



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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April 28, 2004

MEMORANDUM

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: James A. Kahl
Deputy General Counsel

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SUBJECT: Sharpton 2004 (LRA # 644)- Final Determination to Suspend Funds

I. INTRODUCTION

On March 11, 2004, the Commission determined Rev. Alfred C. Sharpton ("the Candidate") and Sharpton 2004 ("the Committee") eligible to receive matching funds. At the same time, the Commission opened an investigation pursuant to 11 C.F.R. § 9039.3 ("9039 Investigation") to resolve whether the Candidate exceeded his \$50,000 personal expenditure limitation. See 26 U.S.C. § 9035; 11 C.F.R. § 9035.2(a)(1). During the 9039 Investigation, the Commission made an initial determination to suspend matching fund payments to the Candidate

AGENDA ITEM
For Meeting of: 04-29-04
SUBMITTED LATE

on March 29, 2004.¹ The initial determination to suspend funds was based on the Committee's March 2004 monthly report, which indicated that the Candidate made expenditures from his personal funds that were more than double the \$50,000 personal expenditure limitation. 11 C.F.R. § 9033.9(a).

On April 21, 2004, the Candidate and the Committee submitted materials in response to the Commission's initial determination to suspend funds. 11 C.F.R. §§ 9033.9(b) and 9033.10(b). In addition, the Candidate and the Committee submitted records in response to the Commission's subpoena.² The Audit Division and the Office of General Counsel reviewed the Candidate's response to the initial determination and the information submitted in response to the subpoena. Based on this information, we believe the Candidate exceeded his personal expenditure limitation. Therefore, we recommend that the Commission make a final determination to suspend public funds to the Candidate. We have attached the statement of reasons in support of this final determination.

The information also shows that the Candidate knowingly and substantially exceeded his \$50,000 personal expenditure limitation prior to his application for matching funds. Thus, the Commission has a sufficient basis upon which to seek a repayment.³ The Office of General Counsel is drafting an inquiry report of the 9039 Investigation to support the repayment determination. We will circulate the inquiry report on the repayment determination to the Commission in one week.

II. COMMISSION SHOULD INSTRUCT TREASURY NOT TO PAY OUTSTANDING PUBLIC FUNDS

The Committee has an outstanding public funds payment of \$79,708.99. The Committee made an additional submission requesting an additional \$87,246.86 in public funds. The Audit Division reviewed the submission and recommended that the Commission certify a \$79,708.99 payment. On April 1, 2004, the Commission certified Rev. Sharpton and Sharpton 2004 eligible to receive an additional \$79,708.99 in matching fund payments. However, the funds were not paid on the date they could have been paid because of the Commission's administrative procedures for voting and meeting agendas, as well as Treasury Department policies and

¹ On March 26, 2004, the Commission determined the Candidate was no longer eligible to receive matching fund payments as of March 15, 2004. 11 C.F.R. § 9033.5(a).

² As part of the 9039 Investigation, the Office of General Counsel sent a letter to Rev. Sharpton on March 16, 2004, requesting certain relevant records concerning his expenditure of personal funds on behalf of his campaign. In addition, the Commission issued subpoenas to the Candidate on March 31, 2004.

³ The Presidential Primary Matching Payment Account Act grants the Commission the authority to seek repayment of matching funds for payments received in excess of a candidate's entitlement. 26 U.S.C. § 9038(b)(1) and 11 C.F.R. § 9038.2(b)(1).

regulations. *See* 26 C.F.R. § 702.9037-2. The United States Treasury was scheduled to pay these funds on May 1, 2004.

The Office of General Counsel recommends that the Commission notify the United States Treasury not to pay the \$79,708.99. First, the Candidate exceeded his personal expenditure limitation prior to his application for public funds. Therefore, he was never eligible for public funds.⁴ Second, a candidate whose payments are suspended for exceeding the expenditure limitations is not entitled to receive further matching payments. 11 C.F.R. § 9033.9(d)(2). The regulation does not distinguish between the Commission's certification of payments and a candidate's actual receipt of payments. The suspension of public funds based on exceeding the expenditure limitation is an absolute bar that applies to a candidate's receipt of all future payments, which would include any certified payments that are outstanding. *See* Explanation and Justification, 45 Fed.Reg. 25378 (April 15, 1980) ("A candidate who exceeds the expenditure limitations of 26 USC 9035 after certifying that he or she will not exceed those limitations violates a basic condition of eligibility for matching funds and that candidate's eligibility for *continued receipt* of payments is thereby terminated.")

III. RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Make a final determination to suspend matching fund payments to Rev. Alfred C. Sharpton and Sharpton 2004;
2. Approve the attached Statement of Reasons In Support of Final Suspension Determination;
3. Approve the appropriate letters.

Attachment

- A. Draft Statement of Reasons

⁴ We note that, had the Candidate received the additional \$79,708.99 matching funds payment on April 1, 2004, those funds would have been subject to the repayment.

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2
3
4 In the Matter of)
5) LRA # 644
6 Alfred C. Sharpton, and)
7 Sharpton 2004)

8 **STATEMENT OF REASONS IN SUPPORT OF FINAL DETERMINATION TO**
9 **SUSPEND MATCHING FUNDS**

10
11 **I. INTRODUCTION**

12 On _____, the Federal Election Commission (“Commission”) made a
13 final determination that Alfred C. Sharpton and Sharpton 2004 may no longer receive
14 matching funds. This Statement of Reasons sets forth the factual and legal basis for the
15 Commission’s final determination to suspend matching funds. 11 C.F.R. § 9033.10(c).
16 The background to the Commission’s final determination began on January 2, 2004. On
17 that date, Rev. Alfred C. Sharpton (“Candidate”) and Sharpton 2004 (“Committee”)
18 applied for matching fund payments under the Presidential Primary Matching Payment
19 Account Act (“Matching Payment Act”). 26 U.S.C. §§ 9031-9042 and 11 C.F.R.
20 §§ 9031-9039. The application included the Candidate’s letters of agreement and
21 certifications and the Committee’s threshold submission.

22 The Commission reviewed the application and found the threshold submission
23 adequate to qualify the Candidate as eligible to receive public funds. However, the
24 Commission questioned whether the Candidate had exceeded his \$50,000 personal
25 expenditure limitation. 11 C.F.R. § 9035.2. The Committee’s disclosure reports revealed
26 that the Candidate was close to exceeding his personal expenditure limitation. The
27 reports showed that the Candidate had incurred \$47,821.13 in expenditures that were
28 subject to his personal expenditure limitation.

1 The Candidate used his credit card to incur most of the expenditures. Given the
2 possibility that more of the Candidate's outstanding credit card debt would be subject to
3 the expenditure limit as time elapsed from the closing dates of the credit card billing
4 statements, 11 C.F.R. § 9035.2(a)(2), the Commission opened an investigation under
5 11 C.F.R. § 9039.3. The Commission requested specific information from the Committee
6 to show whether the Candidate exceeded his personal expenditure limitation. If the
7 Commission had information, at the time it reviewed the Candidate's application, that he
8 had exceeded his personal expenditure limitation, he would not have been eligible to
9 receive public funds. 11 C.F.R. § 9033.3(a). However, since the Committee's disclosure
10 reports did not demonstrate that the Candidate had exceeded his personal expenditure
11 limitation, the Commission determined the Candidate eligible to receive public funds.
12 The Commission certified an initial \$100,000 matching fund payment to the Candidate
13 on March 11, 2004.

14 The Committee filed its next monthly disclosure report on March 20, 2004. This
15 disclosure report revealed that the Candidate made expenditures on behalf of his
16 Committee that are more than double the \$50,000 personal expenditure limitation. The
17 Commission, on March 29, 2004, made an initial determination to suspend matching fund
18 payments to the Candidate.¹ The Committee did not comply with the request for
19 information made when the Commission initiated the 11 C.F.R. part 9039 investigation.

¹ On March 26, 2004, the Commission determined the Candidate was ineligible as of March 15, 2004. On April 1, 2004, the Commission certified an additional \$79,708.99 in matching fund payments to the Candidate because the Candidate had outstanding debt on his statement of net outstanding campaign obligations. The United States Treasury was scheduled to pay these funds on May 1, 2004. 26 C.F.R. § 702.9037-2.

1 Therefore, on March 31, 2004, the Commission issued a subpoena to the Candidate and
2 the Committee for the information.

3 **II. COMMITTEE AND CANDIDATE RESPONSE**

4 On April 21, 2004, the Committee and the Candidate submitted a response
5 requesting that the Commission withdraw its initial determination to suspend matching
6 fund payments. The Committee argues that the Candidate expended only \$46,956.23 of
7 his personal funds in connection with his presidential campaign and that the Committee
8 mistakenly reported large amounts of the Candidate's non-campaign related expenditures
9 as campaign expenditures. Furthermore, the Committee argues that the personal
10 expenditure limitation is triggered only after the candidate "has accepted" matching
11 funds, and that it is therefore inappropriate to consider the Candidate's personal
12 expenditures prior to his acceptance of matching funds. The Committee contends, "it is
13 patently unfair to subject Rev. Sharpton to an interpretation of the regulation that is
14 completely inconsistent with the regulation's plain meaning." The Committee also stated
15 that the Candidate's expenditures were not qualified campaign expenses.² Finally, the
16 Committee asserts that any violation of the personal expenditure limitation was not
17 knowing.

18

² The Committee argues that the Candidate certified that he would not incur qualified campaign expenses in excess of the expenditure limitations, that the Candidate's personal funds are not qualified campaign expenses, and that therefore, the Candidate made no certification with regard to personal expenditure limitations. The Committee is mistaken because a qualified campaign expense means "a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value" incurred by a candidate "from the date the individual becomes a candidate through the last day of the candidate's eligibility" that is made in connection with his campaign for nomination. 11 C.F.R. § 9032.9(a). The Candidate's personal expenditures in connection with his presidential campaign are clearly qualified campaign expenses, and he certified he would keep these expenditures under \$50,000.

1 **III. INVESTIGATION SHOWS SHARPTON EXCEEDED EXPENDITURE**
2 **LIMITATION**
3

4 The Committee provided some, but not all, of the subpoenaed records.

5 Specifically, the Committee did not provide: 1) the Candidate's American Express card
6 statements for January through March 11, 2004; 2) expense reimbursement forms
7 submitted by the Candidate to the Committee; 3) documentation of any Committee
8 requests to the Candidate for further information regarding his expense reimbursement
9 requests; and 4) any information detailing how payments to the Candidate were applied
10 to outstanding reimbursement requests. In addition, it is not clear whether the
11 documentation that was provided, such as checks and receipts and invoices supporting
12 charges on credit card statements, was complete. As a result of the incomplete
13 information submitted, it is impossible to verify the Committee's claims that its prior
14 disclosure reports were inaccurate and that the Candidate has only spent a total of
15 \$46,956.23 of his personal funds in support of his campaign.³

16 Even in the absence of this information, the Commission reviewed the available
17 records and found that the Candidate exceeded his personal expenditure limitation by
18 \$66,976 as of January 2, 2004. Attachment 1. The primary difference between the
19 Commission's accounting of the Candidate's expenditures and the Committee's
20 accounting is the fact that the Commission included expenditures related to Ed Harris as
21 campaign expenses. According to disclosure reports and the Committee's response to the

³ The Committee argued that many of the Candidate's expenses reported as campaign expenses were not in fact campaign-related expenses but were related to the Candidate's activities as head of the National Action Network ("NAN"). However, the Committee did not provide the Commission with adequate documentation of its "detailed analysis" of the Candidate's expenses demonstrating which of the Candidate's expenses were in connection with his presidential campaign and which were on behalf of NAN. The Committee provided no explanation or documentation of how expenses were allocated between the campaign and NAN.

1 initial suspension determination, Ed Harris is the campaign videographer and he
2 accompanies the Candidate to most events. The disclosure reports listed direct
3 Committee payments to Mr. Harris for campaign-related reimbursements and reported
4 debt to the Candidate for Mr. Harris' travel expenses. See Attachment 1.

5 The Commission acknowledges that Mr. Harris could have provided services that
6 were campaign and non-campaign related. However, the Committee did not demonstrate
7 which Candidate expenditures on behalf of Mr. Harris were, and which were not,
8 campaign-related. The Committee provided no explanation of why it allocated certain
9 expenditures, such as the travel and subsistence expenses for Mr. Harris, as non-
10 campaign expenses, even though it had previously included those expenses as campaign
11 expenses on its disclosure reports.

12 The Commission's information from the Committee's disclosure reports shows
13 that the expenses were campaign related. Therefore, the Commission has treated
14 Mr. Harris' expenses as campaign expenses allocable to the Candidate's personal
15 expenditure limitation.

16 **IV. COMMISSION MAKES FINAL DETERMINATION TO SUSPEND**
17 **SHARPTON'S PUBLIC FUNDS**

18
19 Based on the investigation, the Commission has made a final determination to
20 suspend the Candidate's public funds. The regulations promulgated under the Matching
21 Payment Act require the candidate to certify to several items, including that the candidate
22 and his/her authorized committee "have not incurred and will not incur expenditures in
23 connection with the candidate's campaign for nomination, which expenditures are in
24 excess of the limitations under 11 C.F.R. part 9035." 11 C.F.R. § 9033.2(b)(2). The
25 candidate may not knowingly make expenditures in connection with his campaign from

1 his personal funds that exceed \$50,000. 11 C.F.R. § 9035.2(a)(1). If a candidate
2 knowingly and substantially exceeds this limitation, the Commission may suspend the
3 candidate's entitlement to public funds, and the Candidate will not be entitled to any
4 additional public funds. 11 C.F.R §§ 9033.9(a) and (d)(2). Such a suspension of public
5 funds may be the result of an investigation conducted pursuant to 11 C.F.R. part 9039.
6 11 C.F.R. § 9039.3(a)(2).

7 The Commission's investigation shows the amount applicable to the Candidate's
8 personal expenditure limitation as \$116,976 as of January 2, 2004.⁴ The Candidate was
9 or should have been aware of his expenditures on behalf of his presidential campaign
10 because the expenses were incurred on the Candidate's personal credit card. Therefore,
11 the Candidate knowingly exceeded his personal expenditure limitation by \$66,976
12 (\$116,976 - \$50,000). *See Federal Election Commission v. Dramesi*, 640 F.Supp. 985,
13 987 (D.N.J. 1986) (“[A] knowing standard, as opposed to “knowing and willful” one,
14 does not require knowledge that one is violating the law, but merely requires an intent to
15 act”). Furthermore, by spending more than double the allowable personal amount, the
16 Candidate substantially exceeded the personal expenditure limitation.

17

⁴ The Committee reported that the Candidate made expenditures from his personal funds that are more than double the \$50,000 personal expenditure limitation. Now, the Committee wishes to retract the disclosure reports, which formed the basis for the Commission's initial determination to suspend matching funds. The Committee states, “Had the committee known that the reports would jeopardize its eligibility for matching funds, it would have devoted the resources necessary to gather the appropriate documentation and conduct a precise calculation of campaign versus non-campaign-related expenditures.” The Commission relied on the original disclosure reports to determine the Candidate eligible for public funds. The Committee has a legal duty to submit accurate disclosure reports, and the Commission is entitled to presume that such reports are accurate, regardless of whether or not matching funds are jeopardized. 11 C.F.R. § 104.14(d). Disclosure is critical to the public financing system; indeed, the Commission may suspend matching fund payments to a candidate who knowingly and substantially fails to comply with the disclosure requirements. *See* 11 C.F.R. § 9033.9(a).

1 The Committee’s brief acknowledges that the “overall expenditure limitation
2 applies when the individual becomes a candidate,” but insists that the personal
3 expenditure limitation applies only after a candidate receives matching funds. However,
4 both the plain meaning of the regulations and the statute contradict such an interpretation.

5 The Matching Payment Account Act provides that,

6 No candidate shall knowingly incur qualified campaign expenses in excess
7 of the expenditure limitation applicable under section 441a(b)(1)(A) of
8 title 2, and no candidate shall knowingly make expenditures from his
9 personal funds, or the personal funds of his immediate family, in
10 connection with his campaign for nomination for election to the office of
11 President in excess of, in the aggregate, \$50,000.
12 26 U.S.C. § 9035(a).

13
14 The regulation implementing this section of the Matching Payment Act makes a
15 distinction between candidates who accept and those who do not accept federal funds—
16 the distinction is not one of timing as alleged in the Committee’s brief.⁵ 11 C.F.R.
17 § 9035.2(a)(1). In other words, candidates who make the decision to accept matching
18 funds cannot contribute more than \$50,000 of their own funds to their presidential
19 campaign for the duration of their campaign; both prospectively and retrospectively from
20 the time of their acceptance of federal matching funds. In order to be eligible for public
21 funds, the Candidate must certify that he has “not incurred and will not incur

22

⁵ The question of when the personal expenditure limitation begins to apply is addressed by the candidate certification language of “have not incurred and will not incur” at 11 C.F.R. § 9033.2(b)(2). Sections 9035.1 and 9035.2 set forth the amount of the limitations. Section 9035.2(a)(1) is more specific in who is subject to the expenditure limitation than section 9035.1(a)(1). The Commission can only apply expenditure limitations to candidates who have received public funds. *See Buckley v. Valeo*, 424 U.S. 936 (1976). Therefore, the Commission has interpreted both regulations to apply to federal candidates who have received public funds. *See Fulani v. FEC*, 147 F.3d 924, 928-29 (D.C. Cir. 1998) (holding that the FEC is entitled to substantial deference when interpreting its own regulations, even though some precise words were missing from the regulation).

1 expenditures in connection with the candidate’s campaign for nomination, which
2 expenditures are in excess of the limitations under 11 C.F.R. part 9035.” 11 C.F.R.
3 § 9033.2(b)(2). Furthermore, the regulations make it clear that a candidate will not be
4 eligible if he had exceeded the personal expenditure limitation prior to his application.
5 11 C.F.R. § 9033.3(a). This interpretation is supported by the statute, which defines
6 “candidate” very broadly to mean any “individual who seeks nomination for election to
7 be President of the United States.” 26 U.S.C. § 9032(2).

8 The Explanation and Justification for 11 C.F.R. part 9035 does not distinguish
9 between the different expenditure limitation provisions, which are deemed to apply to a
10 candidate receiving matching funds “from the time his candidacy begins.” It states,

11 Consequently, under 26 U.S.C. § 9035, the expenditure limitations may be
12 viewed as applying to a presidential candidate from the time his candidacy
13 begins, not only from the time of certification. Hence, 26 U.S.C. § 9035
14 strongly indicates that expenditure limitations applicable to presidential
15 primary candidates who seek public funds are to be given retrospective, as
16 well as prospective, application.
17 215 Fed. Reg. 63756 (Nov. 1979)

18
19 Therefore, it is clear that “the expenditure limitations apply to a candidate from the time
20 the individual becomes a candidate, rather than from the time of certification for
21 matching funds.” *Id.* at 63757.

22 Furthermore, if a candidate knowingly and substantially “exceeded the
23 expenditure limitations at 11 C.F.R. part 9035 prior to that candidate’s application for
24 certification, the Commission may make an initial determination that the candidate is
25 ineligible to receive matching funds.” 11 C.F.R. § 9033.3(a). According to the
26 Explanation and Justification for section 9033.3, “it would be inconsistent with the basic
27 underlying purposes of the public financing statute to permit such candidates to receive

1 public funds.” 215 Fed. Reg. 63757 (Nov. 1979). If a candidate exceeding expenditure
2 limitations can be barred from eligibility to receive matching funds, it is certainly
3 consistent with the public financing statute to suspend candidates who have exceeded
4 such limitations. Therefore, the Commission has made a final determination to suspend
5 matching fund payments to the Candidate.

6

7 **Attachments:**

- 8 1. Audit Analysis
- 9 2. Sharpton 2004 Response to Matching Fund Inquiry (narrative portion only)

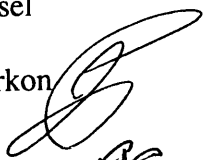



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463


April 27, 2004


Memorandum

To: Lawrence H. Norton
General Counsel

Through: James A. Pehrkon 
Staff Director

Robert J. Costa 
Associate Staff Director

Joe Stoltz 
Assistant Staff Director
Audit Division

From: Ray Lisi 
Deputy Assistant Staff Director
Audit Division

Subject: Matching Fund Eligibility-Rev Alfred C. Sharpton

2004 APR 27 P 4: 51

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COUNSEL

On March 31 2004, the Commission issued subpoenas to the Rev. Alfred C. Sharpton and Sharpton 2004 in an attempt to determine if Rev. Sharpton had exceeded his \$50,000 limitation on the use of his personal funds and if so by how much and on what dates. The disclosure reports filed by Sharpton 2004 suggested that at various times the Rev. Sharpton was owed as much as \$145,000 for expense reimbursements and \$20,000 for loans. The subpoenas asked for copies of credit card statements for the accounts used to incur expenses in connection with seeking the nomination along with receipts invoices or credit card charge slips to support the charges, expense reimbursements that the Rev. Sharpton submitted to support the amounts he was owed, any follow-up requests for further detail and support that Sharpton 2000 may have sent Rev. Sharpton, copies of all checks that support amounts that Rev. Sharpton loaned to Sharpton 2004 and copies of checks that were issued to Rev. Sharpton to reimburse him for campaign expenses, and documentation showing how payments to Rev. Sharpton were applied to outstanding reimbursement requests. The period covered by the request was August 1, 2003 to March 11, 2004.

In response, Sharpton 2004 submitted copies of credit card statements for the months of August through December of 2003. Sharpton 2004 states that in spite of repeated

ATTACHMENT 1

Page 1 of 16

requests it has been unable to obtain copies of the later statements from American Express. It is noted that the only written request provided is not signed by either of the cardholders, but rather, by a campaign official. The credit card statements are annotated by lines drawn through some charges to indicate that they are not campaign related. Also provided are copies of checks to Rev. Sharpton for reimbursements and copies of a small number of hotel bills. Finally, a spreadsheet is provided that lists expenses for transportation, hotel and miscellaneous charges. (See Attachment 1) Without explanation, some of the charges are then reduced by percentages. Some of the hotel bills have charges such as laundry, room service meals, phone calls, and in-room movies deleted. The summary page of the spreadsheet concludes that the Rev. Sharpton was owed \$47,401 at December 31, 2003 and \$46,956 in March of 2004. The information on Sharpton 2004's schedule for January through March of 2004 is very limited due to the lack of records.

A review of Sharpton 2004's submission was undertaken using the provided records and the disclosure reports filed with the Commission. (See Attachment 2) In an effort to find a starting point for the review it is noted that other than for specific non-travel items¹, there was no balance due reported at the end of June. During the third calendar quarter Sharpton 2004 reports two payments; July 1, 2003, in the amount of 26,641.32, and August 1, 2003, for \$21,478.59, for a total of \$48,119.91. These payments are described as Amex reimbursements for June and July respectively. There is a debt entry on the report for \$41,000 that is described as "AMEX Reimbursement-August 2003". No payments are recorded as having been applied to that amount. The copies of checks submitted for August and September total \$34,119.91, or exactly \$14,000 less than the reported payments. Those five checks range in amount from \$3,000 to \$18,119.91 and are dated between August 14, 2003 and September 26, 2003. None matches any reported payments in either date or amount. From the information available it is concluded that additional payments of \$14,000 were likely made in July of 2003, but since they were not covered by the subpoena, copies of the checks were not submitted. Given the dates on the reports for the payments it is concluded that the descriptions on Sharpton 2004's disclosure reports are likely correct and the reported payment on July 1, was for June expenses and the payment reported on August 1, was for July expenses. That leaves all of the August expenses un-reimbursed at September 30, 2003, which is consistent with the debt schedule filed with the third quarter report. No amounts are reported as incurred in September on the third quarter report. Given the above, the Audit Division analysis begins with all of the August expense reimbursements and the three specific charges noted above outstanding. The two reported payments during the third quarter are not applied to these expenses since they appear to relate to previous months and the debt schedules show no payments applied to any outstanding amount. It is noted that Sharpton 2004's analysis applies the third quarter payments to the August expenses in contradiction to what the disclosure reports and available records suggest. That apparently results in the application of those payments twice.

¹ \$799.13 for Fundraising Expenses at Kinkos, \$8,000 for services rendered by Julie Rifkind during the period 4/1-6/30/03, and \$22 for a cell phone bill.

After reviewing the credit card statements and hotel bills, the following general rules were applied in the Audit analysis. All charges were considered 100% campaign related if they were charged in any percentage by Sharpton 2004. The allocations shown on the Sharpton 2004's analysis were not supported. Also, incidentals removed from Rev. Sharpton's hotel bills were restored as a reasonable cost of campaign travel. Charges are not applied to the \$50,000 personal funds limitation until 60 days after the close of the credit card statement as specified in 11 CFR §9035.2(a)(2).

With few exceptions, when Rev. Sharpton traveled he was accompanied by Mr. Ed Harris. In press reports Mr. Harris is described as Rev. Sharpton's personal filmmaker. A payment on the disclosure reports has the listed purpose of "Campaign Video Taping Service". When the disclosure reports were filed, the debt entries for travel to be reimbursed to Rev. Sharpton included the description "Personal American Express Card. Campaign related travel, lodging and expense charges for Rev. Al Sharpton, Eddie Harris, and Marjorie Harris²." In Sharpton 2004's analysis submitted in response to the subpoena, Mr. Harris is, without explanation, no longer considered to be a campaign traveler. In the Audit analysis his expenses are included as campaign expenses. The following chart shows the total expenses according to the Audit analysis and as reported to the Commission.

	Sharpton 2004 Disclosure Reports	Audit Analysis
August 2003 Charges	\$41,000	\$37,320
September- November Charges	\$83,981	\$113,327
Total	\$124,981	\$150,647

As can be seen from the chart, the Audit figures although somewhat higher, are significantly closer to the disclosure reports filed by Sharpton 2004 than are the figures submitted in its analysis. Thus it appears that Mr. Harris' expenses were included in Sharpton 2004's reported amounts.

Finally, each available credit card statement reflects credits that were posted to the account during the month. Sharpton 2004's analysis does not consider these credits. In the Audit Division analysis, the credits that could be associated with charges listed on the analysis are netted against the outstanding balance.

Using the figures developed by the Audit Division, Rev Sharpton was owed the following amounts at the points in time indicated.

² According to press reports Marjorie Harris is Eddie Harris' sister and the Executive Director of the National Action Network, an organization associated with Rev. Sharpton. No travel charges were identified for Ms. Harris.

Debts Owed to Rev Sharpton Per Audit	Amount Due
Fundraising Expense-Kinkos as of 6/30	\$ 799
Services Rendered Julie Rifkind as of 6/30	8,000
Cell Phone Bill as of 6/30	22
Amex Statement with 9/2/03 closing date	37,320
Amex Statement with 10/02/03 closing date	38,429
Payment to Rev. Sharpton on 10/7/03	(22,000)
Amex Statement with 11/1/03 closing date	44,406
Candidate Loan to Sharpton 2004 12/19/03	5,000
Candidate Loan to Sharpton 2004 12/29/03	5,000
Amount Applicable to the Limitation at 1/2/04	\$116,976
Amex Statement with 12/2/03 closing date	30,492
Candidate Loan to Sharpton 2004 1/9/04	10,000
Payment to Rev. Sharpton 1/21/04	(30,000)
Amount Applicable to the Limitation at 2/1/04	\$127,468
Amex Statement with 1/2/04 closing date	41,730
Amount Applicable to the Limitation at 3/2/04	\$169,198

Thus it is concluded that when the Rev. Sharpton submitted his letter of candidate agreements and certifications stating that he was in compliance with the limitations at 26 USC 9035, he had exceeded that limitation by more than 100% given the assumptions underlying the above analysis.

It is also noted that the answer to the subpoenas issued to the Rev. Sharpton and Sharpton 2004, are incomplete. Credit card statements for the months January through March 2004 are not included. There are relatively few invoices or receipts to support the charges on the credit cards, no explanation of how payments to Rev. Sharpton were applied to outstanding amounts was included, and no expense reimbursement requests submitted by the Rev. Sharpton were included. Without this material it was not possible to determine how the amounts listed on Sharpton 2004's disclosure reports were determined, or what campaign related expenses past the end of 2003 were incurred although the disclosure reports reflect additional amounts had accumulated by the end of February.

Should you have any questions please call Joe Stoltz or Ray Lisi at Ext. 1200.

Sharpton Personal Expenditures: August - March

	August	September	October	November	December	January	February	March
RAS Airfare	\$ 9,385.16	\$ 7,790.84	\$ 7,094.75	\$ 5,655.13	\$ 11,538.87	\$ 6,751.00	\$ 3,659.40	
RAS Hotel	\$ 11,762.46	\$ 9,166.89	\$ 15,031.27	\$ 11,740.64	\$ 4,192.16	\$ 4,058.00	\$ 7,079.38	
RAS Misc	\$ -	\$ -	\$ 13,392.37	\$ -	\$ -	\$ -	\$ -	
RAS Loans	\$ 8,000.00				\$ 5,000.00	\$ 10,000.00		
	\$ 22.00				\$ 5,000.00			
RAS Paid	(\$ 25,641.32)		(\$ 22,000.00)			(\$ 30,000.00)		
	(\$ 21,478.59)		(\$ 9,244.17)					
Monthly Total	(\$ 18,950.29)	\$ 16,957.73	\$ 4,274.22	\$ 17,395.77	\$ 25,731.02	(\$ 9,191.00)	\$ 10,738.78	\$ 0.00

Q3 Total
(\$1,992.56)

Q4 Total
\$47,401.01

January Total
(\$9,191.00)

February Total
\$10,738.78

March Total
\$0.00

2003 Total
\$45,408.45

2004 Total
\$1,547.78

Grand Total (net)
\$46,956.23

Date:	City:	Campaign Percentage	Non-Campaign Percentage	Total Air & Rail	Campaign Air & Rail	Total Hotel Bill	Campaign Hotel	Campaign Misc.	Non-Campaign Expenditures
8/1/2003	New Orleans - Chicago			\$ 298.00	\$ 298.00				
8/2/2003	Baltimore						\$ 1,625.30		
8/5/2003	DC						\$ 668.54		
8/7/2003	Chicago - Atlanta			\$ 273.00	\$ 273.00				
8/8/2003	NY - Martha's Vineyard			\$ 404.00	\$ 404.00				
8/10/2003	Atlanta - Columbia			\$ 600.50	\$ 600.50				
8/10/2003	Atlanta						\$ 909.63		
8/11/2003	NY - MI			\$ 523.00	\$ 523.00				
8/11/2003	Philadelphia - NY			\$ 552.00	\$ 182.16				
8/11/2003	Boston						\$ 1,078.21		
8/14/2003	NY - St. Louis			\$ 848.00	\$ 848.00	\$ 1,161.78	\$ 902.75		
8/16/2003	DC								
8/17/2003	Charleston - NY			\$ 556.00	\$ 556.00				
8/17/2003	Atlanta			\$ 345.00	\$ 345.00				
8/18/2003	NY - Boston - NY			\$ 1,100.50	\$ 1,100.50				
8/19/2003	NC - DC - SC - NC - AL			\$ 348.00	\$ 348.00				
8/19/2003	AL - NC - TN			\$ 427.00	\$ 427.00				
8/19/2003	TN - GA - DC			\$ 584.50	\$ 584.50				
8/21/2003	DC - GA - AL						\$ 1,374.42		
8/23/2003	AL						\$ 293.91		
8/23/2003	TN						\$ 404.50		
8/25/2003	CA						\$ 1,927.44		
8/26/2003	CA			\$ 681.50	\$ 681.50		\$ 1,671.00		
8/27/2003	GA - TX			\$ 719.00	\$ 719.00				
8/27/2003	TX - SC						\$ 1,293.06		
8/28/2003	CA						\$ 1,587.60		
8/28/2003	GA								
8/29/2003	NY - NC - SC - NC - MD			\$ 1,092.50	\$ 1,092.50		\$ 1,706.02		
8/29/2003	Charleston						\$ 130.90		
9/1/2003	SC								
9/2/2003	MD - NY			\$ 99.00	\$ 99.00				
9/3/2003	MD - NY			\$ 1,787.00	\$ 1,787.00				
9/3/2003	MD - NY						\$ 382.83		
9/4/2003	LA - GA			\$ 733.50	\$ 733.50				
9/5/2003	NY - VA			\$ 409.00	\$ 409.00				
9/7/2003	MD			\$ 479.50	\$ 479.50		\$ 1,181.32		
9/8/2003	NY - DC - NY			\$ 239.00	\$ 239.00				
9/8/2003	NY - DC						\$ 1,542.08		
9/8/2003	MD - NY			\$ 189.00	\$ 99.00				
9/9/2003	NY - DC			\$ 239.00	\$ 239.00				
9/10/2003	DC			\$ 383.34	\$ 383.34				
9/12/2003	NY - GA - TN			\$ 573.00	\$ 573.00				
9/12/2003	MO - GA			\$ 83.00	\$ 83.00				
9/15/2003	NY - OH - LA - GA - DC			\$ 1,947.00	\$ 656.50				
9/16/2003	DC - NC - SC			\$ 346.50	\$ 346.50				
9/19/2003	SC - OH - NY						\$ 495.00		
9/20/2003	LA						\$ 1,317.55		
9/21/2003	DC						\$ 148.29		
9/22/2003	SC			\$ 356.50	\$ 356.50				
9/23/2003	NY - DC - NY			\$ 239.00	\$ 239.00				
9/26/2003	NY - DC - NY			\$ 827.50	\$ 827.50				
9/28/2003	DC - Raleigh, NC - Charlotte, NC						\$ 599.19		
9/28/2003	DC - NY			\$ 123.00	\$ 123.00				
9/29/2003	DC - NY			\$ 117.50	\$ 117.50				
9/29/2003	DC						\$ 2,156.17		
9/29/2003	NY - DC			\$ 316.50	\$ 316.50				
10/1/03	NY - DC			\$ 168.00	\$ 168.00				
10/2/03	FL						\$ 3,799.00		
10/30/03	FedEx						\$ 16.30		

6 of 16

Date:	City:	Campaign Percentage	Non-Campaign Percentage	Total Air & Rail	Campaign Air & Rail	Total Hotel Bill	Campaign Hotel	Campaign Misc.	Non-Campaign Expenditures
10/3/03	FedEx							\$ 16.30	
10/3/03	FedEx							\$ 16.30	
10/3/03	FedEx							\$ 16.30	
10/3/03	FedEx							\$ 16.30	
10/3/03	FedEx							\$ 17.70	
10/3/03	Washington DC	100					\$ 4,157.00		
10/4/03									
10/5/03	DC-NY		100	\$ 484.50	\$ 484.50	3757.56	\$ 1,252.52		
10/5/03	NY-DC								
10/6/2003									
10/7/2003									
10/8/2003	AZ - NC			\$ 1,429.00	\$ 1,429.00				
10/10/2003	AZ			\$ 620.50	\$ 465.38		\$ 2,370.51		
10/10/2003	NC/SC/DC	75	25	\$ 620.50	\$ 465.38				
10/10/03	Washington DC Maryland	100	100	\$ 243.00	\$ 141.75	3833.41	\$ 2,000.64		
10/11/03									
10/12/03	FL	100						\$ 250.00	
10/14/03	NYC to Columbia, SC	100		\$ 567.00	\$ 567.00				
10/15/03	Columbia, SC to NYC	100		\$ 562.00	\$ 562.00				
10/15/03		?							
10/16/03			100						
10/17/03	Richmond VA	100		\$ 49.00	\$ 49.00		\$ 798.42		
10/18/03	Richmond VA - LGA	75	25	\$ 395.50	\$ 296.63				
10/20/03	NY - DC	100		\$ 241.50	\$ 241.50				
10/20/03	DC - NY	100		\$ 243.00	\$ 243.00				
10/20/03		100							
10/21/03	NY	100							
10/21/03	NY-DC	100						\$ 9,244.17	\$ 1,588.13
10/22/03			100						
10/23/03	Washington DC	100		\$ 241.50	\$ 241.50				
10/24/03	Washington DC	100					\$ 3,431.50		
10/25/03	Depart from DC to Detroit, MI								
10/26/03	Detroit MI - to Boston, MA	85	15	\$ 796.00	\$ 796.00		\$ 105.26		
10/27/03	Boston, MA					1047	\$ 114.02		
10/28/03		33	66						
10/29/03	White Plains, NY	50	50						
10/30/03	Charleston, SC	66	33						
10/31/03	Charleston, SC	100		\$ 1,093.00	\$ 1,093.00	1733.74	\$ 760.94		
11/1/03	Orangeburg, SC	100				2300	\$ 694.49		
11/1/03	South Carolina	100							
11/2/03	Washington DC - Charlotte, NC						\$ 1,532.64		
11/3/03	NYC to Boston, MA	100		\$ 118.50	\$ 118.50				
11/4/03	Boston - Washington DC	100		\$ 577.50	\$ 577.50		\$ 2,158.98		
11/5/03	Washington DC - NYC	100		\$ 136.00	\$ 136.00				
11/6/03		100							
11/7/03	Bowie, MA	100							
11/8/03	Washington DC	50							
11/9/03	Chicago, IL	100							
11/10/03		?							
11/11/03	Washington DC	100							
11/12/03									
11/13/03	Charleston, SC	100		\$ 1,378.50	\$ 689.25	1762.45	\$ 881.23		
11/14/03	South Carolina	50	100				\$ 350.00		
11/15/03									
11/16/03									
11/17/03	Washington DC	100		\$ 241.50	\$ 241.50				
11/18/03									

REV. SHARPTON	Date:	City:	Campaign Percentage	Non-Campaign Percentage	Total Air & Rail	Campaign Air & Rail	Total Hotel Bill	Campaign Hotel	Campaign Misc.	Non-Campaign Expenditures
	11/19/03	DC-SC	100	100	\$ 539.00	\$		\$ 1,220.32		
	11/19/03	Charleston, SC	100	100			743.6			
	11/20/03	Charlotte, NC to Washington DC	100	100	\$ 1,006.50	\$ 1,006.50		\$ 635.25		
	11/22/03	Washington DC	33	66	\$ 386.00	\$ 127.38	2600	\$ 429.00		
	11/23/04	Washington DC to NYC	100	100	\$ 1,010.50	\$ 1,010.50	4406.81	\$ 2,203.00		
	11/23/03	NYC to Chicago								
	11/23/03	Connecticut								
	11/23/03	Chicago, IL								
	11/24/03	Chicago, IL to Des Moines, IA	50	50	\$ 984.00	\$ 492.00	1447.74	\$ 238.88		
	11/24/03	Des Moines, IA to Atlanta, GA	50	50						
	11/24/03	Atlanta, GA	100	100	\$ 1,256.00	\$ 1,256.00		\$ 335.00		
	11/25/03	Atlanta, GA to Augusta, GA								
	11/25/04	Augusta, GA to NYC (JFK)								
	11/26/03	NYC to Columbia, SC	100	100						
	11/27/03	Charleston, SC	100	100						
	11/27/03	Columbia, SC to New Orleans, LA	100	100						
	11/29/03	New Orleans, LA	100	100			2800	\$ 304.92		
	11/30/03	Columbia, SC	33	66						
	11/30/03	Chesapeake, VA								
	12/1/03	NYC	50	50						
	12/2/03	NYC	10	90						
	12/3/03	NYC	100	100						
	12/3/03	NYC	90	100						
	12/4/03	NYC	10	90						
	12/5/03	NYC	100	100						
	12/6/03	NYC	100	100						
	12/7/03	Washington, DC to NYC	100	100	\$ 962.00	\$ 962.00		\$ 1,217.83		
	12/8/03	New York, NY to Boston, MA	100	100	\$ 386.00	\$ 386.00				
	12/9/04	New York, NY to Boston, MA	100	100	\$ 861.00	\$ 861.00				
	12/9/04	Boston, MA to Washington, DC	100	100	\$ 237.00	\$ 237.00		\$ 1,963.46		
	12/10/03	Washington, DC to NYC	100	100	\$ 243.00	\$ 243.00				
	12/10/03	NYC to San Francisco, CA	100	100	\$ 2,223.50	\$ 2,223.50				
	12/11/03	Oakland, CA to Cin., OH	100	100	\$ 827.00	\$ 827.00				
	12/11/03	Cincinnati, OH	100	100	\$ 392.00	\$ 196.00	1,880.82	\$ 940.41		
	12/12/03	Cincinnati, OH to Detroit, MI	50	100	\$ 511.00	\$				
	12/14/03	Detroit, MI to NYC	100	100	\$ 1,043.00	\$ 1,043.00	792.00	\$		
	12/14/04	Detroit, MI to Washington, DC (CH)	100	100						
	12/15/03		100	100						
	12/16/03	NYC to Washington, DC	100	100		\$ 770.50				
	12/17/03	Washington, DC to NYC	100	100						
	12/17/03	NYC	33	66	\$ 11,484.44	\$ 3,789.87				
	12/18/03	NYC	100	100						
	12/19/03	NYC	100	100						
	12/20/03	NYC	100	100						
	12/21/03	NYC	100	100						
	12/22/03	NYC	100	100						
	12/23/03	NYC	100	100						
	12/23/03	Christmas Eve								
	12/24/03	NYC to Raleigh, NC	100	100	\$ 479.50	\$				
	12/25/03	Raleigh, NC to Atlanta, GA	100	100	\$ 978.50	\$				
	12/26/03	Atlanta, GA to Raleigh	100	100						
	12/27/03	Raleigh, NC to Myrtle Beach	100	100	\$ 1,641.00	\$				
	12/28/03	Columbia, SC to NYC	100	100			427	\$ 70.46		
	12/29/03		100	100						
	12/30/03		100	100						
	12/31/03		100	100						
	1/1/04		100	100	\$ 1,124.50	\$ 1,124.50	2422.48	\$ 799.42		
	1/2/04	NY, SC	100	100						
	1/3/04	SC-NY	100	100						
	1/4/04									

ATTACHMENT 8 16

REV. SHARPTON		Date:	City:	Campaign Percentage	Non-Campaign Percentage	Total Air & Rail	Campaign Air & Rail	Total Hotel Bill	Campaign Hotel	Campaign Misc.	Non-Campaign Expenditures
		1/5/04							709.00		
		1/6/04									
		1/7/04									
		1/8/04	NY-DC			\$ 384.60	\$ 384.60				
		1/9/04		100							
		1/10/04									
		1/11/04		100							
		1/12/04									
		1/13/04									
		1/14/04									
		1/15/04			100						
		1/16/04		50							
		1/17/04	Detroit-SC	100		\$ 503.10	\$ 503.10	1278.02	\$ 639.01		\$ 1,087.53
		1/17/04	San Francisco-Detroit	100		\$ 1,098.70	\$ 1,098.70				
		1/18/04		50							
		1/19/04		50				\$ 450.00	\$ 111.38		
		1/20/04		100							
		1/21/04				\$ 769.20	\$ 769.20				
		1/22/04		100							
		1/23/04		100		\$ 566.20	\$ 566.20	\$ 1,799.20	\$ 1,799.20		\$ 1,191.31
		1/24/04									
		1/25/04									
		1/26/04									
		1/27/04	SC-St. Louis			\$ 1,154.90	\$ 1,154.90				
		1/28/04									
		1/29/04									
		1/30/04	SC-DC			\$ 1,149.80	\$ 1,149.80	5680	\$ 3,600.00		
		1/31/04									
		2/1/04									
		2/2/04									
		2/3/04						4436			
		2/4/04	SC-Detroit								
		2/5/04									
		2/6/04	Detroit-NC			\$ 894.00	\$ 894.00	118			
		2/7/04	Detroit-VA								
		2/8/04									
		2/9/04						\$ 3,368.28			
		2/10/04									
		2/11/04	NY-DC			\$ 704.80	\$ 704.80				
		2/12/04									
		2/13/04									
		2/14/04									
		2/15/04	DC-Milwaukee			\$ 1,283.70	\$ 1,283.70	\$ 1,874.38	\$ 1,874.38		
		2/16/04	Milwaukee-NY					\$ 295.00	\$ 295.00		
		2/17/04									
		2/18/04									
		2/19/04									
		2/20/04	NY-Oakland			\$ 354.70	\$ 354.70				
		2/21/04	Oakland-Los Angeles			\$ 107.10	\$ 107.10				
		2/22/04	Los Angeles-San Jose			\$ 315.10	\$ 315.10	\$ 950.00	\$ 950.00		
		2/23/04									
		2/24/04									
		2/25/04	Atlanta, GA					\$ 360.00	\$ 360.00		
		2/26/04									
		2/29/04									
		3/1/04		54%		\$ 67,346.18	\$ 51,875.15	\$ 62636.88	\$ 63,030.80	\$ 13,392.37	\$ 3,866.87
				46%							

9 16

Sharpton 2004 Schedule Campaign Related Amex Charges

Statement Date	Arrival	Departure	From	To	Traveler Event	Total Air & Rail	Total Hotel Bill	Misc.	Monthly Charges
09/02/03	08/02/03	08/02/03	Baltimore	Baltimore	A Sharpton		\$1,625.30		
09/02/03	08/05/03	08/05/03	New Orleans	Chicago	E Harris	\$ 298.00			
09/02/03	08/05/03	08/05/03	New Orleans	Chicago	Unknown	\$ 298.00	\$668.54		
09/02/03	08/05/03	08/05/03	DC	DC	Unknown		\$296.56		
09/02/03	08/05/03	08/05/03	DC	DC	Unknown		\$203.12		
09/02/03	08/05/03	08/06/03	Chicago	Chicago	Unknown		\$273.00		
09/02/03	08/05/03	08/06/03	Chicago	Chicago	Unknown				
09/02/03	08/08/03	08/08/03	NYC	Martha's Vineyard	Al Sharpton	\$ 404.00			
09/02/03	08/08/03	08/08/03	NYC	Martha's Vineyard	E Harris	\$ 404.00			
09/02/03	08/09/03	08/09/03	Chicago	Atlanta	Al Sharpton	\$ 273.00			
09/02/03	08/09/03	08/10/03	Atlanta	Atlanta	Unknown		\$909.63		
09/02/03	08/09/03	08/10/03	Atlanta	Atlanta	Unknown		\$307.80		
09/02/03	08/09/03	08/10/03	Atlanta	Atlanta	Unknown		\$307.80		
09/02/03	08/10/03	08/10/03	Atlanta	Atlanta	Unknown				
09/02/03	08/10/03	08/10/03	Atlanta	Atlanta	A Sharpton	\$ 600.50			
09/02/03	08/10/03	08/10/03	Atlanta	Atlanta	E Harris	\$ 450.50			
09/02/03	08/11/03	08/11/03	NYC	Columbia, SC	A Sharpton	\$ 523.00			
09/02/03	08/11/03	08/11/03	NYC	Unknown	A Sharpton	\$ 552.00			
09/02/03	08/11/03	08/11/03	Philadelphia	NYC	Unknown		\$1,078.21		
09/02/03	08/11/03	08/11/03	Boston	Boston	Unknown		\$388.85		
09/02/03	08/11/03	08/11/03	Boston	Boston	Unknown		\$428.19		
09/02/03	08/11/03	08/11/03	Boston	Boston	Unknown				
09/02/03	08/14/03	08/14/03	NYC	St Louis	A Sharpton	\$ 848.00			
09/02/03	08/15/03	08/15/03	DC	DC	A Sharpton		\$1,161.78		
09/02/03	08/15/03	08/15/03	DC	DC	A Sharpton		\$554.39		
09/02/03	08/16/03	08/16/03	Atlanta	Atlanta	Unknown		\$415.34		
09/02/03	08/16/03	08/16/03	Atlanta	Atlanta	Unknown		\$6.00		
09/02/03	08/16/03	08/17/03	Atlanta	Atlanta	Unknown		\$197.26		
09/02/03	08/16/03	08/17/03	Atlanta	Atlanta	Unknown				
09/02/03	08/17/03	08/17/03	Atlanta	Atlanta	Unknown				
09/02/03	08/17/03	08/17/03	Atlanta	Atlanta	Unknown				
09/02/03	08/17/03	08/17/03	Charleston SC	LaGuardia	A Sharpton	\$ 556.00			
09/02/03	08/17/03	08/17/03	Charleston SC	LaGuardia	E Harris	\$ 556.00			
09/02/03	08/17/03	08/17/03	NYC	Boston	A Sharpton	\$ 345.00			
09/02/03	08/18/03	08/18/03	NYC	Boston	Domenque Sharpton	\$ 345.00			
09/02/03	08/18/03	08/18/03	NYC	Boston	Ashoey Sharpton	\$ 345.00			
09/02/03	08/18/03	08/18/03	NYC	Boston	A Sharpton	\$ 1,100.50			
09/02/03	08/21/03	08/21/03	DC-SC-NC-AL	Birmingham	A Sharpton	\$ 1,100.50			
09/02/03	08/21/03	08/21/03	DC-SC-NC-AL	Birmingham	E Harris	\$ 584.50			
09/02/03	08/21/03	08/21/03	DC	Birmingham	A Sharpton	\$ 346.00			
09/02/03	08/22/03	08/22/03	Charlotte, NC	Knoxville KY	E Harris	\$ 346.00			
09/02/03	08/22/03	08/22/03	Charlotte, NC	Knoxville KY	A Sharpton		\$293.91		
09/02/03	08/22/03	08/22/03	Knoxville, TN	Knoxville, TN	A Sharpton		\$116.08		
09/02/03	08/22/03	08/22/03	Knoxville, TN	Knoxville, TN	A Sharpton		\$116.08		
09/02/03	08/22/03	08/22/03	Knoxville, TN	Knoxville, TN	A Sharpton		\$116.08		
09/02/03	08/22/03	08/22/03	Knoxville, TN	Knoxville, TN	A Sharpton		\$116.08		
09/02/03	08/22/03	08/22/03	Knoxville, TN	Knoxville, TN	A Sharpton				
09/02/03	08/23/03	08/23/03	Nashville, TN	DC	A Sharpton	\$ 427.00			
09/02/03	08/23/03	08/23/03	Nashville, TN	DC	E Harris	\$ 377.00			
09/02/03	08/23/03	08/23/03	Unknown	Unknown	Unknown		\$1,374.42		
09/02/03	08/23/03	08/23/03	Unknown	Unknown	Unknown		\$181.20		

Sharpton 2004 Schedule Campaign Related Amex Charges

Statement Date	Arrival	Departure	From	To	Traveler	Total Air & Rail	Hotel Bill	Misc.	Monthly Charges
09/02/03	08/23/03	08/23/03	Unknown	Unknown	Unknown		\$181.20		
09/02/03	08/24/03	08/25/03	San Francisco	San Francisco	A Sharpton		\$1,927.44		
09/02/03	08/24/03	08/25/03	San Francisco	San Francisco	A Sharpton		\$381.59		
09/02/03	08/24/03	08/25/03	San Francisco	San Francisco	A Sharpton		\$340.86		
09/02/03	08/25/03	08/25/03	Unknown	Unknown	A Sharpton	\$ 404.50			
09/02/03	08/25/03	08/26/03	Los Angeles	Los Angeles	A Sharpton		\$2,881.60		
09/02/03	08/25/03	08/26/03	Los Angeles	Los Angeles	A Sharpton		\$507.86		
09/02/03	08/25/03	08/26/03	Los Angeles	Los Angeles	A Sharpton		\$604.23		
09/02/03	08/28/03	08/28/03	Atlanta	Houston	A Sharpton	\$ 681.50			
09/02/03	08/28/03	08/28/03	Atlanta	Houston	E Harris	\$ 581.50			
09/02/03	08/28/03	08/28/03	Atlanta	Atlanta	Unknown		\$1,587.60		
09/02/03	08/28/03	08/28/03	Atlanta	Atlanta	Unknown		\$699.01		
09/02/03	08/28/03	08/28/03	Atlanta	Atlanta	Unknown		\$842.58		
09/02/03	08/29/03	08/29/03	Houston	Columbia, SC	E Harris	\$ 719.00			
09/02/03	08/29/03	08/29/03	Houston	Columbia, SC	A Sharpton	\$ 719.00			
09/02/03	09/03/03	09/03/03	LaGuardia	NC, SC, NC, MD	A Sharpton	\$ 1,092.50			
09/02/03	9/01/03	09/01/03	Columbia SC	NYC	A Sharpton	\$ 559.50			
09/02/03	9/01/03	09/01/03	Columbia SC	NYC	E Harris	\$ 509.50			\$ 37,320.01
10/02/03	09/01/03	09/01/03	Charleston	Charleston	Unknown		\$1,706.02		
10/02/03	09/01/03	09/01/03	Charleston	Charleston	Unknown		\$837.85		
10/02/03	09/01/03	09/01/03	Charleston	Charleston	Unknown		\$1,525.92		
10/02/03	09/01/03	09/01/03	Charleston	Charleston	Unknown		\$5.40		
10/02/03	09/01/03	09/01/03	Charleston	Charleston	Unknown		\$54.63		
10/02/03	09/02/03	09/02/03	Columbia SC	Columbia SC	Unknown		\$130.90		
10/02/03	09/02/03	09/02/03	Columbia SC	Columbia SC	Unknown		\$130.90		
10/02/03	09/02/03	09/02/03	Columbia SC	Columbia SC	Unknown		\$130.90		
10/02/03	09/03/03	09/03/03	Baltimore	NYC	A Sharpton	\$ 198.00			
10/02/03	09/03/03	09/03/03	Baltimore	St Louis	Unknown	\$ 1,787.00			
10/02/03	09/04/03	09/04/03	Atlanta	Atlanta	Unknown		\$382.83		
10/02/03	09/05/03	09/05/03	Atlanta	NYC	E Harris	\$ 733.50			
10/02/03	09/05/03	09/05/03	Atlanta	NYC	A Sharpton	\$ 733.50			
10/02/03	09/06/03	09/06/03	NYC	Richmond	A Sharpton	\$ 409.00			
10/02/03	09/06/03	09/06/03	NYC	Richmond	E Harris	\$ 409.00			
10/02/03	09/06/03	09/06/03	Baltimore	Baltimore	A Sharpton		\$1,181.32		
10/02/03	09/06/03	09/07/03	Baltimore	Baltimore	Unknown		\$405.00		
10/02/03	09/06/03	09/07/03	Baltimore	Baltimore	Unknown		\$371.00		
10/02/03	09/06/03	09/08/03	LaGuardia	DC	A Sharpton	\$ 479.50			
10/02/03	09/08/03	09/08/03	Atlanta	Atlanta	Unknown		\$1,542.08		
10/02/03	09/08/03	09/08/03	Atlanta	Atlanta	Unknown		\$12.00		
10/02/03	09/08/03	09/08/03	Atlanta	Atlanta	Unknown		\$180.00		
10/02/03	09/08/03	09/08/03	Atlanta	Atlanta	Unknown		\$302.00		
10/02/03	09/08/03	09/08/03	Atlanta	Atlanta	Unknown		\$616.00		
10/02/03	09/09/03	09/09/03	LaGuardia	DC	A Sharpton	\$ 239.00			
10/02/03	09/09/03	09/09/03	Baltimore	NYC	A Sharpton	\$ 198.00			

Sharpton 2004 Schedule Campaign Related Amex Charges

Statement Date	Arrival	Departure	From	To	Traveler	Air & Rail	Total	Hotel Bill	Misc.	Monthly Charges
10/02/03	09/09/03	09/09/03	LaGuardia	DC	A Sharpton	\$	239.00			
10/02/03	09/09/03	09/09/03	LaGuardia	DC	E Harris	\$	239.00			
10/02/03	09/09/03	09/10/03	Baltimore	Baltimore	A Sharpton	\$				
10/02/03	09/09/03	09/09/03	DC	DC	A Sharpton	\$	1,150.01			
10/02/03	09/12/03	09/12/03	Unknown	Unknown	A Sharpton	\$	83.00			
10/02/03	09/13/03	09/13/03	NYC	TN	E Harris	\$	573.00			
10/02/03	09/13/03	09/13/03	NYC	TN	A Sharpton	\$	573.00			
10/02/03	09/19/03	09/19/03	NYC	NY-OH-LA-GA-DC	A Sharpton	\$	1,947.00			
10/02/03	09/19/03	09/19/03	NYC	NY-OH-LA-GA-DC	E Harris	\$	1,947.00			
10/02/03	09/19/03	09/20/03	LA	LA	Unknown			\$495.00		
10/02/03	09/19/03	09/20/03	LA	LA	Unknown			\$143.25		
10/02/03	09/19/03	09/20/03	LA	LA	Unknown			\$143.25		
10/02/03	09/20/03	09/20/03	DC	DC	A Sharpton			\$1,317.55		
10/02/03	09/20/03	09/21/03	DC	DC	A Sharpton			\$336.15		
10/02/03	09/20/03	09/21/03	DC	DC	A Sharpton			\$336.15		
10/02/03	09/21/03	09/21/03	DC	DC	A Sharpton			\$336.15		
10/02/03	09/21/03	09/21/03	DC	SC	A Sharpton	\$	656.50			
10/02/03	09/21/03	09/21/03	DC	SC	E Harris	\$	656.50			
10/02/03	09/22/03	09/22/03	SC	NY	A Sharpton	\$	346.50			
10/02/03	09/22/03	09/22/03	SC	NY	E Harris	\$	346.50			
10/02/03	09/22/03	09/22/03	SC	NY	A Sharpton	\$	346.50			
10/02/03	09/22/03	09/22/03	SC	NY	E Harris	\$	346.50			
10/02/03	09/22/03	09/22/03	SC	SC	Unknown			\$148.29		
10/02/03	09/22/03	09/22/03	SC	SC	Unknown			\$135.80		
10/02/03	09/22/03	09/22/03	SC	SC	Unknown			\$135.80		
10/02/03	09/22/03	09/22/03	SC	SC	Unknown			\$135.80		
10/02/03	09/24/03	09/24/03	NY-DC-NY	NY-DC-NY	A Sharpton	\$	356.50		\$2,500.00	
10/02/03	09/25/03	09/25/03	NYC	NYC	Unknown					
10/02/03	09/26/03	09/26/03	NY-DC-NY	NY-DC-NY	A Sharpton	\$	239.00			
10/02/03	09/26/03	09/26/03	NY-DC-NY	NY-DC-NY	E Harris	\$	239.00			
10/02/03	09/26/03	09/26/03	DC-NC-DC	DC-NC-DC	A Sharpton	\$	827.50			
10/02/03	09/26/03	09/26/03	DC-NC-DC	DC-NC-DC	E Harris	\$	827.50			
10/02/03	09/26/03	09/26/03	Raleigh, NC	Raleigh, NC	Unknown			\$599.19		
10/02/03	09/26/03	09/28/03	Raleigh, NC	Raleigh, NC	Unknown			\$201.89		
10/02/03	09/26/03	09/28/03	Raleigh, NC	Raleigh, NC	Unknown			\$2,156.17		
10/02/03	09/28/03	09/29/03	DC	DC	A Sharpton			\$54.99		
10/02/03	09/28/03	09/29/03	DC	DC	A Sharpton			\$570.37		
10/02/03	09/28/03	09/29/03	DC	DC	A Sharpton			\$694.96		
10/02/03	09/28/03	09/29/03	DC	DC	A Sharpton			\$1,062.44		
10/02/03	09/28/03	09/29/03	DC	DC	A Sharpton			\$1,062.44		
10/02/03	09/29/03	09/29/03	DC-Laguardia	DC-Laguardia	A Sharpton	\$	123.00			
10/02/03	09/29/03	09/29/03	DC-Laguardia	DC-Laguardia	E Harris	\$	123.00			
10/02/03	09/29/03	09/29/03	DC-Laguardia	DC-Laguardia	A Sharpton	\$	117.50			
10/02/03	09/29/03	09/29/03	DC-Laguardia	DC-Laguardia	E Harris	\$	117.50			
10/02/03	09/29/03	09/29/03	NY-DC-NY	NY-DC-NY	A Sharpton	\$	168.00			
10/02/03	10/03/03	10/03/03	NY-DC-NY	NY-DC-NY	E Harris	\$	168.00			
10/02/03	10/03/03	10/03/03	NY-DC-NY	NY-DC-NY	A Sharpton	\$	316.50			
10/02/03	10/04/03	10/04/03	NY-DC-NY	NY-DC-NY	E Harris	\$	316.50			
10/02/03	10/04/03	10/04/03	NY-DC-NY	NY-DC-NY	A Sharpton	\$	316.50			
10/02/03	10/04/03	10/04/03	NY-DC-NY	NY-DC-NY	E Harris	\$	316.50			
11/01/03	10/02/03	10/02/03							\$3,799.00	\$ 38,429.01

Sharpton 2004 Schedule Campaign Related Amex Charges

Statement Date	Arrival	Departure	From	To	Traveler	Air & Rail	Total	Hotel Bill	Misc.	Monthly Charges
11/01/03	10/03/03	10/03/03							\$16.30	
11/01/03	10/03/03	10/03/03	DC	DC	A Sharpton		\$4,157.00		\$16.30	
11/01/03	10/03/03	10/03/03	DC	DC	A Sharpton		\$1,068.91		\$16.30	
11/01/03	10/03/03	10/03/03	DC	DC	A Sharpton		\$997.85		\$16.30	
11/01/03	10/03/03	10/03/03	NY-DC-NY	NY-DC-NY	A Sharpton	\$	484.50		\$16.30	
11/01/03	10/03/03	10/03/03	NY-DC-NY	NY-DC-NY	D Sharpton	\$	484.50		\$16.30	
11/01/03	10/03/03	10/03/03	NY-DC-NY	NY-DC-NY	Ashley Sharpton	\$	484.50		\$16.30	
11/01/03	10/06/03	10/06/03	AZ-NC	AZ-NC	A Sharpton	\$	1,429.00		\$17.70	
11/01/03	10/10/03	10/10/03	AZ-NC	AZ-NC	E Harris	\$	1,429.00			
11/01/03	10/10/03	10/10/03	Phoenix	Phoenix	Unknown			\$2,370.51		
11/01/03	10/10/03	10/10/03	Phoenix	Phoenix	Unknown			\$671.48		
11/01/03	10/10/03	10/10/03	Phoenix	Phoenix	Unknown			\$616.38		
11/01/03	10/10/03	10/10/03	Phoenix	Phoenix	Unknown			\$18.59		
11/01/03	10/10/03	10/10/03	Phoenix	Phoenix	Unknown			\$7.15		
11/01/03	10/10/03	10/10/03	NC-DC	NC-DC	A Sharpton	\$	620.50			
11/01/03	10/10/03	10/10/03	NC-DC	NC-DC	A Sharpton	\$	620.50			
11/01/03	10/10/03	10/10/03	DC	DC	A Sharpton	\$	243.00			
11/01/03	10/12/03	10/12/03	DC	DC	A Sharpton			\$3,833.41		
11/01/03	10/12/03	10/12/03	DC	DC	A Sharpton			\$1,591.43		
11/01/03	10/12/03	10/12/03	DC	DC	A Sharpton			\$1,346.98		
11/01/03	10/12/03	10/12/03	LaGuardia	LaGuardia	E Harris	\$	243.00		\$250.00	
11/01/03	10/14/03	10/14/03	FL	FL						
11/01/03	10/15/03	10/15/03	Phil	SC	A Sharpton	\$	567.00			
11/01/03	10/15/03	10/15/03	Phil	SC	E Harris	\$	567.00			
11/01/03	10/15/03	10/15/03	SC	DC	A Sharpton	\$	562.00			
11/01/03	10/15/03	10/15/03	SC	DC	E Harris	\$	562.00			
11/01/03	10/15/03	10/15/03	DC	DC	A Sharpton	\$	345.50			
11/01/03	10/18/03	10/18/03	DC	Richmond	E Harris	\$	345.50			
11/01/03	10/18/03	10/18/03	DC	Richmond	Unknown	\$	49.00			
11/01/03	10/18/03	10/18/03	Richmond	Richmond	Unknown			\$798.42		
11/01/03	10/18/03	10/18/03	Richmond	Richmond	Unknown			\$11.49		
11/01/03	10/18/03	10/18/03	Richmond	Richmond	Unknown			\$273.13		
11/01/03	10/18/03	10/18/03	Richmond	Richmond	Unknown			\$230.63		
11/01/03	10/18/03	10/18/03	Richmond	Richmond	Unknown					
11/01/03	10/19/03	10/19/03	Richmond	NY	A Sharpton	\$	395.50			
11/01/03	10/19/03	10/19/03	Richmond	NY	E Harris	\$	395.50			
11/01/03	10/20/03	10/20/03	DC	DC	A Sharpton			\$958.47		
11/01/03	10/20/03	10/20/03	DC	DC	A Sharpton			\$175.50		
11/01/03	10/20/03	10/20/03	DC	DC	A Sharpton			\$452.28		
11/01/03	10/20/03	10/20/03	DC	DC	A Sharpton			\$488.21		
11/01/03	10/20/03	10/20/03	DC	DC	A Sharpton			\$490.67		
11/01/03	10/20/03	10/20/03	DC	DC	A Sharpton					
11/01/03	10/20/03	10/20/03	LaGuardia	LaGuardia	A Sharpton	\$	241.50			

Sharpton 2004 Schedule Campaign Related Amex Charges

Statement Date	Arrival	Departure	From	To	Traveler	Air & Rail	Hotel Bill	Misc.	Monthly Charges
11/01/03	10/20/03	10/20/03	LaGuardia	DC	E Harris	\$ 241.50			
11/01/03	10/20/03	10/20/03	DC	LaGuardia	A Sharpton	\$ 243.00			
11/01/03	10/20/03	10/20/03	DC	LaGuardia	E Harris	\$ 243.00			
11/01/03	10/24/03	10/24/03	LaGuardia	DC	A Sharpton	\$ 241.50			
11/01/03	10/24/03	10/24/03	LaGuardia	DC	E Harris	\$ 241.50	\$3,835.09		
11/01/03	10/24/03	10/26/03	DC	DC	A Sharpton		\$1,072.38		
11/01/03	10/24/03	10/26/03	DC	DC	A Sharpton		\$1,371.95		
11/01/03	10/24/03	10/26/03	DC	DC	A Sharpton				
11/01/03	10/24/03	10/26/03	DC	DC	A Sharpton				
11/01/03	10/27/03	10/23/03	Detroit	Boston	A Sharpton	\$ 796.00			
11/01/03	10/27/03	10/23/03	Detroit	Boston	E Harris	\$ (796.00)			
11/01/03	10/27/03	10/23/03	Detroit	Boston	A Sharpton	\$ 796.00			
11/01/03	10/27/03	10/23/03	Detroit	Boston	A Sharpton	\$ (796.00)			
11/01/03	10/28/03	10/28/03					\$1,047.00		
11/01/03	10/31/03	10/30/03	NY-SC-NY	NY-SC-NY	E Harris	\$ 1,093.00			
11/01/03	10/31/03	10/30/03	NY-SC-NY	NY-SC-NY	E Harris	\$ (1,093.00)			
11/01/03	10/31/03	10/30/03	NY-SC-NY	NY-SC-NY	A Sharpton	\$ 1,093.00			
11/01/03	10/31/03	10/30/03	Charleston	Charleston	Unknown		\$1,733.74		\$ 44,405.61
12/02/03	11/01/03	11/01/03	South Carolina	South Carolina			\$2,300.00		
12/02/03	11/02/03	11/02/03	Charleston	Charleston	Unknown		\$1,532.64		
12/02/03	11/03/03	11/03/03	LaGuardia	Boston	A Sharpton	\$ 118.50			
12/02/03	11/04/03	11/04/03	LaGuardia	Boston	E Harris	\$ 118.50			
12/02/03	11/04/03	11/04/03	Boston	Boston	Unknown		\$2,156.90		
12/02/03	11/04/03	11/05/03	Boston	Boston	Unknown		\$123.00		
12/02/03	11/04/03	11/05/03	Boston	Boston	Unknown		\$1,281.00		
12/02/03	11/04/03	11/05/03	Boston	Boston	A Sharpton	\$ 577.50			
12/02/03	11/05/03	11/05/03	Boston	DC	E Harris	\$ 577.50			
12/02/03	11/05/03	11/05/03	DC	NYC	A Sharpton	\$ 243.00			
12/02/03	11/05/03	11/05/03	DC	NYC	E Harris	\$ 243.00			
12/02/03	11/05/03	11/05/03	DC	NY	A Sharpton	\$ 408.00			
12/02/03	11/05/03	11/05/03	DC	Atlanta	E Harris	\$ 1,106.00			
12/02/03	11/14/03	11/14/03	NYC/Charleston	Atlanta	E Harris	\$ 272.50			
12/02/03	11/14/03	11/14/03	NYC/Charleston	Atlanta	E Harris	\$ 272.50			
12/02/03	11/14/03	11/14/03	NYC/Charleston	Atlanta	A Sharpton	\$ 1,378.50			
12/02/03	11/15/03	11/15/03	Charleston	Charleston	Unknown		\$1,762.45		
12/02/03	11/18/03	11/18/03	LaGuardia	DC	E Harris	\$ 241.50			
12/02/03	11/18/03	11/18/03	LaGuardia	DC	A Sharpton	\$ 241.50			
12/02/03	11/18/03	11/18/03	DC	DC	A Sharpton	\$ 539.00			
12/02/03	11/19/03	01/19/03	DC	Charleston, SC	A Sharpton	\$ 539.00			
12/02/03	11/19/03	01/19/03	DC	Charleston, SC	Kevin Alexander	\$ 1,006.50			
12/02/03	11/21/03	11/21/03	Charlotte	DC	A Sharpton	\$ 1,006.50			
12/02/03	11/21/03	11/21/03	Charlotte	DC	E Harris	\$ 386.00			
12/02/03	11/23/03	11/23/03	DC	NYC	A Sharpton	\$ 386.00			
12/02/03	11/23/03	11/23/03	DC	NYC	E Harris	\$ 386.00			
12/02/03	11/23/03	11/23/03	NYC	Chicago	A Sharpton	\$ 1,010.50			
12/02/03	11/23/03	11/23/03	NYC	Chicago	A Sharpton	\$ (1,010.50)			
12/02/03	11/23/03	11/23/03	NYC	Chicago	E Harris	\$ 1,010.50			

Sharpton 2004 Schedule Campaign Related Amex Charges

Statement Date	Arrival	Departure	From	To	Traveler	Total Air & Rail	Hotel Bill	Misc.	Monthly Charges
12/02/03	11/23/03	11/23/03	NYC	Chicago	E Harris	\$ (1,010.50)			
12/02/03	11/24/03	11/24/03	Chicago/Des Moines	Atlanta	A Sharpton	984.00	\$1,716.30		
12/02/03	11/24/03	11/24/03	Chicago/Des Moines	Atlanta	E Harris	984.00			
12/02/03	11/25/03	11/25/03	Atlanta	NYC	E Harris	866.00			
12/02/03	11/25/03	11/25/03	Atlanta	NYC	A Sharpton	1,256.00			\$ 30,491.84
01/02/04	12/07/03	12/07/03	New York	Boston/DC	A Sharpton	962.00			
01/02/04	12/07/03	12/07/03	New York	Boston/DC	A Sharpton	(962.00)			
01/02/04	12/07/03	12/07/03	New York	Boston/DC	E Harris	962.00			
01/02/04	12/07/03	12/07/03	New York	Boston/DC	E Harris	(962.00)			
01/02/04	12/08/03	12/08/03	DC	New York	A Sharpton	386.00			
01/02/04	12/08/03	12/08/03	DC	New York	E Harris	386.00	\$1,217.83		
01/02/04	12/08/03	12/08/03	DC	DC	Unknown		\$452.28		
01/02/04	12/08/03	12/08/03	DC	DC	Unknown				
01/02/04	12/09/03	12/09/03	New York	Boston/DC	A Sharpton	861.00			
01/02/04	12/09/03	12/09/03	New York	Boston/DC	E Harris	861.00			
01/02/04	12/09/03	12/09/03	New York	Boston/DC	C. Halloran	237.00			
01/02/04	12/09/03	12/09/03	New York	Boston/DC	C. Halloran	(237.00)			
01/02/04	12/09/03	12/09/03	Boston	Boston/DC	Unknown		\$1,963.40		
01/02/04	12/09/03	12/10/03	Boston	Boston/DC	Unknown		\$376.70		
01/02/04	12/09/03	12/10/03	Boston	Boston/DC	Unknown		\$93.40		
01/02/04	12/10/03	12/10/03	DC	New York	A Sharpton	386.00			
01/02/04	12/10/03	12/10/03	DC	New York	E Harris	386.00			
01/02/04	12/10/03	12/10/03	DC	New York	A Sharpton	243.00			
01/02/04	12/10/03	12/10/03	DC	New York	E Harris	243.00			
01/02/04	12/10/03	12/10/03	DC	New York	A Sharpton	2,223.50			
01/02/04	12/11/03	12/11/03	New York	San Francisco	A Sharpton	2,223.50			
01/02/04	12/11/03	12/11/03	New York	San Francisco	E Harris	827.00			
01/02/04	12/11/03	12/11/03	Oakland	Atlanta/Cincinnati	A Sharpton				
01/02/04	12/11/03	12/11/03	Oakland	Atlanta/Cincinnati	E Harris				
01/02/04	12/11/03	12/13/03	Cincinnati	Cincinnati	Unknown		\$1,880.82		
01/02/04	12/11/03	12/13/03	Cincinnati	Cincinnati	Unknown		\$313.43		
01/02/04	12/11/03	12/12/03	Boston	Cincinnati	Unknown		\$376.71		
01/02/04	12/12/03	12/12/03	DC	Boston	Unknown				
01/02/04	12/12/03	12/12/03	Cincinnati	Cincinnati	C. Halloran	1,043.00			
01/02/04	12/13/03	12/13/03	Cincinnati	Detroit	A Sharpton	392.00			
01/02/04	12/13/03	12/13/03	Cincinnati	Detroit	E Harris	392.00			
01/02/04	12/13/03	12/14/03	Dearborn	Dearborn	Unknown		\$792.00		
01/02/04	12/13/03	12/14/03	Dearborn	Dearborn	Unknown		\$5.50		
01/02/04	12/13/03	12/14/03	Dearborn	Dearborn	Unknown		\$5.50		
01/02/04	12/13/03	12/14/03	Dearborn	Dearborn	Unknown		\$147.06		
01/02/04	12/13/03	12/14/03	Dearborn	Dearborn	Unknown		\$147.06		
01/02/04	12/13/03	12/14/03	Dearborn	Dearborn	Unknown		\$147.06		
01/02/04	12/13/03	12/14/03	Dearborn	Dearborn	Unknown		\$147.06		
01/02/04	12/14/03	12/14/03	Detroit	New York	A Sharpton	511.00			
01/02/04	12/14/03	12/14/03	Detroit	New York	E Harris	511.00			
01/02/04	12/14/03	12/14/03	New York	DC	A Sharpton	770.50			
01/02/04	12/17/03	12/17/03	New York	DC	A Sharpton	(770.50)			

Sharpton 2004 Schedule Campaign Related Amex Charges

Statement Date	Arrival	Departure	From	To	Traveler	Total Air & Rail	Hotel Bill	Misc.	Monthly Charges
01/02/04	12/17/03	12/17/03	New York	DC	E Harris	\$ 770.50			
01/02/04	12/17/03	12/17/03	New York	DC	E Harris	\$ (770.50)			
01/02/04	12/18/03	12/18/03	Winston-Salem	Winston-Salem	Unknown	\$ 11,484.44			
01/02/04	12/18/03	12/18/03	Ohio	Ohio	Unknown		\$ 470.00		
01/02/04	12/18/03	12/18/03	Ohio	Ohio	Unknown		\$ 163.30		
01/02/04	12/18/03	12/18/03	Ohio	Ohio	Unknown		\$ 163.30		
01/02/04	12/21/03	12/21/03	San Francisco/Myrtle Beach	Charlotte/San Fran.	S Roderick	\$ 606.50			
01/02/04	12/25/03	12/25/03	New York	Raleigh	A Sharpton	\$ 479.50			
01/02/04	12/26/03	12/26/03	Raleigh	Atlanta/Raleigh	A Sharpton	\$ 978.50			
01/02/04	12/26/03	12/26/03	Raleigh	Atlanta/Raleigh	E Harris	\$ 336.50		542.57	
01/02/04	12/27/03	12/27/03	Raleigh	Raleigh	Unknown				
01/02/04	12/27/03	12/27/03	San Francisco	Myrtle Beach	S Roderick	\$ 279.50			
01/02/04	12/28/03	12/28/03	Raleigh/Charleston	New York	A Sharpton	\$ 896.00			
01/02/04	12/28/03	12/28/03	Raleigh/Charleston	New York	E Harris	\$ 752.00			
01/02/04	12/28/03	12/28/03	Raleigh/Charleston	New York	A Sharpton	\$ 378.50			
01/02/04	12/28/03	12/28/03	Raleigh/Charleston	New York	E Harris	\$ 522.00			
01/02/04	12/28/03	12/28/03	Raleigh/Myrt Bch	Grenville/Atl	A Sharpton	\$ 404.00			
01/02/04	12/28/03	12/28/03	Raleigh/Myrt Bch	Grenville/Atl	E Harris	\$ 404.00			
01/02/04	12/28/03	12/28/03				\$ 1,641.00			
01/02/04	12/28/03	12/28/03				(1,641.00)			
01/02/04	12/29/03	12/29/03					\$427.00		
01/02/04	12/30/03	12/30/03					-\$427.00		
01/02/04	01/03/04	01/03/04	NY/Columbia	Charleston/NY	E Harris	\$ 1,124.50			\$ 41,730.36
01/02/04	01/03/04	01/03/04	NY/Columbia	Charleston/NY	A Sharpton	\$ 1,124.50			
02/01/04						\$ 1,149.80			
03/01/04									

ATTACHMENT 1
Page 16 of 16

BEFORE THE FEDERAL ELECTION COMMISSION

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COMMISSION
OFFICE OF GENERAL
COUNSEL

2004 APR 21 P 5:45

In the Matter of)
)
Rev. Alfred C. Sharpton)
Sharpton 2004 and)
Andrew A. Rivera, as treasurer)
_____)

Primary Matching Fund
Inquiry

RESPONSE OF REV. ALFRED SHARPTON AND SHARPTON 2004 TO THE
FEDERAL ELECTION COMMISSION'S MATCHING FUND INQUIRY

I. INTRODUCTION

This constitutes the response of Rev. Sharpton and Sharpton 2004 (the "committee") to the initial determination made by the Federal Election Commission ("FEC" or the Commission") to suspend matching fund payments to Rev. Sharpton and the committee and the accompanying subpoena.¹

As the attached documents and discussion in Section II demonstrate, Rev. Sharpton has expended only \$46,956.23 from his personal funds in connection with his campaign for President of the United States, not \$101,802.38 as indicated in the Factual and Legal Analysis ("FLA"). Consequently, Rev. Sharpton has not exceeded the personal expenditure limitation described at 11 C.F.R. § 9035.2(a)(1).

We, therefore, respectfully request the Commission withdraw its initial determination to suspend matching fund payments. The delay in the distribution of matching funds caused by this inquiry has resulted in significant financial hardship to the committee and we urge the Commission to permit the release of the funds as soon as possible.

We note that the Audit Division's calculation of Rev. Sharpton's personal expenditures was based on the committee's recent disclosure reports to the FEC. However, those reports were filed during a frenetic period of an ongoing presidential campaign and included the committee's

¹ We have provided all responsive documents in our possession. However, despite numerous attempts, American Express has failed to provide statements to Sharpton 2004 for the months of January, February, and March, 2004. See attached letter from Sharpton 2004 to American Express, April 19, 2004.

ATTACHMENT 2
Page 1 of 9

very rough estimates of campaign-related expenditures made by Rev. Sharpton during the applicable reporting periods. More specifically, the committee mistakenly reported large amounts of non-campaign related expenditures as campaign expenditures.

As head of the National Action Network, Rev. Sharpton undertook a great deal of non-campaign related activities on behalf of NAN during the same period in which he was a presidential candidate. Only after conducting a detailed analysis of Rev. Sharpton's expense records pursuant to the Commission's inquiry were we able to determine with much greater accuracy which expenses were campaign related and which were non-campaign related. Had the committee known that the reports would jeopardize its eligibility for matching funds, it would have devoted the resources necessary to gather the appropriate documentation and conduct a precise calculation of campaign versus non-campaign-related expenditures. However, at the time the reports were filed, the committee was focusing its limited resources on the ongoing campaign. The committee had always intended to amend its FEC reports when the resources do the necessary precise evaluations became available. Unfortunately, the committee's staff is very small with individual staff members occupying multiple positions within the campaign.²

Nevertheless, though Rev. Sharpton has not exceeded the personal expenditure limitation, as we demonstrate in Section III below, the Commission has acted contrary to law by failing to apply the personal expenditure limitation regulation according to its plain meaning. More specifically, section 9035.2(a)(1) unambiguously states that the limitation does not apply until the candidate has already accepted matching funds:

No candidate who has accepted matching funds shall knowingly make expenditures from his or her personal funds . . . in connection with his or her campaign for nomination for election to the office of President which exceed \$50,000, in the aggregate.

11 C.F.R. § 9035.2(a)(1)(emphasis added).

Federal courts have repeatedly emphasized the importance of the "plain meaning" rule, stating that if the language of a regulation has a plain and ordinary meaning, courts need look no further and must apply the regulation as written. Consequently, the FEC may not ignore the plain meaning of section 9035.2(a)(1), even if it believes, as a matter of public policy, the limitation should apply prior to the acceptance of matching funds, particularly, as in this case, when the candidate has specifically relied on the regulation's plain meaning. Finally, the portion of Rev. Sharpton's matching fund certification that refers to part 9035 relates to qualified campaign expenditure limitations and not personal expenditures by the candidate. Rev. Sharpton's certification, therefore, has in no way altered the Commission's duty to apply the personal expenditure regulation according to its plain meaning.

² In addition to providing the attached spreadsheets and documents, we are amending the committee's FEC disclosure reports to reflect to the best of our ability the actual campaign expenses of the committee.

II. REV. SHARPTON'S PERSONAL EXPENDITURES

As noted above, the Commission's determination that Rev. Sharpton exceeded the personal expenditure limitation was based on the committee's third and fourth quarter disclosure reports. However, those reports included rough estimates of Rev. Sharpton's campaign-related expenses, and were based on very incomplete information available to campaign officials at the time. Specifically, we did not have the staff nor did the committee have access to a number of the records, including credit card statements, receipts, invoices, expense reimbursement forms, and other related materials, when the reports were filed. As we conducted a review of these documents pursuant to the Commission's investigation, we were able to determine with much greater accuracy which expenses were campaign related and which were non-campaign related. However, as we note in footnote 1, despite several requests, American Express has not provided statements for January, February, and March 2004. We, therefore, have had to estimate campaign and non-campaign related expenditures for that three month period

The attached spreadsheet and accompanying documentation provided pursuant to the Commission's subpoena demonstrate that Rev. Sharpton's campaign-related travel expenses were far less than originally estimated and that, according to the Commission's interpretation of the regulations, Rev. Sharpton's personal expenditures were far less than the \$101,802.38 stated in the FLA.

In fact, Rev. Sharpton's personal expenditures from August 1, 2003 through March 11, 2004 amount to \$46,956.23.

We note that we are also amending the committee's FEC disclosure reports to reflect to the best of our ability the actual campaign expenses of Rev. Sharpton and the committee.

III. THE PERSONAL EXPENDITURE LIMITATION IS NOT TRIGGERED UNTIL THE CANDIDATE "HAS ACCEPTED" MATCHING FUNDS

Though the preceding section conclusively demonstrates that Rev. Sharpton has not expended in excess of \$50,000 of his personal funds in connection with his campaign, by considering Rev. Sharpton's personal expenditures prior to his acceptance of matching funds, the FEC has acted contrary to the plain meaning of the regulation governing the personal expenditure limitation.

Specifically, the personal expenditure limitation regulation unambiguously states that the limitation is triggered only after the candidate "has accepted" matching funds. See 11 C.F.R. § 9035.2(a)(1). The general counsel's interpretation, as evidenced by the FLA, is contrary to the plain meaning of the regulation and, therefore, contrary to law. Further, it is patently unfair to subject Rev. Sharpton to an interpretation of the regulation that is completely inconsistent with the regulation's plain meaning. For these reasons, we urge the Commission to follow the plain language of its regulation and consider only those personal expenditures of Rev. Sharpton's that follow the date of his certification to receive of matching funds.

A. The FEC must apply the personal expenditure limitation according to the “plain meaning” of the regulation governing that limitation.

When the FEC promulgated section 9035.2(a)(1), title 11 of the Code of Federal Regulations, it gave the regulation the unambiguous title “Limitation on expenditures from personal or family funds.” The text of the regulation is equally unambiguous:

No candidate who **has accepted matching funds** shall knowingly make expenditures from his or her personal funds, or funds of his or her immediate family, in connection with his or her campaign for nomination for election to the office of President which exceed \$50,000, in the aggregate.

11 C.F.R. § 9035.2(a)(1)(emphasis added).³

Federal courts have repeatedly emphasized the importance of the “plain meaning” rule, stating that if the language of a regulation has a plain and ordinary meaning, courts need look no further and must apply the regulation as written. The D.C. Court of Appeals stated it this way:

In construing a statute, courts look first for the plain meaning of the text. If the language of the statute has a plain and unambiguous meaning, the court's inquiry ends so long as the resulting statutory scheme is coherent and consistent.

United States v. Barnes, 353 U.S. App. D.C. 87 (D.C. Cir. 2002). See also *Pfizer, Inc. v. Heckler*, 237 U.S. App. D.C. 66 (D.C. Cir. 1984)(“Construction of the MAC regulation must begin with the words in the regulation and their plain meaning”); *Bayview Hunters Point Community Advocates v. Metropolitan Transportation Commission*, 2004 U.S. App. Lexis 6489 (9th Cir. 2004); and *Advanta USA Inc. v. Chao*, 350 F.3d 726 (8th Cir. 2003)(No deference to agency is due if the interpretation is contrary to the regulation's plain meaning).

Despite the plain meaning of this regulation, the FEC in this case is considering Rev. Sharpton's personal expenditures prior to his acceptance of matching funds. In other words, the FEC is considering Rev. Sharpton's personal expenditures before Rev. Sharpton “has accepted” matching funds. In that sense, the general counsel is completely reading out of the regulation the operative phrase “has accepted.”

However, an agency may not construe a regulation so as to make certain phrases superfluous. As the Court stated in *APWU v. Potter*,

³ The FLA cites 11 C.F.R. § 9035.2 but does not address the fact that the regulation includes the “has accepted” language. In fact, a verbatim citation of 11 C.F.R. § 9035.2(a)(2) is conspicuously absent from the FLA; the FLA only paraphrases the regulation as follows: “[t]he candidate may not knowingly make expenditures in connection with his campaign from his personal funds that exceed \$50,000.” This “paraphrasing” of section 9035.2 completely ignores the “has accepted” language. See Factual and Legal Analysis at p.1.

A basic tenet of statutory construction, equally applicable to regulatory construction is that a text should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant, and so that one section will not destroy another unless the provision is the result of obvious mistake or error.

APWU v. Potter, 343 F.3d 619 (U.S. App. , 2003)(emphasis added). *See also In re Surface Min. Regulation Litigation*, 201 U.S. App. D.C. 360, 627 F.2d 1346 (D.C.Cir.1980) and *Association of Bituminous Contractors, Inc. v. Andrus*, 189 U.S. App. D.C. 75, 1978 U.S. App. LEXIS 12502 (D.C. Cir., February 22, 1978).

As noted above, the FLA reads out of the personal expenditure limitation regulation the operative phrase “has accepted,” making that phrase superfluous. Besides being contrary to law, the effect of this is to fundamentally expand the scope of the limitation from one which applies only after the candidate “has accepted” matching funds, to one which apparently applies when an individual becomes a candidate, regardless of whether the candidate has sought matching funds.⁴

Moreover, it is irrelevant that other primary matching fund regulations may introduce ambiguity into the FEC’s complicated primary matching fund regulatory regime. For instance, 11 C.F.R. § 9033.3 notes that the Commission may make an initial determination that the candidate is ineligible to receive matching funds if the Commission determines that the candidate “knowingly and substantially exceeded the expenditure limitations at 11 C.F.R. part 9035 prior to that candidate’s application for certification. . .” This implies that a candidate could violate the expenditure limitations at 11 C.F.R. § 9035 prior to an acceptance of matching funds. However, this implication does not alter the plain meaning of the personal expenditure limitation regulation which a reasonable person would conclude governs the personal expenditure limitation.

Broadly speaking, a reasonable person seeking to determine the personal expenditure limitations would look to 11 C.F.R. Part 9035 titled “Expenditure Limitations,” and, more specifically, to the regulation titled “Limitation on expenditures from personal or family funds,” which states unambiguously that “[n]o candidate who has accepted matching funds shall knowingly make expenditures from his or her personal funds . . . which exceed \$50,000.” 11 C.F.R. § 9035.2(a)(1)(emphasis added). The Commission should not require a candidate to look outside of this specific regulation for possible modifiers to the plain language of the regulation. If a candidate cannot look to the regulation titled “Limitation on expenditures from personal or family funds” to conclusively determine his or her personal expenditure limitation, where can he or she look?

⁴ In fact, the FEC’s interpretation of the regulation would essentially act as a barrier to the certification of matching funds by any individual who, having relied upon the plain meaning of section 9035.2(a)(1) (which states that “[n]o candidate who has accepted matching funds shall knowingly make expenditures from his or her personal funds . . . which exceed \$50,000”), spends in excess of \$50,000 of his or her own funds.

With regard to Rev. Sharpton's certification for matching funds, the FLA begins with a reference to the primary matching fund regulations requirement that the candidate "certify several items, including that the candidate and his/her authorized committee 'have not and will not incur expenditures in connection with the candidate's campaign for nomination, which expenditures are in excess of the limitations.' 11 C.F.R. §9033.2(b)(2)." Presumably, the FLA includes the verbatim quote "have not and will not incur expenditures . . . in excess of the limitations" from 11 C.F.R. § 9033.2(b)(2) in anticipation of Rev. Sharpton's argument that the personal expenditure limitations apply only after he "has accepted" matching funds. However, a review of Rev. Sharpton's certification reveals that Rev. Sharpton certified, in pertinent part:

Pursuant to 11 C.F.R. §9033.2(b)(2), I and/or my authorized committee(s) have not incurred and will not incur **qualified campaign expenses** in excess of the expenditure limitations prescribed by 26 U.S.C. § 9035 and 11 C.F.R. § 9035.2.

Certification of Rev. Sharpton, Jan. 2, 2004, paragraph II (emphasis added).

The phrase "qualified campaign expenses" refers to the spending limits at 11 C.F.R. § 9035.1, not expenditures from personal funds which, by definition, are not qualified campaign expenses. In fact, it is impossible for an expense to be both a qualified campaign expense (one which may be paid for with matching funds) and a personal expenditure. Consequently, Rev. Sharpton made no certification with regard to personal expenditure limitations, and, therefore, the language of the regulation is controlling and is unmodified by Rev. Sharpton's certification.

Even if the FEC asserts that it intended that the personal expenditure limitation apply when an individual becomes a candidate, the Commission may not now interpret its own regulation contrary to its plain meaning. To do so would be patently unfair and unlawful, particularly after Rev. Sharpton has relied on this regulation. As stated above, federal courts have repeatedly held that no deference to an agency is due if the interpretation is contrary to the regulation's plain meaning.

Furthermore, when drafting 11 C.F.R. § 9035.2(a)(1), the Commission chose to include the phrase "has accepted." If its intention was that the personal expenditure limitation apply when an individual becomes a candidate, the Commission could have drafted the regulation without this delimiting phrase. A reasonable person could come to no other conclusion than that the Commission intended the phrase "has accepted" to have its plain meaning that the personal expenditure limitation applies after the candidate "has accepted" matching funds.⁵

⁵ As evidence of the Commission's intention to purposefully include the phrase "has accepted," one needs look no farther than the regulation directly preceding section 9035.2. Section 9035.1 states "No candidate or his or her authorized committee(s) shall knowingly incur expenditures in connection with the candidate's campaign for nomination, which expenditures, in the aggregate, exceed \$10,000,000. . ." 11 C.F.R. § 9035.1. Though not reviewed by Rev. Sharpton or the committee prior to the preparation of this response, the November 5, 1979 Explanation and Justification ("E & J") for Part 9035 explains that the regulations promulgated on May 7, 1979, made the expenditure limitation applicable to only those candidates who accepted matching funds. However, "[w]ith this revision, it is clear that the expenditure

Nevertheless, as numerous federal courts have stated in other contexts, the FEC may not ignore the plain meaning of section 9035.2(a)(1) because it intended something different, particularly when the candidate has specifically relied on the regulation's plain meaning. See *United States v. Barnes*, 353 U.S. App. D.C. 87 (D.C. Cir. 2002); *Pfizer, Inc. v. Heckler*, 237 U.S. App. D.C. 66 (D.C. Cir. 1984); *Bayview Hunters Point Community Advocates v. Metropolitan Transportation Commission*, 2004 U.S. App. Lexis 6489 (9th Cir. 2004); and *Advanta USA Inc. v. Chao*, 350 F.3d 726 (8th Cir. 2003).

Moreover, the FEC's application of the personal expenditure limitation prior to the acceptance of matching funds should not be viewed as merely an agency's attempt to interpret an ambiguous regulation. On the contrary: the FEC's interpretation is completely inconsistent with the plain meaning of the regulation. In fact, it greatly expands the scope of the personal expenditure limitation.

The Supreme Court held that an agency's construction of a regulation will be shown deference, but not when the construction of the regulation by the agency "is plainly erroneous or inconsistent with the regulation." In *Bowles v. Seminole Rock Co.*, the Supreme Court stated:

Since this involves an interpretation of an administrative regulation a court must necessarily look to the administrative construction of the regulation **if the meaning of the words used is in doubt**. . . . The ultimate criterion is the

(continued)

limitations apply to a candidate from the time the individual becomes a candidate, rather than from the time of certification for matching funds." 44 FR 63756 (Nov. 5, 1979). At first blush, this would seem to indicate that the personal expenditure limitation would apply from the time the individual becomes a candidate. However, a thorough review reveals that the Commission at that time apparently retained the "has accepted" language of the personal expenditure limitation while apparently modifying the language of the overall expenditure limitation language to make clear that the overall expenditure limitation applies when the individual becomes a candidate. The Commission at that time could have revised the personal expenditure limitation regulation to make clear that the limitation applied at the time the individual became a candidate by removing the "has accepted" language. For reasons not explained in the E & J, the Commission apparently either added or retained the "has accepted" language, while changing the overall expenditure limitation language (despite our best efforts, we have been unable to locate the actual pre-November 5, 1979 section 9035 regulations and we must, therefore, base this specific discussion on the November 5, 1979 E & J). Consequently, a clear wording difference exists between 9035.1 and 9035.2 which could lead a reasonable person to conclude that the two limitations apply at different times (the overall expenditure limit when the individual becomes a candidate and the personal expenditure limit only after the candidate "has accepted" matching funds). Viewing the two regulations, which appear at 11 C.F.R. Part 9035 directly adjacent to one another, a person could reasonably conclude that the FEC intentionally phrased the limitations differently.

administrative interpretation, which becomes of controlling weight **unless it is plainly erroneous or inconsistent with the regulation.**

Bowles v. Seminole Rock Co., 325 U.S. 410, 413-14, 89 L. Ed. 1700, 65 S. Ct. 1215 (1945) (emphasis added). See also *San Luis Obispo Mothers for Peace v. United States NRC*, 252 U.S. App. D.C. 194, 1986 U.S. App. LEXIS 24449 (D.C. Cir., April 25, 1986, Decided).

The D.C. Court of Appeals stated it this way:

If, after the court subjects the statute to that analysis, the court concludes that the statute is silent or ambiguous with respect to the specific issue, then the court affords Chevron deference to the agency and upholds the administrative construction if it is based on a permissible construction of the statute.

Theodus v. McLaughlin, 271 U.S. App. D.C. 413, 1988 U.S. App. Lexis 10723 (D.C. Cir., August 5, 1988)(emphasis added).

In other words, federal courts may look to the agency's construction or interpretation of the regulation only if the meaning of the words within the regulation is in doubt, the regulation is silent, or is ambiguous. In this case, the regulation is unambiguous and there can be no doubt as to the plain meaning of the phrase "has accepted." Rev. Sharpton should not be denied duly certified matching funds because the Commission may have intended the regulation apply prior to the acceptance of matching funds. If the Commission intends for the personal expenditure limitation to apply prior to the candidate's acceptance of matching funds, the proper course is for the Commission to amend section 9035.2(a)(1) to remove the "has accepted" language.

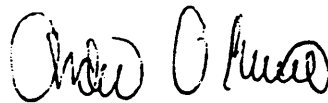
B. Any violation of the personal expenditure limitation was not "knowing."

Finally, despite having conclusively demonstrated that Rev Sharpton has not violated the personal spending limitation as evidenced by the discussion in Section II and the accompanying spreadsheet and documents, even if the Commission, despite the plain meaning of the regulation, disagrees with Rev. Sharpton, the Commission must acknowledge that the language of section 9035.2 could lead a reasonable person to conclude that the personal expenditure limitation would not be triggered until after a candidate "has accepted" matching funds. Because Rev. Sharpton relied on the regulation as promulgated and believed that the personal expenditure limitation was not triggered until after he had accepted matching funds, he could not under any interpretation of the regulation "knowingly" have violated the personal expenditure limitation, as required by section 9035.2.

IV. Conclusion

For the foregoing reasons, we respectfully request the Commission withdraw its initial determination to suspend matching fund payments.

Sharpton 2004



Andrew A. Rivera, Treasurer

Sharpton 2004

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ATTACHMENT

Page

92

of

9