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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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December 4, 2002

MEMORANDUM

AGENDA ITEM

For Meeting of: 12-12-02

TO: The Commissioners

THROUGH: James A. Pehrkon
Staff Director

Robert J. Costa
Deputy Staff Director

FROM: Joseph F. Stoltz
Assistant Staff Director
Audit Division

Thomas J. Nurthen
Audit Manager

Jeff Spilizewski
Lead Auditor

SUBJECT: Final Audit Report – Bush-Cheney 2000, Inc. (BC2000) and Bush-Cheney
2000 Compliance Committee, Inc. (BCCC)

Attached for your approval is the subject audit report. Also attached is the legal analysis provided by the Office of General Counsel (Counsel) and a copy of the narrative portion of the response to the preliminary audit report. In view of the second parenthetical in 26 USC §9007(b)(3), the report has been revised to conform to Counsel's suggestions.

Recommendation

The Audit staff recommends that the report be approved. It is requested that this matter be placed on the Open Session agenda for December 12, 2002. If you have any questions, please contact Jeff Spilizewski or Tom Nurthen at extension 1200.

Attachments:

Report of the Audit Division on Bush-Cheney 2000, Inc. and Bush-Cheney 2000
Compliance Committee, Inc.

Legal Analysis, dated December 2, 2002

Narrative portion of BC2000/BCCC response to the preliminary audit report



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

**REPORT OF THE AUDIT DIVISION
ON
BUSH-CHENEY 2000, INC.
AND
BUSH-CHENEY 2000 COMPLIANCE COMMITTEE, INC.**

I. BACKGROUND

A. AUDIT AUTHORITY

This report is based on an audit of Bush-Cheney 2000, Inc. (BC2000) and Bush-Cheney 2000 Compliance Committee, Inc. (BCCC). The audit is mandated by Section 9007(a) of Title 26 of the United States Code. That section states "after each presidential election, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of the candidates of each political party for President and Vice President." Also, Section 9009(b) of Title 26 of the United States Code states, in part, that the Commission may conduct other examinations and audits as it deems necessary to carry out the functions and duties imposed on it by this chapter.

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 (FECA), as amended.

B. AUDIT COVERAGE

The audit of BC2000 covered the period from its inception, August 4, 2000, through March 31, 2001. During the audit period, BC2000 reported an opening cash balance of \$-0-, total receipts of \$79,513,779, total disbursements of \$79,326,276 and a closing cash balance of \$187,503. In addition, the Audit staff conducted limited reviews of reported activity through September 30, 2002.

The audit of BCCC covered the period from its inception, March 24, 1999 through March 31, 2001. During this period, BCCC reported an opening cash balance of \$-0-, total receipts of \$9,451,396, total disbursements of \$3,325,166 and a closing cash balance of \$6,126,230. In addition, the Audit staff conducted limited reviews of reported activity through September 30, 2002.

C. CAMPAIGN ORGANIZATION

BC2000 registered with the Federal Election Commission (the Commission) on August 4, 2000 as the principal campaign committee for then Governor George W. Bush, candidate for the Republican Party's nomination for the office of President of the United States. BCCC registered with the Commission on March 24, 1999. The Treasurer of both BC2000 and BCCC was David Herndon, who continues to serve in that capacity. During the audit period, the campaign maintained its headquarters in Austin, Texas and moved to Washington, DC in January of 2001.

BC2000 maintained depositories in Austin, Texas. To handle its financial activity, BC2000 used 12 bank accounts. From these accounts, it made approximately 5,500 disbursements. BC2000 received \$67,560,000 from the United States Treasury on August 4, 2000. Additional receipts received through March 31, 2001 included \$9,987,344 from Press and United States Secret Service (USSS) in travel reimbursements; transfers in from Bush for President, Inc. (the Primary Committee) of \$77,213, from BCCC of \$708,289 and from the Recount Fund¹ of \$413,486 for reimbursement of expenses paid by BC2000; \$386,730 from interest income; \$369,720 from vendor refunds and rebates; \$11,692 in proceeds from the sale of assets; and \$6,430 from the return of petty cash.

BCCC maintained depositories in Dallas, Texas and Alexandria, Virginia. To handle its financial activity, BCCC used 5 bank accounts. From these accounts, BCCC made approximately 1,450 disbursements. Approximately 33,960 contributions were received from individuals. These contributions totaled approximately \$9,329,850.

D. AUDIT SCOPE AND PROCEDURES

In addition to a review of expenditures made by BC2000 to determine if they were qualified or non-qualified campaign expenses, and expenditures made by BCCC, the audit covered the following general categories:

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

1. Subsequent to the 2000 general election, BC2000 established a Recount Fund to address the November 7, 2000 election results.

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 debts and obligations (see Finding III.B.);
6. the accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records;
7. adequate recordkeeping for transactions (see Finding II.C.);
8. accuracy of the Statement of Net Outstanding Qualified Campaign Expenses to disclose its financial condition (see Attachment 1);²
9. compliance with spending limitation (see Finding II.D.); and,
10. other audit procedures that were deemed necessary in the situation (see Findings II.B., II.E. and III.A.).

The Primary Committee did not accept federal matching funds and was not required to be audited. In addition, BC2000 established a Recount Fund to accept donations and defray expenses associated with the recount of votes in a number of states. The Audit staff reviewed certain expenditures made by the Primary Committee and the Recount Fund in order to verify the proper attribution of expenses between the primary and general election campaigns as well as the recount effort (see Finding II.D.).

The Audit staff did not analyze issue ads paid for by the national or state party committees or review payments made by the national or state party committees to media vendors utilized by BC2000.

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

2. BC2000 did not file a Statement of Net Outstanding Qualified Campaign Expenses. The Audit staff generated the Statement of Net Outstanding Qualified Campaign Expenses at Attachment 1.

II. AUDIT FINDINGS AND RECOMMENDATIONS - AMOUNTS DUE TO THE UNITED STATES TREASURY (BC2000)

A. ACCEPTANCE OF CONTRIBUTIONS BY AN ELIGIBLE CANDIDATE OF A MAJOR PARTY

1. In-Kind Contributions from State Party Committees

Section 9003(b)(2) of Title 26 of the United States Code states, in part, that in order to be eligible to receive any payments under section 9006, the candidate of a major party in a presidential election shall certify to the Commission that no contributions to defray qualified campaign expenses have been or will be accepted by such candidates or any of their authorized committees except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of section 9006(c), and no contributions to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(11) have been or will be accepted by such candidates or any authorized committees.

Section 9007.2(b)(5) of Title 11 of the Code of Federal Regulations states, in part, that if the Commission determines that an eligible candidate of a major party, the candidate's authorized committee(s) or agent(s) accepted contributions to defray qualified campaign expenses (other than contributions to make up deficiencies in payments from the Fund, or to defray expenses incurred for legal and accounting services in accordance with 11 CFR 9003.3(a)), it shall notify the candidate of the amount of contributions so accepted, and the candidate shall pay to the United States Treasury an amount equal to such amount.

Section 106.1(a)(1) of Title 11 of the Code of Federal Regulations states, in part, that expenditures, including in-kind contributions made on behalf of more than one clearly identified federal candidate shall be attributed to each such candidate according to the benefit reasonably expected to be derived. For example, in the case of a publication or broadcast communication, the attribution shall be determined by the proportion of space or time devoted to each candidate as compared to the total space or time devoted to all candidates. The methods described shall also be used to allocate payments involving expenditures on behalf of one or more clearly identified Federal candidates and disbursements on behalf of one or more clearly identified non-federal candidates.

According to the vendor's invoice, fifteen Republican state party committees (the Party committees) and BC2000 paid \$1,994,631 for a phone bank get-out-the-vote effort. The vendor, Feather Hodges Larson & Synhorst (FHLS) apparently conducted the phone bank within a week of the 2000 general election. The Party committees paid 75% of the cost or \$1,495,973, while BC2000 paid 25% or \$498,658 of the cost. BC2000 could not provide documentation to support its (75/25) allocation.

Twelve of the Party committees reported payments to FHLS on Disbursement Schedule H-4 (Joint Federal/Non-Federal Activity Schedule) and two Party committees reported payments on Schedule B (Itemized Disbursements). One Party committee (West Virginia) did not report any payments to FHLS during this period.

The following is the text of the phone bank script provided by FHLS:

Hello, this is _____ calling to remind you Tuesday is election day. This is our chance to make a difference – to send a signal that we want new leadership that trusts people, not government. We can change the tone of government by looking beyond partisanship to get things done. It is the kind of leadership being offered by Governor George W. Bush and our great Republican team.

The other side has been running non-stop negative attacks against our candidates. Please don't let their fear tactics succeed. Please get all your family and friends and get them out this coming Tuesday, November 7th, to vote for Governor George W. Bush and all of our great Republican team.

Thank you very much.

The only clearly identified candidate is Governor George W. Bush. There is also reference to "our great Republican team" but no other clearly identified candidate. Under 11 CFR §106.1, the entire cost could be attributed to then Governor Bush, however, the Audit staff believes that it is reasonable to treat the reference to "our great Republican team" as a second candidate. Given that the script is equally devoted in space and time to Governor Bush and "our great Republican team," an allocation that attributes 50% of the cost to BC2000 is reasonable.

This matter was discussed with BC2000 representatives at the exit conference. Counsel for BC2000 (Counsel) questioned if there were any matters under review, advisory opinions, regulations or potential rulemaking that justified the staff's allocation. Counsel was advised that the Audit staff did not believe that there were any such matters being considered, specific Advisory Opinions or potential rulemaking relative to this matter. The Audit staff cited 11 CFR §106.1(a)(1) as the basis for the allocation. As stated above, expenditures, including in-kind contributions, made on behalf of more than one clearly identified federal candidate shall be attributed to each such candidate according to the benefit reasonably expected to be derived.

In a statement provided subsequent to the exit conference, Counsel stated that 11 CFR §§106.1(a) and 106.5(e) provided guidance as to the proper allocation method for the phone script. According to Counsel, the most specific guidance is in §106.5(e), which states that an allocation should be according to the proportion of space or time devoted in a communication. Further, under this method, the committee shall

allocate expenses of a particular communication based on the ratio of the portion of the communication devoted to federal candidates or elections as compared to the entire communication.

According to Counsel:

“A fair reading of the script in question shows that it describes the entire ‘Republican Team’ and mentions Gov. Bush only twice in its roughly 20 seconds. Specifically, then-Governor Bush is mentioned in only two of the ten lines – or 20% of the script. Based on the actual time of the script and the number of mentions of Gov. Bush, the allocation formula of 25 percent to the campaign and 75 percent to the state party is squarely within the black letter law of the commission’s regulations.”

As noted above, the controlling regulation is 11 CFR §106.1(a)(1). The regulation referenced by Counsel, 11 CFR §106.5(e), is titled *State and local party committees; method of allocating costs of exempt activities*. Although that is not the subject of the instant dispute, 11 CFR §106.5 may provide some guidance by analogy. The regulatory paragraph that Counsel references speaks to telephone banks specifically and states that in the case of a phone bank, the ratio is determined based on the number of questions or statements devoted to Federal candidates or elections as compared to total number of questions or statements devoted to all Federal and non-federal candidates or elections. As noted above, there is only one candidate mentioned in the script, Governor George W. Bush. Thus, the analysis under 11 CFR §106.5(e) is the same as under 11 CFR §106.1; either 100% allocable to Governor Bush or, as explained earlier, 50% allocable to Governor Bush treating “our great Republican team” as a second candidate. The Audit staff recommends the 50% allocation.

It is the opinion of the Audit staff, that the Party committees made in-kind contributions to BC2000 totaling \$498,658 ($\$1,994,631 \times 25\%$). Any contribution received by a fully funded general election committee reduces the allowable grant from the Presidential Election Campaign Fund (the Fund) by an equal amount.

In the preliminary audit report, the Audit staff recommended that BC2000 demonstrate it did not receive in-kind contributions, totaling \$498,658. BC2000 was to also provide documentation that supported its (75% / 25%) allocation.

In response to the preliminary audit report, Counsel stated that the Audit staff has bypassed the required formal rulemaking process and has attempted to impose a new and incorrect standard for allocating phone bank costs. In his opinion, the preliminary audit report is based on nothing more than the Audit staff’s subjective judgment. This finding must be rejected given clear Commission precedent that changes to a regulation’s meaning and enforcement policy such as imposing an allocation formula

must be done only through the rulemaking process, and not on an ad hoc basis in the presidential audit process.

Counsel further stated that fifteen state parties determined, out of an abundance of caution to avoid making an in-kind contribution, that George W. Bush, twice mentioned fleetingly in his role as the Party's titular head as the top of its ticket, should pay 25% of the cost in each state. Counsel continued that the plain language of the Commission regulations cited by both BC2000 and the Audit staff support the 75% / 25% split as a "reasonable benefit expected to be derived." Section 106.1(a)(1), cited by the Audit staff, provides that expenditures, including in-kind contributions made on behalf of more than one candidate, are to be attributed to each candidate according to the benefit reasonably expected to be derived. The attribution is determined by the proportion of the space or time devoted to each candidate as compared to the total space and time devoted to all candidates.

Counsel's contention that the Audit staff has bypassed the required formal rulemaking process and has attempted to impose a new standard for allocating phone bank costs is without merit. The preliminary audit report cited 11 CFR §106.1(a)(1) as the regulatory provision for allocation of such cost. This issue is not the lack of a regulatory cite but rather the correct application of this regulation.

Counsel offers three arguments that allegedly support an allocation of 75% / 25%. The first is that then Governor Bush was only mentioned in two of the script's ten lines or 20% of the script. The second is "in terms of sentences," his name appears in two of the eight sentences or 25%. Lastly, Counsel offers "in terms of time," the saying of his name would take less than 20% of the 20-second script.

Each of the above arguments is flawed. It is not reasonable to base an allocation on a line count. The print settings (font, margins and orientation) determine the number of lines necessary to print a paragraph(s). For example, the copy of the phone bank script from the vendor contained ten lines. The same script noted in this report and in BC2000's response contains eleven and twelve lines respectively. Further, it is equally unreasonable to count sentences. Many of the eight sentences are generic in nature. The first sentence introduces the caller and states the purpose of the call. "Hello, this is _____ calling to remind you Tuesday is election day." The last sentence merely states, "thank you very much." These sentences, as well as the second, third, fifth and sixth, equally benefit Governor Bush and our great Republican team. Counsel's third argument "in terms of time" to say his name, is equally flawed for the same reasons.

Counsel also suggests Governor Bush's name is only used as a reference to his role as "titular head of the Party leading 'our great Republican team.'" He states, "there is no direct mention of the fact that he is a candidate or the office he is seeking."

As previously stated, the phone bank get-out-the-vote effort occurred within a week of the general election. Even though the script does not specifically mention the office of president, it cannot be disputed that its purpose is to garner votes for Governor Bush or which office Governor Bush is seeking. The script concludes, "please get all your family ... Tuesday, November 7th, to vote for Governor George W. Bush and all of our great Republican team."

It remains the opinion of the Audit staff that under the Commission's regulations the cost of the phone bank in question could be attributed 100% to BC2000 since then Governor Bush was the only "clearly identified candidate" mentioned in the script. It is also remains the opinion of the Audit staff that a reasonable interpretation of 11 CFR §106.1 in this case is that the cost may be allocated equally between BC2000 and the Party Committees. Consequently, the Party committees made and BC2000 received in-kind contributions totaling \$498,658.

Recommendation #1

The Audit staff recommends that the Commission make a determination that BC2000 repay \$498,658 to the United States Treasury pursuant to 11 CFR §9007.2(b)(5).

2. In-Kind Contributions from Air Charter Vendors

Section 441b(a) of Title 2 of the United States Code states, in 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 for any corporation whatever, or any labor organization, to make a contribution or expenditure in connection with any election at which presidential and vice presidential electors are to be voted for or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section.

Section 114.9(e)(1) of Title 11 of the Code of Federal Regulations states a candidate, candidate's agent, or persons traveling on behalf of a candidate who uses an airplane which is owned or leased by a corporation other than a corporation licensed to offer commercial services for travel in connection with a Federal election must, in advance, reimburse the corporation, in the case of travel to a city served by regularly scheduled commercial service, the first class air fare; in the case of travel to a city not served by a regularly scheduled commercial service, the usual charter rate.

Section 100.7 of Title 11 of the Code of Federal Regulations defines the term contribution. It includes in that definition all in-kind contributions. An in-kind contribution includes the provision of goods and services at less than the usual and normal charge for such goods or services. If goods or services are provided at less than the usual and normal charge, the amount of the in-kind contribution is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged the political committee. The *usual and normal*

charge for goods means the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution.

BC2000 used aircraft provided by a number of corporations for campaign-related travel. At the time the aircraft were used, five of the corporations had valid Air Carrier Certificates³ authorizing them to operate aircraft charter businesses that served the general public and commercial concerns.⁴ With respect to two additional companies, one described itself as an air charter company on an "Aircraft Information Sheet" submitted to BC2000, while the other appeared to have the same address as that of an air charter company.

In the case of the company that shared an address with the charter company, BC2000 paid the Portman Equipment Company (Portman) for use of an aircraft. The tail number registration for this aircraft listed its owner as Aquila Air, LLC (Aquila) at an address that was close in proximity to Portman's address. Documentation submitted by Portman also indicated that the aircraft was owned by Aquila. This entity was not listed in the Air Charter Service Guide. Reports from Dunn and Bradstreet and the Ohio Secretary of State both listed Portman and Aquila as having the same address.

Prior to each flight, BC2000 determined the cost of first class unrestricted commercial airfare for the flight leg(s) in question and issued a check or wire to the company. During the period August 8, 2000 through November 3, 2000, BC2000 paid \$27,718 to these companies. None of these entities appear to fall under the provisions of 11 CFR §114.9(e) and therefore should have been paid at a charter rate.

Based on the documentation generated during audit fieldwork, BC2000 should have paid \$154,129 for the flights in question. BC2000 did not maintain a record of charter aircraft rates for the seven companies identified above; therefore, the Audit staff applied the charter rate as published in the Air Charter Guide, 27th Edition, Winter 2000. Consequently, it appears these vendors made and BC2000 received in-kind contributions of at least \$126,411 (\$154,129 - \$27,718 paid).

At the exit conference, the Audit staff provided BC2000 representatives with a schedule of the transactions and requested BC2000 provide evidence that it did not receive in-kind contributions.

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3. An Air Carrier Certificate certifies that an entity has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate and is hereby authorized to operate as an air carrier and conduct common carriage operations in accordance with said Act and the rules, regulations, and standards prescribed thereunder and the terms, conditions, and limitations contained in the approved operations specifications.
 4. One of the five vendors (Kleiner, Perkins, Caufield & Byers) appeared to have acted as an intermediary between BC2000 and ACM Aviation, Inc., an air charter company.

In a statement provided subsequent to the exit conference, Counsel stated BC2000 agreed that six of the seven vendors were air charter services. With respect to the remaining vendor, Counsel stated that Portman and another unrelated company own Aquila. Portman paid Aquila for the use of the aircraft and BC2000 paid Portman the required first class rate for the flight. Counsel did not provide documentation to support their claim of Portman owning Aquila and documentation to support the amount Portman paid Aquila for the use of the aircraft.

It is not clear what type of business entity Aquila was at the time of the BC2000 flight. An entity named Aquila Air, Inc. was an air charter service licensed with the Canadian Transportation Agency in 1992. However, that license was suspended in April of 1997. On October 31, 1997, Aquila filed Articles of Organization/Domestic Limited Liability Company with the Ohio Secretary of State, appointing 50 East Corporation as its agent. On June 1, 2001, Portman filed a Trade Name/Original Filing with the Ohio Secretary of State registering Aquila as an Ohio Limited Liability Company.

The preliminary audit report contained a number of recommendations relative to Aquila and Portman. However, BC2000 now agrees that Portman should have been paid a charter rate. Therefore, the documentation requested is not required.

Further, BC2000 was encouraged to provide documentation that demonstrated the amount of the total charter cost, as calculated by the Audit staff, should be adjusted. Such documentation was to include a statement from each vendor indicating the actual charter costs for the respective flights. The Documentation was to also include an explanation of any charter cost that is lower than the charter cost calculated by the Audit staff.

In response to the preliminary audit report, Counsel stated that BC2000 agreed with the Audit staff that the seven entities were actually air charter services and concurs that a repayment is necessary.⁵ However, BC2000 disagrees with the total charter cost amount as calculated by the Audit staff.

The Audit staff has reviewed the documentation submitted by BC2000 and agrees that certain adjustments to the calculated charter rates are necessary, but not to the extent that BC2000 has suggested. It was noted that BC2000 calculated the charter costs based upon current charter rates. Further, it did not consider certain repositioning flights and overnight charges, any landing fees, taxes and other fees charged while the aircraft was on the ground. Although BC2000 agreed that Portman should have been paid a charter rate, it omitted such costs from its calculations, as well as the second day's charter provided by another charter service. As a result, the Audit staff contacted

5. Although BC2000 did not provide any of the requested documentation from Portman and Aquila, they now agree that Portman should have been paid a charter rate.

each charter service and received, by fax transmission, a breakdown of the actual charges had a charter rate been applied.

Based upon the documentation received, the Audit staff determined that BC2000 should have paid \$123,227 for the flights in question (see Attachment 2). Consequently, it appears these vendors made and BC2000 received in-kind contributions of \$95,509 (\$123,227 - \$27,718 paid).

Recommendation #2

The Audit staff recommends that the Commission make a determination that \$95,509 is repayable to the United States Treasury pursuant to 11 CFR §9007.2(b)(5).

B. INCOME RECEIVED

Section 9004.5 of Title 11 of the Code of Federal Regulations states, in relevant part, that investment of public funds or any use of public funds that results in income is permissible, provided that an amount equal to all net income derived from such use, less Federal, State and local taxes paid on such income, shall be paid to the Secretary.

Section 9007.2(b)(4) of Title 11 of the Code of Federal Regulations states that if the Commission determines that a candidate received any income as a result of an investment or other use of payments from the fund pursuant to 11 CFR 9004.5, it shall so notify the candidate, and such candidate shall pay to the United States Treasury an amount equal to the amount determined to be income, less any Federal, State or local taxes on such income.

1. Interest Earned

BC2000 earned interest, totaling \$386,730, by investing a portion of the payment received from the Presidential Election Campaign Fund. On August 10, 2001, BC2000 paid federal taxes of \$135,227 on the interest earned. No documentation for state and local taxes has been provided. Absent documentation of additional taxes paid, the difference, \$251,503, is payable to the United States Treasury.

2. Other Income

On August 14, 2001, Red October Productions, Inc. paid \$3,500 for use of film footage relative to BC2000 media ads. The Audit staff has not been presented with evidence of any taxes paid on this income. This amount less taxes paid is payable to the United States Treasury.

At the exit conference, the Audit staff provided BC2000 representatives with a schedule of the income discussed above. In a statement provided subsequent to the

exit conference, Counsel indicated that BC2000's response to the preliminary audit report will include a payment to the United States Treasury, less any amount paid for federal, state or local taxes.

In the preliminary audit report, the Audit staff recommended that BC2000 provide documentation that demonstrated the amount of all federal, state or local taxes paid. Absent such a demonstration, the Audit staff would recommend the Commission make a determination that \$255,003 (\$251,503 + \$3,500) is payable to the United States Treasury.

In response to the preliminary audit report, BC2000 did not provide documentation of any additional taxes paid but delivered to the Audit Division a check payable to the United States Treasury in the amount of \$255,003.

Recommendation #3

The Audit staff recommends that the Commission make a determination that \$255,003 is repayable to the United States Treasury pursuant to 11 CFR §9007.2(b)(4). As stated, BC2000 delivered to the Audit Division a check payable to the United States Treasury.

C. APPARENT NON-QUALIFIED CAMPAIGN EXPENSES – UNDOCUMENTED MEDIA EXPENDITURES

Section 9002.11(a)(1) of Title 11 of the Code of Federal Regulations states that *qualified campaign expense* means any expenditure incurred to further a candidate's campaign for election to the office of President or Vice President of the United States.

Section 9003.5(a) of Title 11 of the Code of Federal Regulations states, in part, that each candidate shall have the burden of proving that disbursements made by the candidate or his authorized committee(s) are qualified campaign expenses as defined in 11 CFR 9002.11.

Section 9007.2(b)(2)(i) of Title 11 of the Code of Federal Regulations states, in relevant part, that if the Commission determines that any amount of any payment to an eligible candidate from the Fund was used for purposes other than to defray qualified campaign expenses, it will notify the candidate of the amount so used, and such candidate shall pay to the United States Treasury an amount equal to such amount.

BC2000 authorized its media vendor, National Media, Inc. (National), to wire transfer funds to Garcia LKS (Garcia). During the period September 14, 2000 through October 26, 2000, National wired \$1,050,000 to Garcia. No documentation was made available which supported disbursements made by Garcia.

This matter was discussed with BC2000 representatives at the exit conference. Subsequent to the exit conference, BC2000 submitted documentation that appeared to be invoices and checks printed on plain paper. On the plain paper copies of the invoices, it was not possible to distinguish the billing vendor from the vendor being billed and on the checks it was not possible to identify the account on which the checks were drawn.

There were six invoices totaling \$1,050,000, and 75 checks issued to broadcast stations totaling \$855,392. The check amount is net of check #3961 in the amount of \$4,458 that had been voided. BC2000 stated it was continuing to search for documentation supporting the remaining payments and will update its response accordingly.

In the preliminary audit report the Audit staff recommended that BC2000 provide documentation supporting these transfers to Garcia. The documentation was to include station invoices, evidence of payment for such services (copies of the front and back of the negotiated checks and bank statements), and any associated expenses (e.g. commissions or production costs).

In response to the preliminary audit report, BC2000 provided sufficient documentation to support the transfers to Garcia. Such documentation included station invoices, front and back of negotiated checks made payable to the stations, and support for out-of-pocket expenses incurred by Garcia.

D. EXPENDITURE LIMITATION

Sections 441a(b)(1)(B) and (c) of Title 2 of the United States Code state, in relevant part, that no candidate for the office of President of the United States who is eligible under section 9003 of Title 26 to receive payments from the Secretary of the Treasury may make expenditures in excess of \$20,000,000 as adjusted for the increase in the Consumer Price Index.

Section 9007(b)(2) of Title 26 of the United States Code states that if the Commission determines that the eligible candidates of a political party and their authorized committees incurred qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party were entitled under section 9004, it shall notify such candidates of the amount of such excess and such candidates shall pay to the Secretary of the Treasury an amount equal to such an amount.

Sections 9003.3(a)(2)(ii)(A), (B) and (D) of Title 11 of the Code of Federal Regulations state, in part, that expenditures for payroll (including payroll taxes), overhead and computer services, a portion of which are related to ensuring compliance with Title 2 of the United States Code and Chapter 95 of Title 26 of the United States Code, shall be initially paid from the candidate's Federal fund account under 11 CFR 9005.2 and may be later reimbursed by the compliance fund. A candidate may use

contributions to the GELAC to reimburse his or her Federal fund account an amount equal to 10% of the payroll and overhead expenditures of his or her national campaign headquarters and state offices. Overhead expenditures include, but are not limited to rent, utilities, office equipment, furniture, supplies and all telephone charges except for telephone charges related to a special use such as voter registration and get out the vote efforts. A candidate may use contributions to the GELAC to reimburse his or her Federal fund account an amount equal to 50% of the costs (other than payroll) associated with computer services. Such costs include but are not limited to rental and maintenance of computer equipment; data entry services not performed by committee personnel, and related supplies.

Section 9004.9(b) of Title 26 of the United States Code states, in relevant part, that each candidate shall submit a statement of net outstanding qualified campaign expenses no later than 30 calendar days after the end of the expenditure report period. The statement shall contain the information required by 11 CFR 9004.9(a)(1) and (2), except that the amount of outstanding obligations under 11 CFR 9004.9(a)(1)(i) and the amount of cash on hand, assets and receivables under 11 CFR 9004.9(a)(2) shall be complete as of the last day of the expenditure report period.

The expenditure limitation for the 2000 general election for the office of the President of the United States was \$67,560,000. Based on information contained in BC2000's reports, records and the response to the preliminary audit report, the Audit staff calculated that net operating expenditures subject to the limitation at September 30, 2002 totaled \$67,311,882.⁶

BC2000 did not file a Statement of Net Outstanding Qualified Campaign Expenses. The Statement of Net Outstanding Qualified Campaign Expenses, prepared by the Audit staff, can be found at Attachment 1.

Shown below is the Audit staff's analysis of expenditures subject to the limitation.

6. Subsequent to the filing of the Year End 2000 disclosure report, BC2000 did not report an amount on line 13 of FEC Form 3P, Page 1 (Expenditures Subject to the Limitation). Therefore, the Audit staff calculated this amount.

In the preliminary audit report, the amount of net operating expenditures subject to the limitation calculated (\$66,960,154) represented activity reviewed through December 31, 2001. That amount has been updated based on BC2000's response to the preliminary audit report and a review of disclosure reports filed through September 30, 2002.

Expenditures Subject to Limitation at September 30, 2002		\$ 67,311,882
Add: Accounts Payable		
Due to Primary Committee	2,736	(a)
Due to BCCC	124,450	(b)
Due to Recount Fund	382,996	(c)
Less: Accounts Receivable:		
Due From Press as of 9/30/02	(68,814)	
Due From Vendors as of 9/30/02	(64,241)	
Adjusted Expenditure Subject to the Limitation	\$ 67,689,009	
Less: Expenditure Limitation	\$ 67,560,000	
Amount in Excess of the Limitation	\$ <u>129,009</u>	

-
- (a) This amount represents the net adjustment necessary to correct misattribution of expenses between BC2000 and the Primary Committee. BC2000 representatives were given a detailed worksheet supporting this amount at the exit conference.
- (b) This amount represents the net adjustment necessary to correct misattribution of expenses between BC2000 and BCCC. BC2000 representatives were given a detailed worksheet supporting this amount at the exit conference.
- (c) This amount represents \$288,437 due to the Recount Fund for payroll and overhead expenses as explained below and \$94,559 in net adjustments necessary to the correct misattribution of expenses between BC2000 and the Recount Fund. BC2000 representatives were given a detailed worksheet supporting this amount at the exit conference.

Explanation of Amount Due to Recount Fund for Payroll and Overhead

During the period November 11, 2000, through December 7, 2000, (the end of the expenditure report period) the Recount Fund paid 100% of payroll expenses, \$975,227, for individuals assigned to state offices as well as those assigned to the national headquarters. BC2000 could not provide documentation demonstrating that every individual was in a recount state or took part in the recount effort. In addition, the Recount Fund paid 100% of the overhead expenses, \$269,364, during the same period.

In order to evaluate BC2000's contention that all salary and overhead for the period was attributable to the recount effort, the Audit staff reviewed travel expense vouchers in order to determine which individuals were in potential recount states and which individuals were in other states. This analysis indicates that of the salary paid to staff not located at the national headquarters, 24% was paid to staff located in non-recount states. In order to recognize a campaign aspect of activities at the national headquarters, this percentage was then applied to salary paid to those employees located at the national headquarters and to overhead expenses for the period.

Based on this review, BC2000 should have paid \$223,790 in payroll expenses and \$64,647 in overhead expenses for the period, net of an allowable compliance exemption, or a total of \$288,437. The remainder of the amount due to the Recount Fund is explained at Footnote (c) to the expenditure limitation calculation at page 15.

Subsequent to the exit conference, Counsel submitted the following statement with respect to payroll and overhead expenses paid by the Recount Fund.

"Given this unprecedented situation, the Committee opted to reflect the reality of where the staff's efforts were directed and paid salaries from the private funds raised for the recount. Therefore, the Committee staff tried to complete its wind down duties on an expedited time frame. The Audit staff now wants the taxpayers to carry the costs of the campaign's staff members who were focused on the recount."

"The Audit staff is fundamentally incorrect that there were any wind-down activities in the state offices after November 11. The attached leases for the Committee's state offices demonstrate that the leases for all of the offices expired by November 15 and that most were shut down by November 10. As a result there were no wind-down activities in the state offices and no support for state wind-down activities that had to be performed

during the period in question beyond the time period during which salaries were paid by the Committee.”

Counsel’s contention ignores the payroll and other records maintained by BC2000. Persons located in the various states where there was no recount effort continued to be paid after November 11, 2000. Further, BC2000 continued to report the disbursement of funds. During the period ending December 7, 2000, BC2000 issued 474 checks, totaling approximately \$2,400,000, to various vendors. These disbursements represent payment of BC2000 obligations incurred before the date of the general election. Taken together, these facts establish that, contrary to BC2000’s contention, general election activities continued at some level.

It cannot be argued that the primary focus of BC2000 was not the recount effort, but as evidenced above, the campaign’s business also continued. Lacking any better indicator, the Audit staff believes that the 24% BC2000 and 76% Recount Fund allocation is reasonable. Finally, it is not the intent of the Audit staff for taxpayers to “carry the costs of the campaign’s staff members who were focused on the recount.” It is the intent of the Audit staff to ensure that the Recount Fund did not supplement the efforts of BC2000 by making expenditures on its behalf.

Conclusion

As of September 30, 2002, BC2000 exceeded the limitation by \$129,009. However, the Audit staff identified \$978,581 in expenditures, paid by BC2000 and charged to the above limitation, which could have been paid by BCCC. Therefore, a reimbursement by BCCC of \$129,009 would bring BC2000’s spending within the limitation.

At the exit conference, the Audit staff provided BC2000 representatives with schedules detailing the expenditure limitation calculation as of December 31, 2001, as well as the audited Statement of Net Outstanding Qualified Campaign Expenses.

In a statement provided subsequent to the exit conference, Counsel disagreed with the Audit staff’s calculation. Specifically, Counsel does not agree that BC2000: 1) received in-kind contributions, totaling \$498,658, from the Party committees and 2) should be required to reimburse the Recount Fund \$288,437 for salary and overhead expenses incurred between November 11, 2000 and December 7, 2000. As such, Counsel does not believe either amount should be charged to the expenditure limitation.

The Audit staff recommended that BC2000 provide evidence that demonstrated it did not exceed the expenditure limitation or provide evidence that it received a reimbursement from BCCC (copy of the front and back of the negotiated check).

Absent such a demonstration, the Audit staff would recommend that the Commission make a determination that BC2000 repay the amount in excess of the limitation to the United States Treasury pursuant to 26 U.S.C. §9007(b)(2).

In response to the preliminary audit report, Counsel for BC2000 restated many of its previously arguments. Counsel has also misinterpreted the Audit staff's recommendation. Counsel stated that the Audit staff says a payment from the taxpayers' fund (BC2000) to the Recount Fund is required and that "BC2000 should be praised and not punished for erring on the side of guaranteeing that taxpayer funds were not used on the unqualified campaign expense of underwriting the cost of waging the recount."

The recommendation in the preliminary audit report did not require BC2000 to reimburse the Recount Fund; rather it noted that BC2000 had received an in-kind contribution from Recount. The preliminary audit report concluded that BC2000 exceeded the expenditure limitation by \$402,114 as of December 31, 2001. However, it also noted that the Audit staff identified \$603,958 in expenditures, paid by BC2000 and charged to the above limitation, which could have been paid by BCCC and that a reimbursement by BCCC of \$402,114 would bring BC2000's spending within the limitation. Finally, the payment of recount expenditures by BC2000 would not have been considered non-qualified campaign expenses.

As noted above, the amount in excess of limitation has decreased from \$402,114 to \$129,009. This decrease is due primarily to the receipt of in-kind contributions (\$594,167) initially charged the expenditure limitation but subsequently removed from the above calculation.

Recommendation #4

BC2000 neither demonstrated it did not exceed the expenditure limitation nor provide evidence that it received a reimbursement of \$129,009 from BCCC. Absent evidence that BC2000 has been reimbursed, the Audit staff recommends that the Commission make a determination that BC2000 repay \$129,009 to the United States Treasury pursuant to 26 U.S.C. §9007(b)(2).

E. STALE-DATED CHECKS

Section 9007.6 of Title 11 of the Code of Federal Regulations states that 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 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.

The audit identified 21 checks made payable to individuals and vendors, totaling \$7,701, which had not been negotiated by the payees. The value of the stale-dated checks is payable to the United States Treasury.

Subsequent to the exit conference, a BC2000 representative delivered to the Audit Division a check payable to the United States Treasury in the amount of the \$7,701.

III. AUDIT FINDINGS AND RECOMMENDATIONS – BUSH-CHENEY 2000 COMPLIANCE COMMITTEE, INC.

A. STALE-DATED CHECKS

Section 9007.6 of Title 11 of the Code of Federal Regulations states that 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 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.

The bank reconciliation identified 41 checks made payable to individuals for contribution refunds totaling \$33,415 that had not been negotiated by the payees. The value of the stale-dated checks is payable to the United States Treasury.

Subsequent to the exit conference, a BCCC representative delivered to the Audit Division a check payable to the United States Treasury in the amount of the \$33,415.

B. DISCLOSURE OF DEBTS AND OBLIGATIONS

Section 434(b)(8) of Title 2 of the United States Code states, in part, that each report filed under this section shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committee.

Section 104.3(d) of Title 11 of the Code of Federal Regulations states, in part, that each report filed under 11 CFR 104.1 shall, on Schedule C or D, as appropriate, disclose the amount and nature of outstanding debts and obligations owed by or to the reporting committee.

Sections 104.11(a) and (b) of Title 11 of the Code of Federal Regulations state, in part, that debts and obligations owed by or to a political committee which remain outstanding shall be continuously reported until extinguished. These debts and obligations shall be reported on separate schedules together with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or

extinguished. A debt or obligation, the amount of which is \$500 or less, shall be reported as of the time payment is made or not later than 60 days after such obligation is incurred, whichever comes first. A debt or obligation which is over \$500 shall be reported as of the date on which the debt or obligation is incurred, except that any obligation incurred for rent, salary or other regularly reoccurring administrative expense shall not be reported as a debt before the payment due date.

Sections 104.18(f) of Title 11 of the Code of Federal Regulations states, in part, if a committee files an amendment to a report that was filed electronically, it shall also submit the amendment in an electronic format. The committee shall submit a complete version of the report as amended, rather than just those portions of the report that are being amended.

BCCC's disbursements were reviewed to determine if it had correctly reported debts and obligations owed to vendors. Three vendors were identified in which BCCC either underreported or failed to report as debts and obligations outstanding balances totaling \$353,123. The amount of unreported debt was determined by counting each reportable obligation only once, even if the obligation was outstanding for more than one reporting period. This amount represents 25% of the total reportable debt of \$1,406,662.

At the exit conference, the Audit staff provided BCCC representatives with a schedule pertaining to the three vendors noted above. BCCC made no specific comment at the exit conference but did file amended reports electronically that addressed two vendors. The amended reports addressed \$50,875 of the \$353,123 identified debt.

The preliminary audit report recommended that BCCC file complete amended electronic reports for each reporting period in which the above debts should have been reported.

In response to the preliminary audit report, BCCC filed the necessary amended reports that disclosed the above debts.

SUMMARY OF AMOUNTS DUE TO THE UNITED STATES TREASURY

Finding II.A.	Acceptance of Contributions by an Eligible Candidate of a Major Party	\$ 594,167	
Finding II.B.	Income Received	255,003	*
Finding II.D.	Expenditure Limitation	129,009	
Finding II.E.	Stale Dated Checks (BC2000)	7,701	*
Finding III.A.	Stale-Dated Checks (BCCC)	<u>33,415</u>	*
	Total	1,019,295	
	Amount Paid	<u>296,119</u>	
	Total Due United States Treasury	<u>\$723,176</u>	

* As noted in Findings II.B., II.E., and III.A., these amounts have been paid to the United States Treasury.

ATTACHMENT 1

Bush-Cheney 2000, Inc.
Statement of Net Outstanding Qualified Campaign Expenses
as of December 7, 2000
as determined through 9/30/02

Assets

Cash on Hand		\$ 8,780	
Cash in Bank		1,585,008	
Accounts Receivable			
Press Travel Reimbursements	\$ 1,050,415		
Secret Service Travel Reimbursements	1,360,785		
Refunds/Rebates	395,985	2,807,185	
Due from Primary Committee		37,303	
Due from BCCC		64,050	
Due from Recount Fund		295,036	
Due from Transition Foundation		438	
Capital Assets		156,952	
Other Assets		26,701	
Total Assets			\$4,981,453

Obligations

Accounts Payable through 9/30/02		\$3,098,778	
Due to Primary Committee			
Actual Paid Between 12/8/00 and 9/30/02	\$ 128,823		
Due to as of 9/30/02	2,736	131,559	
Due to BCCC			
Actual Paid Between 12/8/00 and 9/30/02	130,901		
Due to as of 9/30/02	124,450	255,351	
Due to Recount Fund			
Actual Paid Between 12/8/00 and 9/30/02	256,460		
Due to as of 9/30/02	382,996	639,456	
Payable to US Treasury (see Finding II.A.)			
In-Kind Contributions From State Parties	498,658		
Charter Aircraft	95,509	594,167	
Payable to US Treasury - Income (see Finding II.B.)		251,503	
Payable to US Treasury - Stale Dated Checks (see Finding II.E.)		7,701	
Actual Winding Down Costs 1/1/01 Through 9/30/02		573,862	
Total Obligations			5,552,377
Net Outstanding Qualified Campaign Expenses (Deficit)			<u>\$ (570,924)</u>

Bush-Cheney 2000, Inc.
Schedule of Charter Aircraft Paid With First Class Airfare

Vendor Name	Flight Date	Flight Leg	Purpose	Flight Time Usage	Minimum Usage	Standby/Overnight Time	Charter Rate	Standby Charge	Overnight Charge	Audit PAR Response Analysis			Total Charter Rate	Payment Amount	Corp. Contribution	
										Fixed Fees	Subtotal	Tax (7.5%)				
DALTON AIR GROUP	11/03/00	Scranton/Wilmington	Deadhead for Charter	0.50			\$1,650.00			\$61.88	\$625.00	\$61.88	\$2,201.00	\$2,201.00	\$9,480.50	
DALTON AIR GROUP	11/03/00	Wilmington/Washville/Dallas	Gene DeLoach - Elizabeth Dale/Bob Davis	3.70			\$1,650.00			\$457.88	\$6,105.00	\$457.88	\$2,201.00	\$2,201.00	\$4,361.88	
DALTON AIR GROUP	11/03/00	Dallas/Scranton	Deadhead for Charter	2.80			\$1,650.00			\$321.75	\$4,290.00	\$321.75	\$2,201.00	\$2,201.00	\$4,611.75	
DALTON AIR GROUP Total											\$12,061.90	\$1,247.40	\$4,244.00	\$4,244.00	\$17,879.40	
EXECUTIVE CHARTERS	11/01/00	St Pete-Clearwater/Tampa	Deadhead for Charter	0.40			\$2,100.00			\$63.00	\$940.00	\$63.00	\$903.00	\$903.00	\$803.00	
EXECUTIVE CHARTERS	11/01/00	Tampa/West Palm Beach	Gen. Schwarzkopf Trip	0.70		0.00	\$2,100.00	\$0.00	\$0.00	\$127.13	\$1,695.00	\$127.13	\$336.50	\$336.50	\$1,403.53	
EXECUTIVE CHARTERS	11/01/00	West Palm Beach/St Pete-Clearwater	Deadhead for Charter	0.70	0.20		\$2,100.00			\$141.75	\$1,950.00	\$141.75	\$2,031.75	\$2,031.75	\$2,031.75	
EXECUTIVE CHARTERS Total											\$4,756.88	\$538.50	\$538.50	\$538.50	\$4,418.38	
KLEINER, PERKINS, CAUFIELD & BYERS	10/24/00	San Jose/San Francisco	Deadhead for Charter	0.31			\$2,700.00			\$62.78	\$837.00	\$62.78	\$899.78	\$899.78	\$899.78	
KLEINER, PERKINS, CAUFIELD & BYERS	10/24/00	San Francisco/Daytona Beach	John McCain Trip	4.87			\$2,700.00			\$986.18	\$13,149.00	\$986.18	\$4,244.00	\$4,244.00	\$9,891.18	
KLEINER, PERKINS, CAUFIELD & BYERS	10/25/00	Daytona Beach/Washington, DC		1.68		1.00	\$2,700.00	\$700.00		\$453.37	\$6,044.91	\$453.37	\$6,498.28	\$6,498.28	\$6,498.28	
(Through ACM Aviation, Inc.)	10/25/00	Washington, DC/Union San Jose	Deadhead for Charter	6.16			\$2,700.00			\$1,247.40	\$16,632.00	\$1,247.40	\$4,244.00	\$4,244.00	\$17,879.40	
KLEINER, PERKINS, CAUFIELD & BYERS TOTAL											\$39,412.63	\$4,244.00	\$4,244.00	\$4,244.00	\$35,168.63	
KOURY AVIATION (Causy Aviation)	06/08/00	Causy/Washington	Deadhead for Charter	0.53			\$1,650.00			\$102.71	\$1,389.50	\$102.71	\$1,472.21	\$1,472.21	\$1,472.21	
KOURY AVIATION (Causy Aviation)	06/08/00	Washington/Austin/Manchester	Senators Gregg to VP Debate	8.96		4.00	\$1,650.00	\$40.00	\$0.00	\$1,120.80	\$14,944.00	\$1,120.80	\$1,985.00	\$1,985.00	\$14,079.80	
KOURY AVIATION (Causy Aviation)	08/08/00	Manchester/Causy	Deadhead for Charter	2.06			\$1,650.00			\$257.40	\$3,432.00	\$257.40	\$3,689.40	\$3,689.40	\$3,689.40	
KOURY AVIATION (Causy Aviation)	09/22/00	Causy/St. Louis	Deadhead for Charter	1.94			\$1,650.00			\$240.06	\$3,201.00	\$240.06	\$3,441.06	\$3,441.06	\$3,441.06	
KOURY AVIATION (Causy Aviation)	09/22/00	St. Louis/Reading/Hernsburg/Washington	Mrs. Cheney Trip	2.98		7.55	\$1,650.00	\$40.00	\$0.00	\$591.43	\$5,219.00	\$591.43	\$12,271.00	\$12,271.00	\$6,660.58	
KOURY AVIATION (Causy Aviation)	09/22/00	Washington/Causy	Deadhead for Charter	0.81			\$1,650.00			\$100.24	\$1,336.50	\$100.24	\$1,436.74	\$1,436.74	\$1,436.74	
KOURY AVIATION TOTAL											\$31,714.85	\$14,266.00	\$14,266.00	\$14,266.00	\$17,458.65	
MCRAE AVIATION	9/20-21/00	Austin/Lansing/Medison/Austin	Karl Rowe Trip	6.20		1.00	\$1,700.00	\$450.00		\$824.25	\$10,990.00	\$824.25	\$1,824.00	\$1,824.00	\$9,890.25	
MCRAE AVIATION	10/17/00	Austin/St. Louis/Austin	George P. Bush Trip	3.80			\$1,700.00		\$70.00	\$489.76	\$6,530.00	\$489.76	\$1,421.00	\$1,421.00	\$5,598.75	
MCRAE AVIATION	10/17/00	Austin/St. Louis/Austin	George P. Bush Trip - Revised										\$1,421.00	\$1,421.00	\$1,421.00	
MCRAE AVIATION TOTAL											\$18,434.00	\$4,666.00	\$4,666.00	\$4,666.00	\$14,168.00	
PORTMANS EQUIPMENT CO	09/10/00	Cincinnati/Washington	Deadhead for Charter	1.00			\$1,400.00			\$105.00	\$1,400.00	\$105.00	\$1,505.00	\$1,505.00	\$1,505.00	
PORTMANS EQUIPMENT CO	09/10/00	Washington DC/Cincinnati	Cong. Rob Portman Trip	1.00			\$1,400.00			\$105.00	\$1,400.00	\$105.00	\$565.50	\$565.50	\$938.50	
PORTMANS EQUIPMENT CO Total											\$3,010.00	\$368.50	\$368.50	\$368.50	\$2,444.50	
SWIFT TRANSPORTATION, INC.	10/22/00	Phoenix/Austin	Women's Bus Tour - Mrs. McCain	5.00	0.00	0.00	\$2,400.00		\$400.00	\$100.00	\$12,500.00	\$937.50	\$13,437.50	\$1,467.00	\$11,990.50	
Totals											\$123,227.15	\$27,718.00	\$27,718.00	\$27,718.00	\$27,718.00	\$96,509.15