enforcement process, and we would respectfully submit that
9 we certainly will not consume the period of time that has
10 been entailed for many of the 1988 campaigns to complete
11 this wind-down process. Of course, much of it is out of our
12 hands. We don't pretend to have control over when the
13 enforcement proceedings are brought and that sort of thing.
14 Second, to make sure that we're clear on this issue, it's
15 not as if we're receiving matching funds at this point in
16 time. Of course, we received our last matching funds
17 payment in January of 1993.

18 COMMISSIONER AIKENS: All you're receiving is the
19 entitlement.

20 MR. MARTIN: We were not required to pay any back
21 until--

22 COMMISSIONER AIKENS: No, that's right.

23 MR. MARTIN: Until the end of the process. It
24 seems to me that the alternative is to deal in speculation.
25 You can accept my speculation that it's possible that we

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1 could have to go through all of these efforts before the
2 wind-down is completed, or the alternative, I think, is to
3 accept speculation that will leave the campaign bereft of
4 funds and leave us in a position where we had either no
5 legal defense or we had to do away with commitments that we
6 had made to staff, to vendors, that sort of thing and where
7 it would prevent an orderly wind-down process.

8 We simply don't know at this point in time how
9 much it's going to entail. I wish we could project it; I
10 wish we could project it accurately. We simply cannot.
11 Finally, I guess I would add that as a policy matter, I'm
12 not sure that the Commission loses anything by waiting until
13 the process is completed. In my estimation, we're talking
14 about placing the Commission in a position where, at the end
15 of the process, whether it takes only the three months
16 projected by the audit staff or whether, in fact, it takes
17 perhaps two years' time. At the end of the process, if
18 there are matching funds left, then of course we're going to
19 have to repay matching funds pursuant to the regulations.
20 So it would seem to me that the Commission is--or the U.S.
21 Treasury more accurately--is made whole even if the process
22 consumes a relatively large expanse of time.

23 CHAIRMAN MCDONALD: Vice-Chairman Elliott?

24 VICE-CHAIRMAN ELLIOTT: If the Commission was to
25 decide that you must repay the excessive matching funds that

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1 I see at about \$400,000, isn't that right?

2 MR. MARTIN: Yes, ma'am.

3 VICE-CHAIRMAN ELLIOTT: And you paid off your
4 vendors in the amount of something like \$66,000 that's up
5 there, you would already be in a deficit position, then,
6 wouldn't you?

7 MR. MARTIN: That's correct.

8 VICE-CHAIRMAN ELLIOTT: And then, in order to
9 finance winding down costs, you would have to raise money,
10 is that right? And you don't have any money to raise money
11 with, is that right?

12 MR. MARTIN: That's absolutely correct, and that
13 is precisely the irony that's very troubling.

14 VICE-CHAIRMAN ELLIOTT: So you are in a spot where
15 you can't raise--you don't have any funds to raise any money
16 so you don't raise any money, and you can't defend yourself,
17 and so you just have to give up, I guess, right? I mean,
18 because you just don't have a choice?

19 MS. BUCHANAN: Turn myself in, Commissioner, is
20 what my brother said.

21 VICE-CHAIRMAN ELLIOTT: I beg your pardon? I
22 didn't hear what you said.

23 MS. BUCHANAN: Just turn myself in, I think, is
24 what he said, at that stage.

25 [Laughter.]

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1 CHAIRMAN MCDONALD: It would be you as opposed to
2 John, say?

3 MR. MARTIN: I hope so.

4 VICE-CHAIRMAN ELLIOTT: Well, it is my concern
5 that everybody gets paid. No one should be--there should be
6 no welshing on debts that occur as a part of running for
7 Federal office, so I'm very--I think it's very important to
8 see that your vendors are paid and everyone else should be
9 paid as well as the Federal Treasury for whatever we can
10 come to grips with here. But it's my concern that you could
11 be put in a spot where you can't raise money and you can't
12 defend yourself, and that is of a concern to me. Thank you.

13 MR. MARTIN: We completely agree. Thanks so much.

14 MS. BUCHANAN: Commissioner, may I just add one
15 point to your point?

16 VICE-CHAIRMAN ELLIOTT: Sure.

17 MS. BUCHANAN: We now, as of January 1 of this
18 year, we have no rent. We've put all of our storage, now,
19 that we had some small rent so that Scott was able to work
20 the numbers and have the records close to him. But now, as
21 of January 1, we put it all into storage, so there's no
22 rent, there's no staff per se. Basically the expenses are
23 the attorneys and Scott, and when I'm working--involved,
24 that is it. It's not as if we have some organization
25 running here. Everything we spend is directly the result of

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1 inquiries and working with our attorneys to resolve these
2 issues as quickly as possible.

3 VICE-CHAIRMAN ELLIOTT: Thank you.

4 CHAIRMAN MCDONALD: Larry Noble?

5 MR. NOBLE: Thank you, Mr. Chairman.

6 Actually, that was one of the questions that I was
7 going to ask, that the budget now is virtually all attorney
8 and Mr. MacKenzie's budget at this point?

9 MS. BUCHANAN: With a de minimis amount that goes
10 to me when I'm involved working with them, that is correct.

11 MR. NOBLE: May I ask how you actually figured out
12 \$410,421? It seems like a relatively exact figure.

13 MR. MACKENZIE: If I could answer that question?

14 MR. NOBLE: Go ahead.

15 MR. MACKENZIE: It's simply the \$500,000 budget
16 that was prepared taking us from October 1, 1994, to the end
17 of the process, eliminating the \$66,000 which is incurred
18 but not yet paid as well as the \$23,000 which was expended
19 in the fourth quarter of 1994.

20 MR. NOBLE: That's what I thought. Then how did
21 you come up with the \$500,000? I have the breakdown here
22 where you have figures such as \$80,000 for audit
23 representation, \$80,000 for MURS. Was this just a gross
24 estimate, or did you go into some type of hourly basis of
25 how much time you're proposing?

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1 MR. MARTIN: I think I can respond to that. I did
2 go through an estimate of the hours that I thought it would
3 entail for this representation, and it's only an estimate--
4 I'm not going to pretend--and I think you'll note in the
5 letter that we sent that I qualified it by pointing out that
6 it could be higher, it could be lower, it's only an
7 estimate. And what we did is we analyzed what we thought
8 were the probable hours that one would incur at the probable
9 rates that we would charge to go through these processes.

10 MR. NOBLE: So in essence, you're backing up what
11 I suspect you would think is your stronger argument that you
12 really just can't make these estimates at this point?

13 MR. MARTIN: Well, I think we can make the
14 estimates. I don't have great confidence in the estimates,
15 and I'll readily concede that issue.

16 MR. NOBLE: If the Commission was to accept this
17 position, what limit would there be on what a committee
18 could estimate? Would you say if you had come in at
19 \$750,000 or a million at that point we would say--the
20 auditors could say--that's just not reasonable, or are you
21 just saying that this is something that we really have to
22 leave in the control of the Committee?

23 MR. MARTIN: No, to the contrary, Mr. Noble. I
24 think our position would be that once the process is
25 completed--and quite obviously the Commission may go about

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1 conducting an audit and determining what is a non-qualified
2 expenditure. To the extent that we've spent money on non-
3 qualified expenses, then obviously I would expect the
4 Commission to come back to us and request repayment with
5 respect to those non-qualified expenses.

6 MR. NOBLE: But that all leads, again, to your
7 other position that this really cannot be done until the
8 very end?

9 MR. MARTIN: I think that's correct.

10 MR. NOBLE: How do we get to the very end?

11 MR. MACKENZIE: Can I just add something? I mean,
12 at the start of this process when we were filing our NOCO
13 statements to obtain additional matching funds, we provided
14 detailed budgets on month-by-month, line item by line item
15 on how we thought we might spend the money. And so a number
16 like \$500,000 now might just look like a number that was
17 pulled off the shelf, but at the very start of the process;
18 there were very detailed budgets prepared, and any time
19 you're preparing a NOCO budget, you prepare for the worst
20 and you hope for the best. And where we are now, we're
21 tracking toward that first chart we had up there that showed
22 \$1,012,000 to be spent from January 1, 1993 to the end of
23 the process. We have expended 70 percent of that and are
24 still approaching that \$1 million figure, and we won't know
25 until the total end of the process how close we've come to

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1 that, but we've put a lot of time and effort into all of
2 those budgets, in trying to come up with a rationale for the
3 money we asked for.

4 MR. MARTIN: Mr. Noble, if I could weigh in here
5 too for just a moment, Scott's comments brought to mind the
6 obvious guard that we have in the process which is to say
7 that when the Commission reviews the request for matching
8 funds, at least initially, there is a point at which the
9 Commission makes a determination as to whether or not it's
10 going to grant the matching funds. So it's not as if this
11 is something that is freely given without some sort of
12 review, and, indeed, the background of this particular
13 campaign is an illustration of what can happen. In January
14 of 1993, we submitted a request for matching funds that was
15 denied by the Commission, and it was denied because the
16 Commission believed that our projections were too high. So
17 it's not as if the Commission doesn't have input in the
18 process and isn't able to weigh in and make some sort of
19 determination as to what the appropriate estimates might be.
20 There is some control to that extent.

21 MR. NOBLE: So even at this point, you think that
22 we can, at least, have some control over what we think the
23 appropriate estimate would be?

24 MR. MARTIN: No, we would argue at this point,
25 once the monies have been received and once we're in the

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1 wind-down process, that the only point where it's
2 appropriate to do a further evaluation and require-make a
3 repayment determination is after the wind-down is complete.
4 Otherwise, it seems to me that it's pure speculation, and in
5 a sense, I guess, perhaps, it's giving the FEC two bites at
6 the apple. On the one hand, they've approved the matching
7 funds; we've made commitments based on that approval, and on
8 the other hand, were we to accept the audit division's
9 position, the FEC could take a second bite at the apple and
10 say we know we approved them; we know you made commitments
11 based upon those approvals, but nonetheless, we're going to
12 retract the approval and take the money back. We think
13 that's inappropriate.

14 MR. NOBLE: That's getting a little bit into
15 another issue, which is your position, I guess, that once we
16 give the matching funds, we can no longer go back and take a
17 look at what the underlying documentation of the
18 expenditures were and decide that they're not appropriate.

19 MR. MARTIN: Mr. Noble, that's not quite an
20 accurate characterization, and let me, if I can, divide what
21 is indivisible as some people would suggest. We believe
22 that once we make an estimate and once it's approved by the
23 FEC, one cannot look back on that estimate and say that the
24 estimate was made illegally, that it was not made in good
25 faith, once the FEC has made that approval. On the other

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1 hand, we recognize the reality that the regulations permit
2 an audit of the expenditures to discern that which is a non-
3 qualified expense. To that extent, the FEC may evaluate
4 what it is that we've expended money on. We don't deny the
5 fact that the Commission can make a repayment determination
6 at the end of the process and then require that the money be
7 paid back.

8 MR. NOBLE: Okay, thank you.

9 CHAIRMAN McDONALD: Are there--Commissioner
10 McGarry?

11 COMMISSIONER MCGARRY: Do you have any scenario
12 that would enable your Committee to come to an agreement
13 with the Commission on a cut-off date on wind-down costs?
14 It sort of feeds on itself endlessly, doesn't it, because of
15 the statute? And you have a point there.

16 MR. MARTIN: I think that's right, Mr. McGarry. I
17 should say that much of our expenditures, as you well know;
18 are in the hands of the Commission. We cannot determine
19 what is going to happen with respect to enforcement
20 proceedings. We can't determine what is going to happen
21 with respect to the repayment determination and hence the
22 effect that that would have on our decision as to whether or
23 not we need to appeal the decision, this FEC decision. It's
24 very, very difficult for us to project.

25 COMMISSIONER MCGARRY: Do you have any view on--

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1 with reference to the three-year statute of limitations that
2 any action the Commission might take that you would not
3 agree with probably that would entail, as part of it,
4 cutting off, at some point, the wind-down costs?

5 MR. MARTIN: Indeed we do. We waive whatever
6 argument we would have with respect to the three-year
7 statute of limitations. We accept the position that the FEC
8 has advanced that the interim audit report was notice for
9 the purposes of the three-year limit.

10 COMMISSIONER MCGARRY: So in that, there would be
11 no cut-off date for reasons you suggested--

12 MR. MARTIN: That's correct.

13 COMMISSIONER MCGARRY: And the statute?

14 MR. MARTIN: That's correct.

15 COMMISSIONER MCGARRY: Thank you very much.

16 MS. BUCHANAN: Commissioner, may I add something
17 that might shed light on the dilemma here? Early in this
18 process before the field audit was completed, very early, I
19 sat down with former counsel, John Duffy, whom many of you
20 know, and discussed legal fees and how we were going to go
21 about it. One of the areas of discussion was should we just
22 hire our counsel for one lump sum, \$200,000 and he does
23 everything? And I was of the opinion, and I think Mr.
24 MacKenzie disagrees with me at times that they felt this way
25 we know we'll have the money, we'll have the counsel

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1 throughout the process. And my concern was, listen, if
 2 there's not a large problem, if there's not something that's
 3 going to take a lot of legal hours, maybe it will only cost
 4 \$50,000 and here my counsel has \$150,000 in excess of
 5 taxpayers' money. So I had the dilemma of someone who has a
 6 fiduciary responsibility with the money not to give my
 7 counsel \$200,000 which could be substantially more than he
 8 needs, it would be a nice bonus. But at the same time--and
 9 his position, of course, was, well, it might be \$300,000 and
 10 you'll get \$100,000 benefit, and, of course, this would
 11 solve the problem of the date, because then I'd have counsel
 12 throughout the process. But then the other problem came up,
 13 and I said what if you were to move on, what if you were to
 14 go elsewhere and I'm dealing with a new company, you have
 15 the \$200,000; I have no more money for legal fees, and I'm
 16 trying to discuss with this new fellow how he's going to do
 17 this for very little money, and I just said this is too
 18 complicated. I have to pay by the hours that are worked.
 19 Then I know that it's a legitimate expense. But the bottom
 20 line is I have no idea when I'm making that arrangement how
 21 much it's going to cost me--\$50,000, \$200,000, \$500,000. I
 22 don't know, and in fact, a bill outstanding right now which
 23 I anticipated a much lower amount, I have a bill outstanding
 24 for \$55,000 for a two-month period which is just legal fees;
 25 I was expecting \$20,000. You have responsibilities; you

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1 hire an attorney that you trust. I trust John Martin here
2 explicitly. He has to do as good a job as he can do. It
3 costs more money than I expected; I'm not an attorney.

4 So we're in a dilemma as well as you are. I don't
5 know the answer. If you were to say it's a certain amount
6 of money; it's going to be a cut-off, then what I am going
7 to do is go out and get a counsel and pay him a lump sum of
8 money so I know I'm covered for the next period. That's the
9 way I would have to do it, and I don't know if that person's
10 going to end up charging \$500,000 and it only costing
11 \$300,000. I just won't know what's going to happen. But in
12 order to cover the candidate and the Committee, I would have
13 to do that.

14 COMMISSIONER MCGARRY: In actuality, with the
15 attorneys and the commissions, there's a lot of things
16 involved that you have no control over.

17 MS. BUCHANAN: Exactly.

18 MR. MARTIN: That's absolutely right.

19 COMMISSIONER MCGARRY: Thank you very much.

20 CHAIRMAN MCDONALD: Well, my experience certainly
21 has been that in your example that if you paid them \$200,000
22 and they only did \$50,000 worth of work, there's no doubt in
23 my mind that good conscience would have John and Scott
24 return that money.

25 MS. BUCHANAN: I'll let John know your sentiments.

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1 CHAIRMAN MCDONALD: I'm pretty clear and
 2 confident, and so would Scott. There's no doubt in my mind
 3 about that. You did bring up a point that is a difficult
 4 matter for us as well, and I think some of my colleagues
 5 tried to take a run at it earlier. It is true, the point
 6 that John made about the 1988 election. It is also true, in
 7 the interim since 1988, we've dramatically changed and, if
 8 you would, relaxed the rules to try to get away from the
 9 very problems we've encountered. Even we learn something
 10 over time, and so we have tried to move away from that.
 11 There is a real problem--we were on The Hill yesterday--and
 12 the constant complaint, which I think is a legitimate
 13 complaint, is about turning these matters around quicker.
 14 And what I think we've all tried to do is do that and, at
 15 the same time, be fair and true to the process. But I must
 16 tell you that I think you make some awfully good points, but
 17 I don't want to kid you in terms about--I think Commissioner
 18 Aikens was right--when we start talking about the end of
 19 1996, it's going to be the end of us. We've been down that
 20 road. I can assure you, after testifying, Vice-Chairman
 21 Elliott and myself and Commissioner McGarry had an
 22 opportunity, I guess it would be--

23 VICE-CHAIRMAN ELLIOTT: Character-building
 24 experience.

25 CHAIRMAN MCDONALD: Character-building experience,

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1 yes, it was, just yesterday, and I think it's the very kind
 2 of problem that we run into, and certainly we run into that
 3 problem with a three-year statute of limitations. I'm not
 4 totally clear as I'm not a lawyer but just kind of figuring
 5 up in my mind John's fees, and he can no doubt tell me this
 6 off to the side pro bono after this meeting.

7 [Laughter.]

8 One, I want to become a lawyer; I know now that
 9 I've made yet another mistake. But two--and I think it's
 10 kind of important--I'm not totally clear that even under the
 11 question that Commissioner Thomas raised about the ability
 12 to waive the statute of limitations, I'm not even sure that
 13 that would work. I'm really not sure about that. I think
 14 it's something that we would want to analyze very, very
 15 carefully. But I do--I understand where you're coming from,
 16 and I think you're raising some very important points, but I
 17 concur with Commissioner Aikens: when we start talking
 18 about the end of 1996, that's not very encouraging for us,
 19 and we'll have to try to reach, it seems like to me, some
 20 sort of middle ground to resolve some of these issues.

21 You're welcome to proceed on. We'd be delighted.

22 MR. MARTIN: Mr. Chairman, if I might just simply
 23 respond to the point that you raise about the duration, I
 24 should explain that in my view, much of the duration that
 25 this will take is, in fact, in the hands of the Commission.

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1 And you're absolutely right in terms of your observation
2 that things have changed at the Commission over the last
3 several years, and it's very clear that this process for the
4 1992 election is moving much, much faster than it did with
5 respect to the 1988 election. I would suggest to you that
6 if the Commission were to adopt the Committee's view that we
7 wouldn't run into the issue of the three-year statute of
8 limitations in any event because, as I see the process, I
9 see the Commission moving this process along very quickly.

10 My problem, of course, is that I have no control
11 over that. I don't know when it is that these enforcement
12 proceedings will be completed; I don't know when we'll get
13 the MURS; I just can't control that sort of thing.

14 I guess we can move, then, into the second issue.

15 CHAIRMAN MCDONALD: Certainly.

16 MR. MARTIN: Thank you, Mr. Chairman.

17 The second issue, of course, has to do with the
18 candidate's loan, and for the background of this issue, I'd
19 turn to Angela Buchanan.

20 MS. BUCHANAN: I would first like to repeat what
21 John said in the opening and to thank you all very much for
22 the opportunity to speak before you. I have spoken before
23 this Commission on a number of occasions, and I want you to
24 know that I feel very, very good on each and every occasion
25 that we do have an opportunity to let you all know

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1 personally our position, and I am particularly pleased that
 2 I am able to do it this time, because generally, when we
 3 have issues that we need to discuss, there's some
 4 documentations and paperwork, and we may just have an audit
 5 theory or an accounting theory we disagree with or something
 6 along those lines.

7 At this time, and on this particular issue, it
 8 really is my word that's being discussed here, and so that
 9 is why I am pleased, and I asked John if I could be the one
 10 that presented the scenario as to how it is that we ended up
 11 here discussing this at all. The campaign was first
 12 discussed, when my brother and I discussed that he might
 13 run, I believe it was early November, that late. It was
 14 just about three or four months before New Hampshire, and it
 15 was several weeks that we discussed it prior to his making
 16 that decision. The decision was made as late as
 17 Thanksgiving week, a firm decision, and he announced three
 18 weeks later. The reason I say that is because it just gives
 19 you a feeling of the kind of hectic schedule of things that
 20 are happening. I lived in California with three boys; he
 21 was back here. We were flying back and forth.

22 And one of the issues, the first call I ever make
 23 when I move into a new adventure such as this, is to call
 24 Scott MacKenzie and ask him what role he's going to be
 25 playing, and so he started looking for space, talking to

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1 telephone companies, and he called and said we're going to
2 need some seed money to get this thing going. He hasn't
3 even announced, and I need money, and obviously we're going
4 to have a hard time getting it quickly in order to get
5 going. So in discussing with Pat on a number of occasions,
6 I have to say the different things we're going to do; one of
7 the things I would raise is the money, and so we discussed
8 it, and he said I'll just--what do you need. And I
9 explained to him that the maximum that he would be able to
10 give was \$50,000. And so he said I'll loan you the money.
11 And this discussion happened often, as I said, a loan is a
12 contribution; a loan is still \$50,000; that is what you can
13 give. And he said I'll go to the bank and guarantee
14 something, you'll get a bank loan. And I said no, no. All
15 of these go against your \$50,000.

16 And so that was the discussion, and as we
17 approached the date, I went to him and I said I want you to
18 know you will get this back. I commit to you that I will do
19 my best to get this money back to you, and it is a loan.
20 And his position was not to put pressure on me, to say, you
21 know, listen: we've both been in politics long enough; you
22 and I both know we may not see this. And I said I think we
23 can. I don't know how it's going to go, but I think we'll
24 get it back to you.

25 I was in California when Scott called and said I

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1 need some money right away to get this thing going. And I
2 said go to Pat, so I called Pat and told him how much Scott
3 said he needed, and Scott was able to get that check from
4 him and begin the process. As the campaign went on, I
5 called Pat several weeks into the campaign and said, you
6 know, the money's coming in substantially quicker than we
7 ever expected; it looks really good, I think you're going to
8 be set, you'll get that money back.

9 As we went into Michigan and again in California,
10 I said look, we have to make a decision; things are a little
11 tighter now. Do you wish us to spend this advertising
12 money; it could jeopardize your money, it could put us in a
13 difficult situation financially? And we made the decision
14 accordingly as to recognizing that this money that he was
15 going to get back could be in a higher jeopardy because
16 we're spending more now and the cash flow is a little
17 different.

18 There was never a time when we discussed this
19 \$50,000 when he did not know every moment that I had every
20 expectation and hope to get him the money back and that this
21 was indeed a loan. Scott never spoke to Pat about the
22 details, and so it was so clear in my mind, and I have to
23 say that I thought it was clear in Scott's mind all along.
24 Now, did I just forget to tell him? Did he not remember me
25 telling him? I can't tell you. Twenty years ago, my mind

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1 was a little sharper and I could tell you for sure. But
2 now, being a little wiser, I can tell you things were so
3 hectic; it was so clear in my mind that this was how it was
4 approached, this was how it was going to be treated, that
5 Pat always understood he would get his money back if the
6 money kept coming in, and he'd be made aware constantly if,
7 indeed, the situation was still strong.

8 And so as the campaign went down and the situation
9 was that Pat was no longer an active candidate, I asked
10 Scott when he thinks it would be an appropriate time to get
11 the loan repaid, and Scott said, well, I'm going to have to
12 make some amendments here, and it was at that time that I
13 became aware that it wasn't treated as a loan. And so Scott
14 said, well, let's pay the vendors down; of course that's
15 what we all agreed: pay the vendors first before we repay
16 Pat, and then the discussion went from there.

17 So that is--I would like to say, you know, that I
18 have this little document here to show that I wrote a note
19 to Pat about this, but I didn't. You know, as family
20 members are, you don't usually sign notes when you give one
21 another money, so I'm afraid to say that I have no
22 documentation; that it's just my word. But at no time was
23 this perceived by either of us to be a straight contribution
24 not to be repaid if the money was there to be repaid. But
25 do understand: he and I both understood that if this

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1 campaign got into a very serious debt situation that he
2 would be the last one on the list to be paid.

3 CHAIRMAN MCDONALD: Thank you. John?

4 MR. MARTIN: The legal argument on this point is
5 fairly simplistic. This has always been a loan. It is not
6 a matter of reclassification; it was a loan from the outset.
7 Accordingly, it's not reclassification and it's appropriate
8 that the campaign return the money to the individual, to the
9 candidate that loaned it.

10 We'll concede that there's a reporting error. We
11 made a mistake. There was a miscommunication. It wasn't
12 reported properly; the fact of the matter is it was always a
13 loan. We never changed its character, and accordingly,
14 consistent with FEC regulations, we're entitled to repay
15 this back to the candidate.

16 CHAIRMAN MCDONALD: Thank you. Discussion?

17 Commissioner Thomas?

18 COMMISSIONER THOMAS: Thank you.

19 Have you ever contemplated submitting a statement
20 from Mr. Buchanan as well?

21 MR. MARTIN: I should say that we didn't believe
22 it was necessary. If the Commission requires it, we can
23 discuss it with the candidate.

24 COMMISSIONER THOMAS: It might be something that
25 would be helpful and relevant, only because I think as it's

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1 been explained by Ms. Buchanan, it was apparently the
2 subject of some conversation, and in order--as you can
3 understand--to strengthen any evidentiary record that we
4 would need to make resolution of this, I think anything like
5 that would be helpful to help us resolve.

6 Could I ask another question in terms of the
7 reporting of the transaction? Who, if anyone, besides Mr.
8 MacKenzie was involved in the preparation of the report and
9 the discussion of that transaction?

10 MR. MACKENZIE: Well, as far as the report goes, I
11 would have to take full responsibility for that. That
12 campaign had a bunch of volunteers and young kids,
13 certainly, at the beginning, and I can't throw the blame on
14 that one to anybody's shoulders but my own.

15 COMMISSIONER THOMAS: Well, it would be helpful if
16 you could actually explain in some specificity about the
17 actual process of preparing the report. I think that would
18 help give us some assurance as to who was involved and who
19 was not involved.

20 MS. BUCHANAN: And you should know, Scott and I
21 have worked together for I don't want to tell you how many
22 years now, and he has done FEC reports for me. I never
23 check his FEC reports; I mean, I never look at them. He
24 puts them in the in basket and sometimes I'll glance through
25 it--not before it's signed and submitted--only just to see

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1 where we stood at the time and if I have to take press
 2 questions, I have--you know--that is standard, and so I
 3 would never have looked at those FEC reports to say, hey,
 4 this is interesting, and what happened and get to him to get
 5 an early change. It was only from a later conversation that
 6 it came to my attention.

7 CHAIRMAN MCDONALD: I think Commissioner Thomas'
 8 point is extremely important, and I say that simply because
 9 there is a record, and the record reflects differently. But
 10 I do think you can make very strong evidence just based on
 11 what you've outlined to us. But because it is in the nature
 12 of something that's on the public record, it's something
 13 that you'd want for yourselves and I suspect so would we.

14 Larry Noble?

15 MR. NOBLE: Thank you. I think that's an
 16 important point, because this may be one of those areas
 17 where, it often happens in law, what really happened may, in
 18 the end, not bear that much resemblance to what can be
 19 proved and what can be shown. And the problem I have in
 20 this particular one, not calling into question your
 21 veracity, is that from a legal standpoint, when we have to
 22 later say to other campaigns, what is the evidence something
 23 was a loan when, at the end of the campaign, they have
 24 money, it would seem to me that we need something more than
 25 just somebody saying oh yes, I intended that as a loan.

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1 Because one of the questions that always comes to mind
2 generally in these situations, especially with people who
3 are experienced in campaigns, and, as you mentioned, you
4 knew about the \$50,000 limit is if you thought you wanted
5 something to be a loan, why not just make a writing saying
6 that if the Committee has money, I will get repaid.

7 And again, not to say what actually happened, but
8 just in terms of your knowing later that somebody has to
9 come back and look at this that it's not just a question of
10 us being able to take somebody's word with some kind of
11 objective facts that later on we can treat all committees
12 exactly the same, because I suspect if the Commission does
13 say that later, all representations which run counter to the
14 reports will be accepted, that we will have problems with
15 other people coming in realizing after the fact that either
16 they, the candidate themselves had money, or a third party
17 who gave them money now wants the money back saying oh, yes,
18 that was a loan, we can now repay you.

19 MS. BUCHANAN: It's interesting to note as my
20 brother enters another campaign that we have a loan document
21 written up by a lawyer that he has signed so that everyone--
22 and I wish I had thought of it. It was a very hectic period
23 of time. I'm dealing with a brother, which didn't help. If
24 it's somebody who's--you know, you're coming in and running
25 somebody else's campaign, it's something you might think of.

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1 But when you're dealing with family, he has complete trust
2 in me. He says what do you need? I say, Scott, go get the
3 check over there and pick it up; let's get started with this
4 campaign. I'm in California, travelling back and forth as
5 much as I can. It wasn't something that ever dawned on me,
6 and I'll tell you the first time I thought about it was when
7 the auditors asked for it. They said do you have a loan
8 document, and I went no. In fact, Scott called me and said
9 do you have any kind of a statement, and I said no, I have
10 nothing. I have nothing whatsoever to show you.

11 It was a conversation, and I think that the
12 unfortunate circumstances was we had so many conversations
13 about many things that it was in passing, what are we going
14 to do on this? And then, two minutes later, we're talking
15 about another issue. It wasn't as if we sat down and
16 discussed this loan and how we were going to do it and when
17 he was going to get paid. It was a two- or three- minute
18 passing discussion that occurred four, five, six times
19 before the loan was given, maybe a half dozen to a dozen
20 times during the course of the campaign.

21 MR. NOBLE: What check on abuse of the situation
22 would we have if we, in the face of a loan report that said
23 one thing, if we then just accepted a later representation
24 without any documentation?

25 MR. MARTIN: Your point is well taken, and I

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1 understand where you're going with it. The one check that I
2 think we've got, especially in this circumstance, is that
3 you don't just simply have a representation made by someone,
4 you have an affidavit. If someone is willing to risk
5 perjury, then that's going a long way in terms of getting
6 whatever dollar amount is at stake back. I think that's a
7 pretty serious sort of matter. And second, I might also add
8 that perhaps the Commission might want to consider
9 promulgating a regulation on the subject. At this point in
10 time, to my knowledge, there's no regulation requiring that
11 loans of this nature be reduced to writing. That being the
12 case, I don't know that there is a specific requirement that
13 it be in writing. For the future, perhaps, that's an
14 alternative that the Commission might want to entertain.
15 But at this point in time, it's not required.

16 MR. NOBLE: It's a good point. I think you would
17 probably have a stronger case if the report had said it was
18 a loan when we were there asking for further documentation.

19 MR. MARTIN: And your point is well taken, but I
20 should also add in that connection, there have been other
21 instances where this Commission has accepted adjustments to
22 loans, as you well know, even though they were reported
23 incorrectly. It's a reporting error. We're willing to
24 concede that we did commit that reporting error. We made a
25 mistake, but the fact remains that this was always a loan.

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1 CHAIRMAN MCDONALD: John, with the deepest
2 affection, obviously you have not been testifying before
3 Congress. Our enthusiasm for new regulations is low.

4 [Laughter.]

5 In fact, it's damn near non-existent. The Vice-
6 Chairman is next, and then Commissioner Potter.

7 Vice-Chairman Elliott?

8 VICE-CHAIRMAN ELLIOTT: To refer back to your
9 chart, perhaps to the \$66,000, I'm still on the same topic,
10 but did you have in that or in any other place some non-
11 qualified expenses that were non-qualified merely because
12 you did not have documentation?

13 MR. MARTIN: In the \$66,000--

14 VICE-CHAIRMAN ELLIOTT: Or anyplace else?

15 MR. MARTIN: I think there is an assertion on the
16 part of the audit division that in fact some of our expenses
17 are non-qualified expenses, yes.

18 VICE-CHAIRMAN ELLIOTT: Yes. See, we have a very
19 great difficulty when we say they're non-qualified campaign
20 expenses because you don't have the documentation, and then
21 when we get to this loan problem, it's again a matter of
22 missing documentation. Now, I don't think for a minute that
23 you're lying, not for a second, because if you were that
24 type of person, you would say oh, loan documentation? Just
25 a minute, and run upstairs to the typewriter and you would

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1 have it. It doesn't take a whole lot to--if you're going to
 2 lie, lie first, you know, so that isn't part of it. But it
 3 is a very difficult problem for us when we're lacking
 4 documentation, and you can see that when other non-qualified
 5 expenses were non-qualified merely because of the lack of
 6 documentation. Thank you.

7 CHAIRMAN MCDONALD: Again I'm stating the obvious,
 8 but it's been said that it's a little bit more than that;
 9 it's lack of documentation plus a report, so I mean that's
 10 the key component in truth. I mean, it's what makes it
 11 harder; it doesn't make it impossible; it's just harder.

12 Commissioner Potter?

13 COMMISSIONER POTTER: Well, Mr. Chairman, maybe
 14 you'll have an easier time when you next go to The Hill.
 15 You'll be able to explain to them that the Buchanan
 16 Committee has called for additional FEC regulations.

17 [Laughter.]

18 CHAIRMAN MCDONALD: I'm not sure I'm going back to
 19 The Hill, Commissioner Potter. I'm taking that under
 20 advisement.

21 COMMISSIONER POTTER: Mr. Martin, I heard and
 22 listened carefully to your point that what we have here is
 23 something that was a loan, always was a loan, and is now
 24 being correctly reported as a loan. I certainly agree that
 25 a sworn affidavit stating, as we have in the record, the

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1 circumstances in which these funds were transferred to the
2 Committee indicates the contemporaneous intent that it be a
3 loan. I think the normal hierarchy is: do you have any
4 evidence at all? Answer--we have no contemporaneous
5 evidence, but we have a sworn affidavit that states the
6 contemporaneous discussion, and here's what it was. That
7 affidavit is, so far as I know, not challenged. That would
8 indicate to me that that was the intent, and you have
9 provided proof of the intent at that time.

10 The problem you have, of course, is that that
11 intent is not, then, communicated to the Treasurer and
12 reflected in the reports so that you have the legal entity
13 of the Committee reporting it as a contribution, although
14 the candidate and the campaign manager both intended it to
15 be a loan. I don't honestly know where you come out in a
16 situation where the intent is to make a loan, but the
17 Committee in the person of the Treasurer thinks it's a
18 contribution and reports it as such.

19 The one advisory opinion we have, which is an old
20 one, it's 1977-58--

21 MR. MARTIN: I'm familiar with it.

22 COMMISSIONER POTTER: Appears somewhat on point in
23 that you have a candidate who says he intended that the use
24 of the funds by the campaign would be reimbursed but didn't
25 report it as a loan and didn't know in that case he could

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1 report it as a loan, and the Commission took the, I would
2 say, hard line view that once it's reported as something
3 other than a loan, you can't retroactively change it. From
4 your position, how do you deal with that advisory opinion in
5 this context?

6 MR. MARTIN: There are a couple of different ways,
7 and part of this, I think, is a function of the way that the
8 Commission has dealt with that issue in the past. Your
9 point is well taken. I'm familiar with 77-58. But, of
10 course, to say the obvious, and it's a point that we've made
11 in our papers, that revision that was made to the
12 documentation that you described was done after the wind-
13 down was completed, i.e. after one had gone all the way
14 through the entire process. In our view, that by itself is
15 a significant difference. Here, obviously, we've not
16 completed the process. The wind-down is not completed. As
17 soon as this problem was found, it was immediately corrected
18 in the very next report. That's the first point.

19 The second point, I think, is perhaps to look to
20 other decisions that have been made by the Commission. I
21 would direct the Commission's attention to 1986-45. In 86-
22 45, Senator Bingamon was confronted with a matter that had
23 to deal with a loan that he had made to his campaign, I
24 believe, in 1982. What transpired was that there was,
25 indeed, a loan document in that instance. Unfortunately for

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1 Senator Bingamon, there was no provision in the loan
2 document that addressed the interest that was to be paid on
3 the loan. What happened is that, at a later point in time,
4 the Commission permitted the Committee--even after the wind-
5 down--to adjust the terms of that loan such that interest
6 could be paid at a rate of 9 percent. So I would submit
7 that, in the past, in fact, the Commission has allowed
8 adjustments to loan agreements on a retroactive basis, and
9 indeed in that circumstance, with respect to the interest,
10 nothing was reduced to writing. So again, I think, that's a
11 good precedent for the position that we're advocating at
12 this point in time.

13 COMMISSIONER POTTER: Thank you. I asked that
14 because I heard your argument, I understand the point, and
15 as I've indicated, I think I accept the agreement at the
16 time. I was trying to figure out how we--

17 MR. MARTIN: Sure.

18 COMMISSIONER POTTER: Squared that with some of
19 the other things we've said, and I will go back and look at
20 the Bingamon one.

21 MR. MARTIN: I understand your position.

22 COMMISSIONER POTTER: Thanks.

23 CHAIRMAN MCDONALD: Other questions?

24 (Pause.)

25 John, Bay, Scott, anything else?

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1 MR. MARTIN: Nothing else.

2 CHAIRMAN MCDONALD: For that, we're ever grateful.

3 No, just joking.

4 [Laughter.]

5 Are there any other questions? Be sure, this is
6 your last opportunity.

7 Thank you very much for coming. We appreciate it.

8 MS. BUCHANAN: Thank you all very much.

9 MR. MARTIN: Thank you.

10 CHAIRMAN MCDONALD: The meeting is adjourned at
11 3:22.

12 (Whereupon, at 3:26 p.m., the meeting was
13 adjourned.)

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REPORTER'S CERTIFICATE

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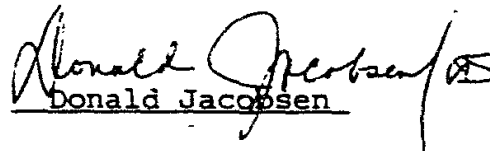
CASE TITLE: ORAL PRESENTATION OF BUCHANAN FOR PRESIDENT,
INC. COMMITTEE

HEARING DATE: MARCH 2, 1995

LOCATION: WASHINGTON, D.C.

I hereby certify that the proceedings and evidence are
contained fully and accurately on the tapes and notes
reported by me at the hearing in the above case before the
FEDERAL ELECTION COMMISSION.

Date: March 2, 1995


Donald Jacobsen

Official Reporter
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ATTACHMENT 7
Page 56 of 56

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

AK004506

December 21, 1993

Mr. Patrick J. Buchanan
c/o Angela Buchanan, Treasurer
Buchanan for President
6862 Elm Street, Suite 201
McClellan, VA 22101

Dear Mr. Buchanan:

This report is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of Buchanan for President. The Commission approved this report on December 20, 1993.

You are requested to comply with the recommendations by February 1, 1994. After expiration of the response period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. If the recommendations contained in this report are followed, such efforts will be noted in the final audit report. However, adherence to these recommendations will not necessarily preclude the institution of enforcement proceedings with regard to apparent violations of the Federal Election Campaign Act of 1971, as amended.

The Commission will not grant extensions of time to respond to Audit Reports as a matter of routine. Rather, upon a showing of good cause, the Commission may consider granting only one extension of time to respond to the Interim or Final Audit Report, but in no instance will extensions exceed 45 calendar days.

This letter also will serve to inform you that the notice requirements at 26 U.S.C. §9038(c) concerning notice of Commission repayment determinations have been satisfied by your receipt of the Commission's interim audit report.

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Mr. Patrick J. Buchanan
Page 2

If you have any questions concerning these matters,
please contact Valerie Conroy at (202) 219-3720 or toll free
at (800) 424-9530.

Sincerely,



Robert J. Costa
Assistant Staff Director
for the Audit Division

Attachment as stated

9507019371



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

AK004545

December 21, 1993

Ms. Angela Buchanan, Treasurer
Buchanan for President
6862 Elm Street, Suite 201
McClellan, VA 22101

Dear Ms. Buchanan:

This report is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of Buchanan for President. The Commission approved this report on December 20, 1993.

You are requested to comply with the recommendations by February 1, 1994. After expiration of the response period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. If the recommendations contained in this report are followed, such efforts will be noted in the final audit report. However, adherence to these recommendations will not necessarily preclude the institution of enforcement proceedings with regard to apparent violations of the Federal Election Campaign Act of 1971, as amended.

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This letter also will serve to inform you that the notice requirements at 26 U.S.C. §9038(c) concerning notice of Commission repayment determinations have been satisfied by your receipt of the Commission's interim audit report.

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Ms. Angela Buchanan
Page 2

If you have any questions concerning these matters,
please contact Valerie Conroy at (202) 219-3720 or toll free
at (800) 424-9530.

Sincerely,



Robert J. Costa
Assistant Staff Director
for the Audit Division

Attachment as stated

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AK004472

REPORT OF THE AUDIT DIVISION
ON
BUCHANAN FOR PRESIDENT

I. Background

A. Audit Authority

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This report is based on an audit of Buchanan 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, November 26, 1991, through September 30, 1992. During this period, the Committee's disclosure reports reflect an opening cash balance of \$-0-, total receipts of \$12,961,454, total disbursements of \$12,416,833 and a closing cash balance of \$428,544.1/ In addition, a limited review of the Committee's transactions and disclosure reports filed through March 31, 1993 was conducted for purposes of determining the Committee's remaining matching fund entitlement based on its financial position.

1/ Does not foot, see Finding II.C. All amounts have been rounded to the nearest dollar.

C. Campaign Organization

The Committee registered with the Federal Election Commission on December 26, 1991. The Treasurer of the Committee, was Mr. Scott B. Mackenzie from inception until March 1, 1993, when Ms. Angela M. Buchanan assumed those duties. The Committee's current offices are located in McLean, Virginia.

To manage its financial activity, the campaign maintained 28 bank accounts (7 headquarters and 21 state) at various times. From these accounts, the Committee issued approximately 4,780 checks in payment for goods and services. The Committee received approximately 193,617 contributions, from approximately 116,973 individuals, totaling \$7,113,604. The Committee also received 26 contributions from political action committees totaling \$38,800.

The candidate was determined eligible to receive matching funds on January 27, 1992. The campaign received \$5,199,987 in matching funds from the United States Treasury as of January 2, 1993. This amount represents 37.65% of the \$13,810,000 maximum entitlement that any candidate could receive and 94% of the amount requested. Through December 31, 1992, the campaign made a total of 11 matching funds requests totaling \$5,539,814.

On January 4, 1993 the Committee submitted a request for additional matching funds totaling \$75,640. Accompanying the submission, as required by Section 9034.5(f)(1) of Title 11 of the Code of Federal Regulations, was a statement of the Committee's Net Outstanding Campaign Obligations ("NOCO Statement") which reflected a remaining entitlement of \$96,184. According to the NOCO Statement the Committee's assets totaled \$1,193,925 of which \$1,011,242 or 85%, was cash on hand. The Committee's liabilities totaled \$1,290,109, which consisted of estimated winding down costs totaling \$1,209,100 or 94% of total liabilities. One item included in the estimate of winding down costs was a \$100,000 "contingency" for which the Committee provided no documentation.

After review of the NOCO Statement by the Audit Division and the Office of General Counsel the Commission made an initial determination that the January 4, 1993 NOCO Statement included inflated estimates of winding down costs. The Committee did not respond to the Commission's initial determination. On April 2, 1993 the Commission made a final determination that the Committee failed to adequately substantiate its need for additional federal matching funds and rejected the January 4, 1993 request for the additional \$75,640 (See Finding III.D., Receipt of Matching Funds in Excess of Entitlement).

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For matching fund purposes, the Commission determined that Mr. Buchanan's candidacy ended August 20, 1992, the date the Republican Party nominated its candidate for President of the United States.

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

D. Audit Scope and Procedures

In addition to a review of the Committee's expenditures to determine the qualified and non-qualified campaign expenses incurred by the campaign (See finding III.B.), the audit covered the following general categories:

1. Compliance with statutory limitations with respect to the receipt of contributions or loans (see Findings II.B. and III.B.);
2. compliance with the statutory requirements regarding the receipt of contributions from prohibited sources, such as those from corporations or labor organizations (see Finding II.A.);
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;
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;
6. the accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records (see Finding II.C.);
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 Findings III.C. and III.D.);
9. compliance with spending limitations; and
10. other audit procedures that were deemed necessary.

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Unless specifically discussed below, no material non-compliance with Statutory and Regulatory requirements was detected. It should be noted that the Commission may pursue any of the matters discussed in this report in an enforcement action. Finally, this report constitutes notice of potential Federal funds repayment pursuant to 11 C.F.R. §9038.2(a)(2).

As part of the Commission's standard audit process, an inventory of the Committee's records was conducted October 15 - 26, 1992 to determine if the records were materially complete and in an auditable condition. At the end of the inventory the Committee was notified of the specific records we had identified as missing. The Committee was given 30 days to obtain the records. At the end of the 30 day period (November 24, 1992) the Committee had not yet provided the workpapers detailing the allocation of expenditures to states, or bank records for the Committee's Mississippi state depository. On December 23, 1993 the Commission approved subpoenas to the Committee, Hancock Bank in Mississippi, and the individual responsible for maintaining the account. Hancock Bank and the individual maintaining the account responded to the subpoenas on January 22 and 25, 1993 respectively. The Committee's initial response to subpoena was received on February 9, and a supplemental response was provided on February 10, 1993. We reviewed the responses and determined the records provided were materially complete.

II. Findings and Recommendations - Non-Repayment Matters

A. Apparent Unresolved Prohibited Contributions

Section 441b(a) of Title 2 of the United States Code states, in relevant part, that it is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office.

Section 100.7(a)(1)(iii) of Title 11 of the Code of Federal Regulations states that the term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value. The term "anything of value" includes all in-kind contributions. Unless specifically exempted under 11 C.F.R. §100.7(b), the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution.

Section 103.3(b) of Title 11 of Code of Federal Regulations states, the treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limitation of 11 CFR 110.1 or 110.2.

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Contributions that present genuine questions as to whether they were made by corporations, may be, within ten days of the treasurer's receipt, either deposited into a campaign depository under 11 CFR 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. The treasurer shall make at least one written or oral request for evidence of the legality of the contribution. Such evidence includes, but is not limited to, a written statement from the contributor explaining why the contribution is legal, or a written statement by the treasurer memorializing an oral communication explaining why the contribution is legal. If the contribution cannot be determined to be legal, the treasurer shall, within thirty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

Any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

Although the Committee did not maintain a separate depository pursuant to 11 C.F.R. 103.3(b) its policy was to maintain sufficient funds with which to make a refund if necessary. Our review of the book balance used by the Committee and the actual cash on hand per the bank statements supports that sufficient cash on hand was maintained to make the refunds of prohibited or excessive portions of contributions.

The Commission notified the Committee by letter dated June 2, 1992, that a sampling technique would be used to determine, in whole or in part, the amount of excessive and prohibited contributions received by the Committee. That letter states, in part, Commission regulations provide committees with 30 days in which to refund contributions which appear to be prohibited, and 60 days in which to seek the reattributions, redesignation or refund of excessive contributions. 11 CFR 103.3(b)(1), (2), and (3). Contributions resolved by committees outside these time periods are considered untimely and in violation of the Commission's regulations. The Commission will no longer recognize any untimely refunds, redesignations or reattributions made more than 60 days following a candidate's date of ineligibility or after the date of receipt of this letter, whichever is later. After this deadline, the Commission will request that all unresolved prohibited or excessive contributions be paid to the United States Treasury.

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Our review of contributions identified apparent unresolved prohibited contributions totaling \$8,166. This amount was derived from a comprehensive review of the Committee's 21 state bank accounts and of refunds posted to the Committee's receipts data base (\$900), an apparent in-kind contribution of (\$864), and a projection based upon a sample review of the remaining contributions (\$6,402).

The Committee did attempt to resolve one of the prohibited contributions noted above, however, the refund check was dated November 5, 1992 which is outside of the 60 days subsequent to the candidate's date of ineligibility, and is considered to be unresolved.

The in-kind contribution was identified from an invoice from the Tampa Airport Marriott bearing the notation "complimentary". This matter was discussed with the Treasurer who stated either 5 or 6 rooms were utilized for one night. No other information with respect to these rooms has been provided. The Audit staff has determined that the customary charge for a room at the Tampa Airport Marriott is \$144 per night. Therefore, we have calculated the amount of the contribution to be \$864 [6 rooms X \$144/night].

The contributions that were not included in the comprehensive reviews discussed above were tested on a sample basis. The sample projected that \$6,402 represents prohibited contributions.

At the exit conference the Committee was provided with various schedules detailing the apparent prohibited contributions noted above.

Recommendation #1

The Audit staff recommends that within 30 calendar days of service of this report, the Committee:

- o provide evidence that the contributions in question are not prohibited;
- o absent any evidence that the above mentioned contributions are not prohibited, make a payment to the United States Treasury in the amount of \$8,166 (\$900 + \$864 + \$6,402).

B. Apparent Excessive Contributions

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

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Section 100.7(a)(1)(iii) of Title 11 of the Code of Federal Regulations states that the term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value. The term "anything of value" includes all in-kind contributions. Unless specifically exempted under 11 C.F.R. §100.7(b), the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods and services is a contribution.

Section 110.1(k) of Title 11 of the Code of Federal Regulations states, in part, that any contribution made by more than one person, except for contributions made by a partnership, shall include the signature of each contributor on the check, money order, or other negotiable instrument or in a separate writing. A contribution made by more than one person that does not indicate the amount to be attributed to each contributor shall be attributed equally to each contributor. If a contribution to a candidate on its face or when aggregated with other contributions from the same contributor exceeds the limitations on contributions, the treasurer may ask the contributor whether the contribution was intended to be a joint contribution by more than one person. A contribution shall be considered to be reattributed to another contributor if the treasurer of the recipient political committee asks the contributor whether the contribution is intended to be a joint contribution by more than one person, and informs the contributor that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution; and within sixty days from the date of the treasurer's receipt of the contribution, the contributors provide the treasurer with a written reattribution of the contribution, which is signed by each contributor, and which indicates the amount to be attributed to each contributor if equal attribution is not intended.

Section 103.3(b)(3) of Title 11 of the Code of Federal Regulations states, in part, that contributions which exceed the contribution limitation may be deposited into a campaign depository. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 CFR §§110.1(b) and 110.1(k), as appropriate. If a redesignation or reattribution is not obtained, the treasurer shall, within 60 days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

Section 103.3(b)(4) of Title 11 of the Code of Federal Regulations states, in part, that any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

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Section 110.1(1)(3) and (5) of Title 11 of the Code of Federal Regulations state, in part, that if a political committee receives a written reattribution of a contribution to a different contributor, the treasurer shall retain the written reattribution signed by each contributor. If a political committee does not retain the written records concerning reattribution as required, the reattribution shall not be effective, and the original attribution shall control.

As noted in Finding II.A., above, the Commission notified the Committee by letter dated June 2, 1992, that a sampling technique would be used, in whole or in part, to determine the amount of excessive and prohibited contributions received by the Committee. Additionally, the Committee maintained sufficient cash on hand to make refunds of any excessive contributions.

1. Excessive Contributions from Individuals

Our review of contributions from individuals identified apparent unresolved excessive contributions totaling \$53,909. This amount was derived from a comprehensive review of the Committee's 21 state bank accounts; a comprehensive review of selected contributions, and contribution refunds posted to the Committee's receipts data base; and a projection based upon a sample review of the remaining contributions from individuals.

a. Comprehensive Review

Based upon a comprehensive review of selected transactions in the Committee's receipts data base along with contributions deposited into the Committee's state bank accounts, 105 individuals were identified who made excessive contributions totaling \$35,630 and which are considered unresolved.

The Committee issued refund checks totaling \$7,340 in an attempt to resolve 20 excessive contributions however the refund checks have not been negotiated.

In addition, the Committee obtained 5 reattributions of excessive amounts totaling \$1,175 and issued 2 additional contribution refund checks totaling \$75; however, the dates of the reattributions and refunds were neither timely nor within 60 days subsequent to Mr. Buchanan's date of ineligibility and are also considered unresolved.

b. Sample Review

The contributions that were not included in the comprehensive reviews discussed above were tested on a sample basis. The sample projected that \$18,279 represents excessive contributions.

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Recommendation #2

The Audit staff recommends that within 30 calendar days of service of this report, the Committee:

- o provide evidence that the contributions in question are not excessive;
- o in regard to the 20 refunded checks written by the Committee which have not cleared the bank, provide evidence of these checks clearing the bank (i.e., copies of the front and back of the negotiated refund checks);
- o absent any evidence that these contributions are not excessive, make a payment to the United States Treasury in the amount of \$53,909 (\$35,630 + \$18,279).

2. Excessive Contributions Resulting from Staff Advances

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 a 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 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 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 expenses incurred for staff travel and subsistence not reimbursed within the time limits provided, as well as expenses incurred for non-travel expenses or travel expenses for individuals other than the person paying the charges. These payments resulted in 5 individuals making excessive contributions totaling \$63,086. In order to calculate the amount of a contribution resulting from an advance

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made by an individual, payments made by the Committee were applied against those expenses that had been incurred the earliest. The amount included in the excessive contributions total was the largest amount that was outstanding at any time, less an individual's remaining contribution limitation. The number of days outstanding before reimbursement ranged between 1 and 159 days.

Included in the above excessive amount is \$37,646 which was incurred by Janet Fallon, the Committee's Scheduler. Her duties included arranging lodging for the candidate and campaign staff. In many cases she charged the expenses of the traveling party on her various credit cards. The Committee would later reimburse Ms. Fallon for these charges.

The Committee was made aware of the excessive contributions during fieldwork and at the exit conference. Schedules detailing the individuals and amounts considered excessive contributions have been provided to the Committee.

Recommendation #3

The Audit staff recommends that within 30 calendar days of service of this report, the Committee provide evidence to demonstrate that the staff advances noted above are not excessive contributions or offer any other information that is believed to be relevant to the issue.

C. Misstatement of Financial Activity

Sections 434(b)(1), (2) and (4) of Title 2 of the United States Code state, in part, that each report shall disclose the amount of cash on hand at the beginning of each reporting period, the total amount of all receipts, and the total amount of all disbursements for the period and calendar year.

The Audit staff's reconciliation of the Committee bank accounts to its disclosure reports filed from inception through September 30, 1992, indicated a material misstatement of financial activity in 1992. Between January 1, 1992 and September 30, 1992, reported receipts were understated by \$26,494; reported disbursements were understated by \$140,661; and reported cash on hand was understated by \$2,534.

The misstatement of receipts occurred as a result of the Committee not reporting receipts totaling \$19,201 deposited into 11 state bank accounts; not reporting a \$6,553 refund from the New York Times; reporting interaccount transfers totaling \$1,694 as receipts; not reporting a \$1,084 in-kind contribution; addition and reporting errors totaling \$1,361; and a \$11.00 reconciling item.

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The misstatement of disbursements occurred as the result of the Committee not reporting \$95,773 of disbursements from 7 state bank accounts; underreporting disbursements of \$65,785 from 13 state bank accounts; duplicate reporting of disbursements totaling \$13,382 from 4 state bank accounts; reporting of voided checks totaling \$14,590; not reporting disbursements from the operating account of \$4,499; not reporting disbursements from the contribution account of \$1,203; not reporting a \$1,084 in-kind contribution; reporting a \$909 interaccount transfer as a disbursement; addition and reporting errors totaling \$1,219; and a \$20.00 reconciling item.

The Committee was provided with schedules detailing the misstatements during audit fieldwork, and again at the exit conference.

Recommendation #4

The Audit staff recommends that within 30 calendar days of service of this report the Committee file a comprehensive amendment for 1992 correcting the errors noted above and itemizes on schedules A-P and B-P those transactions which require itemization.

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 fund payment account was used for any purpose other than to defray the qualified campaign expenses with respect to which such 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 9038.2(b)(2)(iii) of Title 11 of the Code of Federal Regulations state 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 amount of deposits of contributions and matching funds, as of the candidate's date of ineligibility.

Pursuant to 11 CFR §9033.5(a), the Commission determined Mr. Buchanan'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:

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Total Matching Funds Certified Through
The Date of Ineligibility - August 20, 1992
Total Deposits Through the Date of Ineligibility

\$3,612,696
\$10,553,670 - .342317

Thus, the repayment ration for non-qualified campaign expenses is 34.2317%.

B. Apparent Non-qualified Campaign Expenses

Section 9032.9(a) of Title 11 of the Code of Federal Regulations defines a qualified campaign expense as one incurred by or on behalf of the candidate from the date the individual became a candidate through the last day of the candidate's eligibility; made in connection with his or her campaign for nomination; and neither the incurrence 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 9034.4(a)(1) of Title 11 of the Code of Federal Regulations states that all contributions received by an individual from the date he or she becomes a candidate and all matching payments received by the candidate shall be used only to defray qualified campaign expenses or to repay loans or otherwise restore funds (other than contributions which were received and expended to defray qualified campaign expenses) which were used to defray qualified campaign expenses.

1. Patrick J. Buchanan

The Committee reported on its Year End 1991 disclosure report contributions from the candidate totaling \$50,000. The check supporting Mr. Buchanan's first contribution of \$10,000, dated November 25, 1991, contained the notation "First Contribution." The check for the second contribution of \$40,000, dated December 4, 1991, did not contain a memo entry notation. Both amounts were itemized on Schedule A-P and reported on FEC Form 3P page 2 Detailed Summary of Receipts and Disbursements, Line 17d as contributions from the candidate.

On August 12, 1992 the Committee issued Mr. Buchanan a \$50,000 check bearing the memo line notation "Loan Repayment." This payment is disclosed on Line 27a of FEC Form 3P, page 2 as a repayment of a loan made by the candidate.

On October 5, 1992, the Committee filed an amended disclosure report for Year End 1991 disclosing the \$50,000 received from Mr. Buchanan as a loan. When questioned about the loan agreement during the inventory of Committee records,

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conducted October 15 - 26, 1992, the Treasurer^{2/} stated that no loan agreement existed and originally he was under the impression that it was a contribution. He further stated that he was informed in August 1992 by Ms. Angela Buchanan, the campaign manager, that now was the time to repay the loan.

The Commission considered a similar issue in Advisory Opinion 1977-58 and concluded that a non-presidential candidate could not retroactively regard monies received from a candidate as a debt owed to the candidate, therefore, creating a debt that could be extinguished with additional contributions. Though this case differs in that the Committee was in a deficit position at DOI, the retroactive reclassification of the contributions as loans results in a larger deficit, which in turn increases the amount of matching funds the candidate may receive.

Given the initial reporting of the candidate's funds as contributions, the memo entry on the first check "first contribution", the Treasurer's understanding of the transactions when they occurred, and the fact that no loan agreement was provided to support that the \$50,000 was in fact a loan, it is the Audit staff's opinion that the repayment of the funds to the candidate constitutes a non-qualified campaign expense, subject to a ratio repayment. Further, the amount is considered an account receivable from the candidate and is included on the NOCO Statement shown at Finding III.C. below. Should the funds be recovered from the candidate, the ratio repayment would be unnecessary.

Recommendation #5

The Audit staff recommends that within 30 calendar days of service of this report, the Committee submit documentation which demonstrates the \$50,000 in contributions from Mr. Buchanan was a loan at the time of the transactions. This documentation should include an explanation of the original reporting of the contributions, the notation on the \$10,000 contribution check, and the previous Treasurer's understanding of the nature of the contributions. Absent such evidence, the Commission will make an initial determination that unless the amount is recovered, the \$50,000 payment to the candidate is a non-qualified campaign expense and subject to repayment. The amount repayable to the United States Treasury is \$17,116 (\$50,000 x .342317).

^{2/} Mr. Scott B. Mackenzie was Treasurer from the Committee's inception until March 1, 1993, when Ms. Angela M. Buchanan assumed the position.

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2. Janet Fallon

Ms. Janet Fallon held the position of Scheduler and was reimbursed by the Committee for expenses incurred with her credit cards. The Committee over paid Ms. Fallon in the amount of \$8,645. These over payments were composed of:

- o reimbursements for bills submitted twice;
- o bills which were paid by another individual; and
- o payment for a hotel room billed to the U.S. Secret Service.

The Audit staff considers these payments to be non-qualified campaign expenses. Additionally we have included the \$8,645 on the Committee's NOCO Statement as a receivable from Ms. Fallon. Should the amount be recovered the ratio repayment would be unnecessary.

The Committee was provided with a schedule detailing the overpayments during fieldwork and at the exit conference.

Recommendation #6

The Audit staff recommends that within 30 calendar days of service of this report, the Committee provide evidence to demonstrate that these expenses are qualified campaign expenses or offer any other information that is believed to be relevant to the issue. Absent such evidence, the Commission will make an initial determination that unless the amount is recovered, the \$8,645 payment is a non-qualified campaign expense and subject to repayment. The amount repayable to the United States Treasury is \$2,959 (\$8,645 x .342317).

3. Non-Qualified Campaign Expenses--Other

Section 9034.4(a)(3) of the Code of Federal Regulations states that costs associated with the termination of political activity, such as the costs of complying with the post election requirements of the Act and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries and office supplies, shall be considered qualified campaign expenses.

Section 9034.4(b)(3) of Title 11 of the Code of Federal Regulations states that any expenses incurred after a candidate's date of ineligibility under 11 C.F.R. 9033.5, are not qualified campaign expenses except to the extent permitted under 11 C.F.R. 9034.4(a)(3).

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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.

Our review of Committee expenditures paid between the Candidate's date of ineligibility and March 31, 1993 identified \$110,093 in payments which are not considered winding down expenses. Included in this amount are fundraising expenses totaling \$73,507 and various other non-winding down expenses totaling \$36,586. None of these payments have been included on the Committee's NOCO Statement. Additionally, \$56,240 of the total amount was spent prior to the date on which the last matching funds were expended. We also identified parking tickets totaling \$120 incurred in March 1992. Discussed below is the \$56,360 (\$56,240 + 120) for which we are seeking a pro rata repayment under 11 C.F.R. § 9038.2(b)(2).

The Committee spent \$44,308 of the fundraising expenses prior to the date on which the last matching funds to which the Committee was entitled were expended. Since the Committee's NOCO Statement no longer reflected a deficit position it is the Audit staff's opinion that such fundraising expenses may not be defrayed with Federal funds. (See Finding III.D.)

We also identified payments totaling \$7,908 which are, in our opinion, related to Mr. Buchanan's foundation The American Cause. During audit fieldwork the Foundation's offices were located in Suite 220 of the building occupied by the Committee. Such payments were for "interior phone work for Suite 220" and "FAX line for Suite 220" and the installation of the Fax machine (\$445) in Suite 220; payment for computer rental and Nexis services utilized by the Foundation's Executive Director (\$5,953); and electrical repairs for an unidentified office space.

The remaining payments identified were related to the purchase of additional computer software (Macwrite 5.1, Packrat V 4.1 five user software, Microsoft Excel for Windows software update, Windows 3.1 and Word for Windows software upgrades), an Intro to Word computer class, and rental of an

additional MAC SE computer and a QMS 810 laser printer from October 1992 to April 1993 (\$2,792); courier services for deliveries of a personal nature (\$432) to a banker in Santa Monica California, and the Department of Housing and Urban Development; payments for the photocopying of books by an outside vendor (\$798.); and parking tickets in Massachusetts (\$120).

It is the Audit staff's opinion that, absent additional information, a committee which is winding down its activities should have no further need to purchase additional computer software or rent additional computers. Also, some of these expenses appear to be personal expenses of Committee officials rather than campaign expenses.

Recommendation #7

The Audit staff recommends that within 30 calendar days of service of this report, the Committee provide evidence to demonstrate these expenses are qualified campaign expenses or offer any other information that may be relevant to this issue. Absent such evidence the Commission will make an initial determination that the \$56,360 are non-qualified campaign expenses and subject to repayment. The amount repayable to the United States Treasury is \$19,293 ($\$56,360 \times .342317$).

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 after 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.

Mr. Buchanan's date of ineligibility was August 20, 1992. The Audit staff reviewed the Committee's financial activity through March 31, 1993, analyzed winding down costs, and prepared the NOCO Statement as of August 20, 1992, which appears below:

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BUCHANAN FOR PRESIDENT
STATEMENT OF NET OUTSTANDING CAMPAIGN OBLIGATIONS
AS OF AUGUST 20, 1992
(Determined at March 31, 1993)

Cash on Hand	\$380,404	
Accounts Receivable	161,873	
Janet Fallon Account Receivable	8,645	a/b/
Patrick Buchanan Account Receivable	50,000	a/
Deposits and Prepayments	14,079	
Capital Assets	<u>29,294</u>	
TOTAL ASSETS		\$644,295

OBLIGATIONS

Accounts Payable for		
Qualified Campaign Expenses	\$676,107	
(8/21/92 to 3/31/93)		
Accounts Payable (3/31/93)	10,000	
Payable to the Press	6,283	
<hr/>		
Accounts Payable to the Treasury:		
Excessive Contributions	53,909	
Prohibited Contributions	8,166	
Press Travel	4,632	
Winding Down Costs (8/20/92 - 12/31/94)		
Actual Expenses Paid		
8/20/92 - 3/31/93	1,204,701	c/
Estimated Winding Down d/		
4/1/93 - 12/31/94		
Accounting/Computer Services	200,000	
Legal	150,000	
Contingency Misc	-0-	e/
Outside Experts	50,000	
Staff	30,000	
Headquarters	15,000	

TOTAL OBLIGATIONS		<u>\$2,408,799</u>
NOCO (DEFICIT)/SURPLUS		<u>(\$1,764,504)</u>

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Footnotes to NOCO

- a/ Absent recovery from Ms. Fallon and Mr. Buchanan (see Finding III.B.) these amounts will be considered non-qualified campaign expenses and a pro rata repayment to the Treasury will be requested in the amount of \$20,075 [(\$8,645 + \$50,000) x .342317].
- b/ Ms. Fallon received erroneous payments for reimbursed expenses totaling \$8,645. These result from bills being submitted twice, submission of bills which were paid by other individuals and the submission for reimbursement for a hotel room billed to the U.S. Secret Service.
- c/ This excludes fundraising expenses totaling \$73,507 which were incurred after the Committee had reached a financial position where funds were sufficient to pay all qualified campaign expenses and winding down costs. This also excludes \$36,586 in non-qualified campaign expenses which are not considered winding down costs and were paid after the Candidate's date of ineligibility. See Findings III.B and D. We have also excluded undocumented expenses totaling \$10,622.
- d/ Since estimates were used in computing this amount, the Audit staff will review the Committee's disclosure reports and records to compare the actual figures with the estimates and prepare adjustments as necessary.
- e/ The Committee has included an unsupported \$100,000 contingency in its NOCO statement. The Audit staff has not included the amount as part of winding down.

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Additional fieldwork may be required to assess the impact of future financial activity on the NOCO Statement.

D. Receipt of Matching Funds in Excess of Entitlement

Section 9034.1(b) of Title 11 of the Code of Federal Regulations states that if on the date of ineligibility a candidate has net outstanding campaign obligations as defined under 11 CFR 9034.5, 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, i.e., the sum of the contributions received on or after the date of ineligibility plus matching funds received on or after the date of ineligibility is less than the candidate's net outstanding campaign obligations. This entitlement will be equal to the lesser of (1) the amount of contributions submitted for matching; or (2) the remaining net outstanding campaign obligations.

Section 9038.2(b)(1)(i) of Title 11 of the Code of Federal Regulations states that the Commission may determine that certain portions of the payments made to a candidate from the matching payment account were in excess of the aggregate amount of payments to which such candidate was entitled. Examples of such excessive payments include payments made to the candidate after the candidate's date of ineligibility where it is later determined that the candidate had no net outstanding campaign obligations as defined in 11 CFR 9034.5.

As previously noted, the adjusted NOCO Statement prepared by the Audit staff reflects a deficit position as of August 20, 1992. We reviewed the Committee's bank statements and financial activity through March 31, 1993 to determine if the candidate had received matching funds in excess of his entitlement.

Net Outstanding Campaign Obligations (Deficit)	(\$1,764,504)
Amounts Received	
<u>08/21/92 - 10/31/92</u>	
Private Contributions	740,862
Matching Funds	748,798
<u>11/1/92 - 11/3/92</u>	
Private Contributions	8,620
11/03/92 Matching Funds	<u>273,793</u>
Amount Received in Excess of Entitlement as of 11/3/92	<u>\$7,569</u>

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As of November 3, 1992 the Candidate had no remaining matching fund entitlement. After that date the Candidate received two matching fund payments totaling \$564,700. (\$412,917 on December 1, 1992 and \$151,783 on January 2, 1993). Therefore the amount of matching received in excess of entitlement totals \$572,269 (\$7,569 + \$412,917 + \$151,783).

Recommendation #8

The Audit staff recommends that within 30 days of service of this report, the Committee provide evidence to demonstrate that it did not receive matching funds in excess of entitlement. Absent such a demonstration, it is recommended that the Commission make an initial determination that the Committee repay \$572,269 to the United States Treasury.

E. Press Billings

Sections 9034.6(a), (b) and (d) of Title 11 of the Code of Federal Regulations state, in part, if an authorized committee incurs expenditures for transportation, ground services and facilities (including air travel, ground transportation, housing, meals, telephone service, and typewriters) made available to media personnel, secret service personnel or national security staff, such expenditures will be considered qualified campaign expenses. If reimbursement for such expenditures is received by a committee, the amount of such reimbursement for each media representative shall not exceed the media representatives pro rata share of the actual cost of the transportation and services made available. A media representative's pro rata share shall be calculated by dividing the total cost of the transportation and services by the total number of individuals to whom such transportation and services are made available. For purposes of this calculation, the total number of individuals shall include committee staff, media personnel, secret service personnel, national security staff and any other individuals to whom such transportation and services are made available. The total amount of reimbursements received from a media representative under this section shall not exceed the actual pro rata cost of the transportation and services made available to that media representative by more than 10%.

The committee may deduct from the amount of expenditures subject to the overall expenditure limitation of 11 C.F.R. 9035.1(a) the amount of reimbursements received in payment for the actual cost of transportation and services. This deduction shall not exceed the amount the committee expended for the actual cost of transportation and services provided. The committee may also deduct from the overall expenditure limitation an additional amount of reimbursements received equal to 3% of the actual cost of transportation and services provided under this section as the administrative cost to the committee of providing such services and seeking reimbursement for them. If

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the committee has incurred higher administrative costs in providing these services, the committee must document the total cost incurred for such services in order to deduct a higher amount of reimbursements received from the overall limitation. Amounts reimbursed that exceed the amount actually paid by the committee for transportation and services provided under paragraph (a) of this section plus the amount of administrative costs permitted by this section up to the maximum amount that may be received under paragraph (b) shall be repaid to the Treasury. Amounts paid by the committee for transportation, services and administrative costs for which no reimbursement is received will be considered qualified campaign expenses subject to the overall expenditure limitation.

For purposes of this section, "administrative costs" shall include all costs incurred by the committee for making travel arrangements and for seeking reimbursements, whether performed by committee staff or independent contractors.

The Committee utilized Charter Services Inc. to arrange its aircraft charters. Charter Services Inc. chartered 54 flight legs for the Committee between February 21 and May 20, 1992. They performed the following services: arranging the chartered aircraft, arranging catering services, and in some instances collection services relative to credit card payments which were applied to the Committee's account. The Committee was responsible for collecting the remaining payments from press personnel.

For our review, the Committee provided copies of flight manifests, documentation of the cost per flight leg and invoices from Charter Services Inc.. In addition, the Committee provided its reconciliation of the flight costs. The Committee used its reconciliation to bill and collect payments from the press personnel.

From the information above, the Audit staff independently calculated total cost per flight leg, number of passengers per leg, and cost per seat. The Audit staff calculated the total cost to the press of \$205,199, including a 10% markup. The total amount collected from the press at February 1, 1993 was \$211,482. This indicates that the Committee has over collected in the amount of \$6,283 [211,482 - 205,199].

Based upon our review, it appears that the over collection is due to a double billing of ferrying costs by the Committee. The Committee billed these charges on leg 1 through leg 14 as well as leg 15 through leg 23. Charter Service's invoices indicate that these charges were incurred on leg 15 through 23 only.

The Committee is required to refund to the press the \$6,283 received in excess of the maximum amount billable.

95070193704

As previously noted, the Committee may deduct from the overall limitation the amount of reimbursements received in payment for the actual cost of the transportation and services made available to the press plus an amount equal to 3% of cost as an administrative cost to the Committee for providing such transportation and services. A larger administrative allowance (i.e., in excess of the 3% but not to exceed the 10% maximum allowance) may be demonstrated only if the Committee provides sufficient documentation to support that the excess amounts were actually incurred.

The Committee provided documentation to the Audit staff detailing the cost of the actual transportation and services provided plus administrative charges totaling \$205,199. Such documentation included a schedule allocating a percentage of various individual's time and salary to press travel administration. However, the documentation provided did not include job descriptions, time records, or statements from the individuals who performed those duties.

Absent such documentation the Audit staff has recalculated the amount of the travel and services provided plus the administrative allowance to be \$200,565, resulting in an excess charge of \$4,632 which must be repaid to the U.S. Treasury.

Recommendation #9

The Audit staff recommends that within 30 calendar days of service of this report the Committee provide evidence that it did not over collect from the Press.

Absent such evidence the Committee should refund to the Press \$6,283 (for the amounts received by the Committee as of February 1, 1993) and provide photocopies of the negotiated refund checks (front and back); and provide documentation to support the calculations of the amount paid to each Press organization. In addition, any amounts received after February 1, 1993, should also be refunded to the press.

It is further recommended that the Committee document the administrative charges actually paid. Such documentation is to include time sheets, job descriptions, and affidavits from individuals describing work performed.

Absent such documentation, make repayment to the United States Treasury in the amount of \$4,632.

F. Stale Dated Checks

Section 9007.6 of Title 11 of the Code of Federal Regulations states, if the committee has checks outstanding to creditors or contributors that have not been cashed, the committee shall notify the Commission. The committee shall

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inform the Commission of its efforts to locate the payees, if such efforts have been necessary, and its efforts to encourage the payees to cash the outstanding checks. The committee shall also submit a check for the total amount of such outstanding checks, payable to the United States Treasury.

With respect to contribution refunds, 14 contributors were issued refund checks in the amount of \$611 that have not cleared the bank.

The Committee was made aware of this matter during fieldwork and at the exit conference. A schedule detailing the individuals and amounts have been provided to the Committee.

Recommendation #10

Provide evidence of these funds clearing the bank (i.e., copies of the front and back of the negotiated refund checks); or absent such evidence, make payment to the United States Treasury in the amount of \$611.

IV. Recap of Amount Due to the United States Treasury

Shown below is a recap of amounts due the United States Treasury as discussed in this report.

<u>Finding</u>	<u>Topic</u>	<u>Repayment Amount</u>
II.A.	Prohibited Contributions	\$ 8,166
II.B.	Excessive Contributions	53,909
III.B.	Nonqualified Campaign Expenses	39,368 ^{3/}
III.D.	Matching Funds Received In Excess of Entitlement	572,269
III.E.	Excess Admin Costs Billed to Press	4,632
III.F.	Stale Dated Checks	<u>611</u>
TOTAL		<u>\$678,955</u>

3/ Absent recovery of the amounts noted in the Finding this initial repayment is recommended.

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Adjusted Receipts
(Through September 30, 1993)

	Federal Matching Funds	Individual Contributions minus Refunds	FACTS and Other Cms. Centers minus Refunds	Contributions from the Candidates	Candidates Loans minus Payments	Other Loans minus Payments	Other Receipts	Adjusted Total Receipts
Democrats								
Larry Agnew	\$289,881	\$331,831	\$0	\$600	\$6,000	\$1,028	\$2,880	\$610,831
Jerry Brown	\$4,239,345	\$8,178,308	\$0	\$0	\$0	\$0	\$4,883	\$9,420,374
Bill Clinton	\$12,518,130	\$26,106,044	\$6,204	\$0	\$0	\$1	\$13,440	\$37,641,819
Tom Hayden	\$2,103,381	\$3,088,474	\$402,088	\$4,833	\$0	\$0	\$11,829	\$6,601,066
Bob Kerry	\$2,188,284	\$3,813,332	\$348,787	\$0	\$0	(\$1,226)	\$6,831	\$6,488,078
Lynnen Lofthouse	\$0	\$1,008,840	\$0	\$0	\$0	\$0	\$21	\$1,008,861
Paul Tsongas	\$3,003,873	\$8,068,820	\$3,888	\$0	\$46,000	(\$9,678)	\$0	\$8,089,884
Doug Weicker	\$288,028	\$608,818	\$780	\$0	\$0	\$0	\$1,008	\$799,324
Total Democrats	\$24,821,800	\$44,780,788	\$861,348	\$8,833	\$50,000	(\$8,770)	\$28,733	\$70,318,836
Republicans								
Patrick Buchanan	\$4,888,883	\$7,187,808	\$24,760	\$0	\$0	\$0	\$22,728	\$12,208,289
George Bush	\$10,868,813	\$27,088,826	\$44,280	\$0	\$0	\$0	\$221,787	\$38,013,375
David Duke*	\$0	\$220,718	\$0	\$0	\$1,000	\$0	\$0	\$221,718
Total Republicans	\$15,858,408	\$34,497,348	\$69,040	\$0	\$1,000	\$0	\$244,515	\$50,480,456
Other Funds								
Andre Warner*	\$0	\$682,770	\$181	\$118	\$18,000	\$0	\$0	\$879,087
Laura Finkel	\$1,836,824	\$2,201,877	\$0	\$326	(\$1,288)	\$1,200	\$0	\$4,137,398
Total Other Party	\$1,836,824	\$2,784,347	\$181	\$441	\$13,742	\$1,200	\$0	\$4,718,436
Grand Total	\$42,218,820	\$81,982,481	\$920,627	\$5,474	\$64,742	(\$8,570)	\$284,248	\$128,524,832

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARY

MAR 23 11 22 AM '95

*Public
Records*

March 23, 1995

MEMORANDUM

TO: The Commission

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble
General Counsel

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

Kenneth E. Kellner *KEK*
Assistant General Counsel

Jane J. Whang *JW*
Attorney

SUBJECT: Affidavit from Buchanan for President,
Inc. (LRA #441)

On March 9, 1995, Buchanan for President, Inc., (the "Committee") submitted to this Office a supplemental response to its Final Audit Report and the repayment determination.

The Committee included in its materials an unsworn affidavit from Patrick Buchanan, which it requested to replace with a notarized affidavit. Please find attached for your review the notarized affidavit, submitted on March 15, 1995.

Attachment

Buchanan for President, Inc.: Affidavit of Patrick J. Buchanan, dated March 15, 1995.

9507019137

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6032

WRITER 5 DIRECT DIAL

(202) 457-6032

March 15, 1995

Via Hand Delivery

Ms. Jane Whang
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

MAR 15 5 10 PM '95
FEDERAL ELECTION COMMISSION

Re: *Buchanan for President, Inc.*

Dear Jane:

Enclosed for addition to the administrative record in the Buchanan for President matter is the affidavit of Patrick J. Buchanan. Please let me know if there are any problems in substituting this signed and notarized version of the affidavit for the one that was submitted on March 9, 1995.

Thank you for your continuing courtesy.

Sincerely,



John C. Martin

cc: The Honorable Angela M. Buchanan
Scott Mackenzie

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AFFIDAVIT OF PATRICK J. BUCHANAN

REC-117
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1 In November of 1991, I told my sister, Angela "Bay" Buchanan, that I would contribute up to the maximum of \$50,000 to Buchanan for President (the "Committee") to make the campaign a success. In late 1991, I wrote two checks to Buchanan for President comprising the \$50,000.

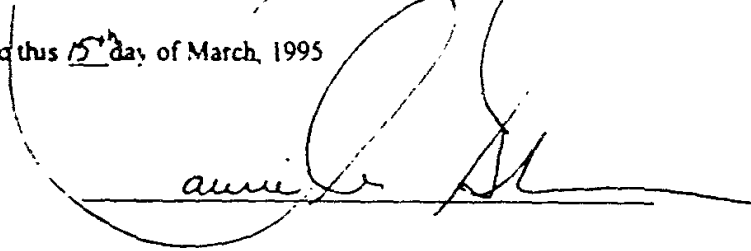
2 Bay told me the money would be considered a loan to the Committee and, if the Committee was not in debt at the end of the campaign, I would be repaid the full \$50,000. Repeatedly, during the campaign, Bay and I discussed repayment of these loans. We both understood that the loans would be repaid if possible. However, the Committee would not repay me until it was clear that the Committee would not be in debt. In August 1992, I was repaid the \$50,000.

Executed on March 15, 1995.



PATRICK J. BUCHANAN

Subscribed to and sworn before me this 15 day of March, 1995



(Seal)

My Commission expires on 12/31, 1995

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FEDERAL ELECTION COMMISSION

WASHINGTON DC 20461

DATE & TIME TRANSMITTED: WEDNESDAY, JANUARY 25, 1995 4:00

BALLOT DEADLINE: MONDAY, JANUARY 30, 1995 4:00

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

SUBJECT: BUCHANAN FOR PRESIDENT, INC.
REQUEST FOR ORAL PRESENTATION (LRA #441)
MEMORANDUM TO THE COMMISSION
DATED JANUARY 25, 1995.

95070193772

() 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



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

January 25, 1995

MEMORANDUM

TO: The Commission

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble
General Counsel

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

Kenneth E. Kellner *KEK*
Assistant General Counsel

Jane J. Whang *JW*
Attorney

SUBJECT: Buchanan for President, Inc. --
Request for Oral Presentation (LRA #441)

95070193173

By letter dated November 1, 1994, the Buchanan for President Committee (the "Committee") requested the opportunity to address the Commission in open session in connection with its response to the final audit report and the initial repayment determination, as provided in the Commission's regulations at 11 C.F.R. § 9038.2(c)(3).^{1/} See Attachment 1; see also Final Audit Report on Buchanan for President Committee (approved October 11, 1994). We recommend that the Commission grant the Committee's request for an oral presentation and schedule the presentation for March 2, 1995, at 2:00 pm.

The Commission's regulations provide publicly funded candidates with the opportunity to respond to an initial repayment determination by submitting written legal and factual materials to demonstrate that no repayment, or a lesser repayment, is appropriate. 11 C.F.R. § 9038.2(c)(2). A candidate may request an opportunity to address the Commission

^{1/} The Committee has also restated its request for an oral presentation in its written Response to the Final Audit Report, submitted to the Commission on December 14, 1994.

Memorandum to The Commission
Request for Oral Presentation
Buchanan for President, Inc. (LRA #441)
Page 2

in open session. 11 C.F.R. § 9038.2(c)(3). The Commission may grant this request by an affirmative vote of four of its members, and inform the candidate of the date and time set for the oral presentation. 11 C.F.R. § 9038.2(c)(3).

Counsel for the Committee has requested to make an oral presentation to elaborate upon the Committee's position with respect to the Commission's initial repayment determination made pursuant to 26 U.S.C. § 9038(b)(2). Specifically, the Committee disputes the Commission's initial determination that the Committee incurred non-qualified campaign expenses and received matching funds in excess of its entitlement. We believe that an oral presentation, with questions from Commissioners and staff, may help the Commission in reaching a final repayment determination.

If the Commission grants the request, we propose that procedures similar to those used for previous presentations be followed. Prior to the date of the presentation, the Office of General Counsel will prepare an analysis of the issues presented. This analysis will be provided to the Commission and the Committee. This Office will also prepare an agenda document containing materials relevant to the Committee's oral presentation.

At the presentation, the Chairman will make an opening statement. The Committee then will be allotted 30 minutes to make a presentation on the issues raised in its response. Following the presentation, individual Commissioners, the General Counsel, and the Audit Division may ask questions. The letter to Counsel for the Committee will inform him of these procedures and also state that any additional materials he may wish to have the Commission consider should be submitted to the Office of General Counsel within five days following the presentation.

RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Grant the request by the Buchanan for President Committee to make an oral presentation as provided in 11 C.F.R. § 9038.2(c)(3);
2. Set the date for the oral presentation for March 2, 1995; and
3. Approve the appropriate letter notifying Counsel of the Commission's decision.

Attachment

Request for an Oral Presentation from Buchanan for President Committee, dated November 1, 1994.

250 / 0193 / 74

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000

FACSIMILE (202) 457-6206

WRITER'S DIRECT DIAL

(202) 457-6032

November 1, 1994

Via Telecopy

Ms. Jane Whang
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: *Buchanan for President/Audit*

Dear Ms. Whang:

This letter confirms our conversation yesterday. As you know, on behalf of Buchanan for President ("the Committee"), I indicated that the Committee would contest the Audit Division's final audit and that we will (i) submit a response and (ii) make an oral presentation to the Commission. In addition, I requested an extension of time for submission of the response to the Commission. You asked that I confirm the request and the basis for the extension in writing.

The following summarizes the salient reasons for the extension:

1. The audit presents novel and complex issues that require significant analysis and preparation. Specifically, the Commission has requested that the Committee repay \$625,146 to the Treasury and \$6,283 to the press. The request is grounded upon the Commission's views on the Committee's entitlement to matching funds, allegedly excessive contributions, alleged irregularities in press reimbursements, and other other Commission assertions. To provide a thorough response, the Committee must evaluate both the factual underpinnings and the legal basis for the allegations.
2. The Committee's former treasurer and present accountant, Scott McKenzie, is diverted from his efforts on behalf of the Committee by the onslaught of election-year efforts for other candidates and clients.
3. Counsel for the Committee is similarly diverted from their effort because of election-year efforts on behalf of other clients.

ATTACHMENT 1
Page 1 of 2

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PATTON BOGGS, L.L.P.

Jane Whang, Esq.
November 1, 1994
Page 2

4. The Committee's Treasurer, Ms. Angela Buchanan, has been ill and unable to turn her full attention to this matter.

Accordingly, the Committee respectfully requests an additional 30 days to respond to the audit. Because the due date for the submission is drawing near, we would appreciate your prompt reply.

Sincerely,



John C. Martin

cc: The Honorable Angela Buchanan

95970193776

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000

FACSIMILE (202) 457-6315

WRITER'S DIRECT DIAL

(202) 457-6032

March 31, 1995

Via Messenger

Mr. Joseph Stoltz
Audit Division
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463


Re: *Buchanan for President/Repayment*

Dear Joe:

Per our conversation, I enclose a check in the amount of the \$ 67,157.00 on behalf of Buchanan for President, Inc. This sum represents payment of the amounts that the Committee conceded in its Response to the Final Audit. If you have questions concerning the payment, please contact me.

Thank you again for your continuing courtesy.

Sincerely,



John C. Martin

cc: The Honorable Angela Buchanan
Mr. Scott Mackenzie
Ms. Jane Whang (via messenger)

950 / 0193 / / /



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

April 4, 1995

RECEIPT FROM THE
UNITED STATES DEPARTMENT OF TREASURY
FOR A REPAYMENT OF
1992 PRESIDENTIAL PRIMARY MATCHING FUNDS
AND A PAYMENT TO
THE GENERAL FUND OF THE U. S. TREASURY

Received on APRIL 4, 1995 , from the Federal Election Commission (by hand delivery), a check drawn on Nations Bank of D. C. (Check #032332) in the amount of -\$67,157. The check represents a partial payment/repayment from Buchanan for President, Inc. representing prohibited contributions (\$8,166), excessive contributions (53,759), stale dated checks (\$200) and non qualified campaign expenses (\$5,032)

The payment/repayment should be deposited as follows:

Matching Payment Account	\$ 5,032
General Fund of the U. S. Treasury	<u>62,125</u>
	\$67,157

Presented by:

Received by:

_____ for the
Federal Election Commission

Sandra B. Hunter
_____ for the
United States Treasury

95070193773

Public
Records

SECRET
FEDERAL ELECTION COMMISSION



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AK006118

APR 5 10 26 AM '95

April 4, 1995

MEMORANDUM

TO: THE COMMISSIONERS

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: REPAYMENT OF \$67,157 RECEIVED FROM BUCHANAN FOR
PRESIDENT, INC.

This informational memorandum is to advise you of a \$67,157 check received from Buchanan for President, Inc. (the Committee). The check represents a partial repayment of the amount recommended in the Committee's final audit report. A breakdown of the components of the repayment is contained in the attached receipt to the U.S. Treasury

Attached is a copy of the check, the letter which accompanied the repayment, and the receipt showing delivery to the Department of Treasury.

Should you have any questions regarding the repayment please contact Ray Lisi at 219-3720.

Attachments as stated

950701923 / 1 / 2

PATTON BOGGS, L.L.P.
2550 M Street, NW
Washington, D.C. 20037-1350

NATIONSBANK OF D.C., N.A.
WASHINGTON, D.C. 20006
15-120/540

03233

CHECK DATE	CHE NUM
03/31/95	3233

SIXTY SEVEN THOUSAND ONE HUNDRED FIFTY SEVEN AND 00/100 DOLLARS

CHECK AMOUNT
***\$67,157.00

TO THE ORDER OF

UNITED STATES TREASURY

NOT VALID AFTER SIX MONTHS



AUTHORIZED SIGNATURE

⑈032332⑈ ⑆05400⑆204⑆ 000330⑆265⑈

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